

# Airport Advisory Committee

## AGENDA



Tuesday, July 28, 2020

10:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
<b>1. Call to Order, Welcome and Introductions</b>	
<b>2. Confirmation of Minutes - Mayor Basran</b>	2 - 6
Approve Minutes of the Meeting of October 29, 2019.	
<b>3. Reports</b>	
<b>3.1 Operations Update</b>	7 - 49
<b>3.2 Soaring Beyond 2.5 Million Passengers AIF Program Update</b>	
<b>3.3 Financial Update</b>	
<b>4. Recommendations</b>	
There are no current recommendations	
<b>5. Questions and Wrap Up</b>	
<b>6. Termination of Meeting</b>	



## Airport Advisory Committee

### Minutes

Date: Tuesday, October 29, 2019  
Time: 9:00 am  
Location: Airport Administration Boardroom  
Kelowna International Airport  
1-5533 Airport Way  
Kelowna, BC

Members Present

- Chair, Mayor Colin Basran, City of Kelowna
- Chair Gail Given, Regional District of Central Okanagan
- Councillor Brad Sieben, City of Kelowna
- Mayor Cindy Fortin, District of Peachland
- Mayor James Baker, District of Lake Country
- Mayor Alan Harrison, City of Salmon Arm
- Mayor John Vassilaki, City of Penticton
- Councillor Akbal Mund, City of Vernon
- Andrew Kemp, City of Penticton
- Craig Garries, Greater Westside Board of Trade
- Nikki Csek, Kelowna Chamber of Commerce
- Deborah Buszard, UBCO
- Darrin Taylor, Greater Vernon Chamber of Commerce
- Corie Griffiths\*, Economic Development Commission
- Grant Steven, KF Aerospace, Aviation Industry Representative
- Craig Garries, Greater Westside Board of Trade
- David Hull, Summerland Chamber of Commerce

Members Absent

- Councillor Doug Findlater, City of West Kelowna
- Councillor Fernanda Alexander, Westbank First Nation
- Andre Blanleil, Kelowna City at Large
- Thom Killingsworth, Tourism Kelowna

Staff Present

- City Manager, Doug Gilchrist
- Airport Director, Sam Samaddar
- Senior Airport Operations Manager, Phillip Elchitz
- Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal
- Acting Senior Airport Development Manager, Vicki Brown
- Clint McKenzie, Legislative Coordinator (Confidential)

(\* denotes partial attendance)

**1. Call to Order, Welcome and Introductions - Mayor Basran**

The Chair called the meeting to order at 9:06 a.m.

The Chair welcomed new and returning committee members, called for introductions and let the Committee know that Councillor Fernanda Alexander sends her regrets.

**2. Confirmation of Minutes - Mayor Basran**

Moved By Councillor Akbal Mund /Seconded By Craig Garries

THAT the Minutes of the April 25, 2019 Airport Advisory Committee meeting be adopted.

Carried

**3. Reports**

**3.1 Operations Update**

Senior Airport Operations Manager:

- Displayed a PowerPoint presentation providing an update on the operations of the airport.
- YLW is currently the 10th busiest airport in Canada and was over 2 million passengers in 2018.
- Passenger counts YTD to September show a reduction of 1.3% compared to YTD 2018. Seeing a slowing trend right across Canada, especially with Tier 2 airports. Starting to see reduction in passenger counts spread into larger Tier 1 airports as well.
- Reviewed decline in growth of passenger traffic. The industry has diversified with outbound traffic and tourism has grown with inbound traffic.
- Domestic and Transborder demand slowing in 2019. Domestic demand across Canada has reduced by 2% and our region by 1%.
- Transborder capacity slowing largely due to the Alaska direct non-stop flight to Seattle.
- Responded to questions from the Committee.
- The 2045 Master Plan forecast highlights that YLW will land in the high growth scenario in 2019.
- YLW is ahead of rest of Canada with indexed seat capacity growth with some slowing of growth. The decrease is largely due to the grounding of the 737 Max aircraft.
- Seat growth in 2019 has come from Air Canada, particularly their Edmonton service, and Swoop.
- Commented on the continuing impact the grounding of the 737 Max is having on the market.
- The grounding of the 737 Max is starting to impact inbound tourists, as direct flights are being rerouted. Carriers are trying to make up flights with smaller planes from smaller markets.
- Growth in new markets with SunWing also did not materialize due to the 737 Max delay in returning to service.
- Responded to questions from the Committee.
- YLW doing very well to service domestic non-stop markets.
- Transborder market demand – significant gaps in the service.
- Updated the committee on Delta and WestJet joint venture and the positive impact it would have on Kelowna market if they agree to share assets.

Airport Director:

- Provided an update on the purchase of WestJet by Onex and Air Canada's purchase of Air Transat.
- Provided an update on the Airbus 220/321 XLR and purchases of new aircraft by carriers.
- Provided an update on ultra-low cost carriers in the market. Two other ultra-low cost carriers, Jetlines and Enerjet are working towards launching carrier service.
- No real changes with U.S. carriers to expand into Canadian market at this time.

**3.2 Soaring Beyond 2.5 Million Passengers AIF Program Update**

Airport Development Staff:

- Presented a PowerPoint presentation giving an update on the AIF program.
- Reviewed the key projects being delivered in the AIF program.
- The current infrastructure for pre-board screening, departure and arrival areas is reaching operational capacity.

- Reviewed Phase 1 - 2020 plans to expand the departure holdroom and preboard screening to the south of the terminal. Phase north will reconfigure the north airside corridor. The projects will commence in 2020 with completion of construction by the end of 2023.
- Outlined the work to be completed to simplify the unloading and loading of aircraft.
- The terminal expansion will strive to focus on the local supply of material with large use of wood fiber.
- A geothermal exchange will be implemented that will allow energy operation to be 18% more efficient than what is required by national energy codes.
- Reviewed the international arrival upgrades that will enable passengers to go directly into the primary customs area. This will allow for the deferral of Phase 4 costs by another 10 years.
- Reviewed the purchase of airside equipment which will be primarily snow removal equipment.
- Reviewed airside lighting and supporting infrastructure going from the current medium intensity runway and approach lighting moving to high –intensity lighting.
- Consultation will take place to review the opportunity to implement self-serve baggage drop at YLW.
- Responded to questions from the Committee.
- A 600 stall parking lot is being built to the south to capitalize on surface parking at this time.
- Benchmarked against current airport construction costs in Victoria, YLW is comparable.
- Bus service and parking; there will be a dedicated bus and coach area as per the landside master plan.

City Manager commented alternative options to parkades and transit are being reviewed given continued changes in the industry.

Airport Director commented on the Montreal parkade which is currently being built with the ability to be converted to office space in the future

Responded to questions from the Committee.

### 3.3 Financial Update

Senior Airport Finance and Corporate Service Manager:

- Presented a PowerPoint presentation providing a financial update.
- Outlined the airport's low-cost business model and recognized the AIF program is not a stand alone program. Further development will be needed into the future.
- Reviewed financial goals including an AIF not higher than \$25/passenger, a maximum debt level of \$40 million with debt less than \$20 million at end of 2019 and a positive reserve balance at end of 2019.
- Reviewed total anticipated AIF Capital expenditures. Showed payments outstanding with low, medium and high growth rates and the AIF reserve balances over time to 2029.
- Reviewed the proposed increase to a \$25 AIF in comparison to other airports. The highest Canadian AIF is \$40 (Fort McMurray) and the lowest is \$0 (Abbotsford, Whitehorse). YLW will be comparable to other similar sized airports while not moving away from a low-cost business model.
- Comparable AIF fees to YVR and additional transportation and time costs will make it a less desirable option to drive and fly from Vancouver.

Airport Director commented that the \$25 increase to the AIF at YVR resulted in passengers commenting positively citing all the improvements to the airport they have experienced. All capital projects at YLW are carefully phased so they can be delayed if need be due to a downturn in the economy.

Senior Airport Finance and Corporate Service Manager:

- Reviewed how \$25 AIF was determined in order to maintain a low-cost business model.
  - Provided background on the AIF and support from the airlines to implement the right infrastructure.
- Presented the Airline Consultative Committee Ballot – airlines representing 95.6% of YLW's 2018 enplaned passengers concurred with moving forward with the projects. Airlines representing 4.4% of YLW's 2018 enplaned passengers did not provide a response to the ballot.

Airport Director:

- Commented that air carrier input on the AIF increase and infrastructure improvements as well as ongoing operating costs continue to be requested and factored into the AIF program.
- Responded to questions from the Committee.

- Commented on government funding being considered. An application is in for the terminal expansion. Any successful funding is not currently reflected in the financials.

City Manager commented that seeking senior level government support of infrastructure improvements is a consistent City practice.

The meeting adjourned at 10:33 a.m.

The meeting reconvened at 10:46 a.m.

Senior Airport Finance and Corporate Service Manager:

- Presented the YTD financial statement of operations.
  - The statement of operations shows an increase in revenue of 25% being largely driven by \$1.4M in AIF and \$1.2M in parking revenues.
  - Largest decrease in expenditures was with the interest on debt.
  - Responded to questions from the Committee.
  - A credit has been received on electricity which accounts for the 38% decrease reflected.
  - Spoke to other variances in expenditures. Conscious effort to reduce costs wherever possible. It is anticipated that net income will be very close to what was budgeted for 2019.
  - Reviewed debt repayment schedule. Interest rates for municipal loans vary but are consistently lower than market rates.
  - Reviewed fees and charges and highlighted the recommendation to implement a 2% increase to landing and terminal fees effective Jan 1, 2020, and a \$5 increase to the AIF effective March 1, 2020.
  - Confirmed the landing and terminal fees had been increased 1.5% per year over the last 3 years. Fee increases were communicated to the carriers in September with no concerns voiced.
- Discussion ensued regarding proposed AIF and fee increases.

Airport Director:

-Summarized how the proposed improvements will impact passengers directly, including faster processing through preboard screening. The departure area will improve, with passengers no longer regularly getting on the wrong aircraft, additional amenities and, washrooms and improvements to the arrivals area. The build-up of passengers in arrivals will be reduced as the separation of international from domestic passengers will improve processing times. The walking distance for passengers to get their baggage and to the parking lot will be significantly reduced. The inoperability of domestic and international flights will be rectified as passengers won't need to be held to avoid mixing international and domestic flights. Preboard screening will no longer be a pinch point as more capacity will be able to keep up with the demand. The opportunity to provide self boarding with facial recognition will also reduce passenger check-in time.

Discussion ensued regarding the Chambers of Commerce throughout the Okanagan Valley coordinating and expressing their support for the airport improvements and AIF increase.

#### **4. Recommendations**

Moved By Councillor Akbal Mund/Seconded By Mayor James Baker

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 29, 2019.

Carried

Moved By Councillor Akbal Mund/Seconded By Mayor James Baker

THAT the Airport Advisory Committee supports obtaining the approval of Council for a capital budget request in the amount of \$69,910,000 for the Soaring Beyond 2.5M Passengers AIF Program in the 2020 Financial Plan.

Carried

Moved By Councillor Akbal Mund/Seconded By Mayor James Baker

THAT the Airport Advisory Committee supports obtaining the approval of Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Landing and Terminal Fees by 2%, effective January 1, 2020, as presented to the Airport Advisory Committee on October 29, 2019.

Carried

Moved By Councillor Akbal Mund/Seconded By Mayor James Baker

THAT the Airport Advisory Committee supports obtaining the approval of 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, 2020, as presented to the Airport Advisory Committee on October 29, 2019.

Carried

**5. Questions & Wrap Up**

There were no questions.

**6. Termination of Meeting**

The Chair declared the meeting terminated at 11:15 a.m.

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Chair



**YLW**

Kelowna International Airport

# Airport Advisory Committee Meeting

July 28, 2020

# Agenda

- ▶ Call to Order, Welcome and Introductions
- ▶ Approval of Minutes
- ▶ Operational Update
- ▶ Soaring Beyond 2.5 Million Passengers AIF Program Update
- ▶ Financial Update
- ▶ Recommendations
- ▶ Questions



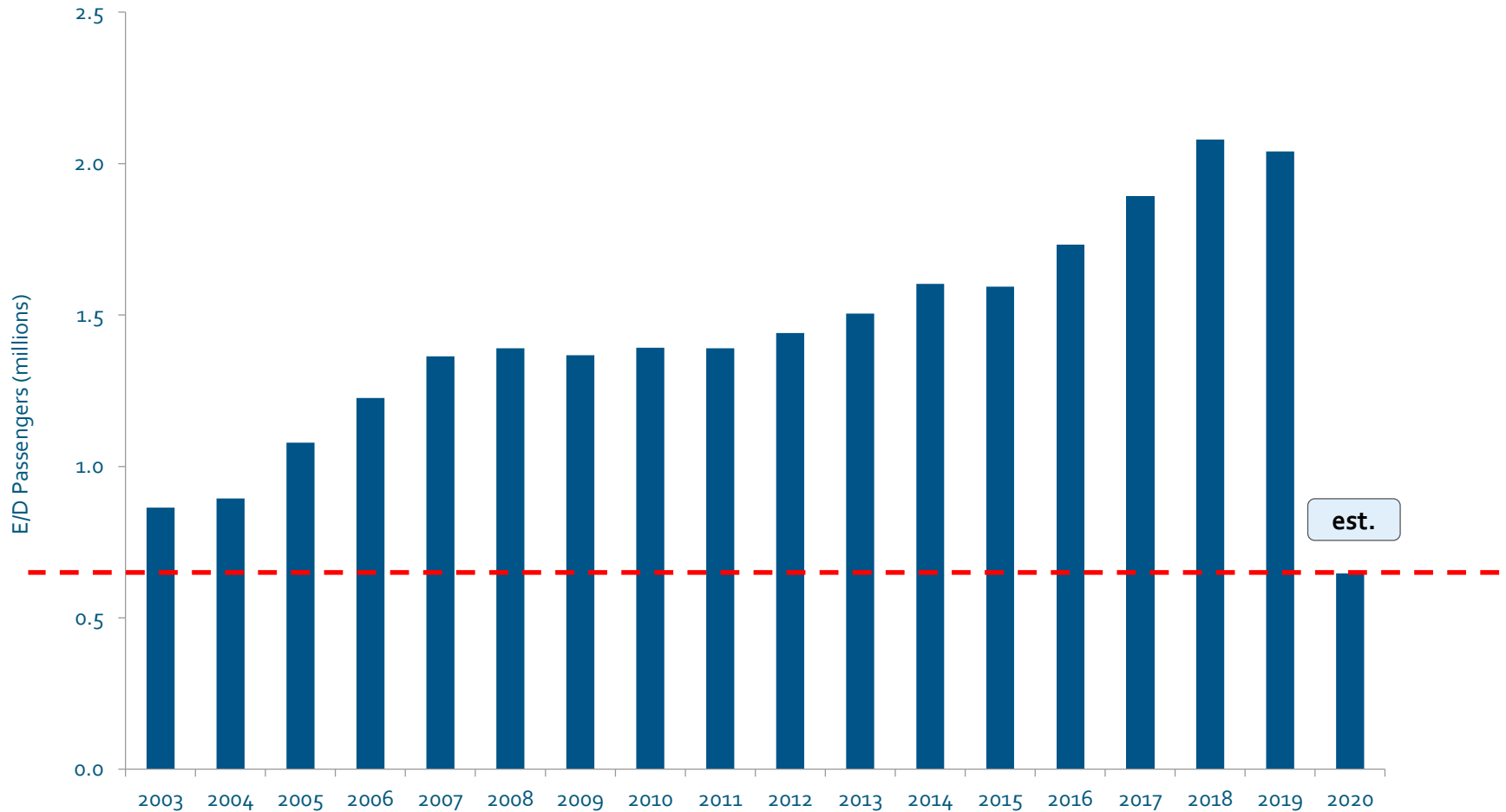


# Operational Update

## 2020 Passenger Statistics

	Monthly	% Monthly	YTD	% YTD
<b>January</b>	174,824	-3.8%	174,824	-3.8%
<b>February</b>	173,517	-3.1%	348,341	-3.4%
<b>March</b>	104,948	-45%	453,289	-18%
<b>April</b>	5,706	-96%	458,995	-35%
<b>May</b>	6,805	-95%	465,800	-46%
<b>June</b>	15,335	-90%	481,135	-53%
<b>Dec (est)</b>			<b>647,262</b>	<b>-68%</b>

# Passenger traffic 2003-2020





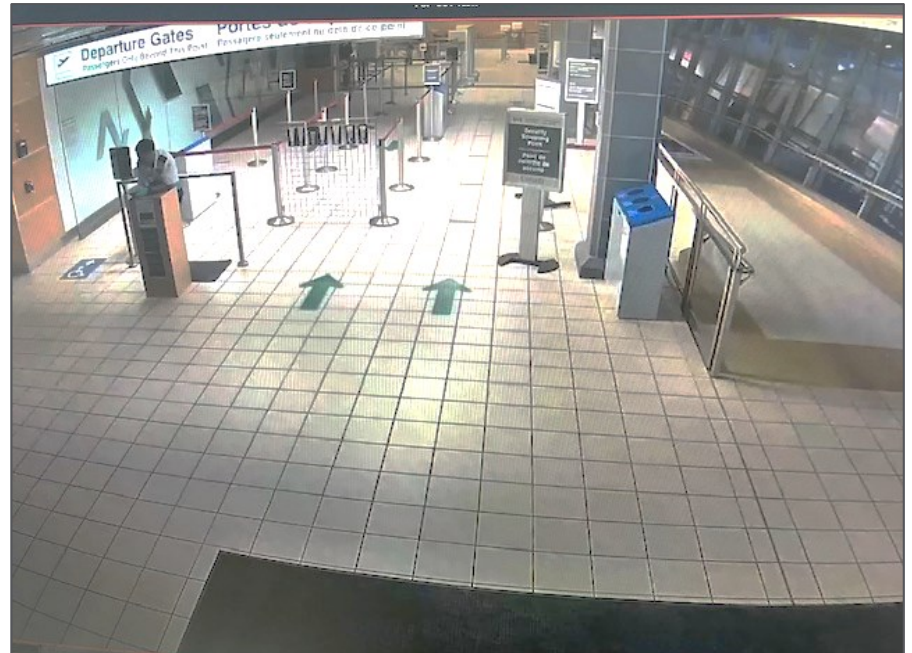
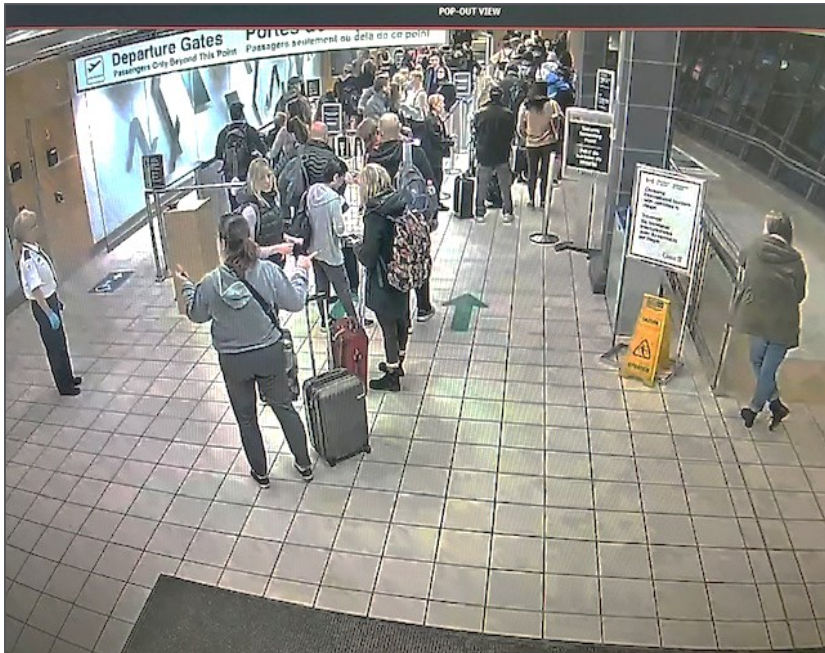




# Main Apron



# Pre-Board Screening





# Long Term Parking Lot



# Airport Consolidation

## ▶ Terminal Building

- ▶ Moved from a 24-hour operation to limited hours - 05:00 to 19:00 in April
  - ▶ Hours now expanded 04:00 – 22:00 effective July 9<sup>th</sup>
- ▶ Hold baggage system was shut down in April – all baggage was diverted to the oversized baggage system
  - ▶ Partially reopened in July
- ▶ Customs facility remains closed due to no international flights
- ▶ 2 washroom blocks taken out of service and remain closed
- ▶ Food and Beverage – limited hours for those in operation
  - ▶ Hours have been extended in July 2020

# Airport Consolidation

## ▶ Airside

- ▶ 7 of the 10 aircraft operation stands (parking positions) have been removed from service
- ▶ 3 of the 5 passenger boarding bridges have been stowed and removed from service
- ▶ Turbo prop aircraft are being ground loaded
- ▶ Runway and Taxiway lighting procedures have changed to save energy costs

# Airport Consolidation

- ▶ Groundside
  - ▶ Long-term parking lot was closed, and all passengers were parking in the short-term parking lot
    - ▶ Long-term parking lot was reopened in June 2020
  - ▶ Valet storage lot and valet booth remain closed

# Agency Status

- ▶ Security Screening, Customs and Air Traffic Control
  - ▶ Operating at reduced hours and capacity
- ▶ Ambassador, Junior Ambassador and Ambassadorog programs
  - ▶ Suspended

# Staffing Levels

- ▶ 49.5 full-time equivalent (approved 2020 Budget)
- ▶ 32.5 full-time equivalent working (34% reduction)
  - ▶ 13 of the 32.5 are participating in the Work Sharing Program

# COVID-19 Protocol

**YLW**  
Kotowana International Airport

**Masks are required  
in this area**

Exceptions: Children under 2, with medical conditions that  
prevent mask usage

**Masques obligatoires dans  
cette zone**

Exceptions: Enfants de moins de 2 ans, personnes dont l'état de  
santé est incompatible avec le port du masque

# Future Operational Challenges

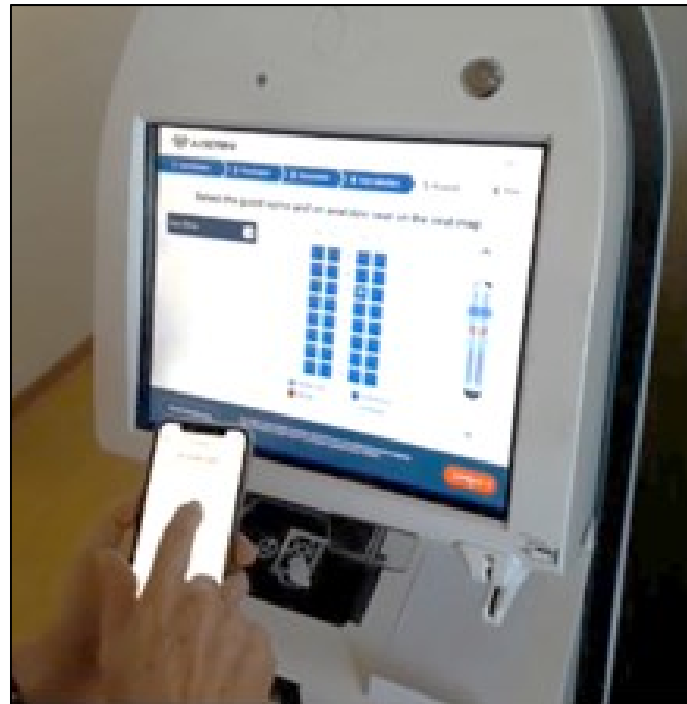
- ▶ Queue Control
- ▶ Temperature checks – September 2020





# Future Operational Opportunities

- ▶ Contact Tracing
- ▶ Touchless Travel



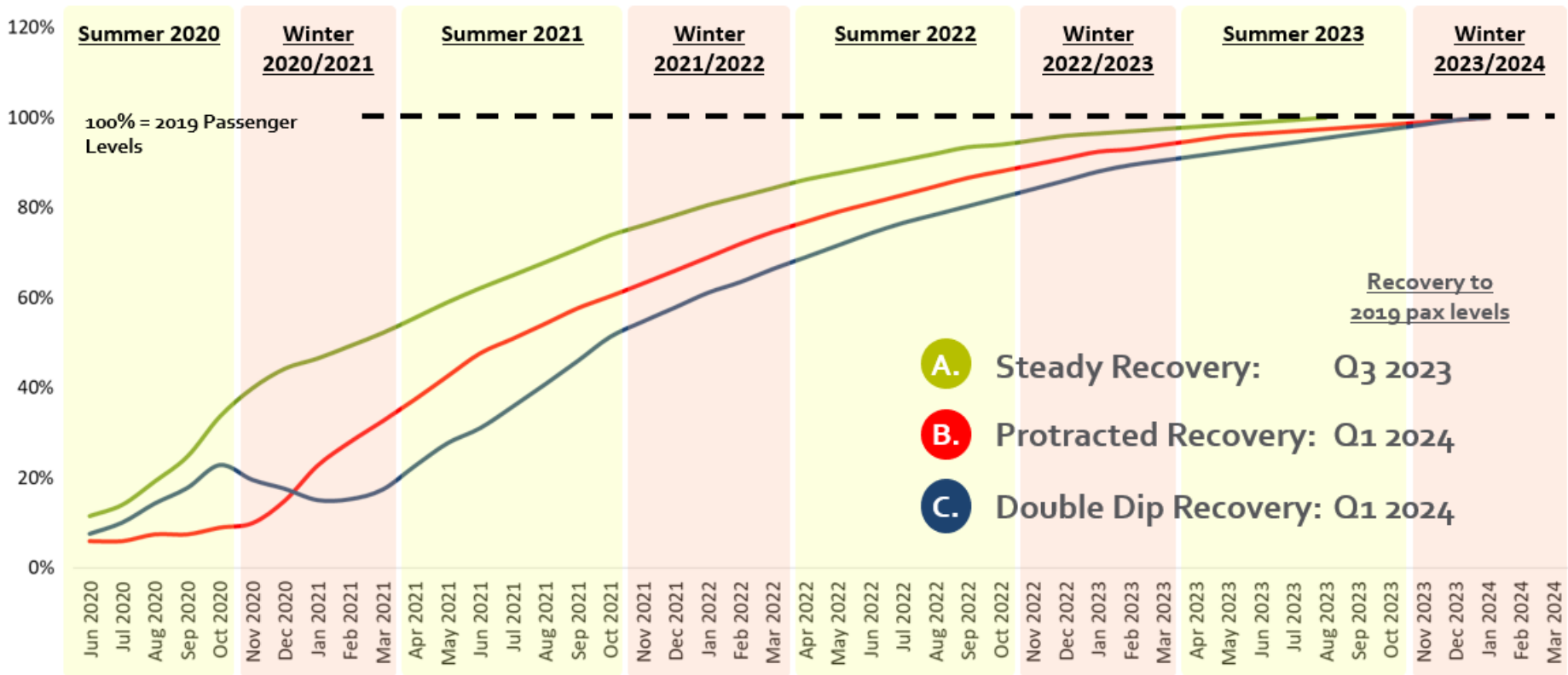


**YLW**

Kelowna International Airport

# Soaring Beyond 2.5 M Passengers AIF Program Update

# YLW Air Service Recovery Scenarios



Source: Kelowna Airport (2019 Passenger Levels) & InterVISTAS analysis

# 2019 Soaring Beyond Projects

- ▶ Delta Rehabilitation – Phase 1
  - ▶ Complete
- ▶ Design Development of ATB Expansion
  - ▶ Complete to 30% design
- ▶ Detailed Design for Runway End Safety Area
  - ▶ Complete

# 2020 Soaring Beyond Projects

- ▶ Delta Rehabilitation – Phase 2
  - ▶ Deferred
- ▶ Apron 1 South Expansion Design
  - ▶ Deferred
- ▶ Airside Lighting and Supporting Infrastructure
  - ▶ Deferred
- ▶ Self-serve Bag Drop Consultation
  - ▶ Deferred
- ▶ Airside Equipment Purchases
  - ▶ Deferred
- ▶ Design Development of ATB Expansion
  - ▶ Continuing to 60% design

# Soaring Beyond 2.5 Million Passenger AIF Program

## ▶ Planned prior to COVID-19

Project	Cost (Millions)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Terminal Expansion - Phase 1	60.8										
Terminal Expansion - North Bridge	6.5										
Apron Expansion	19.6										
Self-serve Baggage Drop	1.9										
Runway End Safety Area	8.6										
Combined Operations Building	12.0										
CUTE/CUSS	3.2										
Terminal Expansion - Phase 2	41.4										
Loading Bridges	2.4										
Airside Lighting and Supporting Infrastructure	0.2										
Airside Pavement Rehabilitation	50.5										
Airside Equipment	12.8										
<b>Total</b>	<b>219.9</b>										

### Legend



- ▶ Currently being assessed and anticipated to look significantly different, due to the impact of COVID-19

# Soaring Beyond 2.5 Million Passengers

- ▶ Financial Goals – remain the same
  - ▶ AIF equal to or below \$25.00/enplaned passenger
  - ▶ Maximum debt level of \$40,000,000
  - ▶ Debt level less than \$20,000,000 at the end of the Program
  - ▶ Positive reserve balance at the end of the Program



**YLW**

Kelowna International Airport



# Financial Update





# 2019 Financial Statements

## ▶ 2019 Statement of Financial Position

**As at December 31, 2019**

	<u>Actual 2019</u>	<u>Actual 2018</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 700	\$ 1,000
Accounts receivable	4,449,086	3,966,225
Portfolio investments	31,965,644	26,367,839
	<u>36,415,430</u>	<u>30,335,064</u>
<b>Liabilities</b>		
Accounts payable	3,335,024	3,123,269
Performance deposits	310,359	305,948
Deferred revenue	481,486	158,604
Mortgage payable (Note 3)	1,800,000	2,700,000
Debenture debt (Note 4)	16,153,133	18,177,948
	<u>22,080,002</u>	<u>24,465,769</u>
<b>Net Financial Assets</b>	<u>14,335,428</u>	<u>5,869,295</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	179,267	96,808
Inventory	276,395	365,186
Work in progress (Note 5)	7,047,261	2,929,193
Tangible capital assets (Note 6)	146,321,304	143,724,445
	<u>153,824,227</u>	<u>147,115,632</u>
<b>Accumulated Surplus (Note 7)</b>	<u>\$ 168,159,655</u>	<u>\$ 152,984,927</u>

# 2019 Financial Statements

## Statement of Operations and Accumulated Surplus For the Year Ended December 31, 2019

	Budget 2019	Actual 2019	Actual 2018
<b>Revenue</b>			
Sale of services (Note 11)	\$ 22,470,240	\$ 22,217,498	\$ 21,157,839
Interest earned	158,000	659,977	543,587
Government transfers (Note 2)	346,500	296,558	1,034,936
Actuarial increase	-	127,626	787,956
Gain on disposal of assets	-	7,129	-
	<u>22,974,740</u>	<u>23,308,788</u>	<u>23,524,318</u>
Airport Improvement Fee (Note 10)	18,104,000	16,608,888	14,017,034
	<u>41,078,740</u>	<u>39,917,676</u>	<u>37,541,352</u>
<b>Expenses (Note 12)</b>			
Administration	5,107,409	4,433,081	3,525,811
Interest	584,250	584,250	815,603
Terminal operations	5,421,360	6,267,120	6,444,759
Airport improvement fee	30,765	5,444,897	5,102,105
Airport policing	192,546	192,546	188,716
Groundside operations	2,539,990	3,436,804	2,978,243
Airside operations	3,620,592	4,188,451	3,993,770
Write down of tangible capital assets	-	195,799	63
	<u>17,496,912</u>	<u>24,742,948</u>	<u>23,049,070</u>
<b>Annual Surplus</b>	<u>\$ 23,581,828</u>	15,174,728	14,492,282
Accumulated Surplus, beginning of year		<u>152,984,927</u>	<u>138,492,645</u>
<b>Accumulated Surplus, end of year</b>		<u>\$ 168,159,655</u>	<u>\$ 152,984,927</u>

# 2019 Financial Statements

## Statement of Cash Flows For the Year Ended December 31, 2019

	Actual 2019	Actual 2018
<b>Net inflow (outflow) of cash and cash equivalents related to the following activities:</b>		
<b>Operating</b>		
Annual surplus	\$ 15,174,728	\$ 14,492,282
Adjustment for non-cash items		
Amortization of tangible capital assets	7,850,313	7,209,942
Actuarial adjustment on debenture debt	(127,626)	(627,956)
Write down of tangible capital assets	195,799	63
Decrease (increase) in assets		
Accounts receivable	(482,858)	434,617
Inventory and prepaid expenses	6,330	(184,420)
Increase (decrease) in liabilities		
Accounts payable	211,755	342,433
Performance deposits	4,411	22,527
Deferred revenue	322,882	(160,937)
	<u>23,155,734</u>	<u>21,528,551</u>
<b>Capital</b>		
Acquisition of tangible capital assets	(14,773,169)	(17,751,703)
Proceeds from disposal of tangible capital assets	12,131	-
	<u>(14,761,038)</u>	<u>(17,751,703)</u>
<b>Investing</b>		
Change in investments	<u>(5,597,805)</u>	<u>291,888</u>
<b>Financing</b>		
Repayment of mortgage payable	(900,000)	(900,000)
Repayment of debenture debt	(1,897,191)	(3,229,846)
	<u>(2,797,191)</u>	<u>(4,129,846)</u>
<b>Net increase in cash and cash equivalents</b>	<b>(300)</b>	<b>(61,110)</b>
Cash and cash equivalents, beginning of year	1,000	62,110
<b>Cash and cash equivalents, end of year</b>	<b>\$ 700</b>	<b>\$ 1,000</b>

# Financial Update – Q1 2020

## ► Statement of Operations

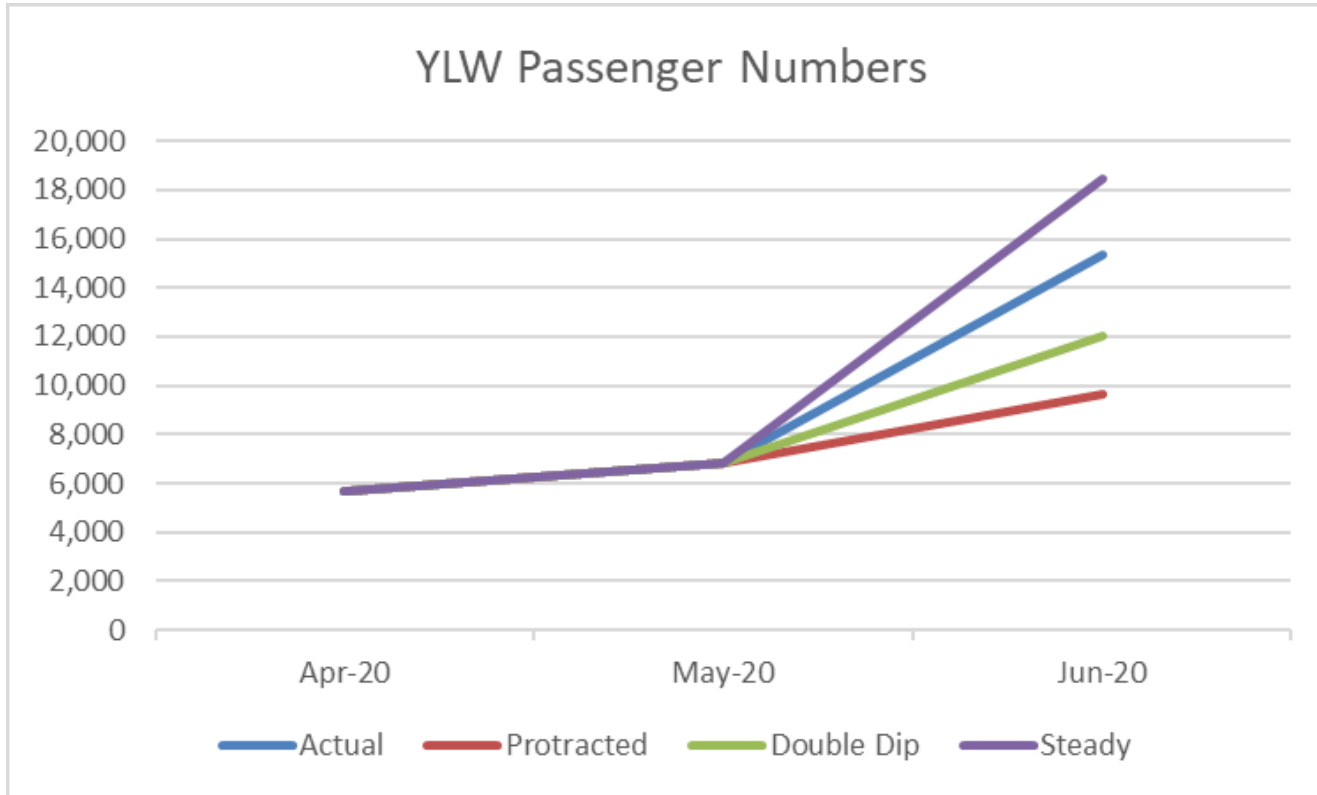
	3 Months Ending Mar. 31, 2020	3 Months Ending Mar. 31, 2019	Variance	% Variance
<b>Revenue</b>				
AIF	3,983,000	3,726,000	257,000	7%
Parking	1,808,000	2,724,000	- 916,000	-34%
Landing Fees	985,000	1,156,000	- 171,000	-15%
Terminal Fees	802,000	943,000	- 141,000	-15%
Car Rental	835,000	704,000	131,000	19%
Lease	193,000	506,000	- 313,000	-62%
Food and Beverage	195,000	232,000	- 37,000	-16%
Other	769,000	335,000	434,000	130%
	<b>9,570,000</b>	<b>10,326,000</b>	- 756,000	-7%
<b>Expenditures</b>				
Salaries and Wages	1,181,000	1,346,000	- 165,000	-12%
Building Maintenance and Technical Services	834,000	683,000	151,000	22%
Security	226,000	202,000	24,000	12%
Fuel	198,000	204,000	- 6,000	-3%
Electricity	170,000	29,000	199,000	-686%
Interest	135,000	292,000	- 157,000	-54%
Advertising, Marketing, Media and Publications	113,000	93,000	20,000	22%
Professional and Consulting Services	103,000	92,000	11,000	12%
Purchased Services	90,000	172,000	- 82,000	-48%
Other	530,000	426,000	104,000	24%
	<b>3,580,000</b>	<b>3,481,000</b>	99,000	3%
<b>Net Income</b>	<b>5,990,000</b>	<b>6,845,000</b>	- 855,000	-12%

# COVID-19 Financial Forecasting

## ▶ 3 Scenarios

Month	Steady	Double Dip	Protracted
	Total	Total	Total
<b>Total</b>	<b>772,445</b>	<b>650,551</b>	<b>572,998</b>
	1997/98	1996/97	Pre 1996
	-62%	-68%	-72%

# COVID-19 Financial Forecasting



# COVID-19 Financial Forecasting - Non-AIF

	2020 Budget	Steady	Double Dip	Protracted
Revenues	23,069,000	10,691,000	9,264,000	8,464,000
Interest Income	731,000	-	-	-
Operating Expenditures	(17,619,000)	(13,437,000)	(13,437,000)	(13,437,000)
Payment to COK	(1,526,000)	(454,000)	(454,000)	(454,000)
Capital Expenditures	(3,748,000)	(1,126,000)	(1,126,000)	(1,126,000)
Acquisition of Property	-	(737,000)	(737,000)	(737,000)
Debt Payments*	(900,000)	(900,000)	(900,000)	(900,000)
<b>Total</b>	<b>7,000</b>	<b>(5,963,000)</b>	<b>(7,390,000)</b>	<b>(8,190,000)</b>
Opening Reserve	25,200,000	21,450,000	21,450,000	21,450,000
<b>Ending Reserve</b>	<b>25,207,000</b>	<b>15,487,000</b>	<b>14,060,000</b>	<b>13,260,000</b>

# COVID-19 Financial Forecasting – Non-AIF Capital Plan

Project	2020 Budget	Budget Underrun	COVID-19 Deferral	2020 Forecasted Spend
<b><u>Airside</u></b>				
Airfield Cable Replacement	120,000	-	120,000	-
Inoperable Aircraft Mover	60,000	-	-	-
Ops Stand 5 Concrete Panels	320,000	-	-	-
<b><u>Groundside</u></b>				
Airport Way Safety Improvements	250,000	-	250,000	-
Parking Lot Equipment	529,000	-	529,000	-
Hazard Beacons and Towers	21,000	12,000	-	9,000
Long-term and Convair Way Parking Lot Upgrades	2,778,000	1,283,000	1,080,000	312,000
Airport Road Improvements	79,000	68,000	-	30,000
Tugway Gate Controls	21,000	21,000	-	-
Light Standard Replacements	100,000	-	100,000	-
NPSV Traffic Management	85,000	-	85,000	-
<b><u>Terminal</u></b>				
ATB Improvements	945,000	76,000	455,000	414,000
Roof Replacement Program	775,000	-	750,000	1,000
Paging System	6,000	2,000	-	8,000
Small Capital	150,000	-	-	150,000
Advertising Nodes	461,000	-	461,000	-
Chiller and Cooling Tower	416,000	365,000	-	52,000
Common Use Counter Expansion	250,000	-	250,000	-
Integrated Security Network	250,000	-	-	150,000
PBB PLC Upgrades	640,000	-	640,000	-
<b>TOTAL</b>	<b>8,256,000</b>	<b>1,823,000</b>	<b>4,720,000</b>	<b>1,126,000</b>



# COVID-19 Financial Forecasting - AIF

	2020 Budget	Steady	Double Dip	Protracted
Revenues*	23,810,000	7,790,000	6,368,000	5,488,000
Operating Expenditures	-	-	-	-
Capital Expenditures	(24,419,000)	(3,713,700)	(3,713,700)	(3,713,700)
Debt Payments**	(2,481,000)	(2,481,000)	(2,481,000)	(2,481,000)
<b>Total</b>	<b>(3,090,000)</b>	<b>1,595,300</b>	<b>173,300</b>	<b>(706,700)</b>
Opening Reserve	11,269,000	10,513,000	10,513,000	10,513,000
<b>Ending Reserve</b>	<b>8,179,000</b>	<b>12,108,300</b>	<b>10,686,300</b>	<b>9,806,300</b>

# Soaring Beyond AIF Capital Plan Status

Project	Balloted Cost	2020 Plan	2020 COVID Update
Airside Pavement Rehab – Taxiway Delta	\$7.7M	Continue with year 2 of 3.	Project paused. 2020 Spend - \$0.3M
Apron 1 South Expansion – Gates 10 and 11	\$520K	Consultation on design.	Project deferred. 2020 Spend - \$0
Airside Lighting and Supporting Infrastructure	\$240K	Consultation on impact and design.	Project deferred. 2020 Spend - \$0
Self-serve Bag Drop	\$50K	Consultation on pre-design.	Project deferred. 2020 Spend - \$0
ATB Expansion – Phase 1 and North	\$76.5M	Design and construction.	Design continuing. 2020 Spend reduced from \$19.2M to \$2.9M.
Airside Equipment	\$1.8M	Purchase.	Purchases deferred. 2020 Spend - \$0

# Financial Update

## ▶ Debt Repayment Schedule

	2020 (Remaining)	2021-2025 (Each Year)	2026	2027	Total
Principal	901,000	1,897,000	1,258,000	698,000	12,342,000
Interest	292,000	584,000	333,000	112,000	3,657,000
	<b>1,193,000</b>	<b>2,481,000</b>	<b>1,591,000</b>	<b>810,000</b>	<b>15,999,000</b>

### ▶ Repaid in 2020

- ▶ Principal: \$996,000
- ▶ Interest: \$292,000

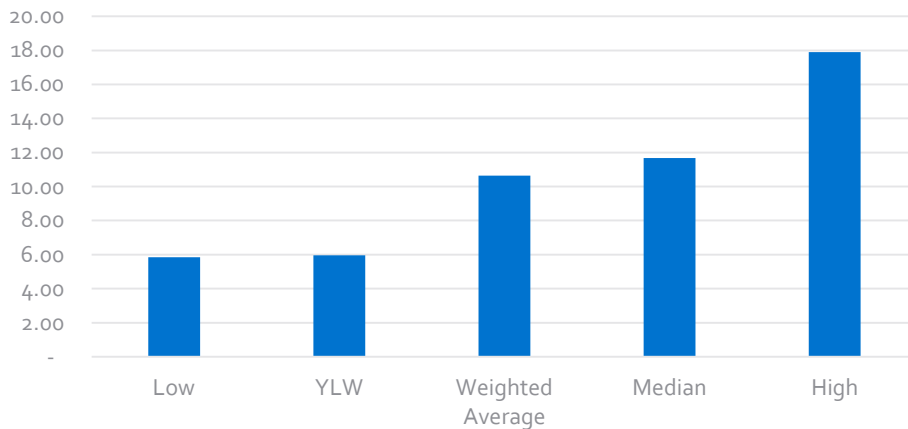
### ▶ Municipal Finance Authority Loans

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

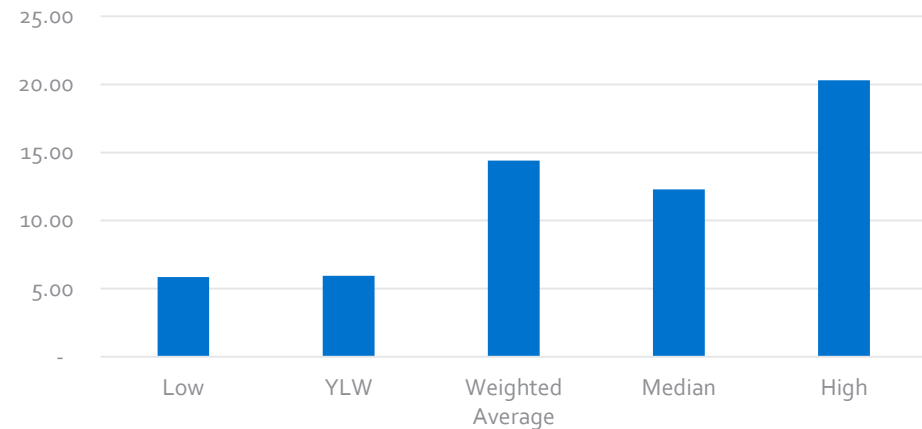
# Fees and Charges

- ▶ Aeronautical Revenues per Landed Air Carrier Seat
  - ▶ 2019 CAIS Stats

Aeronautical Revenues per Landed Air Carrier Seat (Tier 2)



Aeronautical Revenues per Landed Air Carrier Seat (Tier 1 & 2)

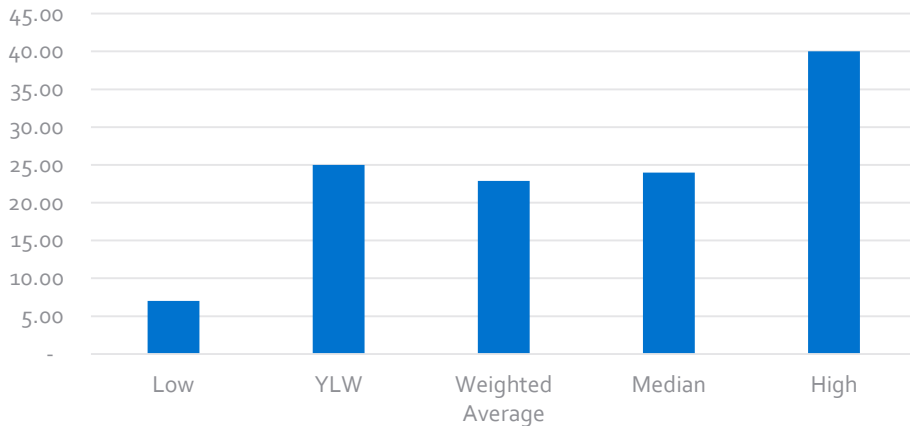


# Fees and Charges

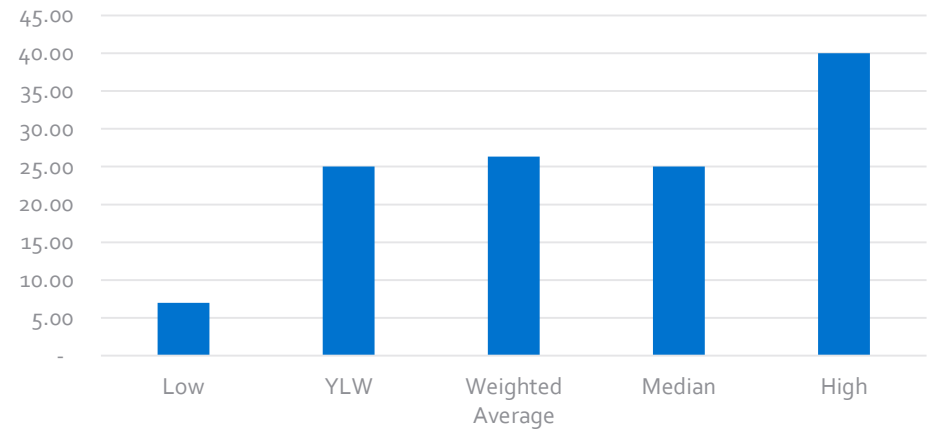
## ▶ Airport Improvement Fee

### ▶ April 2020 CAIS Stats

AIF  
(Tier 2)



AIF  
(Tier 1 & 2)



# Fees and Charges

- ▶ All fees and charges are being reviewed based on the impact of COVID-19
  - ▶ Any changes to aeronautical fees and/or the AIF will be determined during the Summer of 2020



# Recommendations

# Recommendations

- ▶ There are no current recommendations
- ▶ The Airport anticipates bringing forward recommendations for changes to fees and charges in the Fall of 2020





*Questions?*

For more information, visit [ylw.kelowna.ca](http://ylw.kelowna.ca).