



## Airport Advisory Committee

### Minutes

|                 |   |
|-----------------|---|
| Date:           | Tuesday, July 28, 2020  |
| Time:           | 10:00 am  |
| Location:       | Airport Administration Boardroom<br>Kelowna International Airport<br>1-5533 Airport Way<br>Kelowna, BC  |
| Members Present | Chair, Mayor Colin Basran, City of Kelowna<br>Chair Gail Given, Regional District of Central Okanagan<br>Councillor Brad Sieben, City of Kelowna<br>Mayor Cindy Fortin, District of Peachland<br>Mayor Alan Harrison*, City of Salmon Arm<br>Councillor Akbal Mund, City of Vernon<br>Councillor Doug Findlater*, City of West Kelowna<br>Andre Blanleil, Kelowna City at Large<br>Joseph Clohessy*, Tourism Kelowna<br>David Hull, Summerland Chamber of Commerce<br>Craig Garries, Greater Westside Board of Trade<br>Jeff Robinson*, Kelowna Chamber of Commerce<br>Grant Stevens, KF Aerospace, Aviation Industry Representative<br>Darrin Taylor, Greater Vernon Chamber of Commerce |
| Members Absent  | Mayor James Baker, District of Lake Country<br>Mayor John Vassilaki, City of Penticton<br>Lesley Cormack, UBCO<br>Corie Griffiths, Economic Development Commission  |
| Staff Present   | City Manager, Doug Gilchrist*<br>Airport Director, Sam Samaddar<br>Senior Airport Operations Manager, Philip Elchitz<br>Senior Airport Development Manager, Geoff Ritchie<br>Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal<br>Legislative Technician, Rebecca Van Huizen   |

(\* denotes partial attendance)

#### 1. Call to Order, Welcome and Introductions

The Chair called the meeting to order at 10:04 a.m.

The Chair welcomed new and returning committee members and asked everyone attending in person and remotely to provide a brief introduction.

## 2. Confirmation of Minutes - Mayor Basran

Moved by Councillor Akbal Mund/Seconded by David Hull

THAT the Minutes of the October 29, 2019 Airport Advisory Committee Meeting be adopted.

## 3. Reports

### 3.1 Operations Update

Senior Airport Operations Manager:

- Displayed a PowerPoint presentation providing an update on the operations of the airport.
- Provided passenger statistics both monthly and year to date for 2020.
- Noted that the lowest amount was in April 2020 and this saw a 96% reduction compared to April 2019 numbers.
- Noted that there has been a small increase since then.
- Seeing numbers similar to 1997.
- Noted that the number of daily departure flights from February to April went from 45 to 4. Then into July the departures have increased to approximately 15/16.
- A slow recovery over the long term.
- Displayed pictures of the apron and parking lots during COVID-19.
- Noted the parking lot typically holds 2000-2500 cars but is now only seeing about 300.
- Displayed photos of the preboard screening before COVID-19 and during.
- Displayed long-term parking lot photos before COVID-19, during and current.
- Terminal operating hours from being open 24 hours to limited hours of 5am-7pm in April.
- Hours have now expanded to 4am-10pm effective July 9<sup>th</sup>.
- This was done to help reduce labour costs.
- Customs facility has remained closed due to no international flights and will remain closed as long as the border is closed.
- Food and beverage within the Airport are still operating at reduced hours but have been slowly increasing opening in July.
- Noted there is more ground loading of propeller aircraft to save on labour costs, wear and tear.
- Ambassador programs (including Jr. Ambassadors and Ambassadorog) have been suspended due to COVID-19.
- The largest expense being staffing overall has been significantly reduced, currently operating at a 34% reduction.
- This includes some individuals working a reduced work week to help keep expenses down.
- Noted there has been a phased protocol approach for masks in the Kelowna Airport.
- 3 weeks ago Kelowna Airport made masks mandatory in public areas of facility.
- Transport Canada has made masks mandatory at screening points.
- Noted some operational challenges including queue control and temperature checks.
- Noted there is future opportunities in relation to contact tracing.

Airport Director:

- Mentioned that COVID-19 is unlike any other pandemic that the Airport has faced.
- Elaborated more on what contact tracing would entail for the YLW Airport.
- With contact tracing, Kelowna Airport can be more proactive and get details of positive tests out quicker to public.
- Increased automation as it relates to contact tracing could get the information out within 3 days to reduce spread.
- Meeting with a local company to see demonstration of what contact tracing would look like.

City Manager:

- Noted currently through the BCCDC there is no contact tracing yet.

Senior Airport Operations Manager:

- Noted it is the airline who contacts the CDC to let them know there was a person on a flight that tested positive.
- Kelowna Airport is being proactive and providing the public with information on any flights with people who have tested positive, through social media channels.
- Future opportunities include touchless travel.
- This would help keep infrastructure smaller, labour costs down.
- Responded to questions from the Committee.

Airport Director:

- Responded to questions from the Committee.

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

Senior Airport Development Manager:

- Displayed a PowerPoint presentation providing an AIF program update to the Committee.
- Provided updates on three different recovery models (Steady Recovery, Protracted Recovery and Double Dip Recovery).
- Kelowna Airport is currently trending slightly ahead of Double Dip model.
- Noted typical scheduling for the airline is 4 months out but now working on weekly basis for booking of flights to come in. Having to compete on daily basis with every other airport to obtain additional air service.
- Need regional businesses to help promote safe travelling which helps generate positive messaging for the Kelowna Airport.
- Need to maintain relationships with Chamber of Commerce, tourists and local businesses to help drive demand.
- Provided updates on 2019 Soaring Beyond Projects.
- This included Delta Rehabilitation – Phase 1 which is now complete.
- Includes design development of ATB Expansion. 30% design is complete and will continue to 60% design, as it would cost more to stop the project then to continue on.
- Included Detailed Design for Runway End Safety Area which is now complete as well.
- Went over 2020 Soaring Beyond Projects which were planned prior to COVID-19.
- Changes to the projects included the deferral of Delta Rehabilitation – Phase 2, Apron 1 South Expansion Design, Airside Lighting and Supporting Infrastructure, Self-serve Bag Drop Consultation, and Airside Equipment Purchases.
- Noted there is one project, the Design Development of ATB Expansion where it will continue until it is 60% designed as it would cost more to stop the project then to continue to that point.

-

- Kelowna Airport is being fiscally responsible on which projects can be completed.
- Financial goals remain the same.
- Responded to questions from the Committee.

Airport Director:

- Responded to questions from the Committee.

Senior Airport Finance & Corporate Services Manager:

- Responded to questions from the Committee.

### 3.3 Financial Update

Senior Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation providing a financial update of the Kelowna Airport to the Committee.
- Went over the Statement of Financial Position ending December 31, 2019.
- AIF Increase of \$15 to \$20 effective April 1, 2019 to February 29, 2020 has more than offset the 2% decrease in passengers.
- Building maintenance contract was up for renewal in 2019 – it increased slightly due to increases in infrastructure.
- Brought in more than 23 million in operating cash and brought in more cash that was spent which meant an increase in Portfolio investments.
- Overall, 2019 was a strong year.
- Went over the Q1 2020 Statement of Operations numbers.
- Impact of COVID-19 had just started to hit mid-March.
- Largest decrease has been seen in parking revenues.
- There has been no decrease in AIF revenues, due to the increase that became effective March 1, 2020.
- Noted that the Airport was overcharged for electricity in 2018.
- COVID-19 financial forecasting has been completed and reviewed on monthly basis.
- Basing the financial forecasting on the three different recovery models noted by Senior Airport Development Manager earlier in the meeting (Steady Recovery, Protracted Recovery and Double Dip Recovery).
- For financial decision-making situations, have been referring to the Double Dipping scenario.
- Went over proposed Kelowna Airport passenger numbers based on the three recovery models.
- In June, Kelowna Airport passenger numbers were running a bit ahead of the Double Dipping scenario.
- Went over financial forecasting for AIF funds.
- Went over financial forecasting for Non-AIF Capital funding projects - what was budgeted, what has been deferred.
- Noted initially in the 2020 Budget, capital projects were allotted 8.3 million, which has now been cut down to 1.1 million.
- As noted previously by the Senior Airport Development Manager, some projects would cost more to cancel than to complete.
- Noted out of the 6 Soaring Beyond AIF Capital Plan projects, all but 2 have been deferred.
- 2 currently going forward are the Airside Pavement Rehab – Taxiway Delta, where the plan is to spend \$300,000 to mitigate potential safety risks. Second one being ATB Expansion – Phase 1 and North, where the plan is to continue on with the design for 2.9 million.
- Noted that currently the Kelowna Airport has 4 loans taken out through the Municipal Finance Authority which were taken out between 2015 – 2017, all on 10-year terms.

- Airport will be paying approximately 16 million between principal and interest on these loans between now and 2027.
- Went over the 2019 Aeronautical Revenues per Landed Air Carrier Seat and Kelowna Airport is one of the lowest.
- Going forward Kelowna Airport will want to maintain low aeronautical fees, in order to stimulate air service development.
- Went over April 2020 Airport Improvement Fees, where Kelowna Airport is trending slightly above the weighted average.
- Kelowna Airport is reviewing all fees and charges based on the impact of COVID-19 and will determine if any changes need to happen in the summer. Any proposed changes would be presented in the Fall.
- Responded to questions from the Committee.

Airport Director:

- Responded to questions from the Committee.

#### **4. Recommendations**

There were no recommendations that required Committee approval.

#### **5. Questions and Wrap Up**

Airport Director:

- Provided background on the Kelowna Airport not being able to apply for the Canada Emergency Wage Subsidy (CEWS) Program.
- Since the beginning of COVID-19, Kelowna Airport had advocated for municipal airports to be eligible for the CEWS, but municipal airports remain ineligible for the CEWS Program.
- Noted that some 200 airports within British Columbia are excluded from applying for this program.
- Noted the Federal Government wants airports to go to the Province to collect subsidy money.
- Brought forward to the Committee a request to send a second advocacy letter signed by mayors of municipalities/regional districts within the Okanagan to open up the program and include airports for the Canada Emergency Wage Subsidy (CEWS) Program.
- Responded to questions from the Committee.

#### **6. Termination of Meeting**

The Chair declared the meeting terminated at 11:46 a.m.

---

Chair

/rvh