

Airport Advisory Committee

AGENDA



Thursday, October 28, 2021

10:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

Pages

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

2. **Confirmation of Minutes**

2 - 5

Approve Minutes of the Meeting of April 29, 2021

3. **Operational Update**

6 - 76

4. **Development Update**

5. **Financial Update**

6. **Recommendations**

7. **Questions**



Airport Advisory Committee Minutes

Date:	Thursday, April 29, 2021
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
Members Participating Remotely	Councillor Brad Sieben, City of Kelowna Mayor James Baker, District of Lake Country Mayor Cindy Fortin, District of Peachland Mayor Alan Harrison, City of Salmon Arm Councillor Doug Flndlater, City of West Kelowna Andre Blanleil, Kelowna City at Large Joseph Clohessy, Tourism Kelowna David Hull, Summerland Chamber of Commerce Craig Garries*, Greater Westside Board of Trade Jeff Robinson, Kelowna Chamber of Commerce Grant Stevens, KF Aerospace, Aviation Industry Representative Darrin Taylor, Greater Vernon Chamber of Commerce Lesley Cormack, UBCO Corie Griffiths, Economic Development Commission
Members Absent	Mayor John Vassilaki, City of Penticton Councillor Akbal Mund, City of Vernon Councillor Fernanda Alexander, Westbank First Nation
Staff Present	Airport Director, Sam Samaddar, City of Kelowna
Staff Participating Remotely	City Manager, Doug Gilchrist Senior Airport Operations Manager, Phillip Elchitz Airport Finance & Corporate Services Manager, Shayne Dyrdal Legislative Coordinator (Confidential), Clint McKenzie

(* denotes partial attendance)

1. Call to Order

The Mayor/Chair called the meeting to order at 9:03 a.m. and asked for roundtable introductions

2. Confirmation of Minutes

Moved By Councillor Sieben/Seconded By Darin Taylor

THAT the Minutes of the October 29, 2020 Airport Advisory Committee meeting be adopted.

Carried

3. Reports

Operational Update - Phillip Elchitz - Senior Manager of Operations, YLW

- Went over 2021 passenger statistics.
- Noted a 60% reduction from 2020.
- Showed comparison of pre-COVID indicating 64% reduction in 2020 and a further reduction of 39% in 2021 forecasted.
- YLW showing the 6th busiest in Canada and at number 3 in Tier 2 airports.
- Reviewed ongoing staffing reductions with staffing levels based on "meaningful work".
- Reviewed ongoing operational reductions with valet and several parking lots remaining closed.
- Security screening continuing to operate at reduced hours and capacity.
- Ambassador, Junior Ambassador and Ambassador programs remain suspended.
- Reviewed terminal building operations including food and beverage services, health protocols and the temporary reduction of prime contractor services.
- Reviewed mandatory temperature screening
- Reviewed the rapid testing programs including the availability for workcamp charters and soon to be the travelling public and eventually roll it out to a voluntary campus-wide offer to employees.
- Reviewed ACI/NA Health Accreditation - Airport Council International/North America - YLW is very close to receiving the accreditation and it will allow the airport to be in a better place during the continued recovery from COVID.
- Reviewed opportunities for "touchless" travel coming forward
- Reviewed the airport's involvement with the Official Community Plan engagement and the embedding of the Obstacle Limitation Surface and noise buffer areas into the plan for guidelines on future developments in these areas.

Responded to questions from the Committee.

Confirmed that YLW has and continues to have extensive consultations with UBCO on impact to university lands.

Mayor Basran confirmed that UBCO has been heavily engaged in the process.

The Airport Director reviewed incoming passport requirements for international travel.

Development Update - Airport Development Manager - Geoff Ritchie

- Provided a project development update highlighting
- the ATB expansion
- airside pavement rehabilitation
- Reviewed projects deferred due to COVID-19.

- Reviewed the financial goals remaining the same
- AIF to be equal to or below \$25.00/enplaned passenger
- Maximum debt level to be \$40 million.
- Debt level less than \$20 million at the end of the program.
- Provided an update on commercial development at the airport.
- The airport as a destination hub is taking shape.

Responded to questions from the Committee.

- Aircraft maintenance hub responded to and a regional economic - cargo distribution and jobs associated with that.
- Provided an update to air service development.
- Canada lags in traffic recovery with most other geographies.
- Provided various scenarios that YLW traffic will recover under.
- Currently have 14 non-stop domestic destinations with multiple airlines representing four more provided than pre-COVID.
- Reviewed 2019 summer air services versus 2021 and the increase in domestic destinations including Ottawa and Montreal.
- Reviewed connectivity with other airports within 4 hours or less.
- Reviewed domestic, transborder and international seat capacity through Kelowna Airport.

Responded to questions from the Committee.

Discussion ensued regarding uptake in future air travel as vaccinations increase.

Reviewed car rental facilities being positioned for recovery.

The meeting recessed at 10:45 a.m.

The meeting reconvened at 10:55 a.m.

Financial Update - Senior Airport Finance & Corporate Services Manager

- Displayed a PowerPoint presentation providing a financial update for the Committee.
- YLW had an annual deficit of \$1.4 million in 2020 compared to an annual surplus of \$15.1 million in 2019.
- Reviewed the 3 passenger scenarios for 2021 for financial forecasting with the lagging scenario being used for decision making purposes. Overall a forecast of 39% decrease in passengers compared to 2020.
- Reserves for the steady, lagging and protracted passenger forecasts were reviewed.
- Reviewed forecasted capital expenditures for the remainder of 2021.
- Reviewed the debt repayment schedule.
- Reviewed the aeronautical revenues per landed air carrier seat percentages.
- Reviewed the Airport Improvement Fees and maintaining the rates while many other airports have significantly increased their fees while Kelowna Airport remains at the lower cost of these fees.

-Responded to questions from the committee.

- Spoke to Victoria and their cost structure being monitored as a comparable airport as they are at \$15.00 versus Kelowna \$25

Moved By Amber Hall/Seconded By Mayor Vassilaki

THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on April 29, 2021.

Carried

4. Questions & Wrap Up

Mayor Basran spoke to the extensive work of airport staff and the efforts to be ready once air travel resumes. Kelowna will continue to be hotspot for travel with the community looking forward to when that day finally comes.

5. Termination of Meeting

The Airport Director advised the committee that staff are available to all communities to provide an update upon request and provided kudos to the Vernon Chamber of Commerce for their support.

The Mayor/Chair declared the meeting terminated at 11:16 a.m.

Chair



YLW

Kelowna International Airport

Airport Advisory Committee Meeting

October 28, 2021

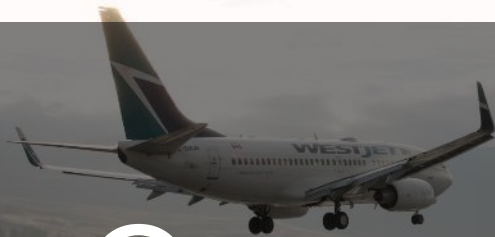
Agenda

- ▶ Call to Order, Welcome and Introductions
- ▶ Approval of Minutes
- ▶ Operational Update
- ▶ Development Update
- ▶ Financial Update
- ▶ Recommendations
- ▶ Questions



YLW

Kelowna International Airport

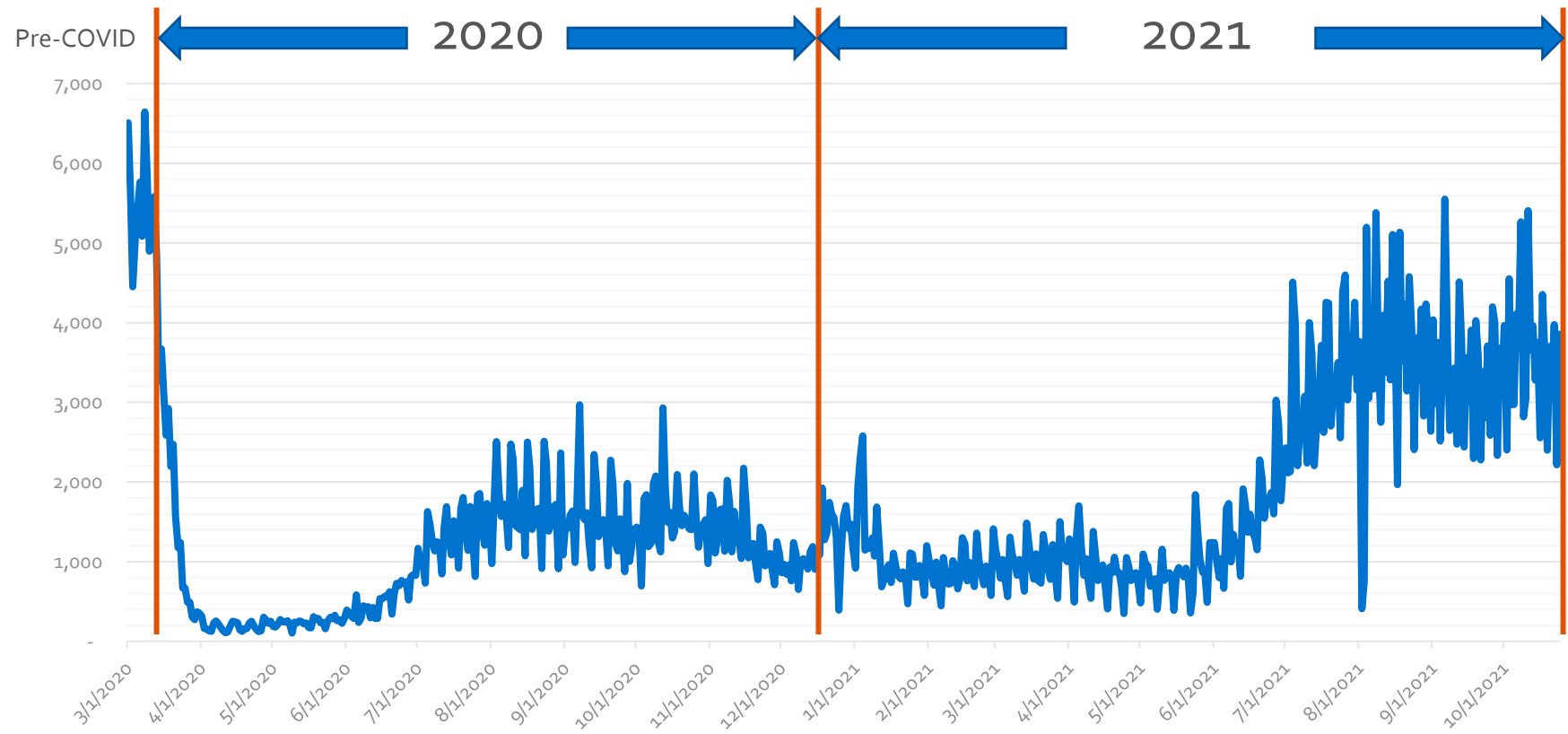


Operational Update

2021 Monthly Passengers

	Monthly	% Monthly	YTD	% YTD
January	31,417	-82%	31,417	-82%
February	26,892	-84%	58,309	-83%
March	30,339	-71%	88,648	-80%
April	26,146	358%	114,794	-75%
May	24,633	264%	139,427	-70%
June	48,035	213%	187,462	-61%
July	97,335	134%	284,797	-46%
August	101,653	101%	386,450	-32%
September	98,685	124%	485,135	-21%
Total (est)			840,626	12%

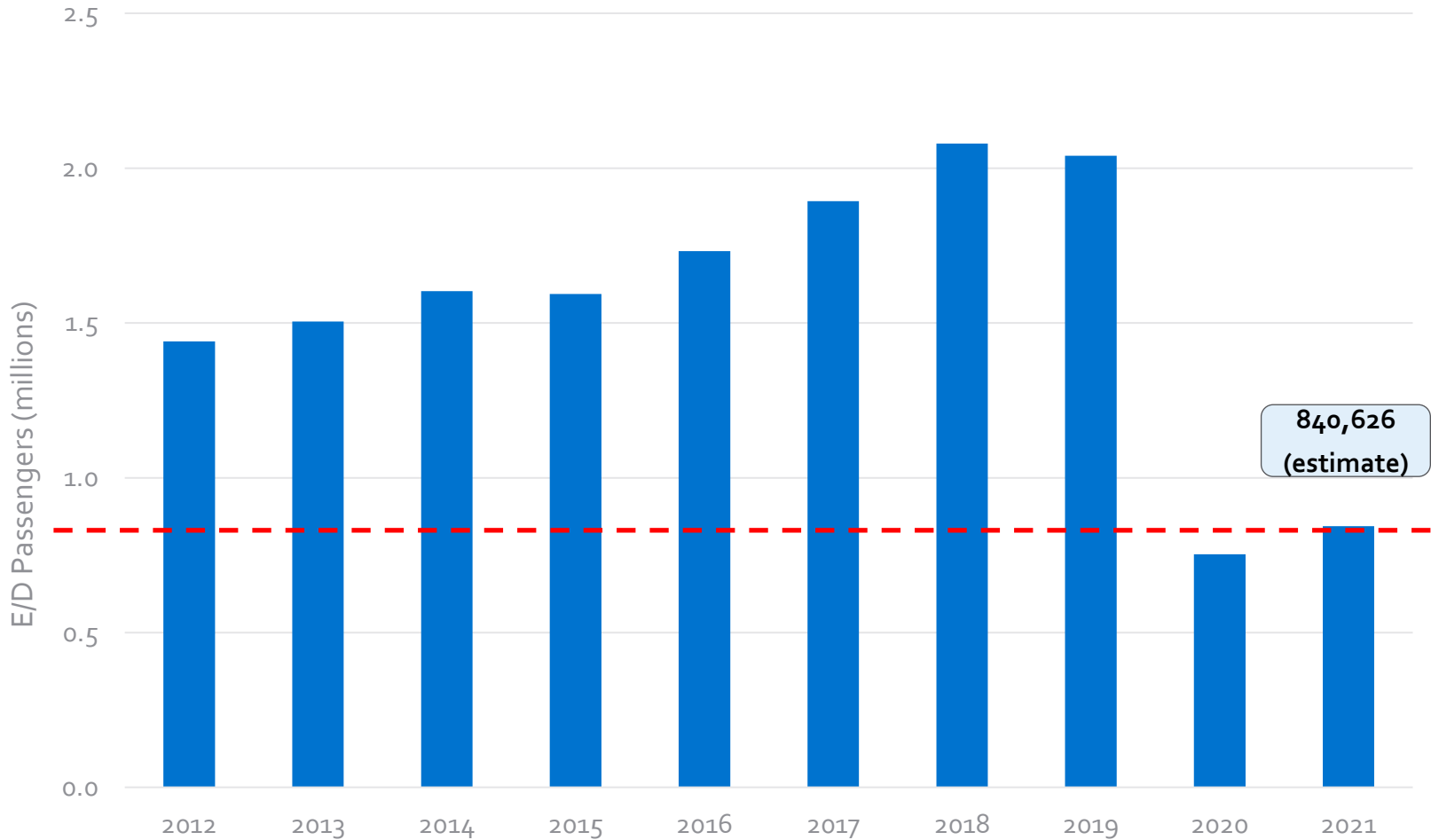
Passenger Statistics – Tracked Daily



Annual Comparison to pre-COVID

	Annual	% Change
2019 Total	2,032,019	
2020 Total	737,447	-64%
2021 (forecast)	840,626	-59%

2012 to 2021 Passenger Statistics



Ongoing Staffing Reductions

Continuing to operate with reduced staffing levels

- 9 positions remain unfilled (20% of total team)
- 5 staff positions currently working on 80% work share
 - Will be returning to 100% on November 1, 2021
- Remaining staff have taken on increased portfolios

Staffing levels based on available “meaningful work”

- Groundside contracted maintenance temporarily moved in house
- Airside contracted security patrols temporarily moved in house

Continuing to meet regulatory requirements

- Safety management system
- Aircraft rescue & fire fighting
- Wildlife control
- Runway inspections and surface condition reporting
- Operations centre

Ongoing Operational Reductions

Groundside Operations

- Valet parking service remains closed
- Several parking lots remain closed

Agency status

- Security screening continuing to operate at reduced hours and capacity
- International arrivals remain restricted to 10 airports in Canada
- CBSA (customs) remains closed to arriving commercial flights
- Ambassador, Junior Ambassador and Ambassadorog programs remain suspended

Terminal Building Operations

Food and Beverage Services

- | | |
|----------------------------------|----------------------|
| • Groundside Whitespot | Remains closed |
| • Groundside Tim Hortons | Take out only |
| • Airside Subway and Tim Hortons | Open (limited hours) |
| • Airside Whitespot | Open for dine in |

Health Protocols

- Masks mandatory in all areas of the building and on aircraft
- Enhanced cleaning protocols for all public areas
- WCB and Health Canada protocols for all office and private leased space

Temporary Reduction of Prime Contractor Services

- Reduced terminal building operating hours
- Reduced number of contractor staff hours on site
- Reduced service level in non-critical operating areas (baggage jams, general maintenance, response time)

Antigen and PCR Testing Program



WORKCAMP
CHARTERS

TRAVELLING
PUBLIC

CAMPUS
EMPLOYEES



Antigen and PCR Testing Program

Work Camp Charters

- Mandatory testing for charter passengers – LNG Canada
- Allows for increased capacity at work camps
- Protects the community

Travelling Public

- Onsite Antigen and PCR accredited testing facility for pre-departure testing
- Onsite PCR lab allows for a 4-hour turnaround (rapid test 20 minutes)
- Community partnership with Whitecap Medical

Campus Employee Program

- Voluntary YLW campus wide testing program
- Free of charge to YLW employees
- Partnership with Health Canada and Whitecap Medical

ACI-NA Health Accreditation Obtained



- ▶ International program
- ▶ Cleaning protocols
- ▶ Employee distancing and shift changes
- ▶ Passenger queuing while collecting baggage and boarding aircraft
- ▶ Availability and location of hand sanitizer
- ▶ Public communication of the program
- ▶ Daily employee health checks
- ▶ Protocols for employees who are showing symptoms

Vaccine Mandate - Passengers

- October 30th – fully vaccinated or PCR test required 72-hours prior for domestic travel
- November 30th – fully vaccinated for domestic travel (PCR test no longer valid option)
- Very narrow exemptions allowed
 - Medical / Religious
 - Emergency Travel
 - Travel from remote communities



Vaccine Mandate - Employees

- All staff entering the restricted side of the airport are required to be fully vaccinated. Currently 850 restricted area pass holders on campus.
- Very narrow exemptions allowed:
 - Medical / Religious
 - Outside agencies responding to emergencies
 - In the process of being fully vaccinated (received 1 shot)
- October 30th – policy declaration required by the Airport Operator
- November 15th – staff must be fully vaccinated or in receipt of an exemption
- January 24th – program to be fully implemented



Expansion of Testing Facility

- Whitecap Medical to double the size of existing pre-departure testing facility in 2022 to meet demand
- Inbound testing facility planned to satisfy Health Canada inbound international testing requirements



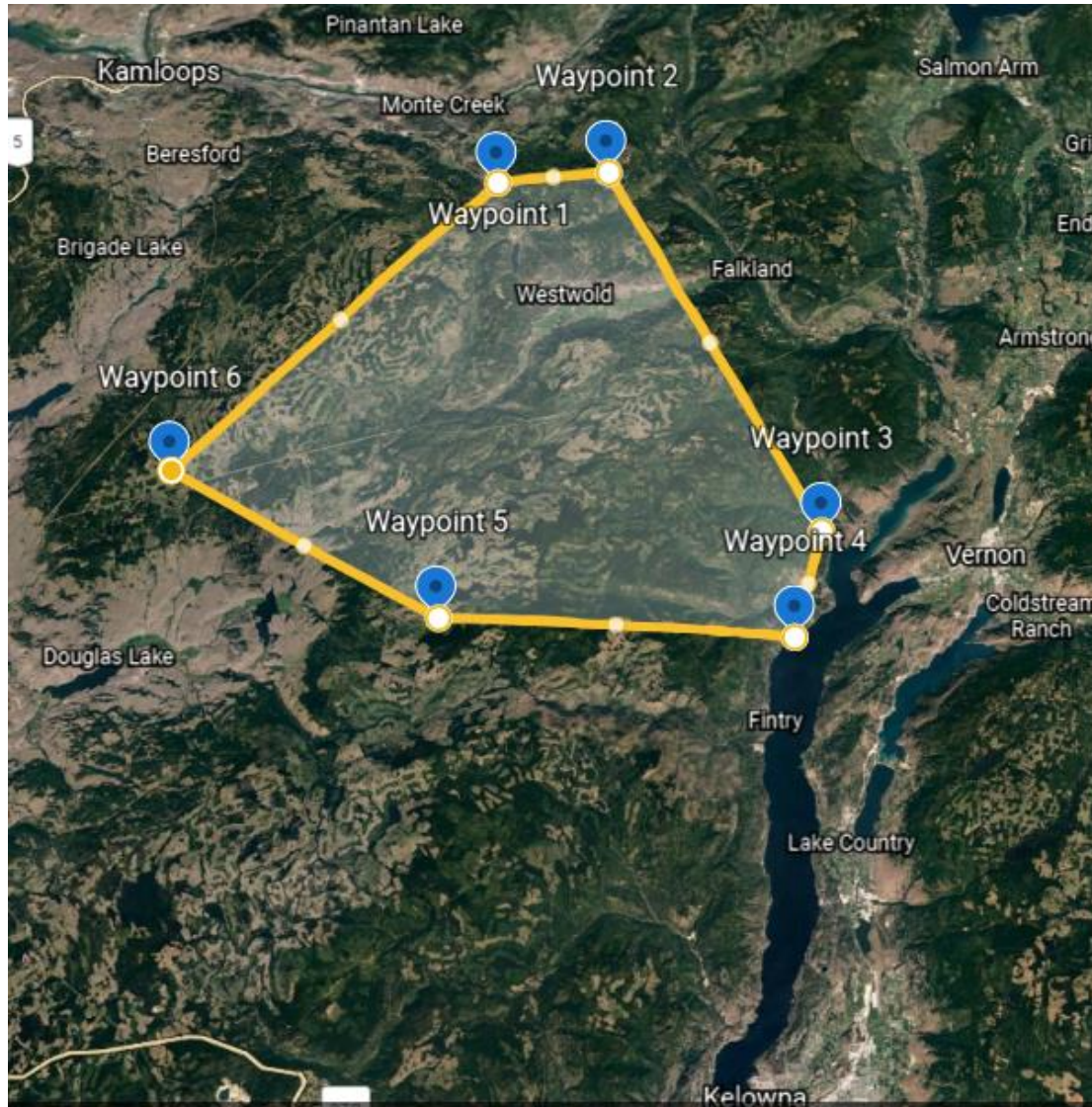
Staffing Requirements

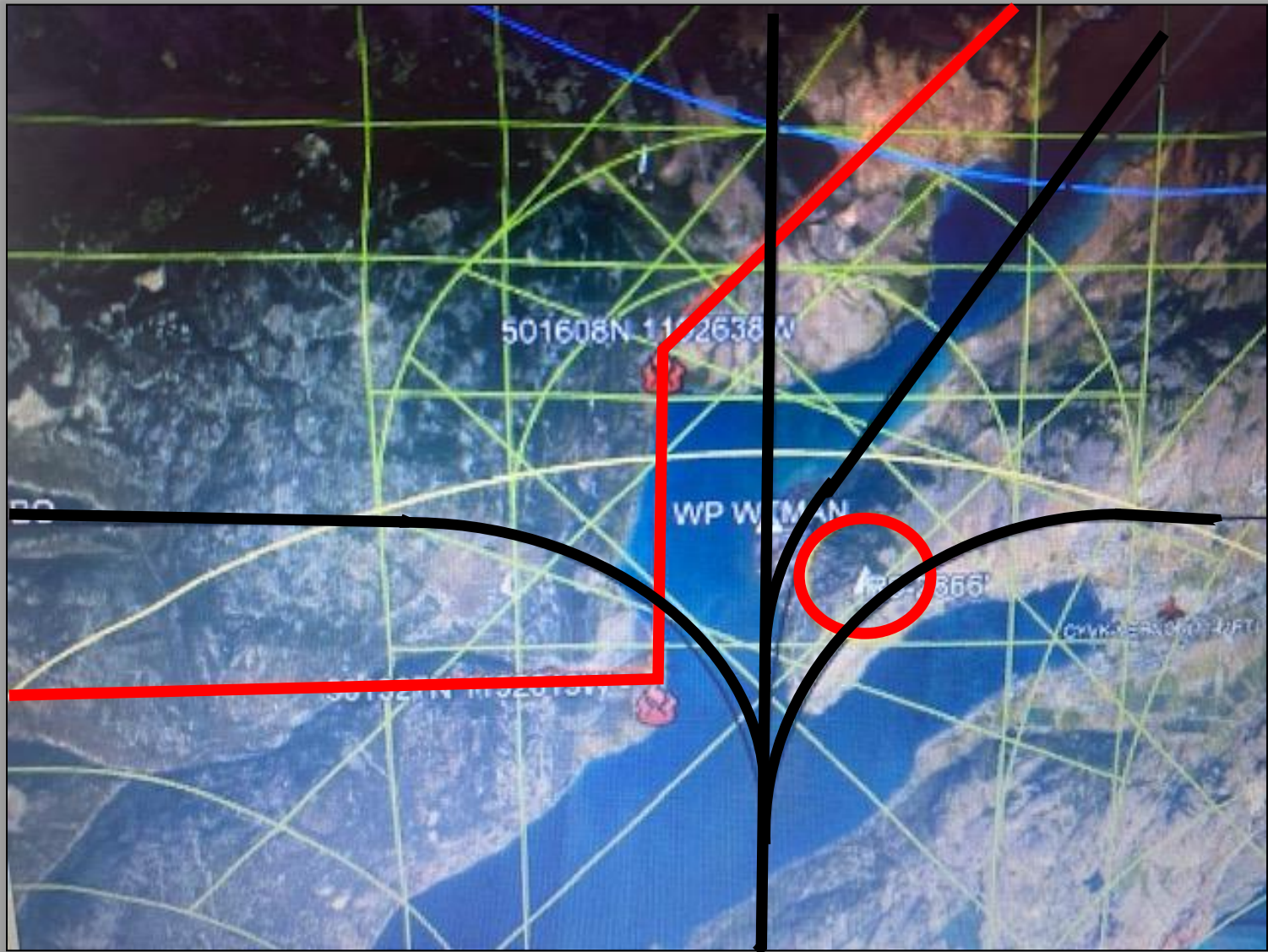
- Ensure operating hours match airline current and future schedule demands
- Adjust prime contractor staffing levels to match operational requirements
- Continue to assess internal staffing requirements based on operational needs and meaningful work
- Vacant positions to be filled strategically with a focus on generating and diversifying revenues and increasing cost efficiencies
- Reinstate Ambassador volunteer program once stage 4 of the provincial restart plan is in place

BC Wildfires

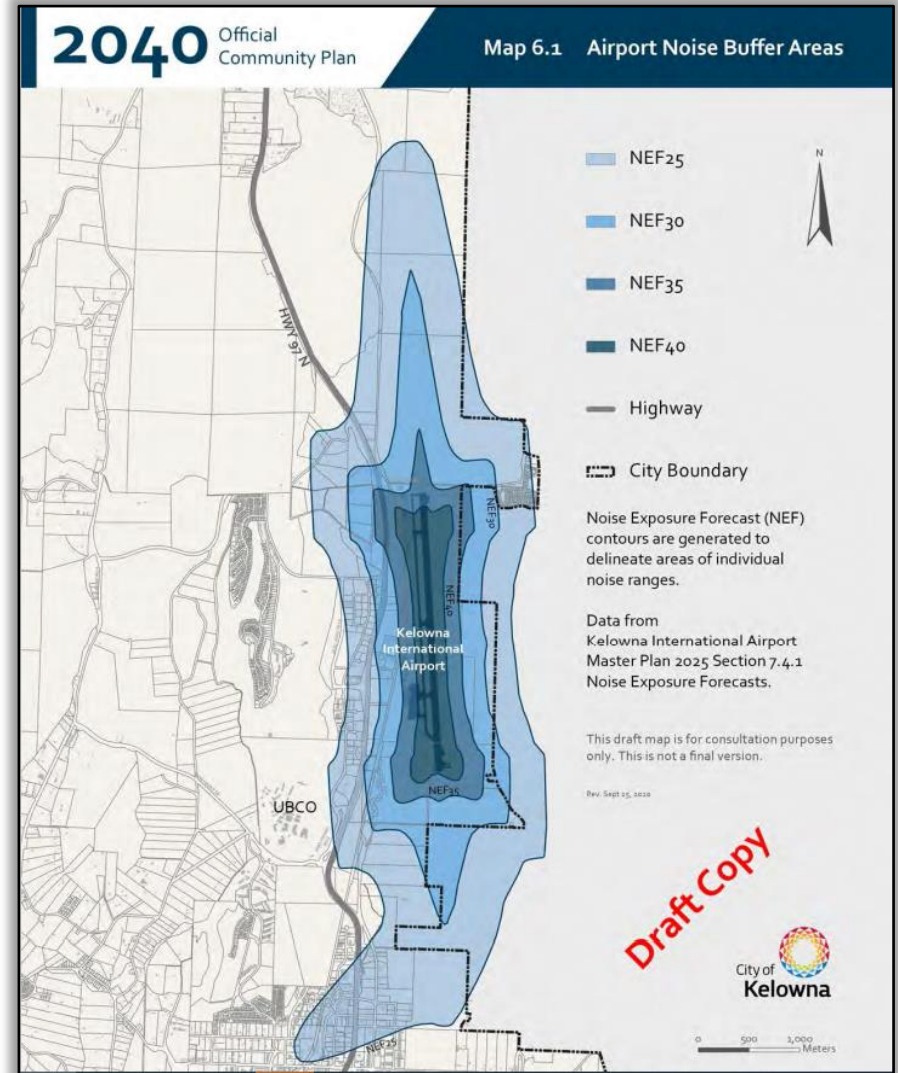
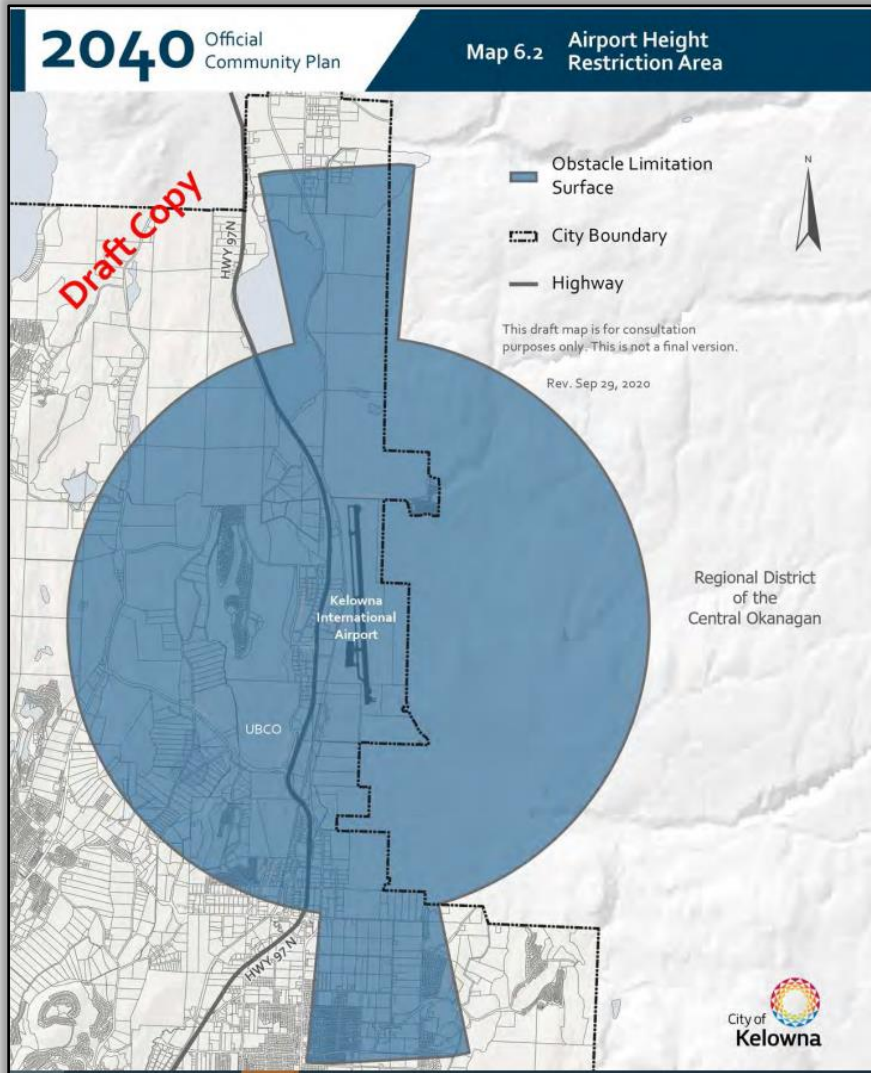


BC Wildfires





Official Community Plan Engagement



A photograph of a large commercial airplane in flight, viewed from a low angle looking up. The plane is white with dark accents on the wings and tail. It is flying against a backdrop of a blue sky with scattered white clouds. The image is partially obscured by a dark grey horizontal band that contains the title text.

Development Update

Project Development Update

Soaring Beyond 2.5 Million Passengers

- ▶ Design development of ATB expansion
 - ▶ VE exercise is complete
 - ▶ Current cost will be derived from the 90% design
 - ▶ Design has completed Issued for Tender set
 - ▶ Construction timeline TBD

An architectural rendering of the Kelowna International Airport terminal expansion. The building features a modern design with a dark, cantilevered roof and large glass windows. The text "Control 'Click' To Launch Terminal Expansion Animation" is overlaid in white, underlined font across the center of the image. The background shows a clear sky and a paved area with some blurred figures of people and vehicles, suggesting a busy airport environment.

Control "Click" To Launch Terminal Expansion Animation

Taxiway D Rehabilitation

- Scope: Structural rehabilitation of Taxiway D from between Taxiways A and C
- Schedule: June – August – completed
- Great project with no incidents throughout



Taxiway E Rehabilitation

Scope: Mill and Pave southern half of Taxiway E

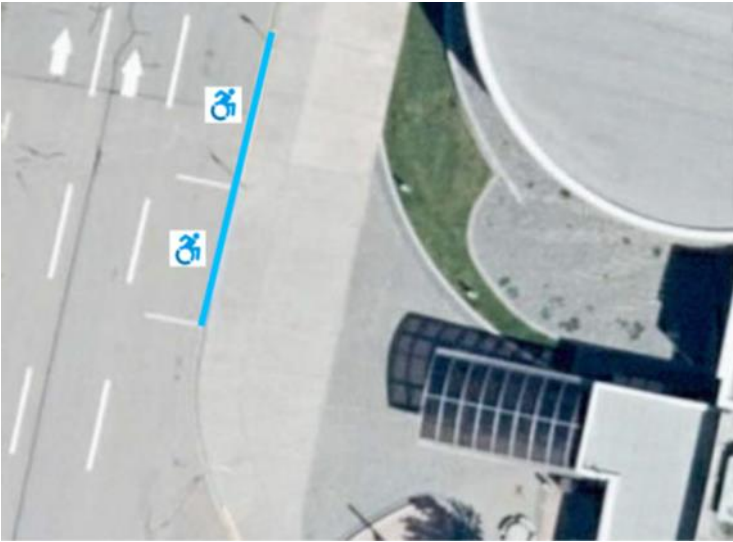
Schedule: 2 days, September 1 & 2 – completed



Accessibility Upgrades

Scope:

- Departures Room Service Animal Relief Area
- South Curbside Parking - Expanded
- Mezzanine Stair Transition
added contrasting stair nosing



Parking Lot Equipment Replacement

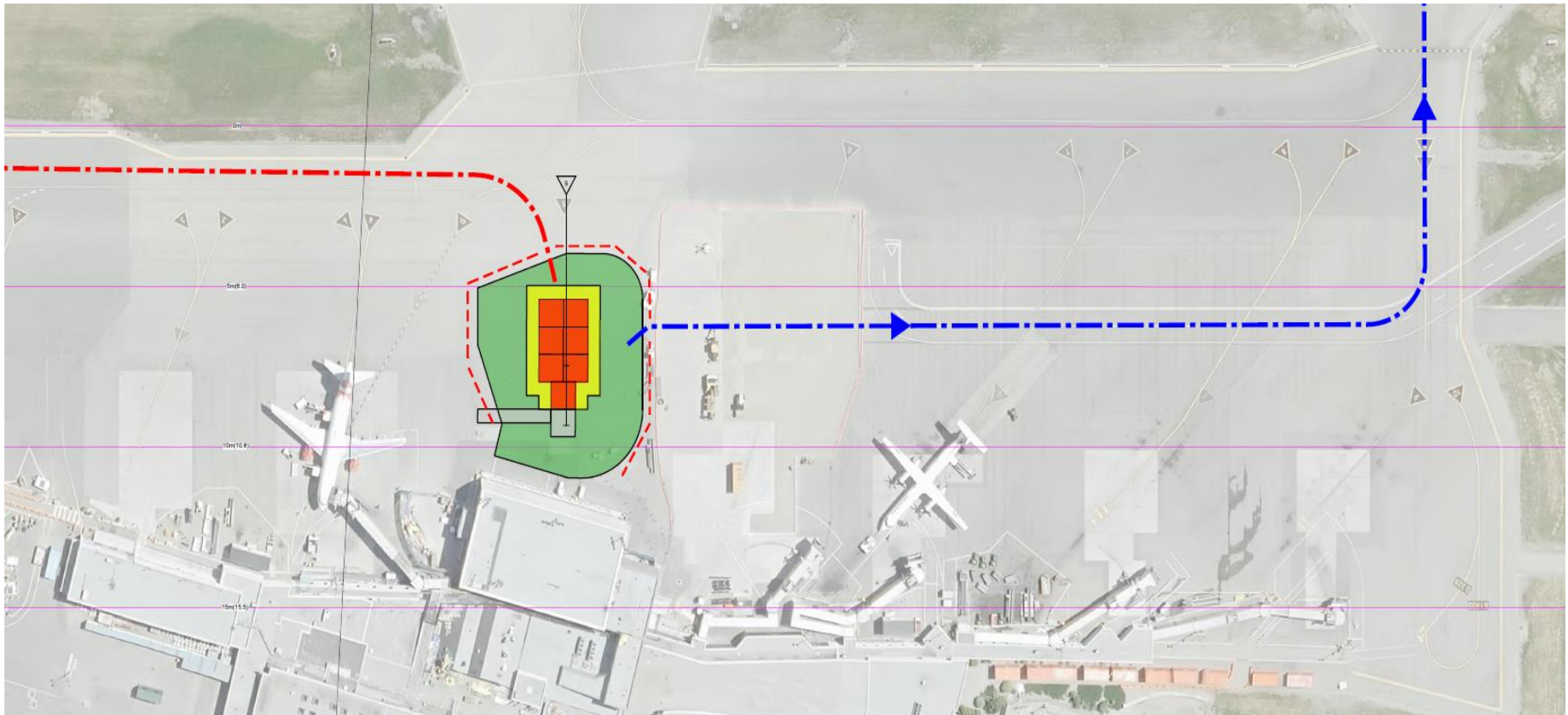
Scope: End of life replacement and technology upgrades of:

- parking kiosks
- point of sale equipment
- control equipment



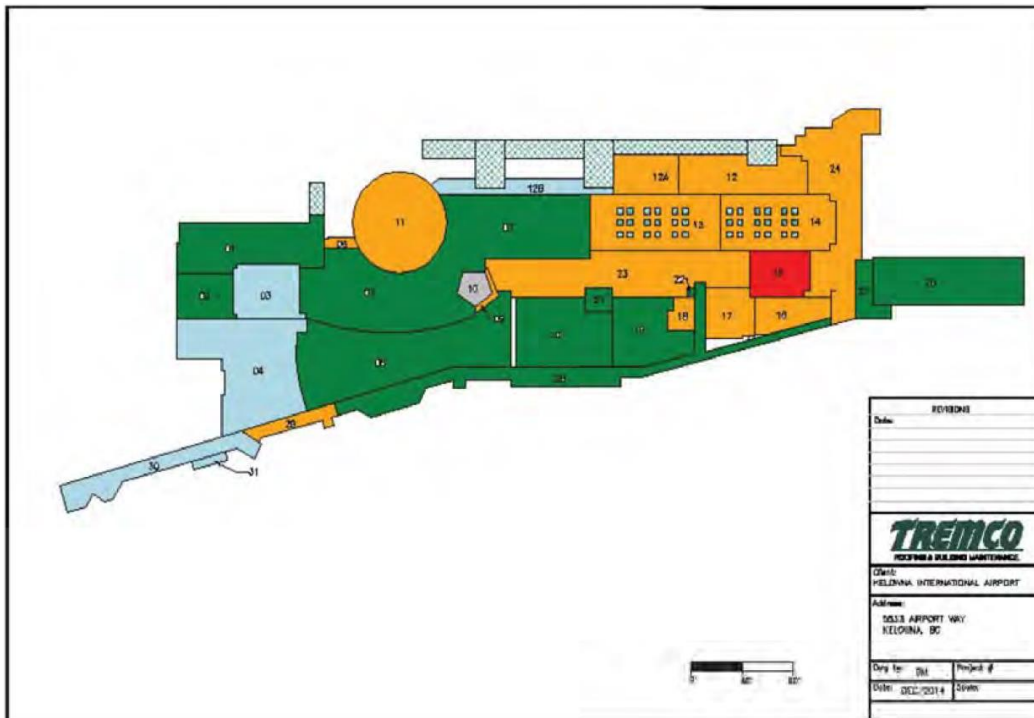
Operation Stand 5 Concrete Panels

- Purpose: to add concrete panels to OS5 due to deterioration of pavement caused by heavier aircraft and hot pavement
- Requested budget for design and construction in 2022



ATB Roof Replacement

- Purpose: to replace sections of the ATB roof as most sections have reached the end of useful life.
- To commence in late spring/summer of 2022
- Will engage with stakeholders on operational challenges



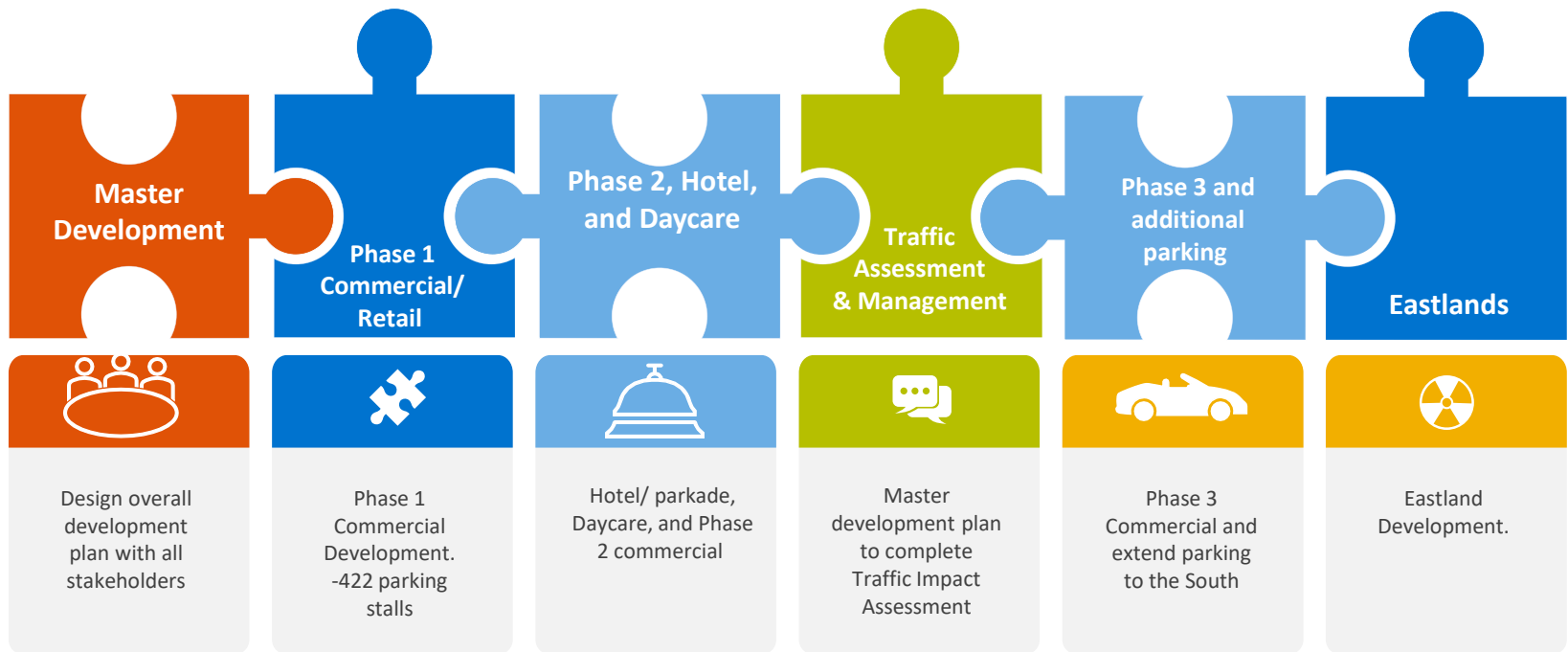
Apron 3 Design



- Purpose: to rehabilitate Apron 3 due to pavement deterioration
- Design to commence in late in 2022 with construction in 2023
- Will engage with stakeholders on operational challenges once planning commences

YLW Commercial Development plan

INTERCONNECTED - Puzzle Pieces

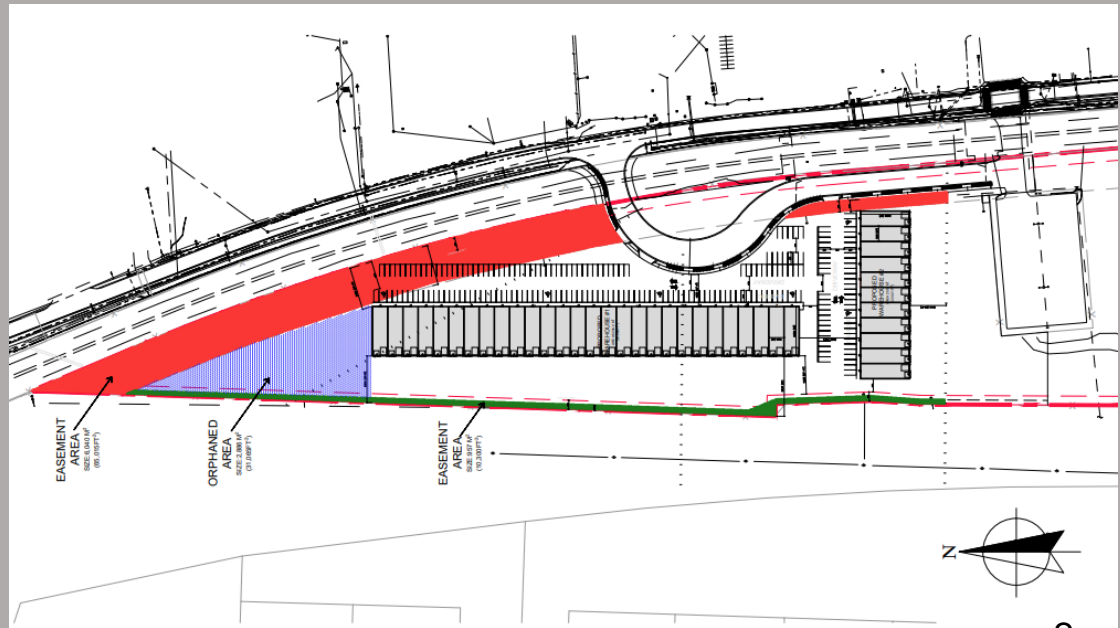


Fully Serviced Commercial Investments

Opportunity

Development of destination retail and commercial space within CD12 zoning. Pre paid lease is an option for this and other commercial lots on the Airport campus.

- Letter of Intent received
- Amalgamation of two lots to one total 6.01 acres to suit build and operations
- Internal reviews and approval progressing



Commercial Retail Phase 1

3 phase 9-acre commercial development

✓ LOI signed

Opportunity

Commercial land development to be developed and occupied over a rolling 5-year period, for stability in construction and cost efficiencies.

Requirement to relocate some current facilities and update the landside master plan relating to these opportunities.

Negotiations and execution of phase 1 lease with internal reviews and approvals.

Traffic Impact Assessment required to include phase 1, 2, & 3 commercial and the hotel development.



Airport Childcare Facility

Overview

There is a requirement for daycare facilities on the Airport campus to aid staff with work shifts and increase the ability for staff to start in or return to the workplace.

Federal funding is available for daycare facilities - \$1.5 million for the operator and an additional \$1.5 million utilizing public land.

Partnership group will build, manage, and operate the facility which will help the growth and return of employment at YLW.

Benefits

Pros – workplace destination childcare

- community benefit
- delivers on OCP objectives
- Increases work opportunities

Cons - traffic increase



HOTEL AND PARKADE

Opportunity

2-acre hotel site with approximately 180 rooms and approximately 1000 stall parkade. Hotel will offer destination amenities, event space, and meeting space. Listed with a commercial realtor we garner the appropriate level of marketing and response.

- Depending on layout, roundabout or traffic management system should be completed prior to or in parallel with the hotel build.
- May require text amendment to CD12 to allow for height variance.





YLW

Kelowna International Airport



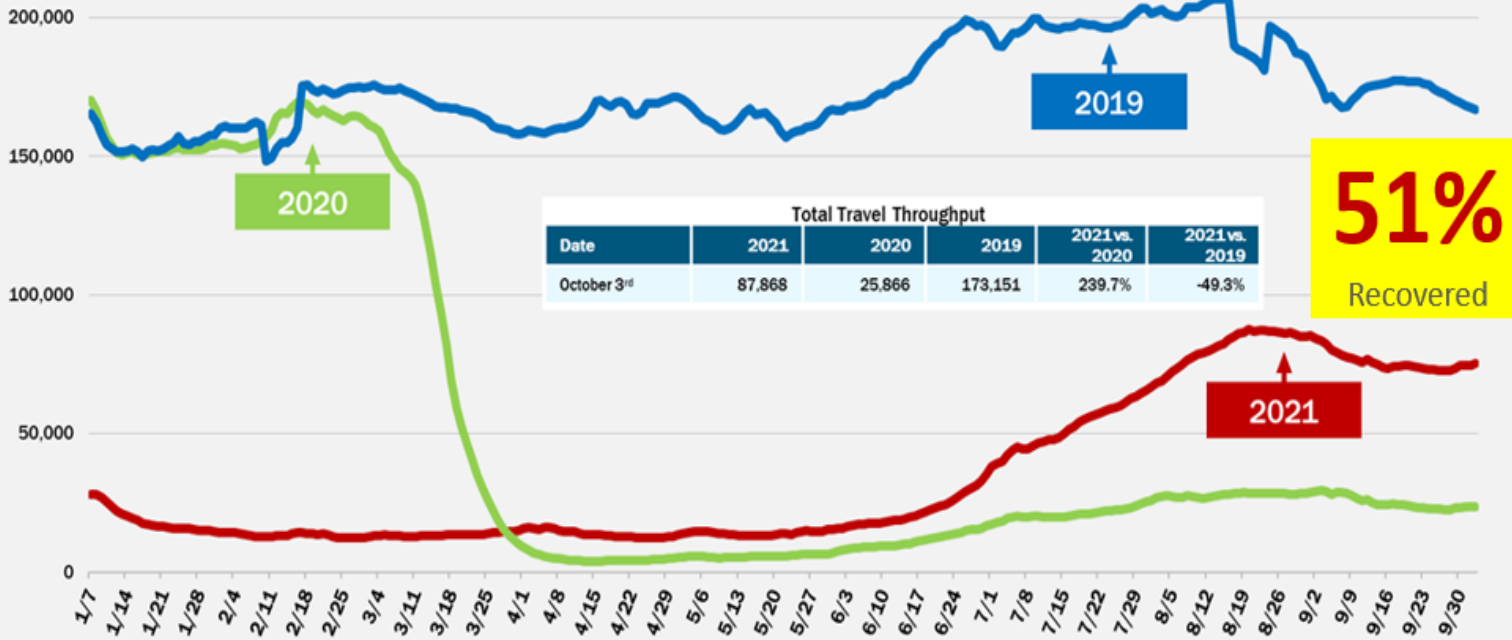
Air Service Development Update

Fall and Winter 2021 Program – October 2021

Air Service Development Update



7-Day Moving Average



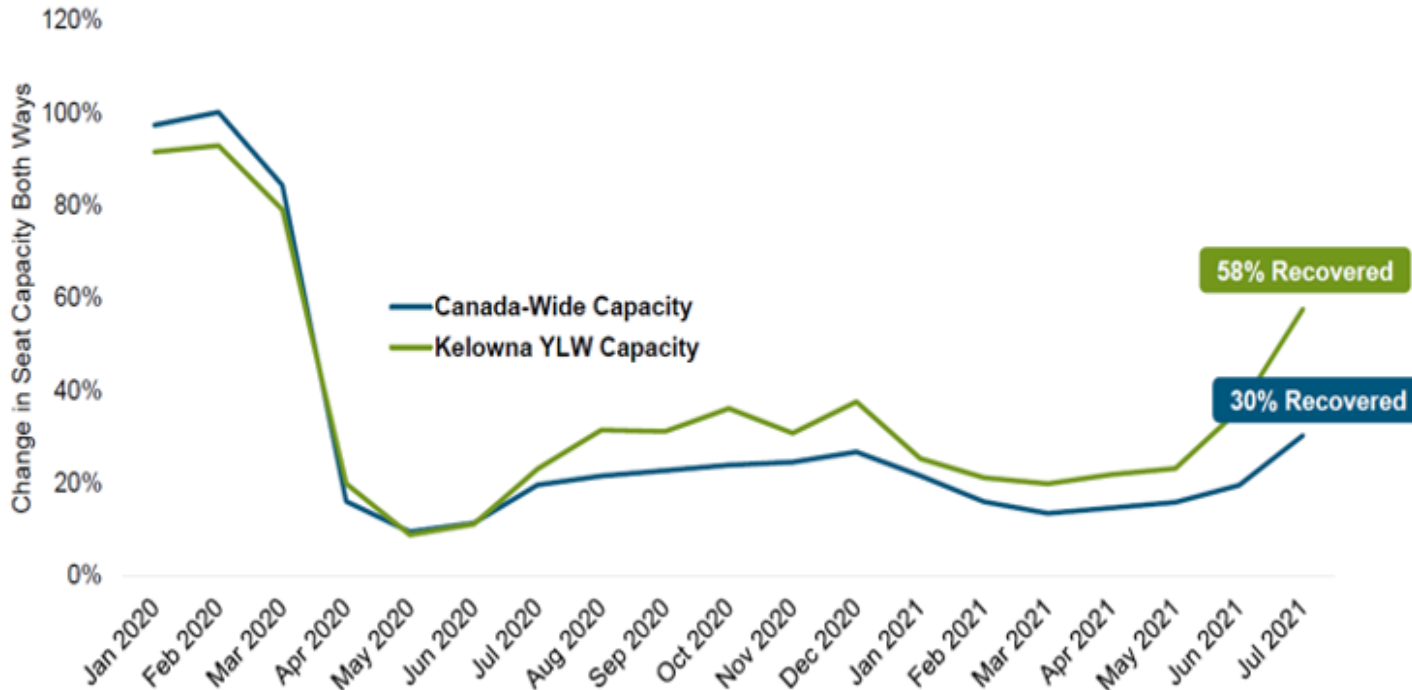
~71% Traffic Recovered
(as Of October 6th 2021)

Note: CATSA data includes 15 largest airports.
Source: CATSA

Air Service Development Update

In 2021, YLW Has Recovered Faster Than Canadian Average

Seat Capacity Recovery at YLW vs. Canadian Average
Capacity Levels Compared to Same Month in 2019

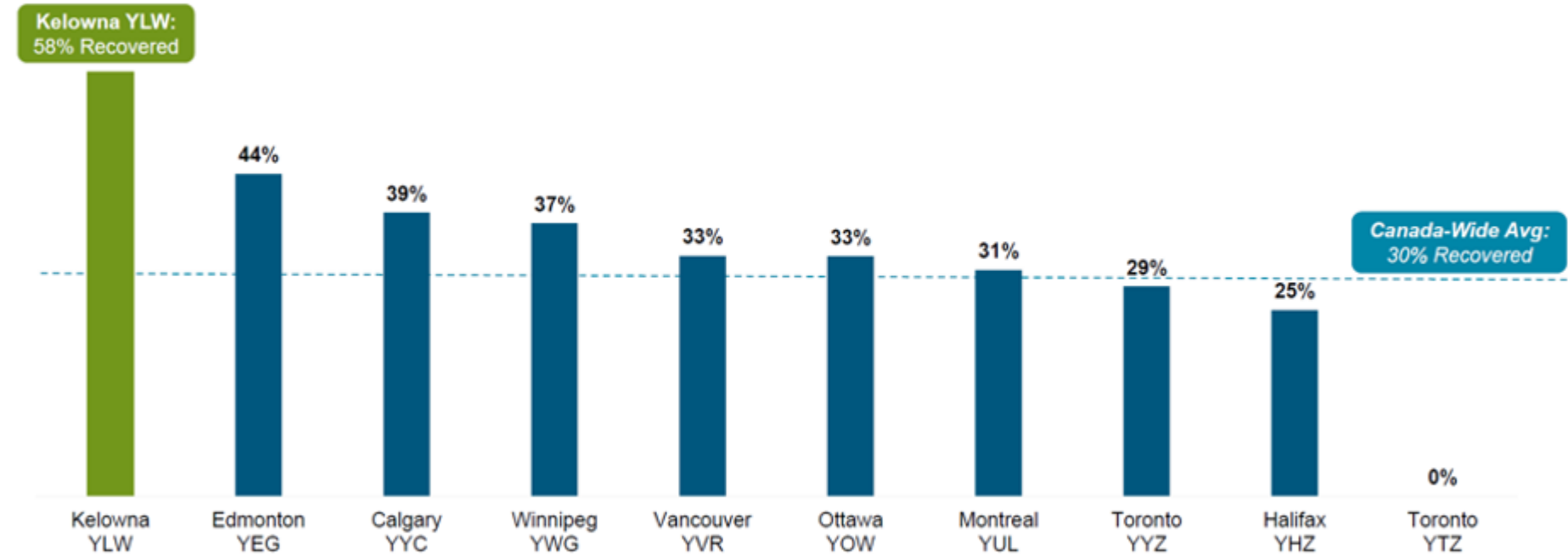


- Similar to U.S. leisure-focused markets such as Bozeman and Anchorage, Kelowna has experienced a much faster recovery than other airports.
- As of July 2021, YLW capacity will have recovered nearly 2x the amount that Canada-wide capacity has at 58% of 2019 levels vs. just 30% for Canada as a whole.

Air Service Development Update

In Fact, Kelowna is the Fastest Recovering Canadian Airport*

Seat Capacity Recovery by Canadian Airport
July 2021 Seat Capacity vs. July 2019 levels



*Includes the top 10 Canadian airports by enplaned/deplaned passengers in 2019.
Source: Innovata Schedules via Diio by Cirium, Sabre Global Demand Database (GDD), airport websites.

Air Service Development Update

YLW Monthly Seat Benchmark

Select Timeframe:
 Select Year:
 Select Quarter:
 Select Month:

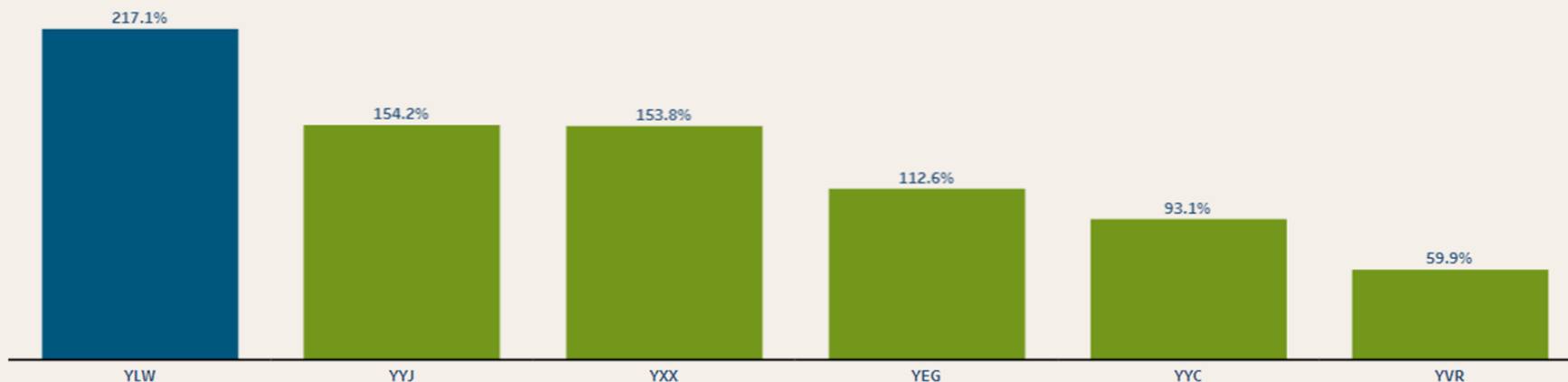
Kelowna International Airport, by destination served

Select a destination airport to filter Seat Benchmark

	Grand Total	YYC	YVR	YEG	YYZ	YYJ	YHM	YWG	YUL	YXC	YXS	YQR	YXE
June 2020	25,008	11,890	12,054	0	0	570	0	0	0	494	0	0	0
June 2021	79,303 217.1%	28,756 141.9%	20,827 72.8%	13,570	10,686	1,908 234.7%	1,134	756	548	0 -100.0%	494	312	312

Monthly Seat Benchmark, by selected airports

YoY Growth in Seats, Monthly (%)



Source: Innovata Schedules via Dilo. Schedules as of October 4, 2021



Air Service Development Update

YLW Monthly Seat Benchmark

Select Timeframe:
 Select Year:
 Select Quarter:
 Select Month:

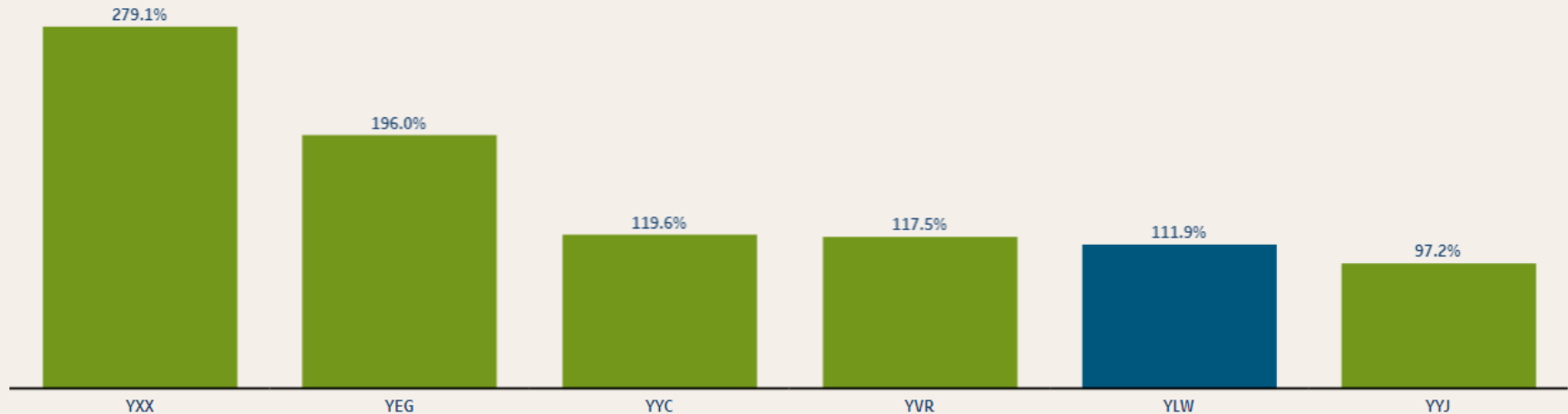
Kelowna International Airport, by destination served

Select a destination airport to filter Seat Benchmark

	Grand Total	YYC	YVR	YEG	YYZ	YYJ	YWG	YHM	YUL	YXS	YKF	YXY	YOW	YXC
October 2020	82,731	35,014	27,565	7,914	5,856	1,938	2,366	0	0	646	0	976	0	456
October 2021	175,346 111.9%	55,650 58.9%	54,041 96.0%	30,856 289.9%	17,192 193.6%	6,036 211.5%	2,835 19.8%	2,835	2,603	1,330 105.9%	1,312	0 -100.0%	656	0 -100.0%

Monthly Seat Benchmark, by selected airports

YoY Growth in Seats, Monthly (%)



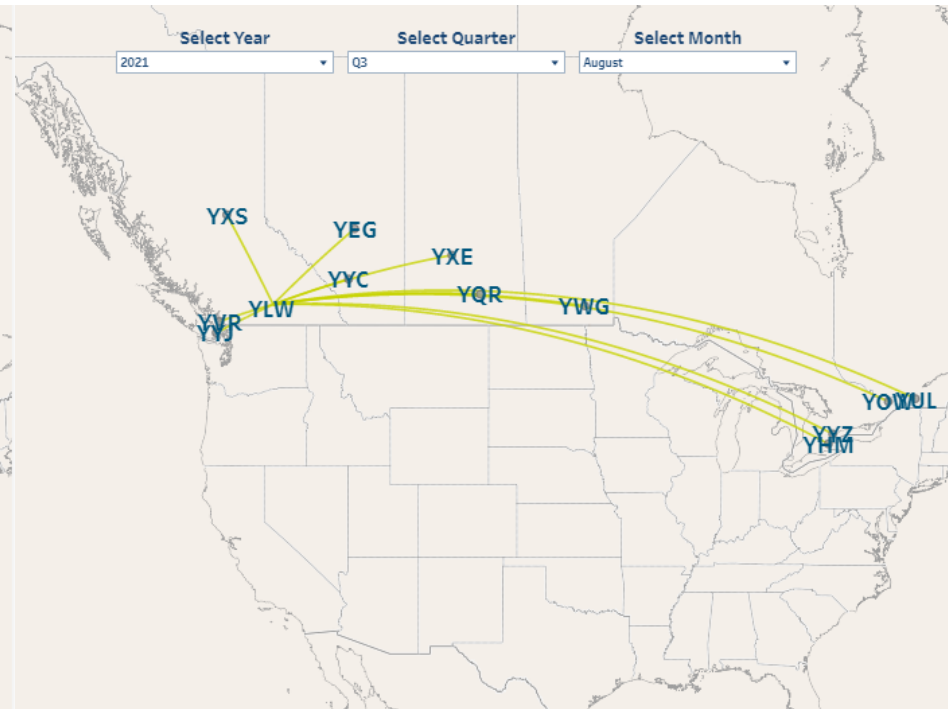
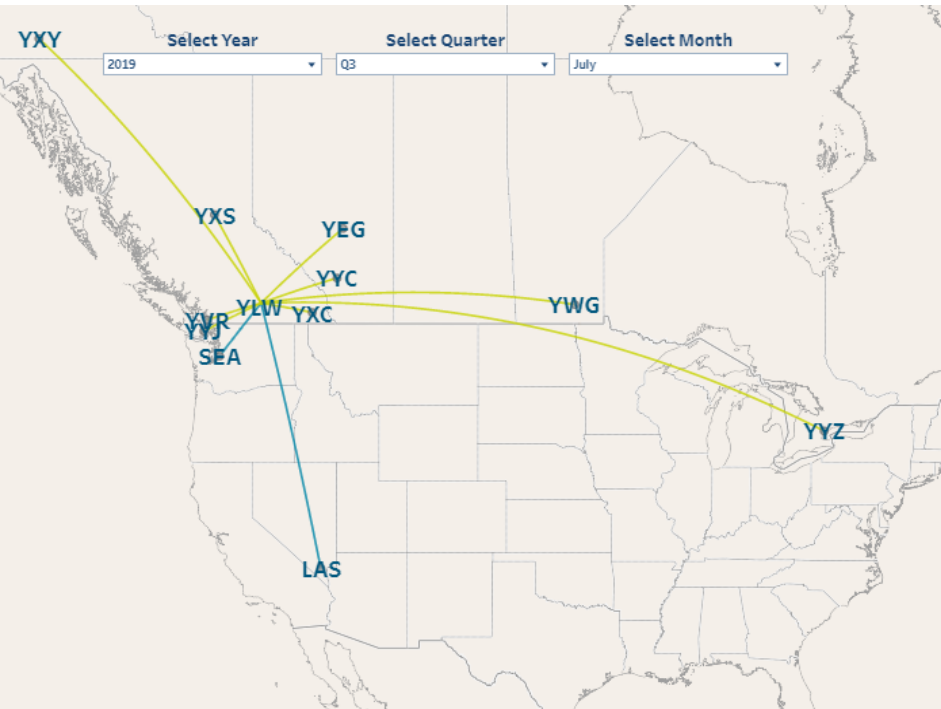
Source: Innovata Schedules via Dilo. Schedules as of September 7, 2021



2019 Summer Air Service vs. 2021

2019 – 9 domestic destinations

2021 – 14 domestic destinations



2019:
 Canada – Whitehorse, Victoria, Vancouver, Prince George,
 Cranbrook, Calgary, Edmonton, Winnipeg and Toronto
 USA – Seattle, Las Vegas

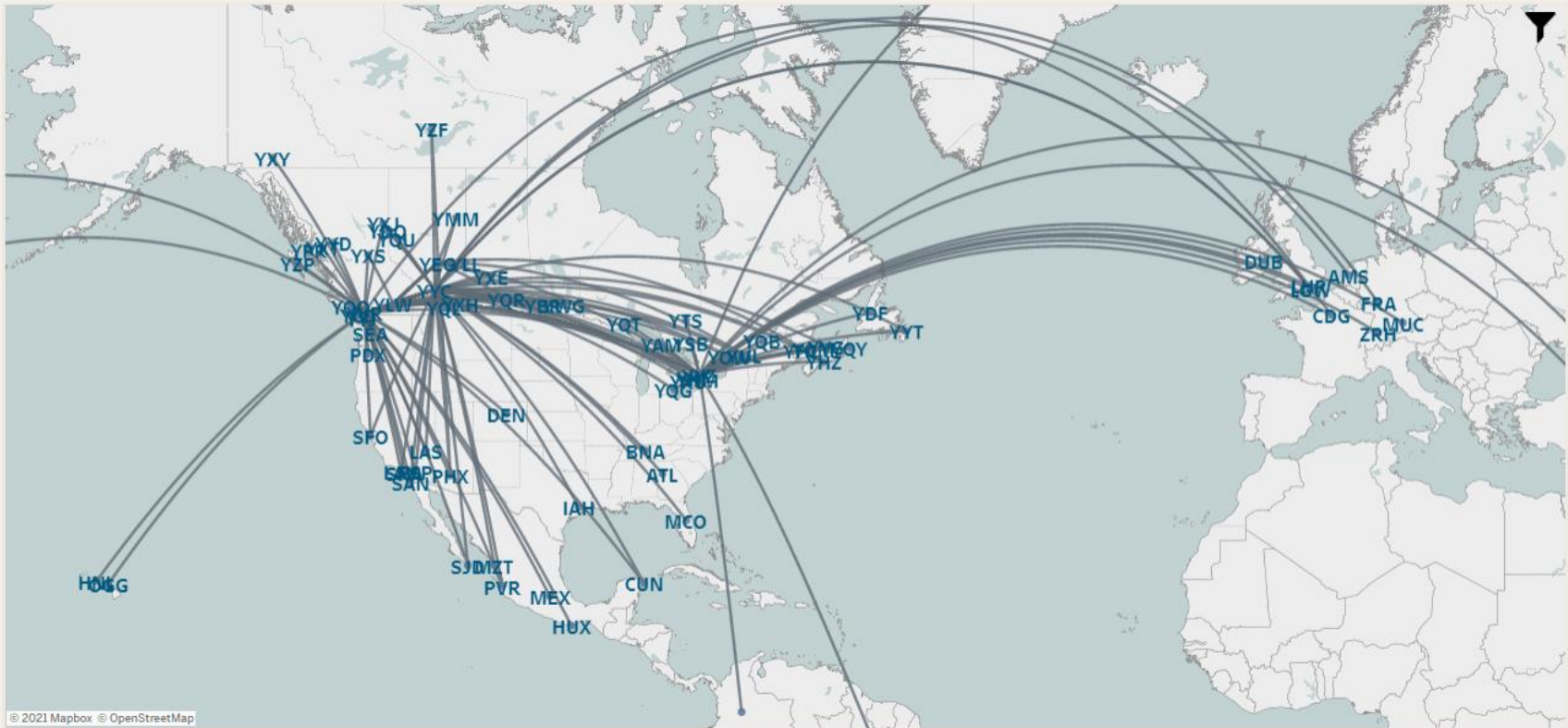
2021:
 Canada – Whitehorse, Victoria, Vancouver, Prince George, Calgary,
 Edmonton, Saskatoon, Regina, Winnipeg, Kitchener/Waterloo,
 Hamilton, Toronto, Ottawa, Montreal

Air Service Development Update

Connectivity October 2021 – Zoom In

YLW Connectivity Analysis Dashboard

Select Year: 2021 | Select Month: October | Connecting Airport: (All)



© 2021 Mapbox © OpenStreetMap

Includes any online connections within one-stop and a maximum connect time of 4 hours.
Max circuitry in view: 85%

Source: Innovata Schedules via Diio, Schedules as of: October 18, 2021



Air Service Development Update

Connectivity October 2021 – Zoom Out

YLW Connectivity Analysis Dashboard

Select Year: 2021 | Select Month: October | Connecting Airport: (All)



Includes any online connections within one-stop and a maximum connect time of 4 hours.
 Max circuitry in view: 85%
 Source: Innovata Schedules via Diigo. Schedules as of: October 18, 2021.

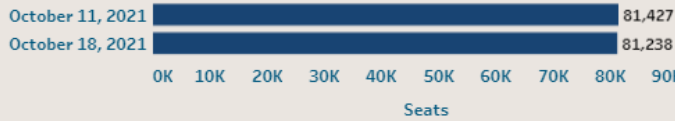


Air Service Development Update

YLW Seat Capacity Comparison by Filing Date

Select Month: October 2021
 Select Airport: YLW

Selection Summary

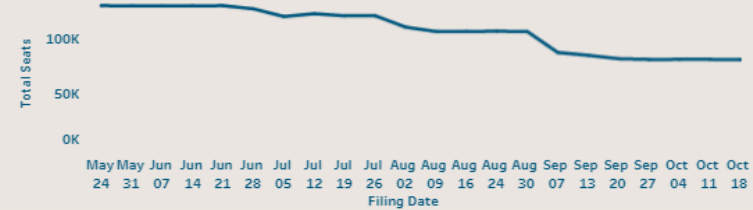


Top Airlines

	October 11, 2021	October 18, 2021	% Change
WS	49,854	49,854	0.00%
AC	18,732	18,732	0.00%
WO	5,481	5,292	-3.45%
AM	2,028	2,028	0.00%

Top Destinations

	October 11, 2021	October 18, 2021	% Change
YVR	26,672	26,672	0.00%
YYC	23,640	23,640	0.00%
YEG	15,396	15,396	0.00%
YY7	8,573	8,384	-2.20%



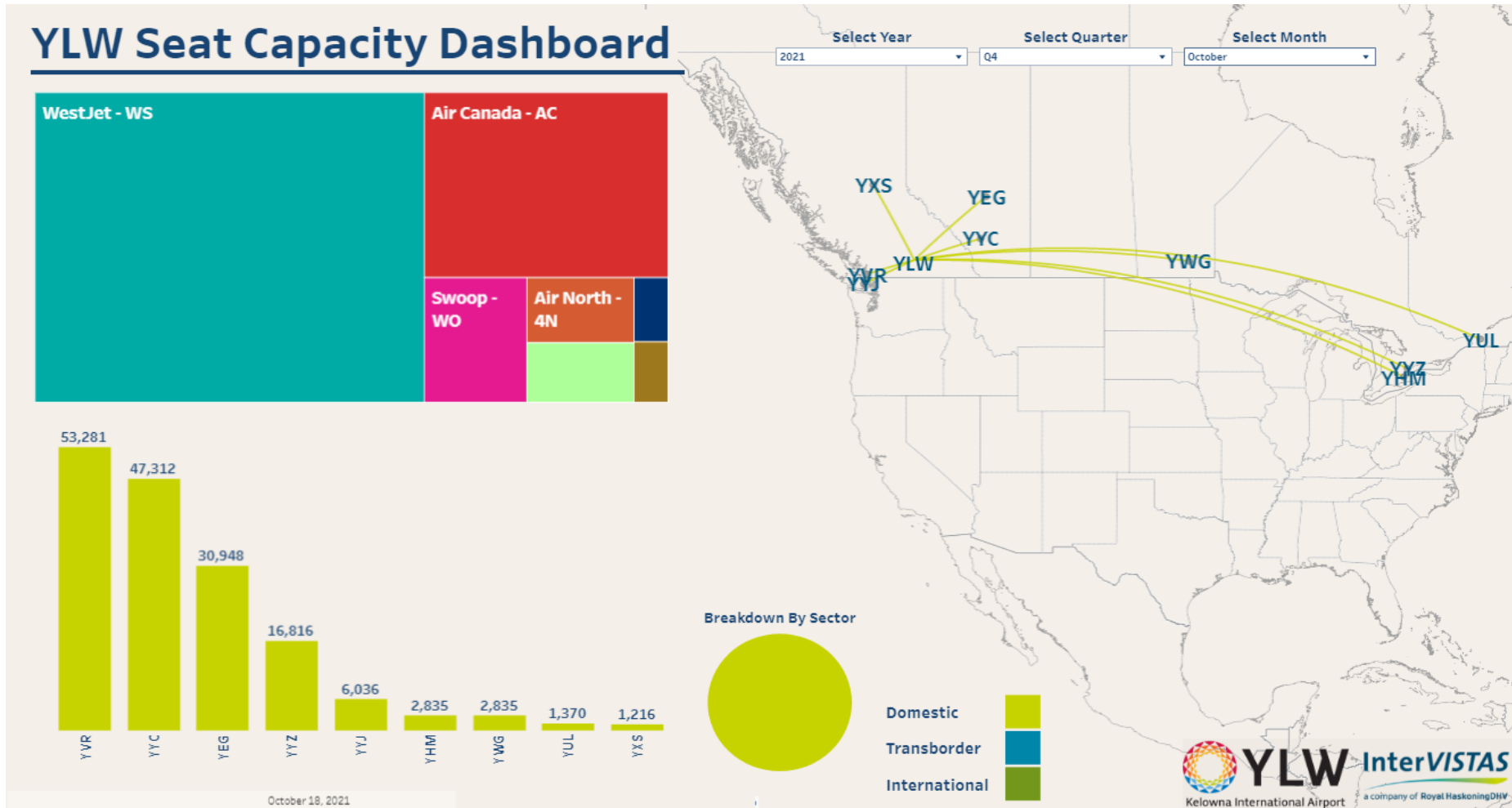
© 2021 Mapbox © OpenStreetMap

Source: Innovata Schedules via Dilo. Schedules as of October 18, 2021



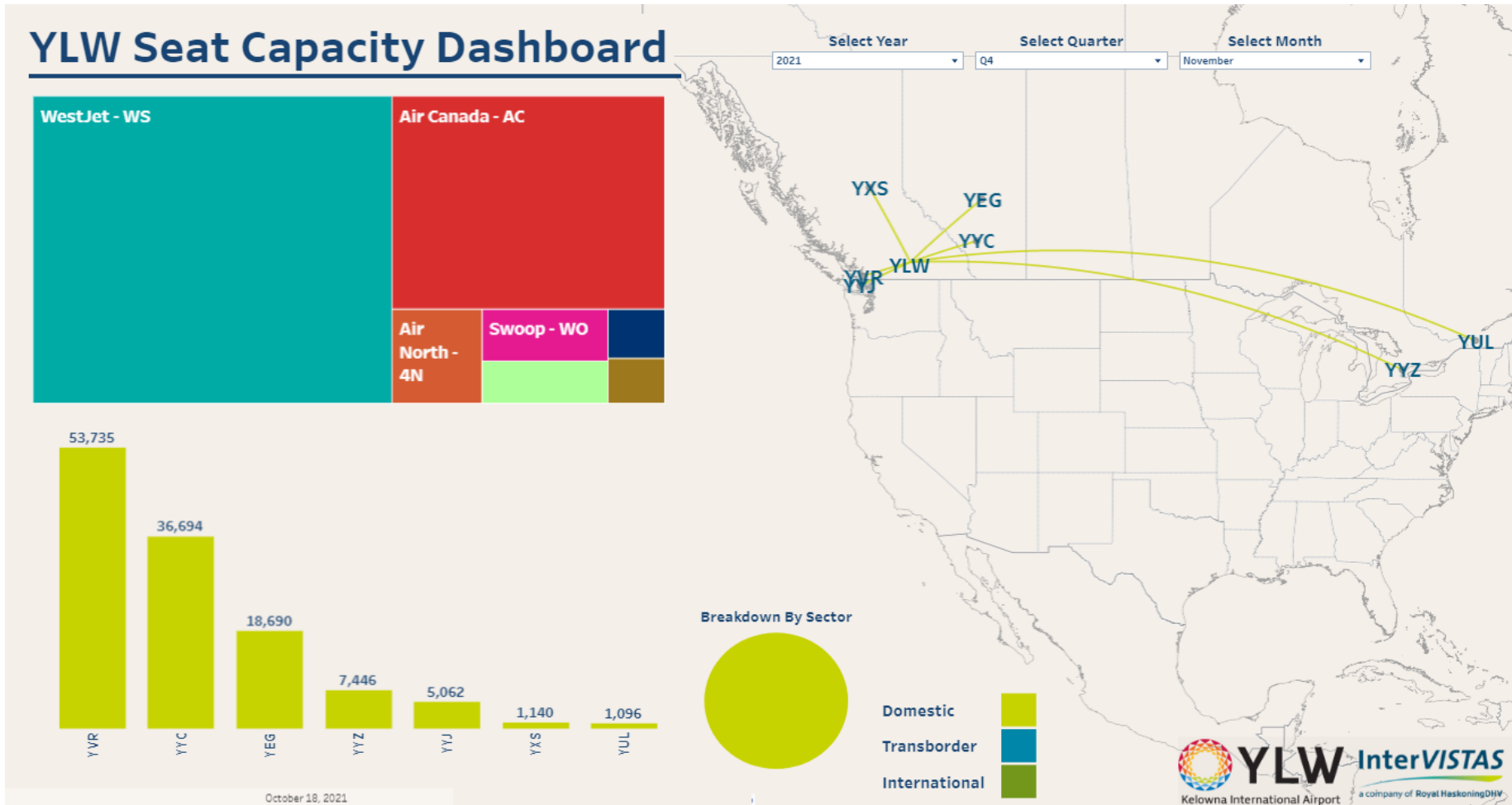
Air Service Development Update

October 2021



Air Service Development Update

November 2021

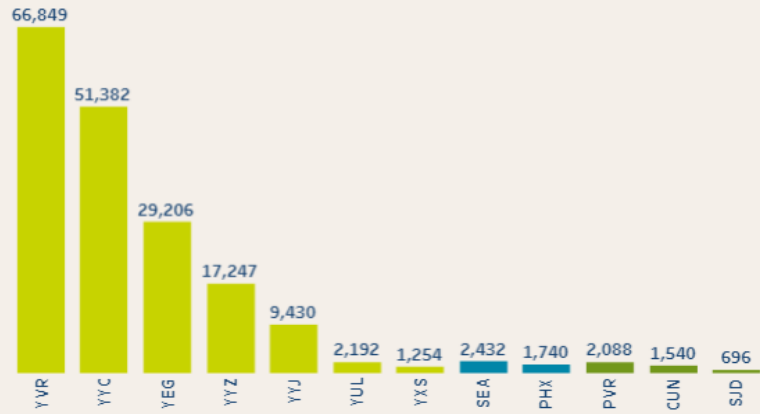


Air Service Development Update

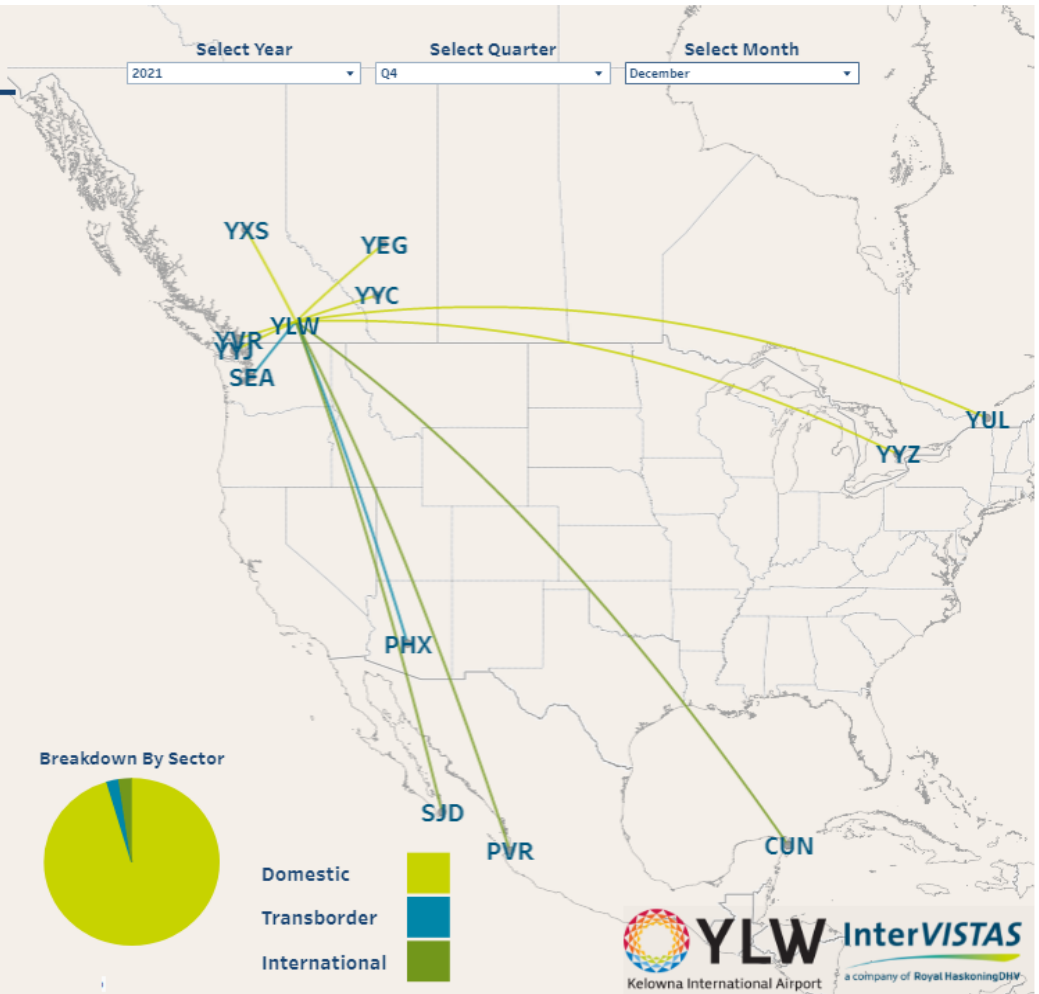
December 2021

YLW Seat Capacity Dashboard

Select Year: 2021 | Select Quarter: Q4 | Select Month: December



Breakdown By Sector



Air Service Development Update

October 2021

Summary By Airline

	Flights - Previous Year	Flights - Current Year	% Difference (Flights)	Seats - Previous Year	Seats - Current Year	% Difference (Seats) X
Air North - 4N	18	47	161.1%	2,196	5,734	161.1%
Pacific Coastal - 8P	126	96	-23.8%	2,394	1,824	-23.8%
Central Mountain Air - 9M	35	91	160.0%	665	1,729	160.0%
Air Canada - AC	342	443	29.5%	27,288	37,386	37.0%
Flair Airlines - F8	64	28	-56.3%	10,816	5,292	-51.1%
Swoop - WO	4	56	1300.0%	756	10,584	1300.0%
WestJet - WS	352	986	180.1%	38,616	100,100	159.2%
Grand Total	941	1,747	85.7%	82,731	162,649	96.6%

Air Service Development Update

YLW Summary Table

Select Year: 2021 Select Quarter: Q4 Select Month: October

Summary by Destination

	Flights - Previous Year	Flights - Current Year	% Difference (Flights)	Seats - Previous Year	Seats - Current Year	% Difference (Seats)
Edmonton - YEG	78	262	235.9%	7,914	30,856	289.9%
Hamilton - YHM	0	15		0	2,835	
Waterloo - YKF	0	8		0	1,312	
Ottawa - YOW	0	4		0	656	
Montreal-PET - YUL	0	19		0	2,603	
Vancouver - YVR	353	685	94.1%	27,565	54,041	96.0%
Winnipeg - YWG	14	15	7.1%	2,366	2,835	19.8%
Cranbrook - YXC	24	0	-100.0%	456	0	-100.0%
Prince George - YXS	34	70	105.9%	646	1,330	105.9%
Whitehorse - YXY	8	0	-100.0%	976	0	-100.0%
Calgary - YYC	288	547	89.9%	35,014	55,650	58.9%
Victoria - YYJ	102	150	47.1%	1,938	6,036	211.5%
Toronto - YYZ	40	110	175.0%	5,856	17,192	193.6%
Grand Total	941	1,885	100.3%	82,731	175,346	111.9%

Source: Innovata Schedules via Dilo. Schedules as of September 7, 2021

International Status



Daily loss of routes and schedules without the certainty of the return of our ability to operate with international status has equated to \$2.5M dollars in lost revenue for YLW.

Local businesses suffering without certainty of status

- Canadian Mountain Holidays – 7,500 clients
- Big White – cancelation of forward bookings
- Christmas transborder travel

Federal Grant Funding



Regional Airport Relief Fund (ARF)

Air Transportation Initiative (RATI)

Airport Critical Infrastructure Program (ACIP)



Y.L.W.

Kelowna International Airport

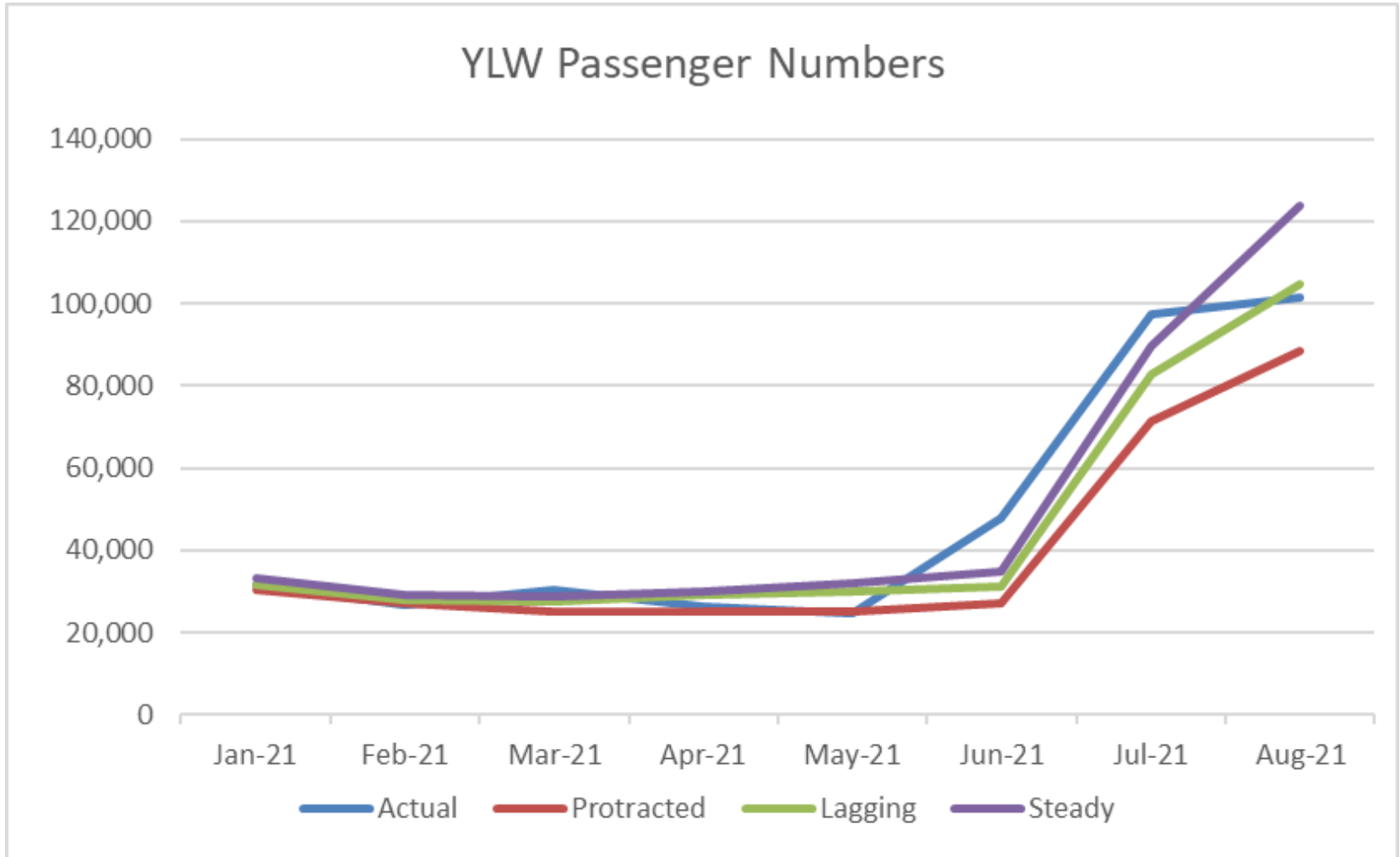
Financial Update

COVID-19 Financial Forecasting

► 2021 Passenger Forecast

	2021 Budget	Steady	Lagging	Protracted
Passengers	512,981	934,241	840,626	765,624
Comparable Year	Prior to 1996	2004/05	2000	1997
% Change from 2020	-30%	27%	14%	4%
% Change from 2019	-75%	-54%	-59%	-62%

COVID-19 Financial Forecasting



COVID-19 Financial Forecasting - Non-AIF

	2021 Budget	Steady	Lagging	Protracted
Revenues	8,982,000	17,480,000	16,331,000	15,411,000
Interest Income	155,000	155,000	155,000	155,000
Operating Expenditures	(14,181,000)	(12,455,000)	(12,455,000)	(12,455,000)
Payment to COK	(1,989,000)	(1,989,000)	(1,989,000)	(1,989,000)
Capital Expenditures	(434,000)	(608,000)	(608,000)	(608,000)
Acquisition of Property	-	-	-	-
Debt Payments*	(900,000)	(900,000)	(900,000)	(900,000)
Total	(8,367,000)	1,683,000	534,000	(386,000)
Opening Reserve	17,638,000	20,212,000	20,212,000	20,212,000
Ending Reserve	9,271,000	21,895,000	20,746,000	19,826,000

COVID-19 Financial Forecasting - Non-AIF

- ▶ Forecasted operating expenditures (\$14.4M)
 - ▶ Salaries and wages (\$3.9M)
 - ▶ Facility maintenance (\$3.2M)
 - ▶ Payment to City of Kelowna (\$2.0M)
 - ▶ Security expense (\$0.7M)
 - ▶ Professional and consulting services (\$0.5M)
 - ▶ Purchase services (\$0.9M)
 - ▶ Software maintenance (\$0.5M)
 - ▶ Electricity (\$0.4M)

COVID-19 Financial Forecasting - Non-AIF

- ▶ Forecasted capital expenditures (\$608k)
 - ▶ ATB improvements (\$299k)
 - ▶ Small capital projects (\$170k)
 - ▶ Airside equipment attachments (\$80k)
 - ▶ Long-term and Convair Way parking lot upgrades (\$27k)
 - ▶ Integrated security network (\$32k)

COVID-19 Financial Forecasting - AIF

	2021 Budget	Steady	Lagging	Protracted
Revenues*	5,860,000	10,781,000	9,714,000	8,858,000
Interest Income	131,000	131,000	131,000	131,000
Operating Expenditures	-	-	-	-
Capital Expenditures	(7,562,000)	(6,964,000)	(6,964,000)	(6,964,000)
Debt Payments**	(2,481,000)	(2,481,000)	(2,481,000)	(2,481,000)
Total	(4,052,000)	1,467,000	400,000	(456,000)
Opening Reserve	11,591,000	11,591,000	11,591,000	11,591,000
Ending Reserve	7,539,000	13,058,000	11,991,000	11,135,000

COVID-19 Financial Forecasting - AIF

- ▶ Forecasted capital expenditures (\$7.0M)
 - ▶ Taxiway Delta rehab (\$4.4M)
 - ▶ ATB expansion design (\$1.7M)
 - ▶ Parking lot equipment replacement (\$0.45M)
 - ▶ Taxiway Echo rehab (\$0.28M)
 - ▶ Bridge mechanical upgrades (\$0.05M)
 - ▶ Self-serve bag drop consultation (\$0.05M)
 - ▶ Light-standard replacement (\$0.03M)

Financial Update

▶ Debt Repayment Schedule

	2022	2023	2024	2025	2026	2027	Total
Principal	1,897,000	1,897,000	1,897,000	1,897,000	1,258,000	698,000	9,544,000
Interest	584,000	584,000	584,000	584,000	333,000	112,000	2,781,000
Total	2,481,000	2,481,000	2,481,000	2,481,000	1,591,000	810,000	12,325,000

▶ Paid in 2021

- ▶ Principal: \$1,897,000
- ▶ Interest: \$584,000

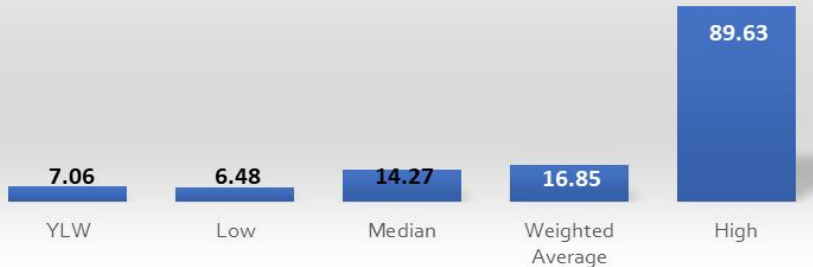
▶ Municipal Finance Authority Loans

- ▶ \$7.5M (2.75%) – October 2015
- ▶ \$3.5M (2.60%) – April 2016
- ▶ \$3.0M (2.10%) – October 2016
- ▶ \$8.0M (2.80%) – April 2017

Fees and Charges

► Aeronautical Revenues per Landed Air Carrier Seat

Tier 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended June 30, 2021)



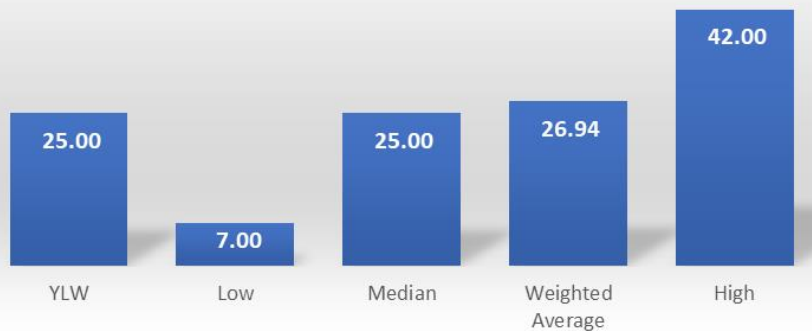
Tier 1 & 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended June 30, 2021)



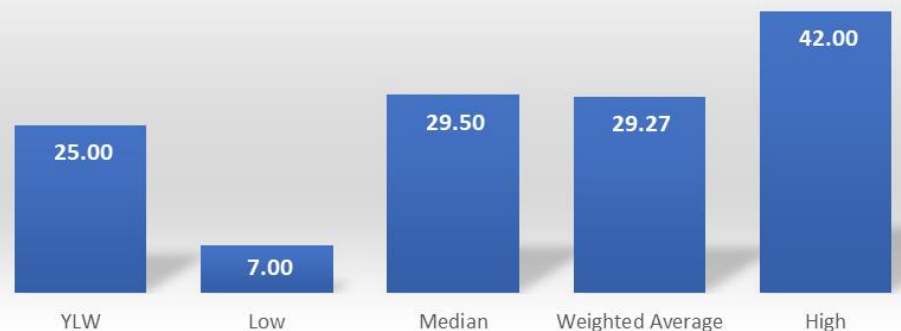
Fees and Charges

▶ Airport Improvement Fee per Enplaned Passenger

Tier 2 AIF per Enplaned Passenger
(12 Months Ended August 31, 2021)



Tier 1 & 2 AIF per Enplaned Passenger
(12 Months Ended August 31, 2021)



Fees and Charges

► Aeronautical Revenues and Airport Improvement Fee per Landed Air Carrier Seat

Tier 2 Aeronautical Revenue and AIF per Landed Air Carrier Seat
(12 Months Ended June 30, 2021)



Tier 1 & 2 Aeronautical Revenue and AIF per Landed Air Carrier Seat
(12 Months Ended June 30, 2021)



Fees and Charges

▶ 2022

▶ No increase

- ▶ AIF
- ▶ Landing
- ▶ Terminal

▶ Increase proposed

- ▶ Parking

Fees and Charges

▶ Proposed Parking Fees

- ▶ Last increase effective December 1, 2018
- ▶ Effective January 1, 2022

	Current	Proposed	# of Comparables	Rank (Lowest to Highest)
Short-term				
1st hour or part thereof	\$ 1.75	\$ 2.00	13	5
Each additional hour or part thereof	\$ 2.75	\$ 3.00	10	5
Max per 24 hours	\$ 21.00	\$ 23.00	11	6
Gold Pass 6 month pre-purchase program	\$1,025.00	\$1,100.00	1	1
Long-term				
1st hour	\$ 1.75	\$ 2.00	9	3
Each additional hour or part thereof	\$ 2.75	\$ 3.00	7	4
Max per 24 hours	\$ 14.00	\$ 15.00	12	5
Max per week	\$ 70.00	\$ 75.00	10	5

Fees and Charges

▶ Proposed Parking Fees

- ▶ Last increase effective December 1, 2018
- ▶ Effective January 1, 2022

	Current	Proposed	# of Comparables	Rank (Lowest to Highest)
North End Lot and North Airport Way				
First 24 hours	\$ -	\$ -	1	1
Each additional 24 hours or part thereof	\$ 8.00	\$ 10.00	1	1
Valet Parking				
Per use	\$ 20.00	\$ 25.00	2	1
Curbside Parking Meters				
Per 30 minutes	\$ 2.00	\$ 2.50	2	2
Aircrew Parking				
Per month or part thereof	\$ 30.00	\$ 32.50	1	1
Vehicle Storage				
Per month	\$ 30.00	\$ 75.00	1	1



YLW

Kelowna International Airport



Recommendations

Recommendations

- ▶ THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on October 28, 2021;
- ▶ AND 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 Parking fees effective January 1, 2022, as presented to the Airport Advisory Committee on October 28, 2021.



Questions?

For more information, visit ylw.kelowna.ca.