

Airport Advisory Committee

AGENDA



Wednesday, July 26, 2023

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
1. Call to Order, Welcome and Introductions - Chair, Mayor Tom Dyas	
2. Confirmation of Minutes	2 - 5
Approve Minutes of the Meeting of September 22, 2022.	
3. Reports	6 - 96
3.1 Airport Overview - Airport Chief Executive - Sam Sammadar	
3.2 Operations Update - Director, Operations & Innovation - Phillip Elchitz	
3.3 Commercial & Air Service Update - Director, Commercial & Air Service - Geoff Ritchie	
3.4 Break	
3.5 Financial Update - Director, Finance & Corporate Services - Shayne Dyrdal	
4. Questions & Wrap Up	
5. Termination of Meeting	



Airport Advisory Committee Minutes

Date:	Thursday, September 22, 2022
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 Gail Given, Chair, Regional District of Central Okanagan Mandi Carroll, Westbank First Nation Pamela Pearson, Kelowna Chamber of Commerce Rick DeJong, Councillor, City of West Kelowna James Baker, Mayor, District of Lake Country Chad Eliason, Councillor, City of Salmon Arm Lesley Cormack, Deputy Vice-Chancellor, UBCO Amber Hall, Greater Westside Board of Trade Darrin Taylor, Greater Vernon Chamber of Commerce Roch Fortin, Summerland Chamber of Commerce
Members Absent	Akbal Mund, Councillor, City of Vernon Judy Sentes, Deputy Mayor, City of Penticton Cindy Fortin, Mayor, District of Peachland
Members Participating Remotely	Councillor Brad Sieben, City of Kelowna Joseph Clohessy, Tourism Kelowna Grant Stevens, KF Aerospace, Aviation Industry Representative Corie Griffiths, Economic Development Commission
Staff Present	Airport Finance & Corporate Services Manager, Shayne Dyrdal
Staff Participating Remotely	Senior Airport Development Manager, Geoff Ritchie Airport Development Manager, Phillip Elchitz Legislative Coordinator (Confidential), Clint McKenzie
Staff Absent	City Manager, Doug Gilchrist Airport Director, Sam Samaddar, City of Kelowna

1. Call to Order, Welcome and Introductions

The Chair called the meeting to order at 9:07 a.m.

Thanked everyone for coming and for their commitment to the committee.

2. Confirmation of Minutes

Moved By James Baker /Seconded By Chad Eliason

THAT the Minutes of the May 19, 2022 Airport Advisory Committee meeting be adopted.

Carried

3. Reports

Airport Operations

- Reviewed passenger counts to date for 2022.
- YTD 1,096,495 passengers to date.
- Projecting recovery in 2022 of 86% compared to pre-Covid.
- Forecasting 1,750,000 passengers in 2022.
- Almost all services have reopened now. Security screening is operating at full capacity. Ambassador programs are now fully operational.
- Food and Beverage is still struggling with staffing. The groundside White Spot remains closed.
- Health Protocols: masks are mandatory beyond the screening point and on aircraft. Vaccine mandate for passengers arriving internationally remains in place.
- All mandatory testing requirements for the travelling public have been paused.
- Maintained ACI-NA Health Accreditation.
- Reminded the Committee of the work on adopting the requirements for the airport in the 2040 Official Community Plan.
- Level 2 of Airport Carbon Accreditation is now achieved with the focus on the reduction of the airports carbon footprint.
- The airport has declared their carbon plan with carbon neutrality by 2030 and net zero by 2040.
- Reviewed YLW's future vision of frictionless travel including self-service baggage drops, virtual queuing, self-boarding and verifying credentials stored in your digital wallet.
- Outlined events still to come related to YLW's 75th Anniversary. Events still to come include the campus golf tournament and the winter travel show.
- Staff responded to questions from the Committee.
- UBCo offered opportunity to partner and work towards carbon neutrality initiatives.
- Opportunity to partner with private sector at the airport on transportation initiatives for employees was discussed.
- An update on the rail trail was provided. Discussion ensued regarding the opportunities connecting the region to the airport.
- The frictionless travel strategy will be completed by the end of the year.

Development Update

- Design of the development of the Air Terminal Building (ATB) was reviewed. The enabling works are underway.
- A video was displayed showing what the Air Terminal Building will look like once it is expanded.
- Reviewed the grease interceptor for kitchens and the plan to move it to the outside of the terminal building.
- Phases of the enabling works were reviewed and drawings were provided showing the improvements planned.
- Airport Biosecurity Infrastructure was reviewed including baggage belts.
- The area for unscreened arrivals on Gate 4 is now complete.
- The terminal building roof replacement is underway with 50% federal funding via the ACIP Program.
- The self-service bag drop design is in consultation and design stages.
- GHG emission reductions via roof top units, boilers and hot water tanks are underway.
- Runway End Safety Area - 150m structurally graded area to meet the specifications of the design aircraft with a 42m runway extensions with construction scheduled to end of October 2022. Received 50% federal funding via the ACIP Program.

- Airfield lighting and supporting infrastructure was reviewed. There are requests from airlines to convert the existing medium intensity approach lighting systems to high intensity. Received 50% federal funding via the ACIP Program.
- Operations Stands 5 is now complete for parking aircraft.
- Apron 3 rehabilitation being done due to pavement deterioration. Taxiway C rehabilitation also being completed due to pavement deterioration.
- Combine Operations building design is being validated in 2022 with 50% federal funding via the ACIP Program.
- The interconnectivity of the YLW Commercial Development Plan was highlighted.
- The YLW Child Care Facility was reviewed with \$3 million from the Ministry of Education grant received for an 86 space daycare at YLW. YLW will be one of 3 airports in North America that has a daycare facility. The \$800,000 shortfall in budget will be covered by the Ministry. The return on investment will be unquantifiable and its positive impact for employees that work at the airport and their children.
- The development of two destination retail and commercial lots both within the CD12 zone are currently being negotiated.
- Staff responded to questions from the Committee.

Air Service Development Update

- Passenger Statistic Comparison over last three years was reviewed. YTD is still in a decrease yet the numbers into Kelowna have been consistent over time.
- Believe people wanted the ability to come and go as they wanted if there was a bad fire season.
- September 2022 seat capacity - largest coming from YVR with 70,000+ in Vancouver and 69,000 from Calgary.
- December 2022 - total seat number increases from Vancouver and Calgary as well as other destinations.
- In a 4 hour connectivity time, meaning leaving Kelowna and you will connect in another airport to reach your final destination, we now have 42 domestic, 50 transborder, 24 international and 116 destinations.
- Air carrier flight schedules were reviewed. Seat capacity is at 108% recovery pre Covid.
- Federal grant funding was reviewed with a total of \$21.6M being provided.
- Responded to questions from the Committee.

The meeting recessed at 10:32 a.m.

The meeting reconvened at 10:44 a.m.

Financial Update

- Financial forecasting - three scenarios were reviewed with emphasis on the medium growth also referred to as a policy restricted forecast. Anticipating being cashflow positive with ending reserve being at \$27M at the end of 2022.
- Operating expenditures of \$13.9M were reviewed.
- A surplus of just over \$3.5M is forecasted.
- Debt repayment was reviewed.
- Fees and charges were reviewed. YLW has some of the lowest fees. The Aeronautical Revenues per landed Air Carrier Seat were reviewed with YLW being amongst the lowest for Tier 1 and Tier 2 airports across the country.
- Airport Improvement Fee (AIF) per passenger was reviewed.
- The review shows alignment with the YLW low cost business model. In 2023 there will be no increases in AIF landing or terminal fees proposed. An increase to the parking fee is proposed with an inflationary base CPI increase each year moving forward.
- Responded to questions from the Committee.
- Reviewed the status of other airports. There are no airports that known at the current time that run the risk of failing or being in financial default. Debt loads have increased significantly in many airports as they recover from the impacts of Covid on air flight.

Moved By Chad Eliason/Seconded By Lesley Cormack

THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on September 22, 2022;

AND THAT the Airport Advisory Committee support 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 3, 2023, as presented to the Airport Advisory Committee on September 22, 2022.

Carried

4. Questions & Wrap Up

Mayor Basran touched on the highlights of the Committee during their term. Highlights included the support from Okanagan Valley municipalities during the pandemic, finishing the past two years in a positive financial position with no increase in fees or charges, as well as continuing to work towards the long term vision outlined in the 2045 Airport Master Plan.

The partners were congratulated, and staff thanked for their commitment.

A request was put forth to establish a working group for small businesses on future committees especially in the food & tourism industries in order to encourage a closer working relationship for small local businesses with the airport.

5. Termination of Meeting

The Chair declared the meeting terminated at 11:09 a.m.

Chair

Airport Advisory Committee Meeting

July 26, 2023



Agenda

- ▶ Welcome and introductions
- ▶ Airport Overview
- ▶ Operational Overview
- ▶ Commercial, Capital Project & Air Service Overview
- ▶ Financial Overview
- ▶ Questions



YLW

Kelowna International Airport

Airport Overview



YLW Strategic Goals

Optimization & Transformation

Improve and innovate the way we plan and operate our business

Driver of Regional Economic Development

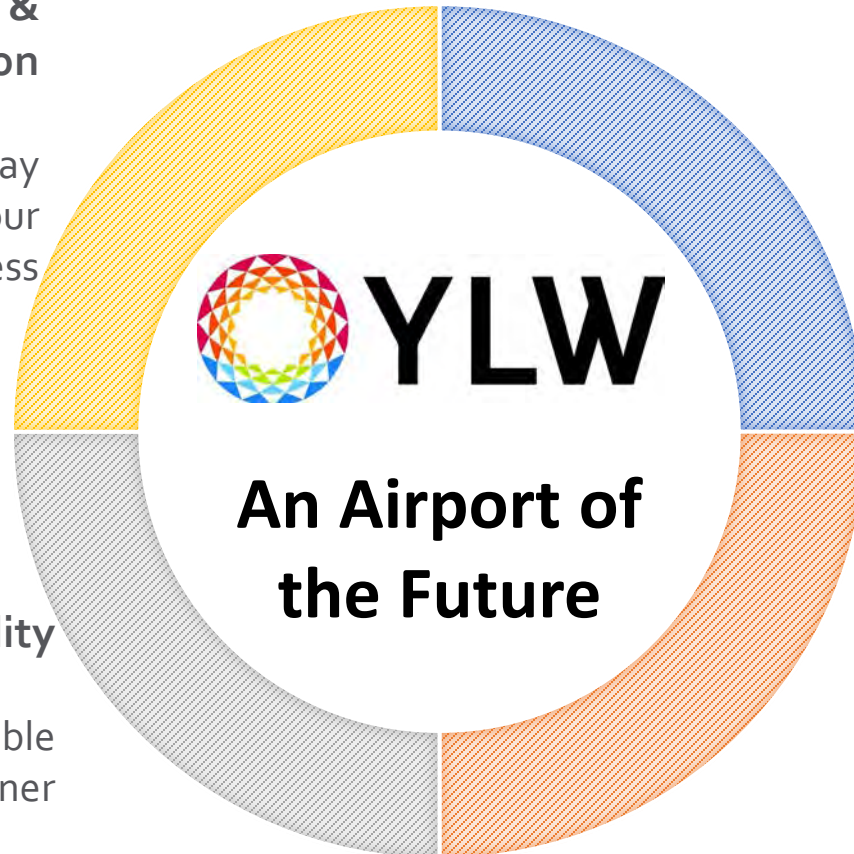
Lead and foster economic prosperity within the region

Financial Responsibility

Act in a financially sustainable & resilient manner

Accountable Leadership

Lead in the areas of safety, security, social responsibility and the environment



Kelowna International Airport

- ▶ Largest municipally owned airport in Canada
- ▶ 10th busiest airport in Canada

Airport

- 1 Toronto Pearson
- 2 Vancouver
- 3 Montreal
- 4 Calgary
- 5 Edmonton
- 6 Halifax
- 7 Winnipeg
- 8 Ottawa
- 9 Toronto Billy Bishop
- 10 Kelowna**
- 11 Victoria
- 12 Quebec City
- 13 St. John's
- 14 Saskatoon
- 15 Regina

Kelowna International Airport

- ▶ More than 60 daily non-stop commercial flights
 - ▶ 10 airlines





Y^LW

Kelowna International Airport

Operational Overview

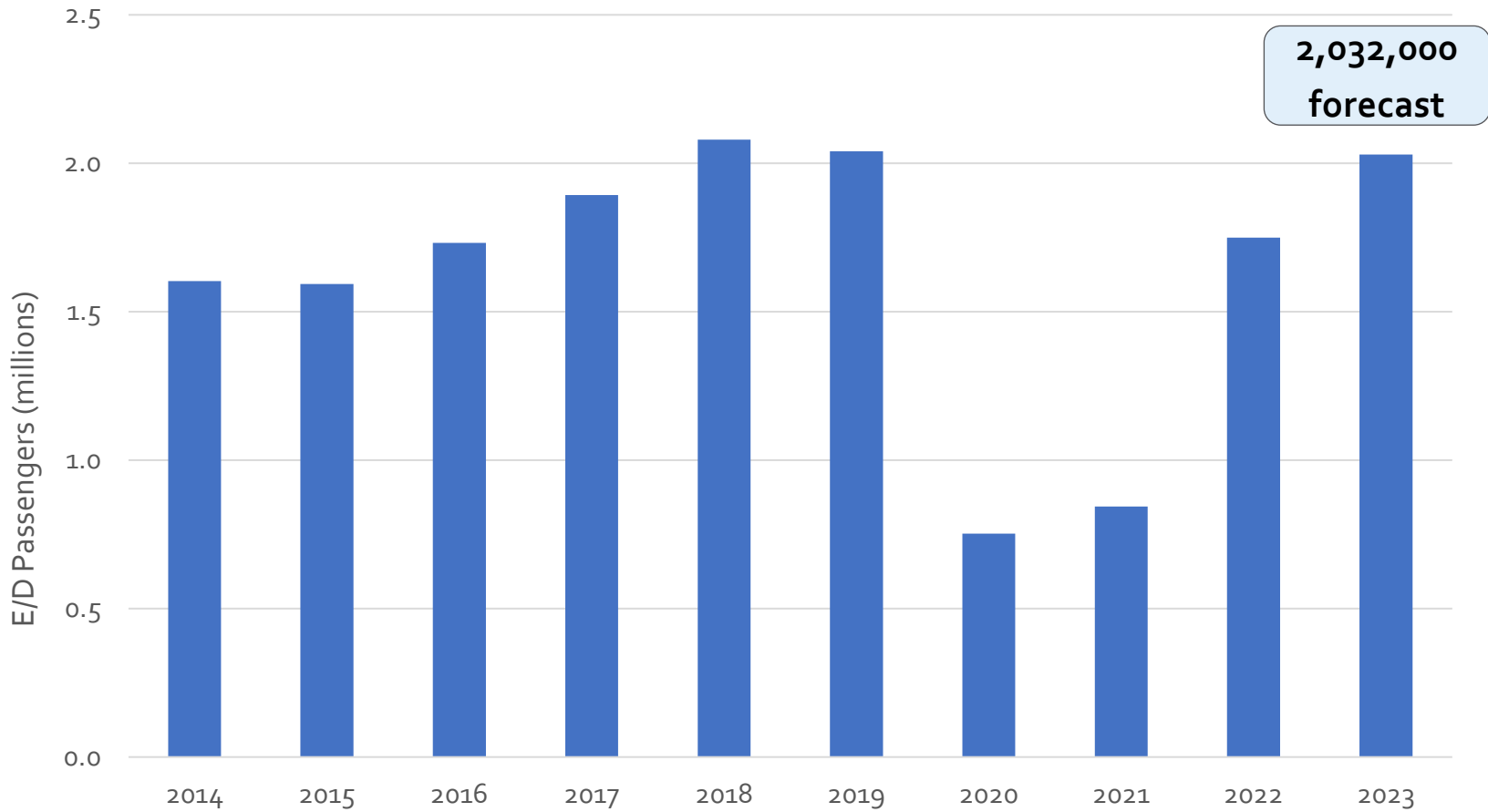


2023 Monthly Passengers

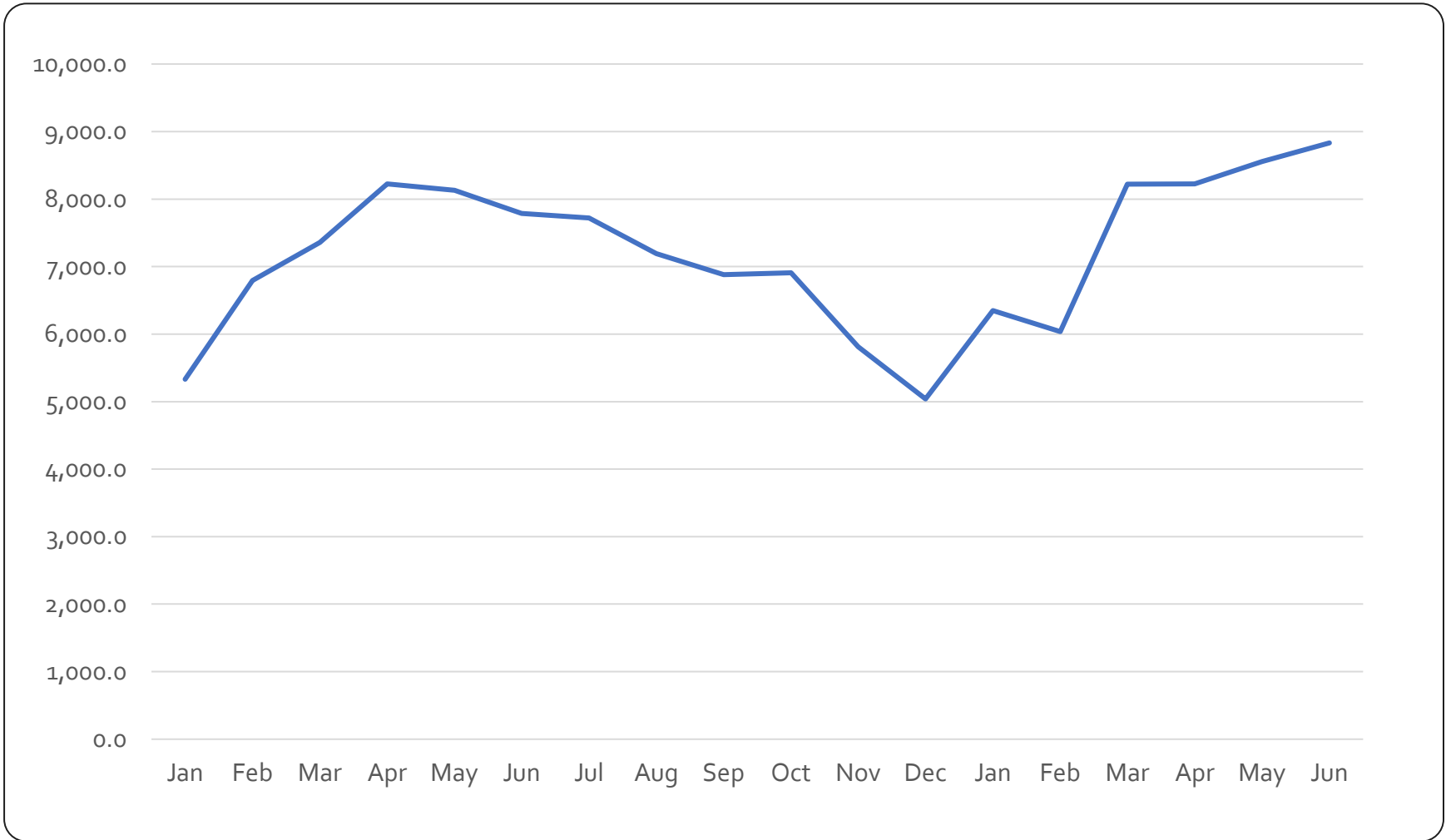
	Monthly	% Monthly (2023)	YTD	% YTD (2022)	%YTD (2019)
January	167,687	71%	167,687	71%	-7.7%
February	165,653	59%	333,340	65%	-7.6%
March	179,122	42%	512,462	56%	-7.5%
April	153,507	21%	665,969	46%	-6.2%
May	156,491	6%	822,460	36%	-4.9%
June	177,067	5.8%	999,527	30%	-2.6%

2023 Forecast	2,032,000
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2014 – 2023 Passenger Statistics



2022 / 2023 Aircraft Movements



Airport Operations



Groundside Parking / Rental Car Operations



Terminal / Apron Airside Operations



Airside Maintenance and Snow Operations



Aircraft Firefighting & First Medical Response



Aircraft Operations

- ▶ Most challenging approach in Canada for commercial airline operators (WestJet / Air Canada) due to mountainous terrain
- ▶ Largest mix of medium weight high speed commercial traffic and light weight slower general aviation aircraft into a single runway environment in Canada

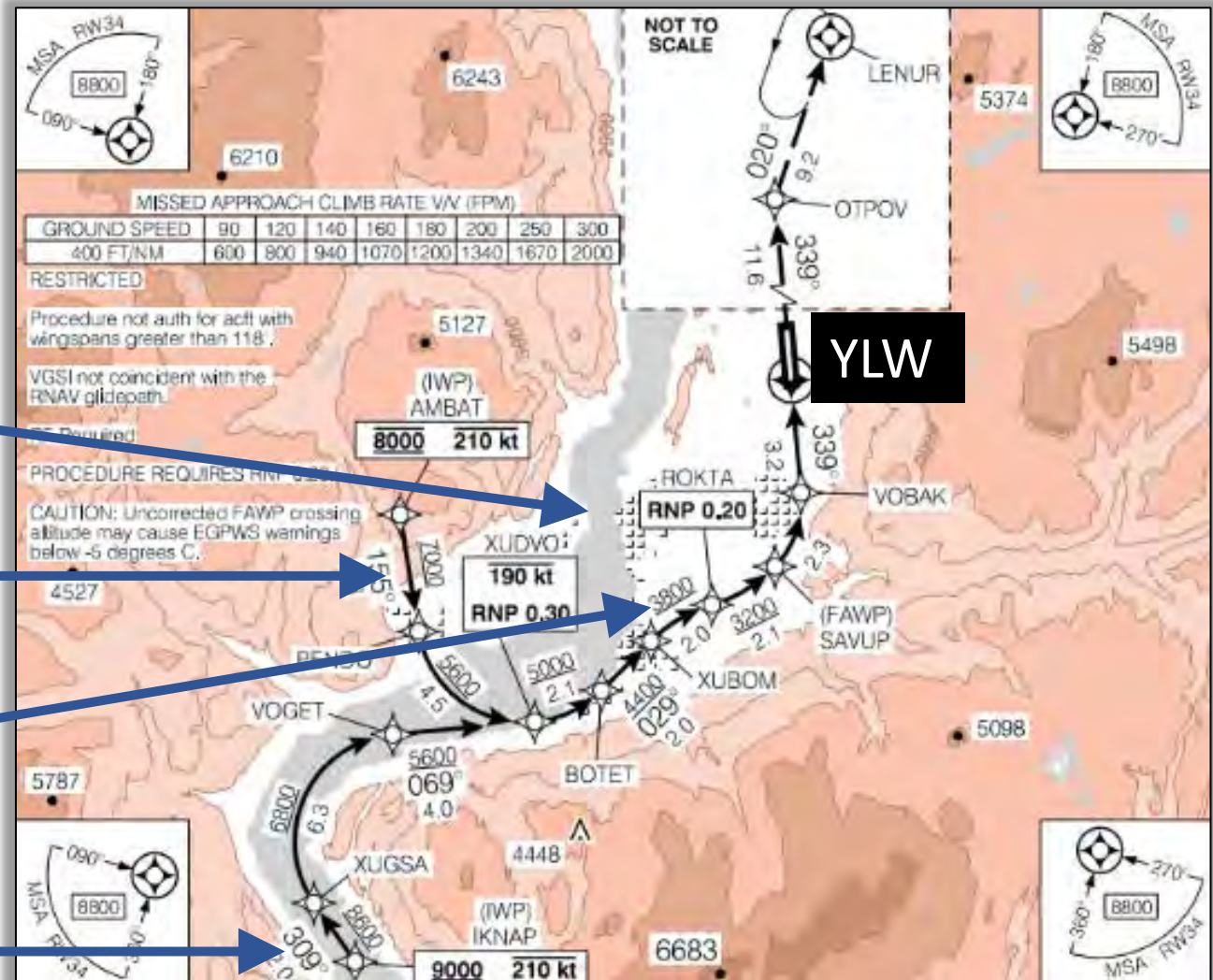


Aircraft Operations - Innovation



2015 – YLW's first satellite-based approach

Aircraft Operations - Innovation



Bennett Bridge

West Kelowna

Mission

Summerland



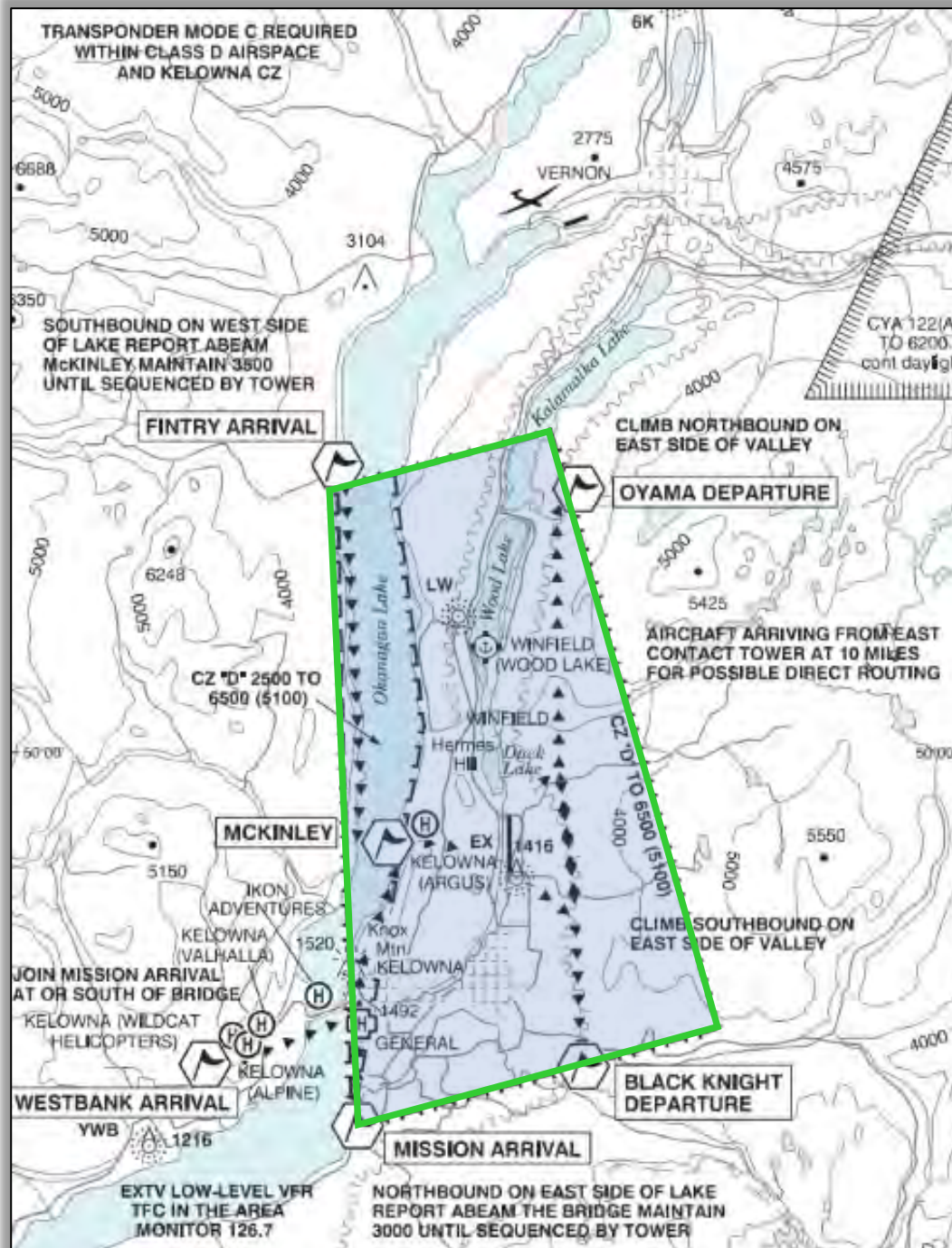
YLW Kelowna International Airport

Aircraft Operations - Innovation

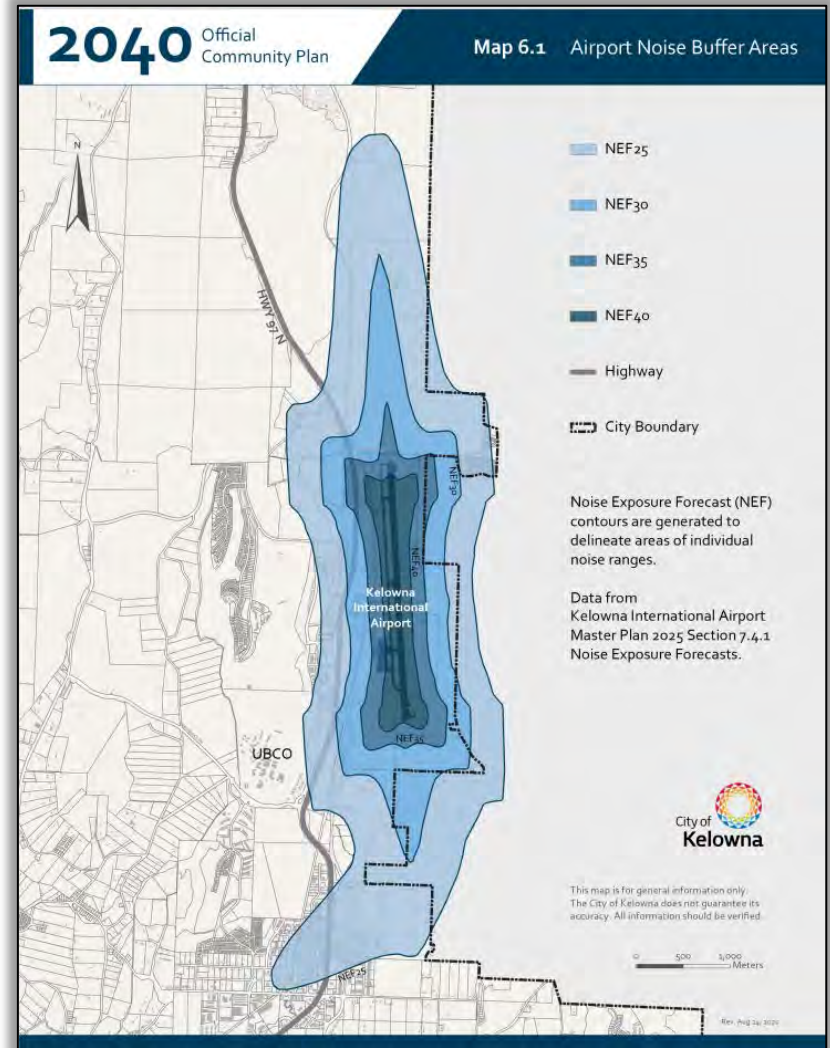
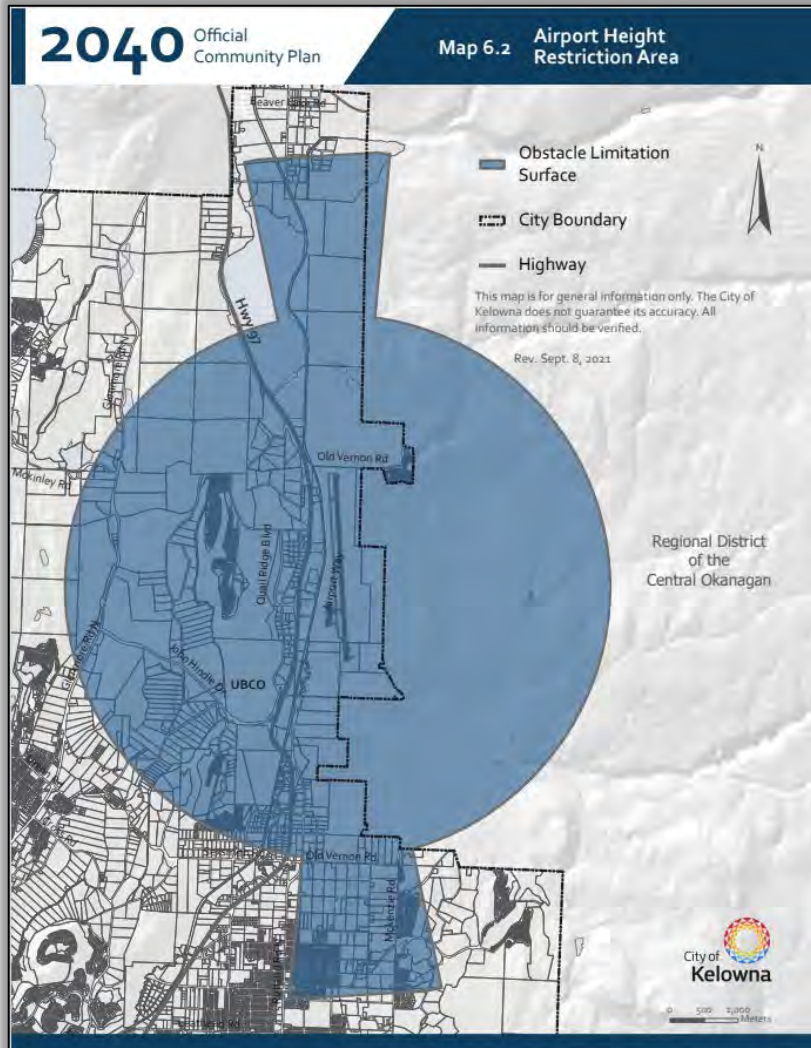
- ▶ Currently working with Nav Canada on improving the RNP approach from the south to allow a wider range of aircraft to fly the approach during low visibility operations

YLW controlled airspace - Optimization

- ▶ Nav Canada airspace review currently underway in consultation with YLW and aviation stakeholders
- ▶ Intent is to improve efficiencies and optimize sequencing of arriving and departing aircraft
- ▶ Outcomes may include expanded control zone and improved coordination between Air Traffic Control and smaller general aviation and corporate type aircraft

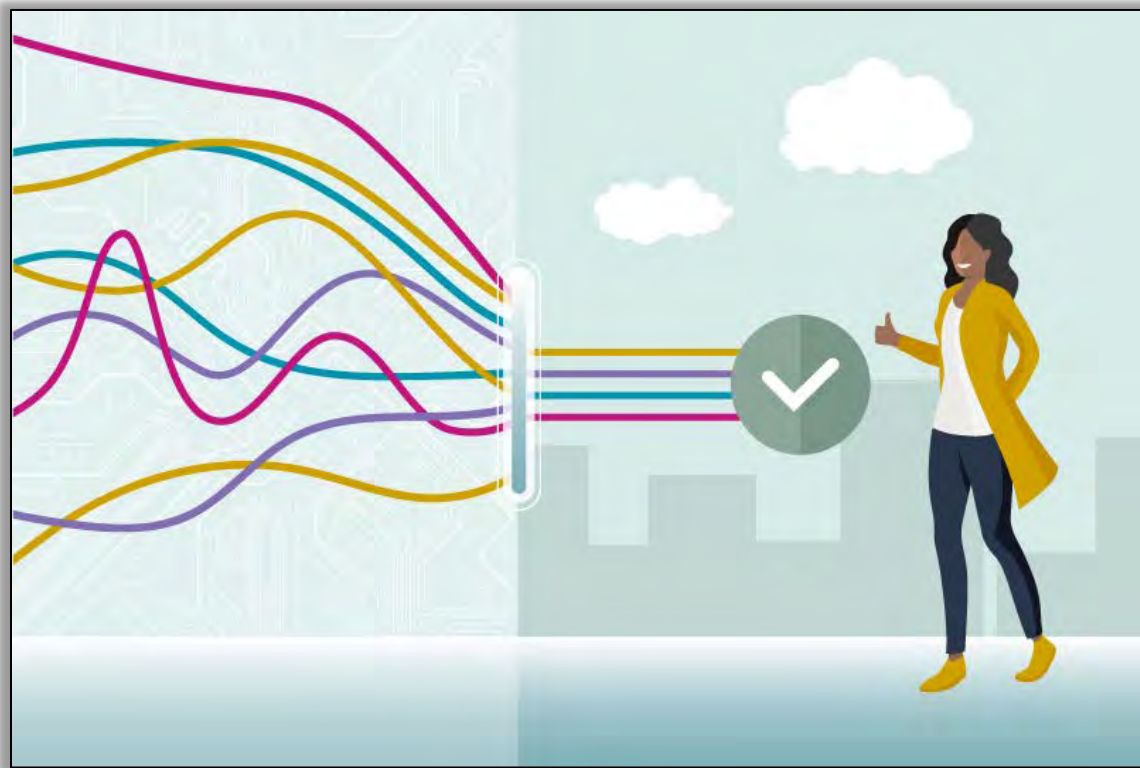


Official Community Plan



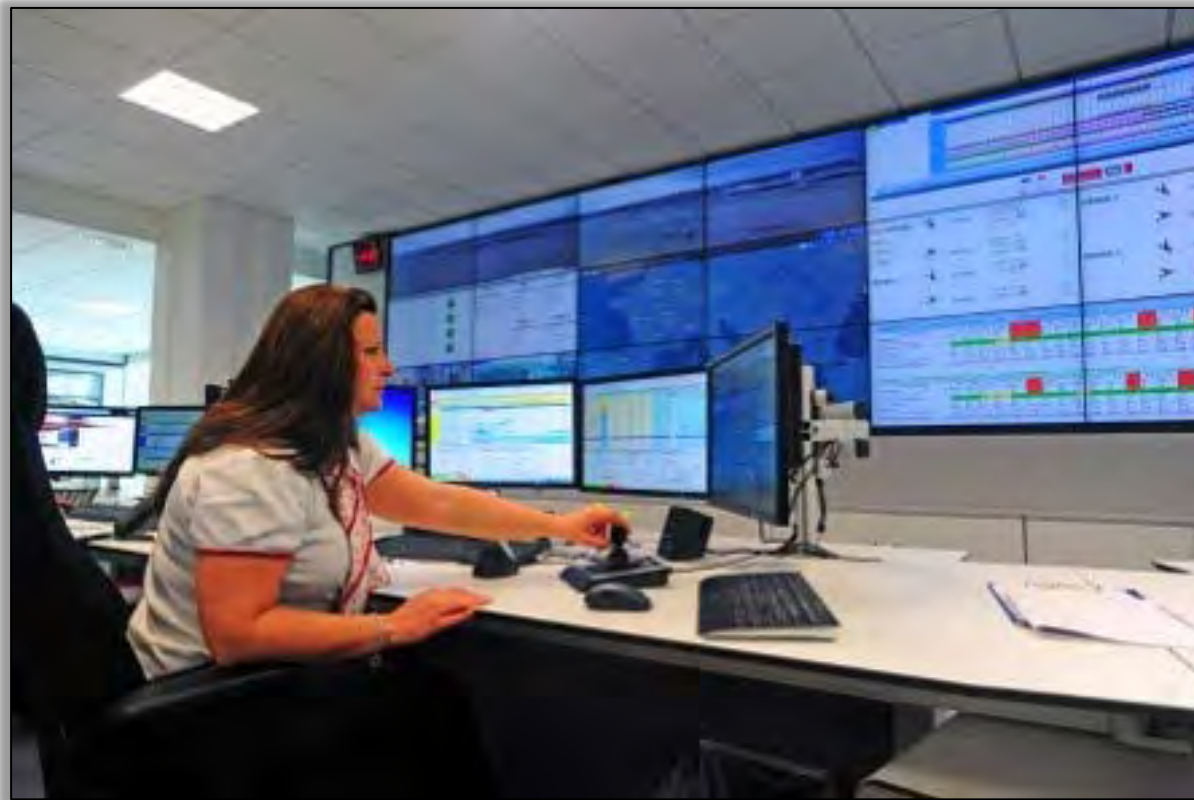
Airport of the Future

Airport of the Future – Capturing all data sources



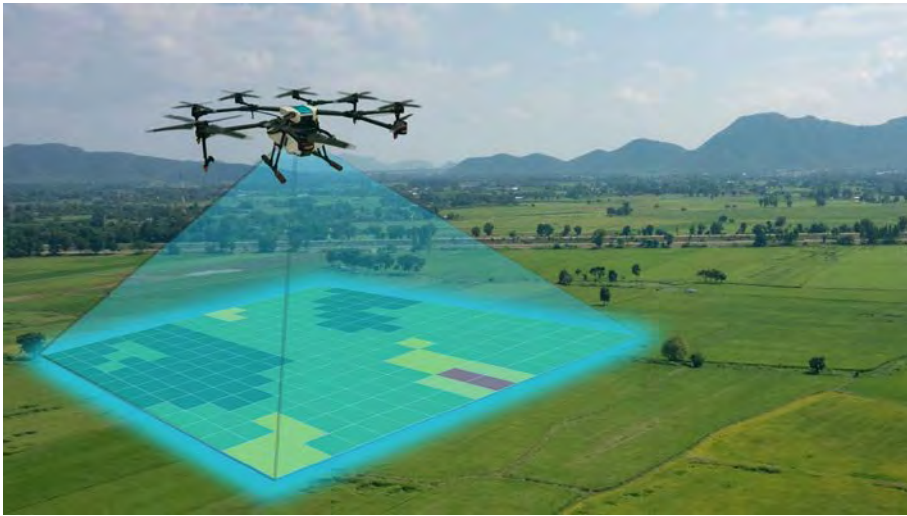
Airport of the Future

Airport of the Future – Data Driven Decisions



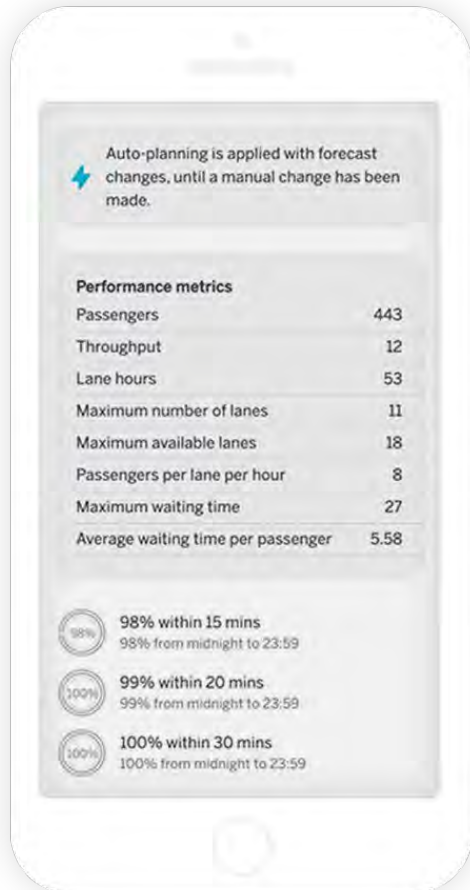
Airport of the Future

Wildlife identification & remediation



Airport of the Future

Check in allocation based on passenger data



- ▶ How many passengers on the flight
- ▶ How many have checked bags
- ▶ How many already checked in
- ▶ How many will go straight to PBS
- ▶ What is average que time

Airport of the Future

Virtual queuing



Airport of the Future

E-gates & self boarding



Airport of the Future

Baggage System - RFID



- ▶ No kiosk
- ▶ No printed bag tag
- ▶ No physical visual scanners
- ▶ Multiple tracking point



Virtual Lobby – Alaska Pilot Program



Airport of the Future - Parking









- ▶ Reservation system
- ▶ Machine learning passenger behaviors

 <p>Economy</p>	<p>DRIVE UP \$2.50 / 30 min \$22 / day \$99 / week</p>	<p>ONLINE N/A \$20 / day \$90 / week</p>
 <p>Terminal</p>	<p>DRIVE UP \$2.50 / 30 min \$28 / day \$119 / week</p>	<p>ONLINE N/A \$26 / day \$115 / week</p>
 <p>VIP CURBSIDE PARKING</p>	<p>DRIVE UP N/A</p>	<p>ONLINE \$30 / day</p>
 <p>Valet & Away</p>	<p>TEMPORARILY UNAVAILABLE</p>	



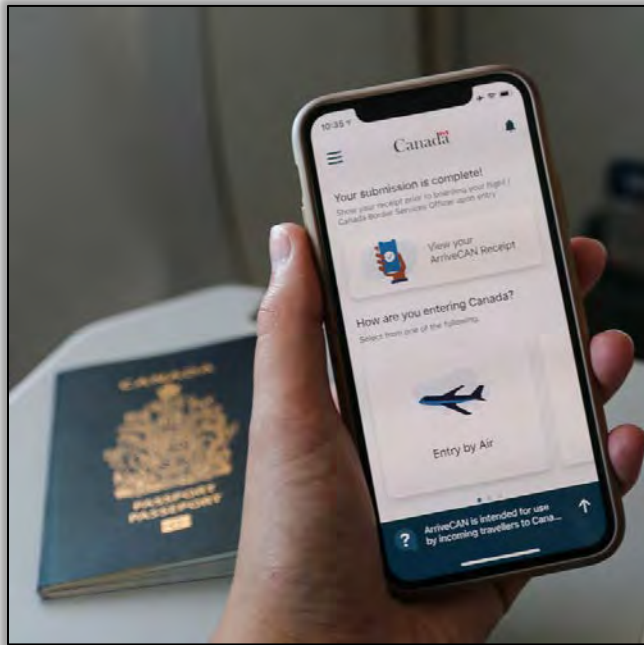
ReserTrac – Ground Transportation

Highlights
[Download Whitepaper](#)

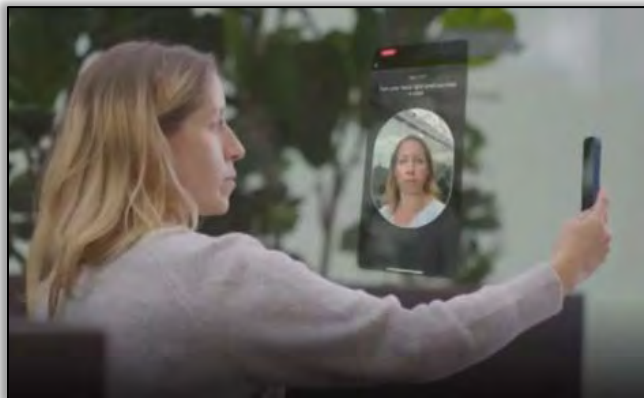
	Central Repository		Messaging
	Dispatching System		Audit
	Live Tracking System		Inspection
	Monitoring		Driver Exam



CBSA Modernization



1. Advanced digital declaration
2. Digitization of your passport



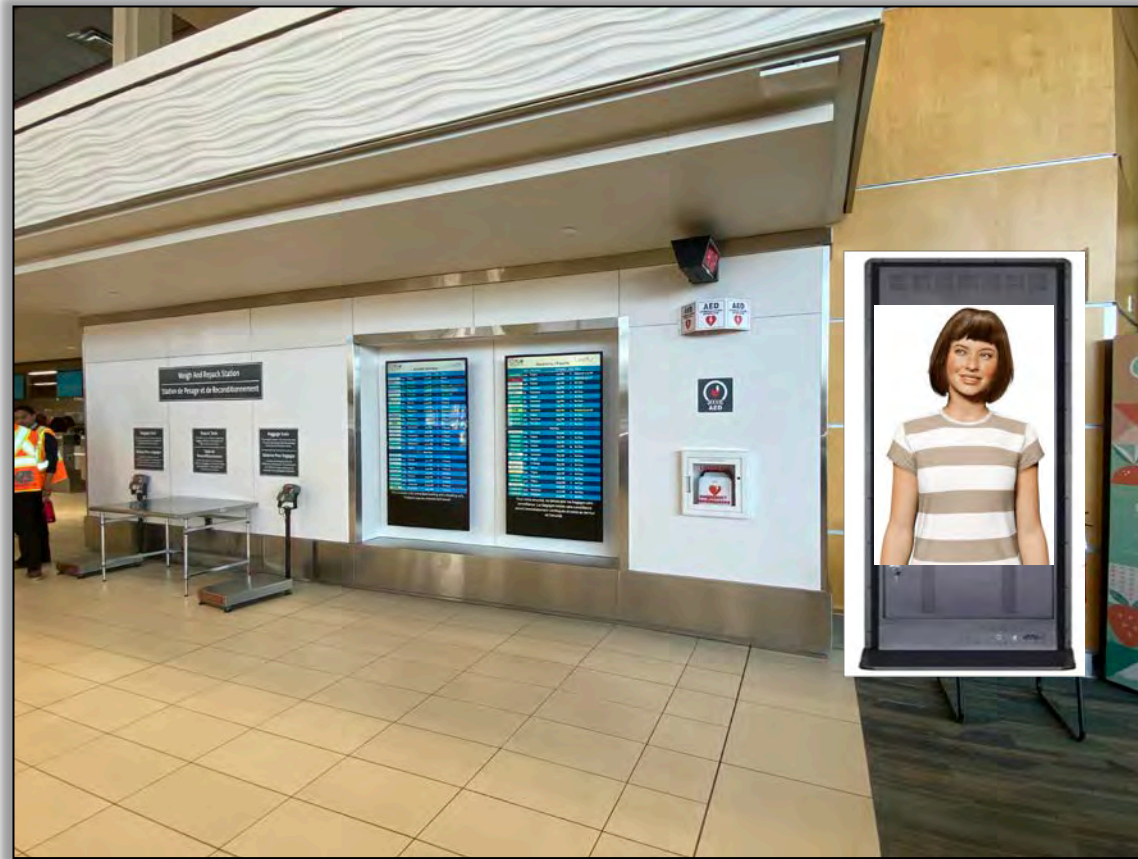
3. Facial recognition

CBSA Modernization



4. Identity Confirmation during primary inspection
5. Cleared or sent to secondary requirement based on advanced data
6. No CBSA officer involvement if cleared

Soul Machine – Chat GPT Virtual Concierge



ACI-NA Health Accreditation Maintained



Environmental Initiative

Commitment to Carbon Neutral & Net Zero



YLW is committed to achieving carbon neutrality by 2030 with a plan to achieve net zero or net negative by 2040.



Carbon neutral by 2030 equates to an average of 7.14% annual emissions reduction per passenger over 2016 levels.

Environmental Initiative

Level 2 – Airport Carbon Accreditation Achieved



+ MAPPING

Footprint measurement

+ REDUCTION

Carbon management towards a reduced carbon footprint

+ OPTIMISATION

Third party engagement in carbon footprint reduction

+ NEUTRALITY

Carbon neutrality for direct emissions by offsetting

+ TRANSFORMATION

Transforming airport operations and those of its business partners to achieve absolute emissions reductions

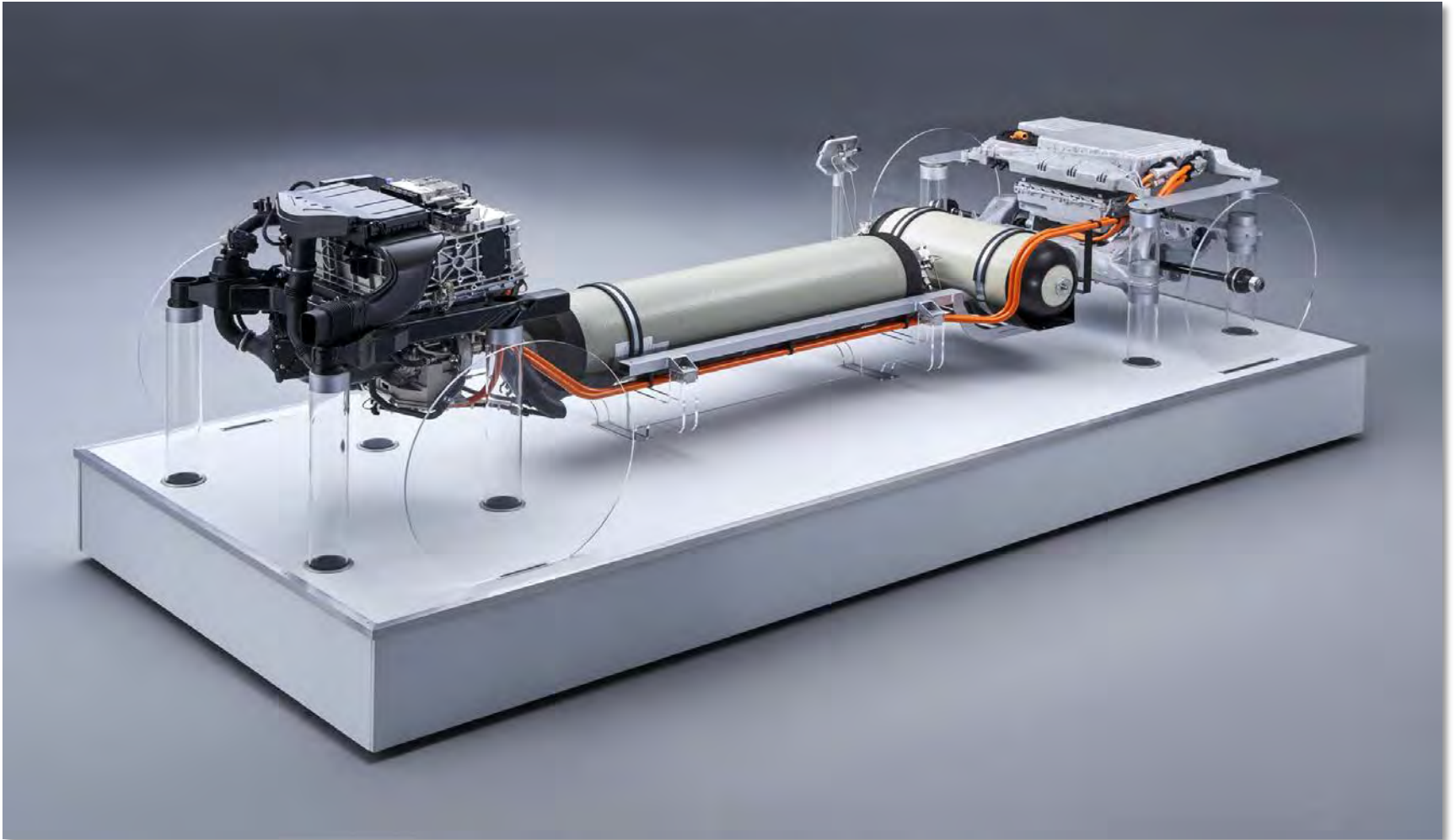
+ TRANSITION

Compensation for residual emissions with reliable offsets



YLW Kelowna
International
Airport

Electrification Battery/Hydrogen



Electrification Battery/Hydrogen



Electrification Battery/Hydrogen



Commercial, Capital Project & Air Service Overview





YLW

Kelowna International Airport

Airport Commercial Overview



Food & Beverage – Concessions



Airport Plaza - Gas station

The Airport gas station is changing operators and is now subleased by Canco and will be opening on July 26th. All signage has changed.



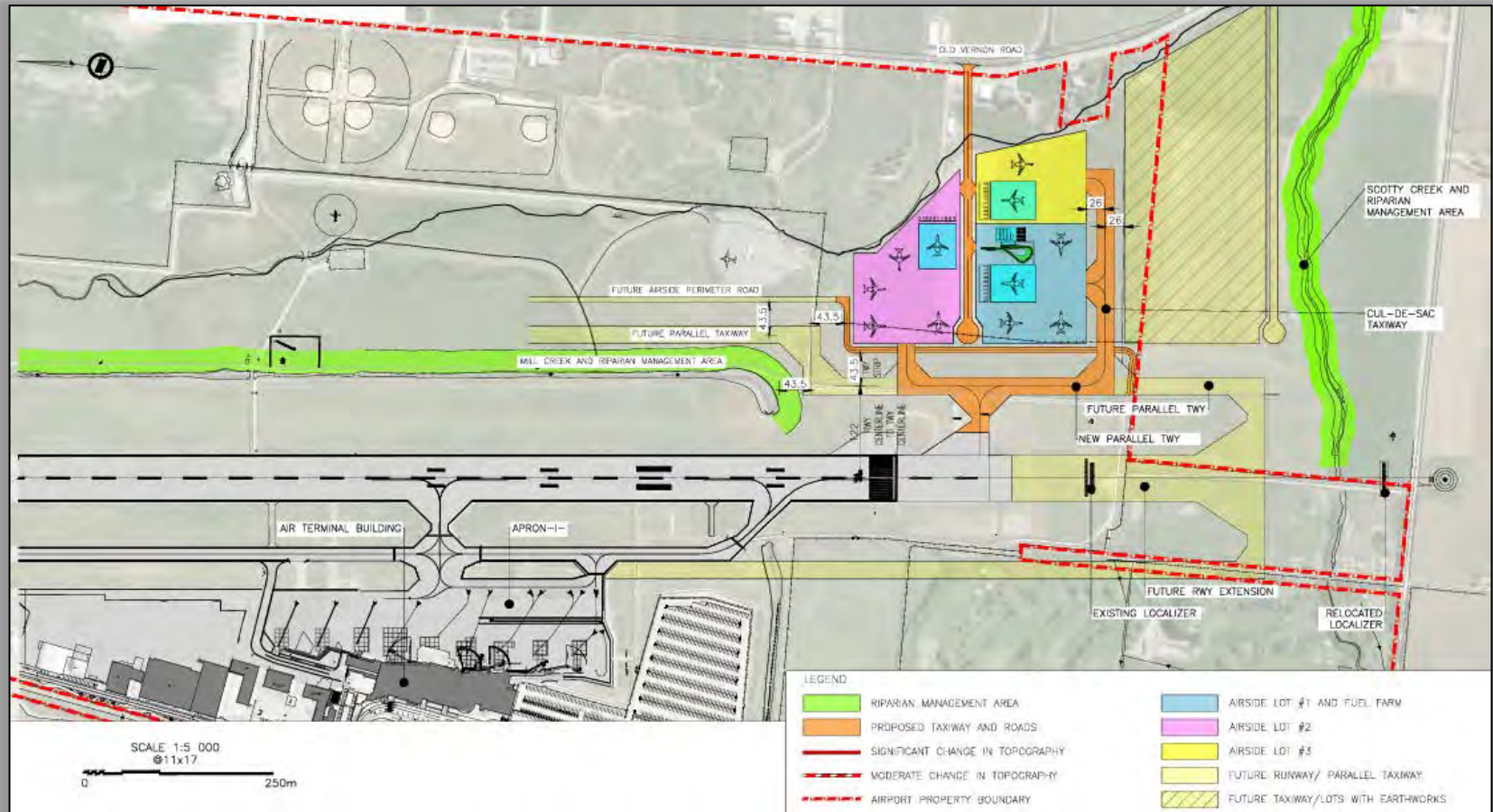
Bubble Waffle will be opening in the near future occupying space in the same building.



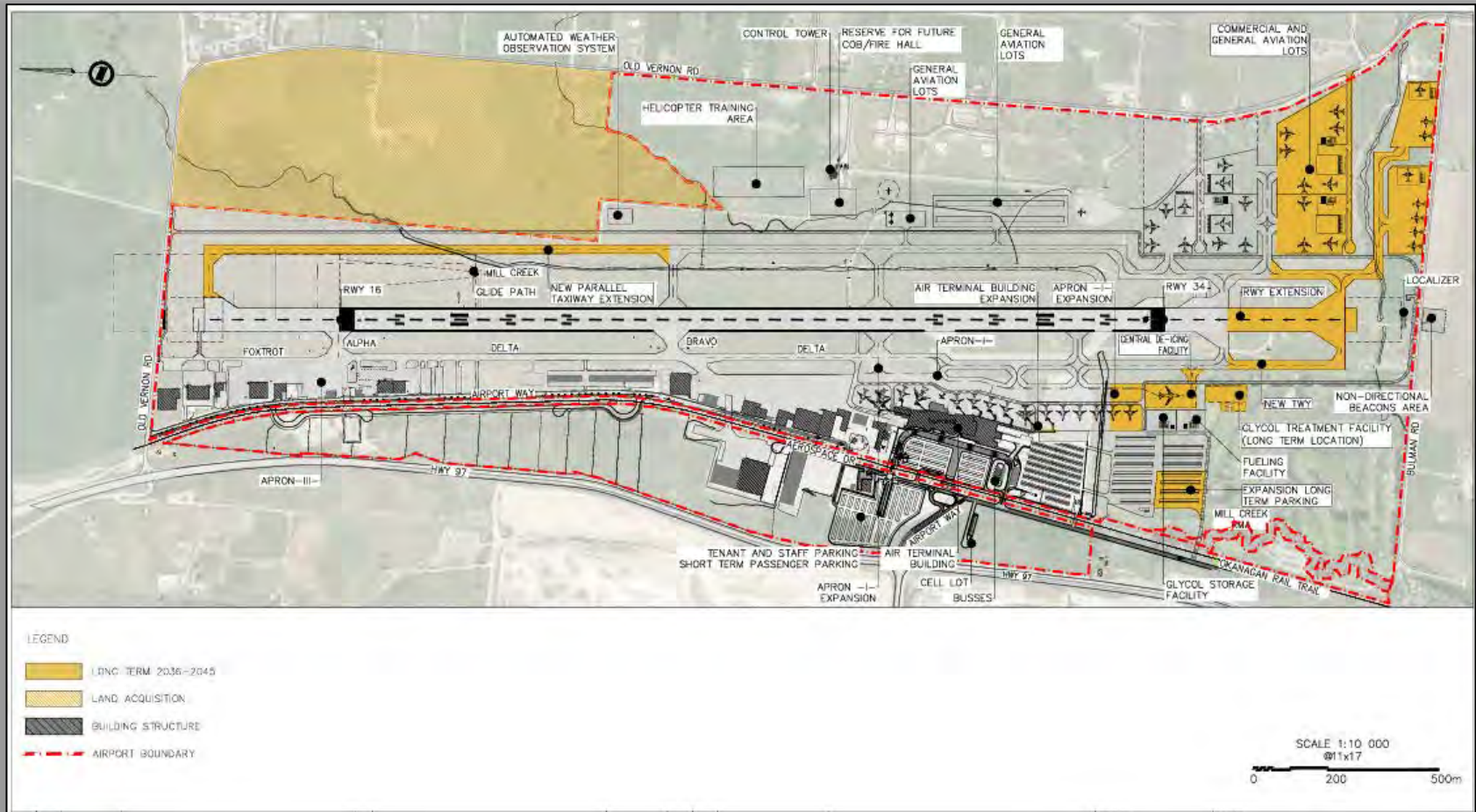
Freshii remains as a staple component of this development serving airport and rail trail customers.



Eastlands



Eastlands



Capital Projects Overview

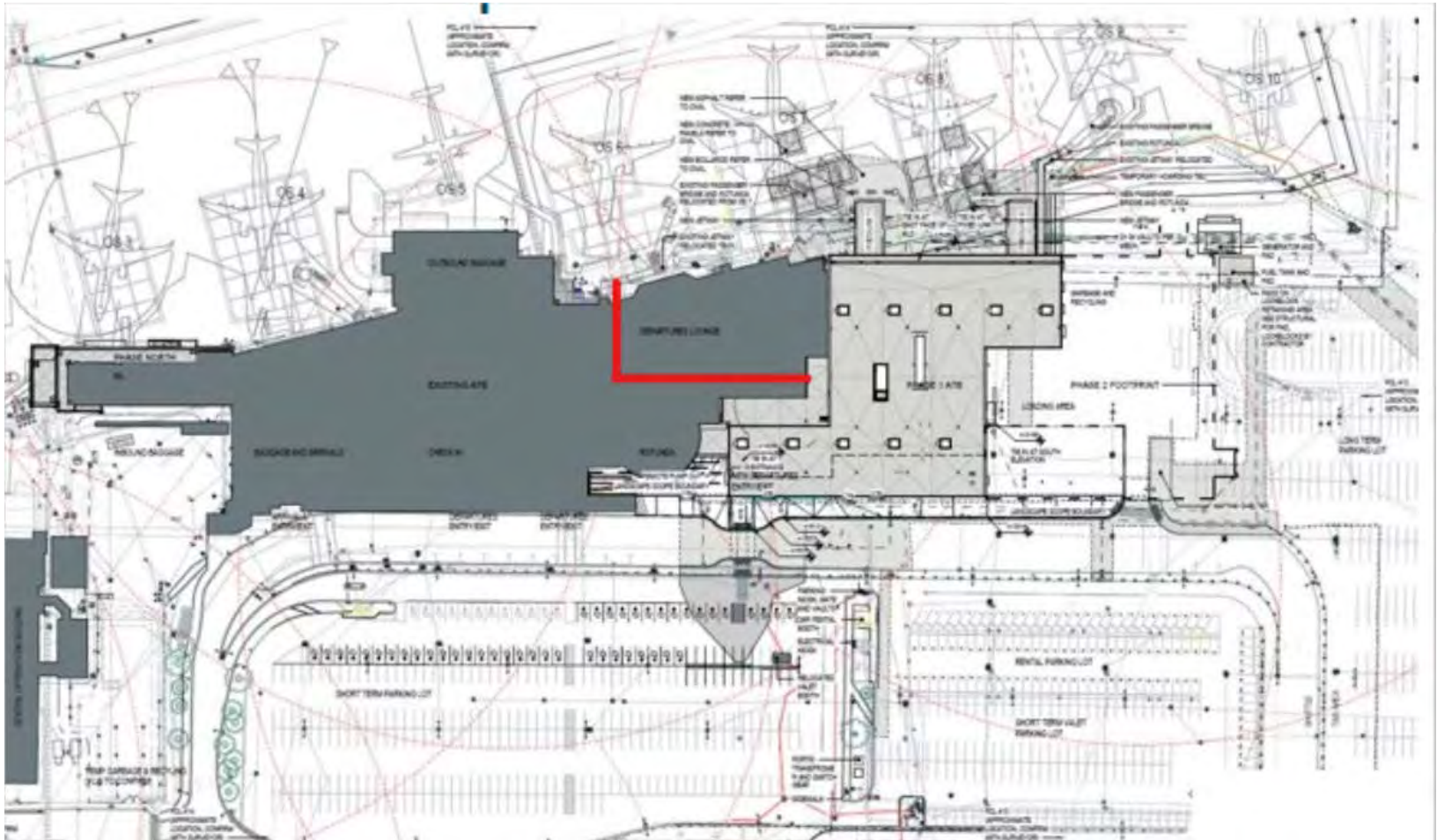


Air Terminal Building Expansion

- ▶ Tender has closed
 - ▶ Due diligence underway
- ▶ Construction starts fall 2023
 - ▶ Site is primarily groundside
 - ▶ Planned 34-month build
- ▶ Enabling works continue
 - ▶ Groundside complete
 - ▶ Apron works underway
 - ▶ Bridge 8 has been removed & temporary walkway installed



ATB Expansion – Site Plan



Air Terminal Building Expansion

YLW Overview



Childcare Facility

- ▶ Construction is complete
 - ▶ YMCA is commissioning their operating procedures
 - ▶ The Childcare facility will start accepting children in September
 - ▶ Accepting 86 initial children and a waitlist is actively managed by YMCA
- ▶ Phase 2
 - ▶ Facility is full so we have initiated a second funding application for the expansion of the childcare facility
 - ▶ Additional two classrooms to be added



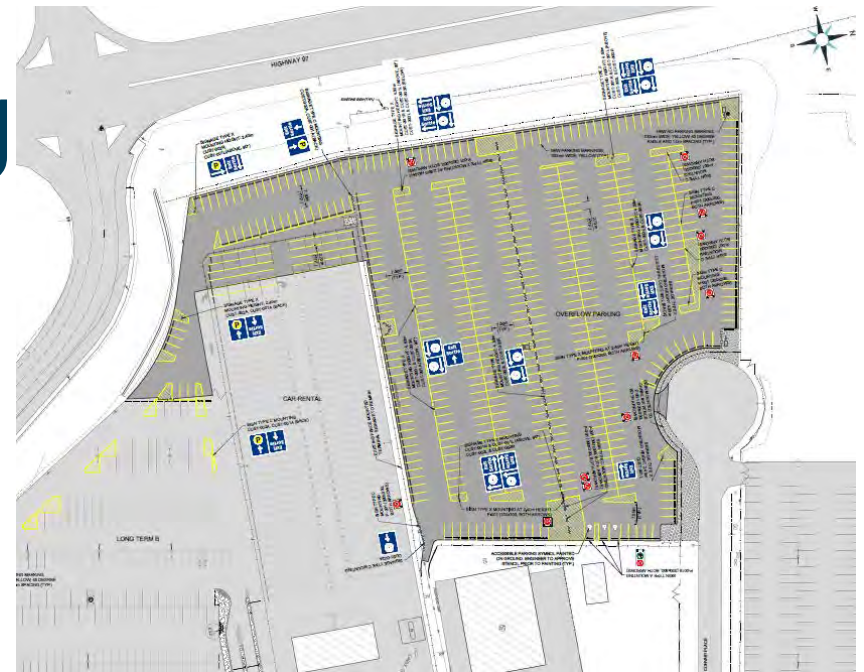
Hotel and Parkade

- ▶ Hotel sublease executed
 - ▶ Subject to parkade sublease approval
 - ▶ 260 to 293 rooms
 - ▶ Regional inspired restaurant
 - ▶ Business facilities
- ▶ Parkade sublease near execution subject to Council approval
 - ▶ 1000+ stalls



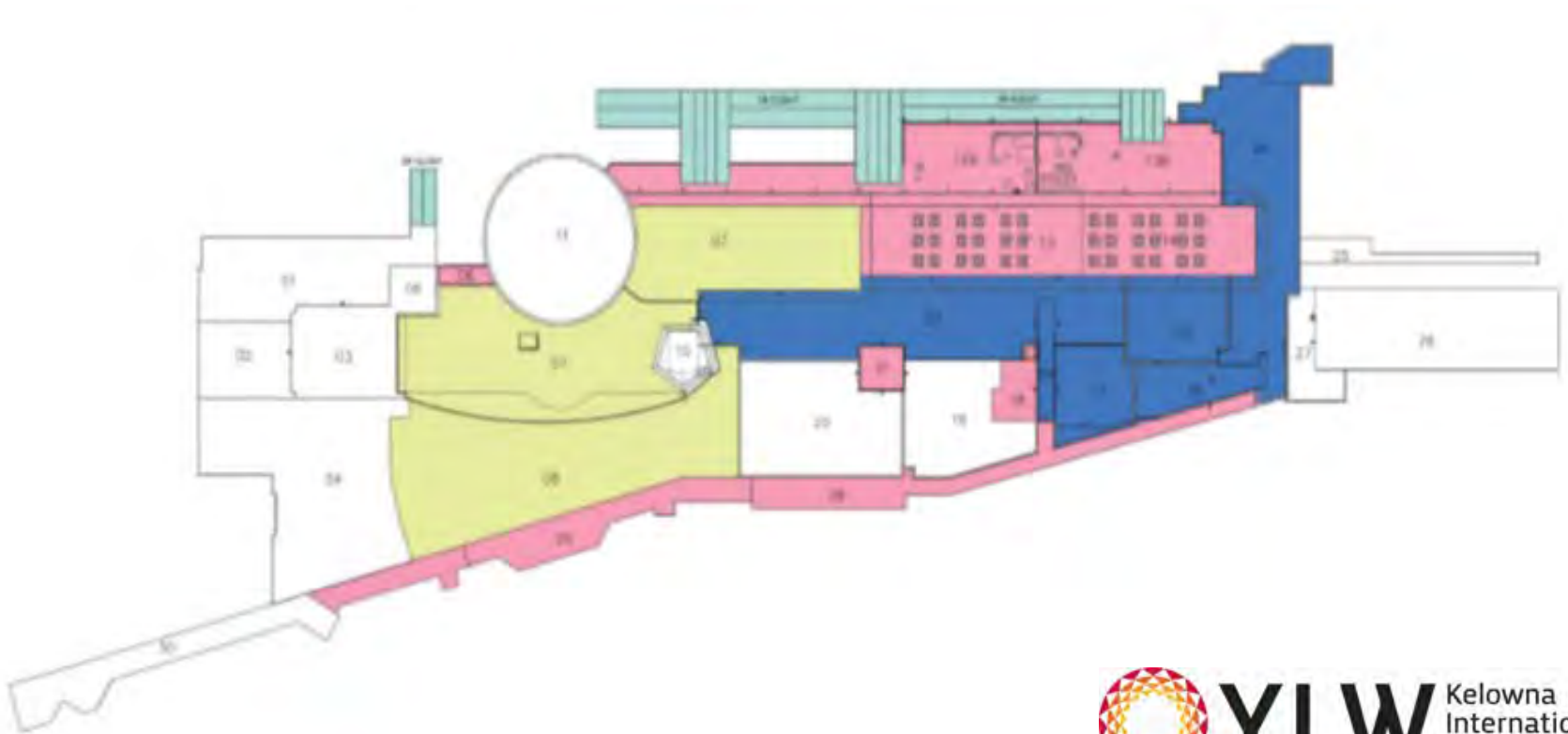
Convair Lot Paving

- ▶ Campus Employee Parking for staff and flight crew
- ▶ Parking lot updated with:
 - ▶ Paving
 - ▶ New line painting
 - ▶ Safety alarm station
 - ▶ Fencing and access control
 - ▶ Wheel stops
 - ▶ Wayfinding signage



ATB Roof Replacement Program

- ▶ ATB Roof Replacement Program
 - ▶ Replacement of poor and failing sections of the ATB roof
 - ▶ Phases 1 (yellow), 2 (blue) and 3 (pink – west side) complete
 - ▶ Remainder of 3 (airside corridor) by fall 2023



GHG Reduction

- ▶ Roadmap to Carbon Neutral by 2030
 - ▶ Replacement of RTUs with electric over next few years
 - ▶ Replace boilers and hot water tanks with electric
 - ▶ Connect mechanical room to south geothermal field
 - ▶ Utility upgrades to support additional electrical requirements, including possible future high voltage substation



Airside Pavement Rehabilitation Apron III

- ▶ Purpose: rehabilitate main parking and overflow Apron due to pavement deterioration
- ▶ Scope: full structural rehabilitation of pavement to support continued operational use
- ▶ Construction complete by September
- ▶ No impact to airline operations



Airside Pavement Rehabilitation Taxiway C

- ▶ Repaving of Taxiway C
- ▶ Schedule:
September – October 2023

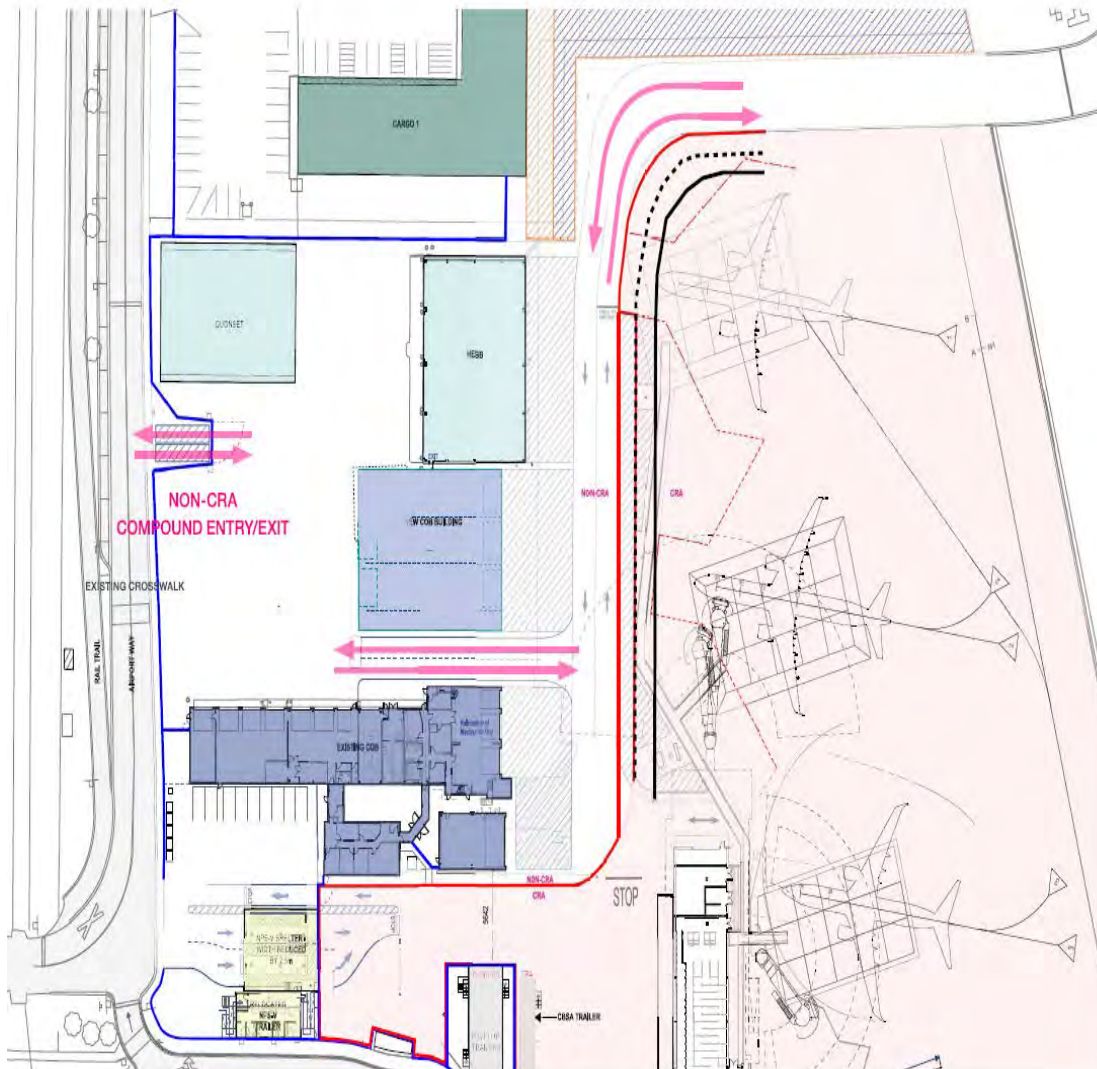


Airfield Lighting & Supporting Infrastructure

- ▶ Assessment and design for the conversion of approach lighting to high intensity with an extended lighting array to allow greater decision approach flexibility



Combined Operations Building



Construction of new Combined Operations Building includes:

- ▶ New Fire Fighting Vehicle and Equipment Bays
- ▶ New Operations Control Centre
- ▶ Relocate Airfield Vehicle Access Point

Air Service Development Overview



Taxiway G

- ▶ Taxiway stub for future airside development



Photo by Rick Montagnon

Air Service Development Update

Feb 2020

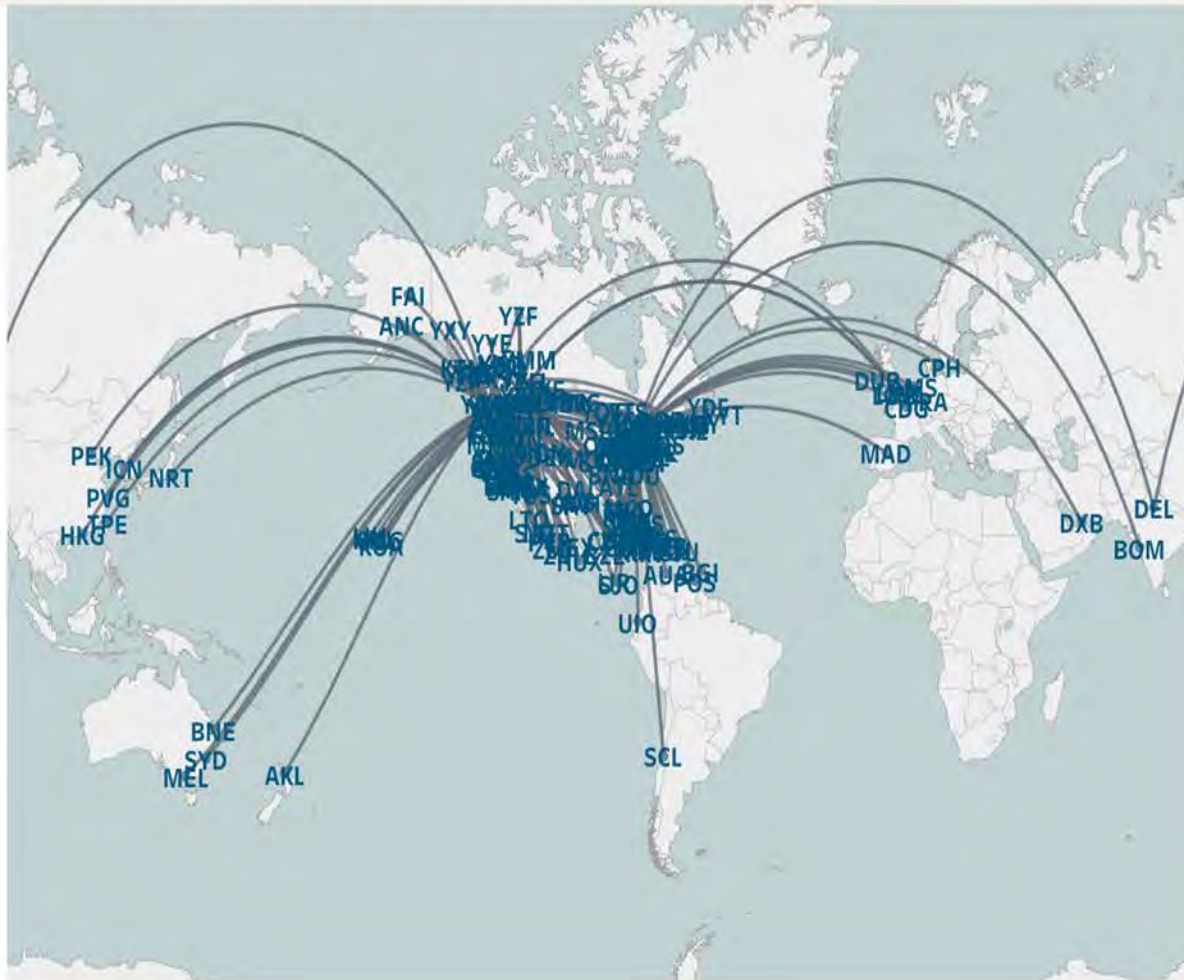
YLW Connectivity Analysis Dashboard

2020

Select Year

Select Month
February

Select Connecting Airport
All



© 2022 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: July 2022

Air Service Development Update

July 2023

YLV Connectivity

Year
2023

Season
All

Connecting Airport
Non-Stop

Itineraries

Non-Stop

17



© 2023 Mapbox © OpenStreetMap

Includes any online connections within one stop and a maximum connect time of 6 hours
Source: OAG Schedules via Lift
Schedule as of: May 2023

Direct

Multiple daily schedules

- ▶ 13 Domestic Destinations
- ▶ 4 International Destinations
- ▶ 2 Transborder

Air Service Development Update

May 2020

YLW Connectivity Analysis Dashboard

2020 Select Year May Select Month Direct Connecting Airport



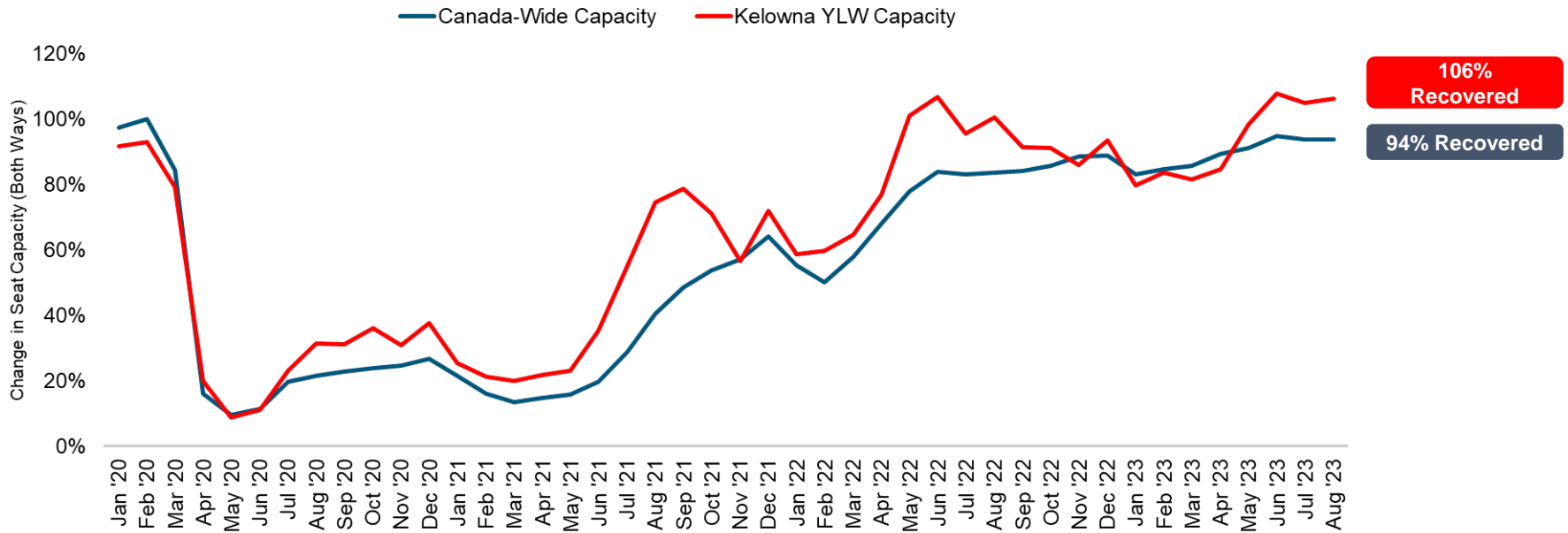
© 2022 Mapbox © OpenStreetMap

Includes any online connections within one-stop and a maximum connect time of 4 hours.
Max circuitry in view: 0%
Source: Innovata Schedules via Dito. Schedules as of July 2022

Air Service Development Update

YLW has recovered faster than the Canadian average

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



106% Recovered

94% Recovered

Source: Innovata Schedules via Diio by Cirium. Future capacity based on schedules filed as of April 2023.

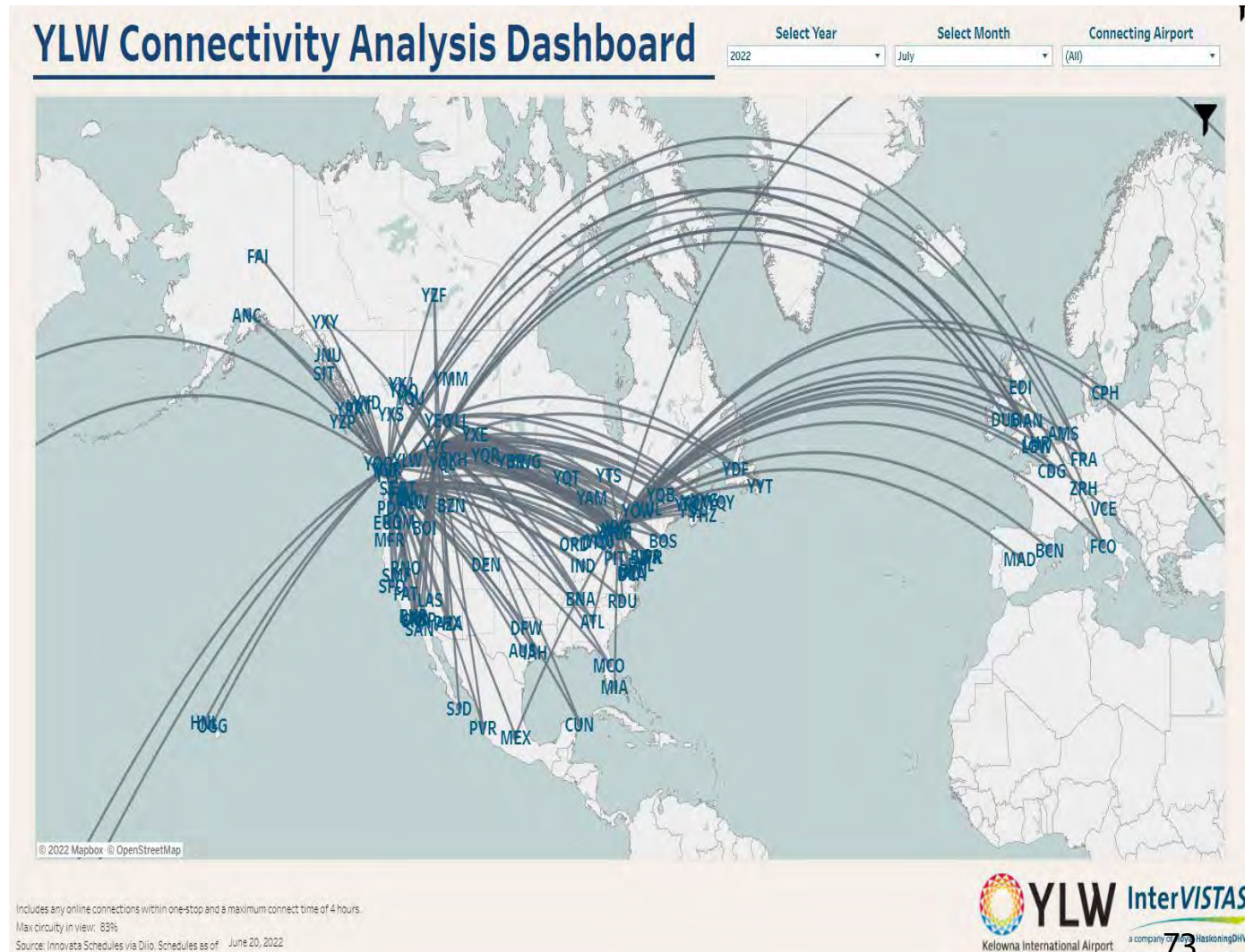
Air Service Development Update

2023

Connectivity

Industry standard max 4-hour connection

- ▶ 282 destinations including Domestic, Transborder and International



Added Capacity

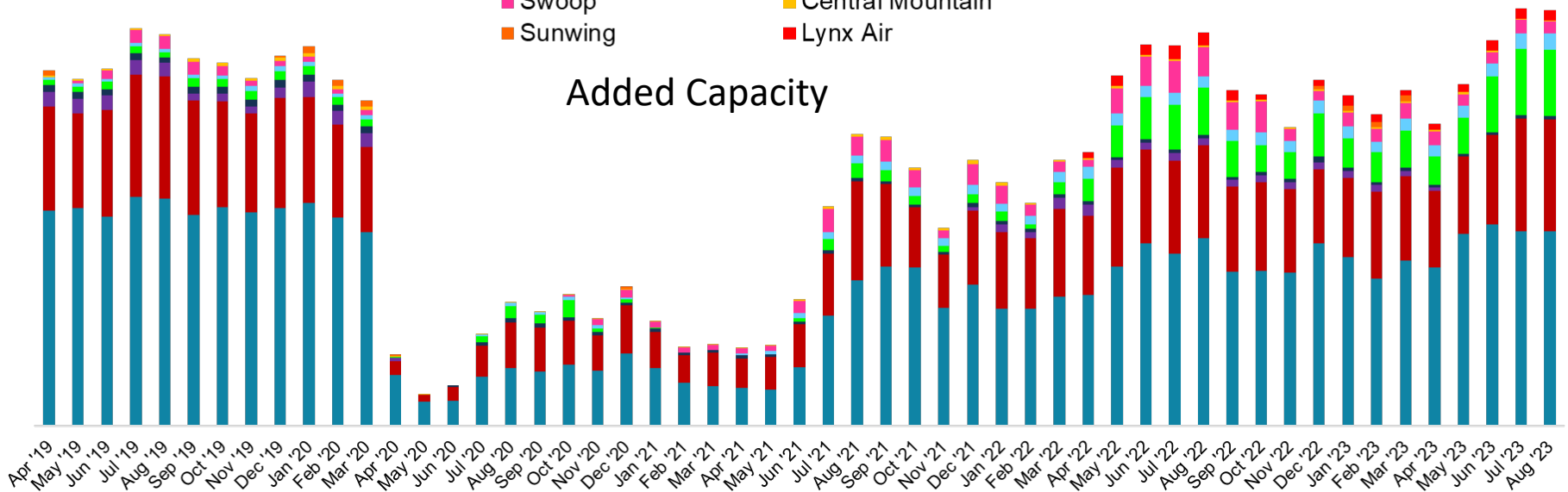
Airlines are adding capacity as a vote of confidence

YLW Seat Capacity by Airline
Both Directions, Apr 2019 – Oct 2023

- WestJet
- Alaska
- Flair
- Swoop
- Sunwing
- Air Canada
- Pacific Coastal
- Air North
- Central Mountain
- Lynx Air

106%
Seats Recovered
(August 2023 vs. August 2019)

Added Capacity



Source: Innovata Schedules via Diio by Cirium. Future capacity based on schedules filed as of April 2023.



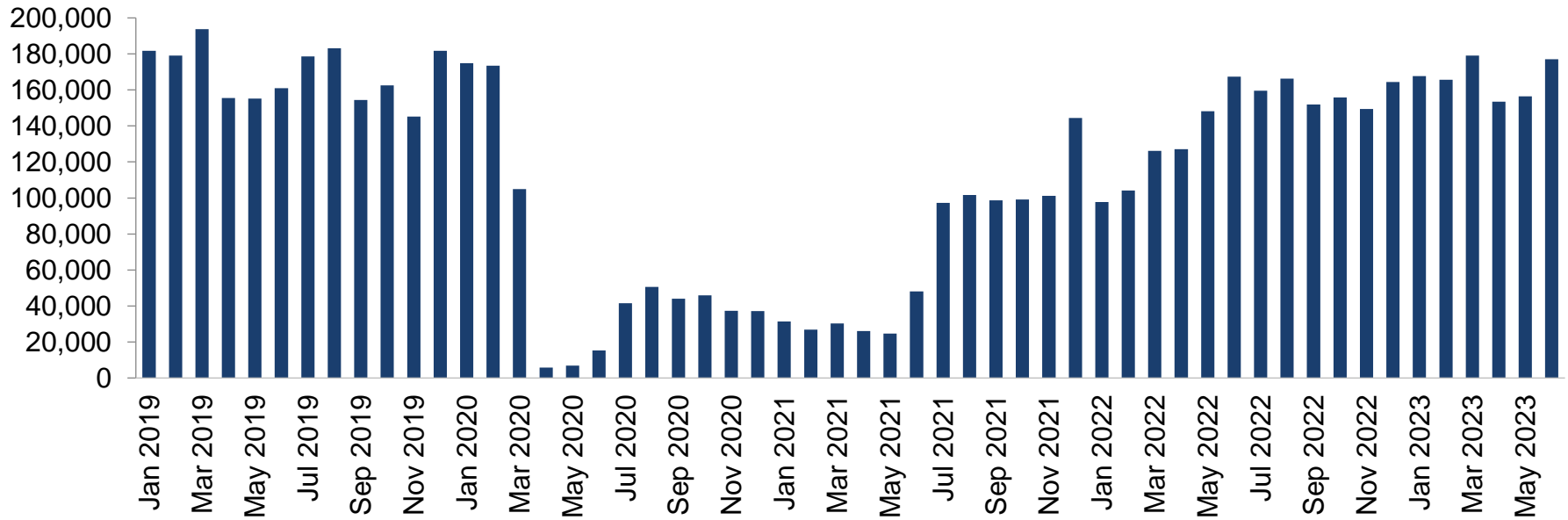
Passenger Demand

Passenger Demand is strong and aligning with capacity

YLW Passenger Traffic by Month

Total Enplaned & Deplaned Passengers, Sep 2019 – Jun 2023

2023: Setting record for May and June



Source: Kelowna International Airport

Capacity

Capacity is back but structurally different than before

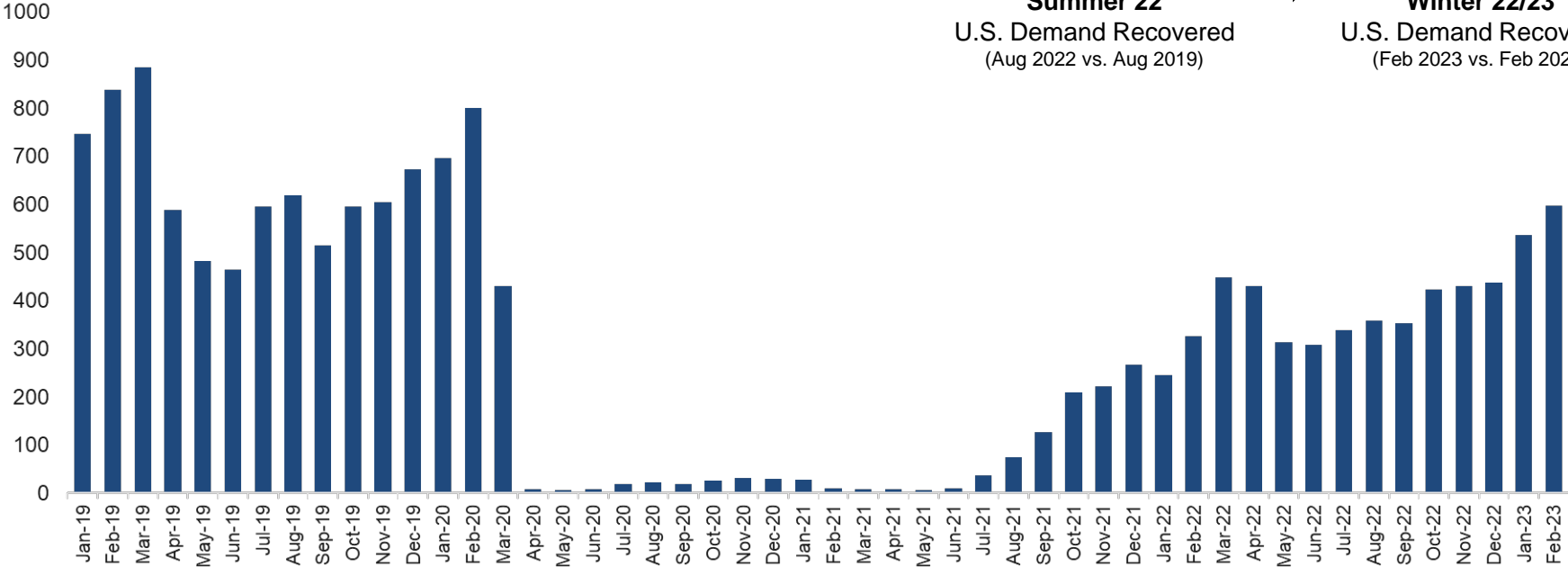


- ▶ Lots of domestic
- ▶ Moderate sunspot
- ▶ Limited US Transborder

U.S. Demand

Recovering but not as fast as domestic

Kelowna – U.S. Demand (Full Market Sizes)
 Passengers Daily Each Way (PDEW), Jan 2019 – Feb 2023



59%
 Summer 22
 U.S. Demand Recovered
 (Aug 2022 vs. Aug 2019)

➔

75%
 Winter 22/23
 U.S. Demand Recovered
 (Feb 2023 vs. Feb 2020)

Note: Feb 2023 is the most recent available month.
 Sources: Sabre MIDT Global Demand Database (GDD), Innovata Schedules via Diio.

Air Service Development

Strategically focused on areas with the greatest impact

Priority	Market Segment	Rationale
1	Transborder	<ul style="list-style-type: none">• Large imbalance between demand and supply• Service has not recovered since COVID• With the exit of Alaska for the summer, YLW is without US hub service• US is a major market for inbound and outbound travel
2	Domestic (excl. regional BC)	<ul style="list-style-type: none">• Domestic is the foundation of demand• Rebound post-COVID has been strong, but still potential for additional service in big markets
3	Other International	<ul style="list-style-type: none">• Limited inbound potential in short-term (most opportunities are sunspot)• Interest from airlines limited at this point
4	Regional BC	<ul style="list-style-type: none">• Relatively well served• Smaller markets with less impact compared to other segments

Air Service Development

The community has an important part to play

YLW is collaborating with community stakeholders to align strategies and leverage our efforts.

- ▶ **Ski Working Group**

- ▶ Progressing coordinated marketing and operational initiatives to grow and improve air services that benefit the BC Southern Interior ski industry

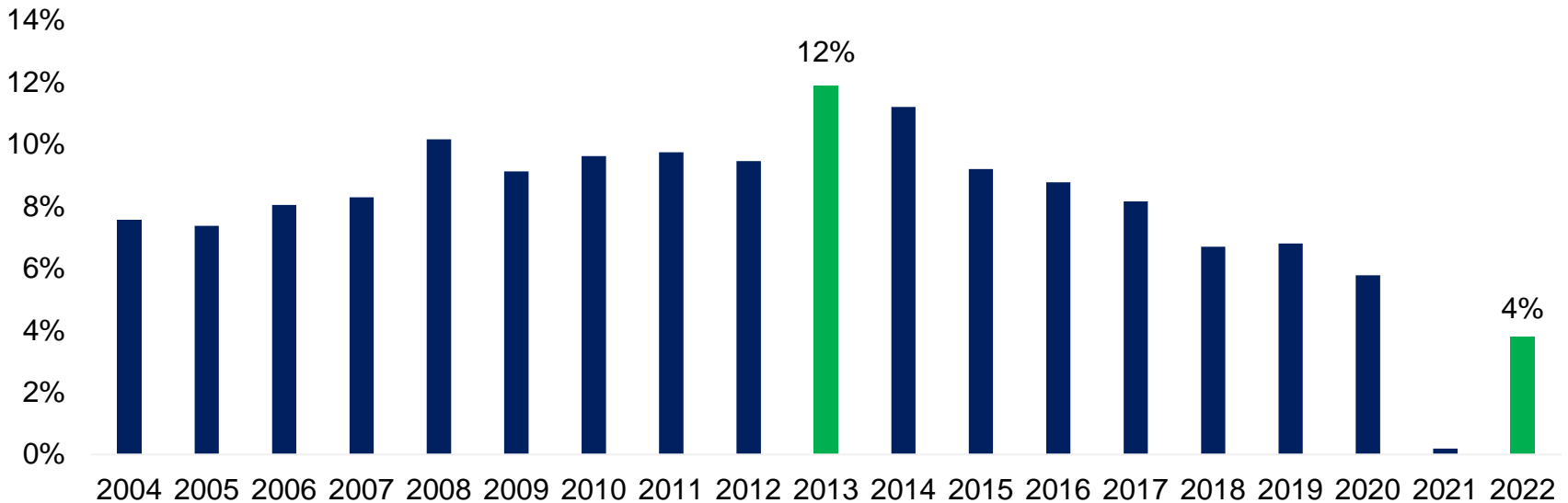
- ▶ **Air Service Development Committee**

- ▶ In the process of being reestablished
- ▶ Broader group that is focused on air service overall on a year-round basis
- ▶ It will include the ski industry as well as DMOs, accommodations, resorts, and other relevant stakeholders

Air Service Development

U.S. capacity is well below average - strategic priority.

YLW – US/International Capacity Share
Seat share, annual data 2004 – 2022



Sources: Innovata Schedules via Diio.

Air Service Development

Changes to network planning

Before	Now
<ul style="list-style-type: none">• Growth mode• Commercial business case• Schedule consistency• Global / broad presence needed to be seen as a major player• International routes are more lucrative	<ul style="list-style-type: none">• Risk management• Operational ability/availability• Passengers are used to change• Focus on core competencies (drive profit and contain operational issues)• Domestic routes are less risky

Air Service Development

Ongoing strategic discussions targeting more destinations and frequency. Recent new services:

- ▶ Winnipeg – WestJet and Flair
- ▶ Saskatoon – WestJet
- ▶ Regina – WestJet
- ▶ Toronto – Flair
- ▶ Nanaimo – Pacific Coastal
- ▶ Toronto – Air Canada (additional frequencies – up to 2/day)



YLW

Kelowna International Airport

Financial Overview



Financial Overview

Funding

- ▶ Self-funded through fees and charges
 - ▶ Aeronautical
 - ▶ Non-aeronautical
- ▶ Payment to the City general fund

Financial Overview

Strategic Goals

- ▶ Diversification of revenue sources
- ▶ Ensuring investments provide value over the long-term
- ▶ Ensure the financial impact of decisions is understood

Financial Overview

Financial Principles

- ▶ Maintain a low-cost business model
- ▶ Maintain the financial health of the Airport
- ▶ Maintain \$10 million in cash for an urgent incident

Financial Overview

Fees and Charges

- ▶ International Civil Aviation Organisation Policies on Charges for Airports
 - ▶ Principles
 - ▶ Non-discriminatory
 - ▶ Cost-relatedness
 - ▶ Transparency
 - ▶ Consultation with users

Financial Overview

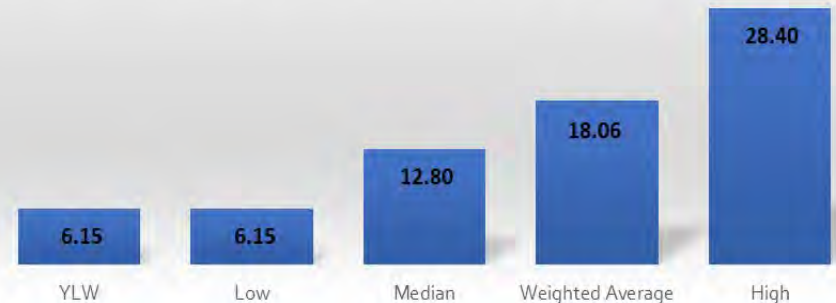
Fees and Charges

► Aeronautical revenues per landed air carrier seat

Tier 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended Mar. 31, 2023)



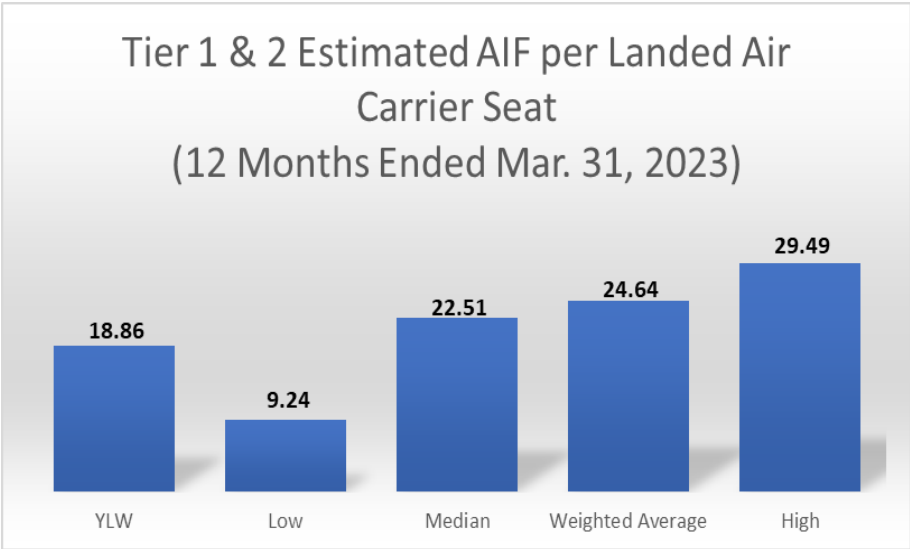
Tier 1 & 2 Aeronautical Revenues per Landed Carrier Seat
(12 Months Ended Mar. 31, 2023)



Financial Overview

Fees and Charges

- ▶ Estimated airport improvement fee per landed air carrier seat

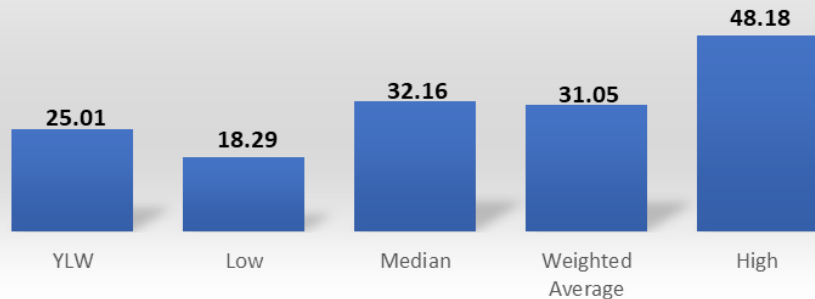


Financial Overview

Fees and Charges

- ▶ Estimated 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 Mar. 31, 2023)



Tier 1 & 2 Aeronautical Revenue and AIF
per Landed Air Carrier Seat
(12 Months Ended Mar. 31, 2023)



Financial Overview

Financial History, Forecast and Budget

	2019	2020	2021	2022	2023 Budget
Passengers	2,032	737	830	1,718	2,058
Revenues	39,918	20,531	29,530	51,200	54,026
Operating expenditures	(24,743)	(21,954)	(22,045)	(26,399)	(31,239)
Surplus (deficit)	15,175	(1,423)	7,485	24,801	22,787
Adjustment to operating cash flows	8,562	8,711	2,211	7,365	8,161
Capital cash flows	(14,761)	(5,369)	(5,926)	(19,550)	(39,427)
Financing cash flows	(2,797)	(1,704)	(3,147)	(2,247)	(2,481)
Net increase in cash, cash equivalents and portfolio investments	6,179	215	623	10,369	(10,960)
Cash, cash equivalents and portfolio investments at the beginning of the year	26,369	32,548	32,763	33,386	43,755
Cash, cash equivalents and portfolio investments at the end of the year	32,548	32,763	33,386	43,755	32,795
Tangible capital assets and work in progress	153,368	150,989	149,372	160,761	192,027



Financial Overview

Debt

- ▶ Municipal Finance Authority
 - ▶ Outstanding (Municipal Finance Authority)

	2023	2024	2025	2026	2027	Total
Principal	901,000	1,897,000	1,897,000	1,258,000	698,000	6,651,000
Interest	292,000	584,000	584,000	333,000	112,000	1,905,000
Total	1,193,000	2,481,000	2,481,000	1,591,000	810,000	8,556,000

- ▶ Approved – \$48 million

Financial Overview

2023 Budget – 10 Year Capital Plan

	Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Soaring Beyond 2.5 Million Passengers AIF Program											
Terminal expansion	162.9	12.3	30.9	34.0	11.1	9.5	-	3.7	28.1	33.3	-
Runway end safety area	1.0	1.0	-	-	-	-	-	-	-	-	-
CUSS/CUTE replacement	1.6	1.6	-	-	-	-	-	-	-	-	-
Combined operations building	20.3	2.9	9.2	8.2	-	-	-	-	-	-	-
Airside pavement rehab	61.1	5.3	0.4	3.9	3.9	3.7	21.1	22.8	-	-	-
Airside equipment	17.8	3.6	2.3	0.9	0.2	0.5	2.7	1.2	0.9	0.2	5.3
Self-serve baggage drop	2.1	-	0.7	0.7	0.7	-	-	-	-	-	-
Airside lighting and supporting infrastructure	10.3	-	-	10.3	-	-	-	-	-	-	-
Apron 1 south expansion	24.6	-	-	-	0.8	7.9	8.2	-	-	3.0	4.7
Passenger boarding bridges	6.2	-	-	-	0.3	2.7	0.3	2.9	-	-	-
Passenger boarding bridge PLC upgrades	0.4	0.4	-	-	-	-	-	-	-	-	-
Biosecurity testing facility	-	-	-	-	-	-	-	-	-	-	-
Parking lot equipment	-	-	-	-	-	-	-	-	-	-	-
Hazardous materials secondary capture	-	-	-	-	-	-	-	-	-	-	-
Total	308.3										
Non-AIF											
Airside	6.2	0.7	0.2	0.7	0.8	2.8	0.2	0.2	0.2	0.2	0.2
Groundside	41.0	4.6	1.8	1.2	13.5	16.1	3.3	0.1	0.2	0.1	0.2
Terminal	13.7	5.3	0.8	0.7	1.2	0.8	0.8	1.7	0.8	0.9	0.8
Total	60.9										
Total	369.2	37.7	46.2	60.6	32.5	44.0	36.6	32.5	30.1	37.7	11.2

Design
 Construction/purchase
 Design, construction and purchase



Kelowna International Airport

Recommendations



Recommendations

- ▶ THAT the Airport Advisory Committee receive, for information, the report from Kelowna International Airport, presented on July 26, 2023.

Questions?

For more information, visit ylw.kelowna.ca.

