



Airport Advisory Committee Minutes

Date:	Tuesday, July 28, 2020
Time:	10:00 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 Alan Harrison*, City of Salmon Arm Councillor Akbal Mund, City of Vernon Councillor Doug Findlater*, 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
Members Absent	Mayor James Baker, District of Lake Country Mayor John Vassilaki, City of Penticton Lesley Cormack, UBCO Corie Griffiths, Economic Development Commission
Staff Present	City Manager, Doug Gilchrist* Airport Director, Sam Samaddar Senior Airport Operations Manager, Phillip Elchitz Senior Airport Development Manager, Geoff Ritchie Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal 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.

Carried

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 changed from being open 24 hours to limited hours of 5am-7pm in April.
- Hours have now expanded to 4am-10pm effective July 9th.
- This was done to help reduce 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 hours 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 Ambassador) 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 the 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 Kelowna 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 is who contacts the CDC to let them know there was a person on a flight that tested positive.
- Kelowna Airport is being proactive and is 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 are 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 as at December 31, 2019.
- AIF Increase of \$15 to \$20 effective April 1, 2019 to February 29, 2020 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 than 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 Dip scenario.
- Went over forecasted Kelowna Airport passenger numbers based on the three recovery models.
- In June, Kelowna Airport passenger numbers were running a bit ahead of the Double Dip scenario.
- Went over financial forecasting for AIF funds.
- Went over financial forecasting for Non-AIF Capital funded 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 has 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 question from the Committee.

6. Termination of Meeting

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

rvh

Chair