



Airport Advisory Committee

Minutes

Date:	Thursday, October 28, 2021
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
Members Participating Remotely	Chair Gail Given, Regional District of Central Okanagan Mayor Cindy Fortin, District of Peachland Mayor James Baker, District of Lake Country Councillor Chad Elisaon, City of Salmon Arm Councillor Rick DeJong, City of West Kelowna, Amber Hall, Greater Westside Board of Trade Andre Blanleil, Kelowna City at Large Darrin Taylor, Greater Vernon Chambre of Commerce Fernanada Alexander, Westbank First Nation Grant Stevens, KF Aerospace, Aviation Industry Representative Lesley Cormack, UBCO
Members Absent	Councillor Brad Sieben, City of Kelowna Mayor Alan Harrison, City of Salmon Arm Mayor John Vassilaki, City of Penticton Councillor Akbal Mund, City of Vernon Corie Griffiths, Economic Development Commission David Hull, Summerland Chamber of Commerce Jeff Robinson, Kelowna Chamber of Commerce Joseph Clohessy, Tourism Kelowna
Staff Present	Airport Director, Sam Samaddar, City of Kelowna Senior Airport Development Manager, Geoff Ritchie Communications Advisor, Cassie Brannagan
Staff Participating Remotely	City Manager, Doug Gilchrist Senior Airport Operations Manager, Phillip Elchitz Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal

Legislative Technician, Rebecca Van Huizen

1. Call to Order, Welcome and Introductions

The Chair called the meeting to order at 10:03 a.m.

2. Confirmation of Minutes

Moved by Mayor Cindy Fortin/Seconded by Councillor Chad Eliason

THAT the Minutes of the April 29, 2021 Airport Advisory Committee Meeting be adopted.

Carried

3. Operational Update

Senior Airport Operations Manager:

- Displayed a PowerPoint presentation providing an update on the operations of the airport.
- Shared a table indicating 2021 Monthly Passengers for 2021 up until September 2021.
- Shared a graph showing the Passenger Statistics from Pre-COVID in 2020 to October 1, 2021.
- Indicated that the summer of 2021 saw some days with up to 5,000 passengers passing through Kelowna Airport.
- Noted that the peak periods this year have been due to holidays.
- Noted that the daily average for passengers through Q1 and Q2 was approximately 1500 which climbed to 4000 through the summer months.
- Pre-COVID, this number was ranging around 7,000.
- Noted the Kelowna Airport had a robust January, February, and March 2020, prior to COVID-19.
- Currently at about a 64% reduction compared to those 2019 numbers.
- Estimated 840,626 passengers will pass through Kelowna Airport which will amount to a 60% reduction.
- Noted in 2012, the Kelowna Airport had 1.5 million passengers.
- Notes the Airport has a long way to go compared to where they were, and where they hope to get back to.
- Indicated the Airport has made significant staffing reductions.
- Have worked to ensure to reduce expenses to the bare bones.
- Noted that on the operational side, there are still 9 positions unfilled.
- 27% positions overall not filled throughout the Kelowna Airport.
- Noted that 5 staff positions are on an 80% work share.
- Will be returning to 100% on November 1, 2021.
- Kelowna Airport continues to have great departments.
- Noted that staff have found a way to take on work to ensure the Kelowna Airport is working and reductions are still maintained to help in reducing expenses.
- Went over some operational reductions that were done at the Kelowna Airport.
- Hope to have the valet brought back in November.
- Indicated several parking lots are closed.
- Noted that there is still reduced hours for the security contractor team.
- The International area remains closed.
- Noted that Customs is still on site, they have maintained staffing, as there are some non-commercial arrivals still coming to the Kelowna Airport as permitted by Transport Canada.
- Been fortunate that they've stayed at the Airport.

- Noted that the Volunteer programs remain suspended.
- Showed a slide indicating which Terminal Building Operations (Food and Beverage Services) are open, closed, or available for takeout only.
- Went over current health protocols at the Kelowna Airport.
- Masks mandatory in all areas of the building and on aircraft.
- Health Canada protocols are met for all office and private leased space.
- Noted that the Kelowna Airports prime contractors for HVAC and maintenance, snow clearing, security have been significantly reduced, which worked in the Airports favour as they have been able to reduce their staffing and go over contracts, which has resulted in lower costs for certain contracts.
- Went over the Kelowna Airports Antigen and PCR Testing Programs
- Noted the importance of having these programs on site.
- Indicated that partnerships have begun between LNG and Whitecap, where predeparture testing can be done for the work camps.
- Allows the camps to continue their work and helps boost the economy.
- Kelowna Airport has been able to offer onsite Antigen and PCR Testing to the travelling public.
- Noted other countries have antigen testing requirements to allow passengers to enter.
- Kelowna Airport offers it seamlessly on site.
- With the partnerships, we can deliver, expand, and also meet the demand.
- Provided details on the Campus Employee Testing Program, which is rapid testing for volunteer and private. It is confidential, and available for people who want to take it.
- Shows that the competence is there from the Kelowna Airport which is important for families, and the travelling public.
- Noted that the Kelowna Airport has landed a PCR lab. Instead of the usual 48 hour turnaround for a result, they can have them tested on site and have results in 6 hours.
- Spoke to the health accreditation obtained from the ACI-NA.
- Working closely with the World Health Organization to achieve this.
- Shows that the Kelowna Airport takes pride in the way they run the airport, the expectation of cleanliness and meeting the health guidelines.
- Another level of confidence – instilling into the passengers.
- Spoke to the vaccine mandate for passengers and non-passengers.
- By October 30th, fully vaccinated or PCR test required 72 hours prior for domestic travel.
- By November 30th, fully vaccinated for domestic travel as the PCR test will no longer be applicable.
- There are very narrow exemptions allowed for this.
- Big step for Canada, the world, and the community.
- Indicated the airlines are responsible for ensuring the mandate is followed.
- Spoke to the vaccine mandate for employees.
- All staff entering the restricted side of the Airport are required to be fully vaccinated by November 15th.
- Noted there are about 850 restricted pass holders on campus.
- There are few exemptions to this rule. This includes medical or religious, as well as off-site emergency response agencies as they provide mutual aid, they are exempt when responding to an emergency.
- By January 24th, the program will be fully implemented at the Kelowna Airport.
- Spoke to the expansion of the Whitecap Medical Test facility.
- With the expansion, they will be quadrupling the size of existing facility which will in turn service quadruple the demand.
- Went over staffing requirements going forward.
- Ensure operating hours match airline current and future schedule demands.
- Adjust contractor staffing levels to match operational requirements.

- Noted that once BC reaches Stage 4 of the Provincial restart plan – all volunteer programs will be reinstated within 30 days.
- Provided context on the how the 2021 BC Wildfires had a significant impact on the Kelowna Airport.
- Displayed a photo on the worst day where there was only a ½ mile visibility.
- Displayed a map showing the No Fly zone established by BC Wildfire Service.
- Noted during the wildfires at one point, due to the no fly zone restriction, that none of the instrument approaches into the airport were available for close to 18 hours.
- The Kelowna Airport worked with BC Wildfire Service, and the Province to ensure that Transport Canada, NAV Canada, and the airspace above the wildfires were protected, while still allowing the Kelowna Airport to operate commercially.
- Spoke to Kelowna 2040 OCP and mentioned there was good engagement with city staff between the Airport and City Hall on development restriction in the vicinity of the Airport.
- Noted it's important that the community can grow yet we are not putting buildings in a location that will restrict Airport growth over the long term.
- Responded to questions from the committee.

4. Development Update

Senior Airport Development Manager:

- Displayed a PowerPoint presentation providing an update on Project Developments.
- Noted this presentation will provide insight into what the Kelowna Airport's done and been through.
- The ATB expansion project has been important to continue on through the pandemic so the construction can begin at the appropriate time to ensure Kelowna Airport has the passenger numbers once travel can happen again.
- Noted they've stayed within budget.
- Indicated the construction timeline is TBD.
- Showed a link to the Committee members of the terminal expansion that shows impression if you were there.
- Link was not working properly, so the Senior Airport Development Manager indicated they would send the link to the Committee members after the meeting.
- Noted the Kelowna Airport still has to remain operational through the COVID-19 pandemic.
- Have reduced costs, efficiency, and savings rehabilitation of Taxiway Delta, Alpha, Charlie.
- Presented photos of the Taxiways.
- Presented photos of Taxiway Echo.
- Indicated the Kelowna Airport is very concerned about accessibility and takes it seriously to ensure the Airport is accessible for all.
- Presented a slide indicating current and proposed accessibility upgrades.
- Try to stay ahead of the Federal regulations.
- Noted that parking lot equipment has aged over the years, and the Airport has just finished reinstalling parking kiosks, point of sale equipment, and control equipment.
- Helped clean up software glitches.
- Went over some operational upgrades that will be dealt with in the future.
- Presented a slide indicating that Operation Stand 5 will need work in the future due to heavier aircraft and hot pavement.
- Noted the Airport is also looking at the ATB roof replacement.
- Went over the YLW's Commercial Development Plan.
- Includes diversification of revenue streams.
- Previous revenue was tied to airport, branch out to other avenues and add additional revenue streams.
- Indicated the best opportunity is the Airport land, noted that they have the most available to them in

the whole of lower mainland.

- Cognizant of ALC requirements , managing their requirements.
- Went over steps on how to achieve commercial development.
- Would be problematic as the Airport would lose parking stalls as they build on those.
- With proposed hotel parking and the terminal building expansion, onus on developers on how to recover parking loss.
- Hope to recover 1,000 stalls as Airport develops.
- With future development of bringing in retail/commercial, it will bring in more traffic and peak periods.
- Will need to manage traffic assessment.
- Spoke to access issues with future redevelopment.
- Presented photos of potential ideas and areas, expressions of interest, and letters of intent.
- Indicated Airport has received interest on lots that would normally be hard to develop on.
- Noted the commercial phase would be closer to the entrance to the Airport and would be looking at a 3 phase approach.
- Airport has expressed interest of a childcare facility – idea came about from KF Aerospace who is located in the area.
- Would help bring people back to the Airport.
- Briefly went over employee statistics of KF Aerospace.
- The hotel and parkade would be attached to the terminal building.
- Provide seamless access.
- Try to use surrounding city amenities to draw people in for the hotel.
- Went over Air Service Development Updates.
- Showed a graph of where Canada is as it comes to current traffic recovered.
- As of October 2021, total travel has increased 51%.
- South of the border they have are closer to 85-90% recovered.
- They use a different model, where there flights are about 85% is domestic and 15% are international.
- Whereas Canada only has about 35% domestic flights, the remainder being international.
- Presented a graph which shows that the Kelowna Airport has recovered faster than the Canadian average.
- Noted the Kelowna Airport has had to fight to get airlines back.
- Even with this, the Kelowna Airport has significantly outperformed other airports.
- Noted in fact, Kelowna is the fastest recovering Airport.
- Noted that the Kelowna Airport was the 6th busiest airport in Canada throughout the pandemic.
- Indicated this is a testament to what we can provide
- Presented a graph indicating seat capacity compared to 5 other Canadian airports.
- Even with reduction, still outperforming other airports.
- Showed a map indicating domestic destinations in 2019 vs. 2021.
- Had 9 domestic destinations in 2019, but that has increased to 14 in 2021.
- Having direct flights from Kelowna has been a huge advantage for the Regional economy.
- Showed a connectivity graph of where you can go in the world from the Kelowna Airport with a 4 hour connection.
- Presented a graph showing seat capacity comparison by filing date.
- Indicated November 2021 tends to be a shoulder season, see more slowing down.
- Noted there were plans for 6/7 direct international routes from Kelowna, but as they haven't achieved the international status back, these have been pushed to November/December and beyond Christmas.
- Noted about 3 million lost in revenue to the Kelowna Airport due to no international travel.
- Excluded from some Federal funding programs (E.g Employee Wage Subsidy, etc)

- Provided updates on other grant funding applications.
- Noted there the Regional Airport Relief Fund (ARF) application was successful (\$3.1 million).
- Waiting on a response from Air Transportation Initiative (RATI).
- Still waiting on response from the Airport Critical Infrastructure Program (ACIP).
- With these grants, the Kelowna Airport would be able to manage costs.

Airport Director:

- Provided update on international travel at the Kelowna Airport.
- Noted the Kelowna Airport is having open discussions with the Public Health Agency of Canada, Canada Border Services Agency, and Transport Canada.
- Questioning the above parties on what is criteria to allow international status to resume and what is timeline?
- No answers to these questions at this time.
- Thanked the Airport Advisory Committee, members of community, and the general public with their continued support.
- Indicated at this time there is no physical barrier to allow international status to resume at the Kelowna Airport.
- Reiterated the impact loss of approximately \$2.5 million in revenue due to no international travel.
- Indicated this a major economy loss as well.
- Continue pushing to MPs, MLAs, Mayor and Council to bring the message to different levels of government to open up international travel.
- Noted the Kelowna Airport lost flights booked in December.
- Will take time to recoup them.
- Difficult to market in advance of these flights being available.
- Asking airline partners to hold on as long as they can while waiting for international travel to pick up again.
- Responded to questions from the committee.

Chair:

- Provided comments on the Transit Expansion project.
- Noted the application to the ALC for the new facility location is in and hoping for positive news.

5. Financial Update

Senior Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation providing a Financial update.
- Noted this will be similar to the Spring financial update, in terms of content (i.e forecasting, update on debt, and fees and charges).
- Showed graph for the 2021 Passenger Forecast, noted left to right is strongest to weakest.
- Indicated the 'Lagging' column is used for decision making.
- Showed a passenger numbers graph with the 3 different forecasts compared to the actual numbers.
- Noted during the summer we exceeded the steady forecast but numbers have been falling more in line with the lagging forecast.
- Noted these trends are similar to last year.
- Went over financial forecasting reserves for Non-AIF, which can be used in operational and capital expenditures.
- Slight surplus of just about \$500,000 based on Lagging scenario.
- Noted this is a much better scenario than final 2021 budget.
- The main reason for improvement is due to passenger numbers the Kelowna Airport has been seeing.

- The goal is to continue to conserve costs while moving strategic initiatives forward.
- Went over forecasted operating expenditures for Non-AIF funds.
- Went over forecasted capital expenditures for Non-AIF funds.
- Noted at least half of the expenditures are earmarked for the ATB improvements.
- Went over the financial forecasting of AIF funds.
- Noted no salaries or wages are paid out of the AIF funds.
- Looking at anticipated revenues in excess of \$10 million.
- Noted part of the reason for this is passenger numbers have increased, which resulted in forecasted revenues increasing, and strategic capital projects have come in at a lower cost.
- Went over forecasted capital expenditures for AIF funds.
- Provided details on the debt repayment schedule.
- Showed graph of Aeronautical Revenues per Landed Air Carrier Seat.
- Noted the Kelowna Airport is substantially less than the median and weighted numbers of Tier 1 & 2.
- Went over the Airport Improvement Fee per Enplaned Passenger numbers.
- Provided details on proposed fees and charges.
- Noted it has been 3 years since the last parking fee increase.
- Looking to have an increase in parking fees effective by January 1, 2022.
- Indicated the Kelowna Airport remains in and around the mid-point in terms of cost compared to other airports in Canada.
- Provided details on current and proposed fees for Short Term and Long Term Parking.
- Provided details on current and proposed fees for various airport lots, valet parking, meters, and storage.
- Noted there are fewer comparables for some of the above fees as they are more unique and other airports provide don't these services.

6. Recommendations

Moved by Councillor Chad Eliason/Seconded by Lesley Cormack

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.

Carried

7. Questions/Comments

Airport Director:

- Mentioned that next year the Kelowna Airport will be celebrating its 75th anniversary.
- Encouraged Committee members and the public to be on the lookout for upcoming events in the coming year.

Chair