



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