

# 2000

Annual Report



## A Message from the Mayor



It has long been known that Kelowna International Airport provides a significant economic stimulus locally. Now we also know that activity at Kelowna International Airport generates important spin off benefits that accrue to the entire Southern Interior. A recent economic impact study shows the forty tenants at the airport generated 1,834 full-time jobs and contributed \$265.6 million of economic activity to the provincial economy in 2000. When this impetus is combined with the world connectivity provided by over 30 flights a day (non-stop to Victoria, Vancouver, Calgary, Edmonton, Toronto and Seattle), it is evident that Kelowna International Airport plays a major role in the economic growth and development of B.C.'s Southern Interior.

We are indeed fortunate to have passenger airlines Air Canada, Horizon and WestJet, and commercial aircraft overhaul and maintenance

companies such as Kelowna Flightcraft, A.O.G. Air Support and Northern Air Support, as well as other tenants such as Canada Customs and NAV CANADA operating in our community.

I would like to congratulate City staff, the airlines, the concessionaires, the government agencies and the other important companies at the airport for their contributions in the year 2000 which helped make the airport a source of pride for the entire community. The airport is often the first place a visitor sees when arriving in a community and our new terminal is truly reflective of the dynamic and beautiful area in which we are so fortunate to live.

Walter Gray  
Kelowna Mayor

### Kelowna Airport Advisory Committee

#### City of Kelowna

Mayor Walter Gray  
Councillor Andre Blangleil  
Jim Stuart

#### City of Vernon

Mayor Sean Harvey

#### District of Lake Country

Mayor Rolly Hein

#### District of Peachland

Mayor George Waldo

#### Central Okanagan Regional District

Chairman Robert Hobson

#### District of Salmon Arm

Mayor Colin Mayes

#### Kelowna Economic Development Commission

Jack Peters

#### Kelowna Chamber of Commerce

David Rush

#### Westbank & District Chamber of Commerce

Rod MacKenzie

#### Vernon Chamber of Commerce

Ian Hawes

#### City of Kelowna Staff

Ron Born, City Manager  
Roger Sellick, Airport General Manager

### Kelowna City Council

Mayor Walter Gray

Councillor Andre Blangleil

Councillor Ron Cannan

Councillor Barry Clarke

Councillor Colin Day

Councillor Brian Given

Councillor Robert Hobson

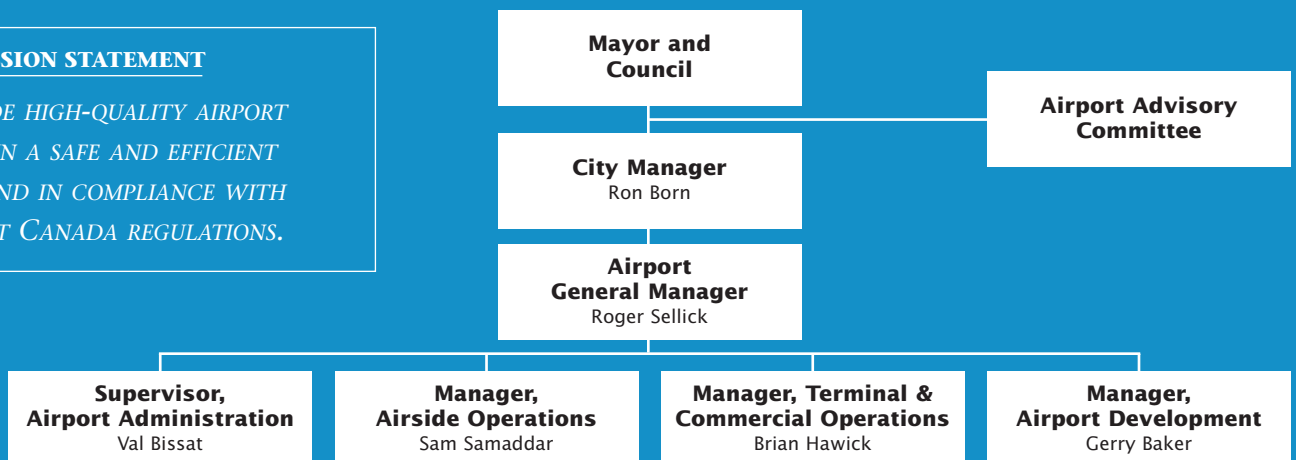
Councillor John (Smiley) Nelson

Councillor Sharon Shepherd

### Kelowna International Airport Organizational Structure

#### MISSION STATEMENT

*TO PROVIDE HIGH-QUALITY AIRPORT SERVICES IN A SAFE AND EFFICIENT MANNER AND IN COMPLIANCE WITH TRANSPORT CANADA REGULATIONS.*



## Airport General Manager's Message



An exceptionally active and successful year marked the start of the millennium at Kelowna International Airport. Substantial progress was made in a number of areas to ensure our continued competitiveness in the increasingly commercialized Canadian airport industry. Elsewhere in this report, you will be able to read, in more detail, some of the highlights of the past year including:

- substantial completion of the major terminal expansion;
- opening of the new Kelowna Aerospace Campus;
- development of a new joint-use quick-turnaround car rental service centre;
- construction of a new NAV CANADA air traffic control tower;
- inauguration of Air Canada's non-stop A319 service to Toronto; and
- introduction of the airport Ski Host program.

Achieving these successes involved the collective effort of a wide range of stakeholders and their employees. In particular, the terminal employees did a tremendous job in providing excellent customer service during the three years it has taken to get the terminal building to where it is today. It was a real challenge to handle this construction program while maintaining the

terminal facilities in continuous operations.

In substantially completing the major terminal expansion program, we have achieved a number of our strategic objectives:

- providing our customers with a comparable level of service to other industry leaders such as Vancouver International Airport;
- providing adequate facilities to our incumbent air carriers and concessionaires; and
- retaining sufficient control of common-use air carrier facilities so we can respond quickly to the highly dynamic changes in the airline industry.

As the year closed, initiatives were underway to expand the airport from five to six departure gates, install our first aircraft loading bridge, and upgrade the instrument landing system. Positive progress was being made on all fronts and I look forward to completing these initiatives in the coming year.

A blue ink signature of Roger Sellick, written in a cursive style.

Roger Sellick  
Airport General Manager



*Air Canada launched daily A319 non-stop service between Kelowna and Toronto June 20th. Passenger volumes exceeded expectations during August, when load factors reached almost 100 percent.*

## Positive Financial Results

For the sixth consecutive year Kelowna International Airport was profitable. On total revenues of \$7,699,990, including \$1,779,116 in income from the \$5 Airport Improvement Fee (AIF), the airport achieved an operating surplus of \$218,886. All airport income is used to fund the airport's capital improvement program, which involved expenditures of \$3,193,788 in 2000.

At year-end the airport was carrying approximately \$12.6 million in debt associated with the major terminal expansion program. This debt will be retired over the next 10 to 15 years with revenues from the A.I.F. fund. The substantial increase in operating costs was associated with expanded infrastructure, increased security costs and staffing of a new Duty Manager position. The 1999 to 2000 expenditure comparisons by department are not shown because of the change in 2000 from the previously-used functional cost accounting approach to the new airside, terminal and groundside operating units. This change involved a complete revision to the airport's method of cost

accounting and will feed into our proposed new fees and charges methodology, which is being developed for implementation in 2001.

## Passenger and Aircraft Activity

- Passenger volumes increased three percent to 836,564 – making 2000 YLW's fifth consecutive record-setting year. Ski traffic from the U.S. and Ontario was particularly strong.
- Air transport landings were down 17 percent due primarily to the consolidation of AirBC and Canadian Regional Airlines into Air Canada Regional Airlines. Higher passenger activity was accommodated by increased use of larger aircraft. Load factors on individual flights were also higher than in 1999.
- Air Canada introduced new non-stop A319 service to Toronto on June 20th. This major air service improvement reduces the travel time between the two cities by nearly 50%. As expected the passenger volumes for the daily flights over the summer months was very strong. Load factors over the month of August reached

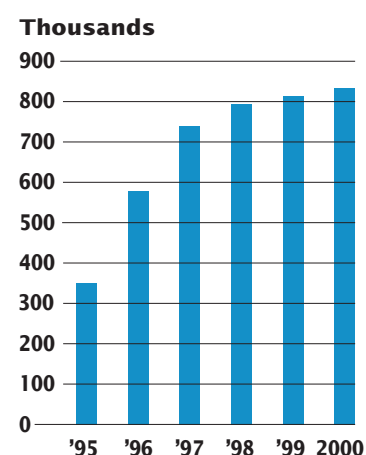
almost 100%. What was even more encouraging was the fact that the Saturday and Sunday service over the winter months was almost as strong with 40 of the 54 inbound flights having load factors in excess of 80%. The convenience of this non-stop service resulted in a significant increase in visitors from southern Ontario. Reports from the local ski hills indicate they experienced increased skier activity from this new service.

- Horizon Air's load factors continued to rise, as did its flight frequency. By December, Horizon was offering five flights daily.
- WestJet – named Entrepreneur of the Year by Canadian Business magazine – enjoyed increased load factors while growing in capacity at YLW by 18 percent.

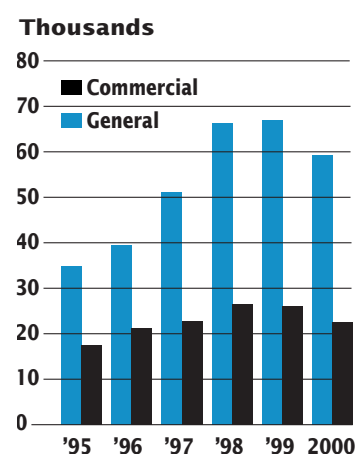
## Summary of Operating Revenues and Expenditures

REVENUES	1999	2000	% change 99/00
Landing & other Airside Fees	\$1,721,354	\$1,800,427	4.6%
Terminal Fees & Concessions	2,355,455	2,503,038	6.3%
Vehicle Parking	1,020,438	998,471	-2.2%
Land Rentals	152,624	148,561	-2.7%
<b>Total Operating Revenues</b>	<b>\$5,249,871</b>	<b>\$5,450,497</b>	<b>3.8%</b>
Interest earned on reserves	350,214	470,377	34.3%
Airport Improvement Fee	1,724,678	1,779,116	3.2%
<b>Total Revenues</b>	<b>\$7,324,763</b>	<b>\$7,699,990</b>	<b>5.1%</b>
<b>EXPENDITURES</b>			
Administration	\$ 803,879	\$ 625,697	-22.2%
Municipal Services	313,737	334,424	6.6%
Air Terminal Complex		1,027,878	
Groundside Operations		214,465	
Airside Operations		1,342,229	
<b>Total Operating Expenditures</b>	<b>\$2,956,002</b>	<b>\$3,544,693</b>	<b>19.9%</b>
Appropriation to Reserves	2,154,339	2,157,295	0.1%
Appropriation to AIF Reserve	1,724,677	1,779,116	3.2%
Operating Surplus	149,677	218,886	46.2%
<b>Total Expenditures</b>	<b>\$6,984,695</b>	<b>\$7,699,990</b>	<b>10.2%</b>

## Passenger Movements



## Aircraft Movements



## Expansion Activities

▪ First among our accomplishments in 2000 was the substantial completion of the major air terminal expansion which was officially opened on June 30th. The new facility involved expanding the floor area of the terminal to 76,000 square feet and upgrading or replacing all of the sub-systems of the existing facility. The food, beverage, retail and car rental concessions all received major makeovers. In September it was



*Hundreds of YLW supporters attended the June 30th opening celebration of YLW's \$20-million expansion, which doubled the size of the air terminal building, introduced new amenities, and greatly improved roads, parking, and aircraft access. Dignitaries included Mayor Walter Gray (left), Senator Ross Fitzpatrick, MP Werner Schmidt, and Mark Duncan (Regional Director General, Transport Canada).*



*Construction of NAV CANADA's \$6.5 million state-of-the-art air traffic control tower on the east side of the airport started in October. This new facility will eliminate the line of sight problems that the controllers have been experiencing with the existing facility, and free up land on the west side of the airport for commercial development that would otherwise not be possible. When completed in November 2001 the new facility will be among the most technologically advanced small airport towers in the world.*

gratifying to be recognized by the British Columbia Aviation Council with the William S. Templeton award for outstanding initiative and achievement in developing the \$20.0 million terminal expansion program.

▪ The combined operations building was expanded to provide a much-improved working environment for airside operations staff. The \$684,000 upgrade was funded by Transport Canada.

- Work started on a joint use car rental service centre, which when completed will cost \$770,000.
- Planning began on a number of projects: the construction of a 450-stall parkade to be built adjacent to the air terminal building; expansion of the aircraft apron to provide additional parking for aircraft up to the A319/B737-700; extension of the airside corridor to Gate 5; and installation of a wheelchair lift for Gate 2.

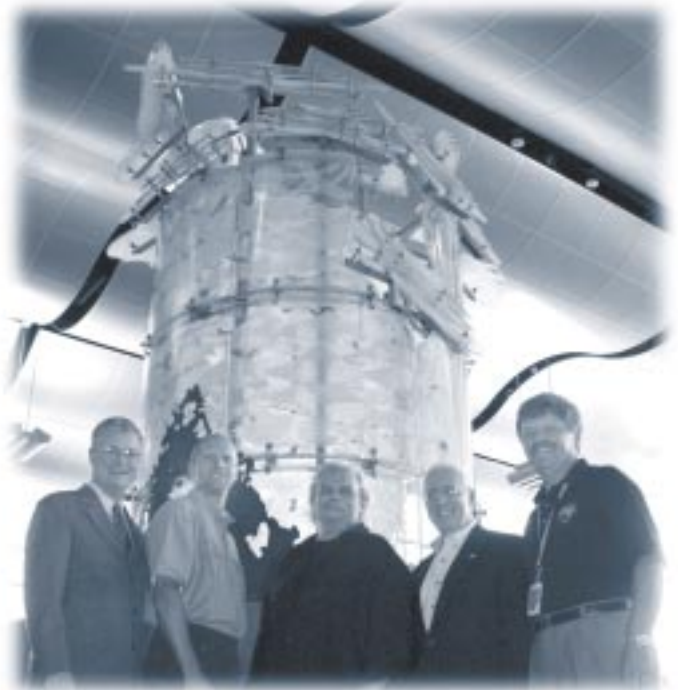
## Capital Expenditures for 2000 – Total \$3,193,788

### Airport Improvement Fee funded

Project Management	\$ 136,577
Air Terminal Expansion – Phase 2	2,012,974
Air Terminal Expansion – Phase 3	422,183
Air Terminal Expansion – Phase 4	48,475
	\$2,620,209

### Funded from General Reserves

Airport Lock & Key System	\$ 11,804
Closed Circuit TV System	22,883
Common Use Car Rental Service Centre	147,856
Mobility Impaired Airside Lift	32,635
Municipal Bus Stops	15,577
West Mechanical Boiler Room	13,004
CCTV Camera – Apron 1	18,772
Replace 15' Mower	19,016
Hazard Beacon Monitoring System	44,891
Digital Audio Logging Recorder	28,302
BCIT/Kelowna Flightcraft Expansion	50,000
Small Capital Projects	168,839
	\$ 573,579



*Escape from Stella Polaris – the glass and metal sculpture commissioned for the airport rotunda – was installed in May and officially dedicated during the opening ceremony June 30th. The 15-foot sculpture was unveiled by Kelowna Mayor Walter Gray (left), artists Thor Sunde and John Nutter, Doug Kirk (Public Arts Committee Chair), and Roger Sellick (Airport General Manager).*

## Commercial Activities

▪ Car rental licences were tendered in January and awarded in March to Avis, Budget, Hertz, and National. The minimum rent guaranteed to the City during the five-year contract is \$2.3 million. Completion of an agreement with the on-airport car rental companies for the construction of a joint-use, quick turnaround vehicle service centre was a landmark agreement for an airport the size of Kelowna. This private/public partnership will level



the playing field for all four on-airport operators, as well as improving vehicle utilization and reducing the cost of servicing. The new facility, which is scheduled for completion in mid-2001, is conveniently located adjacent to both the terminal and the ready lot.

▪ Accolades abounded on April 18th with the opening of the Kelowna Aerospace Campus on the west side of the airport. This partners in training initiative, developed jointly by the British Columbia Institute of Technology (BCIT), Kelowna Flightcraft, School District 23, and the City of Kelowna, provides an opportunity for local school graduates to be trained and certified as Aircraft Structural Repair Technicians. In his opening remarks Brian Gillespie, the President of BCIT, remarked on



*BCIT's satellite campus was officially opened April 18th by BCIT President, Brian Gillespie (left); School District #23 Board Chair, Eric Buckley; BCIT Board Vice-Chair, Irma Mohammed; and Flightcraft's Jim Rogers.*

the level of community cooperation that had been demonstrated in developing and servicing the new facility in 90 days from the time the initial concept had been approved.

The first 14 students graduated from the program in December with 13 being offered employment with Kelowna Flightcraft and 1 being hired by a firm in Vernon.

## Environmental Management



*As part of the airport's ongoing commitment to the environment, Southern Interior Flight Centre Ltd. (SIFC) and Shell Canada undertook a joint project to decommission and remove underground fuel storage tanks north of Apron I. The project involved removing six tanks with a total capacity of 135,400 gallons belonging to SIFC and two tanks totaling 83,550 gallons owned by Shell Canada. The tanks dated from 1950 to 1988 and were all reported in good condition when they were removed. The hydrocarbon contamination around the site was minimal. The airport through the Canadian Airports Council Environmental Working Group continued to monitor the progress of the Canadian Environmental Assessment Act (CEAA) review. The airport continues to focus towards achieving sustainable development by encouraging and promoting economic development that conserves and enhances environmental quality.*

## Air Terminal Operations

- The new Ski Host program – the first of its kind in Canada – is a partnership involving the airport and the Big White, Silver Star, and Apex ski resorts. Nine specially-trained airport ambassadors meet skiers on designated flights and direct them to the appropriate shuttle buses. Hosts are identified by their yellow vests. The focal point of the program is a concierge desk in the arrivals area next to the colourful ski display. The success of our regular airport ambassador program also continues to be widely acknowledged within the community. The dedication that these volunteers bring to their work at the airport is truly amazing.



*At the annual Christmas awards dinner Helen Rouse and Mike Ursulak were honoured as female and male ambassadors of the year.*

- As a result of the terminal expansion project all of the air carrier sub-leases were updated to reflect the new leasehold areas.
- Through partnerships with the Kelowna Art Gallery, Okanagan Wine Museum, and the Centennial Museum, a number of new displays have been added to the terminal to promote the area's history and cultural values.
- A third SmarteCarte dispenser was installed at the south end of the Air Terminal Building to ensure passenger convenience. One of YLW's three dispensers was relocated to the International Arrivals area and converted to accept U.S. and Canadian currency.
- Through a partnership with Telus, new Multimedia Payphone Terminals provide patrons with internet access. A variety of touch screen services including terminal informa-

tion and a built-in printer provides hard copies of messages. Users can also send and receive e-mail.

## Groundside Operations

- Sidewalks were enhanced to provide improved access from the economy parking lot. Curbs were cut out in some areas of the frontage road to offer improved access for the disabled.
- Transit stops were upgraded to include proper pull-outs and pads for handicap access.
- Frontage road congestion was eased with the construction of a paved overflow area for taxis.
- An electronic billboard was installed along the entrance road to provide the travelling public with up-to-date airport information.
- An Airport Taxi Study was completed and its recommendations are being reviewed by management staff.
- A new land rental policy was approved by city council and agreed to by all existing ground-lease tenants. The new policy established a base market value for 2001, with annual increases of two percent per year for the balance of each lease. Supplemental agreements were completed with individual tenants to formalize the new arrangements.

## Airside Operations

- Detailed planning was completed to upgrade the Airport Operations Centre. The Operations Centre is used to monitor the airport systems and requires updating due to the changes associated with the air

terminal building project.

- The hazard beacon monitoring system using radio frequency for communication was replaced with a modern program logic control system after the previous system failed and could not be replaced economically.
- The Airport Manager's Circulars relating to the airside were reviewed and revised. The Apron II Management plan was re-written to incorporate the changes to the apron associated with the air terminal building expansion. Emphasis for monitoring the apron also switched from the Corps of Commissionaires to the airside division. In addition, the Apron I Management Plan was also re-written to accommodate the changes associated with the aircraft parking configuration.
- The airside division continued to receive high marks from Transport Canada on the audits conducted both in the firefighting area and airside operations.
- A major tabletop exercise was held on March 7th that involved all the major response agencies. The scenario involved a "hijacking" of an aircraft.
- With the increase in passenger activity and first aid calls, a defibrillator was purchased and housed in the air terminal building for use by the general public.
- An Airside Capacity Study was undertaken and presented to Council and the Airport Advisory Committee. Improvements to YLW's instrument landing system that were identified in the study are being reviewed with Nav Canada.



*A new casualty collection trailer was purchased and put into operation. The trailer houses emergency supplies such as stretchers, blankets, first aid supplies, equipment and other materials that would be required to be transported to the scene in the event of an emergency.*

## Security

- A fully automated access management system was installed at certain points to enter the apron and other restricted areas. The Guardall system provides secure identification codes for personnel who have a right and need to access these areas. This provides a powerful administration system for scheduling events, accessing records and tracking violators. A new camera and printer were also purchased and installed to enhance and provide a more efficient Restricted Area Pass System.



*In June, Charles Eggli (B.C. Corps of Commissionaire Regional Manager for the Thompson/Okanagan) presented Bob Foers (Supervisor of Airport Security) with the keys to a vehicle intended to enhance the corps presence at YLW.*

## Training

- The airport made a substantial investment in employee training in 2000. Including aircraft firefighting and rescue training approximately 2700 training hours were completed during the year.
- All the staff participated in the Customer Service Course initiated by the City's Human Resources department.
- With the assistance of Human Resources and the Computer Services Department, the airport fire fighting training program was converted from a manual record keeping system to a computerized system. The program takes advantage of the Peoplesoft, Human Resources module, and will be used to enter the individual fire fighter training records as well as allow for analysis of the training.
- The airside staff were all given practical firearms training associated with the handling and discharge of weapons that are used for their wildlife management activities.

- The Fire Officers were trained in building inspections and commenced daily inspections of the air terminal building in June 2000.

## Our People



*Jan Johnston, an operations clerk in administration, earned Business Studies Certification and completed Real Estate Law and Commercial Property Management evening courses through Okanagan University College.*

- Airport Duty Manager, James Hall, began work in April. His duties include providing management coverage of the airport on weekends and during peak periods after normal office hours.
- Airport Operations Specialist Trevor Bredin won the annual Roadeo competition in May; In July, Trevor represented YLW at the regional competition in Prince George. Crew "C" won the Firefighter Challenge.



*YLW was honoured with the B.C. Aviation Council's William Templeton Award in October for its transformation from a small regional facility to the major hub of the Southern Interior. The award is shown here with the management team: Roger Sellick (bottom left) – Airport General Manager; Val Bissat – Supervisor, Airport Administration; Sam Samaddar – Manager, Airside Operations; Gerry Baker (top left) – Manager, Airport Development; Jim Regimbal – Airport Fire Chief; and Brian Hawick – Manager, Terminal & Commercial Operations.*



*A new look was established for the the Airport Operations Specialists. A new logo was developed incorporating the City of Kelowna logo and the airport functions. Pictured are Steve Bauer (left) and Trevor Bredin.*

- Airport Emergency Services recruit, Steve Smith, was hired in July. Following extensive training, he earned the designation of Airport Operations Specialist.
- Firefighter Larry Diduck retired after 25 years of service. Larry was awarded the Governor General Fire Service Exemplary Service Medal and the Provincial Fire Service Long-Service Medal. He also received Firefighter Level 2 – Career designation from B.C.'s Fire Commissioner.
- Brian Hawick (Manager, Terminal & Commercial Operations), Candace Friesen (Operations Clerk), Darrell Belgrove and Trevor Bredin (AOS's) all had perfect attendance in 2000.

## Safety



*YLW equipped the terminal building and first response vehicle with LIFEPAK 500 portable defibrillators. As demonstrated by Airport Operations Specialist Darrell Belgrove (left), Fire Officer Neil Booth, and WestJet's Clint Huisman, the unit enables quick response in the event of a cardiac emergency. As first responders, firefighters are trained and certified every three months for defibrillator use.*