

# AIRPORT

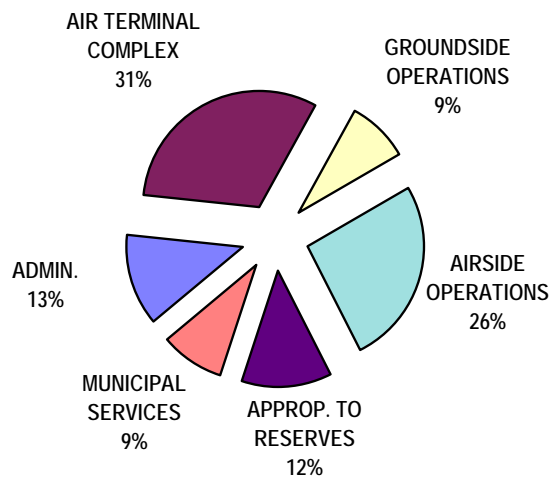


**AIRPORT FUND**

**AIRPORT**

Ron Born - City Manager  
Roger Sellick - Airport General Manager

**Division Summary**

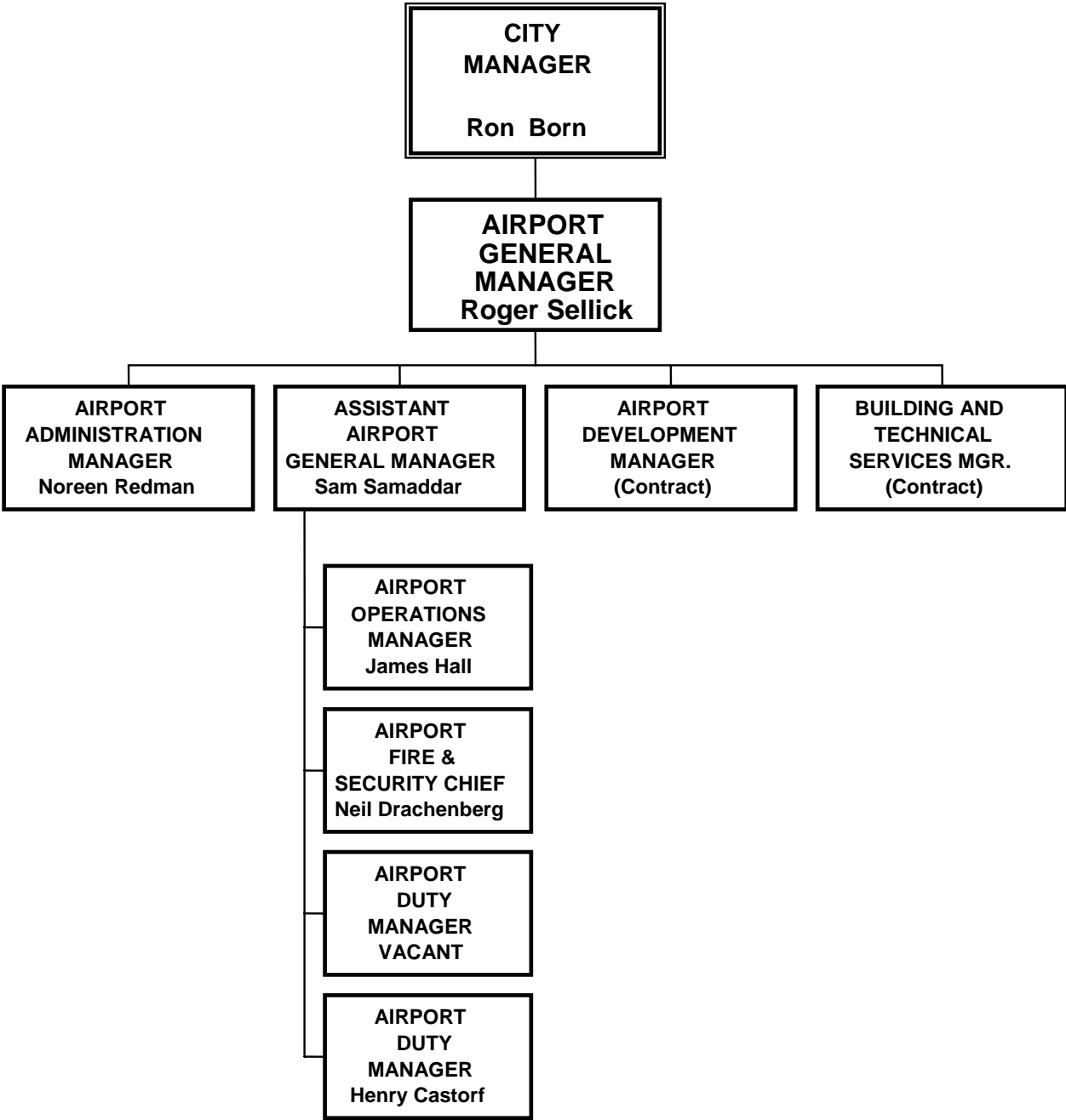


**Department Overview**

Taxation Expenditures	Revised Adopted 2004	Financial Plan 2005	Change from Prior Year	Percent Change
Net Operating	0	0	0	0.0%
Capital	0	0	0	0.0%
<b>Total Taxation Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Authorized Positions	24.5	26.0	1.5	5.9%

**AIRPORT**

**ORGANIZATIONAL CHART**



---

# **KELOWNA INTERNATIONAL AIRPORT**

## **DEPARTMENT GOALS**

- Provide high quality airport services in a safe and cost effective manner, in compliance with Federal regulations;
- Support the achievement of the municipality's social, economic, and environmental objectives;
- Develop capital infrastructure to meet the needs of customers and stake holders;
- Employ a full range of innovative options to generate sufficient revenue to operate on a financially self-sufficient basis.

In collectively working towards these goals, the YLW team will be fast and flexible, customer focused; and strive for continuous improvement.

## **CURRENT YEAR STRATEGIC OBJECTIVES**

### **FACILITIES EQUIPMENT & TECHNOLOGY**

1. A wireless network will be developed to service the general public and tenants using the Air Terminal building.
2. The Works and Utilities department will upgrade and take over the airport's water supply.
3. Tenants at the north end of the airport will be connected to the city sewer system. This will complete the airport sewer project.
4. Areas of the air terminal building will be upgraded to meet demand; including the Canada Customs administration area, the arrivals area around the inbound baggage system and the unused space in the second floor concourse which will be used to house a new boardroom.
5. A low cost solution will be developed for replacing the old ATB and upgrading facilities on the north apron.
6. The software system (ALPS) which is used to retrieve aircraft landing data from the Flight Information Display System (FIDS) and transfer it to the Peoplesoft billing system will be replaced with a new system, Aileron.
7. The current Closed Circuit Television System will be upgraded to digital technology to improve the quality, retrieval, control and recording capabilities of the system.
8. An update of the airport website will be completed to coincide with the changes being proposed to the City's website.
9. The Omni Directional Approach Lighting System for Runway 34 will be upgraded.

### **PARTNERSHIPS**

1. The new aircraft tugway project will be completed to support the new Flightcraft B757/BCIT development.
2. Presentations will be made to Air Canada and WestJet in support of the Toronto non-stop air service initiative.

3. Phase one of implementing Common Use Terminal Equipment and Common Use Self Serve check in equipment will be accomplished in cooperation with the air carriers.
4. The Skyway Gourmet retail facilities will be expanded and upgraded to meet the changing traffic patterns and customer demands. Provision for the sale of VQA wines will be included in the project.
5. Enhanced airport policing will be pursued with Transport Canada and CATSA. If a five year agreement can be reached with CATSA the enhanced policing plan will be implemented by April 1<sup>st</sup>.
6. In cooperation with American Association of Airport Executives the airport will host the International Facilities conference in September.

**RESEARCH & DEVELOPMENT**

1. A 20 year master plan will be completed to establish a long term strategic vision for the airport.
2. An airport economic impact statement will be done. The last airport economic impact statement was done in 2001. This information is important for marketing purposes and a new study will be completed in 2005 to ensure accurate and up to date statistics are available for use.
3. A review and update will be completed of the Environmental Management Plan.

**PRODUCTS AND SERVICES**

1. A new five year car rental contract will be put in place by the spring.
2. A new airport security contract will be completed.



Kelowna Airport Terminal at the Ellison Airfield. August 10, 1960.

**AIRPORT**

## COMPARISON OF 2004 AND 2005 REVENUES AND EXPENDITURES

	<b><u>2004 BUDGET</u></b>	<b><u>2005 BASE</u></b>	<b><u>2005 CHANGES</u></b>	<b><u>TOTAL</u></b>
<b><u>REVENUES</u></b>				
Landing & Other Airside Fees	1,770,232	1,770,222	(106,860)	1,663,362
Terminal Fees, Concessions	2,574,851	2,574,853	(240)	2,574,613
Vehicle Parking	960,260	960,260	40,000	1,000,260
Land Rentals	265,690	265,687	99,970	365,657
Policing	0	0	238,950	238,950
Airport Improvement Fee	2,950,328	2,950,332	121,540	3,071,872
Appropriations From Reserve	520,000	0	300,000	300,000
	<u>9,041,361</u>	<u>8,521,354</u>	<u>693,360</u>	<u>9,214,714</u>
<b><u>EXPENDITURES</u></b>				
Administration	707,399	715,217	7,900	723,117
City Services	463,857	492,070	0	492,070
Air Terminal Complex	1,636,058	1,689,582	63,360	1,752,942
Groundside Operations	412,274	430,066	49,740	479,806
Airside Operations	1,436,344	1,433,429	22,230	1,455,659
Policing	0	0	238,950	238,950
Approp. to Reserve	915,101	696,758	3,540	700,298
Approp. to AIF Reserve	2,950,328	2,950,332	121,540	3,071,872
Interest Expense	520,000	0	300,000	300,000
	<u>9,041,361</u>	<u>8,407,454</u>	<u>807,260</u>	<u>9,214,714</u>
<b>Transfer to Airport Capital</b>				
<b>Net Operating Revenue</b>	<u>0</u>	<u>113,900</u>	<u>(113,900)</u>	<u>0</u>
<b>Surplus/(Deficit)</b>	<u>0</u>	<u>113,900</u>	<u>(113,900)</u>	<u>0</u>
Capital - Other Funding Sources	<u>6,386,560</u>	<u>0</u>	<u>2,660,000</u>	<u>2,660,000</u>
Projected Accumulated Surplus*	383,308			383,308

\*Does not include the outstanding obligation under the AIF program.

# AIRPORT

## Department ID Section Descriptions

### ADMINISTRATION

Kelowna International Airport has been managed and operated by the City of Kelowna since its inception in 1946. Kelowna City Council has established an Airport Advisory Committee to encourage participation from neighbouring communities. The Airport General Manager oversees all airport operations.

### AIR TERMINAL COMPLEX

The 76,000 sq ft Air Terminal Building provides a full range of services including a restaurant and lounge, car rental concessions, a gift shop, security services and international passenger facilities for up to 120 passengers including Canada Customs processing on a 24 hour basis. The combined operations building located adjacent to the air terminal building houses the airport operations department. This division is responsible for the operations and maintenance of both facilities. In 2003 passenger volumes were up to 863,645 passengers passing compared to 839,654 that went through the terminal building in 2002.

### GROUNDSIDE OPERATIONS

The Groundside Operation includes the maintenance and administration of the road system and the two paved parking lots with a total of 1,200 parking stalls. The main parking lot is directly in front of the Air Terminal Building, the economy lot is south of the Terminal.

### AIRSIDE OPERATIONS

This division is responsible for maintaining and operating the airport aviation systems associated with the safe arrival and departure of general aviation and commercial aircraft. Activities include the maintenance of the runway and associated taxiways/aprons, provision of aircraft firefighting services and servicing of the airside electrical systems. The Airport is served by five air carriers which include Air Canada, Central Mountain Air, Horizon Air, Regional 1 and WestJet Airlines. The airport had 9,299 commercial air transport landings in 2003 versus 9,238 landings in 2002.

## PERFORMANCE MEASURES

<i>PROGRAM INPUT MEASURES</i>		Actual 2003	Revised Adopted 2004	Financial Plan 2005
31/39	REVENUES	(10,584,544)	(8,521,361)	(8,675,764)
041	ADMINISTRATION	718,565	707,399	723,117
042	AIR TERMINAL COMPLEX	1,523,028	1,636,058	1,752,942
043	GROUNDSIDE OPERATIONS	271,924	412,274	479,806
044	AIRSIDE OPERATIONS	1,410,181	1,436,344	1,455,659
047	AIRPORT POLICING	0	0	0
49/51	APPROP. TO RESERVES	4,570,805	3,865,429	3,772,170
059	SURPLUS / DEFICIT	0	0	0
811	MUNICIPAL SERVICES	434,594	463,857	492,070
<b>Total Net Operating Expenditures</b>		<b>(1,655,447)</b>	<b>0</b>	<b>0</b>

# AIRPORT

## PERFORMANCE MEASURES

	Actual 2003	Estimated 2004	Proposed 2005
<b>PROGRAM OUTPUTS</b>			
Increasing operating revenues by 1%	5,348,521	5,571,033	5,601,147
Implementing 100% hold baggage screening by July			
<b>PROGRAM OUTCOMES</b>			
As there will always be hazards and risks in the aviation system the airport will continue to be proactive in its safety management system. The following outcomes are planned:			
Reducing wildlife/aircraft conflicts	55	54	53
Reducing fuel spill incidents	24	23	22
Increasing monthly lease audits	2	3	3
Maintaining # of concession inspections	4	4	4
Emergency exercise to test the Airport Emergency Procedures.	1	1	1
Ensuring 100% compliance with the Restricted Area Access Control requirements.			100%
<b>EFFICIENCY MEASURES</b>			
The airport will continue its position as a low cost provider of airport services when compared to similar sized Canadian Airports (Victoria, Saskatoon, Regina and Prince George). The target is to keep costs including the AIF at industry leading levels, the airline cost per passenger at \$4.00 or less and the airport operating cost per passenger at \$7.00 or less.			
Cost Per Passenger	\$3.60	\$3.20	\$4.00 or less
Airport Operating Costs	\$5.61	\$5.82	\$7.00 or less
Maintain the Airport Improvement Fee at \$8.00 per person.	\$8.00	\$8.00	\$8.00
<b>CUSTOMER SATISFACTION</b>			
The airport will maintain an overall customer satisfaction rating of +90%.			
In 2003 the airports satisfaction rating was 95% compared to 82% for other benchmarked airports.	95%	96%	+90%
<b>INNOVATION AND LEARNING</b>			
<b>Operations</b>			
With the multitasking aspects of the operational staff in both maintenance and aircraft fire fighting services staff training will continue to be a high priority to ensure a high degree of competency and proficiency and ensure regulatory compliance.			
The airport mechanic will complete one course annually on equipment maintenance.			
	1	1	1
<b>Administration</b>			
Cross Training	4 staff	4 staff	4 staff
Systems Changes	1	1	2



## AIRPORT SUMMARY

### REVENUES / EXPENDITURES BY CATEGORY

	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<b>REVENUE</b>			
FEES AND CHARGES	(9,171,825)	(8,795,462)	(9,005,137)
OTHER REVENUE	(412,134)	(336,905)	(537,135)
TRANSFERS FROM FUNDS	(2,175,781)	(520,000)	(360,600)
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus	(2,175,781)	(520,000)	(360,600)
<b>TOTAL REVENUE</b>	<b>(11,759,740)</b>	<b>(9,652,367)</b>	<b>(9,902,872)</b>
<b>EXPENDITURES</b>			
SALARIES & WAGES	1,503,475	1,686,870	1,827,409
INTERNAL EQUIPMENT	2,016	800	800
MATERIAL & OTHER	2,631,840	2,756,910	2,918,470
CONTRACT SERVICES	592		238,950
DEBT	519,889	520,000	300,000
INTERNAL ALLOCATIONS	466,990	496,898	561,333
TRANSFERS TO FUNDS	4,979,491	4,190,889	4,055,910
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus	4,979,491	4,190,889	4,055,910
<b>TOTAL EXPENDITURES</b>	<b>10,104,294</b>	<b>9,652,367</b>	<b>9,902,872</b>
<b>NET OPERATING EXPENDITURES</b>	<b>(1,655,447)</b>	<b>0</b>	<b>0</b>
<b>CAPITAL EXPENDITURES</b>			
FROM AIRPORT REVENUE	1,655,447		
OTHER FUNDING SOURCES	1,498,831	6,386,560	6,769,050
<b>GROSS CAPITAL EXPENDITURES</b>	<b>3,154,278</b>	<b>6,386,560</b>	<b>6,769,050</b>
<b>NET OPERATING &amp; CAPITAL EXP.</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### AUTHORIZED F.T.E. POSITIONS

	BUDGETED FTE'S 2003	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<i>Salaried</i>	23.5	22.1	23.5	25.0
<i>Hourly</i>	1.0	1.0	1.0	1.0
<i>Contract</i>				2.3

## AIRPORT

Description of Program Changes	2005 Gross Cost Change	2005 Net Impact	2005 FTE
1) 2004 One-time supplementals	(\$218,340)	\$0	
2) Annualized 2004 budget costs	\$4,310	\$0	
3) Salary adjustment	\$21,908	\$21,908	
4) Internal Allocations - City services	\$28,215	\$28,215	
5) Revenues - interest adjustment	\$41,725	\$41,725	
6) Surplus / Deficit	(\$239,240)	(\$239,240)	
7) 2005 Supplementals	\$959,622	\$147,392	1.5
 <b>Total Changes for 2005</b>	 <b>\$598,200</b>	 <b>\$0</b>	 <b>1.5</b>

**2005 SUPPLEMENTAL REQUEST SUMMARY**  
**FINANCIAL PLAN**  
**UTILITIES - BY DEPARTMENT**

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
<b>AIRPORT</b>						
XXX-20-035-0-99XX	LANDING & AIRSIDE FEE REVENUE	0	(9,840)		9,840	ONGOING
68X-20-036-0-99XX	TERMINAL FEE, CONC & RENTAL	0	(240)		240	ONGOING
XXX-20-037-0-XXXX	VEHICLE PARKING REVENUE CHANGE	21,970	64,920		(42,950)	ONGOING
XXX-20-041-0-001	AIRPORT ADMINISTRATION CHANGES	10,900	3,000		7,900	ONGOING
XXX-20-042-0-001	AIR TERMINAL COMPLEX CHANGES	56,900	(6,460)		63,360	ONGOING
XXX-20-043-0-001	GROUND SIDE OPERATION CHANGES	49,740	0		49,740	ONGOING
XXX-20-044-0-XXX	AIRSIDE OPERATION CHANGES	61,990	39,760	REVENUE	22,230	ONGOING
254-20-047-0-250	POLICING	238,950	238,950	REVENUE	0	ONGOING
404-20-049-0-001	AIF DEBT REPAYMENT	300,000	300,000	AIFRES	0	ONE-TIME
481-20-049-0-R51X	APPROPRIATION TO RESERVE	3,540	0		3,540	ONGOING
26X-20-04X-0-588	UTILITY COST ADJUSTMENT *	33,492	0		33,492	ONGOING
XXX-20-0XX-0-XXX	AIRPORT IMPROVEMENT FEE REV	182,140	182,140	AIFRES	0	ONGOING
<b>DEPARTMENT TOTALS</b>		<b>959,622</b>	<b>812,230</b>		<b>147,392</b>	

CITY OF KELOWNA  
 2005 CAPITAL BUDGET SUMMARY  
 GENERAL UTILITY FUND  
 PROVISIONAL BUDGET



CHARTFIELD	DESCRIPTION	UTILITY REVENUE	SURPLUS/ RESERVES	DEBENTURE OTHR BORRW	FED / PROV FUNDING	DEV/COMM OTHR CONTRB	TOTAL
<b>AIRPORT</b>							
1. 20-040-AP192	UPGRADE AIRPORT WATER SUPPLY	0	1,500,000	0	0	0	1,500,000
2. 20-040-AP194	SEWER TO THE NORTH END	0	250,000	0	0	0	250,000
3. 20-040-AP253	REPLACE ODAL FLASH HEADS	0	50,000	0	0	0	50,000
4. 20-040-AP254	COMMON USE EQUIP. IMPLEMENTATION	0	100,000	0	0	0	100,000
5. 20-040-AP255	PUBLIC INFORMATION SYSTEM UPGRD	0	40,000	0	0	0	40,000
6. 20-040-AP256	UPGRADE CCTV SYSTEM	0	60,000	0	0	0	60,000
7. 20-040-AP257	UPGRADE PAVEMENT MARKINGS	0	25,000	0	0	0	25,000
8. 20-040-AP258	REPLACE ALPS SOFTWARE SYSTEM	0	40,000	0	0	0	40,000
9. 20-040-AP259	REPLACE FORD F-150 TRUCK	0	35,000	0	0	0	35,000
10. 20-040-AP260	UPGRADE TELEPHONE SYSTEM	0	50,000	0	0	0	50,000
11. 20-040-AP261	AIRPORT FENCING REPAIRS	0	35,000	0	0	0	35,000
12. 20-040-AP262	AIRPORT LONG TERM MASTER PLAN	0	125,000	0	0	0	125,000
13. 20-040-AP309	AIR TERMINAL BUILDING REHAB	0	250,000	0	0	0	250,000
14. 20-040-AP319	REPLACE OLD TERMINAL BUILDING	0	100,000	0	0	0	100,000
<b>DEPARTMENT PRIORITY 1 TOTALS</b>		<b>0</b>	<b>2,660,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,660,000</b>