



## 2020 Vision: A Strategic Plan

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**Positioning the Kelowna and District Flying Club  
for Future Opportunities**

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**CONFIDENTIAL**

prepared by  
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## **EXECUTIVE SUMMARY**

### **Background**

The Kelowna and District Flying Club ('KDFC') claims a long presence at the Kelowna International Airport ('Kelowna Airport') location, with the roots of the organization reaching back to the mid 1940's. Officially the organization was first incorporated as a BC Society in 1973, and again in 1983 after a period of non-administrative activity.

Over the past forty-two years the club has offered private aviators with opportunities for fellowship and collaboration on common issues facing private aviation in the Kelowna area. It has also undergone several phases of ebbs and flows from being a going-concern active social club to nearing termination due to inconsistent leadership and governance.

Concurrently the Kelowna International Airport has continued to grow in capacity and relevance as one of Canada's twenty-six airports that make up the National Airport System, frequently rating within the top 10 to 12 airports in Canada for volume of scheduled passenger movements and 20 to 25 for total aircraft movements.

As the Kelowna Airport prepares to undertake the next phase of its long-term Strategic Planning to 2045, it is in the best interests of the KDFC to do the same, and consider the sustainability of their future position from both a governance and geographical location perspective.

### **Critical Issues**

From the vagueness of the organization's purpose as stated in the 1983 Constitution to the lack of any guiding policies for the fluid Board of Directors, governance is quite lax. The organization has been faced with the threat of dissolution six or seven times, and current record-keeping and financial management is not in compliance with standard business practices or the BC Society Act.

Private aviation (business and personal sub-categories) represent a significant portion of activity at the Kelowna Airport. Aircraft movements at Kelowna International Airport are divided between Itinerant (travel to or from a different airport) and Local (traffic that does not leave the local circuit) representing 60 to 70% and 30 to 40% of all air traffic respectively. Private aviation represents 11% of the itinerant movements, and local movements, typically made up of training, practice and helicopter movements, is therefore substantially attributed to private traffic.

The Private Aviation sector is not mentioned in the existing Master Plan 2025 from a future-orientated perspective, and that may very well be due to the Master Plan focus on the commercial sector and the associated building and land development. However, as Kelowna Airport is engaging in the next phase of strategic long-term planning to extend the Master Plan to 2045, it is important for the KDFC to be visible and have a voice during the planning phase.

To be considered a vital member of the Kelowna Airport community and a participating partner in the planning and development of private aviation in the Kelowna and District area, it is essential for the KDFC to strengthen its presence as an entry-gate to the world of private aviation within the airport and greater community. This can be accomplished by strengthening its future sustainability as an

organization through improved governance, increased membership reach, community awareness and engagement and developing signature events that offer a competitive and unique positioning from other aviation organizations, while working with those organizations as a collaborate partner within the private aviation sector.

## **Key Recommendations**

### **Creating a Sustainable Organization**

#### **Governance**

1. Re-State Club's Purpose
2. Increase Awareness of Private Aviation Legacy and Impact
3. Adopt Functional Committee Representation
4. Size of Board of Directors
5. Term of Office
6. Set Appropriate Number of Director Representation
7. Comply with Term of Office Bylaw
8. Adopt Nomination Strategy and Comply with Voting Bylaw
9. Develop Guiding Policies for Directors
10. Develop Orientation Manual for Directors

#### **Financial Management and Controls**

11. Adopt Standard Financial Reporting Statements
12. Organize Funds Accounts
13. Align Year Ends
14. Develop Sustainable Revenue Streams
15. Explore Value Organization's Contributions with YLW

#### **Membership Development and Retention**

16. Develop Membership Categories and Associated Benefits
17. Identify Current and Potential Member Benefits
18. Communicate and Promote Member Benefits
19. Give All New Members an Orientation to the Organization
20. Recognition of History and Contribution of Members

#### **Attracting New and Former Members**

21. Undertake Promotions Campaign to Attract Members
22. Explore Reciprocal Regional Club Affiliation Memberships

#### **Four Key Directions**

The adopting of four key directions align with the organization's vision and purpose, and provide a focus for decision making, resource planning and performance measurement.

23. Cultivate Existing and Additional Signature Events
24. Encourage Planned and Spontaneous Fellowship and Socialization

## **Options for Strategic Directions**

Adopting the key recommendations herein will set the club in a position to explore potential directions that align with the organization's mandate. Strong governance and sustainable membership foundations will then be in place and the Club can focus its efforts on building a strategic direction for the next five to ten years.

The Club may choose to focus on building its brand as the core membership-based organization for Private Aviation representation, or focus on securing a role as the archival agent of Private Aviation history in the Kelowna area.

The club may choose to focus on acquiring commercial lease space that would operate as a facility available for rent, providing greater access to other entities wanting to host events on the airport grounds or align itself with other potential on-airport property enterprises to share space. It may choose to maintain status quo by securing a committed access to the private clubhouse facility used for small private and public-access events.

Future ideas are yet to be fully generated and there are many options to explore, provided they fall within the scope of the refined organization's purpose. Five potential options have been included with a summary listing of strengths, weaknesses, challenges and opportunities. While some options are more attractive from a number of various perspectives, a final recommendation will not be made until presentation and discussion with the Club's Executive Team, the members, and Airport Senior Management.

## GLOSSARY

**AAC** - Acronym for Airport Advisory Committee, a Select Committee of the City of Kelowna.

**AOC** - Airport Operations Committee; made up of Senior Management, Airline, Operations and Tenant representatives of the Kelowna International Airport.

**Business Aviation** - One of two subcategories of Private Aviation; the other sub-category is Personal. Business aviation operations consist of an aircraft or a fleet of aircraft operated by a business for the transport of passengers (e.g. employees or clients). (2)

**COPA** - Acronym for Canadian Owners and Pilots' Association. COPA is a national organization dedicated to protecting personal aviation in Canada.

**COSAR** - Acronym for Central Okanagan Search And Rescue. COSAR is a non-profit organization that functions as a community resources in assisting the RCMP, BC Ambulance Service and the Coroners Service of BC in a variety of search and rescue functions.

**CASARA** - Acronym for Civil Aviation Search and Rescue Association. CASARA is a national volunteer organization funded by the Department of National Defense. Volunteers provide air search assistance to other search and rescue organizations.

**Civil Aviation** - One of the two divisions of aviation in Canada; the other category is Military.

**Commercial Aviation** - One of two subcategories of Civil Aviation; the other sub-category is Private.

For this report the definition of Commercial Aviation reflects the statistical data definition used in Stats Canada Publication Appendices: *Flights by aircraft operators licensed by the Canadian Transportation Agency to perform commercial air services. Commercial operations are divided into two categories: Air carrier and Other commercial.* (1)

**GA** - Acronym for General Aviation.

**General Aviation** - Widely accepted as a common term for Civil Aviation. General Aviation is comprised of two main divisions, Commercial and Private Aviation.

**Itinerant movements** - Movements in which aircraft proceed to or arrive from another location; or where aircraft leave the circuit but return without landing at another airport. (1)

**KDFC** - Acronym for Kelowna and District Flying Club.

**Local movements** - Movements in which the aircraft remains in the circuit. (1)

**Personal Aviation** - One of two subcategories of Private Aviation; the other sub-category is Business.

For this report the definition of Personal Aviation reflects the statistical data definition used in Stats Canada Publication Appendices: *"Aircraft used solely for private purposes, not for hire and compensation, which are classified as "Private" or "Private Restricted" in the Canadian civil aircraft register or similar registries of other countries. Owners include individuals, groups and business firms."* (1)

**Private Aviation** - is one of two subcategories of Civil Aviation; the other sub-category is Commercial.

# Part One: Creating A Sustainable Organization

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## DESCRIPTION OF THE ORGANIZATION

### History of Organization

The Kelowna and District Flying Club is a social organization with a focus on recreational aviation. The KDFC is a mature organization from the perspective of its chronological history within the community that it serves.

Published records recognize the origins of the Kelowna International Airport in the mid 1940's, when Kelowna residents voted in favour of purchasing a 320 acre ranch to serve as the community airport. What would eventually become a 3,000 foot grass airstrip showcased a small terminal building on a flat bed and a variety of small aircraft was known as the Ellison Field. Kelowna International Airport (YLW) is the largest municipally owned airport in Canada.

Anecdotal tales suggest the group of instigating residents were the roots of what is now the Kelowna and District Flying Club. Throughout the next decade (1950's) the demand for better service at Ellison Field, and particularly constant lobbying of then Mayor Dick Parkinson, resulted in the federal Department of Transport helping to gravel the airstrip, and pave a parking lot and aircraft parking apron. Canadian Pacific Airlines introduced daily, scheduled DC-3 service to Vancouver in 1958, prompting the City to begin negotiations with the federal government for a longer paved airstrip. (3) On August 11, 1960 the Minister of Transport officially opened Kelowna Airport. (4)

Current long-time members of the club have many tales of working with and supporting past administration to help the airport grow through its start up stages.

### Review of Historical Documents

The author completed an extensive review of available club records, including the Incorporating Constitution and Bylaws, Executive and General meeting Minutes, Annual reports filed with the BC Registry and general correspondence and financial records from 1973 through 2014. A substantial amount of records were missing, with minimal or no Minutes and Correspondences for extended periods of time. Records beyond the year 2010 were not available at the clubhouse, the registered records office of the Society, at the time research was undertaken; however electronic records of meeting minutes were available via the Club's web mail account. A *Historical Summary of The Kelowna and District Flying Club* is included as Appendix B.

Essentially the KDFC has undergone significant ebbs and flows with size of membership, perspectives of purpose and leadership governance, all while hosting barbeques, attending fly-ins, organizing fly-outs and other social activities for members. The club has flirted with insolvency, rallied behind various causes including historical preservation of the 'old Terminal building,' and preserving Banff and Jasper airfields. The Executive teams have grappled with various strategies for sustainability including development of an 'umbrella' organization, becoming the archival agent of aviation heritage, taking over management of general aviation parking, building private hangars and has even provided private terminal facility access to small commercial and private business operations as a revenue option.

The club has organized and hosted many community events, supported and co-hosted PEP training activities, and varied its degree of focus from social to advocacy to sustainability to archival significantly over the years depending on the interests and availability of the current serving directors. Much effort and resources has been invested by a number of individuals for the good of general and recreational aviation under the domain of the KDFC.

## **Business Case For Strategic Plan**

The history of the club shows an ongoing waxing and waning of capabilities, interest and engagement of directors and members. The club has had a few recognizable periods of achievement with a sizeable and engaged membership, leadership focused board of directors, and community involvement. More often though, the club has represented a smaller group of like-minded members with a perspective for socialization, and has often struggled with survival from a financial and legal framework perspective and with sustaining a home base on YLW property.

The historical review of the organization reveals many instances of consideration given to opportunities for revenue streams, collaborative ventures, defining of purpose and profile within the aviation community throughout the history of the club.

Significant organizational intelligence has been lost through attrition, diverging focus of priorities, and inconsistent record keeping. This intelligence includes knowledge, legacy stories and financial and elbow-grease efforts invested by many former directors and members. This has resulted in an ongoing 're-invention of the wheel' as directors need to relearn by trial and error what is working, what is not working and constantly gauging and re-establishing stakeholder relationships. Built up momentum for member and stakeholder engagement has frequently been diminished and sometimes lost to these learning curve cycles.

The goal for a Strategic Vision for the KDFC is to create a future destination for the club's existence and set the organization into a mode of good governance, financial security and capital planning for long-term sustainability to fulfill its mandated function amidst a fluid internal and changing external environment.

Long-term sustainability of the club is necessitated by the club's relevance as a going-concern recreational and social organization for individuals and groups with shared interests in general aviation. KDFC is the sole community-facing organization air-side at YLW, essentially serving as a significant access point for public awareness, education and opportunities in the Aviation Industry.

To that end it is in the Club's best interest to grow and maintain a sizeable membership base, secure branding within the community as a relevant and contributing organization to the economic and social welfare of the community and be revered as a responsible and professional partner in the secure and cost effective operations at the Airport.

## **Sponsor for Strategic Planning**

The author of this report, Pamela Nelson, is the primary sponsor for a Strategic Planning initiative for the KDFC. Pamela is a current Director, the COPA representative, a private airplane co-owner, and club representative at the monthly Airport Operations Committee (AOC) meetings at YLW. Pamela is significantly qualified as a proponent for the Strategic Planning and Implementation project with over 30 years of business leadership and management experience.

Pamela is a Management Consultant, Author and community leader. Pamela's business career spanned 25 years through middle management into senior leadership positions within the private, public and non-profit sectors in the legal, technology, manufacturing and social sectors. In addition to serving on numerous non-profit boards, Pamela has worked with hundreds of business-owner clients as an independent Business Management Consultant and as a Business Advisor and Loans Analyst with the Womens' Enterprise Centre of BC, a provincial non-profit organization.

Pamela has instigated the strategic visioning and planning project due to her desire to strengthen the KDFC's position in the community for awareness of general aviation, as well as to ensure long-term sustainability of the Club in alignment with future growth and strategic change at YLW.

**CURRENT SITUATION**

All organizations move through stages of development, also known as life cycle stages. Transition through these stages is rarely done in an orderly and predictable fashion; some may be in the 'Start-Up' stage in some respects and at the 'Growing' stage in another. Similarly, an organization may be firmly in the 'Growing' stage until faced with a crisis that serves as a catalyst to either move it backwards to the 'Start-Up' stage or catapults it forward to 'Maturity'.

Two important question in determining the current stage of life cycle of the KDFC are:

- To what extent is the organization consistently able to achieve its mission?
- How sustainable is the organizations ability to achieve its mission in future?

There are a number of factors external to the organization that drive the need for a strategic analysis of the current state of the organization with respect to its mission (purpose), and, the ability for the organization to sustainable achieve its mission in the short and long-term future.

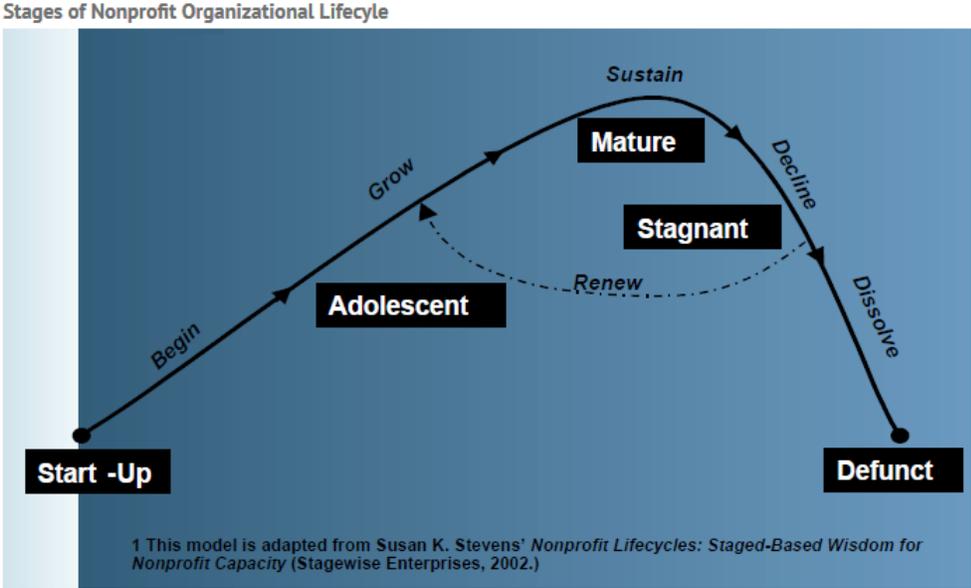


Figure 1: Stages of Growth (19)

The KDFC is a mature organization with the current Society having been in existence (formally) since 1983. There are a number of long-term members who have been associated with the Club in excess of 15 and 20 years.

With membership increasing and strategic opportunities with YLW on the horizon, the Club may be considered to be in a 'Renewal' stage of growth, presenting a timely opportunity to consider the long-term sustainable vision for the organization.

## Internal Analysis

### Purpose

As set out in the incorporating constitution of the KFC, "the purposes of the society are:

- (i) to promote civil aviation in the Kelowna District and elsewhere; and
- (ii) without limiting the generality of the foregoing, to acquire, own, hold, lease or otherwise to obtain and maintain any property necessarily incidental to the operation of the Society."

The Club was established as a Canadian Owners and Pilots Association (COPA) chapter (Flight No. 36) in 1999. The mandate of a COPA Flight is to "*promote COPA, represent their members as a body to the COPA Directors, and represent personal aviation in their local areas by conducting promotional, educational, social and other activities.*" (5)

Benefits of affiliation with COPA as an established Flight includes air meet insurance coverage for fly-ins, COPA For Kids event and other meetings, promotion of club events in the national On The Horizon publication online and in-print, and the ability to submit articles of club events. It is necessary to have at least ten current COPA members as club members to maintain the designation as a COPA Flight.

### Stakeholders

The KDFC has a number of stakeholder groups; a stakeholder by definition being a person, group or organization that has interest or concern in the organization. Primary Stakeholders have a direct relationship with the Club; secondary members may have a shared interest, goal or objective with the Club.

The **City of Kelowna**, and specifically the **Kelowna International Airport** (YLW) Operations have a direct relationship with the Club from the perspective of clubhouse ownership, access to general aviation parking, inclusion and consideration in operational decision-making and support for club-sponsored activities. Due to the imperative relationship with YLW, this stakeholder relationship is of primary importance. Unlike the local Yacht Club<sup>1</sup> members, private aviators within Kelowna only have one option for parking their private aircraft. It is crucial to the Club's long-term sustainability that the relationship with YLW be maintained.

Without **Members** the club would cease to have a reason to fulfill its purpose. The Membership provides the bulk of the financial resources for the day-to-day operations and is the primary audience

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<sup>1</sup> The Kelowna Flying Club has been often compared to the Kelowna Yacht Club by City representatives due to its similarity of representing a specific group of citizens from the perspective of a shared recreational pursuit.

for Club sanctioned activities. Members are typically private recreational pilots, small commercial operators and freelancers, retired aviators, and aviation enthusiasts.

**Potential Members** include any person or group having a shared interest in general aviation, such as current and non-current pilots, the Kelowna Ogoogo Radio Control Club, local Air Cadet league, Airport Watch Volunteers, members of the general public, and other private, commercial businesses or non-profit organizations.

As an established Flight of the **Canadian Owners' and Pilots Association, COPA** is a primary stakeholder in the Club. COPA's mission is to "*protect Personal Aviation and promotes it as a valued, integral and sustainable part of the Canadian Community.*" KDFC is responsible to ensure compliance with COPA's *Policy 6 - COPA Flights*.

**Neighbouring YLW tenants** may be primary or secondary stakeholders depending on level of shared interests, from sharing general aviation awareness objectives to property access issues to shared Lessor/Lessee relationships with YLW. It is highly beneficial to the long-term sustainability of the Club to seek out and maintain strong stakeholder relationships with neighbouring YLW tenants. Many neighbouring tenants have the potential to become primary stakeholders as corporate members, and/or event sponsors and promoters.

The **Regional District of the Central Okanagan (RDCO)** is responsible for a number of regional services that affect the KFC, specifically from the perspective of inter-governmental resources and environmental management. The RDCO may provide additional benefit as a potential strategic partner for future Club initiatives.

There may be a number of other certain persons or groups not yet specifically identified that may become primary or secondary stakeholders of the Club. Some of these stakeholders would include community strategic partners that may provide mutual beneficial relationships with club members.

### **Organizational Structure**

The Bylaws of the Society stipulate a minimum of seven directors, with two directors being elected for two year terms. The Bylaws further set out that if no successor is elected the person previously elected or appointed continues to hold office, and, no proceedings are invalid if only by reason of there being less than the prescribed number of directors.

The organization is loosely structured, with a volunteer board of directors who are elected at the annual general meeting. Typically the directors are elected by acclamation, and for the past three years at least the number of directors has been five to seven. The current board consists of ten directors.

The current paid-up membership at the 2014 AGM was approximately 60 members, representing a large membership compared to the available Member Registers over the previous forty years.

### **Board Composition**

The Board of Directors (a.k.a. 'Executive team') is currently comprised of ten directors. Allocated positions include a President, Past-President, COPA Representative (C4K Captain), Treasurer and Secretary. The remaining positions are Directors-at-large. Each of the directors resign and are elected in (or acclaimed) annually; none are holding a two-year position as deemed by the Bylaws.

## **Board of Director Meetings**

The Executive team currently meets on the third Wednesday of each month March through December. There is a sign-in book for meeting attendance. Casual minutes are recorded and distributed among the directors electronically via email. The Minutes do not currently keep track of outstanding tasks and responsibilities. Some delegated suggestions and tasks are lost in time and not completed, without record of completion or closure.

The Executive team currently does not meet in December, January or February as a significant number of Directors are not locally available during the winter months. Historically the club has often met and conducted business year round.

## **General Membership**

### ***Meetings***

The general business section of the meeting is typically very casual and short, with an update as to the current bank balance, discussion of any present issues (such as GA parking, critter control, security passes, etc.) and any upcoming or past events or Fly-In's/Out's.

Guests are welcome to attend meetings, and there is currently no distinguishing of paid-up members from guests at any of the club meetings, functions or events.

There is a sign-in book for meeting attendance. Casual minutes are recorded and distributed among the paid-up members electronically via email.

### ***Operations***

A small group of long-time member volunteers typically attend to maintaining inventory for, and conducting the tasks for the general meeting barbeques. A small group of volunteers typically attend to all functions of the general meeting barbeques, including accepting the cash payments, attending to the barbeque, food buffet preparation and sale of 50/50 tickets.

### ***Events***

The club currently hosts a fly-in barbeque event annually in July; the 2014 event was attended by approximately 30 individuals, both members and visitors.

Buffalo Air has visited Kelowna for water bomber training of new pilots for at least the past three years, and the KDFC has welcomed the flight crews to a hosted barbeque event during their stay. This event has been well received by the visiting crew as well as club members and guests. The event attendance in 2014 was approximately 30 to 40, including the flight crews. This event was promoted to other local and regional Flying Clubs, resulting in a number of visiting aviators attending.

In 2014 KDFC hosted an Aviation Auction event to assist an Aviator's widow to dispense of his aviation estate. This event was attended by approximately 20 to 25 persons with approximately 15 bidders.

## **AOC Meetings**

One to three director representatives attend the Airport Operations Committee (AOC) monthly meetings to stay informed of and have a voice in ongoing airport operations matters. Two long-term members of the KDFC have been attending the AOC meetings for an extended period of time; they have become recognizable faces of the club with many of the other attendees.

A 2013 director recruitment email suggests attendance at the AOC meeting is the responsibility of the President; however, the COPA Representative (author of this report) has also been attending over the 2014 period to facilitate communications with both the KDFC members and non-club COPA members.

A casual discussion of the future for the KDFC has been undertaken with a few of the senior management team members, including at a November meeting with Neil Drachenberg, Security Manager, the author and past KDFC president Chad Garty. The development of this Strategic Vision was initiated further to the author's involvement at the YLW AOC meetings, numerous discussions with AOC members outside the meetings, formally and informally, over the 2014 period and the ever present question regarding the future existence of the KDFC.

The YLW Operations Team will be extending the Master Plan to 2045, undertaking the development of strategies and projects from the current 2025 to 2045, in the near future. It is essential to have a positive and responsible working relationship with the AOC to ensure inclusion at the table for the strategic planning sessions.

## **Finance**

Maintenance of club financials has been sporadic over the history of the organization. The club is required by the Society Act to present annually at the Annual General Meeting of Members (AGM) either a Statement of Receipts and Disbursements, or Financial Statements comprised of income and expenditures, statement of surplus for the period and a balance sheet as of the end of the period.

Since inception the board has presented only a statement of receipts and disbursements, including an indication of bank balance at end of period. There are a number of year-end financial statements missing from the records of the organization.

The club has a bank account with a dual signator requirement. The treasurer ensures bills are paid in a timely manner and the bank statement is balanced monthly.

The club is not required by the Canada Revenue Agency (CRA) to file a form T1044, Non-Profit Organization (NPO) Information Return as it does not meet the current financial revenues or asset requirements of the CRA.

Revenues are currently received from annual membership fees, donations (especially for the COPA For Kids event), 50/50 draws and monies received at club barbeques.

The club does not have a current list of assets; however a number of tangible assets have been acquired over the past two years including a flat screen television, tables and chairs, miscellaneous library items and an inventory of merchandise for sale. The aforementioned clubs assets currently exist of various club furnishings, library items, pantry inventory and miscellaneous decor. Some club assets have disappeared over the past two years, and a review of the historical minutes and correspondences indicate numerous assets of the club have disappeared over the years. The club also maintains a positive cash balance in its bank account.

With the exception of 1986 and 1989, and years where an AGM was not held, the club's fiscal year was initially January 1 through December 31 with AGM's held in the early new year or Spring of the subsequent year up until 2005. Since that time the year end has reported to be November 1st to

October 31st with the AGM held in November. With no requirement for CRA filings the year end date is arbitrary and of no consequence other than to coincide with the presentation of annual financial position.

The subject of an alternative for preparation of financial statements from that of Statement of Receipts and Disbursements in favour of Income and Expenditure, Statement of Surplus and Balance Sheet has been discussed at a number of Directors Meetings throughout the 2014 year, however, those discussions have not resulted in motions and have not been recorded in the club minutes.

A motion was made and passed at the October Directors' Meeting to have a cash flow budget prepared for the November 2014 to October 2015 fiscal year.

## **Facilities and Inventory**

### ***Building***

The club house is located on designated Airside Commercial space on Apron III, with access from Airport Way. There is a vehicle parking lot adjacent to the clubhouse, providing convenient parking for general meeting and function attendees.

The KDFC has access to this facility by way of the initial Sub-Lease dated November 5, 1984 designated No. 127367 in the records of the Department of Transport. The Sub-Lease was amended by supplemental agreements dated January 7, 1987, January 20, 1989 and June 12, 1990. The Sub-Lease was initially for the 'old Terminal' building, until that building became uninhabitable through age and deterioration. The club moved to the current 'old BCIT portable' building in 2006. The current lease is for Unit 1 of the building located on the parcel of land designated as Part of Lot 3, Plan 11796, District Lot 32, Section 14, Township 23, O.D.Y.D. The total space of the leasehold was increased from 70.94 to 76.4 square meters in the May 7, 2007 Supplemental Agreement.

The charge for the sub-lease (rent and airport maintenance charges) was initially \$1.00 per annum in the 1986 lease, and increased to \$1200 per annum (\$100 per month) in the 1987 sub-lease. The club became insolvent and, following pleas and presentation to the City of Kelowna and Airport Manager Roger Sellick, the City forgave all back-rent owed, reduced utility charges and reinstated the lease to \$1.00 per annum where it has remained ever since. Of special note are clauses 6 (6) and (7) of the Mutual Covenants wherein upon completion of the one year term the lease converts to a month-by-month tenancy relationship, and the sub-lease may be terminated by either party upon the giving of 30 days' notice.

In 2006 the club moved into the 'newer' portable building; this building was purchased by the City from BCIT. Currently other organizations have access to and utilize the designated Flying Club space, and the building is shared with the neighbouring CASARA; a new commercial tenant may be moving into the unit at the south end of the building in early 2015.

In the past KDFC has 'rented' the facility for use as a boarding area for charter flights by way of corporate memberships. A proposal was made to the Recreational Aircraft Association (RAA) in 2006 to considered a shared facility; however, this arrangement apparently did not manifest as the KDFC is the sole tenant of Unit #1.

The facility has access to shared washroom facilities accessible by an internal door. The internal door has a newly installed dead-bolt lock to which the Club does not have a key, and a code-key entry keyed the same as the north-side external entry door. This code is in the process of being changed by request of the KDFC to increase security of the club assets. A copy of the key to the dead-bolt has been requested from YLW Security.

### ***Assets and Inventory***

The club house has a small kitchen with a fridge, sink, microwave, small appliances and a variety of kitchen utensils and equipment. The club typically has a fluctuating inventory of non-perishable and perishable food items.

There are two primary storage cabinets that are locked. One is a solid wood unit and the other is a large display-type case with glass sliding doors. The large glass-door display case houses logoed inventory for sale (shirts, club pins and hats), as well as the club library of books and videos, some historical records, Christmas decorations and other miscellaneous club items. There is an over-abundance of dated magazines and donated hard-cover books in boxes within the cabinets.

The club additionally has a wall mounted flat-screen television, DVD player, Video Cassette Recorder and Player (VHS), speakers and a projector. There is a desktop computer system with monitor, plug and play Yolk and Foot pedals, and an aeronautical radio monitor.

There is a variety of wall decor including pictures and higher-end mounted posters and framed photos and memorabilia. There are a number of smaller bulletin boards and a calendar whiteboard mounted to the walls. The club also has variety of signs and sandwich boards. Two valued assets, an autographed matted and framed photo of the American Thunderbird performance team and a wooden model DC-3 have disappeared from the clubhouse within the past few years.

### ***Technology***

Secured wireless Internet access is available within the clubhouse by way of the 'North Apron' modem. This modem is managed by YLW Operations and tenants of the North Apron are provided with the password for secured access.

A VHF radio is located within the club house facility for monitoring of the local tower and ground frequencies.

There is no telephone service at club.

### **Membership Development**

General meetings are held from March through November, with Board of Director elections in November and a Christmas Party function in December.

The club has not had general meetings in January or February in the past few years; however, a number of club members have requested to have more social functions and to have get-togethers over the winter months.

Annual membership fees are due March 1st; the membership year runs from March 1 to February 28. Fees have been paid sporadically throughout the year in past, with some coming in as late as October and November for the previous year. There are currently no incentives for prompt payment of fees, and no differentiation between paid-up member or non-paying guest benefits or value.

## External Environment

### Political

KDFC operates within the City of Kelowna, governed by an elected Council comprised of a Mayor and eight Councillors. Councillors are elected for three-year terms and each member represents the city at large. The current council was elected in November, 2014.

YLW is operated as a non-profit organization under the umbrella of the City of Kelowna. Despite the Airport Director having overall responsibility for the management and operations of YLW, City Council ultimately makes the final decision concerning the airport management and operations, and it is therefore beneficial for the general Council to have a positive perspective on the value of private aviation at YLW.

The City of Kelowna formed an Airport Advisory Committee (AAC), a Select Committee of the City Council, to facilitate participation from local government, business and community within the airport catchment area on matters associated with the development of the airport.

The AAC consists of eleven members and meets quarterly to review, report and advise on matters concerning the operation and development of the airport. The activities within the Committee's scope of work are to:

- Promote the development of the Kelowna International Airport as the major commercial hub airport in the Thomson / Okanagan Region
- Encourage the development of improved air services to the region
- Review and make recommendations on selected matters as requested by Kelowna City Council
- Represent the interests of the airport with the Federal and Provincial Governments
- Provide community input to airport management on airport activities

The eleven members are made up of:

- Mayor of City of Kelowna
- One City of Kelowna Councillor
- City of Kelowna - one member of the community-at-large appointed by the City
- Central Okanagan Regional District – one member nominated by the District
- City of Vernon – one member nominated by the City of Vernon
- City of Penticton – one member nominated by the City of Penticton
- City of Salmon Arm - one member nominated by the City of Salmon Arm
- District of Peachland – one member nominated by the District of Peachland
- District of Lake Country – one member nominated by the District of Lake Country
- District of West Kelowna – one member nominated by the District of West Kelowna
- Kelowna Chamber of Commerce – one member nominated by the Chamber Board
- South Okanagan Chamber of Commerce – one member nominated by the Chamber Board
- Summerland Chamber of Economic Development & Tourism – one member nominated by the Chamber Board
- Vernon Chamber of Commerce – one member nominated by the Chamber Board
- Westbank Chamber of Commerce – one member nominated by the Chamber Board
- Westbank First Nations – one member nominated by Westbank First Nations

- Economic Development Commission – one member nominated by the EDC Board
- Tourism Kelowna – one member nominated by the Tourism Kelowna Board

As the Airport Director Sam Samaddar also holds a position on the AAC. With the Kelowna Airport's official position of preserving the interests of Private Aviation undetermined, those Private Aviation interests may well be unrepresented on the AAC. In fact, the first point on the scope of work activities could be interpreted to be counter-intuitive to protecting the interests of Private Aviation at YLW.

The KDFC's efforts to preserve the private aviation history of the airport, efforts to promote aviation within the community through the hosting of the COPA For Kids program, and participating as active security partners provide positive opportunities to build and strengthen the political stakeholder relationship. It would be prudent to the ongoing interests of Private Aviation activities at YLW to have representation from KDFC and/or COPA on the AAC.

## **Cultural**

### ***General Community***

Community culture is considered through the author's own experience of interactions within the community with aviators, aviation enthusiasts and non-aviator general public, alike.<sup>2</sup>

The community is made up of those who are aware of the scope and role of private aviation through a variety of personal or professional experiences, those who are interested in and enthusiastic about private or general aviation and have a lesser scope of knowledge or experience, and those who are non-aware.

Typically those with limited or no prior knowledge of general aviation hold an incorrect perception that private aviation is only for the rich. In reality, owning and flying a plane can be compared to other personal and private recreational vehicle choices, such as owning a boat, recreational vehicle and/or snowmobiles and ATV's to a certain degree. The significant differences to consider are initial investment for training and licensing, and ongoing maintenance costs as required by governing regulations at the municipal, provincial and federal levels.

Similar to boats and recreational vehicles, airplanes vary greatly in financial investment and an owner might invest tens of thousands or hundreds of thousands to purchase their chosen aircraft. Aircraft are required to undergo stringent annual and other time-period sensitive inspections, and therefore may cost significantly more to maintain than a boat or RV. Additionally, to operate an airplane one must hold

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<sup>2</sup> The author was introduced to private aviation approximately 13 years ago by way of travel in a small fixed wing aircraft with private pilot. Subsequently the author became an entrant into the aviation community from the business perspective of researching the market entry of a new product (flight simulator) into the market community of general aviators, and has travelled to a number of significant North American aviation events as a Business Exhibitor, researching the general aviation-enthusiast participants, both current, not-current pilots and non-pilot aviation enthusiasts.

The author has participated at the second largest Consumer Electronics Show in the world as an Exhibitor representing the personal flight simulator product, and again conducting market entry research this time with aviation enthusiasts the majority of which were non-pilot aviation enthusiasts and gamers.

Finally, as the COPA For Kids Jr. Aviator event Captain the author has circulated with and spoken with many event participants with respect to their perceptions of aviation, and has first-hand experience of the general public perception of general aviation as a airplane owner and co-pilot.

a valid Pilot License which requires a significant investment of both time and money. The typical cost to earn a Private Pilot license is around \$8,000 to \$10,000 depending on access to an airplane for flight time and the cost of an instructor and books. Training consists of ground school and time in an aircraft. The significant initial investment required to *become* a pilot typically drives the general perception that aviation is for the rich.

Many within the community compare the idea of recreational aviation to recreational boating, and specifically, to membership in the exclusive local Yacht Club. This is an unfortunate cultural misconception since access to boating is much greater than access to private aviation due to the operating license requirements. Also, the Yacht Club currently has thousands of members with an ongoing waiting list, while the current population of local private airplane owners is in (at most) the low hundred-plus mark, and vacancy in the recently expanded general aviation parking at YLW.

### ***Aviation Community***

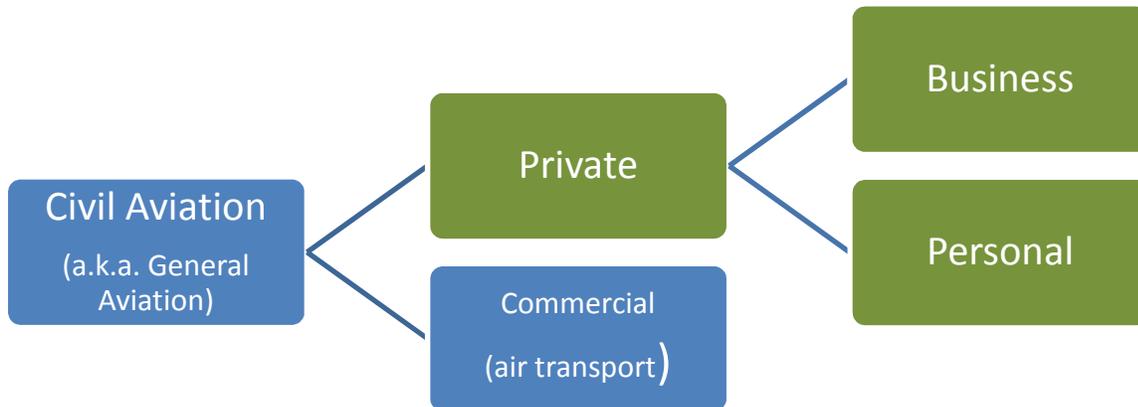
The culture within the regional aviation community holds an incorrect perception that YLW is not general aviation friendly. COPA (6) defines aviation-friendly as an airport that meets the following criteria:

- *No landing fee for privately registered aircraft or landing fee waived with any service purchased at the airport.*
- *No landing fee if there is a fuel concession fee (usually 5 cents per litre) in place on avgas.*
- *Landing fee of \$10 maximum is acceptable only if there is no fuel concession fee.*
- *No parking fee for less than six hours.*
- *Tie-downs on pavement or prepared grass area with tie-down points available for itinerant aircraft.*
- *Avgas available.*
- *Any fees applicable to private aircraft are listed where they can easily be found on the airport's web site and a notice of fees is in the Canadian Flight Supplement*

YLW does not currently charge a landing fee, but is lacking for itinerant parking spaces and tie-downs. There are two available itinerant parking spots and some tie-downs available next to the Flying Club on Apron III; the available itinerant parking spots that were available on Apron II were lost during the ongoing infrastructure expansion underway pursuant to the Airport's Master Plan. Avgas is available and most recently has been offered at competitive rates. This information is not currently available on the Airport web site, but is available on the COPA Places to Fly listings and on the Club web site (recently added).

### **Industry**

The Canadian Aviation Industry is made up of two primary categories: Military and Civil. Civil Aviation encompasses a significant number of sub-sector industries within the sub-categories of Commercial and Private Aviation. Private Aviation includes all non-commercial passenger air transport, including Business (aircraft or a fleet of aircraft operated by a business for the transport of passengers [e.g. employees or clients]) (2) and Personal.



The Civil Aviation industry is in the midst of a growing crisis. Passenger traffic has been steadily growing over the past few decades while the number of commercial pilots are decreasing through natural attrition factors. There is a world-wide demand for commercial pilots, and an increasing demand for a diverse range of aviation-related technical and trade careers.

In its white paper on the pending pilot shortage (8) InterVISTAS reports that based on pilot retirements, over 14,000 aviators will be needed by 2022 at the four largest US carriers (American, Delta, Southwest and United) to continue providing the same level of flying as today. The current rate of new pilot training is expected to mitigate the growing shortage only slightly, but not enough to reverse it.

The long-term sustainability of Commercial Aviation is supported by Private Aviation activity; private aviation serves as an entry point to the majority of industry careers, and all Pilots begin with their basic student pilot rating. There are numerous opportunities for entry level pilot and associated careers in the local and regional area.

Okanagan College provides a 24 month Commercial Aviation Diploma program, with the flight training portion taught at the Southern Interior Flight Centre (SIFC) facility located at YLW. Prospective aviators can also choose from a number of private licensing programs, including directly through SIFC, Air-Hart Aviation, Okanagan Mountain Helicopters, private Flight Instructors, distance learning opportunities at other locations within Canada and online delivered ground school options.

The Okanagan College Aviation Maintenance Engineer (AME) "M" license program is currently offered through a partnership between the OC Vernon campus (first 48 weeks) and Northern Lights College Dawson Creek campus (final 14 weeks). It has been discovered through informal communications that OC Senior program administration is considering a move of the program from Vernon to the Kelowna area. The Trades campus is currently undergoing a multi-million dollar renovation and build; however, that improvement does not include any consideration to a move of the AME-M program. There may be potential for discussion of a collaborative development between the Okanagan College, municipal and provincial bodies for development of a relocation to a closer proximity to the international airport.

OC also provides a 37 week AME-S category (Structures) certificate program at the Aerospace Campus on Airport Way, across the tracks from Kelowna Flightcraft.

The growing demand for aviation industry career entrants and proximity to numerous entrance training facilities and programs provides KDFC with plenty of opportunity for strategic alliance relationships and event collaboration.

### **Economic**

The impact of the local and regional economy on KDFC is from the perspective of recreational spending. A strong economy with a healthy outlook supports greater recreational spending, providing an increased attraction for potential membership growth.

Households and businesses alike have not yet forgotten the affect of downward trending economic drivers of the early 21st century; however, current indicators continue to show healthy outlooks on all fronts, with household spending on the rise since 2011, increasing business investment, expenditures on structures and government expenditures categories. Decreasing categories include capital investment by government and intellectual property product expenditures.

After-tax disposable household income increased 1.6% per capita, with real per capita disposable income in BC ranked third behind Alberta and Saskatchewan. A review of the Gross Domestic Product indicators for BC indicate a continued trend towards a healthy futuristic outlook. While rate of growth and advancement in GDP and investment vary, the trend is still the same: upward. Of note is the 2012 increase in Final Domestic Demand indicating a 2.9% increase in total spending by households, non-profit institutions, governments, and the business sector combined. (9)

### ***Impact of YLW Operations***

The 2010 Kelowna International Airport Economic Impact Study reports a (direct, indirect and induced) contribution of \$250 million GDP, \$140 million in wages and \$610 million in economic output. (10) The majority of the economic impact is due to commercial operations; however, general aviation services and tenants are included within the indirect economic calculations.

The proportion of economic impact by KDFC and its members would be proportionally insignificant; however, KDFC does play a significant role in generating awareness of general aviation within the community and serves as a gateway to educate the general public through events and education, contributions that cannot be easily measured. Additionally, many of the Club members park their personal aircraft within the GA parking, contribute to the security activity at as eyes and ears on the field, act as ambassadors while visiting other clubs and airports and are consumers of other Private Business enterprises within the YLW community.

Further, private aviation movements represent noteworthy statistics in the itinerant and local movement statistics at YLW. Cross-reference the *Relevance of Private Personal Aircraft Movements at YLW* section within this report.

### **Competitive**

Competitive forces for KDFC would include organizations or activities that might compete for membership revenues and time/commitment resources, including availability of Directors. Seasonal migration of some directors throughout the winter season has resulted in the lack of a quorum, and impedes the ability to organize and plan for club events and activities both through the winter season and into the peak season (late spring, summer and early fall). The non-flying (or minimal flying) winter season provides an ideal time period for preparation and organization of the high-peak flying season activities.

Competition for expenditure decisions by current members is impacted by perception of value and benefits received from payment of annual membership fees. It is imperative that value of membership, real and perceived, outweigh actual cost of membership to create and maintain a competitive advantage.

KDFC is also subject to funding support decisions from the City, YLW, event sponsors and future corporate members. The greater the value to mutual goals and objectives the greater the advantage for attracting time and financial resources.

## **Legal**

### ***Society Act***

As an incorporated Society the KDFC is governed by the BC Society Act (RSBC 1996), updated to August 3, 2012, and its Regulations (the "Society Act"). A copy of both the Society Act and the Regulations has been purchased for inclusion into the KDFC library for future reference.

As a non-reporting Society the KDFC does not have the same financial reporting requirements of a reporting society (e.g. appointment of Auditor); however, pursuant to Section 64(1) is required to provide a Financial Statement and Report of Directors to the members at the Annual General Meeting, consisting of (at minimum) a "statement of receipts and disbursements for the period" or a "statement of income and expenditures and a statement of surplus for the period, and a balance sheet as of the end of the period." Further, Section 36 provides for the maintenance of accounting records that record all monies received and disbursed and every asset and liability of the Society. The KDFC is not currently compliant with Sections 36 and 64 of the Society Act; however, minimal effort would be required by a Director(s) with appropriate financial accounting qualifications to prepare such records.

Section 70 (1),(2) and (3) of the Act provides for the maintenance of a Registrar of Members inclusive of every member's full name, address, date admitted as a member, date ceasing to be a member, and class of membership (if any). The last Register of Members available within the Society Minute Book is dated 1993, indicating a significant lapse in records maintenance.

To maintain its registered status a BC Society must file an annual report, notice of changes of Director(s) and/or address, and any changes to the Constitution or Bylaws as set out by Special Resolution. A Society Summary retrieved from the BC Registry Services on November 20, 2014 indicates the Society is up-to-date and active; however, this only indicates the Society is current with the Form 11 filing and does not indicate compliance with other sections of the Society Act.

All records of the Society (including financial records) are to be kept at the office address of the Society. Records to be maintained include the Register of Members, Special Resolutions, contracts, minutes of the proceedings of the Annual General Meetings, accounting records and documents filed with the Registrar.

### ***Bylaws***

In accordance with incorporation the KDFC has an incorporating Constitution and Bylaws; the Bylaws were the then current Schedule B to the Society Act in force and effect in 1984. The Bylaws have not been revised since the incorporation. The Schedule B Bylaws have been amended only slightly from the 1984 version, specifically context revisions changing "shall" to "must" and "him/he" to "member(s)."

A review of the Bylaws indicate some areas of non-compliance, as follows:

Paragraph 6 "... *annual membership dues shall be determined at the annual general meeting of the society.*" Changes to annual membership fees would require the passing of a motion at an AGM.

Paragraph 25(ii) "... *number of directors is 7 unless a greater number determined from time to time at a general meeting.*" This has been misinterpreted in past, and presently the Board is made up of 10 directors. A motion to increase the number of directors was not made at the AGM.

Paragraph 26(i) "*The directors shall retire from office at each annual general meeting when their successors shall be elected; provided however, that two directors shall be elected for two year terms.*" Currently, and in the recollected past, all directors have retired after one year terms, notwithstanding many have served second, third and longer terms by re-election and/or acclamation.

Paragraph 26(iii) "*An election may be by acclamation, otherwise it shall be by ballot.*" Non-acclamation elections have typically been decided by a show of hands. The intention behind ballot elections typically is to prevent peer-pressure and to ensure fair selection of directors.

Paragraph 43 (ii) "...*the rendering of financial statements to the directors, members and others when required.*" When requested, these statements are required. Financial statements that adhere to Generally Accepted Accounting Principles have been requested in the past, but have not been prepared or provided.

While these compliance infractions are not significantly detrimental to the status or legal standing of the Society, they do represent processes and operational policies that add to the perceived professional culture, accuracy of records and efficient operations of the KDFC. All of these infractions can be corrected before or as at the November 2015 AGM.

### ***Canada Revenue Agency***

The KDFC is a non-profit organization that meets the conditions of paragraph 149(1)(l) of the Income Tax Act: it is an organization that is a club, not a charity, organized and operated exclusively for recreation (and other) purposes except profit, and of which any income is not payable to or available for the personal benefit of any member. KDFC is therefore exempt from the payment of taxes under Part 1 of the Act. Organizations exempt from the payment of taxes may still have to file a Form T1044 Information Return, if they meet any of the following requirements:

- *it received or was entitled to receive taxable dividends, interest, rentals, or royalties totaling more than \$10,000 in the fiscal period;*
- *the total assets of the organization were more than \$200,000 at the end of the immediately preceding fiscal period (the amount of the organization's total assets is the book value of these assets calculated using generally accepted accounting principles); or*
- *it had to file an NPO information return for a previous fiscal period.*

The KDFC does not meet any of the aforementioned requirements and is therefore exempt from the requirement of filing the Form T1044, Information Return; it may voluntarily do so but would be subsequently required to file on an annual basis.

### ***COPA Flight Policy No. 6***

As an established COPA Flight the KDFC is governed by COPA's Policy No. 6. This Policy sets out the requirements for organization, revocation of status and reporting of COPA Flights. Each year by December 31st the KDFC must reaffirm its Flight status by submitting a status report to COPA headquarters setting out a confirmation of election of COPA Captain, co-Captain and Navigator, contact phone number and email address, a list of all Flight members (COPA members and non-members) and meeting times and locations.

The KDFC has met this requirement with the exception of providing a list of all members; rather, an estimated number of members (COPA and non-COPA) has been submitted. KDFC has not received any indication of concern from COPA headquarters.

### ***City of Kelowna***

The City of Kelowna is the operator of YLW, and the Lessee of all parcels of land comprising the Kelowna Airport with the Minister of Transport as Lessor. KDFC is a Sub-Lessee of the City of Kelowna with respect to the Sub-Lease dated November 5, 1984 and subsequent amendments and supplemental agreements dated January 7, 1987, January 20, 1989 and June 12, 1990. The most recent agreement, dated May 7, 2007, sets out the change of premise to the current Unit 1 of the Portable building located at 6135 Airport Way.

The agreement dated June 12, 1990 sets out a term of one year "*commencing on the first day of January, 1990, and ending on December 30, 1990, then to be fully complete and ended;*" however, paragraph 6(6) sets out a conversion to a month to month term of tenancy. Either party can terminate the Sub-Lease with 30 days written notice.

The Sub-Lease further sets out the covenants of KDFC for payment of certain utility costs, rates, taxes and assessments, performance of light maintenance, use of premises, and maintenance of Airport Security measures, among others.

### ***Anti-Spam and Privacy Legislation***

The *Personal Information Protection and Electronic Documents Act* (PIPEDA) is a federal private-sector privacy law that stipulates how private-sector organizations may collect, use or disclose personal information in the course of commercial activities. The legislation is applicable to organizations that engage in commercial activities. Since KDFC does not engage in commercial activity, it is therefore not subject to the provisions of the Act.

The activity of selling, bartering or leasing a membership list would be considered a commercial activity under the Act, and therefore consent would be required. (11)

The *Personal Information Protection Act* (PIPA) is British Columbia provincial legislation that does apply to the KFC. Personal information covered by this Act and applicable to membership data collected by KDFC would include name, age, home address and phone number (and/or cell phone), and if applicable, education and employment information as well as COPA membership status.

Under PIPA KDFC is required to:

- *Obtain consent to collect, use or disclose personal information (other than what is publically available).*
- *Collect information by fair and lawful means.*
- *Tell members how their personal information is being used and to whom it has (or will be) been disclosed*
- *Have personal information policies that are clear, understandable and readily available.*
- *Destroy, erase or make anonymous any personal information about members that is no longer needed for the purpose for which it was collected or for a related business or legal reason. (12)*

KDFC can adopt clear, simple and easy-to-execute opt-out communication processes as a means of compliance with PIPA on its membership application (and renewal) form, and (future) online newsletter subscription form and/or opt-out processes.

Under Canada's new Anti-Spam legislation (CASL) an organization must have a recipient's consent to send any commercial electronic message to an electronic address, including the promotion and marketing of our organization.

Currently electronic communications sent by KDFC is limited to meeting reminders and the forwarding of certain aviation-related email bulletins and notices. As a general rule under the new legislation, organizations are required to:

- Not send a message without consent. "Yes, please contact me"
- Provide an opportunity for recipients to say no. "No thanks"
- Clearly identify our organization
- Be truthful in advertising.

Electronic communications are manually sent via the club's web-mail application. Consent to receive email information could arguably be considered as 'implied consent' upon the initiation or renewal of club membership. To mitigate any risk of non-compliance, KDFC could implement the use of a bulk-email application (eg. Mail Chimp, Constant Contact) or an integrated web-site application (eg. Bravenet mailing list) that incorporates sign-up subscription forms and opt-out features. Alternatively the Club could include simple opt-out instructions within the signature of outbound email correspondences.

### ***Air Transportation Acts***

Concurrent with the compliance of lease covenants, the KDFC is directly and indirectly impacted by the legislation, regulations, administrative tribunals and governance associated with being air-side of a designated National Airport System airport. Some of these authorities include the Aeronautics Act, Canadian Aviation Regulations, Canadian Border Services Authority, the CYLW Airport Operations Manual, and Transport Canada and Nav Canada regulations.

## **Kelowna International Airport and the Canadian Air Transport System**

Transport Canada set out a framework to define the federal government's role in, and transferred responsibility for the operation, management and development of nationally-significant and

regional/local airports to various Canadian Airport Authorities (CAA) and private operators through implementation of the National Airports Policy (NAP) in the 1990's.

The Kelowna International Airport (YLW) is designated as one of the 26 nationally-significant airports under the NAP of Transport Canada. Under the NAP the federal government retains ownership of nationally-significant airports; however, the airport is leased to the City of Kelowna by Transport Canada under a long term lease that expires in 2034. (13)

YLW is unique in that it is the only one of those 26 airports within the National Airports System (NAS) operated by a Municipality as opposed to a CAA body. For the sake of interest, Penticton (CYYF) is designated as a Regional/Local airport under the NAP and is operated by Transport Canada. The status of CYYF is currently under review. Vernon (CYVK) is not listed among the Regional/local, small or remote airports under the NAS. It is a certified airport owned and operated by the City of Vernon.

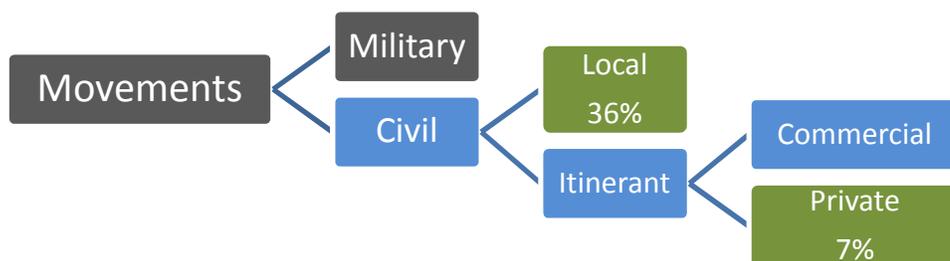
Many large international airports within the NAS group make use of satellite airports to help ensure the safe and efficient operation by diverting smaller general aviation aircraft (such as recreational and training) away from the larger airport facility. Upon implementation of the NAS if the corresponding "airport authority does not wish to assume responsibility for the satellite, the satellite airport will lose its "sub-set" status and other transfer alternatives for that airport will be explored." (14) While YLW does not operate any satellite airports, it has been noted during informal conversations over the years between KDFC executive members and members of the senior operations team at YLW that the concept of diverting general aviation elsewhere (specifically Vernon and/or Penticton) is a hot-topic of concern.

With respect to aircraft and passenger movements, YLW ranked 21 out of 41 for total aircraft movements (Nav Canada towers), and typically ranks within the top 10 to 13 of scheduled (commercial) passenger movements in Canada.

### Relevance of Private Personal Aircraft Movements at YLW

COPA National supports the perspective of airports as transportation infrastructure. The role of transportation infrastructure is to "act as economic generators and bring business into your community." (6) COPA suggests airports, as transportation infrastructure, need be governed in the same way roads, highways and sidewalks are governed from a municipal infrastructure perspective.

For Clarity, aircraft movements reported by Statistics Canada using Nav Canada data use slightly different classifications than Transport Canada (see the foregoing section *External Environment, Industry*). The Commercial measurements include all commercial activity, including Air Carrier, Flying schools, agricultural sprayers, water-bombers, aerial photography and survey, etc. The Private measurements include all movements that are solely private purposes, not for hire and compensation, whether the aircraft is owned by individuals, groups or business firms. **This movement of measurements most accurately reflects the Private Aviation Interests represented by the KDFC.**



As transportation infrastructure, the YLW runway 16/34 is well utilized by private aviation. There were a total of 7,038 aircraft movements between January and October 2014, including Civil itinerant (commercial, private and government) and local movements. (7)

#### Total Movements at CYLW March through October 2014

Total Movements	ITINERANT			LOCAL
	Commercial	Private	Government	
7,038	3946   56%	491   7%	85   1%	2516   36%

The 4,522 itinerant movements were made up of 3,607 air carrier movements, 339 other commercial, 85 government movements and 491 private movements. Private movements in the January through October 2014 period represent eleven percent (11%) of total itinerant movements at YLW. Of those 491 movements 438 were domestic and 53 trans-border.

#### Total Itinerant Movements

Total Itinerant	Air Carrier/Other Commercial	Government	Private (Personal)
4522	3946   87%	85   2%	491   11%

The Nav Canada statistics offer a considerable insight to personal private aviation. A gauge of personal aviation can be gained from itinerant movements as measured by Visual Flight Rules (VFR) operations, type of power plant (engine) and aircraft weight. The total 4,522 itinerant movements at YLW are broken out into those categories as follows:

#### Total Itinerant Movements by Select Classifications

Total Itinerant	VFR	Piston	<2,000 kg take-off weight
4,522	1268   28%	994   22%	1106   24%

Overall personal private aviation represents a respectable 11% of all movements, and upwards to 24% of movements by size/weight of aircraft. The weight category does not distinguish between business (other commercial) and personal movements; however, the majority of these aircraft would reasonably be considered to represent personal aviation.

#### Funding of Aviation Activity

Discussions with Senior YLW Administration suggests there is no monetary compensation for private itinerant movements, therefore these movements are not considered to be of significant relevance or weight to the future planning of YLW. This does not negate the desire or fiduciary duty of the YLW operations to consider private itinerant movements within the scope of future planning.

YLW is a non-profit organization operated by the City of Kelowna. Significant funding for operations are received through surcharges to commercial air-transport operators (terminal and parking fees), airport improvement fees charged to scheduled traffic passengers, ground handler and car rental concessions, vehicle parking fees, aircraft parking fees (general aviation), land lease revenue, landing fees, terminal building space rentals and other miscellaneous revenue items.

Private aviators pay an annual fee directly to Nav Canada for ongoing access to Flight Services and other services and information made available by Nav Canada. Additionally, landing and/or parking fees may be incurred and paid directly to various airport operators.

### Kelowna International Airport Master Plan 2025

The airport plays a significant role in the economic development and prosperity of the Okanagan region. As an indicator of its continued growth, the airport achieved its benchmark forecast of 1.6 million passengers at the end of 2014, one full year ahead of schedule.

In March 2007 the City approved the Kelowna International Airport Master Plan 2025. This Master Plan set out the phased future development for the existing airport property and an additional 15 hectares outside the current boundary. The Master Plan sets out a land use plan for the operational, airside and terminal areas of the airport. Some specific sections of the Master Plan have the potential for direct or indirect impact on the KFC.

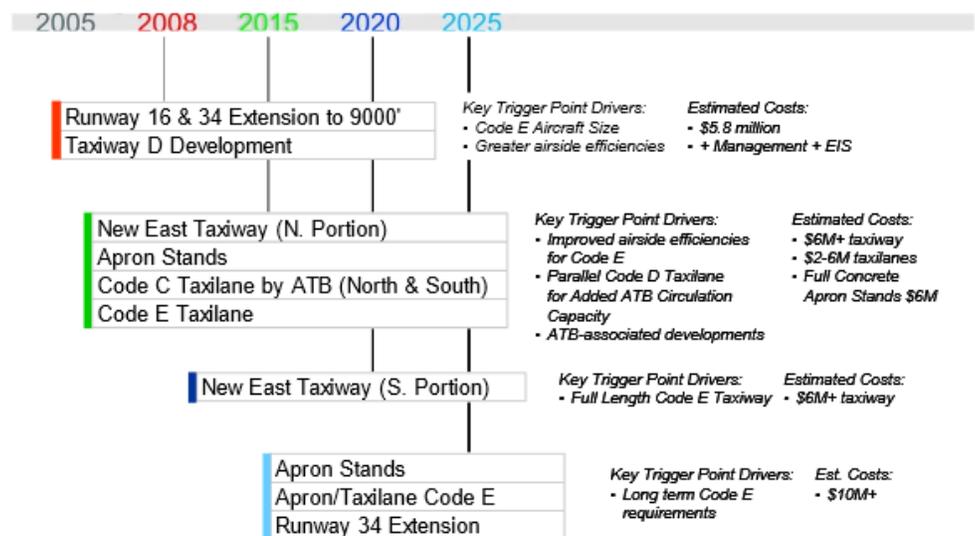
Longevity and sustainability of the KDFC is primarily dependent on the existence of a positive, responsible and professional relationship with YLW. Many opportunities and threats to this relationship are considered upon review of the Kelowna International Airport Master Plan 2025.<sup>3</sup>

As the YLW Master Plan unfolds and expands it is imperative that the Club maintain a voice at the table and be considered in the context of future strategic planning. The Club can strengthen its brand as a key partner at YLW by increasing its recognition within the community as a key organization for public education and awareness, and promotion of the role of civil aviation and aviation-related community events.

A significant factor for the KDFC to consider is the high probability of re-location on or off the grounds at YLW, most likely concurrent with the implementation of the new East Taxiway. These concerns have been reiterated and confirmed informally in discussions with senior executive members of the YLW Operations team.

Time is of the essence since the new East Taxiway development is scheduled to be underway beginning in 2015. See Figure 2, Airside Phasing.

Figure 2 - Airside Phasing 2005-25, (20)



<sup>3</sup> Airport Operations is preparing to undertake a review and extension of the Master Plan to 2045. It has been stated that KDFC should be represented within the review committee.

### ***Impact of SWOTCH Analysis***

A review of the Master Plan SWOTCH analysis identifies a number of line items that have a direct, or indirect impact on the long-term sustainability, and future location, of the KFC.

#### **YLW Master Plan**

##### Strengths:

community involvement  
growing local and regional economy  
customer satisfaction  
ground access accessibility  
  
reflection of community values

#### **Impact on KFC**

Direct opportunity  
Indirect opportunity  
Indirect  
Direct threat - current clubhouse location  
considered prime commercial real estate  
Direct opportunity

##### Weaknesses:

current site dimensions and terrain  
infrastructure limitations of current  
taxiways/runways

Direct threat  
Direct threat

##### Threats:

terrorism related disasters  
access to capital

Direct opportunity as security partner  
Indirect potential opportunity

##### Opportunities:

aerospace development  
charter market

Potential direct or indirect opportunity  
Potential indirect supporter opportunity

##### Challenges:

airspace & airfield limitations  
innovate concurrently with all airport stakeholders  
flexible and incremental to growth  
community interface and consultation  
incorporation of environmental management

Direct threat  
Direct opportunity  
Direct opportunity  
Direct opportunity  
Indirect opportunity

### ***Master Plan Guiding Principles***

The Master Plan was developed with key guiding principles. These principles can be considered when assessing the degree of impact the above line items have on the strategic vision for KFC. The guiding principles are as follows:

- 1) Provide high quality airport facilities in a safe and cost effective manner.
- 2) Support the achievement of the municipality's sustainability objectives (social, economic & environmental).
- 3) Assure the capability and flexibility to meet future changes in air transportation, technology and operations.
- 4) Promote economic growth through aviation, aerospace and tourism development and other transportation related initiatives.
- 5) Maintain low cost structure while meeting customer demand and satisfaction.

Accessibility to the airport facilities, cost effectiveness, municipal social and economic objectives, promotion of economic growth through aviation and tourism and maintenance of low cost structure are

key guidelines that have a direct impact on the KFC, and ought to be considered in developing the strategic plan to increase attractiveness while garnering support of the City and Airport Operations.

### ***Itinerant Activity***

Itinerant activity accounts for more than 60%, and increasingly 70% of total aircraft movements. Itinerant activity includes all aircraft movements that depart or arrive at YLW to or from other destinations, both private and commercial. This statistic infers that 30 to 40% of movements are categorized as Local; movements that remain within the circuit of the airport. The proportion of itinerant movements associated to private, personal aircraft is set out in the *Current Situation: Relevance of Private Personal Aircraft Movements at YLW* section herein.

Private aircraft movements, including both corporate and personal operations, peaked in 1997 followed by a continuous decline until 2002. Continued growth is forecast to continue in line with the regional economy, with private corporate operations expected to recover to late 1990's levels. This forecast represents a mere 1.5% annual growth rate.

### ***Apron III***

The club house is located on Apron III, the apron designated as a 'relief apron' for large aircraft overflow parking arrangements. This Apron is commonly used for private aircraft run-up operations and is very convenient to clubhouse access for members and visiting pilots. This Apron location is considered to be prime real estate for expansion of commercial activity as well as overflow aircraft access.

### ***New Taxiway***

The Master Plan accounts for an expansion of the air terminal building to the south, and a Code E parallel taxiway between Taxiway B and the north end of an extended Runway 16. The new taxiway is considered to be "*essential for access to property on the east side of the airport, available to house future FBOs, MROs, general aviation and other airside or groundside commercial activity.*" The forecasted timeline for this new taxiway is 2015. It is anticipated the KDFC club house location will be reviewed by YLW Operations as part of the East field development process.

### ***Mill Creek Mitigation***

The planned expansions and development will necessitate mitigation of the Mill Creek which currently runs parallel to the runway through the airport property. This creek is of concern to the Regional District and provides an environmental area for protection within the property. The forecasted mitigation work is minimal: a 225 m box culvert to cross the new taxiway. Relocation of the creek is considered to not be necessary. This does provide a potential opportunity, albeit a slight one, for alignment with Regional District environmental goals should the club deem it appropriate to consider options as on-site advocates and/or stewards of the creek. This opportunity is considered very slight given the adopted environmental policy of Airport Operations and their current impact mitigation processes and regulatory compliance.

### ***Commercial Space Expansion***

The property located on the south side of the base of Airport Way, across from the employee/peak season overflow parking area, will be developed into restaurant, fuel and retail commercial space in 2015.

## **Analysis of the Current State of KDFC**

The KDFC represents a valuable contribution opportunity to General Aviation, specifically the opportunity for advancing awareness of Private Aviation and the relative opportunities within that

sector. Collectively the members represent a tremendous amount of knowledge and experience. The location of the clubhouse provides an unequivocal point of access for recreational and private aviation activity and opportunity for the general public to gain access to learn about the private aviation sector.

The location within the Regional District of the Okanagan, and on the grounds of a nationally significant airport, the Club is in an enviable position to attract other private aviators for the exploration of this key tourism destination.

Potential threats to sustaining the club location, under-promoted community relevance and non-committed relationships with potentially supporting stakeholders threaten KDFC's future sustainability. **There is much opportunity, however, with a current growing and engaged membership and a current Board of Directors is in a position to redirect the future of the club.**

The status quo operations are not sustainable. Thirty plus years of club Minutes and correspondences reveal numerous cycles of near-dissolution, critically low to benchmark high levels of membership, surges of re-engaged board leadership and overcoming significant challenges. Recurrent themes of addressing dwindling membership, questioning the direction and purpose of the organization, addressing solvency issues, strategizing for increased engagement, commitment and participation of members, the lack of organization for scheduling guest speakers, preparing newsletters and/or other communications and the need for promotions solutions for the club occur over and over in the records. There exists a cycle of identifying need, focusing attention and resources to address the need, implementing solutions, and then those solutions fading out through attrition of directors and engaged members. A few years later, the same issues are again being brought up and addressed by the Directors.

This cycle can be paralyzing to any organization. While efforts could be focused on setting short and long term goals, sustaining proven strategies for membership retention, hosting events and increasing community awareness, the efforts of the directors are repeatedly going through the learning curve cycle, identifying challenges and attempting to address current 'issues;' essentially a continuous debilitating cycle of 'reinventing the wheel.' This is not only exhausting for long-term traditional and emergent directors, but also frustrating for members, especially those who have been aligned with the organization over a long time period and have witnessed the cycle. This experience tends to create an ambiguous environment that can disengage long term members, diminish their sense of pride from past organization accomplishments and decrease commitment to the organization. The ones that remain typically become highly complacent, a characteristic that is toxic to a member-driven organization.

The organization is at risk of potentially needing a new home in the next five years with minimal financial support prospects to relocate and/or be able to withstand increased expenses with the threat of incurring rent.

Additionally, as financial independence is identified as an appropriate objective for the club, sustainable revenue streams need to be considered and adopted as part of a strategic vision.

KDFC leadership needs to adopt a short-term and long-term focus of building sustainability through increased financial management, growth of relevance within the community through increased membership and strategic alliances, and plan for a potential substantial expense of relocation on or off-site the airport property.

There is much opportunity for growth of events, promotions and community collaboration to have a much larger impact for promoting aviation in the Kelowna District and elsewhere. In order to best accomplish the desired future state the organization need be organized, managed and operated as a formal and professional organization. The club has accomplished many significant milestones in the past, and the Internal and External analysis identified specific gaps that need be addressed to ensure a strong position for future operations.

**The following recommendations are intended to raise the professionalism, long-term sustainability and profile of the KDFC within the local and regional community.**

## **CREATING A SUSTAINABLE ORGANIZATION**

The two important question set out in determining sustainability of the KDFC were:

*To what extent is the organization consistently able to achieve its mission?  
How sustainable is the organizations ability to achieve its mission in future?*

The club has been unable to consistently achieve its stated mission to "*promote civil aviation in the Kelowna District and elsewhere,*" and without a change to operations, will continue a fragile ability to meet this purpose in the future. It has; however, sustained at the least a minimal membership base (from 6 to 76) with regular meetings and social events, thereby providing opportunity for a recreational aviation community. The club's historical ability to "*actively promote civil aviation*" has been limited, but has increased over the past nine years since the inception of the annual COPA For Kids (formerly Young Eagles) event.

One significant factor missing from the organization's past performance is governance.

### **Governance**

Governance is a critical practice of any organization. The National Study of Board Governance Practices describes the "*heightened competition for funding, increased demands for transparency and accountability and increased regulation of both for-profit and non-profit organization ... pressure to become more effective in their governance role.*" (15) Good governance provides a strategic advantage and attractiveness to an organization, affecting the ability to attract and retain members, supporters and ensure long-term sustainability.

The Canadian-based Institute on Governance stipulates the "*need for governance exists anytime a group of people come together to accomplish an end.*" (16) Effective governance ensures the organizations objectives are realized, the resources are well managed, and the interests of stakeholders are protected and reflected in key decisions. There are three critical aspects to good governance:

authority  
decision-making, and  
accountability

Research studies and literature reviews (17) (18) present there is no *one* best model of Board governance for the non-profit sector organization. Boards typically provide advisory, authoritative or functional roles within an organization. A number of board governance models has been considered for fit and function with the KDFC.

Much consideration has been given to the structure of generally accepted governance models, the purpose, short and long-term objectives and the current state of affairs of the KDFC. Many of the recommendations that follow represent the ideals of a functional leadership team with a hybrid of characteristics from identified governance models that will aid in realizing the Strategic Vision, and achieving the stated purpose of the KDFC.

## **Organization Purpose**

For clarity, an organization's purpose is frequently referred to as its Mission Statement. Every organization needs a purpose. It is its reason for existence. A purpose provides clarity for decisions and actions; it tells the people, including members and directors, *what* they do and *why* they do it.

The current purpose as set out in the Club's Constitution is vague:

***"to promote civil aviation in the Kelowna District and elsewhere"***

Civil aviation is a very wide scope. Civil aviation is defined as all non-military aviation, including commercial and private, air-transport, charters, helicopters, gliders, balloons, fixed wing, etc. A clear and concise focus geared to Private Aviation (including personal and business, but excluding air-transport and commercial) would provide the club with a narrower scope of focus, and allow for a greater clarity for setting future direction, setting goals and objectives, and for the undertaking of day-to-day decision making by the Board of Directors. Decisions and actions can be considered from the perspective of alignment with the clear and concise purpose. It also provides a position of non-competitiveness and potential partnership with commercial aviation operators; together the combined interests represent all of General Aviation.

The purpose can be restated from the concept of a future vision desired by the members. In support of creating a future-focused sustainable organization, the following Vision statement for the future state of the organization is proposed:

*The Kelowna Flying Club is self-sustaining, member-driven organization that promotes private aviation in the Kelowna and district area through education, awareness, advocacy and fellowship activities. Located on-site at the Kelowna International Airport the club house provides ease of access to the general aviation and itinerant parking for members and visiting pilots. The club is recognized as a contributing and valued organization within the regional community that works collaboratively with other aviation related organizations, service groups and municipal, regional, provincial and federal authorities.*

Based on that Vision, a restated Purpose might be as follows:

*The Kelowna and District Flying Club promotes Private Aviation through recreation and fellowship, and increases awareness within the community by providing opportunities for aviation experience, exposure and education.*

### **Recommendation No. 1 - Re-State Club's Purpose.**

At the 2015 AGM the Directors' present a Resolution to adopt a new purpose (below) and undertake the appropriate documentation and filings pursuant to the Society Act to effect such change to the Constitution.

Proposed re-stated purpose:

The Kelowna and District Flying Club promotes Private Aviation through recreation and fellowship, and increases awareness within the community by providing opportunities for aviation experience, exposure and education.

### **Recommendation No. 2 - Increase Awareness of Private Aviation Legacy and Impact**

A starting point to safe-guarding the history of Private Aviation is to acquire any evidence of same. The KDFC should to put out a formal requisition to former Directors and Members for records, photographs, books, equipment or any other aviation related materials from the Kelowna and district area.

Private aviation has an 85 year history at the YLW. The current KDFC has purportedly grown from the roots of private aviation at the Dickson Ranch. Historical stories, documents and artifacts hold significant historical relevance and the KDFC is a primary stakeholder to acquiring and guarding that history. This will increase the value of the Club to YLW, the City of Kelowna, the Museum Society and to the general community.

### **Board Composition**

Board members play an important role in strategic decision making and monitoring functions, sourcing of needed resources, and expanding the potential network reach of the organization. Therefore, diversity in the skills, knowledge and networks of board members is favorable.

The National Study of Board Governance Practices in the Non-Profit and Voluntary Sector in Canada (15) reports certain characteristics of a healthy Board culture where board members are engaged in the work of the board. Some of the relevant characteristics include:

- policies provide sufficient guidance to govern the organization properly and are reviewed on a regular basis
- board members are required to sit on at least one committee
- there is a strategic vision for the organization and strategic goals have been translated into measurable objectives and benchmarks for the board to monitor
- annual objectives are set for the board and it's committees to follow
- they operate with a balanced budget.

Being a shared-interest social club the KDFC does not have an Executive Director or staff. Currently the Executive Team functions to serve the incorporation requirement for elected roles responsible for the required administrative procedures of the Society.

Leadership, roles and responsibilities are tied to the needs of an organization concurrent with its life-phase, and the club is currently in strategic and growth phase versus a maintenance or decline phase. Leadership need give consideration to the roles and responsibilities related to strengthening governance, auditing and reconstructing historical records, increasing perceived community value, and growing its membership.

### **Recommendation No. 3 - Functional Committee Representation**

As a working Board it is prudent to create functional roles and responsibilities within the Executive Team. Each director will then take on the role best suited to their skills and interests, and will have a strengthened organization commitment. Directors may then solicit volunteers to work with them as

functional committees thereby sharing the work load among a greater number of active members. The Directors then act as liaisons, meeting and working with their committee volunteers and reporting back to the board with progress reports and recommendations.

The following Functional Committees are proposed for discussion (including but not limited to):

- Housekeeping - clubhouse clean-up, inventory, maintenance
- Membership Development - includes events and socials - general meetings, BBQs, activities, Fly-in's, guest speakers and presentations
- C4K - COPA Representative and Event Captain (requirement of being a COPA Flight)
- Historical - collecting memorabilia and stories, maintaining archives
- Marketing, Promotions and Communications - web site, newsletter, e-blasts, news releases
- Business and Community Development - YLW liaison, strategic alliances and stakeholder relationships
- Nominating committee

These functions are in addition to the required administration of the Society, including (but not limited to):

- Secretary - recording of minutes at the Executive, General and Annual General Meetings; attending to maintaining the Minute Book with the annual Form 11, AGM Minutes, Register of Members and annual Financial Statements, distribution of upcoming meeting agenda, attention to and filing of Club correspondence;
- Treasurer - attending to the day-to-day financial management of the Society including the receipt and deposit of revenues, attending to payment of expenditures, keeping accurate and appropriate financial records, preparation of regular financial statements and preparation of annual financial statements according to the Bylaws and Society Act;
- President - presiding over meetings; providing leadership to ensure board of directors is accountable to working towards and meeting the goals and objectives of the Society.

A board member can be on more than one committee, provided they are engaged and contributing to the work of that committee. Further, many of the required tasks can be undertaken by committed members; one does not have to hold a Director position to contribute to the work to be done. Tasks can be delegated to any willing member with the associated knowledge, skills, experience, training, availability and willingness to commit to same.

All directors are responsible to ensure committee activities are compliant with the set branding and vision strategies, and ongoing collaboration with fellow directors.

### **Size of Board of Board of Directors**

The current Bylaws (page 22) stipulates a board of seven directors; any more need to be agreed to at an Annual Meeting of Directors. The Club is currently in contravention of that Bylaw with ten directors without a motion being passed at the AGM to increase the number.

There are a number of perspectives on an ideal size of a performing board. Typically consideration need be given to the governance model and design of the board. For a working board, one where the board members undertake the necessary tasks for conducting the business of the organization, a larger rather than smaller board will assist to delegate the work among all of the members. The size of the board should be large enough to support diversity of perspectives and skills, but should not be so large as to

weigh down decision making. Fulfilling the quorum is another factor when determining an ideal size; a board becomes effectively crippled if a decisions cannot be made due to not being able to meet a quorum requirement due to vacationing, absent or disengaged directors. The function of the Board is critical to the determination of ideal size of a board.

Seven directors is a fair representation, especially with a working Board format; however, it may be prudent to consider a formal change to the Bylaws to implement a maximum number so as to not impede group discussion, input and decision making. A minimum of seven and a maximum of nine directors would provide ample representation without hindering voting or decision making abilities by eliminating the opportunity for a 'tie-vote.'

#### **Recommendation No. 4 - Set Appropriate Number of Director Representation**

At the 2015 AGM the Directors' present a Resolution to set the minimum number of Directors as seven and the maximum as nine, undertake the appropriate documentation and filings pursuant to the Society Act to effect such change to the Bylaws.

#### **Recommendation No. 5 - Comply with Term of Office Bylaw**

Paragraph 26(i) of the existing Bylaws stipulate "*two directors shall be elected for two year terms.*" Compliance with this Bylaw need be met at the next AGM, namely November 2015. Additionally, it may be prudent to consider stipulating one of the two-year term positions be the Treasurer or Finance position in order to meet the financial management and reporting recommendations within this report.

#### **Recommendation No. 6 - Adopt Nomination Strategy and Comply with Voting Bylaw**

A nominations committee benefits the club by giving consideration to, and actively recruiting qualified and appropriate potential directors, in advance of the AGM. This activity strengthens the potential for an ample pool of potential directors to vote on at the AGM.

Additionally, Paragraph 26(iii) of the existing Bylaws set out "*An election may be by acclamation, otherwise it shall be by ballot.*" Enforcement of a ballot election will ensure a fair election of directors by eliminating peer-pressure and other socio-psychographic factors associated with a long-serving association.

### **Guiding Procedural Policies**

Currently the KDFC is governed solely by the Bylaws of the Society, and a number of the original Bylaws have not been adhered to in the past and present. No internal formal or informal administrative, orientation, operations or other guidelines or policies exist.

Much effort of past Directors has been irrevocably lost to learning curve activities that could have been decreased and in many cases eliminated had ongoing procedures been documented. The lack of documented procedural policies has resulted in the lack, and potentially irrevocable loss of records, and unintended non-compliance with required filings and record keeping.

#### **Recommendation No. 7 - Bring Records-Keeping into Compliance**

The incorporation of an organization in effect creates a separate legal entity whose existence is evidence by the records maintained at the records office. In addition to the annual filing of the Form 11 (confirming the date of Annual General Meeting of members and the incoming Directors), the BC Society Act (the "Act") stipulates additional records be maintained.

An audit and organization of all records available at the KDFC clubhouse reveal the organization is not in compliance with the Act as there are a number of missing records; for example the last Register of Members in the Minute Book is dated 1993. The Directors need undertake all efforts to locate, acquire and produce those missing records for filing into the Society Minute Books.

It is recommended a reasonable attempt be made to bring the Minute Book up to date and into compliance with the following:

1. Minutes of each Annual General Meeting of the members;
2. Register of Voting Members for the AGM period pursuant to Section 70 (1), (2) and (3) of the Society Act, including full names and mailing addresses, and an indication of those members who are current COPA members (COPA Policy #6);
3. Statement of Financial Position to be presented at each AGM from 2015 forward, and reasonably attempt to locate all missing financial records pursuant to Sections 36 and 64 of the Society Act for the periods up to and including 2014.

### **Recommendation No. 8 - Develop Records Keeping Policy**

To ensure appropriate records management from this point forward it is conducive for the directors to create a Records Keeping Policy that sets out the documents required by legislation as well as documents desired by the Society to support an accurate historical archive to the value and existence of the Society.

With the majority of written correspondence now coming in electronic format, it is easy to be overwhelmed with correspondences that do not necessarily provide value for archival purposes, support decisions or the operations of the organization.

Documents to be maintained as records might include, in addition to those set out in No. 7 above, minutes of the meeting of the Board of Directors, reports of significant activity (qualitative and quantitative) such as COPA For Kids and other significant events, minimal financial reporting requirements and asset inventories for insurance purposes, and operations-significant correspondence with third parties. Additionally, this policy might set out the need for paper records (Minute Book and archival) versus or in addition to digital records (on USB, DVD and/or Cloud storage).

### **Recommendation No. 9 - Develop Guiding Policies for Directors**

A compilation of organizational knowledge will greatly increase the efficiency of volunteer efforts and significantly decrease the learning curve of new directors and club members. A Guiding Policies Manual for Directors may include (but is not limited to):

- annual timeline of administrative and governing events, such as filing of Form 11, renewal of prepaid accounts (web site, domain name, insurance), planning activities, etc.
- templates for administrative records and minutes
- protocols for communication and record keeping
- appropriate and acceptable timelines for member communications (eg. delivery of meeting minutes, delivery of notice of annual general and/or special meetings of members)
- protocols and template for business to be conducted at the AGM
- location of Club intellectual property (ie. such as the logo at Apple Valley (2008) and Dog's Ear

- names, positions, contact information of significant stakeholders
- names, positions, contact information for promotions, media and marketing
- location of any electronic records, photos or documents
- location of any print records, photos or documents not stored at the clubhouse
- passwords for accessing online accounts such as e-mail, web hosting, e-commerce, banking, domain registrar, cloud document and photo folders, etc. (subject to addressing security of this information as appropriate)

The Guiding Policies Manual can be developed over a period of time and considered a 'living document;' one that is added to and revised on an ongoing basis as deemed necessary.

Paragraph 24(c) refers to rules that may be made in general meeting. It would be prudent therefore for the Board of Directors to consider and develop specific Rules (and/or Policies) that could provide consistent direction to future Boards for the general day-to-day and efficient operation of the Society's business.

It is recommended the Guiding Policies Manual be developed and then presented to the members at the 2015 AGM for acceptance and ratification as an official policy pursuant to Paragraph 24 (c) of the Bylaws.

### **Recommendation No. 10 - Develop Orientation Manual for Directors**

In addition to the Guiding Policies an Orientation Manual would set out the history, milestones and governing documents (Constitution and Bylaws) of the organization, as well as roles and responsibilities of Directors. This document would provide a glimpse into the culture of the Club as well as background for past and current operating decisions. Knowing the history of the Club can assist with moving the club forward by avoiding recurring themes and shortening the learning-curve of incoming Directors.

### **Financial Management and Controls**

The Club is required by the BC Society Act to provide a Year End Financial Statement to the members at the Annual General Meeting. Though the minimal legal requirements of the organization is not legally required to produce financial statements over and above a Statement of Receipts and Disbursements, it is in its' best interests to do so. A Statement of Receipts and Disbursements is similar to a banking statement, but to be complete would include cash transactions as well as banking transactions. At the very least a Statement of Receipts and Disbursement should set out the sources of all receipt items, and major expense categories.

A single Statement of Receipts and Disbursements does not provide an accurate representation of financial position; it only provides an idea of the income and expenditures by category. Preparation of the generally accepted trio of financial statements (accrual method) provide much more benefit for decision making, performance measurement and accountability.

- Statement of Receipts and Disbursements (a.k.a. Income Statement) includes sources of revenues, cost of goods sold (and/or food expenses), and expenses relevant to the ongoing operations. Purchase of assets and inventory is reflected in the Statement of Financial Position.

- Statement of Financial Position (similar to a for-profit Balance Sheet) provides an indication as to the solvency of the organization, a record of tangible assets for insurance purposes and inventory management, and accountability over the appropriate management of assets.
- Statement of Cash Flow sets out the source and use of funds, and provides the organization with a view to how financial resources are being used/spent.

The basic Financial Statement trio provide a much more accurate and complete perspective into the financial health and management of the organization. Additionally, these statements are often required when applying for grants, a gaming license, and other potential third-party financial support and/or investment.

Attached as Appendix A are pro forma Financial Statements based on the financial information readily available from the Treasurer, a survey of existing assets, and consolidation of financial statements made available from the 2014 COPA For Kids and Christmas Party events.

### **Recommendation No. 11 - Adopt Standard Financial Reporting Statements**

The organization retroactively prepare 2014 Year End Closing Financial Statements comprised of a Statement of Financial Position, Statement of Activity, Use and Source of Funds and a Cash Budget pursuant to Section 36 of the Society Act. These statements will form the standard for ongoing financial reporting of the organization for ongoing management analysis and decision making.

Draft Pro Forma Financial Statements to aid in this purpose are included as Appendix A.

### **Recommendation No. 12 - Organize Funds Accounts**

As a non-profit organization the club should have access to the current year's operating funds in a current operating account. Current years' revenues should be earmarked to cover the current years' expenses. A Cash Flow Budget would help to determine an appropriate sum to be available within the operating account.

Excess (surplus) net revenue available at the yearend should be transferred to either a contingency or capital account. A contingency account is set aside for unexpected expenditures or emergencies, and a capital account is used to save for a to-be-determined capital project or expenditure. An expenditure could be for a building, equipment, investment, educational scholarships or other as deemed appropriate by the general membership.

### **Recommendation No. 13 - Align Year Ends**

The organization currently operates with two significant year ends: the fiscal year end of October 31st and the membership year end of March 31st.

The active flying season typically runs from March through October, which is why the membership has previously been aligned as such. However, many members 'forget' to pay their membership fees and it is not unusual to be receiving the current years' fees in mid and late summer. The consequence is that members may not perceive the benefit of paying the membership fee later in the year as they deem the flying season to be coming to a close.

Membership fees are a primary and substantial source of operating revenues yet the bulk of membership fees are paid between February and March, up to six months into the new fiscal year. From an accounting perspective that means nearly 50% of membership revenues would be categorized as un-earned revenues and would be listed as a current liability on the Year End Statement of Financial Position. Aligning the membership year were with the fiscal year end would not solve the perception issue as the members would most likely not see the benefit of paying for the (typically) non-flying months of November through February.

The recommendation is to move the Membership Year to align with the chronological year: January 1 to December 31st. This supports the position of each chronological year being a new flying year, and promotes the subsequent recommendations to utilize the non-flying season months for other beneficial Club activities. The paid-up members would benefit from the reduced Member event rates for the Christmas party, and that event could be a key membership renewal opportunity.

### **Recommendation No. 14 - Develop Sustainable Revenue Streams**

An accurately prepared Annual Cash Budget with a net-zero (breakeven) COPA For Kids event sets out an approximate annual operating cost (excluding rent payable) of \$4,000.00. The breakeven membership base is 67 regular memberships. Despite the herein recommendations for membership growth and retention, the history of the organization indicates a much more fragile and non-static membership base; essentially the club cannot *currently* count on or assume that level of membership. The Corporate membership of past no longer fits potential corporate or business members of today, and these need to be reconfigured based on current business profiles. This matter is addressed in a subsequent recommendation "membership categories and benefits."

In addition to memberships the club can also bring in revenues from community and/or private events, merchandise sales and gaming activities. In the immediate future (2015) the following revenue generating streams are recommended:

- **Gaming Activity:** upon acquiring a BC Gaming license the club conduct 50/50 draws at its regular (monthly) meetings, the spring Buffalo Airways visit barbeque and the COPA For Kids event.
- **Merchandise Sales:** the club add a store-front to the web site and actively promote the sale of club logoed shirts, hats and pins.
- **Monthly meeting barbeques<sup>4</sup>:** the club re-price the pre-meeting barbeque for guests and members, with a 'discount' for members that equates to at minimum, but preferably greater than, break-even on the actual cost of food.
- **Events:** actively promote the opportunity to participate at aviation-related events such as the Buffalo Airways visiting pilot barbeque to the general public, and charge a small entrance fee for same.

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<sup>4</sup> Note: any food sales are technically subject to having the appropriate Interior Health permits and licensing; the club may need to appoint an appropriately certified Food Safe representative for licensing purposes.

### **Recommendation No. 15 - Explore Value Organization's Contributions with YLW**

The Club began its' \$1.00/year relationship with the City of Kelowna upon becoming insolvent in the late 1980's. After pleading with the City of Kelowna to have its debts forgiven, the City supported the Club by changing the amount of the sub-lease to \$1/year until the Club could become solvent once again. Despite much 'water under the bridge' from both parties, the Club continues to pay \$1.00 per year today, thirty years after the arrangement had been made.

The Club offers access to the general public community unlike that available with any other organization within the YLW Community. Access at Apron III to view aircraft movements, meet and greet with local and visiting (and celebrity) pilots, view aircraft on static display, participate in COPA For Kids event and other functions hosted by the Club are paramount to increasing awareness of private aviation and exploring opportunities for future aviators.

It would be prudent from the perspective of the Club presenting itself as a self-sustaining, professional and contributing community organization to frankly discuss the value exchange between the Leaseholder and the Club - the City of Kelowna. This may include paying a reasonable rent to the Leaseholder, or include an updated agreement with respect to the exchange of value other than monetary.

### **Membership Development and Retention**

A going concern organization will attract, and retain, its members. A large membership base typically results in greater attendance at events and meetings, and provides a larger base of potential volunteers to draw from. Additionally, a large membership base provides a greater diversity of member experience, skills and personal or business networks, all resources that can add to the value of the organization.

Member retention is accomplished by providing perceived value that meets or exceeds the cost of membership. When a member is receiving benefit from their affiliation with the club, the member is more likely to continue that relationship. Benefits and value can be derived in a number of ways, including opportunities, networking, affiliations, certain discounts, and access to information, location and/or other goods and services.

A key factor in maintaining a healthy member retention rate is to ensure members equate a value of benefits received in exchanged for their cost of membership. Value = benefit + cost.

At present there is no discernible difference in the benefits provided to an aviation enthusiast who is a paid-up member of the organization and one who is not. Technically, a paid-up member does receive an e-mail reminder of monthly meetings and a copy of the General Meeting minutes; however, neither of these provide a significant benefit in exchange for the current \$60 annual membership fee.

### **Recommendation No. 16 - Develop Membership Categories and Associated Benefits**

In February the Executive moved to offer two levels of Memberships: regular and student. The Student membership is half price of the regular and is available to anyone in the process of earning their Pilot license. The following are the recommended additional mutually beneficial membership categories, together with the recommended benefits:

Membership Category	Description
Regular	<ul style="list-style-type: none"> <li>- access to monthly meetings</li> <li>- preferred pricing for monthly pre-meeting barbeque</li> <li>- preferred pricing for Club hosted events (and potentially associated club events)</li> <li>- preferred pricing for merchandise sales</li> <li>- first access to tickets for club hosted events open to the public</li> <li>- access to members' only events (to be determined)</li> <li>- access to members' only area on web site: tool lending, Guest Speaker materials, etc.</li> <li>- Use Member ID Card to access ongoing member benefits as sourced by Director of Member Benefits</li> </ul>
Student	- all of the above, at half price
Business	<ul style="list-style-type: none"> <li>- fee to be determined (at least twice that of Regular)</li> <li>- all of the Regular benefits for up to two Representatives</li> <li>- guarantee of one prime-space Exhibitor spot at annual COPA For Kids</li> <li>- logo and recognition on web site and any/all club printed event materials</li> </ul> <p>Criteria: any for-profit businesses; value exchange can be monetary or contra.</p> <p>Level of Business Membership may be attributed as Silver, Gold or Platinum as follows (values proposed):</p> <ul style="list-style-type: none"> <li>- Silver (fee or contra value \$250)</li> <li>- Gold (over \$250 up to and including \$500)</li> <li>- Platinum (over and above Gold value)</li> </ul> <p>Priority of logo positions, recognition on web and print materials and Exhibitor booth locations as per level priority</p>
Affiliate	<ul style="list-style-type: none"> <li>- all of the above; equates to Silver Business level</li> <li>- membership value exchange via volunteer commitment for KDFC events and cross-promotions and marketing campaigns</li> <li>- may include pay-per-use or other group access to club house</li> </ul> <p>Criteria: other non-profit organizations (e.g. COSAR, RAA, Air Cadets, Airport Watch...)</p>

Director of Member Benefits to undertake the ongoing development of member benefits program to increase value of membership and develop sustainable community affiliations.

Finally, encourage timely payment of annual dues by offering incentives. For example for the 2015 year, members who pay before the April General Meeting are entered into a draw for club swag (shirt, hat, pin).

### **Recommendation No. 17 - Identify Current and Potential Member Benefits**

A number of current member benefits are intrinsic to the organization, such as monthly meetings, barbeques, access to guest speakers, access to library, use of clubhouse facility and networking. There are a number of additional benefits that can be easily offered, such as planned events (opportunities), spontaneous events, discounted rates or no fee access (Guests pay a fee) to events, priority of access for event ticket purchases, etc.

A director or two should be responsible for the task of seeking and securing additional member benefits on an ongoing basis.

### **Recommendation No. 18 - Communicate and Promote Member Benefits**

All existing member benefits should be identified and communicated to members by way of the web site, reminders at general meetings, and inclusion in the New Members' Orientation Guide (see Recommendation No. 22). Additionally, a bulletin board in the clubhouse used exclusively for Member Benefits can list the benefits, affiliations and partnering organization information.

As new benefits are secured these should be communicated to members verbally at the next general meeting, shared in the minutes and included on the web site and bulletin board.

### **Recommendation No. 19 - Give All New Members an Orientation to the Organization**

There is lots of history, benefits and opportunities for new members, and they should not have to learn them through osmosis! Ideally the club could host an annual Welcome Reception with the purpose of orienting new members with renewing members.

Members should be given a summary of the history and origins of the organization, suggestions for making the most of their membership and a summary of the current benefits. A Welcome to the Club document can advise on use of the clubhouse facility, donations for coffee, access to refreshments, use of library items, how to purchase logoed items, and advise of the many opportunities to become involved as a contributing member by way of volunteering for housekeeping, hospitality and event participation throughout the year.

### **Recommendation No. 20 - Recognition of History and Contribution of Members**

Recognizing the historical and ongoing contributions, and engagement, of members helps to build community and commitment to the organization. There are two instinctive categories of recognition that fit with the KDFC: historical and current contributions.

Over the history of the organization four individuals have been recognized as Honorary Lifetime Members; however, there is no recognition of this title or achievement anywhere within the clubhouse or its records. The recommendation is that twofold:

1. An Honorary Lifetime Membership plaque be created and installed in the clubhouse, and the four existing members' names and date of recognition be added to the plaque.
2. An outline of appropriate criteria for recommending a member for induction into this exclusive category be set out for future consistency and consideration. This criteria might set out required number of years of membership, and/or value, quantity or other measurement of value to the organization, and/or how significant value or other qualifying criteria might be met or determined.

Additionally, to encourage ongoing engagement with the Club and build community, an annual celebration be adopted to recognize the current contributions of members appropriately. For example, a Tail Winds and Head Winds celebration might be presented at the AGM, and would offer a light-hearted way to recognize the contribution and the 'mess-up' of any club members.

Throughout the year members are encouraged to 'nominate' their fellow members for either of the awards. Members can be nominated more than once, and for either of them.

1. Tail Winds: presented to a member in recognition of a club or general aviation-related incident, activity, contribution or whatever that moves the club 'forward' similar to a tail wind. This is a recognition of positive contribution.
2. Head Winds: presented to a member in recognition of a club or general aviation-related incident, activity, mess-up or mistake that sets the club or individual 'back' similar to a head wind. This is a light-hearted recognition of an individuals' 'oh crap' moment.

The Executive could appoint two members as the initiating judging committee; once the initial awards have been presented then the 'winners' consider all ensuing years' nominations and select the next year's recipients. Of course, a plaque for each of these awards would be created and located in the clubhouse with the winners names affixed.

## **Attracting New and Former Members**

Many club members have come and gone over the years; some drop their membership for a period of time and then return to the club. A significant factor may be competing priorities in life and work, and also not appreciating the benefits of membership. The member benefit specific recommendations will address attrition due to lack of perceived benefit value.

As the population of the Kelowna and surrounding area grows, so does the probability of new club members. Potential members are not only current pilots, they may be non-current or retired pilots, student pilots, air cadets and non-licensed aviation enthusiasts.

New members may learn about the club in a variety of ways:

- referrals from existing members
- referrals from other aviation community organizations and members
- through promotion of events in public media and the press
- by searching for aviation organizations online, in community directories and personal enquiries

### **Recommendation No. 21 - Undertake Promotions Campaign to Attract Members**

A current promotions campaign can be undertaken to ensure interested individuals can find and become aware of the membership opportunity. This campaign could include (but is not limited to) the following:

- List the club in any and all local directories such as the City of Kelowna Community Contact List.
- List the monthly general meetings in all free community listings such as Event magazine, Castanet, Kelowna Now, etc.

- Promote all upcoming special events by way of media releases, community event listings, e-blasts to members and non-member contact lists (the club should maintain an email list of 'potential' members and friends) and requesting appropriate promotion by the YLW Community Development director.
- Invitation to all known aviation-associated organizations within the community to join us for a meeting (and barbeque and guest speaker), and to consider membership with our club, such as Air Cadets, Airport Watch, other YLW tenants and leaseholder businesses, Royal Canadian Air Force Association and similar.
- Invitation to all identified potential Corporate organizations that may fit the profile to become a corporate member, outlining the benefits of membership and inviting them to join us for a meeting (and barbeque and guest speaker).
- Ensure all written correspondences from our club include a promotional signature advising of how and/or when to join us for our regular general meetings, and any scheduled special events.

### **Recommendation No. 22 - Explore Reciprocal Regional Club Affiliation Memberships**

The idea of joint memberships with other aviation affiliated clubs was most recently considered in 2005 with the Recreational Aircraft Association ("RAA"). It is unclear what ever happened as an outcome was not recorded or included within the available historical records.

An Affiliation Membership could be pursued with other local and regional aviation clubs such as the RAA, the Cessna 170 Association, COPA flights and other Flying Clubs. An Affiliation membership could be offered as a courtesy (no fee), as a blanket club fee (one annual fee paid for all associated members of that club) or as a fee per member.

To explore the potential of an affiliation membership it is recommended that, at least initially, a courtesy affiliation membership be offered to identified associations and clubs for the ensuing year. Once the affiliation is established it can be reviewed for strengths and weaknesses and then redefined as appropriate to offer a mutually beneficial relationship and build community among aviators. As clubs are identified as potential affiliates, they should receive an invitation which outlines the opportunity, benefits and parameters of the relationship.

A 2015 Director has volunteered to take on the role to explore appropriate Affiliate Memberships.

# Part Two: Adopting Key Directions

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## FOUR KEY DIRECTIONS

Key directions provide the organization with a pillar structure for the basis of decision making, focusing of organizational resources and measuring organizational performance. In alignment with the proposed purpose and vision of the organization (Recommendation No. 1) four key directions for KDFC's focus would include: Awareness, Education, Fellowship and Advocacy.

All of the activities and events undertaken by KDFC should align with any one of the four key directions. Currently the club's activities could be categorized as follows:

**Awareness:** Increasing awareness of the existence, scope and role of private aviation in the greater general community.

- exposure to private aviation via the COPA For Kids event;
- exposure of the general population to the idea or role of private aviation within the greater community (airport appreciation day, Visiting pilot barbeques and events, etc.)
- publishing of articles in YLW Connection magazine
- any press coverage and/or articles published in print, digital or audio mediums and accessed by the general public

**Education:** Providing opportunities to expand one's knowledge in any of the key topic areas of aviation including (but not limited to) Aircraft (types, mechanics, avionics), Air Rules and Airmanship, Weather and Topography, Navigation, Radio Operation, General safety and human factors, and career opportunities.

- guest speakers at monthly general meetings
- guest presenters at events
- topic-specific meetings, seminars and workshops
- collaboration with aviation community partners for facility tours and hands-on learning
- annual Education Seminar (similar to rust remover currency seminar)
- provide annual bursary to student pilots and/or supporting trades training

**Fellowship:** Providing opportunities for aviators to network, socialize, collaborate and create community.

- providing social activities for members-only and general public
- organizing Fly-In event(s) and Fly-out events
- providing hospitality and hospitality resources to visiting pilots, such as itinerant parking, ground transportation options, accommodation options, FBO access

**Advocacy:** lending support to organizations within the aviation community generally and specifically causes that directly affect Private Aviation within our local, regional, provincial and national community.

- participation at YLW AOC meetings
- maintaining the COPA Flight status
- two-way communication with local and Regional COPA Representative
- creating awareness of private aviation causes and current issues
- providing organization resources where and as is appropriate
- encouraging membership support

### **Recommendation No. 23 - Cultivate Existing and Additional Signature Events**

A 'signature' event is an event that an organization becomes known for within the greater community. It typically aligns with an organizations unique skills, proprietary knowledge, or competitive advantage(s). The COPA For Kids Jr. Aviation program is a key signature event for the club. While it is possible for another organization to expend the energy and resources to create and offer a similar event, the competitive barriers are significant and the existing event holds much recognition as a COPA supported event under the national banner.

To strengthen the organization's presence in and contribution to the greater community, and strengthen the perceived value within the airport community, it would be beneficial for the club to offer a second Signature Event, preferably in the fall or winter to not compete with the existing COPA For Kids event.

The potential Signature event(s) would be revenue generating by way of ticket sales, food and beverage sales, and/or sponsorships, and might include any one or combination of the following, or another to be determined:

- Buffalo Airway visiting pilot barbeque: open to the general public; host the visiting pilots, meet and greet with the pilots, tours of the Buffalo water bombers, presentation on the work of the water bombers (or similar)
- Hosting and/or co-hosting an event in conjunction with Women in Aviation Week (early March)
- General Aviation Opportunities Fair (similar to a 'career fair'): open to general public, exhibitors and booths, static display, presentations and guest speakers. Introduce the diversity of opportunities in general aviation, for recreation, service and careers.
- Airport Appreciation day: open to the public, co-host with YLW Operations. Could include tours of 'behind the scenes' activity, exhibitors, speakers and presentations.
- Rust Remover: open to the public, in collaboration with (vs. competition) Vernon Club. A one day event that includes lunch (and perhaps breakfast), networking, educational presentations and Transport Canada authorization to meet currency requirements for pilots.
- Winter oriented event that focuses on winter flying, winter weather, search and rescue and air safety preparation.

- Wings and Wheels show and shine: open to the public, in collaboration with a potential auto organization that would showcase a lineup of aviation and automobile static display.
- Summer or Fall Fly-in event to attract aviators from local, regional, far and wide. To stand out from the normal this Fly-In should include incentives for visiting pilots, a showcase of what makes the area unique (e.g. wine, wings and water) or similar. Opportunity for partnering with Tourism Kelowna.

There is no limit to the imagination for creating events that are signature of our location in the Kelowna valley.

### **Recommendation No. 24 - Encourage Planned and Spontaneous Fellowship and Socialization**

In addition to the one or two Signature events the organization need instigate volunteer efforts to encourage ongoing participation in the social/fellowship aspect of the club, with planned and spontaneous events. A number of actions will assist to encourage ongoing engagement by our current and future members:

- maintain an event calendar on the web site; two or three volunteers could be tasked to ensure calendar is up-to-date with local, regional, provincial and nation-wide aviation events
- send out general meeting reminder complete with enticing description of guest speaker, topics to be covered, barbeque reminder and invitation to participate at meeting with a 'show and tell' section available to one to three members at each meeting. Meeting reminder should be sent one week in advance, with a reminder one on the Sunday evening before the meeting.
- delegate to one or two volunteers for the hosting of ongoing winter club activities, such as weeknight or Sunday afternoon screenings (movies, documentaries, training videos, etc.), BYOB hangar-flying drop-ins (bring your own burger or bagged meal), etc.
- introduce ongoing friendly fellowship competitions. For example, for 2015, the Airport Rally game. Each member registers and then receives an Airport Rally card, wherein they record the ident for each airport they land at between January 1 and October 31. At the November General Meeting (also the AGM), a certain number of idents are called (similar to bingo) and the members mark off the corresponding idents from their Rally card. The person who first matches the specified number of idents wins the 'Rally' - and the prizes (or Glory if no prizes). In the case of a tie, the winners have their cards placed in a 'hat' and the winner is drawn.

# Part Three: Strategic Options

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## **OPTIONS FOR STRATEGIC DIRECTIONS**

Once the Club has successfully implemented a strong governance and records-keeping foundation there are a number of strategic directions to be considered. What does the Club wish to be known for? What should the Club focus its' fundraising and human resources capital towards? Where does the Club wish to be, figuratively and literally, in five years - 2020? With a specific direction and goals in mind the Club will be well on its way to holding a position of relevance and valued contribution within the aviation, airport and local communities.

While the opportunities are not limited to the following, here are some ideas the club may wish to consider either singly or in combination. The strengths, weaknesses, challenges and opportunities are not limited to the items listed; the following provides only a summary overview of the consideration and planning that would need be considered.

**Notwithstanding any direction the Club chooses for future sustainability, it is recommended a comprehensive Feasibility, Business or Management Plan be prepared as appropriate.**

## **Become the Core Association for Private Personal Aviation at the Kelowna International Airport**

### **Opportunities and Strengths**

- Build relationships with other aviation association members and directors. Solicit membership for network contacts and invite input from interested parties. Be open to suggestions and opportunities, even if that requires consideration of redirecting the historical culture of the Club. Other associations (on and off field) might include RAA, Air Cadets, Cessna 170 Association, CASARA, Airport Watch, etc.
- Current voice at AOC meetings provides opportunity to consider how club can support private aviation at YLW and support YLW organizational goals and objectives.
- Position as a tenant at YLW provides opportunity to engage with other tenant organizations and collaborate with other Private Aviation categorized organizations on the field.
- A significant number of aircraft owners parked in the General Aviation parking at YLW are not currently members with the KDFC, and are all potential new members of the current or future organization. How could KDFC be of benefit to them in order to attract their membership?
- Pooling of current and available resources to provide value-added benefit to attract other non-member aviators. These resources may include: facility use, access to tools and resources, advocacy and fellowship (current benefits of KDFC membership).
- Current location on airport property provides ease of access not directly available to other aviation-associated clubs and organizations.
- Proximity of other on-field associations who may also desire to join forces and look for mutually beneficial relationship gains.

### **Challenges and Weaknesses:**

- Weak existing relationships with other aviation associations.

- Availability of resources: financial and volunteer. Current lack of volunteer engagement can be overcome once a purpose, a direction and goals, are in place. Many volunteers are complacent due to the lack of direction and leadership. Once a drive is put into place and adopted by the membership, greater engagement of members will result.
- Uncertainty of future physical location at airport.
- Minor potential of need for a re-organization including a merging of legal entities and/or dissolution and reformation of new.

## **Guardian of Private Aviation History and Archives within the Regional District**

### **Opportunities and Strengths:**

- Preserving of archives and history of interest and value to Airport Operations at YLW.
- Currently no other organization offering a comprehensive archive or museum.
- Existing Museum Society may provide access to information and financial/grant support (not yet determined or pursued).
- The archive and presentation of aviation history artifacts provides value to the greater community and the advancement of general aviation awareness.
- Partnership with other interested organizations may provide capital investment to secure permanent position on YLW property.
- YLW currently prepared to undertake strategic planning to 2045 presenting opportunistic timing for future proposals affecting long-term plans.
- Many past and current KDFC members may have access to archival-type mementoes, photos, documents and records in their personal collections.

### **Challenges and Weaknesses:**

- KDFC has previously disbursed of some aviation artifacts provided for safe keeping.
- Lack of knowledge and financial resources within Club to appropriately pursue this option. Partnering organization may be required.
- A suggestion of the club taking responsibility was mentioned in a letter to then Mayor Walter Gray in 1998. Response was negligible.
- Availability of public use space with appropriate public accessibility.
- Acquisition of significant number of artifacts, mementoes and other objects or records appropriate to an Aviation archive.

## **Acquire Responsibility for and Manage General Aviation Parking at YLW**

### **Opportunities and Strengths:**

- Organization's commitment to the long-term availability of general aviation parking.
- Would provide a sustainable revenue stream to maintain operations and provide opportunities for public-access events, scholarships, etc.
- Club could negotiate lease of land from airport and manage all aspects of maintenance, care and administration.

### **Challenges and Weaknesses:**

- Existing governance and organization structure too unstable; organization would need to build foundation of organization stability for record-keeping, administration and governance.

- Would require a full-time responsible position (employee) requiring the club to become an employer.
- Currently a respectable revenue stream for the Kelowna International Airport. Considerable analysis into the cost/benefit for the airport to release management of this service would need be undertaken.
- Would significantly increase tasks, responsibility and liability for ongoing operations management.
- Taking on a commercial venture would require considerable analysis and planning. Would require significant capital investment and ongoing business operations to become a solvent and financially contributing entity.
- Would require professional and thorough business plan development including analysis of required capital investment, cash flow and operations forecasts.

## **Acquire Ownership of Commercial Space for Private Aviation Activities and Access**

### **Opportunities and Strengths:**

- YLW currently prepared to undertake strategic planning to 2045 presenting opportunistic timing for future proposals affecting long-term plans.
- Could attract convention and large-scale meeting opportunities not currently present on-field at YLW (e.g. COPA National Convention 2017 or 2019).
- Could include proposal to also take over management of General Aviation Parking as potential revenue stream (would require lease of property from YLW). (Note: taking on a commercial venture would require considerable analysis and planning.)
- Current financial capital could be used as starting position to indicate commitment to future direction.
- Would solidify permanent location as point of access for KDFC members on YLW property.
- Would provide opportunities for local and visiting organizations for on-field (YLW) access for events, meetings, seminars, FBO activities, visiting pilots, and the like.
- Would provide opportunity to operate services not currently available to on-site business operations at the north end (cafe, refreshments, etc.)
- Currently no other operation providing this access.

### **Challenges and Weaknesses:**

- Existing organizational performance not conducive to operating a business entity (for profit or not-for profit) as would be required to undertake the management of business operations.
- This would require a complete overhaul of the purpose, direction and leadership of the KDFC.
- Would require significant fund-raising efforts to gain adequate financial investment.
- Would require full-time commitment to operating and managing a business-type entity; most likely under the direct supervision of an Executive Director or CEO and with the direction of a professional-oriented Board of Directors.
- Would require significant capital investment and ongoing business operations to become a solvent and financially contributing entity.
- Would require professional and thorough business plan development including analysis of required capital investment, cash flow and operations forecasts.

- Some potential service offerings may compete with existing business operations at north end (eg. FBO).

## **Alignment with Commercial or Educational Aviation Focused Enterprise**

### **Opportunities and Strengths:**

- Many existing contacts with Okanagan College trades, and SIFC commercial aviation programs.
- Private personal aviation represents a significant point of entry for those with an interest in or are curious about aviation.
- Those existing commercial operations have greater accessibility to the capital requirements to maintain a physical presence on the YLW property.
- Building on existing relationships with key commercial and educational enterprises such as Carson Air, SIFC, Okanagan Helicopters, FlightCraft, Okanagan College.

### **Challenges and Weaknesses:**

- Weak existing relationships with other aviation associations.
- Uncertainty as to value of added benefit to other parties to work with the KDFC (not yet defined).
- Determining appropriate value-add to those existing organizations by way of KDFC involvement (to be determined).

## **CONCLUSION**

The Kelowna and District Flying Club is at the proverbial crossroads to choose a future direction. The key considerations are sustainability from both an administrative and governance perspective as well as relevance and value within the aviation community.

The Directors and members have significant opportunity concurrent with the Airport's master planning process to secure a long-term and mutually beneficial stakeholder relationship, serving the greater aviation community's interest for increasing awareness, education and participation in private aviation activities, and securing a long-term opportunity for future generations.



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## APPENDIX A: Pro Forma Financial Statements KELOWNA AND DISTRICT FLYING CLUB

### Pro Forma Statement of Financial Activity

November 1, 2014 to October 31, 2015

See			
Note	<b>RECEIPTS</b>		
1	Memberships (60 R x \$60)	\$	3,600.00
2	Meeting Barbeque Food Sales	\$	1,000.00
3	C4K Food Sales	\$	6,250.00
4	Buffalo Event Ticket/BBQ Sales	\$	1,800.00
6	Donations	\$	500.00
7	Merchandise Sales (10*\$50)	\$	500.00
8	C4K Revenues	\$	2,000.00
	<b>Gross Receipts</b>	<b>\$</b>	<b>15,650.00</b>
<hr/>			
	<b>Cost of Goods Sold</b>		
7	Merchandise Sales	\$	250.00
2	Meeting BBQ Food Sales (90%)	\$	900.00
3	C4K Food Sales (65%)	\$	4,062.50
4	Buffalo Event Ticket & BBQ Sales (@35%)	\$	630.00
	<b>Total COGS</b>	<b>\$</b>	<b>5,842.50</b>
<hr/>			
	<b>NET RECEIPTS</b>	<b>\$</b>	<b>9,807.50</b>
<hr/>			
	<b>DISBURSEMENTS</b>		
9	<b>Operating Expenses</b>		
	Repairs and Maintenance	\$	250.00
10	Web Expenses	\$	81.20
	Membership Expense and Benefits	\$	300.00
	Marketing and Promotions	\$	300.00
	Insurance	\$	750.00
	Society fee	\$	25.00
	Property Tax	\$	120.00
	Bank Fees	\$	69.00
11	Accumulated Depreciation	\$	150.00
12	Rent	\$	600.00
	Member Benefits	\$	200.00
	Utilities: Power	\$	960.00
	Utilities: Natural Gas	\$	550.00
	Utilities: Water	\$	650.00
	Utilities: Sewer	\$	150.00
	<b>Total Operating Expense</b>	<b>\$</b>	<b>4,824.00</b>

5	<b>Christmas Party Expense</b>		<b>\$ 224.00</b>
8	<b>C4K Expenses</b>		
	Printing	\$	120.00
	Promotions	\$	150.00
	Volunteer Expense	\$	600.00
	Miscellaneous	\$	100.00
	Banking	\$	40.00
	Jr. Aviator Swag	\$	150.00
	Too Young Sibling Swag	\$	150.00
	Appreciation BBQ		
	Costco (food)	\$	200.00
	Trophy Den (pilot gifts)	\$	250.00
	Media Ad (thank you)	\$	300.00
	Miscellaneous	\$	440.00
	<b>Total C4K Expense</b>	<b>\$</b>	<b>2,500.00</b>
	<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>7,548.00</b>
	<b>NET SURPLUS / (DEFICIT) RECEIPTS OVER EXPENSES</b>	<b>\$</b>	<b>2,259.50</b>

#### **NET DISTRIBUTION OF FUNDS**

13	<b>Beginning Balance Operating Account</b>	\$	4,000.00
	Net Surplus/(Deficit) to Operating Account	\$	2,259.50
		\$	6,259.50
	Transfer to Contingency Fund	\$	1,000.00
	Transfer to Capital Fund	\$	1,259.50
	<b>Ending Balance Operating Account</b>	<b>\$</b>	<b>4,000.00</b>
	<b>Beginning Balance Contingency Account</b>	\$	2,000.00
	Current Year Addition	\$	1,000.00
	<b>Ending Balance Contingency Account</b>	<b>\$</b>	<b>3,000.00</b>
	<b>Beginning Balance Capital Account</b>	\$	4,256.81
	Current Year Addition	\$	1,259.50
	<b>Ending Balance Capital Account</b>	<b>\$</b>	<b>5,516.31</b>

## Pro Forma Statement of Financial Position

November 1, 2014 to October 31, 2015

<b>ASSETS</b>			
See Note	<b>Current Assets</b>		
13	Cash and Deposits		
	Operating Account	\$	4,000.00
	Contingency Account	\$	3,500.00
	Capital Account	\$	5,516.51
	Petty Cash	\$	70.00
14	Inventory	\$	1,352.58
10	Pre-Paid Expenses	\$	48.71
	Accounts Receivable	\$	-
	<b>Total Current Assets</b>	\$	<b>13,987.60</b>
15	<b>Fixed Assets</b>		
	Furnishings and Décor	\$	2,433.94
	Accumulated Amortization	\$	60.00
	Net Furnishings and Décor	\$	2,373.94
	Equipment	\$	1,150.00
	Accumulated Amortization	\$	60.00
	Net Equipment	\$	1,090.00
	Library	\$	500.00
	Accumulated Amortization	\$	30.00
	Net Library	\$	470.00
	<b>Total Net Fixed Assets</b>	\$	<b>3,933.94</b>
	<b>TOTAL ASSETS</b>	\$	<b>17,921.54</b>
<b>LIABILITIES AND NET ASSETS</b>			
	<b>Liabilities</b>		
	Accounts Payable		0
16	<b>Net Tangible Assets</b>		
	Beginning Balance of Net Tangible Assets	\$	5,335.23
	add purchase of Capital and Inventory Assets		
	less loss on disposition of Assets		
	<b>Total Change in Net Tangible Assets</b>	\$	<b>5,335.23</b>
17	<b>Net Cash Resources</b>		
	<b>Beginning Balance Cash Resources</b>	\$	10,326.81
	Surplus (Deficit) Revenues over Disbursements	\$	2,259.50
	Gain on disposition of Assets	\$	-
	<b>Total Change in Net Resources</b>	\$	<b>2,259.50</b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<b>17,921.54</b>

**NOTES to Pro Forma Financial Statements**  
**November 1, 2014 to October 31, 2015**

- 1 Based on estimate of 60 new or renewing members for 2015 at \$60 each. Does not include Student memberships (@ \$30 each).
- 2 Food sales at monthly general meetings estimated at 10 meetings x 20 members purchasing @ \$5/each. Food costs estimated at 90%, or, 4.50. Actual food costs and appropriate price to be charged to be determined; however, consistent COGS will net similar close to net zero gain.
- 3 Estimating 250 attendees each spending \$25 each. Food costs (COGS) estimated at 65% (\$16.25) per sale. This revenue stream contingent on having appropriate volunteer resources to undertake the sale of food at C4K event. Interior Health license and non-food associated costs have not been calculated.
- 4 Estimating 120 attendees paying ticket price of \$15 each, including bbq plate. Food costs (COGS) estimated at 35% of ticket price (\$15 price equals entrance and BBQ plate), or \$5.25 cost per person.
- 5 Based on actual 2014 Financial: \$1365 revenue and \$1589 expense.
- 6 Estimated random donations from various events. Contingent upon Donation Container being made visible and available for attendee use at any/all hosted events.
- 7 Equates to the sale of 10 shirts at \$50 each with a COGS of \$25 each.
- 8 Includes estimated sponsors and contra donations of \$1500 (including YLW) and Exhibitor fee revenue of \$500.00. Does not include the \$500 annual donation from KDFC; that expense is noted in deficit of C4K income over expenditures.
- 9 Operating expenses based on Treasurer Report of expenditures presented at February 2015 Directors Meeting, with minor adjustments made to include accumulated depreciation expense (Note 11) and Web Expenses (Note 10). Capital asset purchases reflected in Statement of Financial Position.
- 10 Web expenses include accrual method realization of prepaid expenses to Bravenet. Purchase of hosting space made January 2015 of \$129.90 reflects prepaid costs to April 30, 2016, equivalent to \$8.12 per month. Ten months of expense (Jan through Nov) included.  
  
Domain name has been prepaid until February 2018 in previous financial year (approx. 2013)
- 11 Accumulated depreciation estimated for purposes of recognition. Actual depreciation will need to be calculated based on actual valuation of club assets, and an adjustment to reflect age and unrecognized accumulated depreciation expense from prior years.
- 12 Rent is calculated at \$50 per month payable to City of Kelowna for rental of premises.
- 13 Net Distribution of Funds based on assumption of distribution of 2014 Operating Account balance distributed into three accounts: operating, contingency and capital accounts. This distribution has not yet been discussed, agreed upon or enacted.
- 14 Inventory balance consists of: 2014 KDFC logo shirt balance forward (qty 24) - \$542.08 less projected sales (\$250) = \$292.08 historical KDFC logo hats balance forward (qty 56) - \$504.00 historical COPA logo hats balance forward (qty 31) - \$369.00 historical KDFC pins balance forward (qty est. 50) - est. \$187.50 *Does not include COPA hat inventory*

15 Fixed Assets consists of:

**Existing Furnishings and Décor Assets Total \$2433.94**

Tables and chair purchase made in 2014, value \$2373.50

Christmas lights and decorations, some existing, lights purchase made in 2014 value \$60.44.

Wooden Propeller - no value assigned

Commemorative clock - no value assigned

framed print(s) - no value assigned

mounted poster-board plane prints - no value assigned

sandwich boards - no value assigned

signage - no value assigned

picnic tables - no value assigned

barbeque - no value assigned

**Existing Equipment Assets Total \$1150.00**

Flat screen television purchased in 2013, value \$750 (estimated)

VCR - no value assigned

DVD player - no value assigned

Projector (purchased 2009 via \$300 grant from Terasen) - no value assigned

Computer, monitor, printer - donated, no value assigned

Refrigerator - no value assigned

Microwave - no value assigned

Small kitchen appliances - no value assigned

Office Administration equipment - no value assigned

fluorescent vests - no value assigned

ground crew equip (batons, wheel chocks, etc.) - no value assigned

Pop machine - acquired at cost of \$400 in 2010.

**Library Assets Total estimated current value \$500.00**

16 Net Tangible Assets consists of balance of historical use of funds for acquisition of tangible assets (including prepaid expenses and purchase of inventory), plus value of current purchases and less current losses on disposal of tangible assets. Beginning balance includes net value of Fixed Assets (\$3,868.94), current inventory (\$250.00) and pre-paid expenses (\$48.71).

17 Net Resources consists of beginning period balance of all cash account funds, plus surplus (less deficit) of current year revenues over disbursements and less purchase of capital and inventory assets (use of funds). Beginning balance includes bank balance as at November 1, 2014 plus projected surplus of revenues over disbursements from 2015 Pro Forma Statement of Financial Activity.

# APPENDIX B: The Kelowna and District Flying Club Historical Summary

## THE KELOWNA AND DISTRICT FLYING CLUB

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### A Review of the Organization's History

*Researched, compiled and written by Pamela Nelson, 2015.*

The earliest records recognize a group of pilots with a variety of small aircraft using a 1500 foot rough-leveled, dirt base airstrip on a 320 acre ranch known as the Ellison Field. In 1946 Kelowna residents narrowly voted in favour (466 to 460) of purchasing the ranch at a capital cost of \$20,000 to serve as the community airport. The Grand Opening of Ellison Field was celebrated in 1947. The easterly portion of the property was resold to Mr. A.C. Taylor, and in 1948 the landing strip was lengthened to 3000 feet by 300 feet wide and planted with grass. (1)

The first hangar was built by the City of Kelowna in 1949, and Mr. Cliff Renfrew built the first private hangar; his plane is believed to be the first private plane to land on the field. The Grand Opening, complete with a big air-show, was held on August 1, 1949; the largest plane landing up to that date was a DC-3.

Throughout the next decade (1950's) the demand for better service at Ellison Field, and particularly constant lobbying of then Mayor Dick Parkinson, resulted in the federal Department of Transport helping to gravel the airstrip, and pave a parking lot and aircraft parking apron. Canadian Pacific Airlines introduced daily, scheduled DC-3 service to Vancouver in 1958, prompting the City to begin negotiations with the federal government for a longer paved airstrip. (2) On August 11, 1960 George Hees, Conservative Minister of Transport, officially opened Kelowna Airport with the firing of a pistol. (3)

The private aviators that initiated the current airport have carried on a long and proud presence at the Ellison Field. The Club was originally incorporated as a Society on January 29, 1973 with John McLeod and William Nahirney as incorporating directors. The club occupied the original 'old Terminal building' after the new one was built at the south end of the runway in the 1970's; around the same time that the new air traffic control tower was built to replace the original tower located on the deck of a flatbed truck. (4) The 'old Terminal building' was home to the club members for decades; the club recently moved into the 'new old-BCIT portable building' in 2006.

#### **1982 to 1989**

Kelowna Flying Club (Society) was struck from the register in April 1982 due to failure to file (Section 71 of the BC Societies Act). The SIFC maintained a notice on their bulletin board asking anyone interested in forming a Kelowna Flying Club to sign the sheet; it is estimated this signup sheet was posted in 1983.

A notice printed on Southern Interior Flight Centre Ltd. (SIFC) letterhead, and mailed to Ian Smeltzer on October 27, 1983, announces enough names had been collected and a meeting to gauge if sufficient interest to start a Kelowna Flying Club was to be held on November 16, 1983 at the SIFC. Subsequent meetings for December 7th and January 11, 1984 were set.

#### **1984 to 1986**

There are a few hand-written notes and meeting agendas from that time period, however, they are mostly undated. According to hand-written Minutes recorded by Edith Skirzyk, Secretary, there were 23

attendees at the January 1984 meeting. The handwritten notes cover the initial three organizing meetings, including the election of the first officers at the January 11, 1984 meeting. Those elected were Ian Smeltzer, Dave Johnson, Edith Skirzyk, Tad Skuce, Angelee Keeley, Stan Killeen, Craig Thomson and John Droog.

Correspondences of February 28th, 1984 and April 25, 1984 between Harder, Pushor, Hannah & Company and addressed to Ian Smeltzer confirm the groups' decision to incorporate a new Society. The Kelowna and District Flying Club was incorporated on April 4, 1984, providing it with a formal, legal structure, recognizable by various administrative tribunals and governed by various legislation and regulations.

On November 4, 1984 a Sub-Lease was entered into between the City of Kelowna and the Kelowna and District Flying Club for a portion of the Old Air Terminal Building at the North end of the airport for an annual rent of (\$1.00) one dollar. The lease was for an initial three month period within which certain renovations were required to be completed by the Club. Upon completion of those renovations by December 31, 1984, a two year renewal of the lease would be granted by the City. Required consent by Transport Canada was achieved in April of 1987 and a subsequent Sub-Lease agreements were entered into in following years.

Club membership grew from 1984 through 1986. Records filed in the BC Registry indicate membership of 35 and 48 for 1985 and 1986 respectively; club membership lists indicate membership of 29 and 58 for the same periods. Discussions to honour Cliff Renfrew as an honorary member of the KFC were held through the Spring of 1985, and notation of a placque being presented to Mr. Renfrew was noted in the September minutes. Throughout 1986 minutes and correspondence indicate a focus on increasing interest and membership in the club.

A Grand Opening and Fly in was held in April of 1985. Cliff Renfrew was made an "honourary life-time member of the KDFC" and recognized as the oldest pilot in area, in April 1985.

Records through 1985 and 1986 indicate concerns of financial status. Notes of points to be brought up in a November meeting with the airport manager indicate concerns regarding renovations expenses and ongoing monthly expenses; the intention was to negotiate a decrease of rent payable to an annual \$1.00. A letter dated December 11, 1986 to Roger Sellick, Airport Manager, renewed the concerns of the club regarding financial status and advised two executive members would be at the next City Council meeting to request a hold on the rent (to \$50 monthly), a decrease to the insurance requirement (from \$2M to \$1M) and a reduction to electricity fees.

### **1987 to 1989**

A subsequent two-year term Sub-Lease was entered into with the City in January 1987. The terms of this lease were for annual rent of \$1200.00 payable in advance by monthly payments of \$100.00. Records indicate the club was in a dire financial position by 1987. In January the club doubled annual dues from \$25 to \$50.

In September, 1988 KFC advised the Airport Manager it was unable to meet its financial commitments and a meeting was held to determine a proposal moving forward. At that point the club was 12 months in arrears rent, electricity, behind in taxes and payments towards the liability insurance. The club requested the City write off the past due amounts and renegotiate the lease to a nominal \$1.00 per annum to ensure survival of the club. An October letter notes the raise in fees (January) resulted in a

decrease to six paid up members, and reiterated the contributions of the club to the building renovations and support to general aviation affiliates such as Air Rescue, Experimental Aircraft association and the DOT use of club house. A proposal was submitted to the City. The City responded in November and December 1988 and agreed to write off the past due rent and reduce future hydro expense. A Sub-Lease renewal for a one year term from January through December 31, 1989 indicates a return to rent of \$1.00 annually.

The club was revived once again through the efforts of (primarily) Pete Redding, Bill DiPasquale; notes from March 1989 indicate a February meeting with 20 paid up members and many familiar names from previous member lists. Notice from the Society's lawyer indicate the 1987, 1988 and 1989 annual reports were now due and past due with BC Registry.

At the April meeting the club voted to have strictly 'social' meetings and the Executive take care of any/all club business. Elections were called for the positions of President, Entertainment Committee, Publicity, three Directors and a Secretary/Treasurer. A further reminder from legal counsel regarding the perilous status of the Society was dated mid-May. This time the lawyer advised they were closing their file. A letter from the City notified re. the lease requirement for certificate of insurance, and a letter dated May 31st from the CIBC advised the bank was "*awaiting receipt of our forms 70 and 141,*" the signing resolutions for the Society. The Society moved its corporate records (Minute book and Seal) from Pushor Mitchell Davies Montgomery & Company to Berge & Company in June, 1989. A review noted the absence of financial statements since 1986, the lack of Members' Lists and notice of changes of Directors. A Notice of Change of Address was filed July 6th and all outstanding Annual Reports were filed by December of 1989, and the Society lived to breathe again. Peter Redding passed that summer and an Eulogy was shared at the June meeting.

The Club was revived under the Executive direction of Roy Clemens, Jim Anderson, Bill MacLeod, Howard Berge, Jerry Peters, Ted Strange, and Ralph and Dorothy Knorr. The Club then reached out to the City to request inclusion of tarmac between the club building and the hangar to the south for aircraft cleaning. BBQ's, acquisition of VCR and discussion of the club possibly selling fuel through the summer of 1989. An arrangement was offered by Flightcraft to offer discounted fuel, provided they had exclusivity. The executive were going to hold on accepting until after speaking with SIFC. The first edition of KDFC's Flight-Line newsletter was published in September. The Airport Manager responded in September that an extension to club lease property would not be recommended to City Hall due to the nominal amount of the lease; however, an offer for the club to provide a water and power supply to a mutually acceptable location, at the Club's cost, was made. In September it was noted a greater control was desired for club finances; the President and Secretary would audit the accounts every two to three months.

By October 1990 the club was preparing for the Christmas party, and Roy Clemens announced he would not be putting his name forth for re-election as Club President. He did present a list of aims for the club as follows:

1. To promote general recreational aviation
2. To liase and promote good relations with A/P management
3. To encourage young persons to learn to fly
4. To provide an organization for all local fliers to become involved in
5. To promote safety in the air and on the ground
6. To support PEP/CASARA in all their endeavors

7. To provide facilities where airmen may meet and fellowship

The club had a number of guest speakers, barbeques and some Fly-Out events that year. By the end of October there were 76 paid up members. The AGM was held in November, and dues for 1990 were confirmed at \$25. Fuel discounts were being provided by both SIFC and Flightcraft upon presentation of a KDFC membership card.

The club had significant challenges to keep the Society current with the BC Registrar with numerous Notice of Commencement of Dissolution notices from 1989 through 1997. This was all due the Directors not attending to the annual filing of the Form 11 in compliance with Section 71 of the Society Act.

There was much confusion throughout that same period as to when to date and when to file the Form 11 due to a movement of the AGM from the Spring (for the preceding year) to the fall of the current year. The fiscal year was changed from January through December to November through October.

### **1990 to 1999**

The Club was primarily focused on Social endeavors through the 1990's. Corporate filed records indicate low membership from 1992 through to 1998; the records for 1992, 1993 and 1999 are absent. There are only a handful of Minutes, a few newsletters and a few correspondences with third parties for 1991 and 1992. There are no records from 1993 through 1995. Corporate records indicate that 1992 through 2002 club was perilously hanging by the proverbial thread, threatened with being struck from the registrar in 1992, 1995 and 1997 for non-filing of the annual report. Each time the appropriate Form 11 and attachments were filed and the Society continued.

The September 1990 minutes indicate discussions spearheaded by Howard Berge with other interested organization representatives and the Airport Manager regarded the formation of a building space that could be utilized by a number of aviation organizations. The notes suggest R. Sellick's input that the City would not support a non-revenue lease on the airport side, but would support a continued \$1/year lease on the City side of airport grounds (translated to mean the west side of Airport Way). Notes from Berge suggest he was looking into the feasibility of forming an "umbrella organization" to pursue this potential option. In November the Airforce Association's - Airforce Housing Society was noted to start ball rolling and applied for both a lease on land and a BC Go Grant for the development of a building. Correspondence dated 1991 from the Airforce Association to the Club explored the Club's interest in a joint building venture to service the association and the club. Minutes indicate the matter dropped as AA was not interested in including a hangar; however, subsequent minutes in August indicate the RCAF Association confirmed a facility at the airport *does* include a hangar. Notes suggest Berge intended to meet with the Air Cadet Housing officer, and he proposed organization for construction of building by way of forming an umbrella society with members being non-profit organizations including RCAF, RAA, Air cadets, CASRA, etc. Each member to appoint a member to the board of the umbrella organization. September minutes quote "*Roy Sowerby (guest) announced that funding is now in place for the Air Force Association building. Completion may take up to two years.*" Berge's notes indicate that once underway, The Kelowna and District Aviation Society was to be formed. There were no further notes or correspondences regarding the pursuit of this option.

KDFC became member of BC Aviation Council @ \$60/year.

There are no minutes from any meetings In 1996; however, correspondence from YLW indicates the General Aviation parking was relocated due to the development of a hangar by AOG Air Support.

In early 1997 consideration was given to a future 'Flight Plan' for the Club, authored by Les Holmes. The notes for this Flight Plan point out the dire condition of the club house and the lack of financial resources for building improvements. Preservation by the Heritage Committee was presented as an option; however, the "*fundamental question of security of tenure on the present site*" was brought up as a critical factor. Future options for the club were presented, including disbanding of the club, increasing membership, and pursue leasing a new site in the northeast corner of the airport. The Flight Plan indicates the club was invited to present a business plan to the airport manager.

The spring of 1997 was also when the Banff airstrip was closed despite letter writing and support campaigns undertaken by many private aircraft owners.

Records of 1998 indicate the club was struggling with an uncertain future as to its location, and continued presence, airside at YLW. Suggestions of assigning management of GA parking to the club and a negative impact of 'fine dust' on GA aircraft parked within the vicinity of construction of the new Bravo taxiway. An undated letter addressed to Mayor Walter Gray (post June, 1998) reiterates discussion of location options from a June meeting, including discussions of potential restoration of the old Terminal Building vis-a-vie a heritage grant, a potential new location south of the fire department location (notwithstanding the constraint of financial resources for construction), and the suggestion of the Club taking over administration of the GA parking. The letter proposes a general aviation area located in the north east end of the airport grounds, where the club would "display photos and other memorabilia along with an area for viewing aircraft coming and going, all of which would be open to the public." The request was made for an area of land in the north east corner with water and power service to be leased to the club, with road access from Old Vernon Road, access to the runway via a paved taxiway, and funds to help with construction materials to "rebuild the old terminal building." A response from the Mayor dated August 1998 "declines participation in any project at this time."

A City of Kelowna letter dated November of 1998 denies a request for tax exemption based solely on the fact that the club is a non-profit organization.

The only record from 1999 is a thank you note to Pacific Safety for the prize donations to the Christmas Party. The Club was established as a Canadian Owners and Pilots Association (COPA) chapter (Flight No. 36) in 1999.

## **2000 - 2006**

Attending to the administrative requirements of the Society continued to be confused and non-consistent throughout the next decade. The documents filed with Corporate Registry indicate a continued low membership (6 to 8 members) up to 2003, and much confusion over when to file the Form 11 when the AGM was moved from the Spring to the Fall in and around 2005 or 2006.

The Club once again applied for a Permissive Tax Exemption in March 2000. There is a letter dated March 31, 2000 enclosing the Social Club insurance policy; and a subsequent cover letter regarding current insurance policy in 2001. There is one other record of correspondence; a thank you from the Orchard City Amateur Radio Club for a donation of \$65 from proceeds of a sale. The sale was of the old aircraft radio gear that had been donated to the flying club from the estate of Cliff Renfrew. Because the "*old radios were of little or no use in today's aircraft*" they were sold at a flea market and proceeds donated to the OCAR club.

A Flight Line newsletter from October 2002 (edited by D. Adison) indicates a brainstorming meeting was held for ideas for "*improving the club and encouraging participation.*" Ideas for big events to drive community involvement included Young Eagles Day, Airport Appreciation Day and Armed Forces Day, together with a number of ideas for drawing and engaging members.

The bulk of the 2003 records consist of correspondence relating to the acquisition of the club's insurance policy and presenting the same to YLW. There is a copy of a March 2003 Questionnaire presented to members with an identified purpose of identifying and removing barriers to membership. There appears to have been 11 respondents and the questions range from reasons to be a member to perception of club's purpose. Despite the limitation of responses there were some good questions asked and answered. Of note were the "purpose" responses, which included:

- community awareness
- encourage new aviators - sustains older pilots interest
- fellowship
- educational qualities (training)
- social club
- Young Eagles

Also of note were the suggestions the club "at present is serving a small special interest group," "form long term goals," and "be an Aviation Ambassador to the non-flying public."

Correspondence dated March 2004 indicate the club was seeking to lower the ever increasing cost of liability insurance. The club (Stu Greenhough) looked into the possibility of piggy-backing on the insurance coverage of the newly built hangars, similar to the all-inclusive coverage in Vernon. This was not possible due to the requirement that all buildings included in the coverage would need to be owned by same person or entity. All 2004 records and correspondence relate only to the policy executed with Allianz Insurance Company at the cost of \$1000.

A KFC Proposal for a New Clubhouse document dated August 18, 2003 (provided by Stu Greenhough) summarizes a number of points put forth by Sam Sammadar, then Assistant Manager of YLW, at a meeting held May 6, 2003 with Sam Sammadar and members of the KDFC. The document sets out Sam's advice as follows:

1. *That the Kelowna Airport Authority and the City of Kelowna have a policy of utilizing all airport property to its highest and greatest use.*
2. *The land on which the existing clubhouse is situated is not being utilized to its greatest potential.*
3. *That the clubhouse which is housed in the original terminal building, has no historical merit, will not be considered for restoration and will be demolished.*
4. *That the Kelowna Flying Club may be offered space in a yet to be constructed facility.*
5. *That the Kelowna Flying Club will be required to pay for use of this facility in some manner either monetarily or in service.*
6. *That the Kelowna Flying Club members should submit by the end of July, 2003, suggestions as to what contribution the Flying Club can offer to the airport authority which may have a value to be offset against the costs which will be charged to us for a new space.*
7. *That the Kelowna Flying club members should submit by the end of July, 2003, a proposal outlining their future clubhouse space requirements.*

This document highlights a number of benefits to the airport and community that the Club, and General Aviation, contribute. Of the 17 contributions noted, eight are still relevant today and three are moot as any new tenant would also provide the same benefit. Five of the remaining six are no longer relevant and pertain mainly to providing facilities for other GA organizations to operate. Finally, the greatest question arises around the value of General Aviation airport movements to YLW's operations.

Also provided by Stu Greenhough was an undated letter addressed to COPA requesting direction and/or support in regards to the ongoing predicament of an appropriate facility for the club and the value/benefit of the Club's existence within the community.

Minutes from the November Executive Meeting is the only record available for 2005. It was decided that the December meeting would be substituted with the annual Christmas Party; the party would be held at the Sandman Inn at a cost of \$30 per person. It was noted the club house was broken into and some petty cash was stolen. Strategies to boost membership was discussed, with the idea the club look at corporate and associate memberships, as well as a possible dual or combo type membership for those involved in two or more related memberships such as RAA and KFC. A sub-committee was to keep tabs on the relocating of and moving into the BCIT building. A web page designer was to be contacted about hosting a free site for the club.

## **2006**

The year 2006 was a busy and exciting time with the move to the new BCIT portable building and supporting/hosting a number of events. A number of club members participated and supported the July International Cessna-170 Association Convention Fly-in; the first Young Eagles event, fly-outs to Republic and Mabel Lake.

Discussions at the Executive meetings continued to revisit common themes of increasing relevance and memberships, and exploring revenue streams. The executive considered revenue from the sale of club logoed items such as jackets, hats and license plate covers, as well as pursuing corporate memberships in exchange for use of club facility.

In preparation for the move into the new building a comprehensive wish-list of potential updates and improvements for the portable was prepared and presented to Sam Sammadar. Some of the items included a patio, kitchen, shower and a museum for artifacts, in addition to a number of smaller repair and/or access items.

A significant discussion at the February 2006 executive meeting explored the concept of benefit and value for members. Membership fees were raised to \$60 per year; the equivalent of \$5.00/meeting, and the membership year was set as March 1 to end of February. It was decided that fees are not pro-rated within the year; however, if joining after August 31st the fee would be 50% and all memberships renew at full rate in March the following year. The RAA was also offered a club membership that would provide all ~20 of their members with an associate membership into KDFC for the equivalent of \$2 per meeting per member at \$400 annually.

A number of general meeting agendas included a barbeque, guest speaker, old and new business and a Flying Scenario for general discussion. A request was made to the City to provide tie-downs for visiting pilots. Ray/Julie volunteered to create the club web site, which included an affiliate link to West Jet bookings which would provide the club with a 2% booking donation.

The club moved out of the old clubhouse in September and the November AGM was held in the 'new' building. A honorary (life) membership was presented to Eldon and Diane for past service to club at the AGM. The Christmas party was poorly attended and the club was on the hook for a number of no-shows.

Corporate Memberships were decided upon in January of 2007 and presented to Northern Thunderbird, Canadian North and Horizon Air Charter in exchange for use of the facility. It was noted that Dean Thorlikson (Top Flight Fuel) has been a 'good friend' to the club, and also donated the blue seating. A Corporate Membership for use of facility was defined at the February Executive Meeting as follows:

- permit members to use the washrooms
- permit flight crews access to the club house as needed\permit passengers to have access to the toilets and have access to the club house section as weather conditions dictated
- not permit passenger baggage (large checked type suitcases) in the facility
- not permit passenger ticketing or other processing of passengers in the facility

A separate category of corporate membership for financial sponsors was discussed, but not defined. Air Cadets approached the club for use of facility to house their computer and flight simulator, and the executive agreed to permit this with a few provisions. Hosting the SAREX event garnered a good revenue, and the club was keen to continue supporting this event in the future. The annual 'beer raffle' continued to be a good source of revenue as well.

A well-attended Open House was held on May 26th with nearly 100 people enjoying the festivities and food. A pop machine was installed and stocked by Top Flight Fuel with a portion of proceeds going to the club. The year continued with movie nights, a Mabel Lake fly-out/camping and the Christmas Party moved to the clubhouse for a pot luck.

The club took over the stocking of the pop machine in exchange for 60% of proceeds. A budget (expected expenses) was prepared for 2007 and 2008. The first General Meetings were held in February, providing the Executive with the break through December and January to plan out the ensuing years' events.

It was noted in March of 2008 that the club's Honorary Members were R. Clemens and E. Bauer. There was no mention of Cliff Renfrew.

The KDFC entered into an agreement with PEP to support the 2008 Provincial Search and Rescue Exercise. The kitchen facilities and the new Flying Club sign were approved and installation completed by the fall. The summer issue of Okanagan Life featured an article on grassroots aviation in the valley, with information about some local Okanagan pilots and their aircraft. Rupert's Pelican was one of the pictured planes. Young Eagles was postponed due to COPA's reorganization from YE to the new COPA For Kids. As of September 2008 there were 41 ordinary, 5 corporate and 2 lifetime members; Cliff Renfrew was not included in this list and records to indicate initiation of Roy Clemens are not within the available records. (Cliff Renfrew-1985; Roy Clemens-date?; Eldon and Diane Bauer-2006).

The executive minutes indicate the team dealt with fuel thefts, changing codes on doors, removing leaking roof vents, discussions of returning to a 'nominating committee' to encourage engagement on the board, a proposal to begin Sunday meetings to encourage increased participation (low enthusiasm at AGM resulted in making Sunday's informal 'Drop in' days), the changeover to 406 Mhz ELT regulation

and application of the privacy policy regarding distribution of a members' list. It was decided at the AGM that the list would not be distributed per the majority of members not wanting their contact information shared. The executive also explored the idea of looking into the possibility of self-serve fuel and the purchase of club plane and hiring an instructor.

There were 14 members present at the AGM in November, and 38 at the Christmas Party.

## **2009**

An Information Privacy Policy was drafted for Executive approval and distribution to membership in early 2009. This policy was distributed with the February general meeting notice. The policy was not adopted at the AGM in November, but a motion was made for club to not share membership info.

Small revenue streams were lost as WestJet discontinued their affiliate payment system and the pop machine was broken into netting the loss of some inventory items and \$40 cash. Larger revenue stream items were lost as Canadian North did not renew its corporate membership as they no longer had need for use of the clubhouse. Northern Thunderbird and Air Canada Jazz renewed their corporate memberships. Flair Air paid up in October; Top Flight Fueling made all of their ground handling employees regular club members to satisfy the corporate member policy of only club members handling planes from the KDFC facility. A revenue boost was received when the club received a \$300 grant from Terasen Gas. This grant was received due to Babs Tarasiuk making the employee application. The money was used to purchase a new projector. April 2009 Exec. minutes indicate 18 paid members and one honorary member. CASARA paid \$450 towards their annual dues (they typically made 2 payments/year), and it was noted in October they would pay the remainder when they had funds available.

The club received an invitation to assist with a Sky's Not the Limit / George Canyon concert as a fundraiser in support of Type 1 Diabetics. Discussions in support of the 99s to paint a compass rose were well underway with AOC; however, this project was not undertaken due to the unknown impact this would have on the unconfirmed role of YLW in the upcoming Olympic Winter Games. The project was postponed until the spring.

A significant project undertaking by the Executive was research into the purchase of a club aircraft. A sub-committee explored the legalities and structure to support a club plane. A survey of Flying Clubs with club planes was undertaken and included with the April 2009 Executive Minutes.

The club did purchase a SPOT GPS tracking device for members' use. The device was to be made available to club members at a cost of \$5 per trip, not to exceed 48 hours.

A hose was installed from the water tap to the aircraft wash bay, and the Executive polled members to gauge interest in having bulk logoed flight suits purchased. Investigation into hangar construction was undertaken, and the club was approached by a silent partner (Dean) regarding the installation of a self-serve fuel station (Dean had a tank available).

YLW was approached to provide additional tie-downs or hangar space for General Aviation aircraft. The airport manager indicated space between the grass parking and T-hangars was reserved for helicopter use and not a lot of room available in the long-term airport plan for more tie-down space. AOC was considering redesigning the GA tie-down area to accommodate more aircraft; however, it was also indicated that the 'far reaching plan' for the valley is to use Vernon and Penticton for General Aviation airports and Kelowna as a commercial hub.

CASARA policy confirmed usage fees for training not paid in advance, therefore may proceed with monthly payment of fees but not annual dues.

A motion was made, and passed, to establish an ongoing COPA Event budget of \$500 for future years without the need for ongoing executive approval. A stipend of \$30 per pilot was offered to the COPA For Kids volunteer pilots. A suggestion was made to approach AOC about designating Apron III parking fee revenues to the club for COPA For Kids; the AOC did offer an annual commitment of \$500 towards promoting aviation rather than pay an annual membership fee.

A suggestion was made to start a nominating committee in preparation for the AGM elections, and a link was added to the web site in lieu. There were 16 members in attendance at the AGM and 30 attended the Christmas Party.

## **2010**

Correspondence from AOC with respect to the access protocols and increased security at the clubhouse and Apron III from January 29 to March 24th during the Olympics period.

It was noted that 2010 was the '40th' anniversary of the Flying Club, and the production of special commemorative pins was discussed. The membership turned down the option as there were a number of generic club pins still available that were purchased last year.

A director met with the Airport management to discuss the tie down hangar proposal. The director suggested the Flying Club would hold the lease and own the building, while each tenant would provide the initial capital costs plus a monthly lease. The airport was to make a presentation to the City later in the year concerning General Aviation use on the airport and possibilities for expansion of the parking area. The hangar proposal was to be included in that presentation.

The KDFC purchased the shared interest in the pop machine from Dean Thorlakson for \$400. Later in the year the club SPOT was used by a member to trade up for a new device, and the discount for same given back to the club. The device was not being used enough to cover its annual costs.

A clubhouse deck proposal was prepared and a committee formed. A motion was made and passed at the April general meeting that up to \$2000 be available to extend the clubhouse deck. Discussions with AOC revealed their concerns of jet blast danger, and interference with snow removal.

Northern Thunderbird renewed its corporate membership and Kelowna Ramp Services renewed four employee memberships.

A report to members (June) regarding the changes to be proposed to AOC with regard to General Aviation parking, the building of two T-hangars. James Hall attended the June meeting as guest speaker to introduce the planned changes to the GA parking. The airport outlined plans for reconfiguring Apron III by extending it over the current clubhouse parking area.

It was suggested at numerous meetings that a sign be made to install by the aircraft washing area to indicate water was supplied/sponsored by KDFC. After a year of discussions and quotes, the bathroom taps were changed over to spring-loaded and new toilets installed.

The subject of club supplied fuel continued, and it was determined that the anticipated costs and overhead to accomplish, in addition to the 'complicated requirements' the executive decided not to pursue this matter. At the COPA for Kids event a 30 cent/litre discount was offered by Shell to the pilots, but this was poorly communicated within Shell and to the volunteers.

The executive suggestions included revamping the web site and purchasing new tables. It was noted that two corporate members had not renewed by August, and also did not have any flights booked out of YLW; the corporate member revenue model was in jeopardy.

NO FURTHER RECORDS AVAILABLE AT CLUB HOUSE.