



REGIONAL DISTRICT OF CENTRAL KOOTENAY

CASTLEGAR & DISTRICT RECREATION COMMISSION OPEN MEETING MINUTES

4:00 p.m.
May 25, 2026

To promote openness, transparency and provide accessibility to the public we provide the ability to attend all RDCK meetings in-person or remote (hybrid model).

COMMISSION MEMBERS

Commissioner Member M. McFaddin	City of Castlegar
Commissioner Member B. Bogle	City of Castlegar
Commissioner Member H. Hanegraaf	Director Area J
Commissioner Member S. Heaton-Sherstobitoff	City of Castlegar

MEMBERS ABSENT

Commissioner Member A. Davidoff	Director Area I
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STAFF

Trisha Davison	General Manager of Community Services
Yev Mallov	General Manager of Finance
Craig Stanley	Regional Manager of Operations and Asset Management
AJ Evenson	Senior Project Manager
Jenna Chapman	Meeting Coordinator

GUESTS

Chris Barlow	City of Castlegar CAO
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4 out of 5 voting Commission members were present – quorum was met.

1. CALL TO ORDER

Chair Bogle called the meeting to order at 4:00 p.m.

2. TRADITIONAL LANDS ACKNOWLEDGEMENT STATEMENT

We acknowledge and respect the Indigenous peoples within whose traditional lands we are meeting today.

3. ADOPTION OF AGENDA

MOVED and seconded,
AND Resolved:

The Agenda for the May 25, 2026 Castlegar & District Recreation Commission meeting, be adopted as circulated.

Carried

4. RECEIPT OF MINUTES

The May 05, 2026 Castlegar and District Recreation Commission minutes have been received.

5. DELEGATE

There are no Delegates scheduled for this Commission meeting.

6. STAFF REPORTS

6.1 Castlegar & District Arena and Walking Track Project Financial Update

The Commission Report dated May 25, 2026 from Yev Malloff, General Manager, Finance, IT & Procurement re: Castlegar & District Arena and Walking Track Project Financial Update, has been received.

Freedom of the Floor

City of Castlegar CAO, Chris Barlow have freedom of the floor.

- Staff provided an update on the legal review and project budget analysis, including the addition of a 10% owner's contingency to address project risks and unforeseen costs.
- Additional project costs are proposed to be funded through taxation and a construction loan, allowing borrowing costs to be repaid through future requisitions.
- Commissioners noted that grant funding confirmation is required prior to referendum and before adoption of the 2027 Financial Plan.
- Discussion clarified that the current project budget reflects a potential total cost of approximately \$17.5 million, inclusive of contingencies.
- Commissioners discussed the appropriateness of the 10% contingency, noting it aligns with industry best practices while acknowledging higher contingencies could further mitigate risk.
- Questions were raised regarding opportunities to adjust project funding allocations, including the potential use of grant funding or existing service contributions to reduce borrowing and taxation impacts.
- Commissioners expressed support for advancing the project, recognizing that detailed project and financial information will be communicated through the public engagement process.
- Proposed next steps include issuance of the RFPQ, contingent upon Board approval, followed by a short evaluation period and presentation of qualified proponents to the Commission and Board in July.
- Staff noted project timelines may require a special Commission meeting and are committed to providing a further update, including referendum timing considerations, at an upcoming meeting.

Moved and seconded,
AND Resolved that it be recommended to the Board:

That the Board approve an additional \$2,509,000 funding from Taxation be included in the Draft Financial Plan for the Castlegar and District Arena and Walking Track Project as outlined in the Castlegar & District Recreation Commission Report dated May 25, 2026.

Carried

7. PUBLIC TIME

The Chair will call for questions from the public at 4:29 p.m.

8. NEXT MEETING

The next Castlegar & District Recreation Commission meeting is scheduled for June 2, 2026 at 4:00 p.m.

9. ADJOURNMENT

MOVED and seconded,
AND Resolved:

The Castlegar & District Recreation Commission meeting be adjourned at 4:30 p.m.

Carried

Digitally Approved

B. Bogle, Chair

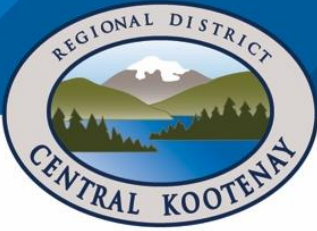
RECOMMENDATION(S) TO THE BOARD OF DIRECTORS

1. That the Board approve an additional \$2,509,000 funding from Taxation be included in the Draft Financial Plan for the Castlegar and District Arena and Walking Track Project as outlined in the Castlegar & District Recreation Commission Report dated May 25, 2026.

THE FOLLOWING ITEMS ARE PROVIDED FOR CONVENIENCE ONLY AND WILL BE CONSIDERED AT ITS APPROPRIATE MEETING AS STATED.

Future Castlegar & District Recreation Commission Meetings

1. N/A



Commission Report

May 25, 2026

Castlegar & District Arena and Walking Track Project Financial Update

Author: Yev Malloff, General Manager, Finance, IT & Procurement
File Reference: 2026-05-25
Electoral Area/Municipality: City of Castlegar, Area I & Area J
Services Impacted: To Be Established

1.0 STAFF RECOMMENDATION

That the Board approve an additional \$2,509,000 of funding from Taxation be included in the Draft Financial Plan for the Castlegar and District Arena and Walking Track Project as outlined in the Castlegar & District Recreation Commission Report dated May 25, 2026.

2.0 BACKGROUND/HISTORY

Staff have identified a total funding requirement of \$2,789,000 for the Castlegar and District Arena and Walking Track Project (the "Project") that is the responsibility of the RDCK and falls outside the design-build proponent's contract scope. Of this amount, \$280,000 relates to the approved 2026 procurement and Owner's Statement of Requirements (OSR) development costs. The \$280,000 in 2026 costs were expected to be recovered through taxation in the new service if the Project proceeds. The remaining \$2,509,000 was not included in the draft Financial Plan presented with the May 5, 2026 Commission report. Detailed amounts are below:

Capital Expenditures - RDCK	
City of Castlegar Building Permit (on \$18M)	144,000
FF&E (Furniture, Fixtures & Equipment)	100,000
Watermain & Hydrant Relocation	300,000
New 600v Electrical Service	175,000
Geotech & Environmental Testing	90,000
Traffic Flow Study	25,000
Asbestos Remediation	50,000
Quality Control Testing & Inspections	125,000
Commissioning Agent	150,000
Owner's Contingency (10% of construction)	1,350,000
Subtotal	2,509,000
2026 Procurement (including OSR)	280,000
Total	2,789,000

3.0 PROBLEM OR OPPORTUNITY DESCRIPTION

The proposed \$15,000,000 borrowing amount is already constrained for the design-build component. Deducting the \$2,509,000 of RDCK-retained construction costs would leave approximately \$12,491,000 for the design-build proponent, increasing the risk that qualified firms cannot submit a compliant proposal.

The opportunity is to fund the \$2,509,000 from taxation during the first three years of the new Arena and Walking Track service (if approved through voter assent), while principal repayment on the \$15,000,000 borrowing is deferred through phased draws and MFABC temporary borrowing. The May 22, 2026 Draft Financial Plan projects annual taxation on the average residential property at approximately \$168 during the first three years, within the \$150 to \$199 range identified through previous public engagement for recreation services.

3.1 Alignment to Board Strategic Plan

Supports Organizational Excellence and meeting resident service needs through planned infrastructure investment.

3.2 Legislative Considerations

Local Government Act requirements for service establishment, loan authorization and elector assent; applicable Community Charter financial planning and borrowing provisions.

3.3 What Are the Risks

The main risk is that no qualified firm is able or willing to submit a compliant proposal at the \$15,000,000 design-build amount; that risk increases if the available design-build budget is reduced to approximately \$12,491,000.

4.0 PROPOSED SOLUTION

Staff recommend using taxation to fund the \$2,509,000 of additionally identified RDCK-retained construction costs. This approach preserves the full \$15,000,000 design-build budget and provides a greater likelihood of receiving a compliant proposal than funding these costs from the borrowing proceeds.

4.1 Financial Considerations of the Proposed Solution

The attached Draft Financial Plan outlines the flow of funds for the Project and the new service (if approved through voter assent), using taxation to fund the \$2,509,000 of identified RDCK-retained construction costs. \$1,350,000 is an owner's contingency; if not required, it would be used to reduce future requisitions or otherwise returned to the service in accordance with Committee and Board direction.

Temporary borrowing through MFABC postpones principal repayment until 2030, leaving room in the early years of the Financial Plan for taxation to fund the additional RDCK-retained costs.

4.2 Risks with the Proposed Solution

The risk is that residents may not support taxation on the average residential property of approximately \$168 annually during the construction period, even though this remains within the \$150 to \$199 range identified through the public engagement process.

4.3 Resource Allocation and Workplan Impact

The funding approach would not have a material impact on workplans beyond the Project work already under way.

4.4 Public Benefit and Stakeholder Engagement of Proposed Solution

The public benefit is a new recreation facility that responds to needs identified through previous community engagement. If a successful proponent is selected, further public engagement will be required so residents understand the Project scope, financial implications and approval process before the public assent vote.

4.5 Leveraging Technology

N/A

4.6 Measuring Success

Success will be measured by selection of a qualified proponent and acceptable design, approval through the public assent process, and successful construction of the facility within the approved scope and budget.

5.0 ALTERNATIVE SOLUTION(S)

Fund the \$2,509,000 of RDCK-retained construction costs from the \$15,000,000 borrowing proceeds.

5.1 Financial Considerations of the Alternative Solution(s)

This would leave approximately \$12,491,000 available for the design-build firm, reducing the likelihood of receiving a compliant proposal.

5.2 Risks with the Alternative Solution(s)

No design-build firm submits a compliant proposal to complete the Project within the reduced design-build budget.

5.3 Resource Allocation and Workplan Impact

N/A

5.4 Public Benefit and Stakeholder Engagement of Alternative Solution(s)

Lower probability of a successful Project proceeding to a public assent vote and construction.

5.5 Measuring Success

Successful construction of a new facility within the reduced design-build budget.

6.0 OPTIONS CONSIDERED BUT NOT PRESENTED

Increase the borrowing proceeds to \$17,509,000. This option is not presented because it would alter the previously communicated borrowing and taxation assumptions and would require reconsideration of the assent strategy.

7.0 OPTIONS SUMMARY

Option 1:

Recommendation:

That the Board approve an additional \$2,509,000 of funding from Taxation be included in the Draft Financial Plan for the Castlegar and District Arena and Walking Track Project as outlined in the Castlegar & District Recreation Commission Report dated May 25, 2026.

Option 2:

Recommendation:

That the additional \$2,509,000 of RDCK-retained funding requirements for the Castlegar and District Arena and Walking Track Project be funded from the \$15,000,000 borrowing amount already identified for the Project.

8.0 RECOMMENDATION

That the Board approve an additional \$2,509,000 of funding from Taxation be included in the Draft Financial Plan for the Castlegar and District Arena and Walking Track Project as outlined in the Castlegar & District Recreation Commission Report dated May 25, 2026.

Respectfully submitted,

Yev Malloff

Yev Malloff, General Manager, Finance, IT & Procurement

CONCURRENCE

CAO – Stuart Horn – Digitally Approved

Regional Manager Operations & Asset Management – Craig Stanley – Digitally Approved

ATTACHMENTS:

Attachment A – Draft Financial Plan – May 22, 2026

**Attachment A - Castlegar & District Arena and Walking Track
Draft Financial Plan - May 22, 2026**

Income	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Totals
Requisitions (Taxation)		1,394,238	1,389,150	1,388,784	1,303,074	1,290,547	1,292,570	1,294,644	1,299,269	1,301,447	1,303,680	13,257,403
Grants												-
Proceeds From Borrowing		8,585,000	5,960,000	455,000	-	-	-	-	-	-	-	15,000,000
Investment Income & Interest					2,288	4,633	7,036	9,500	9,525	12,113	14,766	59,859
Transfer from Reserves		-	-	-	-	-	-	-	100,000	-	-	100,000
Transfer from Community Works												-
Prior Year Surplus/(Deficit)		(280,000)										(280,000)
	-	9,699,238	7,349,150	1,843,784	1,305,361	1,295,180	1,299,606	1,304,143	1,408,794	1,313,560	1,318,446	28,137,262
Expenses												
Contracted Services					10,000	10,250	10,506	10,769	11,038	11,314	11,597	75,474
Debenture/Financing Interest		150,238	404,775	525,000	731,744	731,744	731,744	731,744	731,744	731,744	731,744	6,202,221
Debenture/Financing Principal					386,382	386,382	386,382	386,382	386,382	386,382	386,382	2,704,674
Contribution to Reserve					91,506	93,794	96,139	98,542	101,006	103,531	106,119	690,638
Transfer to Other Service					14,500							14,500
Transfer to General Admin Fee		20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977	224,068
Transfer to Community Services		35,000	35,875	36,772	37,691	38,633	39,599	40,589	41,604	42,644	43,710	392,118
Transfer to Project Management		50,000	50,000	25,000								125,000
Transfer to Asset Management			3,000	6,000	12,000	12,300	12,608	12,923	13,246	13,577	13,916	99,569
Capital Expenditures - RDCK - Asset Management					-	-	-	-	100,000	-	-	100,000
Capital Expenditures - RDCK - Construction	280,000	1,444,000	835,000	230,000								2,789,000
Capital Expenditures - Design/Build		8,000,000	6,000,000	1,000,000								15,000,000
	280,000	9,699,238	7,349,150	1,843,784	1,305,361	1,295,180	1,299,606	1,304,143	1,408,794	1,313,560	1,318,446	28,417,262
Surplus/(Deficit)	(280,000)	-	-	-	-	-	-	-	-	-	-	(280,000)
Capital Expenditures - RDCK - Construction												
2026 Procurement (including OSR)	280,000											280,000
City of Castlegar Building Permit (on \$18M)		144,000										144,000
FF&E (Furniture, Fixtures & Equipment)				100,000								100,000
Watermain & Hydrant Relocation		300,000										300,000
New 600v Electrical Service		175,000										175,000
Geotech & Environmental Testing		90,000										90,000
Traffic Flow Study		25,000										25,000
Asbestos Remediation			50,000									50,000
Quality Control Testing & Inspections			125,000									125,000
Commissioning Agent		60,000	60,000	30,000								150,000
Owner's Contingency (10% of construction)		650,000	600,000	100,000								1,350,000
	280,000	1,444,000	835,000	230,000								2,789,000
Capital Expenditures - Design/Build												2,509,000
Design		1,500,000										1,500,000
Build		6,500,000	6,000,000	1,000,000								13,500,000
	-	8,000,000	6,000,000	1,000,000								15,000,000
Taxation Data												
Residential Assessment Value - Area J - \$000		1,142,680	1,171,247	1,200,528	1,230,541	1,261,305	1,292,838	1,325,158	1,358,287	1,392,245	1,427,051	
Residential Assessment Value - Castlegar - \$000		3,176,954	3,256,378	3,337,787	3,421,232	3,506,763	3,594,432	3,684,293	3,776,400	3,870,810	3,967,580	
Residential Assessment Value - Total - \$000		4,319,634	4,427,625	4,538,315	4,651,773	4,768,068	4,887,269	5,009,451	5,134,687	5,263,055	5,394,631	
Taxation \$/000		0.323	0.314	0.306	0.280	0.271	0.264	0.258	0.253	0.247	0.242	
Average Residential Property Value - \$		520,200	533,205	546,535	560,199	574,203	588,559	603,273	618,354	633,813	649,659	
Annual Taxation on Average Residential Property - \$		168	167	167	157	155	156	156	156	157	157	