



## STAFF REPORT TO COMMISSION

**DATE OF REPORT** November 26, 2024  
**MEETING TYPE & DATE** Cowichan North Recreation Commission of November 26, 2025  
**FROM:** Town of Ladysmith  
**SUBJECT:** 2026 Draft Budget Review – Town of Ladysmith FJCC facility  
**FILE:** 0540-20 CNRC 2025 (CVRD N Drive)

### **PURPOSE/INTRODUCTION**

To present the 2026 Draft Budgets for Town of Ladysmith (TOL) Frank Jameson Community Centre (FJCC).

### **RECOMMENDED RESOLUTION**

That it be recommended to the Special CVRD Board meeting on February 12, 2026:

1. That the 2026 draft budget for the Town of Ladysmith Frank Jameson Community Centre with a \$96,749 requisition increase, be approved.
2. That the 2026 Capital Asset Investment request of \$445,000 to complete the main FJCC roof, funded through requisition, be approved.

### **BACKGROUND**

The FJCC is one of the nine regionally significant facilities of the regional recreation funding model. TOL prepares the budget for this facility which is to be approved by the CVRD and becomes part of the annual CVRD tax requisition.

On July 9, 2025, the CVRD Board approved the following in relation to the 2026 Draft Budget:

1. That the 2026 budget mandate be a maximum of 4% on requisition and staff provide options for further reductions to 2.5%; and
2. That staff bring back options for further reductions to the Special Committee of the Whole November 6, 2025, budget meeting.

The Special CVRD Committee of the Whole budget meeting on November 6, 2025, did not change the budget direction provided on July 9, 2025.

The core budget consists of operating expenditures, which are defined as expenditures associated with the ongoing maintenance and administration, on a day-to-day basis, for each function at the same level of service as the previous year.

The 2026 Draft Budget is exclusively based on core expenses, as well as presenting capital asset investment and service enhancement requests.

**ANALYSIS**

The CVRD has capped any budget increases at 4%. The current CUPE collective agreement is expiring December 31, 2025, so there are many unknown costs at this time. Staff have built in a small contingency into the budget to account for some of the estimated costs.

Staff are requesting \$2,745,836 in funding for FJCC. This is a 3.99% increase, which meets the 4% cap set by the CVRD, though an additional \$445,000 supplemental request is also being made to ensure the main section of the roof at FJCC can be completed in one year instead of over two years. It will be up to the Board of the CVRD to approve the additional funding.

	Proposed 2026 Regional Rec Budget	Amended 2025 Budget	% Change
<b>REVENUES</b>			
Admissions	71,913	68,000	5.75%
Passes	227,807	180,000	26.56%
Programs	354,420	282,095	25.64%
Rentals	154,201	129,632	18.95%
Misc. Revenue	16,000	14,200	12.68%
<b>REVENUES Total</b>	<b>824,341</b>	<b>673,927</b>	<b>22.32%</b>
<b>EXPENSES</b>			
Administration	888,419	846,364	4.97%
Aquatics	564,656	495,812	13.89%
Fitness Studio	391,166	337,047	16.06%
Recreation	218,557	217,223	0.61%
Facility Mtce	887,378	898,558	-1.24%
Capital	620,000	519,500	19.35%
<b>EXPENSES Total</b>	<b>3,570,177</b>	<b>3,314,504</b>	<b>7.71%</b>
<b>Grand Total</b>	<b>2,745,836</b>	<b>2,640,577</b>	<b>3.99%</b>

\*Note: There was an adjustment in 2025 of \$8,510 for the period poverty initiative, making the 2025 Total \$2,649,087 instead of \$2,640,577.

**Administration:** The Administration area is projected to see an overall increase of 4.01%. This growth is primarily attributed to an anticipated rise in rental revenue, driven by recent facility improvements and corresponding rental trends. The additional revenue will help offset anticipated increases in employment costs and increases in contracted service expenses. The Administration area accounts for \$825,819, representing 30% of the total regional recreation funding request.

Dept	Administration			
	Proposed 2026 Budget	Amended 2025 Budget	% Change	
<b>REVENUES</b>				
Rentals	46,600	38,200	21.99%	
Misc Revenue	16,000	14,200	12.68%	
<b>REVENUES Total</b>	<b>62,600</b>	<b>52,400</b>	<b>19.47%</b>	
<b>EXPENSES</b>				
Employment Costs	794,591	758,855	4.71%	
Other	7,900	7,900	0.00%	
Utilities	10,534	9,885	6.57%	
Contract Services	61,144	56,474	8.27%	
Materials & Supplies	14,250	13,250	7.55%	
<b>EXPENSES Total</b>	<b>888,419</b>	<b>846,364</b>	<b>4.97%</b>	
<b>Grand Total</b>	<b>825,819</b>	<b>793,964</b>	<b>4.01%</b>	

**Aquatics:** Based on current trends, staff expect to receive additional revenues in the Aquatics area – specifically in programming and pool rentals (i.e. Birthday party rentals). With this extra projected revenue comes additional staff costs for additional supervision, which represents the increase in employment costs. This area has prioritized increasing instructor capacity, enabling staff to lead the higher-level programs, including first aid programs, which would have traditionally been led using contract instructors.

This area will use \$179,893 (or 7%) of the regional recreation funding request.

Dept	Aquatics			
	Proposed 2026 Budget	Amended 2025 Budget	% Change	
<b>REVENUES</b>				
Admissions	- 50,463	- 50,000	0.93%	
Rental	- 105,201	- 89,432	17.63%	
Passes	- 67,618	- 55,000	22.94%	
Programs	- 161,481	- 111,092	45.36%	
<b>REVENUES Total</b>	<b>- 384,763</b>	<b>- 305,524</b>	<b>25.94%</b>	
<b>EXPENSES</b>				
Employment Costs	526,554	454,798	15.78%	
Other	3,650	3,400	7.35%	
Utilities	600	600	0.00%	
Contract Services	2,862	2,900	-1.31%	
Materials & Supplies	30,990	34,114	-9.16%	
<b>EXPENSES Total</b>	<b>564,656</b>	<b>495,812</b>	<b>13.89%</b>	
<b>Grand Total</b>	<b>179,893</b>	<b>190,288</b>	<b>-5.46%</b>	

**Fitness:** The Fitness Centre and fitness-focused classes continue to remain strong in attendance. Recent staffing changes have enabled us to offer new programming opportunities.

There has been a trend showing an increase in demand for Passes, which is expected to result in additional revenues. These revenues will be used to offset some additions such as establishing a formal reserve for fitness equipment.

This area will use \$116,222 (or 4%) of the regional recreation funding request.

Dept	Fitness Studio			
	Proposed 2026 Budget	Amended 2025 Budget	% Change	
<b>REVENUES</b>				
Admissions	- 21,450	- 18,000	19.17%	
Passes	- 160,189	- 125,000	28.15%	
Programs	- 93,305	- 77,790	19.94%	
<b>REVENUES Total</b>	<b>- 274,944</b>	<b>- 220,790</b>	<b>24.53%</b>	
<b>EXPENSES</b>				
Employment Costs	300,371	286,478	4.85%	
Other	2,400	2,800	-14.29%	
Utilities	550	550	0.00%	
Contract Services	30,145	20,169	49.46%	
Materials & Supplies	31,000	27,050	14.60%	
Transfer to Reserves	26,700		DIV/DI	
<b>EXPENSES Total</b>	<b>391,166</b>	<b>337,047</b>	<b>16.06%</b>	
<b>Grand Total</b>	<b>116,222</b>	<b>116,257</b>	<b>-0.03%</b>	

**Recreation:** There is a reduction to the overall recreation programming budget as there is an anticipated increase in revenues. Recreation is showing growth in sports programs and regaining interest in youth-focused programming and events, mostly in the gymnasium and the recreation room. The recreation room continues to be the hub of pre-teen and youth activities with increased program participation due to the recent equipment upgrades.

This area will use \$116,523 (or 4%) of the regional recreation funding request.

Dept	Recreation			
	Proposed 2026 Budget	Amended 2025 Budget	% Change	
<b>REVENUES</b>				
Rentals	- 2,400	- 2,000	20.00%	
Programs	- 99,634	- 93,213	6.89%	
<b>REVENUES Total</b>	<b>- 102,034</b>	<b>- 95,213</b>	<b>7.16%</b>	
<b>EXPENSES</b>				
Employment Costs	165,902	164,732	0.71%	
Other	1,750	1,000	75.00%	
Utilities	550	540	1.85%	
Contract Services	33,301	39,701	-16.12%	
Materials & Supplies	17,054	11,250	51.59%	
<b>EXPENSES Total</b>	<b>218,557</b>	<b>217,223</b>	<b>0.61%</b>	
<b>Grand Total</b>	<b>116,523</b>	<b>122,010</b>	<b>-4.50%</b>	

**Facility Maintenance:** TOL’s facility personnel are responsible for all buildings within the Town – not just FJCC – which makes budgeting for the crew variable. Based on recent trends, personnel have been allocated from FJCC to other TOL facilities, which will result in a decrease in funding from the CVRD, though there will be an increase in TOL taxation.

Maintenance costs are steadily rising as the FJCC facility continues to age, leading to increased needs for repairs and upkeep. Additionally, there is an ongoing effort to enhance accessibility, which presents unique challenges in an older building.

This area will use \$887,378 (or approximately 32%) of the regional recreation funding request.

Dept	Facility Mtce			
	Proposed 2026 Regional Rec Budget	Amended 2025 Budget	% Change	
<b>EXPENSES</b>				
Employment Costs	564,850	599,179	-5.73%	
Utilities	98,360	104,660	-6.02%	
Contract Services	143,431	113,847	25.99%	
Materials & Supplies	73,430	74,930	-2.00%	
Equipment Use	7,307	5,942	22.97%	
<b>EXPENSES Total</b>	<b>887,378</b>	<b>898,558</b>	<b>-1.24%</b>	
<b>Grand Total</b>	<b>887,378</b>	<b>898,558</b>	<b>-1.24%</b>	

**Capital:** The Capital Asset Investment requests for 2026 total \$620,000 and are:

Phase 3 – Section 1 Roof section over gymnasium and pool	\$455,000
Phase 2 Plumbing Upgrades and repairs	\$100,000
Remove/replace UV filtration system	\$65,000
<b>TOTAL</b>	<b>\$620,000</b>

**FJCC 2026 Supplemental Request**

<b>Project</b>	<b>Description</b>	<b>Total Estimated Cost</b>	<b>Sources of Funds</b>
FJCC Roof Replacement	Phase 3 replacement of roof over gymnasium and pool – broken into two sections.	<b>Phase 3 / Section 1:</b> \$455,000 (included in requisition under 4%)  <b>Phase 3 / Section 2:</b> \$445,000 (included as supplemental request)  <b>TOTAL:</b> \$900,000	Requisition

The proposed 2026 Capital Plan includes the replacement of the main section of the roof at the FJCC, which covers the gymnasium and main swimming pool. This is the largest section of the facility’s roof and has reached a condition that is beyond repair, necessitating a full replacement. This critical infrastructure need was identified and noted in the 2025 budget reports presented to both the TOL Council and the CVRD Board. The total estimated cost for replacing this section of the roof is \$900,000. The 2026 budget includes \$455,000 toward this project, with a supplemental funding request to be submitted for the remaining \$445,000, as it is recommended that both sides of the roof be replaced simultaneously to ensure efficiency and long-term cost savings.

The proposed 2026 Capital Plan also includes the replacement of the UV filtration system for the swimming pool and the completion of plumbing repairs and upgrades that began in 2025. Completing these repairs is essential to prevent further disruptions and preserve the integrity of the facility’s infrastructure.

	<b>Proposed 2026 Budget</b>	<b>Amended 2025 Budget</b>	<b>% Change</b>
<b>EXPENSES</b>			
Capital	620,000	519,500	19.35%
<b>EXPENSES Total</b>	<b>620,000</b>	<b>519,500</b>	<b>19.35%</b>
<b>Grand Total</b>	<b>620,000</b>	<b>519,500</b>	<b>19.35%</b>

**FINANCIAL CONSIDERATIONS**

It should be noted that the CVRD functions #470 – FJCC and #460 – Recreation – North Oyster funding sources are not included in this report.

It is not recommended that the Capital budget be reduced.

**COMMUNICATION CONSIDERATIONS**

N/A

**STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

N/A

Referred to (upon completion):

- Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

Prepared by:



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Chris Barfoot

On behalf of:

Town of Ladysmith

**ATTACHMENTS:**

Attachment A – ToL 2026 Capital Asset Investment Requests

Attachment B – CVRD Capital and Supplemental Funding Request

Attachment C – FJCC 2026-2030 5 Year Capital Plan