

KELSEY RECREATION

Strathcona Regional District
**Kelsey Recreation Centre
Funding Models Review**

March 2026

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1. Introduction

1.1. Facility Background and Community Context

The Kelsey Centre is located in the Village of Sayward and was constructed in 1974 by the forestry industry to support resident attraction, retention, and quality of life. The facility includes a four-lane pool, gymnasium, weight room, kitchen, and multi-purpose room. The Kelsey Centre is also co-located with the Village Municipal Hall and adjacent or in the immediate vicinity to several other public amenities, including the Sayward School, Library, tennis courts, and emergency services.

The last Statistics Canada Census of the Population in 2021 counted 334 residents, representing a 7.4% increase (23 residents) over the previous count in 2016. The Village of Sayward is located in Strathcona Regional District's (SRD) Electoral Area A which encompasses an additional 864 residents.

The table below provides an overview of key population and demographic characteristics in the Village of Sayward and SRD Electoral Area A in comparison to broader regional and provincial figures. Notably, the Village and Electoral Area A have an older population and a higher proportion of residents with lower or fixed incomes compared to broader regional and provincial benchmarks. These factors suggest a greater need for financially accessible, locally based recreation and leisure opportunities in comparison to broader regional and provincial benchmarks.

Table 1. Overview of Key Population and Demographics Characteristics

	Village of Sayward	SRD Electoral Area A	Strathcona Regional District	Provincial Average
Population	334	864	48,150	5,000,879
Median Age	60.4 years	52.8 years	49.6 years	42.8 years
% Ages 0 - 14	9.0%	12.7%	14.2%	14.3%
% Ages 15 to 64	52.2%	60.1%	59.1%	65.3%
% Ages 65 and Older	38.8%	27.2%	26.7%	20.3%
% Prevalence Residents Meeting Low-income measure, after tax (LIM-AT) Guidelines	19.0%	18.8%	11.5%	10.8%

1.2. Purpose of this Review

The Kelsey Centre has been a highly valued and central part of the community's identity and quality of life for decades – however, the facility is aging and likely requires significant re-investment or replacement. Challenges with aging infrastructure and the costs associated with these repairs have resulted in service disruptions in recent years, including a shutdown of the facility for programming in early 2025. Some limited rental availability continues at the facility (as per the Village of Sayward website).

In 2024, the SRD completed a Regional Recreation Services Feasibility Study. The study was conducted to provide an initial point of reference that could direct expanded collaboration and inform future funding discussions related to regional recreation service delivery. The study identified the Kelsey Centre as one of two facilities (the Strathcona Gardens Recreation Complex being the other) that may warrant further exploration for expanded recreation funding. This recommendation for future sub-regional funding exploration was based on considerations that included resident proximity to facilities (e.g. defining a potential catchment area) as well as a review of facilities with amenity characteristics that suggest they may provide a significant benefit beyond their current funding areas.

The SRD Board passed the following Board motion to complete this Review in order to inform future decision making and potential next steps.

THAT the Kelsey Centre be included in the additional participation report for Electoral Area A and the Village of Sayward, including the submissions from the new committee. (SRD 1000/24)

2. The Benefits of Recreation Services

Purpose of this Section

The following section of this Review document is intended to frame the broader benefits of providing publicly supported recreation (and related) services and introduce some key concepts and rationale that will be applicable to the recommendations provided in Section 4.

2.1. The Benefits Context

Public providers of recreation services, including the SRD and local municipalities, must continually attempt to define and delineate “need” from “demand”. While there is not one, universal way to do this, a commonly used approach is to focus in on the degree of community benefits provided by services. This concept attempts to create a distinction between:

- **Direct Benefits:** Accrued primarily by the program participant / facility user.
- **Indirect Benefits:** Accrued by all residents in a community regardless of whether they are direct participants.

While participation in recreation provides numerous direct benefits (e.g. improved health and wellbeing of the participant), **the indirect benefits of recreation services provide the most significant return on investment and significant outcomes**, including:

- Community connectedness and pride
- Enhanced ability to attract and retain residents with key skill sets that support other critical services
- Enhanced ability to attract a wider array of demographic cohorts that can support community growth and provide critical mass for services
- Reduced social spending
- Improved safety
- A vibrant volunteer sector
- Economic generation (through non-local visitation and associated spending)

The following two sub-sections provide some key insights from available research sources which further expand on the broad-based benefits of recreation.

2.2. Insights from Research and National Policy

The benefits of recreation beyond individual wellbeing are highly recognized, with 98% of Canadians agreeing that parks and recreation benefit community and are an essential service.¹ The connection between quality recreation provision and social wellbeing, mental and physical health, societal productivity, and community vibrancy are becoming better understood and supported by research. The price of physical inactivity in Canada is estimated at \$3.9 billion (2022) with the total cost of providing health care in Canada accounting for 12.2% of the total GDP.² Even incremental improvements in societal wellbeing provide an opportunity to reduce burden on the health system. A recent study concluded that a 15% relative increase in physical activity amongst adults in Canada could reduce the economic burdens of treating and managing non-communicable diseases, depression and absenteeism; accruing a cost savings of almost \$1 billion.³

While the benefits of recreation are well established, many Canadians are not active enough to accrue these benefits. Half of Canadian adults (51%) and a staggering 72% of children not being active enough to meet recommended physical activity guidelines.

Another excellent source to gauge national health and wellness insights on an ongoing basis is the annual ParticipACTION Report Cards on Physical Activity. The Report Cards source data from several government and academic sources to assess activity levels and provide recommendations on how to improve the current situation. Summarized on the following page are key highlights from the most recent children and youth (2024) and adult (2025) report cards.

The Benefits of Parks and Recreational Catalogue (1992) is a foundational source for the recreation sector which has helped shape conversation around the societal benefit of recreation. The Catalogue coalesced available research to support eight overarching and wide-ranging benefits provided by public parks and recreation services:

- Recreation is essential to personal health;
- Recreation is key to balanced human development;
- Recreation is essential to quality of life;
- Recreation reduces self-destructive and anti-social behaviour;
- Recreation builds strong families and healthy communities;
- Recreation reduces health care, social service, and police / justice costs;
- Recreation and parks are significant economic generators in the community; and
- Parks, open space and natural areas are essential to ecological survival.

1 Harper, 2009, as cited in *A Framework for Recreation in Canada 2015: Pathways to Wellbeing*.

2 *The Price of Inactivity: Measuring Impact (2022)*. Retrieved from: <https://measuring-impact.ca/wp-content/uploads/2023/11/CFLRI-CPRA-Price-Inactivity-Full-Report-EN-FINAL.pdf>

3 2024 Physical Activity and Sport Survey, CFLRI. Custom analysis.

ParticipACTION Report Card on Physical Activity – Children and Youth (2024)

- 39% of children and youth (five to 17 years of age) in Canada met the recommendation of 60 minutes of moderate- to vigorous-intensity physical activity per day.⁴
- 22% of children and youth five to 17 years of age accumulated more than two hours per day of total time engaged in indoor and outdoor unstructured play.⁵
- 68% of children and youth five to 17 years of age participated in organized sport in the past year. However, reiterating the importance of affordable activity provision, significant discrepancies exist based on socio-economics. Children from high-income households were 31% more likely to participate in organized sport compared to children from low-income households.⁶
- Just over half (55%) of parents reported facilitating physical activity and sport opportunities for their children and youth often or very often. As with other findings, socio-economics were a significant indicator of parent facilitated activity.⁷

ParticipACTION Report Card on Physical Activity – Adult (2025)

- 46% of adults met the recommendation of doing at least 150 minutes of MVPA per week, with 32% taking 7,500 steps per day (minimal physical activity lifestyle category).⁸
- Age and gender remain significant factors that influence participation. In general, women across most age cohorts have lower activity levels than men with activity also decreasing as individuals age.
- 27% of adults reported that they participated in sport within the past 12 months.⁹

4 Data sources:

- 2021 Canadian Community Health Survey, Statistics Canada. Custom Analysis.
 - Colley RC, Saunders TJ. The ongoing impact of the COVID-19 pandemic on physical activity and screen time among Canadian youth. *Health Reports*. 2023 Oct 18;34(10):3-12.
 - 2018-19 Canadian Health Measures Survey Cycle 6, Statistics Canada. Custom Analysis.
 - 2022-2023 Cohort Study for Obesity, Marijuana Use, Physical Activity, Alcohol Use, Smoking and Sedentary Behaviour [COMPASS], University of Waterloo. Custom Analysis.
 - 2021 ParticipACTION COVID-19 Survey [Wave 3]. Custom Analysis.
- 5 2022 Parent Survey on Physical Activity and Sport (PSPAS), Canadian Fitness and Lifestyle Research Institute (CFLRI). Custom Analysis.
- 6 2022 Parent Survey on Physical Activity and Sport (PSPAS), Canadian Fitness and Lifestyle Research Institute (CFLRI). Custom Analysis.
- 7 2022 Parent Survey on Physical Activity and Sport (PSPAS), Canadian Fitness and Lifestyle Research Institute (CFLRI). Custom Analysis.
- 8 2022-24 Canadian Health Measures Survey Cycle 7, Statistics Canada Custom analysis.
- 9 2024 Physical Activity and Sport Survey, CFLRI. Custom analysis.

2.3. Social Impacts of Recreation and Active Living

International research provides useful context on the broader societal value of recreation and physical activity infrastructure. Summarized as follows is recent research undertaken in the United Kingdom by State of Life, Sheffield Hallam University, and Manchester Metropolitan University and Sport England around the societal return on investment accrued through sport. Key findings included:

- The total annual value of sport and physical activity in England was £107.2 billion in 2022/23 (equivalent to ~\$ 196 billion CAD).
- The social cost of inequity in adult physical activity levels is £15.6 billion (equivalent to ~\$28.5 billion CAD).

A related study in the UK also found that for every dollar invested in sport and physical activity, the Social Return on Investment was as high as 3.5 times the return for every unit of currency investment.¹⁰

Recreation additionally provides a mechanism to reduce social isolation and its associated negative impacts. The 2017 Annual Report of the Chief Medical Officer of Health of Ontario¹¹ reported that individuals who experience social isolation have nearly a 50% risk of dying early. The Report also identified several key population cohorts as being particularly at-risk of experiencing social isolation, including:

- Older adults, especially those living alone;
- Youth (increasingly as a result of screen time); and
- Immigrants and refugees (often as a result of language and cultural barriers).

10 Davies, L. E., Taylor, P., Ramchandani, G., & Christy, E. (2020). Measuring the Social Return on Investment of community sport and leisure facilities. *Managing Sport and Leisure*, 26(1–2), 93–115. <https://doi.org/10.1080/23750472.2020.1794938>

11 2017 Annual Report of the Chief Medical Officer of Health of Ontario. (2017). Ontario Ministry of Health. Retrieved from: <https://www.ontario.ca/page/2017-annual-report-chief-medical-officer-health-ontario>

3. Kelsey Centre Operating Analysis and Future Considerations

3.1. Financial Operating Position Overview

This section of the report reviews current operations, recent use, and key move forward considerations for the Kelsey Centre.

Table 2 provides an overview of the Kelsey Centre's annual operating position from 2017 to 2024, prior to partial closure of the facility in early 2025. As reflected by the table, overall cost recovery remained relative similar on a year-to-year basis as a result of both revenues and expenditures increasing.

Table 2. Revenues and Expenditures

Year	Revenues	Expenditures	Net	Cost Recovery
2017	\$41,219	\$268,520	(\$227,301)	15%
2018	\$30,589	\$249,591	(\$219,002)	12%
2019	\$26,275	\$207,467	(\$181,192)	13%
2020*	\$8,472	\$154,093	(\$145,621)	5%
2021*	\$24,522	\$176,340	(\$151,818)	14%
2022	\$59,701	\$256,421	(\$196,720)	23%
2023	\$49,031	\$296,679	(\$247,648)	17%
2024	\$49,819	\$318,242	(\$268,423)	16%
2025 (projected)	\$13,757	\$130,267	(\$116,510)	11%

*Pandemic impacted years.

Notes on the data provided in Table 2:

- In 2022, the Kelsey Centre operated 37 weeks (71% of the year); Pool 15 weeks (29% of the year).
- In 2023, the Kelsey Centre operated 37 weeks (71% of the year); Pool 34 weeks (65% of the year).
- In 2024, the Kelsey Centre operated 40 weeks (77% of the year); Pool 36 weeks (69% of the year)

For additional context, Table 3 provides an overview of revenues and expenditures from aquatics facilities in communities with a similar context (small population and/or resource legacy facility). By comparison, it appears that the Kelsey Centre has done an excellent job generating revenues from a small population and limiting expenditures in an efficient manner. However, given the small population of the community the annual subsidy required per resident is high and further reflects the stress that the facility provides on a limited tax base.

Table 3. Comparison of Revenues and Expenditures

Facility	Population (2021 Census)	Revenues	Expenses	Net	Cost Recovery	Annual Subsidy per Resident	Source
Sparwood Recreation Complex Centre Pool (Sparwood, BC)	4,148	\$275,250	\$1,025,999	(\$750,749)	27%	\$180.99	District of Sparwood Recreation Fees and Charges Review Study (2024 numbers used)
Elkford Aquatics Centre (Elkford, BC)	2,749	\$62,650	\$559,890	(\$497,240)	11%	\$180.88	District of Elkford 5-Year Financial Plan (2025 budgeted numbers used)
Anne Fiddick Aquatics Centre (Gold River, BC)	1,246	\$103,000	\$519,000	(\$416,000)	20%	\$333.87	Economic of Pools in British Columbia Report (2019)
Chetwynd & District Recreation Centre (Chetwynd, BC)	2,302	\$303,100	\$1,667,721	(\$1,364,621)	18%	\$592.80	Budget Submitted to the PRRD (2023)
Tumbler Ridge Aquatics Centre (Tumbler Ridge, BC)	2,399	\$37,000	\$427,000	(\$390,000)	9%	\$162.57	Economic of Pools in British Columbia Report (2019)
Kelsey Centre (Sayward, BC)	334	\$49,819	\$318,242	(\$268,423)	16%	\$803.66	Village of Sayward Financials (2024)

3.2. Recent Use Overview

The current closure of the pool and limitations of the facility for program-based use has resulted in a significant net loss of recreational opportunity in the community. Table 4 provides an overview of total program-based participation in 2024 (the last mostly full / normal year of operations). While some rental uses of the facility continue, many of the current activities (including all aquatics activities) are not currently available.

Table 4. Overview of the Kelsey Centre Programming Mix (2024)

Type of Use	Annual Total Visits	Proportion of Total
Aerobics (Land)	226	5%
Aerobics (Aquatics)	30	1%
School Program	921	21%
Weight Room	324	8%
Parent & Tot Swim	5	0%
Parent and Tot Gym	5	0%
Swim Lessons	101	2%
Pool (General Use)	1796	42%
Carpet Bowling	288	7%
Seniors Social	119	3%
Yoga	5	0%
Teen Night	170	4%
Special Programming	202	5%
Pickleball	32	1%
Floor Hockey	14	0%
Spring Break Camps	79	2%
Total	4,317	100%

Summarized below are additional considerations and metrics pertaining to the 2024 facility programming data.

- In 2024, the facility accommodated approximately 1,932 swim visits. This figure reflects 5.8 swims visits per capita if using the population of the Village of Sayward only and 3.2 swim visits per capita if using the population of the Village plus 50% of Electoral Area A.¹² This level of use can be characterized as “good” based on typical provincial benchmarks.
- In total, the facility received 12.9 visits per capita using the Village of Sayward population and 7.2 visits per capita using the population of the Village plus 50% of Electoral Area A. This also reflects a good level of use.
- The programming mix suggests that facility staff did a good job of ensuring a diversity of recreation and leisure programming opportunities in 2024.

¹² 50% of EA A's population reflects an approximate estimate of residents within a 45 minute drive of Sayward as per the analysis included in the 2024 Regional Recreation Services Feasibility Study.

3.3. Capital Considerations and Long-Term Sustainability

In addition to operating pressures, the Kelsey Centre aquatic facility is in need of significant capital reinvestment if aquatics services are to remain part of the service offering. Depending on the preferred approach, this could involve major upgrades, modernization, or full redevelopment of the aquatic centre.

Capital costs are borne by the participants of the service, which currently consists of the Village of Sayward. Should Electoral Area A residents, or a portion thereof, be added to the service, the cost of future repairs, upgrades, or replacement would be distributed across a larger tax base. This would reduce the per-household financial burden and could make long-term capital reinvestment more affordable for the community as a whole.

At this time, the full scope, scale, and desired amenities associated with any renovation or redevelopment option have not been defined, and no condition assessment or design work has been undertaken. However, based on comparable small-scale aquatic facility improvements in British Columbia, it would be reasonable for planning purposes to assume a capital investment in the order of magnitude of \$2 million. Actual costs could vary significantly depending on the scope of work and level of service ultimately identified.

While senior government grant funding may be pursued to offset a portion of capital costs, grant funding is not guaranteed and typically requires a local funding contribution. For every \$2 million borrowed to finance investment, amortized over 30 years at an interest rate of 4%, the annual debt servicing cost would be approximately \$118,424.

Based on earlier taxation estimates:

- Village of Sayward residences would contribute approximately **\$172 per home**, and
- Electoral Area A residences in the Recreation/Community Center Service Area would contribute approximately **\$224 per home**, assuming costs are distributed proportionally through taxation. It should be noted that the above estimates are based on converted assessment values using the Provincial tax allocation ratios, which prescribe how the SRD generally allocates taxation among property classes. Incorporated municipalities have the discretion to adjust these ratios. The Village of Sayward has exercised that authority, and as a result, the actual cost per home will be materially lower than indicated above.

Asset-management best practices, such as the Facility Condition Index, suggest that once a building reaches a certain level of deterioration, continuing to invest in repairs may not be the most effective long-term approach. In these cases, replacement or major renewal may provide better long-term value.

Other communities across the province have faced similar challenges with aging infrastructure that have resulted in facility disruptions and closures. Precedent examples are noted below.

- The ice arena in Port Alice, BC (Doug Bondue Ice Arena) was closed in 2019. The loss of the pulp and paper mill resulted in a significant loss of population and taxation which impacted the ability to viably operate and upkeep the aging facility. The community continues to explore potential retrofit options.
- Another facility in the SRD, the pool located at the Tahsis Recreation Centre has experienced intermittent closures over the past 2-3 years due to failure of the pump system and other infrastructure challenges. The pool was operational for a short period of time in 2025 but is currently closed due to challenges with ventilation and air quality.

Village Exploration of Future Options

The Village has also explored and modelled out different move forward scenarios and engaged locally to explore resident willingness to incur a tax increase to support future Kelsey Centre operations. Provided below is a synopsis of the analysis provided by the Village.

- The Village estimates the cost savings of decommissioning the pool but sustaining the other dry floor program and rental spaces to be approximately \$70,000 annually.
- The Village estimates the cost savings of decommissioning the entire facility to be approximately \$198,000 (an estimated \$63,000 is required to sustain basic systems, insurance, etc.).

The above cost savings are based generally on recent years operations and do not include major capital repairs required to sustain safety or demolition costs associated with decommissioning.

A survey conducted by the Village in April and May of 2025 garnered 81 responses (31 from Village residents; 48 from Valley residents; 2 from outside the area). The majority of respondents (88%) had used the facility with most identifying as regular users. The survey reflected that residents continue to place a high value on the facility and have some willingness to pay increased taxes to support (54% indicated that they'd support an annual tax increase). However, most of these respondents identified that they'd only be willing to pay a modest increase. While not a statistically representative survey these findings do provide some general insights into community and regional perspectives.

In order to sustain the operations of the Kelsey Centre, significant major capital re-investment is required that is currently beyond the means of the Village. Assessments conducted over the last several years by the Village indicated that staff have done the best job they can with managing aging infrastructure but also reflect a building that is at or nearing end of life.

Survey Question: How much would you be willing to contribute through property taxes to sustain the Kelsey Centre?

- \$150 - \$249 (28%)
- \$250 - \$349 (16%)
- \$350 - \$449 (1%)
- \$450 - \$550 (9%)
- Not willing to pay (39%)
- No response / alternative amount (6%)

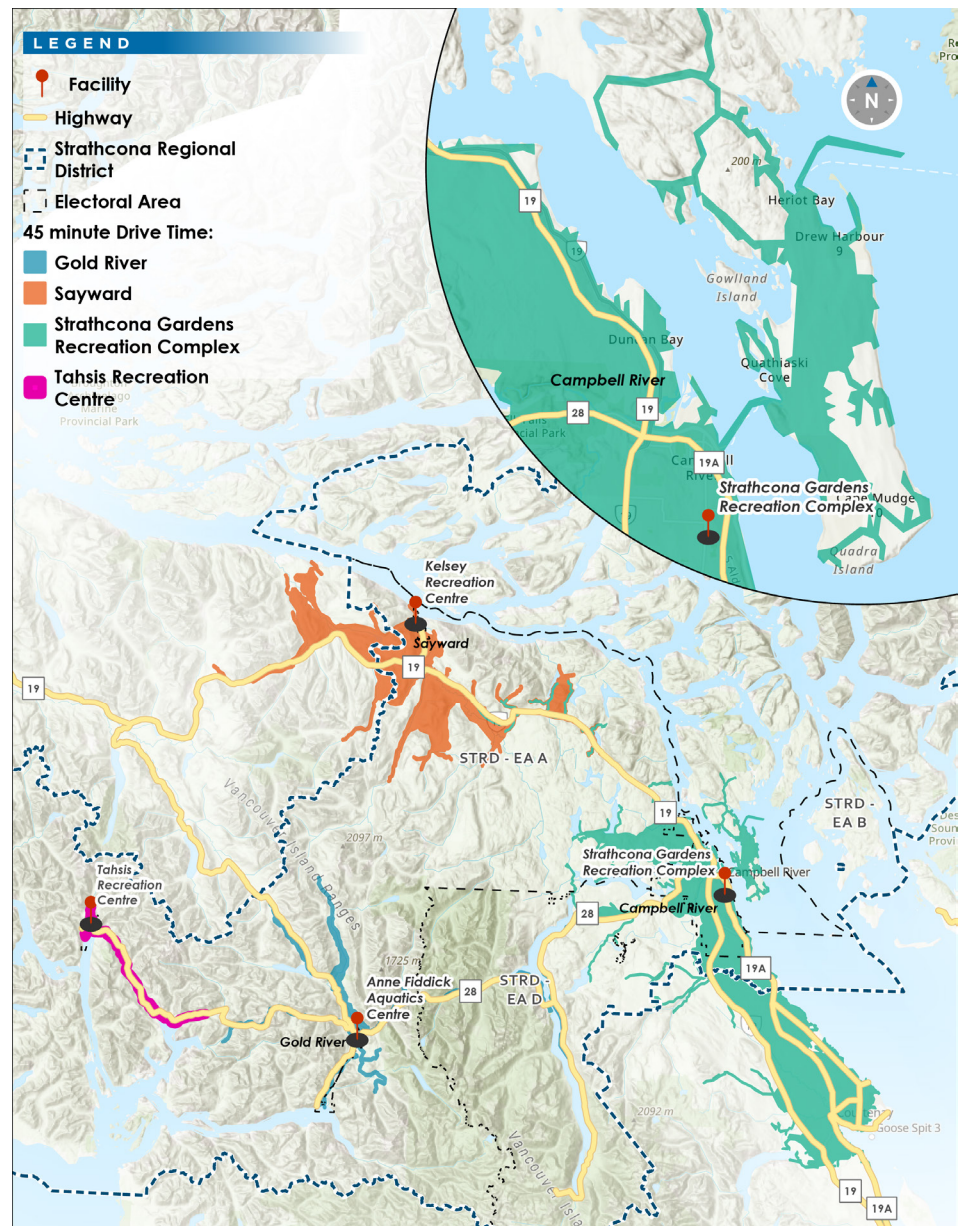
3.4. Catchment Area Considerations & Preliminary Financial Modelling

Catchment Area Rationale

GIS-based spatial analysis completed as part of the SRD's 2024 Regional Recreation Services Feasibility Study indicates that approximately 56% of Electoral Area A residents live within a 45-minute drive of the Village of Sayward. A 45-minute travel time is generally considered a reasonable outer limit for defining a recreation "benefitting area," particularly for facilities intended for routine and repeat use.

Engagement undertaken by the Village also indicates that many facility users and survey participants are primarily from the Sayward Valley and surrounding areas that fall within this travel threshold.

Based on this analysis, it does not appear reasonable or equitable to include the entirety of Electoral Area A within an expanded service area. A significant proportion of Electoral Area A residents (estimated at 40–50%) reside beyond a 45-minute drive and, in some cases, would not have practical or regular access to the facility using a personal vehicle. Including properties outside of a reasonable benefitting area would raise questions of fairness and service equity.



Preliminary Financial Modelling

The preliminary calculations outlined in Tables 5 and 6 were prepared by the SRD to illustrate potential taxation impacts associated with expanding the Kelsey Centre funding area. The calculations are based on the following capital assumption and operating cost scenarios:

- **Full Facility Operations – Short Term:** Annual operating cost of \$270,000 and capital reinvestment of \$2,000,000 to sustain basic operations for the short-term.
- **Partial Facility Operations - Short Term:** Above operating cost is reduced by 50% to reflect the financial impacts of operating the facility with a reduced level of service. *The practical viability of operating the facility is scaled back manner requires further analysis. Many operating costs are fixed or semi-fixed (e.g., utilities, chemicals, staffing minimums), and would not decrease proportionally with reduced service levels. As such, the 50% scenario is illustrative only and does not represent a fully validated operating model. Similarly, debt servicing costs are assumed to remain unchanged, as they are based on the total borrowing required for capital reinvestment and are not dependent on the level of facility operations.

It is important to note that the capital reinvestment figures identified above is for the purposes of this preliminary analysis only and will require technical validation through an updated condition assessment and costing exercise.

Assumption Used for Analysis

* \$270,000 annual operating was the approximate tax subsidized contribution based on 2024 service levels where the Kelsey Centre operated approximately 40 weeks (77% of the year) & Pool 36 weeks (69% of the year). \$188,424 is the estimated annual cost to fund \$2,000,000 in borrowing over 30 years at 4% interest.

** Based on the existing Heritage Hall funding area (see Section 4) within Electoral Area A

*** Based on provincial converted assessment ratios. Given the Village does not use the Provincial ratios, actual per home costs within the Village are estimated to be 43% less than what's calculated in this report. (see Section 3.2)

Table 5. Funding Scenarios Summary at Full Facility Operations (Average Impact Per Home)

Annual Cost Component*	Shared Service	
	Portion of EA A**	Village***
\$270,000 Operating	\$507	\$391
\$118,424 Debt Servicing	\$222	\$172
TOTAL ANNUAL COST	\$729	\$563

Table 6. Funding Scenarios Summary – 50% of 2024 Operations (Average Impact per Home)

Annual Cost Component*	Shared Service	
	Portion of EA A**	Village***
\$135,000 Operating	\$254	\$196
\$118,424 Debt Servicing	\$222	\$172
TOTAL ANNUAL COST	\$476	\$368

4. Summary and Recommendations

4.1. Summary of Key Findings & Considerations

The key findings and other important considerations from this report are summarized below.

- The benefits of recreation services extend beyond those accrued by direct users. Recreation services are a key factor in attracting and retaining residents (including key skill sets and a wider array of demographics) and supporting overall residents quality of life and community vibrancy.
- Population and demographics indicators support a need for accessible, low barrier recreation in the Sayward Valley. The region is characterized by an older population and a higher-than-average proportion of residents that are likely facing financial barriers to participation (direct costs such as program registration and indirect costs such as travel).
- Sayward Valley residents use and benefit from the Kelsey Centre, but only contribute to the facility through user fees, which are subsidized relative to their actual service provision cost.
- Prior to recent closures / service reductions, the Kelsey Centre has been successful at providing a strong mix of programming and was well used.
- Minimal precedent examples exist of communities or regions with a population as small as the Sayward Valley that are able to support indoor aquatics services. Increasing operational costs and construction escalation are challenges facing the entire recreation sector, especially smaller communities with limited funding areas from which to draw from.
- While the facility is highly valued, previous engagement conducted by the Village suggests that there may be limited willingness amongst residents to incur the level of tax increase that will likely be required to sustain both operations and fund required capital repairs or replacement. However, more exploration may be required to validate the previous engagement.

4.2. Consultant Recommendations

The partial closure and service reduction at the Kelsey Centre has resulted in a significant net loss of recreation and active living opportunities for Sayward Valley residents. While some residents have the means to access facilities in other communities (e.g., Campbell River), many do not. Maintaining a baseline level of recreation opportunity within Sayward remains an important community objective.

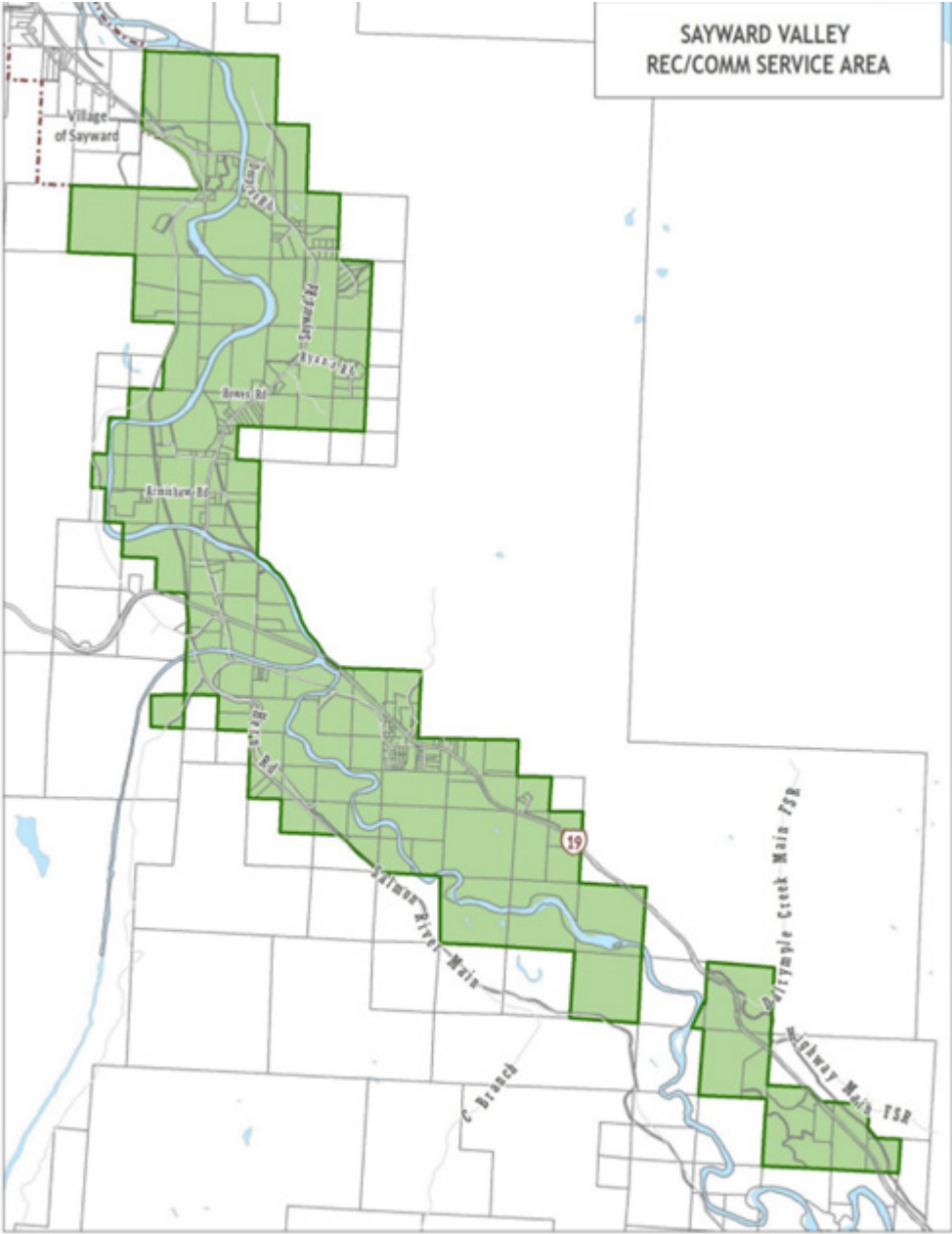
The limited catchment area for the Kelsey Centre presents a structural financial challenge that has been further impacted by a limited funding area. Sayward Valley residents outside of the Village boundaries use the facility but only contribute through user fees. As the cost of providing most amenities and programs occurs at a subsidy, these user fees paid by non-residents are only covering a fraction of the actual costs of service delivery.

Supporting major recreation infrastructure — particularly indoor aquatics — within such a small funding base is inherently difficult given current capital and operating cost pressures. The overall resident willingness to financially support the facility long-term needs to be confirmed. To support informed decision-making, an updated technical assessment of the facility could be undertaken as part of further analysis to ensure resident engagement and updated analysis of the financial impacts are based on current data and assessment of risk.

If service area expansion is explored, it may align with the Sayward Valley / Heritage Hall Service Area, which reflects a reasonable community of interest and access pattern (a map of the Heritage Hall Service Area Boundary is provided in the following page). The financial analysis and taxation modelling presented in this report are based solely on that boundary assumption. If participation were aligned with the Heritage Hall catchment area, the benefitting population is estimated at approximately 760–820 residents (approximately 305 residential folios).

Catchment analysis previously demonstrated that inclusion of all Electoral Area A properties would extend taxation beyond a reasonable benefitting area, as a significant portion of residents are located beyond a practical travel distance. Accordingly, expanding the service to include all of Electoral Area A is not recommended.

Heritage Hall Service Area Boundary



Source: <https://srd.ca/wp-content/uploads/2025/04/2025-2029-Financial-Plan-Strathcona-Regional-District.pdf>

In summary, the magnitude of the potential capital and operating impacts requires that a structured, multi-staged approach be undertaken. Several interrelated areas of analysis should be considered to support informed decision-making and are described as follows. These actions may occur sequentially or in parallel depending on Board direction and partner readiness.

Service Area Participation and Alignment

Initial discussion with participating jurisdictions is recommended to confirm whether there is interest in exploring a broader service model aligned with the Sayward Valley / Heritage Hall Service Area. This step would help confirm the potential benefitting area and provide early clarity on governance, partnership interest, and potential funding participation.

If interest exists in pursuing a broader service area, additional analysis and technical review would support further decision-making.

Updated Technical Assessments and Define Capital Scope

Updated clarity on the costs to sustain the Kelsey Centre is required to ensure further analysis of taxation, potential funding area impacts and options, and support decision making.

The preliminary analysis provided in Section 3.4. uses example figures to calculate a scenario that would see a portion of Electoral Area A included in the funding area (based on the recommended Heritage Hall funding area). However, these figures need to be further validated based on the following key considerations:

- The overall viability of undertaking renovations to the facility, including the risk of renovations not being successful (e.g. finding or creating additional infrastructure issues as capital works are initiated).
- The relative cost of short vs longer-term repairs.

Service Area Participation and Financial Capacity

Once clarity exists on the costs to sustain the facility at a safe and functional level as well as the associated taxpayer impacts, additional decision making can occur on the potential service area and overall viability of sustaining the amenity opportunities offered at the Kelsey Centre.

Considerations that could be further analyzed and reviewed as part of this step include:

- Modelling taxation impacts under 6-month versus 12-month operating scenarios;
- Evaluating governance and operational responsibility (Village-led, SRD-led, or alternative models);
- Assessing long-term sustainability considerations; and
- Identifying opportunities to optimize service delivery within the available funding framework.

Board Decision Making

This step supports informed Board decision-making regarding capital financing, debt servicing, operating structure, and long-term governance.

Establishing or amending a service under the Local Government Act is subject to legislative requirements, including elector approval. The Act provides several mechanisms to obtain that approval (e.g., petition, alternative approval process, or assent voting), and the most appropriate approach would be determined by the SRD in consultation with the Village of Sayward. Should assent voting be selected, the October 2026 local government election may provide an efficient opportunity to conduct a referendum.

Summary

In summary, the recommended approach is:

- **Review potential participating jurisdictions and service area alignment**
- **Complete updated technical assessments and define capital scope**
- **Confirm financial capacity and service delivery options**
- **Undertake Board decision making**

This phased approach ensures that decisions regarding capital investment and facility design are grounded in a clearly defined benefitting area and aligned with the demonstrated financial capacity of participating residents.

Absent confirmation of a sustainable funding model aligned with the benefitting area, the long-term feasibility of continued facility operations may be constrained.

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