

ADMINISTRATIVE REPORT

TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: May 7, 2026

RE: **Keremeos Recreation Facility Reserve Fund Expenditure Bylaw and 2026-2030 Five Year Financial Plan Amendment – Similkameen Recreation HVAC Purchase**

Administrative Recommendation:

THAT Bylaw No. 3146, 2026, being a bylaw that authorizes the expenditure of \$27,000 from the Electoral Area 'B-G' – Keremeos Recreation Facility Reserve Fund toward the purchase and installation of a replacement HVAC unit for the Similkameen Recreation Centre, be read a first, second and third time and be adopted; and

THAT Bylaw No. 3134.04, 2026, being a bylaw to amend the 2026-2030 Five Year Financial Plan to include \$27,000 from the Electoral Area 'B-G' – Keremeos Recreation Facility Reserve Fund for the purchase and installation of an HVAC unit, be read a first, second and third time and be adopted.

Alternatives:

THAT Bylaw No. 3134.04, 2026 and Bylaw No 3146, 2026 not proceed.

Purpose:

To amend the 2026 Recreation Facility – Keremeos, Areas "B" & "G" Capital Budget to include \$27,000 from the Electoral Area 'B-G' – Keremeos Recreation Facility Reserve Fund towards the purchase and installation of a replacement HVAC unit.

Strategic Priorities:

5.3 Provide Infrastructure

Background & Analysis:

During a spring service of the HVAC units at Similkameen Recreation Centre, a crack was discovered in one of the unit's heat exchangers. This poses health and safety risks, as a leak could allow CO2 to

enter the building. While the unit was originally expected to be replaced in the next few years, this issue has accelerated the timeline.

Repairing the unit would cost \$6,840 and extend its life by only another 3-4 years, while a full replacement costs \$27,000 and provides a much longer lifespan of 15-20 years. The unit will also be eligible for a 30% rebate.

Due to the urgency of the situation, a full replacement has been recommended. This ensures the safety concerns are addressed promptly and invests in a solution that will serve the recreation center well into the future.

Financial Implications:

No direct tax implications for residents as the purchase is funded from the capital reserve.

Communication Strategy:

No communication is required.

Will a PowerPoint presentation be presented at the meeting? No

Respectfully submitted:

"Nathan Grant, CPA, CA"
N. Grant, Accountant II

Endorsed by:

"Noelle Evans-MacEwan, CPA, CA"
N. Evans-MacEwan, Chief Financial Officer