



## Notice of Meeting and Meeting Agenda Finance Committee

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Wednesday, March 4, 2026

9:30 AM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

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S. Brice (Chair), P. Jones (Vice Chair), P. Brent, C. Coleman, S. Goodmanson, D. Kobayashi, M. Little, K. Williams, R. Windsor, C. McNeil-Smith (Board Chair, ex-officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Adoption of Minutes

#### 3.1. [26-0244](#) Minutes of the Finance Committee meeting of January 7, 2026

**Recommendation:** That the minutes of the Finance Committee meeting of January 7, 2026 be adopted as circulated.

**Attachments:** [Minutes - January 7, 2026](#)

### 4. Chair's Remarks

### 5. Presentations/Delegations

*The public are welcome to attend CRD meetings in-person.*

*Delegations will have the option to participate electronically. Please complete the online application at [www.crd.ca/address](http://www.crd.ca/address) no later than 4:30 pm two days before the meeting and staff will respond with details.*

*Alternatively, you may email your comments on an agenda item to the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

### 6. Committee Business

**6.1.**      [26-0087](#)      Capital Regional District External Grants Update

**Recommendation:** There is no recommendation. This report is for information only.

**Attachments:**      [Staff Report: CRD External Grants Update](#)  
                          [Appendix A: External Grants Dashboard](#)  
                          [Appendix B: Grant Alerts](#)

**6.2.**      [26-0088](#)      Capital Regional District Investment Portfolio Holdings and Performance  
Annual Update

**Recommendation:** There is no recommendation. This report is for information only.

**Attachments:**      [Staff Report: CRD Investment Portfolio Update 2026](#)  
                          [Appendix A: Investment Policy](#)  
                          [Appendix B: Market Analysis](#)  
                          [Appendix C: Investment Holdings](#)  
                          [Appendix D: MFA Pooled Invest Products](#)

**6.3.**      [26-0245](#)      2026 Provincial Budget Highlights

**Recommendation:** There is no recommendation. This report is for information only.

**Attachments:**      [Staff Report: 2026 Provincial Budget Highlights](#)  
                          [Appendix A: 2026 Provincial Budget Highlights](#)

**7. Notice(s) of Motion****8. New Business****9. Adjournment**

The next meeting is May 6, 2026.

**Meeting Minutes**  
**Finance Committee**

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**Wednesday, January 7, 2026**

**9:30 AM**

**6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7**

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**PRESENT**

Directors: S. Brice (Chair), C. Coleman, R. Fawcett (for P. Brent), S. Goodmanson, D. Kobayashi, M. Little, K. Williams, C. McNeil-Smith (Board Chair, ex-officio)

Staff: T. Robbins, Chief Administrative Officer; K. Morley, General Manager, Corporate Services; S. Henderson, General Manager, Electoral Area Services; V. Somosan, Senior Manager/ Deputy CFO, Financial Services; L. Xu, Manager, Local Services and Corporate Grants, Financial Services; M. Lagoa, Deputy Corporate Officer; J. Dorman, Committee Clerk (Recorder)

EP - Electronic Participation

Guests: L. Lee, Lead Audit Engagement Partner, KMPG; C. Rice-Gural, Auditor, KPMG

Regrets: Directors P. Jones (Vice Chair), P. Brent, R. Windsor

The meeting was called to order at 9:30 am.

**1. Territorial Acknowledgement**

Director Coleman provided a Territorial Acknowledgement.

**2. Approval of Agenda**

**MOVED by Director Coleman, SECONDED by Director Little,  
That the agenda for the Finance Committee meeting of January 7, 2026 be  
approved as amended to move agenda Item 9.1. to be considered before 6.2.  
CARRIED**

**3. Adoption of Minutes**

**3.1. [26-0001](#) Minutes of the November 5, 2025 Finance Committee Meeting**

**MOVED by Director Goodmanson, SECONDED by Director Little,  
That the minutes of the Finance Committee meeting of November 5, 2025 be  
adopted as circulated.  
CARRIED**

#### 4. Chair's Remarks

Chair Brice wished the committee a Happy New Year and is looking forward to working with the committee over the next year.

#### 5. Presentations/Delegations

##### 5.1. Presentations

- 5.1.1. [25-1262](#) Presentation: Capital Regional District 2025 Audit Planning, Lenora Lee, Lead Audit Engagement Partner, KPMG (Verbal)

L. Lee presented Item 5.1.1.

Discussion ensued regarding the potential integration of environmental, social, and governance considerations as part of 2025 Audit Planning.

##### 5.2. Delegations

There were no delegations.

#### 6. Committee Business

- 6.1. [26-0017](#) 2026 Finance Committee Terms of Reference

**There is no recommendation. This report is for information only.**

#### 9. Motion to Close The Meeting

- 9.1. [26-0009](#) Motion to Close the Meeting

**MOVED by Director Kobayashi, SECONDED by Director Little,  
That the meeting go into closed after the open discussion for 6.2. and that the  
meeting be closed for Personal Information in accordance with Section 90(1)(a)  
of the Community Charter.  
CARRIED**

#### 6. Committee Business

- 6.2. [25-1254](#) Capital Regional District 2025 Audit Planning Discussion

V. Somosan presented Item 6.2. for information.

**The Finance Committee moved to the Closed Session at 9:54 am.**

**The Finance Committee rose from the Closed Session at 10:08 am without report.**

**MOVED by Director Kobayashi, SECONDED by Director Little,  
The Finance Committee recommends to the Capital Regional District Board:  
That the Capital Regional District 2025 Audit Plan developed by KPMG be  
approved.  
CARRIED**

6.3. [25-1258](#) Capital Regional District External Grants Update

There is no recommendation. This report is for information only.

6.4. [25-1266](#) Municipal Finance Authority 2026 Spring Issue - Capital Regional District Security Issuing Bylaw Nos. 4742 and 4743

**MOVED** by Director Goodmanson, **SECONDED** by Director Kobayashi,  
The Finance Committee recommends to the Capital Regional District Board:  
1. That Bylaw No. 4742, "Security Issuing Bylaw No. 1, 2026", be introduced and read a first, second and third time; and  
2. That Bylaw No. 4742 be adopted.  
3. That Bylaw No. 4743, "Security Issuing Bylaw No. 2, 2026", be introduced and read a first, second and third time; and  
4. That Bylaw No. 4743 be adopted.  
**CARRIED**

**7. Notice(s) of Motion**

There were no notice(s) of motion.

**8. New Business**

There was no new business.

**10. Adjournment**

**MOVED** by Director Coleman, **SECONDED** by Director Goodmanson,  
That the Finance Committee meeting of January 7, 2026 be adjourned at 10:12 am.  
**CARRIED**

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CHAIR

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RECORDER



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**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 04, 2026**

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**SUBJECT**     **Capital Regional District External Grants Update**

**ISSUE SUMMARY**

To provide the Capital Regional District (CRD) Board a bimonthly update on external grants activity for the period between December 10, 2025 and February 13, 2026.

**BACKGROUND**

This report summarizes activities and outcomes since the CRD External Grants Update was last presented in January 2026. The External Grants Dashboard (Appendix A) details applications submitted, updated, awarded and declined as of February 13, 2026. Appendix B provides a summary of grant alerts for 2026 referencing CRD grant applications approved, pending and declined.

**IMPLICATIONS**

*Financial Implications*

**Grants/Contributions Awarded**

1. \$83,000 through Employment and Social Development Canada's New Horizons for Seniors Grant for public awareness campaigns to promote social connections for seniors. Funded by the District of Saanich through their grant award from Employment and Social Development Canada.

**Applications Submitted**

1. \$30,000 through Union of BC Municipalities' Community Emergency Preparedness Fund to provide additional Emergency Operations Center equipment and training.
2. \$10,000 through the Outdoor Recreation Council of BC's Outdoor Recreation Fund for maintenance and safety improvements to the Sturdies Bay Trail on Galiano Island. The project has a total cost of \$20,000.
3. \$2,050 through the Canadian Tire Jumpstart Charities' Community Development Grants program to support youth sports programming on Mayne Island. This project has a total estimated cost of \$7,700.

*Service Delivery Implications*

**New Grant Opportunities**

Eleven grant calls (including programs with multiple streams) were issued during the reporting period and are summarized in Table 1. Appendix B details relevant active grants (as of February 13, 2026) and lists recently closed grants for 2026. Appendix B also references CRD grant applications approved, pending and declined/withdrawn.

**Table 1:** Grant Calls Issued

<b>Grant</b>	<b>Deadline</b>	<b>Information</b>
Outdoor Recreation Fund of BC – Outdoor Recreation Council of BC	20-Jan-26	Provides funding for initiatives that create and shape outdoor recreational and nature-based experiences.
EcoAction Stream 2: Freshwater Sustainability and Innovation across Canada – Canada Water Agency	20-Jan-26	This program supports projects that improve freshwater quality, ecosystem health and freshwater management through innovation, clean technology, circular economy approaches and improved data use.
Community Development Grants – Canadian Tire Jumpstart Charities	06-Feb-26	Support help organizations who provide programming for kids between the ages of 4-18 in financial need or youth with disabilities between the ages of 4-25.
Education and Awareness Project Funding – Electric Vehicle Test Drives and Charging Education – Natural Resources Canada	19-Feb-26	This funding supports Canada’s transition to net-zero emissions by cost-sharing projects that increase confidence and practical understanding of EV charging through experiential learning and targeted education for key enablers.
Emergency Operations Centres Equipment and Training – Union of BC Municipalities	27-Feb-26	This fund supports BC local governments and Indigenous communities in improving their Emergency Operations Centres. Funding helps purchase equipment, supplies, and training needed to strengthen emergency response capacity in a changing climate.

Grant	Deadline	Information
Kal's Replay Fund – Kal Tire Ltd.	28-Feb-26	Kal's RePlay Fund provides grants for public infrastructure upgrades using recycled rubber products. Funding is for the purchase and installation of recycled rubber products.
Community Grant – Habitat Conservation Trust Foundation	28-Feb-26	This program offers small grants to support conservation projects that involve volunteers and build community awareness.
Capacity Grants – Habitat Conservation Trust Foundation	28-Feb-26	This grant supports communities as they build the skills, planning, and early-stage capacity needed to design and deliver conservation projects that benefit fish, wildlife, and their habitats.
Age-friendly Communities Program – BC Healthy Communities	12-Mar-26	The Age-friendly Communities Grant Program helps communities respond to aging populations by supporting initiatives that promote independence, inclusion, and community participation among older adults.
Local Government Development Approvals – Union of BC Municipalities	13-Mar-26	This program supports BC local governments in improving and modernizing their development approvals processes. The program funds projects that streamline approvals, improve efficiency, align with best practices, and support innovation, including standardized housing designs and modern construction methods.
Residential Resilience Financing – Green Municipal Fund	01-Jun-26	This program helps Canadian municipalities expand or design Property Assessed Clean Energy–based financing programs that support homeowners in completing climate adaptation upgrades. This funding supports studies that integrate resilience measures like flood protection, wildfire mitigation, and extreme weather retrofits into existing home energy financing programs.

**CONCLUSION**

The CRD recognizes grants as a supplementary funding source to address the needs of services provided to the region. The External Grants Update outlines how the CRD continues to integrate and consider grant opportunities relative to service needs. Local partners are informed of these opportunities through the Grants Dashboard and Grants Alerts. The CRD will continue to provide a bimonthly summary of activities and outcomes in the External Grants Update.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services and Corporate Grants
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer




**ATTACHMENTS**

- Appendix A: 2026 External Grants Dashboard
- Appendix B: 2026 Grant Alerts

**APPENDIX A**

## 2026 EXTERNAL GRANTS DASHBOARD

(updated 13-Feb-26)

 Approved	 Pending	 Declined
1	19	1
\$83,000	\$47,825,020	\$23,903,488

### 2026 Approved Grants

Department	Grant Program	Project	Total Project Budget (\$)	Grant Request		Submitted
				\$	% of Total Budget	
Housing, Planning and Protective Services	New Horizons for Seniors Program – Employment and Social Development Canada *New	Community Approach to Combating Loneliness	83,000	83,000	100%	Jun 2025
			Total	83,000		

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 **2026 Pending Grants**

Department	Grant Program	Project	Total Project Budget (\$)	Grant Request		Submitted
				\$	% of Total Budget	
Electoral Area Services	Outdoor Recreation Fund of BC – Outdoor Recreation Council of BC	Henderson Park Information Kiosk	10,000	5,000	50%	Jan 2025
	New Horizons for Seniors Program – Employment and Social Development Canada	Dinner Bay Seniors Fitness Circuit Expansion and Programming (2025)	50,000	25,000	25%	Sep 2025
	Community Grants – Salt Spring Island Foundation	Integrated Housing Strategy Action Plan	60,000	10,000	17%	Mar 2025
	Community Grants – Salt Spring Island Foundation	SIMS Gym Inflatable Play Equipment	9,625	9,625	100%	Mar 2025
	Strategic Priorities Fund – Union of BC Municipalities	Rainbow Recreation Centre Building Envelope Renewal Project	1,800,000	1,750,000	97%	Sep 2025
	Transit Minor Betterments Grants – Ministry of Transportation and Transit	SSI Visitor Center Bus Shelter	70,000	65,000	93%	Oct 2025
	Community Placemaking Program – Island Coastal Economic Trust	Thieves Bay Community Pavilion	117,732	40,000	34%	Oct 2025

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Department	Grant Program	Project	Total Project Budget (\$)	Grant Request		Submitted
				\$	% of Total Budget	
Electoral Area Services (Continued)	Outdoor Recreation Fund of BC – Outdoor Recreation Council of BC *New	Sturdies Bay Trail Improvements	20,000	10,000	50%	Jan 2026
	Jumpstart Community Development Grants – Canadian Tire Jumpstart Charities *New	Mayne Island Summer Sports Camp	7,700	2,050	27%	Feb 2026
Housing, Planning & Protective Services	Public Notification and Evacuation Route Planning Grant – Union of BC Municipalities	Evacuation Planning & Mapping for Electoral Areas	40,000	40,000	100%	Apr 2025
	Community Resiliency Investment Program – Union of BC Municipalities	2026 CRD FireSmart Community Funding and Support	700,000	700,000	100%	Nov 2025
	Community Emergency Preparedness Fund – Union of BC Municipalities	2025 Volunteer and Composite Fire Departments Equipment and Training	208,750	208,750	100%	Nov 2025
	Community Emergency Preparedness Fund – Union of BC Municipalities *New	2026/27 EOC Equipment and Training	30,000	30,000	100%	Feb 2026
Infrastructure & Water Services	Strategic Priorities Fund – Union of BC Municipalities	Main No. 1 HGL Increase	15,800,000	7,000,000	44%	Sep 2025

**APPENDIX A**

Department	Grant Program	Project	Total Project Budget (\$)	Grant Request		Submitted
				\$	% of Total Budget	
Parks, Recreation & Environmental Services	Forest Investment Program – Ministry of Forestry	Sooke Hills Wildfire Recovery Project	40,000	40,000	100%	Nov 2024
	Active Transportation Fund – Housing, Infrastructure and Communities Canada	Regional Trestles Renewal and Trails Widening and Lighting Project	55,477,592	29,939,595	54%	Feb 2025
	Local Leadership for Climate Adaptation – Green Municipal Fund	Coles Bay Shoreline Restoration Project	1,000,000	800,000	80%	Aug 2025
	Strategic Priorities Fund – Union of BC Municipalities	SEAPARC Recreation Infrastructure Growth Plan	180,000	150,000	83%	Sep 2025
	Strategic Priorities Fund – Union of BC Municipalities	Advanced Biosolids Processing Project	10,000,000	7,000,000	70%	Sep 2025
			<b>Total</b>	<b>47,825,020</b>		

**APPENDIX A**




**X** 2026 Declined Grants

Department	Grant Program	Project	Total Project Budget (\$)	Grant Request		Year Submitted
				\$	% of Total Budget	
Infrastructure & Water Services	Canada Housing Infrastructure Fund – Housing, Infrastructure and Communities Canada *New	Main No. 4 Upgrade & Bear Hill Trunk Watermain	62,072,331	23,903,488	39%	Mar 2025
			Total	23,903,488		




## APPENDIX B

### 2026 GRANT ALERTS




#### Open Grants as of 13-Feb-26 (Including CRD Applications Approved, Pending and Declined)

Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
19-Feb-26	Education and Awareness Project Funding – Electric Vehicle Test Drives and Charging Education – Natural Resources Canada <a href="#">[LINK]</a> *New	This funding supports Canada’s transition to net-zero emissions by cost-sharing projects that increase confidence and practical understanding of EV charging through experiential learning and targeted education for key enablers.						
27-Feb-26	Emergency Operations Centres Equipment and Training – Union of BC Municipalities <a href="#">[LINK]</a> *New	This fund supports BC local governments and Indigenous communities in improving their Emergency Operations Centres. Funding helps purchase equipment, supplies, and training needed to strengthen emergency response capacity in a changing climate.						
28-Feb-26	Kal's Replay Fund – Kal Tire Ltd. <a href="#">[LINK]</a> *New	Kal’s RePlay Fund provides grants for public infrastructure upgrades using recycled rubber products. Funding is for the purchase and installation of recycled rubber products.						
28-Feb-26	Community Grant – Habitat Conservation Trust Foundation <a href="#">[LINK]</a> *New	This program offers small grants to support conservation projects that involve volunteers and build community awareness.						
28-Feb-26	Capacity Grants – Habitat Conservation Trust Foundation <a href="#">[LINK]</a> *New	This grant supports communities as they build the skills, planning, and early-stage capacity needed to design and deliver conservation projects that benefit fish, wildlife, and their habitats.						




## APPENDIX B

Approved 	Pending 	Declined 
DEADLINE	PROGRAM	DESCRIPTION
12-Mar-26	Age-friendly Communities Program – BC Healthy Communities <a href="#">[LINK]</a> *New	The Age-friendly Communities Grant Program helps communities respond to aging populations by supporting initiatives that promote independence, inclusion, and community participation among older adults.
13-Mar-26	Local Government Development Approvals – Union of BC Municipalities <a href="#">[LINK]</a> *New	This program supports BC local governments in improving and modernizing their development approvals processes. The program funds projects that streamline approvals, improve efficiency, align with best practices, and support innovation, including standardized housing designs and modern construction methods.
31-Mar-26	Regional Homebuilding Innovation Initiative in British Columbia – Government of Canada <a href="#">[LINK]</a>	Funding to support local innovative housing solutions across B.C.
01-Jun-26	Residential Resilience Financing – Green Municipal Fund <a href="#">[LINK]</a> *New	This program helps Canadian municipalities expand or design Property Assessed Clean Energy (PACE)-based financing programs that support homeowners in completing climate adaptation upgrades. This funding supports studies that integrate resilience measures like flood protection, wildfire mitigation, and extreme weather retrofits into existing home energy financing programs.
31-Mar-27	Codes Acceleration Fund – Natural Resources Canada <a href="#">[LINK]</a>	Funding to accelerate the adoption of the highest feasible energy performance such as net-zero emissions codes, promote compliance and build capacity in two streams: <ol style="list-style-type: none"> <li>1. Regional and municipal governments that have the authority to adopt energy by-laws and codes</li> <li>2. Regional and municipal governments that do not have authority to adopt building energy by-laws and codes</li> </ol>



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Approved 		Pending 	Declined 
Continuous	The Canadian Agricultural Strategic Priorities Program – Agriculture and Agri-Food Canada <a href="#">[LINK]</a>	Funding for projects that help the agricultural sector remain competitive, respond to emerging issues, and adapt to new opportunities. It supports sector-wide solutions that strengthen sustainability, innovation, strategic planning, and crisis response.	
Continuous	Compensation for Employers of Reservists Program – Employment and Social Development Canada <a href="#">[LINK]</a>	Funding to provide financial support to civilian employers—and self-employed reservists—to help offset operational costs when a reservist-employee is away from the workplace due to military commitments.	
Continuous	Foreign Credential Recognition Program – Employment and Social Development Canada <a href="#">[LINK]</a>	Funding for governments and organizations to improve foreign credential recognition and help skilled newcomers integrate into their fields in Canada.	
Continuous	Community Giving – Canadian Western Bank Financial Group <a href="#">[LINK]</a>	Funding to support organizations that enable business or promote inclusivity.	
Continuous		Funding to create and transform public spaces that foster positive social, economic, cultural, and environmental impacts. <ul style="list-style-type: none"> <li><i>Parks, Recreation &amp; Environmental Services, Thieves Bay Community Pavilion</i></li> </ul>	
Continuous	Capital and Innovation Program – Island Coastal Economic Trust <a href="#">[LINK]</a>	Funding to support sustainable economic diversification and growth that strengthens wellbeing in coastal communities.	




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Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
Continuous	Agriculture Water Infrastructure Program (AWP) - Stream 3: Assessments, Engineering Studies or Plans – Investment Agriculture Foundation of BC <a href="#">[LINK]</a>	Funding to increase adoption of efficient irrigation infrastructure and improve agricultural water supply and management in British Columbia.						
Continuous	AgriMarketing Program – Agriculture and Agri-Food Canada <a href="#">[LINK]</a>	Funding to increase and diversify exports to global markets and seize market opportunities via industry-led promotional activities to differentiate Canadian products and producers.						
Continuous	Affordable Housing Fund – Canada Mortgage and Housing Corporation <a href="#">[LINK]</a>	Funding to provide capital to partnered organizations for new affordable housing and the repair and renewal of existing affordable and community housing.						
Continuous	Affordable Housing Innovation Fund – Canada Mortgage and Housing Corporation <a href="#">[LINK]</a>	<p>Funding for innovative housing providers driving innovation across the housing continuum.</p> <p>For this program, 3 types of innovation are considered:</p> <ol style="list-style-type: none"> <li>1. Transformational: Creates a new model that eliminates or totally transforms existing approaches.</li> <li>2. Breakthrough: Meaningful change resulting in a demonstrably new approach that results in a substantial competitive edge.</li> <li>3. Incremental: “New and improved” reflecting small, yet meaningful improvements in an existing approach.</li> </ol>						
Continuous	Infrastructure Planning Grant Program – Province of BC <a href="#">[LINK]</a>	<p>Funding to help local governments develop or improve long-term comprehensive plans including, and not limited to:</p> <ul style="list-style-type: none"> <li>• Asset management plans</li> <li>• Integrated stormwater management plans</li> </ul>						




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Approved 		Pending 	Declined 
DEADLINE	PROGRAM	DESCRIPTION	
		<ul style="list-style-type: none"> <li>• Water master plans</li> <li>• Liquid waste management plans</li> </ul>	
Continuous	Canada Retraining and Opportunities Initiative – Employment and Social Development Canada <a href="#">[LINK]</a>	Funding for community-based projects that help workers develop the skills they need to transition to new jobs.	
Continuous	Capital project: GHG impact retrofit – Green Municipal Fund <a href="#">[LINK]</a>	Funding for retrofitting a local recreational or cultural facility to reduce GHG emissions	
Continuous (limited funds)	The Living Cities Canada Fund (2024) – Green Communities Canada <a href="#">[LINK]</a>	For small-scale green infrastructure projects.	
Continuous (limited funds)	Go Electric – CleanBC <a href="#">[LINK]</a>	Funding to support fleet transition to electric vehicles.	
Continuous (limited funds)	Rural Transit Solutions Fund Planning and Design Stream – Infrastructure Canada <a href="#">[LINK]</a>	Planning and design project funding to support the development and expansion of locally driven transit solutions.	




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Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
Continuous	Local Community Accessibility Grant Program – Social Planning and Research Council of BC (SPARC BC) <a href="#">[LINK]</a>	Funding to identify and remove barriers to improve accessibility and inclusion.						
Continuous	CleanBC Custom Program – BC Hydro <a href="#">[LINK]</a>	Energy study funding and capital incentives for fuel switching and electrification measures.						
Continuous	Integrated Energy Audit – BC Hydro <a href="#">[LINK]</a>	An integrated energy audit to Improve efficiency and managing energy costs.						
Continuous	Legacy Fund – Building Communities through Arts and Heritage – Canadian Heritage <a href="#">[LINK]</a>	Funds to celebrate community, increase opportunities for local artists, artisans, heritage performers or specialists and First Nations, Inuit and Metis cultural carriers to be involved in their community with citizen involvement and local partners.						
Continuous (limited funds)	Community Buildings Retrofit Initiative – Green Municipal Fund <a href="#">[LINK]</a>	Retrofit existing community buildings to lower green house gas (GHG) emissions and extend their life cycle.						
Continuous	Clean Energy for Rural and Remote Communities Program – Natural Resources Canada <a href="#">[LINK]</a>	Provides funding for renewable energy and capacity building projects in rural and remote communities. Accepting application for only two steams: <ol style="list-style-type: none"> <li>1. Biomass heating, district heating, combined heat and power systems</li> <li>2. Research, development, and demonstration projects</li> </ol>						




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Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
Continuous	Multiculturalism and Anti-Racism Program – Events Component – Canadian Heritage <a href="#">[LINK]</a>	Funding for community-based events that promote intercultural or interfaith understanding or celebrate a community’s history and culture.						
Continuous	Connecting British Columbia Program – Phase Two: Connectivity Infrastructure Strategy <a href="#">[LINK]</a>	To support the development of regional connectivity infrastructure strategies that ensure that infrastructure strategies achieve objectives for the region.						
Continuous	Community Economic Development and Diversification in British Columbia – Pacific Economic Development Canada <a href="#">[LINK]</a>	Funds to respond to economic development opportunities or adjust to changing and challenging economic circumstances.						
Continuous	Rental Protection Fund – Ministry of Housing <a href="#">[LINK]</a>	Provides funding for affordable housing projects.						
Continuous	National Institute of Disability Management and Research (NIDMAR) Disability Management Program Assessment – NIDMAR – BC Workforce Development Agreement <a href="#">[LINK]</a>	Provides BC workplaces with two levels of opportunity: <ol style="list-style-type: none"> <li>1. Free assessment of current Disability Management and Return to Work workplace structures</li> <li>2. Subsidy of up to \$7,500 to address issues identified in the assessment.</li> </ol>						
Continuous	Supporting Rural Destinations – Discover West Tourism <a href="#">[LINK]</a>	Funding for tourism events in rural communities.						




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Approved 			Pending 			Declined 		
DEADLINE	PROGRAM			DESCRIPTION				
Continuous	Capital project: Retrofit of existing municipal buildings – Federation of Canadian Municipalities <a href="#">[LINK]</a>			Retrofit a municipal building or portfolio of municipal buildings for higher energy performance and significant GHG emissions reduction.				
Continuous	Homelessness Community Action Grants Program – SPARC <a href="#">[LINK]</a>			One-time funding for local planning and collaborative initiatives to respond to the needs of those who are homeless or at risk of becoming homeless.				
Continuous	Canada Cultural Spaces Fund – Canadian Heritage <a href="#">[LINK]</a>			Funding for improvement of physical conditions for heritage, culture and creative innovation including renovation and construction projects.				
Continuous	Retrofit or New Construction of Sustainable Affordable Housing – Green Municipal Fund <a href="#">[LINK]</a>			Funding to evaluate solutions for integrating deep energy efficiency measures and onsite renewable energy generation in existing affordable housing retrofit and new build projects.				
Continuous	GHG Impact Retrofit – Federation of Canadian Municipalities <a href="#">[LINK]</a>			Funding to retrofit a local recreational or cultural facility to reduce GHG emissions.				
Continuous	Commemorate Canada – Canadian Heritage <a href="#">[LINK]</a>			Funding for initiatives that commemorate and celebrate historical figures, places, events and accomplishments of national significance.				




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Approved 			Pending 			Declined 		
DEADLINE	PROGRAM			DESCRIPTION				
Continuous	GHG Reduction Pathway Feasibility – Green Municipal Fund – Federation of Canadian Municipalities <a href="#">[LINK]</a>			Funding to assess feasibility for projects that reduce energy and GHGs for recreational and cultural facilities.				
Continuous	McConnell Foundation Fund <a href="#">[LINK]</a>			Funding to support projects through three streams: 1. Climate 2. Reconciliation 3. Communities				
Continuous	Medium and Heavy Duty Zero Emission Vehicles Program – Transport Canada <a href="#">[LINK]</a>			Funding to encourage adoption of medium and heavy-duty zero emissions vehicles.				
Continuous	Planning Stream: Early Support Grant for Sustainable Affordable Housing Projects – Green Municipal Fund <a href="#">[LINK]</a>			Funds for deliverables required in applications for additional funding of energy efficient affordable housing				
Continuous	Capital project: Municipal Fleet Electrification – Green Municipal Fund <a href="#">[LINK]</a>			Funding for feasibility studies for projects that reduce or avoid fossil fuel use in any vehicle that delivers municipal services				




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Approved 	Pending 	Declined 
DEADLINE	PROGRAM	DESCRIPTION
Continuous	Regional Innovation Ecosystems in BC – Pacific Economic Development Canada <a href="#">[LINK]</a>	Funding to create, grow and nurture inclusive ecosystems that support business needs
Continuous	Smart Renewables and Electrification Pathways Program – Natural Resources Canada <a href="#">[LINK]</a>	Four funding streams: <ol style="list-style-type: none"> <li>1. Established Renewables</li> <li>2. Emerging Technologies</li> <li>3. Grid Modernization (the only eligible Applicants are Utilities and System Operators)</li> <li>4. Strategic Dialogue Linked Projects</li> </ol>
Continuous	Zero Emission Transit Fund – Infrastructure Canada <a href="#">[LINK]</a>	Funding through two components to support public transit and school bus operators to electrify their fleets: <ol style="list-style-type: none"> <li>1. Planning projects</li> <li>2. Capital projects</li> </ol>
Continuous	ECO Employment Programs – Environmental Careers Organization of Canada <a href="#">[LINK]</a>	Funding for training and employment to support job seekers looking to enter or advance their careers in the clean economy.

## APPENDIX B




Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
Continuous	Nature Smart Climate Solutions Fund – Environment and Climate Change Canada <a href="#">[LINK]</a>	Funding for projects that reduce the loss, restore, or improve the management of ecosystems.						
Continuous		<i>Executive Services, SSI Visitor Center Bus Shelter</i>						
Continuous	Feasibility study: Green Buildings Pathway –	This program provides funding for studies that explore energy-saving retrofits in						
Continuous	Business case: Community Energy Systems –	This funding supports viability assessments of community energy projects and their						
Continuous	Capital project: Organic Waste-to-Energy – Green	Funding for the construction and operation of organic waste to energy systems.						

**APPENDIX B**

Approved 	Pending 	Declined 
Continuous	Federal Lands Initiative – Canada Mortgage and Housing Corporation <a href="#">[LINK]</a>	Discounted or no cost surplus land for affordable housing developments.
Various	Community Emergency Preparedness Fund – UBCM <a href="#">[LINK]</a>	<ul style="list-style-type: none"> <li><i>Housing, Planning &amp; Protective Services, 2026/27 EOC Equipment and Training</i> <sup>*New</sup></li> </ul>

## APPENDIX B

### Closed Grants

Approved 			Pending 			Declined 		
DEADLINE	PROGRAM	DESCRIPTION						
15-Jan-26	TD Friends of the Environment Foundation Grant - Winter 25/26 – TD Friends of the Environment Foundation	Support for a wide range of environmental initiatives, with a primary focus on environmental education and green space programs. Eligible projects include schoolyard greening, park revitalization, community gardens, park programming and citizen science initiatives.						
20-Jan-26	Outdoor Recreation Fund of BC – Outdoor Recreation Council of BC <sup>*New</sup>	Provides funding for initiatives that create and shape outdoor recreational and nature-based experiences.  <i>Electoral Area Services, Sturdies Bay Trail Improvements <sup>*New</sup></i>						
20-Jan-26	EcoAction Stream 2: Freshwater Sustainability and Innovation across Canada – Canada Water Agency <sup>*New</sup>	This program supports projects that improve freshwater quality, ecosystem health, and freshwater management through innovation, clean technology, circular economy approaches, and improved data use.						
30-Jan-26	Indigenous Cultural Safety and Cultural Humility Training – UBCM	Funding for Indigenous cultural safety and cultural humility training for emergency management personnel in BC.						
06-Feb-26	Community Development Grants – Canadian Tire Jumpstart Charities <sup>*New</sup>	<ul style="list-style-type: none"> <li><i>Electoral Area Services, Mayne Island Summer Sports Camp <sup>*New</sup></i></li> </ul>						

## **APPENDIX B**



Making a difference...together

**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 04, 2026**

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**SUBJECT**     **Capital Regional District Investment Portfolio Holdings and Performance  
Annual Update**

**ISSUE SUMMARY**

To provide an annual update on Capital Regional District (CRD) investment holdings and performance for the period ended December 31, 2025.

**BACKGROUND**

The CRD invests its operating, capital and reserve funds in accordance with the *Local Government Act, Community Charter* and Board approved Investment Policy (Appendix A). The Investment Policy governs the investment activities of all funds held by the CRD, the Capital Region Housing Corporation (CRHC) and the Capital Regional Hospital District (CRHD). All investment decisions are guided by four fundamental objectives: preservation of principal, liquidity, responsible investing and optimizing return on investment in alignment with policy requirements.

The policy also establishes minimum credit rating thresholds for eligible investments. Currently, investments with chartered banks or savings institutions must carry a minimum rating of R-1 for short-term and A- for long-term investments, as published by major credit rating agencies. These ratings are generally regarded as reflecting strong credit quality and a high degree of safety on investments.

Investment holdings are actively monitored to ensure alignment with the appropriate strategy and evolving economic conditions. The CRD investments include high interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) pooled funds. Investment placements and divestitures are aligned with forecasted cashflow requirements.

Investments through 2025 have been made in alignment with the Board approved Investment Policy. Although economic and market conditions drove fluctuations and uncertainty in the portfolio, performance exceeded the benchmark rate, as detailed in the report.

**IMPLICATIONS**

*Financial Implications*

**Portfolio Holdings**

As of December 31, 2025, the CRD investment portfolio totaled \$386.2 million. A detailed listing by investment type is included in Appendix C. Table 1 summarizes the distribution of the portfolio in short and long-term investments.

**Table 1: CRD Investment Results – Summary as of December 31, 2025**

Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)	240.4	62.2%
Investments Long-Term (more than 2 years)	145.8	37.8%
<b>Total Investments:</b>	<b>\$386.2</b>	<b>100%</b>

As noted in Table 1, the CRD investment portfolio on December 31, 2025, was distributed 62%/38% to short-term and long-term investments respectively. As detailed in the Board approved Investment Policy, products with maturities less than two years are classified as short-term while those greater than two years are classified as long-term.

**Performance**

The total effective return on investments during 2025 was \$17.4 million, representing a return of 4.5%. Performance was primarily driven by higher interest rates in the first half of the year, positively impacting the returns on HISAs and GICs.

Table 2 summarizes investment income by driver for the last three years.

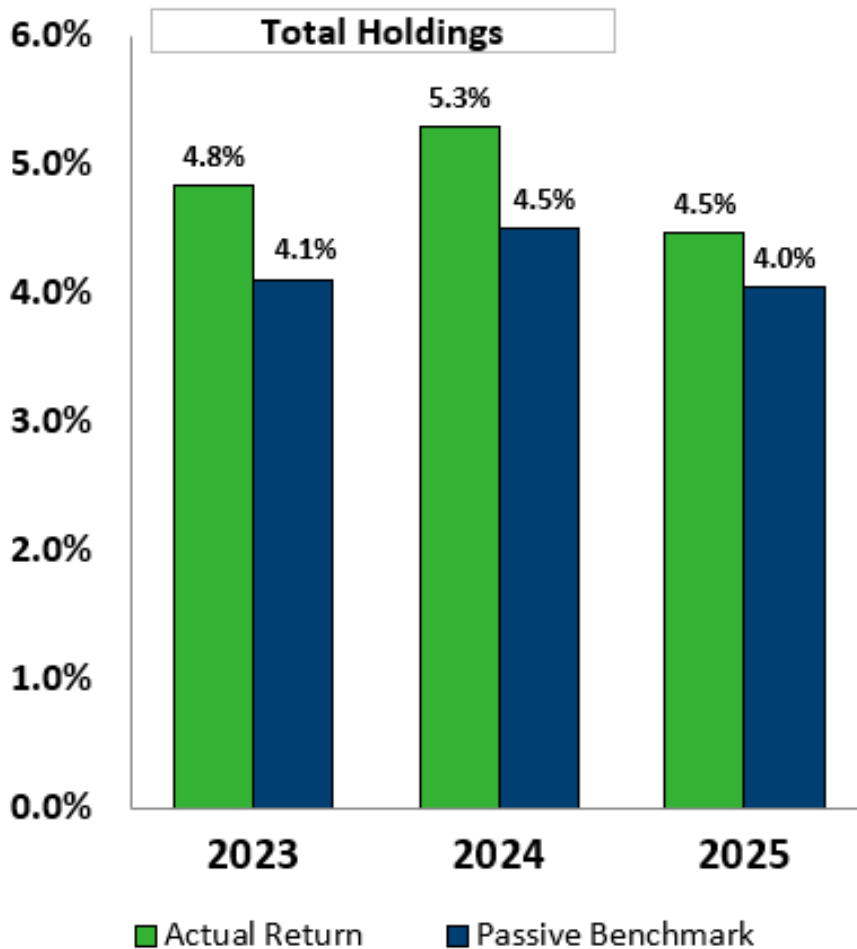
**Table 2: Investment Income Three-Year Trend (\$ Millions)**

	2023		2024		2025	
Passive Benchmark	4.1%	\$14.9	4.5%	\$16.6	4.0%	\$15.3
Active Management	0.7%	\$2.7	0.8%	\$3.0	0.5%	\$2.1
<b>Total</b>	<b>4.8%</b>	<b>\$17.6</b>	<b>5.3%</b>	<b>\$19.6</b>	<b>4.5%</b>	<b>\$17.4</b>

As shown in Table 2, the passive benchmark approach reflects investment returns that would be achieved without active management. The benchmark is calculated using the weighted average of holdings across investment categories including GICs, HISAs and MFA pooled funds. This methodology provides a more accurate representation of portfolio holdings, accounting for differences in passive investment returns based on their respective category.

Graph 1 provides a summary report on investment returns in 2025.

Graph 1: CRD Investment Results – 2025



In 2025, the Bank of Canada reduced the overnight interest rate four times, lowering the policy rate from 3.25% at the start of the year to 2.25% by October, where it remained through year-end. Additional information can be found in Appendix B.

During 2025, the CRD recorded average monthly cash outflows of \$45.2 million across operating, capital and financing activities. Significant investments were made across several service areas including the \$33.3 million acquisition of the Kapoor Lumber Company lands (with ownership transferring to the CRD in September 2025) to support long-term protection of the region’s primary water supply. Major capital projects were also undertaken at Hartland, including the Renewable Natural Gas initiative and Cell 5 liner project. Additional investments included the Verdier land acquisition (supporting the Rapid Housing Funding Program) and infrastructure renewals and upgrades in Regional Water, Juan de Fuca Water Distribution and Regional Parks.

Strong cash flow forecasting supported active liquidity management throughout the year. Funds were strategically shifted between HISAs and GIC placements as cash requirements evolved, maximizing interest income while maintaining liquidity and compliance with the Investment Policy. Further details are provided in Appendix C.

Socially Responsible Investing Alignment

Investments are considered in alignment with responsible investing objectives when identified as meeting the criteria defined by MFA in their Environmental, Social and Governance Framework (Appendix D). As of December 31, 2025, 29% of the long-term portfolio was invested in socially responsible investment products compared to 28% in the prior year.

**CONCLUSION**

Overall, the CRD portfolio of investments reflects the four fundamental objectives of safety of principal, liquidity, responsible investment and return on investment. Investments have been made in keeping with requirements under the Investment Policy and investment performance generally exceeded expectations for the year ending December 31, 2025.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Andrew Hoge, CFA, CPA, CGA, Mgr., Corporate Finance & Treasury
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: Investment Policy
- Appendix B: Market Analysis
- Appendix C: Investment Holdings and Performance
- Appendix D: Municipal Finance Authority's Suite of Pooled Investment Products



## CAPITAL REGIONAL DISTRICT

Making a difference...together

### INVESTMENT POLICY

Policy Type	Board [Corporate]		
Title	INVESTMENT POLICY		
Adopted Date	September 22, 2013	Policy Number	BRD07
Amendment #1	May 10, 2017		
Amendment #2	March 10, 2021 (Approved)		
Amendment #3	March 9, 2022 (Approved)		
Policy Owner	Financial Services		

#### 1. PURPOSE

This investment policy provides the framework for investment portfolio management for the Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC).

It is the policy of the CRD, CRHD and CRHC to invest funds in a manner that provides the optimal blend of investment security and return while meeting the short and long term cash flow requirements in support of the corporate plan priorities while maintaining compliance with statutory requirements.

#### 2. SCOPE

The investment policy applies to all cash operating funds, capital funds and reserve funds. It does not apply to funds held in trust or which have a specific legal or statutory requirement for cash management, disbursement, or investment.

#### 3. PRINCIPLES

The investment of funds must reflect a management philosophy based on the fundamental objectives of

##### 3.1 Safety of Principal

Investments shall be made to ensure preservation of principal within the portfolio. Preservation of principal is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on financial products.

##### 3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated cash flow requirements.

##### 3.3 Responsible Investing

The investment program will consider socially responsible investment products that adhere to statutory requirements and meet the objectives laid out in this policy.

Organizations that adopt a socially responsible investment platform in alignment with the published MFA ESG framework are preferred

### **3.4 Return on Investment**

The investment portfolio shall be designed with the objective of maximizing market rate of return subject to the investment risk constraints, liquidity requirements and responsible investing objectives.

## **4. INVESTMENT PARAMETERS**

### **4.1 Safety of Principal**

The program will diversify cash reserve investments by security type and institution, taking into consideration the impact on return on investment. Section 5.4 outlines the authorized and suitable investments permissible to ensure optimal portfolio diversification.

### **4.2 Liquidity**

To the extent possible, portfolio management will align investments with anticipated cash flow requirements. However, a portion of the portfolio shall be continuously invested in fully-liquid investments to meet ongoing obligations.

A long-term financial plan will be established for major capital reserves. The long-term financial plan will inform the term decision when placing timed investments in order to meet liquidity requirements.

### **4.3 Responsible Investing**

Where responsible investment options provide comparable risk, return and liquidity, these facilities will be a priority. Investments are considered in alignment with responsible investing objectives when identified as meeting criteria as defined by MFA within the published MFA ESG Framework.

### **4.4 Return on Investment**

The investment program will seek to maximize the total return on all funds under management after considering protection of principal, liquidity and responsible investing. Return will be monitored through performance benchmarks to ensure program activities are providing benefits in excess of costs and with the goal to preserve capital against inflation over time. Due to the nature of the CRHC business activities, delivering affordable housing within the social service sector, CRHC will be excluded from holding lower return products.

### **4.5 Authorized and Suitable Investments**

Money held may be invested or reinvested according to section 183 of the *Community Charter* subject to the following conditions:

1. Investments in marketable securities of a chartered bank or savings institution or any province must have a DBRS risk rating of R-1 (low) or higher for short-term debt and a rating of A (low) for long-term debt or comparable ratings of another rating organization, indicating equal or superior credit quality (see Appendix A of this policy).

2. Investment placements will conform to the portfolio diversification constraints listed in Appendix B. Exceptions to constraints listed in Appendix A require Chief Financial Officer approval and shall be reported to the Board through Standing Committee at the next available meeting.
3. Internal projects under CRD service authority are considered allowable investment options when capital reserves are not immediately required and can be accessed through inter-service borrowing. Inter-service borrowing will be in compliance with legislation and the CRD Inter-Service Borrowing Guidelines.

## 5. STANDARD OF CARE

### 5.1 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

### 5.2 Ethics and Conflict of Interest

Staff responsible for investing activities shall comply with the CRD Conflict of Interest Policy and shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

### 5.3 Delegation of Authority

Authority to manage the investment program (“the Program”) is granted to the Chief Financial Officer and is derived from section 237 of the *Local Government Act*.

### 5.4 Credit Risk Monitoring

To meet the objectives of this policy and ensure suitability of offerings, credit risk monitoring must be conducted by CRD Staff independent of vendor representations. The following due-diligence shall be performed:

1. In-house credit analysis shall be conducted on all financial institutions and investment counter-parties.
2. Credit reports and analysis, published by DBRS, S&P, Fitch or Moody’s, will be obtained from financial institutions, investment dealers and rating institutions and reviewed.
3. Credit reports and analysis are recognized as opinions and not a guarantee for safety of principal.
4. When placing investments in individual marketable securities and more than one credit rating is available, the average of two or more available credit ratings shall be used.

**5.5 Consolidated Basis**

All funds covered by this policy will be managed on a consolidated basis to ensure the best possible return by providing economies of scale.

**5.6 Program Requirements**

The Program shall abide by the following reporting requirements:

1. The Chief Financial Officer must report to the Finance Committee annually. The report must identify investment holdings and any deviations from this policy; and
2. An appropriate portfolio performance benchmark will be set and reported in the annual investment performance report.

**6. POLICY REVIEW**

<b>Review Date</b>	<b>Description:</b>
March 2026, unless legislative change or new MFA finance product	To ensure ongoing relevance, this policy shall be reviewed the earlier of: <ol style="list-style-type: none"> <li>1. If a change in the relevant legislation governing the investment activities of local governments occurs;</li> <li>2. If the Municipal Finance Authority of British Columbia establishes a new pooled fund investment product; or</li> <li>3. Every five calendar years.</li> </ol>

**7. RELATED POLICY, PROCEDURE AND GUIDELINES**

- Conflict of Interest Policy

**Appendix A**  
**Dominion Bond Rating Service (DBRS) Credit Quality Ratings**

<b>Commercial Paper &amp; Short-Term Debt</b>	<b>Bond &amp; Long-term Debt</b>	<b>Bond &amp; Long-term Debt</b>	<b>Description</b>	<b>CRD/CRHD/CRHC Investment Policy</b>
R-1 (high)	AAA	Investment Grade ↑	Superior	Permissible
R-1 (high)	AA (high)			
R-1 (middle)	AA			
R-1 (middle)	AA (low)			
R-1 (low)	A (high)		Good	
R-1 (low)	A			
R-1 (low)	A (low)			
R-2 (high)	BBB (high)	Speculative Grade	Adequate	Not Permissible
R-2 (middle)	BBB			
R-2 (low) / R-3	BBB (low)			
R-4	BB (high)		Speculative	
R-4	BB			
R-4	BB (low)			
R-4	B (high)			
R-5	B		Highly Speculative	
R-5	B (low)			
R-5	CCC			
R-5	CCC			
R-5	CCC			
R-5	CC			
R-5	C			
D	D		Default	

## Appendix B Portfolio Diversification Constraints

**Exposure constraints target protection of principal and return and set a maximum allowable share of the total portfolio that can be invested.**

Due to market fluctuations and / or the timing of investment deposit transfers, maximum percentages in Appendix C may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

The portfolio diversification constraints are found in Table 1 below:

Table 1: **Portfolio Diversification Constraints**

Investment Type	MAXIMUM of Total Reserves	MAXIMUM by Institution/product/ pooled fund
<b><u>Short-Term (&lt; 2 year holding period)</u></b>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	50%	50%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
<b><u>Long-Term (&gt; 2 year holding period)</u></b>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	60%	30%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
Internal Projects (5+ years)	30%	-
Federal Bonds	20%	10%
Municipal Finance Authority of BC Bonds	20%	20%
Provincial Bonds	15%	15%
Municipal, Regional District or Greater Board Bonds	15%	15%

## Market Analysis

### Applicable to the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD), and the Capital Region Housing Corporation (CRHC)

As part of overall portfolio management, staff regularly monitor market trends and key metrics such as the Bank of Canada overnight interest rate, the Government of Canada bond rates and other market commentary issued by banks and investment brokers. Additionally, the Municipal Finance Authority (MFA) provides regular market commentary on new product developments and based on outlook reports provided by Phillips, Hager & North Investment Management (PH&N).

The 2025 economic landscape in Canada was characterized by a gradual shift toward lower interest rates alongside elevated trade-related uncertainty. The Bank of Canada reduced its overnight policy rate early in the year, paused through the mid-year as it assessed inflation dynamics, and then eased again in the fall, ending 2025 at 2.25%.

Inflation remained close to target overall, while measures of core inflation were modestly above target, and the Bank assessed underlying inflation around the mid-2% range. Economic growth in 2025 was impacted by volatility in trade, and ongoing tariff and trade-policy uncertainty remained a key risk to the outlook.

Table 1 below presents key economic indicator rates as of December 31, 2023-2025.

**Table 1: Indicative Market Rates 2023 to 2025**

Rate	2023	2024	2025
Bank of Canada - Overnight Rate	4.25% - 5.00%	3.25% - 5.00%	2.25% - 3.25%
High Interest Savings Account (HISA)	4.80% - 5.75%	3.75% - 5.50%	2.55% - 4.00%
RBC - Bank Rate	4.70% - 5.55%	3.80% - 5.55%	2.80% - 3.80%
Fixed Guaranteed Investment Certificate (GIC) - 180 Day / 1 Year (Indicative quotes received)	5.30% - 5.60%	5.40% - 5.50%	3.30% - 3.60%

*Note: Fixed GIC rates reflect the range of rates observed from CRD's internal GIC rate database (quotes received and/or executed investments) during the year and are provided for context only.*

### Investment Marketplace

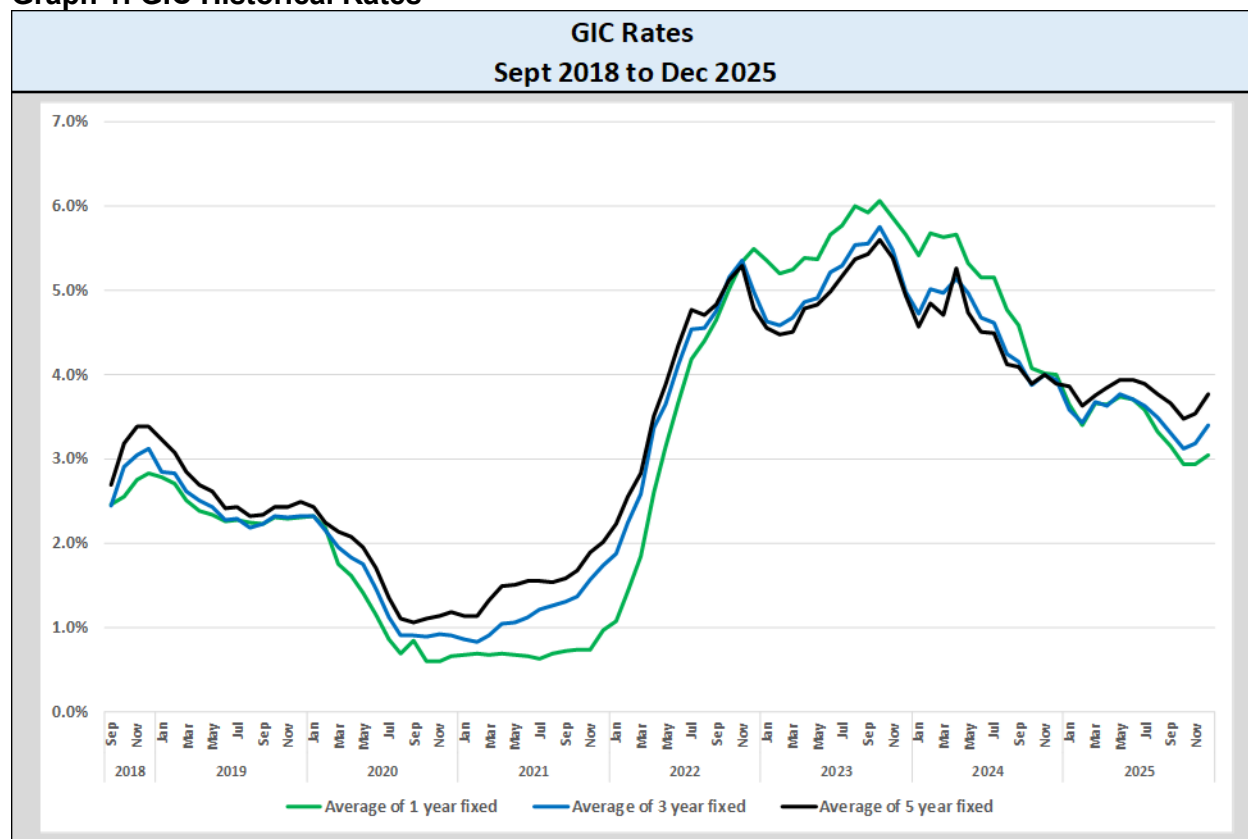
Fixed deposit rates moderated through 2025 as the Bank of Canada continued to ease monetary policy, with market yields adjusting lower across short- and mid-term maturities. Consistent with this environment, observed one- to five-year GIC rates declined versus 2024.

Despite lower yields, MFA pooled fund returns remained positive in 2025. Fixed income funds generated steady income-driven results. The Diversified Multi-Asset Class (DMAC) fund also delivered strong results, with the MFA DMAC Fund returning 13.60%, reflecting positive contributions from growth assets alongside the ongoing benefit of higher-than-pre-2022 starting yields in fixed income markets.

In 2025, HISA rates also decreased but remained competitive relative to GIC rates across most terms. As a result, year-end allocations to HISAs were increased where appropriate to optimize interest earnings while preserving liquidity and operational flexibility.

As shown in Graph 1, GIC rates were at their highest late in 2023, and have been moving lower ever since.

**Graph 1: GIC Historical Rates**



The CRD continues to hold units in the MFA Bond Fund, MFA Fossil Fuel-Free (FFF) Bond Fund, the MFA DMAC Fund and the MFA Mortgage Fund. The FFF Bond Fund invests in securities similar to the existing bond fund except that the FFF option excludes those holdings directly related to non-renewable energy extraction, processing and transportation. This additional screening is estimated to exclude approximately 4% of the population of investible securities compared to the existing bond fund.

In the calendar 2025 year, the FFF Bond Fund return closely matched the MFA Bond Fund (3.89% versus 3.90% respectively). While the FFF Fund typically allocates less to the energy sector and more to the real estate and financial sectors, these sector allocation differences had a limited

impact on performance over the year. Other MFA pooled funds delivered higher returns: the MFA Mortgage Fund returned 4.75% and the MFA DMAC returned 13.60% in 2025.

Staff will assess investment placements in existing and new MFA pooled funds in the future, for the CRD, the CRHD and the CRHC, as the need to place long-term funds arises.

## Investment Holdings and Performance

### Portfolio Holdings

On December 31, 2025, the Capital Regional District (CRD) held \$386.2 million in short-term and long-term investments, as detailed in Table 1 below.

**Table 1: CRD Investment Holdings – Dec 31, 2025**

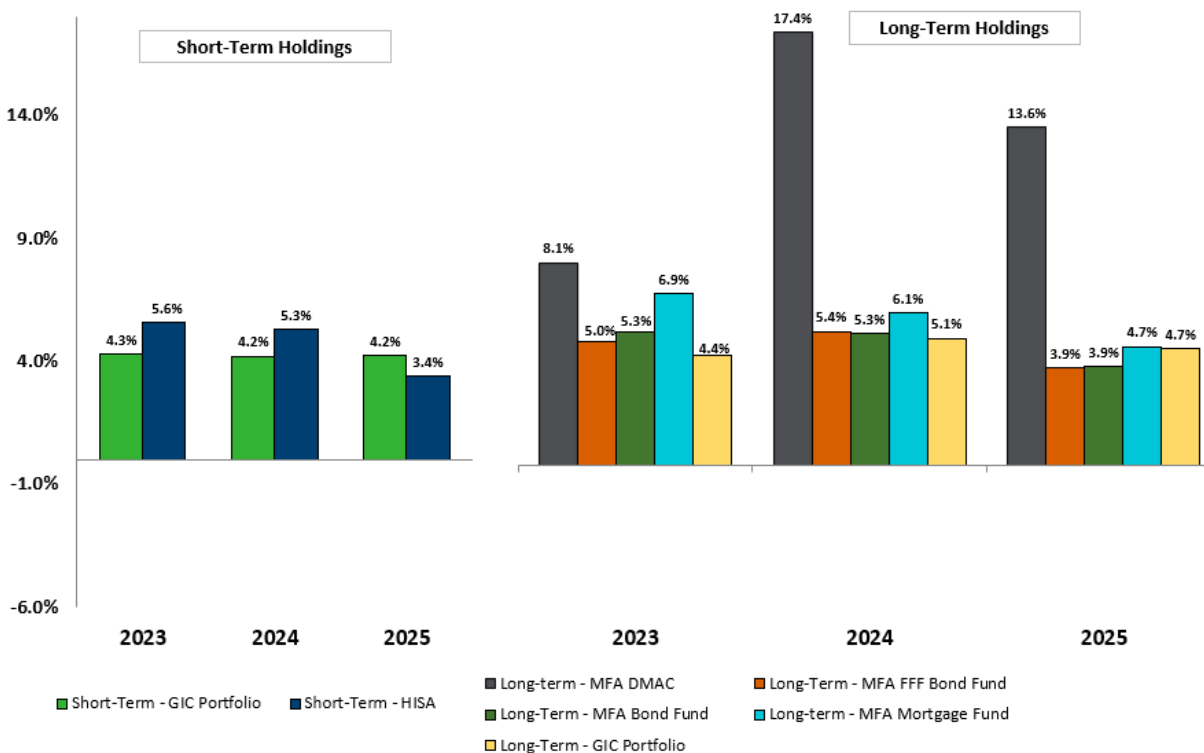
Investments	Balance (\$millions)	% Share
<b>Investments Short-Term (less than 2 years)</b>		
High Interest Savings Accounts	150.3	38.9%
Guaranteed Investment Certificates	90.1	23.3%
<b>Total Short-term:</b>	<b>240.4</b>	<b>62.2%</b>
<b>Investments Long-Term (more than 2 years)</b>		
MFA DMAC Fund	20.5	5.3%
MFA Pooled Mortgage Fund	19.5	5.1%
MFA FFF Bond Fund	33.1	8.6%
MFA Short-Term Bond Fund	37.6	9.7%
Guaranteed Investment Certificates	35.1	9.1%
<b>Total Long-term:</b>	<b>145.8</b>	<b>37.8%</b>
<b>Total Investments:</b>	<b>\$386.2</b>	<b>100%</b>

The portfolio was allocated between short-term and long-term investments in a 62%/38% split. Consistent with the Investment Policy, investments with maturities of less than two years are classified as short-term, while investments with maturities beyond two years are classified as long-term.

### Performance

Graph 1 provides a detailed report on investment returns in 2025.

Graph 1: CRD Investment Results



Short-Term Investments

Short-term investments are managed to preserve liquidity and support near-term operating and capital expenditures. These investments may include high interest savings accounts (HISAs) and guaranteed investment certificates (GICs) with varying terms, structured to align to forecast cash flow requirements.

In 2025, short-term GIC rates began the year above deposit yields but declined steadily through the year, ending slightly below deposit yields by year-end. Despite this trend, short-term investment performance remained strong.

For holdings with terms under two years, the short-term GIC portfolio generated a return of 4.2%, exceeding the benchmark of 3.6%. HISA accounts returned 3.4% compared to a benchmark of 3.0%. On a combined basis, the short-term portfolio (HISAs and GICs with under two years remaining term) achieved a return of 3.9%, outperforming the benchmark return of 3.3%.

Long-Term Investments

Long-term investments consist primarily of long-term capital reserves invested in long-term GICs and Municipal Finance Authority (MFA) pooled funds.

The long-term GIC portfolio generated a return of 4.7%, exceeding the passive benchmark of 3.5%, reflecting active GIC placements that locked in higher rates earlier in the cycle.

## APPENDIX C

In 2025, MFA pooled funds delivered the following returns: MFA Bond Fund 3.9%, MFA Fossil-Fuel-Free (FFF) Bond Fund 3.9%, MFA Mortgage Fund 4.7%, and MFA Diversified Multi-Asset Class (DMAC) Fund 13.6%.

Results were supported in part by the inverse relationship between interest rates and bond prices. As market yields declined and stabilized at lower levels through 2025, fixed-income holdings generated capital gains. At the same time, yields remained relatively elevated versus prior years, supporting higher ongoing coupon income.

On a combined basis, MFA pooled funds returned 5.7% compared to a benchmark of 5.4%. The overall long-term portfolio (MFA pooled funds and GICs with more than two years remaining term) returned 5.4% versus a benchmark of 4.8%. Excluding MFA pooled funds, the total portfolio returned 4.0%, indicating that MFA pooled funds provided a positive contribution to overall results.

## MFA’s Suite of Pooled Funds and Responsible Investment




Over the last several years the notion of ‘responsible investment’ (RI) has gained greater prominence. While improvements are evident, consistent and standardized terminology and ESG disclosures are still works-in-progress. The following information is intended to provide MFA’s Clients with a high-level understanding of how MFA’s Suite of Pooled Funds align with RI, and information and sources which can be communicated with stakeholders.

*“Responsible investment (RI) is an umbrella term used to describe a broad range of approaches for incorporating ESG considerations into the investment process. These approaches are not mutually exclusive...”*

*– RBC GAM, May 2025, Our Approach to Responsible Investment*

MFA’s Pooled Funds may be classified as one or more of the following:

- ESG Integrated
- Fossil Fuel Free
- Carbon Light

	<p><b>ESG Integrated</b></p> <ul style="list-style-type: none"> <li>• The ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns.</li> </ul>
	<p><b>Fossil Fuel Free</b></p> <ul style="list-style-type: none"> <li>• The exclusion of investments issued by companies directly involved in extracting, processing, or transporting coal, oil or natural gas.</li> </ul>
	<p><b>Carbon Light</b></p> <ul style="list-style-type: none"> <li>• An investment fund which aims to minimize its carbon impact, including up to 40% fossil fuel free.</li> </ul>





## MFA’s Pooled Investment Fund Manager and Responsible Investment

Phillips, Hager & North Investment Management (PH&N) a subsidiary of RBC Global Asset Management (RBC GAM) manages MFA’s Pooled Investment Funds<sup>1</sup>. Along with other notable commitments to responsible investment, RBC GAM is a Signatory of the [United Nations Principles of Responsible Investment](#).

### RBC Vision Funds

[RBC Vision™ Funds](#) are a family of funds that invest primarily in the securities of issuers that meet a defined set of ESG-related criteria. The suite of RBC Vision Fossil Fuel Free Funds apply an ESG exclusionary screen strategy to exclude issuers involved in the extraction, processing, and transportation of fossil fuels.

RBC Vision™ Funds are used within MFA’s Fossil Fuel Free Short-term Bond Fund, Mortgage Fund, and Fossil Fuel Free Diversified Multi-asset Class Fund.

To learn more about RBC GAM’s approach to responsible investment, please visit: <https://institutional.rbcgam.com/en/ca/responsible-investment/our-approach>.



Global Asset Management  
PH&N Institutional

### Our approach to responsible investment



At RBC Global Asset Management (RBC GAM), we believe that being an [active, engaged and responsible owner](#) empowers us to enhance the long-term, sustainable performance of our portfolios. We recognize that the rights we have as a large, global investor come with the obligation to actively use those rights in a responsible way.



We believe that issuers that manage their material ESG risks and opportunities effectively are more likely to outperform on a risk-adjusted basis, over the long term. Our investment teams integrate material ESG factors into their investment decisions for applicable types of investments<sup>1</sup>.



We have a dedicated Responsible Investment (RI) team whose role is to advance ESG integration by managing and coordinating ESG research, supporting investment team engagements with our investee companies on material ESG-related issues, overseeing our [proxy voting](#), collaborating with like-minded investors and engaging with lawmakers and regulators.



Climate change has the potential to have direct and indirect impacts on the issuers in which we invest. The potential breadth and importance of climate-related investment risk and opportunity merits a significant focus within our ESG integration efforts. For more information about our focus on climate change in our ESG integration efforts, please read [Our Approach to Climate Change](#).

## MFA’s Pooled High Interest Savings & Notice Plan Accounts and Responsible Investment

As chartered banks are not directly involved in the extraction, processing, transportation of coal, oil, or natural gas MFA considers deposits in savings and notice plan accounts offered through its Pooled High Interest Savings & Notice Plan Account Programs to be Fossil Fuel Free.

To view ESG information from the providers of MFA’s Pooled High Interest Savings & Notice Plan Accounts, please visit their websites directly.

- <https://www.nbc.ca/about-us/esg.html>
- <https://www.cibc.com/en/about-cibc/corporate-responsibility.html>
- <https://www.scotiabank.com/ca/en/about/responsibility-impact/esg-strategy.html>

<sup>1</sup> Excludes Pooled High Interest Savings & Notice Plan Accounts offered by MFA and provided through Scotiabank, National Bank, and CIBC.



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**REPORT TO FINANCE COMMITTEE  
MEETING OF WEDNESDAY, MARCH 04, 2026**

**SUBJECT    2026 Provincial Budget Highlights**

**ISSUE SUMMARY**

To provide the Finance Committee with a high-level review of potential impacts on Capital Regional District (CRD) services in the 2026 Provincial Budget.

**BACKGROUND**

On February 17, 2026, Finance Minister Brenda Bailey introduced the 2026 Provincial Budget and Fiscal Plan in the Legislature. This information report is intended to provide highlights on items relating to the CRD, Capital Regional Hospital District (CRHD), and Capital Region Housing Corporation (CRHC). While these highlights have been focused on organizational impacts, there was an attempt to include potential implications for member municipalities and electoral areas.

This is not intended to be a comprehensive budget review.

**IMPLICATIONS**

Refer to Appendix A for a CRD, CRHD and CRHC perspective on the Provincial Budget including potential impacts to member municipalities and electoral areas. Highlights also include potential services that may be impacted by provincial initiatives.

The [Provincial Budget and Fiscal Plan](#)<sup>1</sup> is the main budget document from the Ministry of Finance that lays out the province's three-year fiscal plan, including economic outlook, revenues, spending, tax measures and forecasting risks and assumptions.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: 2026 Provincial Budget Highlights

<sup>1</sup>  
[https://www.bcbudget.gov.bc.ca/2026/pdf/2026\\_Budget\\_and\\_Fiscal\\_Plan.pdf](https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)

## 2026 Provincial Budget Highlights

Budget 2026, themed "Securing BC's Future", marks a significant shift from post-pandemic stabilization toward active expenditure management and the "re-pacing" of capital infrastructure. Facing a record \$13.3 billion deficit and multiple credit rating downgrades, the government has moved toward a "maintenance" stance, prioritizing the "safeguarding" of existing core services while tactically delaying major infrastructure to manage debt.

### High Level Financial and Operational Impacts on Local Governments:

#### *Increased Operational Costs*

- Effective October 1, 2026, PST will apply to professional services including accounting, bookkeeping, architectural, engineering and geoscience services.
- Municipalities, which rely heavily on these specialized services for infrastructure planning and financial auditing, will see a direct increase in project and operational costs. For engineering services, the tax will apply to 30% of the purchase price.

#### *Infrastructure "Re-pacing" and Funding Delays*

- The province is adjusting the timing for several long-term care and housing projects. For local governments, this may mean that anticipated community beds or provincial housing partnerships originally slated for 2026/27 could be pushed further into the three-year fiscal plan.
- While funding for critical wildfire resilience (FireSmart) received some additional funds to support current application period, overall local government transfers will be reduced by 10 million.

#### *Public Sector Workforce and Service Pressure*

- The province's plan to reduce its workforce through attrition and hiring restrictions will likely create ripple effects for local governments.
- As the provincial public sector becomes "leaner", there is an inherent risk of "service download," where local governments may feel increased pressure to fill gaps in social or community supports no longer fully staffed at the provincial level.

#### *Environmental and Climate Funding*

- Despite the tax cut, the Local Government Climate Action Program remains in place, but with new requirements. Starting in 2026, all local governments with populations over 5,000 must report corporate emissions.
- The \$2 billion in lost annual revenue from the carbon tax elimination reduces the overall provincial "pot" available for climate-related infrastructure grants, potentially limiting future funding for municipal green energy projects.

#### *Housing*

- The province is slowing the pace of delivering on its housing strategy and will re-allocate \$1.4 billion from it over the three years of the fiscal plan.
- Community Housing Fund will be closed indefinitely.
- The Province Local governments continue to be tasked with accelerating housing delivery while facing new fiscal constraints.

### Other Key Economic Metrics

- Budget 2026 assumes stable commodities prices, 1.3% economic growth for 2026 and continue trade uncertainty. The budget's \$5 billion annual contingency is heavily earmarked for "responding to continued trade uncertainty".

- Forecasted debt at the end of this three-year budget is \$234.5B, \$26B more than the last budget.
  - Debt to GDP ratio is expected to reach 30.6% in fiscal year 2026/27
  - The interest bite (cent per dollar of revenue) is forecasted to be 6.2 cent/dollar of revenue in 2026 compared with 4.9 cent/dollar of revenue in 2025
- Nominal GDP growth is forecasted to be 4.4% (compared to 4.1% in 2025)
- Provincial unemployment rate is averaged to be 6.2% in 2025 and is expected to be 5.9% in 2026 and 5.8% in 2027
- Consumer Price Index forecasted to be 2.1% with core inflation projected to remain between 2.3% - 2.5%

The 2026 budget now estimates 2025/26 fiscal year deficit to be \$9.6B compared to a prior forecast of \$10.9B.

For the next three years the province is projecting the following deficits:

- 2026/27 \$13.3B deficit (including \$5.0B in contingencies)
- 2027/28 \$12.2B deficit (including \$5.0B in contingencies)
- 2028/29 \$11.4B deficit (including \$5.0B in contingencies)

## Budget Themes

### 1. Safeguarding Critical Services

Budget 2026 invests \$5.1 billion over three years to support health, education and social services.

#### Health Care

- \$2.8 billion in new funding for the health care system over three years, including:
  - \$2.3 billion to support a growing need for services, including supporting hiring more doctors, nurses and health-care workers and the planning, development and operation of new and expanded hospitals and health care facilities across the province **[municipal impacts?] [CRHD]**
  - \$34 million annually to provide access to in-vitro fertilization for almost 1,800 BC families
- \$653 million in federal funding for free medications for diabetes and hormone replacement therapy.

#### Senior Care

- \$447 million over three years to support health services for seniors outside hospital setting and improving the safety and quality of long-term care facilities. **[CRHD?]**
- \$35 million over three years to the Ministry of Housing and Municipal Affairs to support Independent Living BC. This funding is to provide rental housing support for low and moderate income seniors who require assistance to live independently. **[CRHC?]**

#### Mental Health and Addictions

- \$131 million for intensive mental-health and addictions treatment, including spaces for involuntary care in Prince George, Surrey and Maple Ridge **[municipal impacts?]**

#### K-12 Education

- \$634 million over three years to help give children and youth supportive and inclusive learning environments.
  - \$167 million investment in the Classroom Enhancement Fund for more teachers as well as special education teachers and teacher psychologists and counsellors
- \$6 million for First Nations reciprocal tuition for students attending First Nations schools. **[FNR]**

- \$3.9 billion over three years for seismic replacements and upgrades as well as projects to address enrolment growth in B.C.'s fastest-growing communities.

### **Child Care**

- \$330 million lift to ChildCareBC to stabilize the programs and services that families rely on as government works to modernize BC's childcare system.
- During stabilization period the Province will pause enrolment of new providers into the Operating Funding Model and the \$10 a Day ChildCareBC program.
- \$25 million capital and operating over the next three years to expand childcare programs **[municipal impacts/CRD?]**:
  - \$5 million in initial capital funding from the Ministry of Infrastructure
  - \$20 million in operating funding over three years from the Ministry of Education and Child Care.

### **Children and Youth with Support Needs**

- \$475 million in new funding over three years for children and youth with disabilities.
  - BC Children and Youth Disability Benefit – provide direct funding for approximately 12,000 families of children with significant disabilities who require higher and individualized support.
  - BC Children and Youth Disability Supplement – up to \$6,000 per year to ease financial pressures for low- and middle-income families.
  - 40% expansion in community-based services, including increased behavioural and mental-health supports.

### **Children and Youth in Care and Alternative Care**

- \$478 million over three years to support children in government care or who are placed with a family member or someone with an established relationship.

### **Post-Secondary Education and Skills Training**

- \$241 million over three years to double funding for SkilledTradesBC
- \$30 million will establish dedicated funding to train highly qualified professionals by adding specialized streams to existing programs, to accelerate growth in technology-related degrees
- \$12 million over three years to enhance the BC Employer Training Grant
- \$4.4 billion in capital for post-secondary institutions.
  - \$150 million to expand the Engineering and Computer Science building and construct a new research and structures lab at UVIC (completion date 2026)
  - \$155 million for Camosun College Student Housing (completion date 2028)

### **Community Living BC**

- An additional \$252 million over three years to Community Living BC to support more than 32,000 adults with developmental disabilities.

## **2. Investing in BC's Future**

Budget 2026 advances economic security by accelerating key projects, attracting investment, fostering innovation and expanding trades training opportunities for British Columbians.

### Creating Opportunities for Skill Training

- \$283 million over three years through the Look West: Jobs and Prosperity for a Stronger BC and Canada to deliver major projects, create good jobs and strengthen BC **[municipal/EA economic development?]**
  - \$241million over three years for SkilledTradeBC
  - \$30 million to train highly qualified professionals by adding specialized streams to existing programs, including engineering, geology, computer science, biology and aerospace
  - \$12 million over three years to enhance the employer training grant

### Encouraging Innovation and Investment

- \$400 million over three years in the new BC Strategic Investments Special Account to attract investments around clean energy, value add forestry, manufacturing and responsible mining, life science, AI and quantum, marine sector and clean technology. **[municipal/EA economic development?]**
- \$40 million over three years to remove barriers and reduce duplication in permitting across the natural resource and tourism sectors **[municipal/EA economic development?]**
- \$50 million in new and reallocated funding to stabilize the forestry sector, protect jobs and help communities adapt. **[municipal/EA economic development?]**
- \$15 million to be released to key organizations in 2025-26:
  - 5 million to the First Nations Forestry Council to continue Indigenous Forestry Scholarships and expand First Nations participation **[FNR]**
  - \$5 million to the Wildfire Reduction Equipment Support Trust to help logging contractors purchase specialized fibre-recovery equipment
  - \$5 million to the Forestry Service Providers Compensation Fund to assist contractors unpaid due to tenure-holder insolvency
- \$20 million allocated to the Northern Development Initiative Trust to support employers and workers in forestry and steel, complementing employment services provided through WorkBC.
- \$35 million Clean Industry Fund to support projects that reduce GHG **[municipal/EA economic development?]**
- Temporary 15% Manufacturing and Processing Investment Refundable Tax Credit for businesses investing in buildings, machinery and equipment used in manufacturing and processing. **[municipal/EA economic development?]**
- Extends the Shipbuilding and Ship Repair Industry Tax Credit until the end of 2027 **[municipal/EA economic development?]**

### Disaster Resilience

- \$70 million over three years for Disaster Resilience and Innovation Fund to mitigate the impact of changing climate. **[municipal/EA?]**
- \$15 million to recapitalize the FireSmart Community Funding and Supports program, helping local governments and First Nations enhance wildfire preparedness through training, equipment, bylaw updates, and home hardening. **[municipal/EA/CRD?]**

### First Nations Equity Financing Program **[FNR]**

Starting in the spring of 2026, the program will enable First Nations to participate as equity partners in major projects across British Columbia through provincial loan guarantees and strategic partnerships.

- Backed by a \$1 billion cumulative loan guarantee limit, the program will use the First Nations Equity Financing Special Account to support investment in energy and other sectors where there is shared provincial interest.
- Will be delivered in collaboration with First Nations, private lenders, businesses, and the federal government, and align with both First Nations and provincial priorities.

## Housing

The provincial government is slowing the pace of delivering on its housing strategy and will re-allocate \$1.4 billion from it over the three years of the fiscal plan. **[CRHC/municipalities]**

- The Community Housing Fund has been closed indefinitely. Local governments with pending applications are being contacted regarding the status of their projects.
- Over \$900 million is being reinvested to support existing programs, including a partnership with the Musqueam, Squamish, and Tsleil-Waututh Nations to support thousands of new below-market homes. **[FNR]**
- Specific capital projects are being delayed or "re-paced".

## Taxpayer Supported Capital Spending

Budget 2026 capital plan includes \$38 billion over next three years:

- \$3.9 billion invested in K-12 schools for seismic replacements, upgrades and for projects associated with enrolment growth
- \$4.4 billion for post-secondary institutions
  - \$150 million for the expansion of UVic Engineering and Computer Science building and the new HighBay Research and Structures Lab (expected completion 2026) **[municipality – in region highlight]**
  - \$155 million for Camosun College – Student Housing (expected completion 2028) **[municipality – in region highlight]**
  - \$178 million for the expansion of UVic student housing (expected completion 2034)
- \$11.1 billion for expanding and upgrading health facilities
  - \$76 million for VGH – Electrical Energy Centre (expected completion 2029) **[municipality – in region highlight]**
  - \$325 million for Western Communities Long-term Care (expected completion 2029) **[municipality – in region highlight]**
- \$13.8 billion for supporting transportation. Although the Hwy 1 Goldstream Safety Improvements project was canceled, two other projects of regional significance continued to receive funding.
  - \$10 million to complete the Hwy 17 Keating Cross Overpass project (expected completion 2026) **[municipality – in region highlight]**
  - \$95 million for Hwy1 Bus on Shoulder McKenzie to Colwood Interchange (expected completion 2027) **[municipality – in region highlight]**
- \$2.7 billion invested in a mix of shelter space, supportive, affordable and near-market rental housing.
  - \$153 million for 926-930 Pandora project (expected completion 2029) **[CRHC]**.

## 3. Updating the Tax System

The elimination of Carbon tax combined with Climate Action Tax Credit resulted in net fiscal shortfalls of \$2.1 billion in 2026/27, rising to \$2.6 billion by 2028/29. Budget 2026 proposes to partially offset this gap through targeted tax measures.

### Income Tax

- Increase lowest personal income tax rate from 5.06% to 5.6% and temporarily freeze personal income tax brackets and non-refundable credits
- Tax Credit for that may be claimed for Volunteer Firefighters and Search and Rescue Volunteers was increased from \$168 to \$336.

### Property Tax Deferral Program

- Property Tax Deferral interest rate structure is shifting from simple to compound interest. Effective 2026, the rate will increase to prime plus 2% (compounded monthly) for both the Regular Program (seniors/disabilities) and the Families with Children program. **[Housing]**

### Property Transfer Tax

- The property transfer tax exemption for purpose-built rentals has been expanded, retroactively effective to January 1, 2025. **[Housing]**

### Provincial Rural Area Property Tax

- Starting 2026, rural property taxes will increase based on the three-year average growth in BC's nominal GDP (the total value of goods and services in the economy, including inflation). **[Housing]**

### Speculation and Vacancy Tax

- Increases to the speculation and vacancy tax rates. The rate for foreign owners rises from 3% to 4% of their home's value, and from 0.5% to 1% for Canadian citizens and permanent residents. The increase takes effect January 1, 2027. **[Housing]**

### School Tax

- Starting in 2027, the province is increasing the additional school tax on high-value residential properties
  - For the portion of a home's value between \$3 million and \$4 million, the tax rate rises from 0.2% to 0.3%.
  - For the portion of value above \$4 million, the rate rises from 0.4% to 0.6%.

## 4. Making Communities Stronger, Safer

### Community Safety

Budget 2026 invests \$139 million in new funding over three years to reduce repeat, violent offending and chronic property crime, and support timely access to justice; **[PPS/municipalities]**

- \$73 million to continue to improve access to the justice system and support court operations, including sheriff recruitment and retention, Crown counsel, the judiciary, legal aid, and the BC Prosecution Service
- \$16 million to establish a Chronic Property Offending Intervention Initiative that strengthens monitoring and enforcement for crimes such as vandalism and shoplifting hurting businesses
- \$26 million for the Repeat Violent Offending Intervention Initiative
- \$24 million for the continuation of the Special Investigation and Targeted Enforcement program and the Community Safety and Targeted Enforcement program