

Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

Wednesday, March 11, 2026

12:05 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

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 THE AGENDA

3. ADOPTION OF MINUTES

- 3.1. [26-0262](#) Minutes of the Capital Regional Hospital District Board meeting of January 14, 2026

Recommendation: That the minutes of the Capital Regional Hospital District Board meeting of January 14, 2026 be adopted as circulated.

Attachments: [Minutes - January 14, 2026](#)

4. REPORT OF THE CHAIR

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 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.

6. CONSENT AGENDA

- 6.1. [26-0090](#) Capital Regional Hospital District Investment Portfolio Holdings and Performance Annual Update

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

Attachments: [Staff Report: CRHD Investment Portfolio Annual Update](#)

[Appendix A: Investment Policy](#)

[Appendix B: Market Analysis](#)

[Appendix C: Investment Holdings and Performance](#)

6.2. [26-0229](#) Funding Partnership for Seniors Care Facility at Lady Minto Hospital

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.
(WP - All)

Attachments: [Staff Report: Funding Ptnrshp-Srs Care Facility at Lady Minto Hospital](#)

6.3. [26-0233](#) Oak Bay Lodge Redevelopment Update

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.
(WP- All)

Attachments: [Staff Report: Oak Bay Lodge Redevelopment Update](#)
[Appendix A: Letters of Support, Kiwanis and Hospice](#)
[Appendix B: Letter of Support, Island Health](#)
[Appendix C: CRHD Letter to Ministries of Health & Infrastructure](#)
[Appendix D: District of Oak Bay Letter to Ministries & Island Health](#)

7. ADMINISTRATION REPORTS

7.1. [26-0136](#) Capital Regional Hospital District Bylaw No. 432 Annual Budget 2026

Recommendation: 1. That Bylaw No. 432, "Annual Budget Bylaw, 2026", be introduced and read a first, second and third time; and
(WA)
2. That Bylaw No. 432 be adopted.
(WA, 2/3 on adoption)

Attachments: [Staff Report: CRHD Bylaw No. 432 Annual Budget 2026](#)
[Appendix A: Bylaw No. 432 \(Schedules A & B\)](#)
[Appendix B: CRHD 2026 Provisional Final Budget Comparison](#)
[Appendix C: CRHD 2026-30 Future Budget Projections](#)
[Appendix D: CRHD 2026-30 Reserve Schedule](#)
[Presentation: 2026 Final Budget CRHD](#)

8. REPORTS OF COMMITTEES

9. BYLAWS

10. NOTICE(S) OF MOTION

11. NEW BUSINESS

12. ADJOURNMENT

Voting Key:

NWA - Non-weighted vote of all Directors

NWP - Non-weighted vote of participants (as listed)

WA - Weighted vote of all Directors

WP - Weighted vote of participants (as listed)

Meeting Minutes

Capital Regional Hospital District Board

Wednesday, January 14, 2026

12:05 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT

DIRECTORS: K. Murdoch (Chair), S. Goodmanson (Acting Chair), M. Alto, P. Brent, S. Brice, J. Brownoff, J. Caradonna, C. Coleman, Z. de Vries, B. Desjardins, G. Holman, P. Jones, D. Kobayashi, M. Little (EP), C. McNeil-Smith, D. Murdock, C. Plant, L. Szpak, M. Tait (EP), D. Thompson, S. Tobias, A. Wickheim, K. Williams, R. Windsor

STAFF: T. Robbins, Chief Administrative Officer; A. Fraser, General Manager, Infrastructure and Water Services; S. Henderson, General Manager, Electoral Area Services; L. Jones, General Manager, Parks, Recreation and Environmental Services; K. Lorette, General Manager, Housing, Planning and Protective Services; K. Morley, Corporate Officer/General Manager, Corporate Services; V. Somosan, Acting Chief Financial Officer/General Manager, Finance and Technology; M. Barnes, Senior Manager, Health and Capital Planning Strategies; S. Carey, Senior Manager, Legal & Risk Management; D. Ovington, Senior Manager, Salt Spring Island Administration; R. Tooke, Senior Manager, Environmental Innovation; M. Lagoa, Deputy Corporate Officer; J. Ives, Committee Clerk; T. Pillipow, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Guest(s): L. Lee, Lead Audit Engagement Partner, KPMG

The meeting was called to order at 12:20 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

A Territorial Acknowledgement was provided in the preceding meeting.

2. APPROVAL OF THE AGENDA

MOVED by Director Goodmanson, **SECONDED** by Director Coleman,
That the agenda for the Capital Regional Hospital District Board meeting of
January 14, 2026 be approved.

CARRIED

3. ADOPTION OF MINUTES

- 3.1. [26-0016](#) Minutes of the Capital Regional Hospital District Board meeting of December 10, 2025

MOVED by Director Coleman, **SECONDED** by Director Goodmanson,
That the minutes of the Capital Regional Hospital District Board meeting of December 10, 2025 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

Chair Murdoch expressed appreciation for the continued work being done by staff on the Oak Bay Lodge pilot in particular.

5. PRESENTATIONS/DELEGATIONS

5.1. Presentations

- 5.1.1. [26-0065](#) Presentation: Capital Regional Hospital District 2025 Audit Planning, Lenora Lee, Lead Audit Engagement Partner, KPMG (Verbal)

L. Lee presented the Capital Regional Hospital District 2025 Audit Planning Report.

Discussion ensued regarding validation of the third party invoices done by KPMG.

5.2. Delegations

There were no delegations.

6. CONSENT AGENDA

There were no consent agenda items.

7. ADMINISTRATION REPORTS

- 7.1. [25-1257](#) Capital Regional Hospital District 2025 Audit Planning Discussion

MOVED by Director Kobayashi, **SECONDED** by Director Coleman,
That the Capital Regional Hospital District 2025 Audit Plan developed by KPMG be approved.
CARRIED

8. REPORTS OF COMMITTEES

There were no reports of committees.

9. BYLAWS

There were no bylaws for consideration.

10. NOTICE(S) OF MOTION

There were no notice(s) of motion.

11. NEW BUSINESS

There was no new business.

12. MOTION TO CLOSE THE MEETING

12.1. [25-1319](#) Motion to Close the Meeting

MOVED by Director Kobayashi, **SECONDED** by Director Coleman,

1. That the meeting be closed for land acquisition/disposition in accordance with Section 90(1)(e) of the Community Charter.

CARRIED

MOVED by Director Kobayashi, **SECONDED** by Director Coleman,

2. That such disclosures could reasonably be expected to harm the interest of the Regional District.

CARRIED

The meeting recessed at 12:26 pm to convene the meeting of the Capital Regional District Board.

The meeting reconvened and went into the Closed Session at 3:30 pm.

13. RISE AND REPORT

The Capital Regional Hospital District Board rose from the closed session at 4:26 pm without report.

14. ADJOURNMENT

MOVED by Director Desjardins, **SECONDED** by Director Alto,

That the Capital Regional Hospital District Board meeting of January 14, 2026 be adjourned at 4:26 pm.

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER



Capital Regional Hospital District

REPORT TO THE HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 04, 2026

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

ISSUE SUMMARY

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

BACKGROUND

The Capital Regional District (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 CRHD. Investment decisions are guided by four fundamental objectives: preservation of principal, liquidity, responsible investing, and optimizing return on investment, consistent 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 CRHD investments may include high-interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) pooled funds. As of December 31, 2025, CRHD holdings were limited to HISAs and GICs, with no MFA pooled fund holdings. Investment placements and divestures 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 CRHD investment portfolio totaled \$38.0 million, as outlined in Table 1.

Table 1: CRHD Investment Holdings – as of December 31, 2025

Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)	38.0	100.0%
Investments Long-Term (more than 2 years)	0.0	0.0%
Total Investments:	\$38.0	100.0%

As noted in Table 1, the CRHD investment portfolio on December 31, 2025, was distributed 100% to short-term investments. 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 \$1.3 million, representing a return of 4.3%. 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.

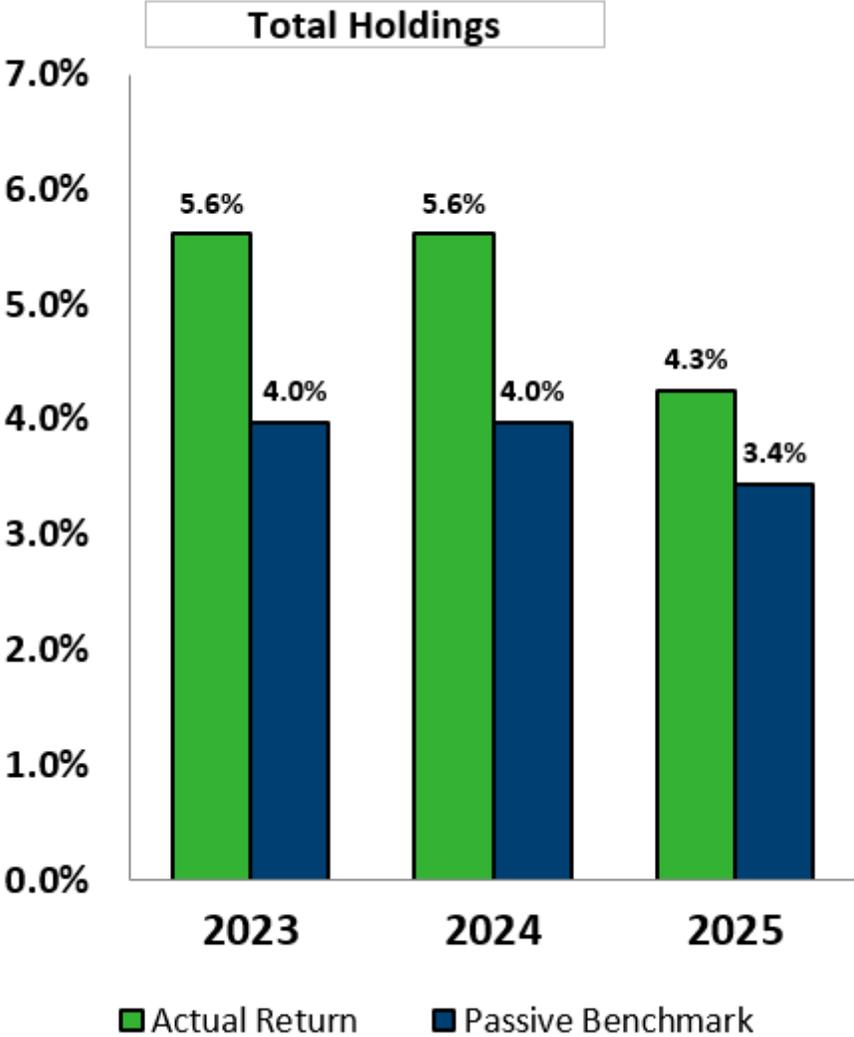
Table 2: CRHD Investment Income Three-Year Trend (\$ Millions)

	2023		2024		2025	
Passive Income	3.9%	\$1.0	4.0%	\$1.3	3.5%	\$1.0
Active Management	1.8%	\$0.4	1.6%	\$0.5	0.8%	\$0.3
Total	5.7%	\$1.4	5.6%	\$1.8	4.3%	\$1.3

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: CRHD 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 CRHD recorded average monthly cash outflows of \$2.2 million for operating, capital and financing activities. Significant capital contributions supported a new long-term care facility at Royal Bay, continued redevelopment of the Lady Minto Hospital Emergency Department, expansion of the Medical Device Reprocessing Department at Victoria General Hospital, updates to the Building Automation Systems at Victoria General and Royal Jubilee hospitals and funding for minor equipment purchases and capital grants.

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.

CONCLUSION

Overall, the CRHD 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



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

Review Date	Description:
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"> 1. If a change in the relevant legislation governing the investment activities of local governments occurs; 2. If the Municipal Finance Authority of British Columbia establishes a new pooled fund investment product; or 3. Every five calendar years.

7. RELATED POLICY, PROCEDURE AND GUIDELINES

- Conflict of Interest Policy

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

Commercial Paper & Short-Term Debt	Bond & Long-term Debt	Bond & Long-term Debt	Description	CRD/CRHD/CRHC Investment Policy
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)			
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)			
R-4	BB			
R-4	BB (low)			
R-4	B (high)			
R-5	B			
R-5	B (low)			
R-5	CCC			
R-5	CCC			
R-5	CCC			
R-5	CC			
R-5	C			
D	D			

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
<u>Short-Term (< 2 year holding period)</u>		
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%
<u>Long-Term (> 2 year holding period)</u>		
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

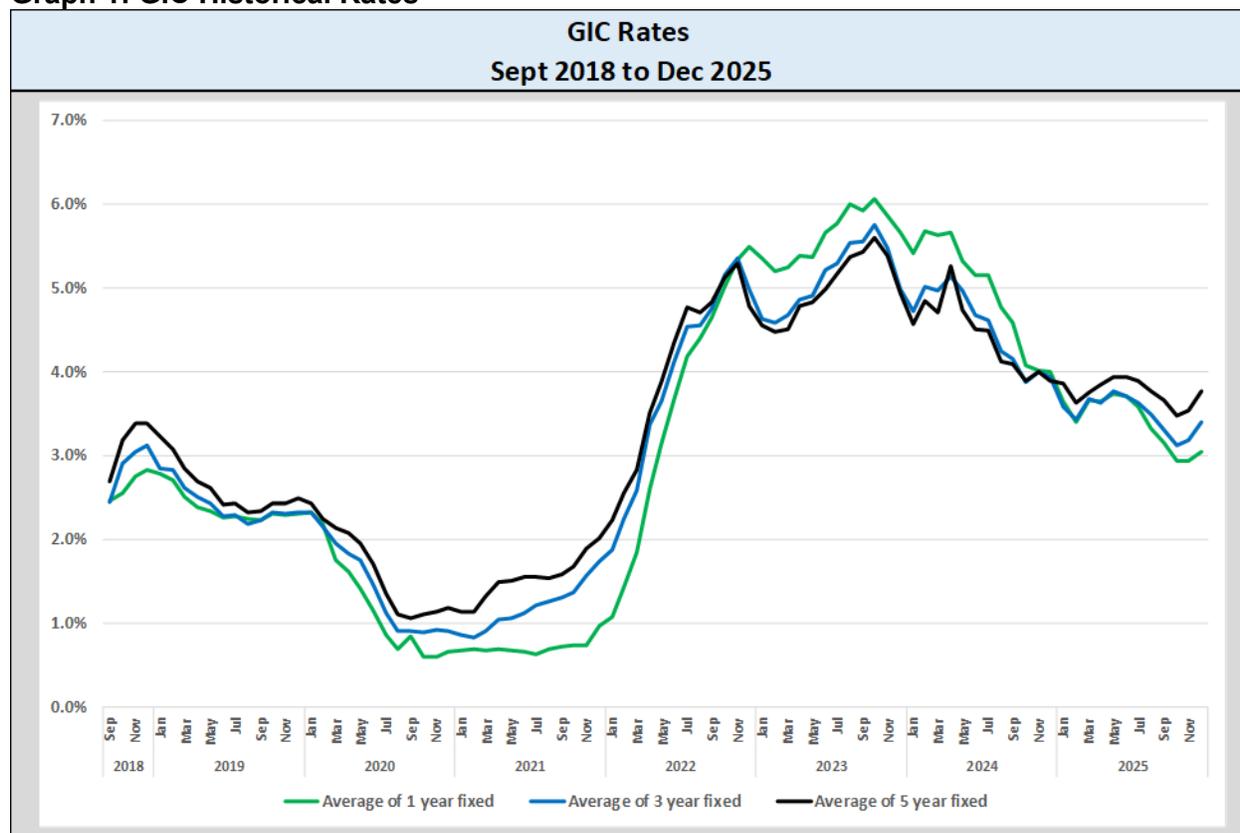
Fixed deposit rates moderated through 2025 as the Bank of Canada continued to ease monetary policy, with market yields adjusting lower across short- and mid-term maturities. Consistent with this environment, observed one- to five-year GIC rates declined versus 2024.

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 Hospital District (CRHD) held \$38.0 million in short-term investments, as detailed in Table 1 below.

Table 1: CRHD Investment Holdings – December 31, 2025

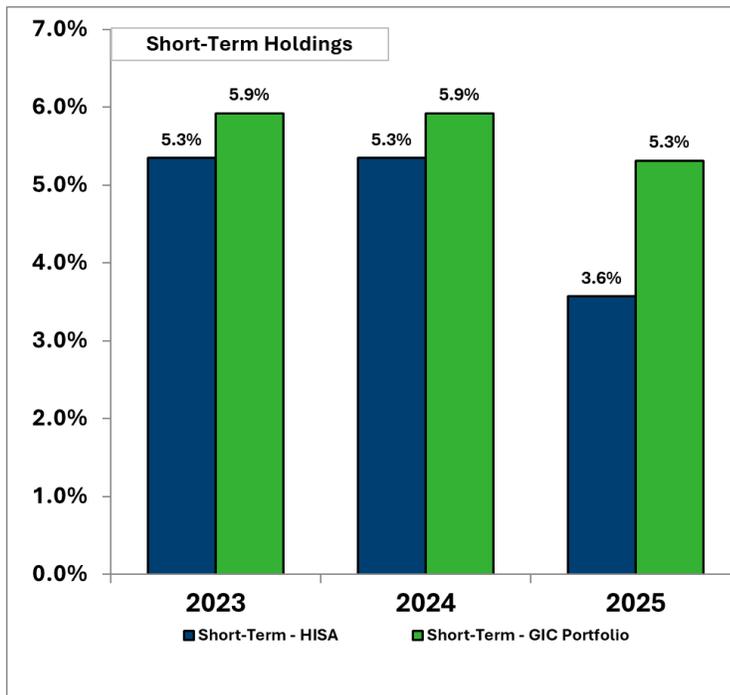
Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)		
High Interest Savings Accounts (HISAs)	31.0	81.6%
Guaranteed Investment Certificates (GICs)	7.0	18.4%
Total Short-term:	38.0	100.0%
Total Investments:	\$38.0	100.0%

The portfolio was allocated between short-term and long-term investments in a 100%/0% 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: CRHD 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 HISAs and 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 5.3%, exceeding the benchmark of 3.6%. HISA accounts returned 3.6% compared to a benchmark of 3.2%. On a combined basis, the short-term portfolio (HISAs plus GICs with under two years remaining term) returned 4.2% versus a benchmark of 3.3%.

Long-Term Investments

In 2025, the CRHD did not hold long-term investments (holdings with terms exceeding two years). The portfolio was comprised exclusively of short-term instruments to meet liquidity and near-term funding requirements.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 04, 2026**

SUBJECT **Funding Partnership for Seniors Care Facility at Lady Minto Hospital**

ISSUE SUMMARY

To determine if the Capital Regional Hospital District (CRHD) can provide funding for needs assessment and facility planning of long-term care at Lady Minto Hospital.

BACKGROUND

At the October 08, 2025 CRHD Board meeting, the following motion was passed:

“That CRD staff meet with Island Health and report on the possibility of a funding partnership between Island Health and Capital Regional Hospital District to provide \$100,000 in year 2026 to help fund the initial needs assessment, site and facility planning, and potential funding partnerships, and a further \$400,000 in year 2027 for conceptual design and Class D cost estimates for a co-located seniors care facility at Lady Minto Hospital, 135 Crofton Road, Salt Spring Island.”

Staff have met with Island Health and have been informed that health authorities require prior approval from the Ministry prior to developing concept plans or business plans for Priority Investment projects. As long-term care at Lady Minto has recently been removed from the Ten-Year Capital Plan, Island Health would not seek Ministry approval to proceed with planning for this project. We have also been advised that Treasury Board submissions developed by ministries without explicit direction from the Minister of Finance will not be reviewed and submissions on Priority Investment Projects that do not have notional funding in the Capital Plan will also not be reviewed. Staff have followed up with the Executive Director of the Lady Minto Foundation to inform them that without support from Island Health the CRHD is unable to cost share on facility planning.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.

Alternative 2

That this report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

The recommended course of action will have no impact on the minor capital spending plan for the year as it advises against a change to the minor capital project list. No additional funding and no budgetary changes are required to the 2026-2030 financial plan.

First Nations Implications

There are no anticipated implications for First Nations associated with this report. The recommendation maintains the status quo and does not introduce new policy, land use changes, or operational impacts that would affect First Nations interests.

Intergovernmental Implications

A health facility designation is a requirement for any project requiring capital investment by the Hospital District. As such, it is essential that CRHD partner with or have the support of Island Health and the Province on any feasibility work. There are no anticipated intergovernmental implications associated with this report. The recommendation maintains the status quo and does not affect relationships, agreements, or coordination with other levels of government or external agencies.

CONCLUSION

Staff continue to collaborate with Island Health to refine capital plans that best meet the region’s needs. Each project undergoes review in its designated year and is subject to prioritization and Board approval. As a result of this process, it is recommended that no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital at this time.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 04, 2026**

SUBJECT Oak Bay Lodge Redevelopment Update

ISSUE SUMMARY

Oak Bay Lodge redevelopment request to undertake an expression of interest process for a third party.

BACKGROUND

On August 14, 2020, the Capital Regional Hospital District (CRHD) officially took ownership of the Oak Bay Lodge site from Island Health. The sale agreement included a covenant which requires the land to be used for the public good. Any change of use from public good would require the consent of Island Health.

In 2021, the CRHD completed two rounds of community consultation to determine interest and support for a health facility on the site. The CRHD also approached Island Health’s Board in December 2021, seeking support to develop the Oak Bay Lodge property. Island Health determined that such a project was not a priority to pursue given the multiple higher priority projects across the Island at that time. In July 2022, CRHD completed the demolition of the former Oak Bay Lodge leaving the land vacant for future development. In late 2023, a joint meeting was held with the Island Health Board Chair and senior leadership, the Oak Bay Municipal Council, representatives from the CRHD, and the MLA for Oak Bay-Gordon Head. At this meeting it was agreed that Island Health and the CRHD would jointly sponsor an economic feasibility study of the site and evaluate options to source public and/or private capital funds to create a viable project that met the requirements of the covenant and the health needs of the community.

In June 2024, Island Health and CRHD signed a Memorandum of Understanding and engaged Colliers to lead an Economic Feasibility Study. The Study undertook the review of previous studies including a detailed functional program; identification of public and private stakeholders; interviews with key stakeholders; and evaluation of financial options. The Study identified a publicly owned scenario as the best option to proceed.

Meetings were held with the Honorable Minister Diana Gibson (MLA Oak Bay-Gordon Head) and Oak Bay Mayor and Council to discuss the draft study findings in December 2024 and January 2025. On March 26, 2025, Island Health’s Board recommended:

“That the Board of Directors accept the Oak Bay Lodge Site Economic Feasibility Study and submit it to the Ministries of Health and Infrastructure for information and request commitment to increase Island Health’s annual operating funding to enable one of the Capital Regional Hospital District (CRHD) debt-financed publicly funded scenarios to move forward.

That the Island Health Board request a letter of support from the Capital Regional Hospital District (CRHD) regarding their commitment to contribute funding to the project as set out in the Feasibility Study.”

There is significant interest from public entities to participate in a project. The site has capacity to develop a campus of care concept, encompassing long term care, hospice, adult day care, restorative care services, and other ambulatory clinics. This is the best solution to meet population needs and community preferences. Two organizations with the most potential for partnerships were the Kiwanis Pavilion and Victoria Hospice. Both these organizations are in aging infrastructure beyond its useful life and have expressed interest in relocating to the former Oak Bay Lodge site. They both receive operating funding from Island Health, both have some capital they can bring to the project, and both would qualify for health facility designation. Letters of support from the Kiwanis Pavilion and Victoria Hospice are attached as Appendix A. A letter of support from Island Health is also attached as Appendix B, which outlines their support for transferring existing operating funds from these organizations to a redevelopment at the Oak Bay site.

On April 09, 2025, staff received direction from the CRHD Board to send a letter of support to Island Health and the Ministries of Health and Infrastructure (Appendix C) outlining the Hospital District's commitment to redevelop the Oak Bay Lodge site. Staff subsequently met with senior leadership within the Ministry of Health on January 09, 2026, to provide this information and request incremental operating funding to redevelop the former Oak Bay Lodge. Staff were informed that the Ministry of Health does not have any additional resources for operating or capital for this site at this time.

On February 02, 2026, Oak Bay council sent a letter, attached as Appendix D, to the Ministers of Health and Infrastructure requesting a collaborative campus of care model and pledging support for the redevelopment of the site. Staff would like to explore the possibility of a third party joining the project in hopes of bridging the incremental operating funding gap and achieving some economies of scale to reduce the overall cost of construction. To do this staff are recommending a request for expression of interest process, which will allow the CRHD to understand the market, identify interested third parties, and potential innovative approaches to advance a project.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.

Alternative 2

That this report be referred back to staff for additional information base on Hospitals and Housing Committee direction.

IMPLICATIONS

First Nations Implications

There are no anticipated implications for First Nations associated with this report. The report does not introduce new policy, land use changes, or operational impacts that would affect First Nations interests at this time. First Nations will be consulted as part of any future rezoning application process.

Intergovernmental Implications

A health facility designation is a requirement for any project requiring capital investment by the Hospital District. As such it is essential that CRHD partner with Island Health, which has provided a letter of support.

Financial Implications

The proposed request requires up to \$200,000 of funding. There currently exists \$300,000 in funds for feasibility study expenses in the 2026 financial plan. The \$200,000 required would draw from this balance and therefore have no impact on the current 2026 budget. The funding will be utilized to assess market interest, identify a procurement model, and develop a Request for Expression of Interest (RFEI) package. Deliverable will include a project charter, market sounding summary, RFEI document, evaluation matrix, results and a summary report.

CONCLUSION

The Hospital District has received support from Island Health, Kiwanis Pavilion, Victoria Hospice, and Oak Bay Council to pursue a publicly funded campus of care on the Oak Bay site. Undertaking a request for expression of interest from a third party is the recommended next step to identify options for redevelopment at the Oak Bay Lodge site.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

APPENDICES

Appendix A: Letters of Support, Kiwanis and Hospice

Appendix B: Letter of Support, Island Health

Appendix C: CRHD Letter to Ministries of Health and Infrastructure

Appendix D: District of Oak Bay Letter to Ministries of Health and Infrastructure and Island Health



3034 Cedar Hill Road,
Victoria, B.C. V8T 3J3
Telephone (250) 598-2022
Fax (250) 598-0023

March 25, 2025

Capital Regional Hospital District
625 Fisgard Street,
PO Box 1000,
Victoria BC, V8W 2S6

Re: Letter of Support for the Redevelopment of the Former Oak Bay Lodge

Dear Capital Regional Hospital District Board,

On behalf of the Kiwanis Pavilion, I am pleased to express our strong support for the Capital Regional Hospital District's efforts toward the redevelopment of the former Oak Bay Lodge site. We believe this initiative presents an invaluable opportunity to enhance long-term care services in our region and strengthen our collective commitment to providing high-quality, compassionate care for seniors and individuals living with dementia.

The Kiwanis Pavilion has been a leader in dementia care in the region since 1982, offering specialized support and services to residents and their families. The redevelopment of the Oak Bay Lodge site aligns closely with our mission to ensure accessible, high-quality long-term care. Its central location, accessibility, and proximity to existing healthcare infrastructure make it an ideal site for a dedicated facility, allowing us to expand our services and improve care within a collaborative healthcare setting.

By partnering with the Capital Regional Hospital District, we envision a future where seniors and individuals with complex care needs receive the comprehensive support they deserve. This partnership would not only enhance the Kiwanis Pavilion's ability to provide specialized dementia care but also contribute to a broader, integrated approach to senior care in our community.

We fully support this initiative and look forward to collaborating on the successful transformation of this site to better serve the residents of the Capital Region.

Thank you for your leadership and commitment to advancing healthcare in our community. Please do not hesitate to reach out should you require any further support or discussion on this matter.

Sincerely,

Dave Cockle
President, Oak Bay Kiwanis Pavilion Board
Kiwanis Pavilion Board Chair

VICTORIA HOSPICE

March 28th, 2025

Capital Regional Hospital District
625 Fisgard Street
P0 Box 1000
Victoria BC, V8W 2S6

Re: Letter of Support for the Redevelopment of the Former Oak Bay Lodge

Dear Capital Regional Hospital District Board:

On behalf of Victoria Hospice, I am pleased to express our strong support for the Capital Regional Hospital District's efforts toward the redevelopment of the former Oak Bay Lodge site to include facilities for the Victoria Hospice Society. We believe this initiative presents an invaluable opportunity to enhance end-of-life care services in our region and strengthen our collective commitment to compassionate, high-quality hospice care.

Victoria Hospice has been a cornerstone of palliative and hospice care in the region for over 45 years, providing essential services to patients and their families during some of life's most challenging moments. The redevelopment of the Oak Bay Lodge site aligns closely with our mission to ensure accessible, specialized end-of-life care for all those in need. Its central location, accessibility, and proximity to existing healthcare infrastructure make it an ideal site for a dedicated hospice facility, allowing us to expand our services and improve patient care within a collaborative healthcare setting.

By partnering with the Capital Regional Hospital District, we envision a future where individuals facing life-limiting illnesses receive the comprehensive, dignified care they deserve. This partnership would not only enhance Victoria Hospice's ability to provide comfort and support but also contribute to a broader, integrated approach to palliative care in our community.

We fully support this initiative and look forward to collaborating on the successful transformation of this site to better serve the residents of the Capital Region.

Thank you for your leadership and commitment to advancing healthcare in our community. Please do not hesitate to reach out should you require any further support or discussion on this matter.

Sincerely,



Trudi Brown,

Board Chair, Victoria Hospice Society

OUR VISION:



December 12, 2025

Capital Regional Hospital District Board
PO Box 1000
Victoria, BC V8W 2S3

Sent via email: crdboard@crd.bc.ca

Subject: Redevelopment of Oak Bay Lodge

Dear Board Members.

Island Health is pleased to participate in discussions with the Capital Regional Hospital District (CRHD) to explore opportunities for Island Health involvement in the redevelopment of the Oak Bay Lodge.

CRHD's leadership of this project—as landowner, developer, and project financier—is an essential step forward in addressing the growing needs for health-related services in the region. Island Health recognizes that this redevelopment scenario anticipates formal partnerships with Kiwanis and Victoria Hospice as the designated health service components on the site and these entities would port existing operating revenue funded by Island Health. We are supportive of this model. We are also supportive of a collaborative approach amongst all parties regarding the redevelopment costs and financing options plus understanding incremental operating costs.

We are looking forward to continuing to work collaboratively with CRHD, Kiwanis, and Hospice as this project advances. As a next step, Island Health supports convening a joint meeting of all four organizations to further define roles, confirm project assumptions, and begin development of the necessary Memorandums of Understanding (MOUs).

Executive Office

Located at: 2101 Richmond Road | Victoria BC V8R 4R7

Mailing address: 1952 Bay Street | Victoria BC V8R 1J8

Tel: 250-370-8699

islandhealth.ca

Thank you for your continued leadership in supporting health services within the region. Island Health looks forward to the next steps in advancing this important project.

Sincerely,

A handwritten signature in blue ink that reads "Kim Kerrone". The signature is written in a cursive style with a large initial "K".

Kim Kerrone

Vice President, Chief Financial Officer



PO Box 1000
625 Fisgard Street
Victoria, BC, V8W 2S6

T: 250.360.3221
F: 250.360.3300
www.crd.bc.ca

April 16, 2025

File: 0400-20

The Honourable Josie Osborne
Minister of Health
PO Box 9050, Stn Prov Govt
Victoria, BC V8W 9E2
By email: HLTH.Minister@gov.bc.ca

The Honourable Bowinn Ma
Minister of Infrastructure
PO Box 9021, Stn Prov Govt
Victoria, BC V8W 9E2
By email: INF.Minister@gov.bc.ca

Dear Ministers Osborne and Ma:

RE: LETTER OF SUPPORT FOR THE REDEVELOPMENT OF OAK BAY LODGE

On behalf of the Capital Regional Hospital District (CRHD) Board, I am pleased to provide this letter of support for Island Health's submission regarding the redevelopment of the former Oak Bay Lodge site. We recognize the importance of this project in addressing critical health service needs within our community.

The Oak Bay Lodge site presents a unique and timely opportunity to establish a modern, comprehensive health facility that aligns with the evolving needs of the capital region. Following community consultation and collaboration with Island Health, the CRHD, and key partners—including the Kiwanis Pavilion and Victoria Hospice— an economic feasibility study has identified viable pathways for redevelopment that would enhance long-term care, hospice, restorative care services, adult day programs, and other essential health services.

The CRHD acknowledges that a publicly funded redevelopment scenario would be beneficial to the region, ensuring accessibility and sustainability of care services. The CRHD is committed to contribute funding as identified in the feasibility study and to partner with Island Health to secure the necessary funding and operational commitments to bring this vision to fruition. Specifically, the CRHD has allocated a placeholder of \$300 million in its [2025 Ten-Year Capital Plan](#), contributing 30 percent of the required project capital for the redevelopment of Oak Bay Lodge. The CRHD is also prepared to consider financing options for the entire cost of the project that align with our mandate and financial capacity.

The CRHD Board respectfully urges the Ministry of Health and the Ministry of Infrastructure to prioritize this project and provide the necessary funding and approvals to enable its progression. The successful redevelopment of Oak Bay Lodge will not only address current healthcare needs but also support the long-term resilience of our region's health infrastructure.

Thank you for your consideration. We look forward to continued collaboration to ensure the success of this critical initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Murdoch".

Kevin Murdoch, Chair
Capital Regional Hospital District Board

cc: Leah Hollins, Board Chair, Island Health
Kathy MacNeil, President and Chief Executive Officer, Island Health
CRD Board
Ted Robbins, Chief Administrative Officer, CRD
Kevin Lorette, General Manager, Housing, Planning & Protective Services, CRD



THE CORPORATION OF THE DISTRICT OF OAK BAY
MUNICIPAL HALL – 2167 OAK BAY AVENUE – VICTORIA, BC V8R 1G2
PHONE 250-598-3311 FAX 250-598-9108 WEBSITE www.oakbay.ca

OFFICE OF THE MAYOR

Via email: HLTH.Minister@gov.bc.ca
INF.Minister@gov.bc.ca
leah.hollins@islandhealth.ca
diana.gibson.mla@leg.bc.ca

February 2, 2026

Hon. Josie Osborne, Minister of Health
Hon. Bowinn Ma, Minister of Infrastructure
Chair Hollins and Board of Directors, Island Health
Chair Murdoch and Board of Directors, Capital Regional Hospital District (CRHD)
Hon. Diana Gibson, MLA for Oak Bay-Gordon Head

Dear Ministers, Board Members and MLA Gibson:

RE: Requesting a Collaborative Campus of Care for the former Oak Bay Lodge Site

On behalf of Oak Bay Council, I am writing to express our urgent and continued support for the redevelopment of the former Oak Bay Lodge site. This four-acre publicly-owned and fully-serviced parcel just blocks from a major medical center has sat vacant for seven years. Amid a provincial long-term care crisis and with willing partners standing by and ready to act, this opportunity demands immediate action.

The BC Seniors' Advocate's 2025 report, *From Shortfall to Crisis*, highlights a staggering 200% increase in long-term care waitlists since 2016, with average wait times now reaching 290 days. In Oak Bay, where over a third of our residents are seniors, and for the entire Greater Victoria region, these figures are not abstract, they represent the measurable realities of families in distress.

Council has taken decisive action to remove historical barriers. Last year we adopted a new Official Community Plan, which specifically designates this site for up to six storeys for seniors care services. Through these changes, we have signaled to the Province and the Capital Regional Hospital District (CRHD) that we are ready for a high-impact facility that serves not just Oak Bay, but the entire region.

Our community is demanding action. Grassroots organizations have provided educational talks, panels, marches, and proliferating lawn signs – all demanding action on Oak Bay Lodge. I have heard from many residents and organizations that they are not just asking for this project but are also willing to fundraise to support it. As you know there is active interest from non-profit partners able to provide a wide range of needed services, and they too may be able to bring capital to the project – but only if there is commitment to advance the redevelopment.

Council acknowledges we have no direct input into the project planning; however, we would still like to strongly express our support for the priorities our community has clearly voiced. As noted in the extensive survey undertaken by the CRHD in 2021, there is strong public support across the region for a "Campus of Care" at this site. These services can include and integrate complex care, long-term care, dementia and respite care, end-of-life (hospice) care, primary/longitudinal care with multi-disciplinary practices, intergeneration space, and supportive and independent living. This model aligns closely with Provincial goals and supports those aging in place (and the loved ones who are supporting them).

We recognize that the "math" of the project - specifically the incremental operating costs - remains the primary hurdle between the feasibility studies and commitment to the project. We also recognize that there is an opportunity here that should not be missed, particularly when looking at the advantages of partners willing to help and potential cost savings.

If the Province designates the site as a health facility, the CRHD brings a unique ability to fund 30% of the capital costs, finance through reduced Municipal Finance Authority rates, and directly construct the project to remove most of the risk. The Hospital District Act also allows the CRHD to build a facility that meets current needs but can also expand to meet future or changing demands. The partnership with well-known and high-quality non-profit service providers with existing Island Health operating agreements ensures there are quality operators who also have the potential to subsidize capital costs. Add in Council's support and the community's willingness to contribute, and we feel the opportunity is here to bridge any operating gap together. Importantly, the commitment will not result in any increased operational costs to the Province or Island Health until the building is occupied, which is several years away.

We strongly encourage you to find solutions for this site, advance the project, and take advantage of the opportunity in front of you. As the project progresses, we also invite and encourage you to communicate the details to both Council and the public. Council, our residents, and the region look forward excitedly to seeing a renewed vision and advancement for the new Oak Bay Lodge Campus of Care.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Murdoch".

Kevin Murdoch, Mayor
District of Oak Bay

C. Oak Bay Council

Addendum: Fact Sheet & Research Summary (January 2026)

I. Provincial LTC Crisis Data (Seniors' Advocate 2025)

- Waitlist Growth: From 2,381 (2016) to over 7,200 (2025)—a 200% increase.
- Wait Times: Average wait for a bed is now 290 days (nearly 10 months).
- Economic Burden: "Bed blocking" in acute care hospitals costs the province approx. \$2,000/day per senior, compared to \$300/day for a long-term care bed.

II. Site & Regulatory Status

- Vacancy Timeline: The original 235-bed facility was closed in 2019 and demolished in 2022. It has been vacant for 7 years.
- OCP Bylaw 4942 (Dec 2025): Officially increased height allowance to six storeys specifically for 2251 Cadboro Bay Rd to support seniors and health solutions
- Financial Placeholder: The CRHD 2025–2026 Capital Plan includes the site as a priority project with estimated capital costs exceeding \$300 million.

III. Key Stakeholder Quotes

- NDP MLA Candidate Diana Gibson (October 10, 2024): "We will redevelop Oak Bay Lodge, with a priority on health services for seniors, including primary care."
- Minister Josie Osborne (December 1, 2025): Has been a consistent supporter of seniors care and campus of care models since her time as Mayor of Tofino & Acting Chair Alberni-Clayoquot Regional Hospital District. "Seniors advocate reports have consistently shown that improved staffing, stability and the delivery of relational care are paramount to helping residents age successfully and with dignity."
- "Action Oak Bay" Citizens' Group (Dec 2025): "It's been empty for seven years and the tsunami of old people—that's us—is coming... we want to help [fundraise] and are willing to help."

IV. Campus of Care Definition

Under current BC health policy, a "Campus of Care" is a multi-level site that allows residents to transition from Independent Living to Assisted Living and Complex Care without leaving the site. Modern versions (like the one proposed for Oak Bay) often include a Seniors' Wellness Centre and Primary Care Clinics to serve the broader neighbourhood.



Capital Regional Hospital District

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, MARCH 11, 2026**

SUBJECT **Capital Regional Hospital District Bylaw No. 432 Annual Budget 2026**

ISSUE SUMMARY

This report summarizes the final updates to the 2026 annual budget, and requests approval of Bylaw No. 432 for the Capital Regional Hospital District (CRHD) budget.

BACKGROUND

On October 29, 2025, the CRHD Board approved the 2026 Provisional Budget. In accordance with Section 23(5) of the *Hospital District Act*, the final budget for the current year must be adopted by bylaw no later than March 31, 2026.

Following adoption, and as required by Section 25(1) of the *Hospital District Act*, the CRHD will deliver to each member municipality, on or before April 20, 2026, a requisition outlining the amount required from that municipality for the calendar year.

The 2026 Annual Budget Bylaw, CRHD Bylaw No. 432, is included as Appendix A.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 432, “Annual Budget Bylaw, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 432 be adopted.

Alternative 2

1. That Bylaw No. 432, “Annual Budget Bylaw, 2026”, be introduced and read a first and second time;
2. That Bylaw No. 432 be amended as directed;
3. That Bylaw No. 432 be read a third time; and
4. That Bylaw No. 432 be adopted.

IMPLICATIONS

Financial Implications

Bylaw No. 432 and the related appendices present the financial plan for the upcoming year, including detailed estimates of revenues, operating expenses, capital expenditures and reserve contributions. Table 1 summarizes the year-over-year change in the requisition and the estimated cost per average household.

Table 1: Change in Requisition

Description	2026 Final	2025 Final	\$ Change	% Change
Requisition (\$ millions)	\$26.5	\$26.5	-	-
Cost / Average Household	\$133.73	\$134.33	(\$0.60)	(0.4%)
Average Residential Assessment*	\$1,095,711	\$1,089,507	\$6,204	0.6%

*Data provided by BC Assessment

The final 2026 CRHD requisition is \$26.5 million, unchanged from 2025. No increase is required for 2026 due to the timing of forecasted debt issuances to fund the CRHD’s portion of capital projects. However, the requisition is projected to rise annually from 2027 through 2030.

The cost per average household is a theoretical estimate indicating the cost to individual households in the region. The actual cost per household will differ from this estimate based on the individual property assessment. This calculation is most directly impacted by changes in folios and assessed values. The cost per average residential household decreased by \$0.60 or (0.4%).

CRHD Bylaw No. 432 includes Schedule A, reflecting changes over the prior year. For further details on future budget projections, refer to Appendix C: 2026–2030 Future Budget Projections.

Final Budget Adjustments

Since provisional approval, the budget has been revised for 2025 year-end results, updated assumptions and changes to Payments in Lieu of Taxes (PILT). For a detailed summary of changes to operating budget since provisional approval, refer to Appendix B.

Expenditures

The 2026 Final Budget includes \$32.7 million in total expenditures, a decrease of \$0.1 million or (0.6%) from provisional. Table 2 summarizes the changes in operating expenditures between the provisional and final budgets.

Table 2: Changes in Operating Expenses (\$ millions)

Expense Type	2026 Final	2026 Provisional	\$ Change	% Change
Debt Servicing	12.2	12.2	-	-
Capital Equipment Grants	3.0	3.0	-	-
Operations	2.0	2.0	-	-
Transfers to Reserves	15.5	15.6	(\$0.1)	(0.6%)
Total	\$32.7	\$32.8	(\$0.1)	(0.3%)

The 2026 Debt Servicing is \$12.2 million, representing no change from the provisional budget. This reflects as-expected capital activity in late 2025, with a total of \$7.5 million in spending funded across 2025 and 2026 from the Debt Management Reserve (DMR).

The 2026 Transfers to Reserves total \$15.5 million, a decrease of \$0.1 million or (0.6%) from the provisional budget. The decrease supports a lower contribution to the DMR to help offset a reduction in PILT payments received.

CRHD Bylaw No. 432 includes Schedule B, outlining estimated 2026 capital expenditures and the associated cost sharing commitment.

Revenues

The 2026 Final Budget includes \$32.7 million in total revenue, a decrease of \$0.1 million or (0.3%) from provisional. Table 3 summarizes the changes in total revenue between the provisional and final budgets.

Table 3: Changes in Revenue (\$ millions)

Revenue Type	2026 Final	2026 Provisional	\$ Change	% Change
Requisition	26.5	26.5	-	-
PILT	0.7	0.8	(0.1)	(12.5%)
Lease and Other Property Revenue	4.6	4.6	-	-
Other Revenue	0.3	0.3	-	-
Transfer from Reserve	0.6	0.6	-	-
Total	\$32.7	\$32.8	\$(0.1)	(0.3%)

The change in total operating revenue from provisional to final is driven by a decrease in PILT revenue.

Requisition

Requisition remains unchanged over prior year, or since provisional budget approval. However, with updated assessment information, the cost per average household decreased by \$0.60 or (0.4%). This is a result of assessment growth of 0.1% and folio growth of 0.1% over the prior year. The net result drives a decrease to the cost per average household from the provisional estimate. Table 1 provides a comparison of requisition and cost per average household.

Reserves

Under Section 20(4) of the *Hospital District Act*, the CRHD may maintain reserve accounts. Table 4 summarizes the change in the 2026 opening reserve balances between the provisional and final budgets for all active reserves.

Table 4: Changes in Reserves (\$ millions)

Description	2026 Opening Balance at Final	2026 Opening Balance at Provisional	\$ Change	% Change
Admin and Feasibility Studies Reserve	2.0	2.0	-	-
Non-Traditional Projects Reserve	1.1	1.1	-	-
Minor Capital Project Reserve	4.4	5.3	\$(0.9)	(17.0%)
Land Holdings Management Reserve	2.1	2.1	-	-
Summit Management Reserve	1.9	1.9	-	-
RHFP* Program Reserve	-	-	-	-
Debt Management Reserve	27.1	23.0	\$4.1	17.8%
Total	\$38.6	\$35.4	\$3.2	9.0%

**Regional Housing First Program Reserve: Following the successful completion of Mt. Tolmie project, this reserve has been closed, and the remaining balance transferred to the Debt Management Reserve.*

The Minor Capital Project Reserve decreased by \$0.9 million or (17.0%) due to accelerated timing of Island Health spending on eligible projects.

The Debt Management Reserve showed a net increase of \$4.1 million or 17.8% due to reduced 2025 capital activity.

For future reserve projections based on these revised opening balances, refer to Appendix D: Reserve Schedule 2026-2030.

CONCLUSION

The CRHD Board is required to adopt an annual budget bylaw each year by March 31. The attached bylaw incorporates the 2026 annual budget, which received provisional approval from the Board on October 29, 2025. The budget has been prepared in accordance with Board decisions and committee direction. Staff recommends approval of the Annual Budget Bylaw, 2026, as presented.

RECOMMENDATION

1. That Bylaw No. 432, “Annual Budget Bylaw, 2026”, be introduced and read a first, second and third time; and
2. That Bylaw No. 432 be adopted.

Submitted by:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Kristen Morley, J.D., Corporate Officer & General Manager, Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Capital Regional Hospital District Bylaw No. 432, “Annual Budget Bylaw, 2026” inclusive of Schedules A and B
- Appendix B: Capital Regional Hospital District 2026 Provisional to Final Budget Comparison
- Appendix C: Capital Regional Hospital District 2026-2030 Future Budget Projections
- Appendix D: Capital Regional Hospital District Reserve Schedule 2026-2030
- Presentation: 2026 Final Budget Capital Regional Hospital District

Schedule A

CAPITAL REGIONAL HOSPITAL DISTRICT 2026 FINAL BUDGET

	2025 BOARD BUDGET	2026 ANNUAL BUDGET	2025-2026 BUDGET VARIANCE
<u>REVENUE</u>			
Tax Requisition Total	26,463,302	26,471,813	8,511
Payments in Lieu of Taxes	767,476	720,141	(47,335)
Lease and Other Property Revenue	4,607,766	4,611,127	3,361
Debt Reserve Fund Recovery	424,724	80,504	(344,220)
Interest Earnings	250,000	250,000	-
Transfer From Reserve	583,300	612,820	29,520
TOTAL REVENUE	33,096,568	32,746,405	(350,163)
<u>EXPENDITURES</u>			
Debt Servicing	14,111,533	12,159,064	(1,952,469)
Capital Equipment Grants	2,955,000	2,955,000	-
Administration	1,202,156	1,252,908	50,752
Studies	300,000	300,000	-
Property Management	513,927	515,481	1,554
Total Expense	19,082,616	17,182,453	(1,900,163)
Transfer to Reserve			
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	-
Transfer to Debt Management Reserve	9,800,000	11,550,000	1,750,000
Transfer to Land Holdings Management Reserve	200,000	-	(200,000)
Transfer to Summit Management Reserve	263,952	263,952	-
Total Transfer to Reserve	14,013,952	15,563,952	1,550,000
TOTAL EXPENDITURES	33,096,568	32,746,405	(350,163)
Total Net Surplus (Deficit)	-	-	-

Schedule B

CAPITAL REGIONAL HOSPITAL DISTRICT 2026 CAPITAL EXPENDITURES

Capital Borrowing Bylaw #	Project Description	Cost Share %	CRHD Share of Project Budget	2026 Funding
<u>Island Health Initiatives</u>				
191	New Long Term Care (306 beds)	30%	67,108,200	11,415,528
196	VGH High Performance Controls Upgrade	30%	1,110,992	166,649
197	RJH DT Controls Upgrade	30%	1,078,376	75,000
193	Elevator Refurbishment	30%	864,215	71,205
TBD	SPH - Core Renovation ¹	30%	4,500,000	3,300,000
TBD	High Acuity Unit	30%	5,756,400	3,225,000
TBD	Interventional Radiology (VGH and RJH) ¹	30%	3,330,000	2,700,000
TBD	Energy Centre Replacement	30%	22,381,449	2,540,250
TBD	Child Youth Mental Health Stabilization Unit	30%	5,400,000	1,800,000
TBD	Pneumatic to Electric Controls Conversion	30%	1,065,452	1,065,452
TBD	Relocate SSI MHSU Integrated Team	30%	600,000	600,000
TBD	Convert obsolete 480 distribution system with 600V	30%	600,000	300,000
TBD	RJH additional ED CT	30%	2,550,000	255,000
TBD	(VASC/CARD) Hybrid OR	30%	7,500,000	75,000
TBD	RJH DT Cooling System Replacement	30%	600,000	75,000
TBD	QAC Electrical Distribution \$2m	30%	600,000	60,000
TBD	Endoscopy - create 4th Procedure Room	30%	600,000	60,000
TBD	Memorial Pavilion Mechanical System Upgrade	30%	3,000,000	45,000
TBD	Electrical Infrastructure Upgrade	30%	3,000,000	45,000
			131,645,085	27,874,084
<u>CRHD Initiatives</u>				
160	Summit Scheduled Capital Replacements	100%	2,409,202	200,000
			2,409,202	200,000
Capital Expenditure Bylaw#	Project Description	Cost Share %	Total CRHD Share	2026 Funding
TBD	Sec 20 - 2026 Minor Capital Projects	40%	3,750,000	3,750,000
TBD	Sec 20 - 2026 Capital Equipment Projects	100%	2,955,000	2,955,000
			6,705,000	6,705,000
Total 2026 Capital Expenditures			140,759,287	34,779,084

¹New to the Capital Plan in 2026

APPENDIX B

**CAPITAL REGIONAL HOSPITAL DISTRICT
2026 Provisional to Final Budget Comparison**

	2026 PROVISIONAL BUDGET	2026 FINAL BUDGET	Variance Increase/(Decrease) BUDGET
<u>REVENUE</u>			
Tax Requisition Total	26,471,813	26,471,813	-
Payments in Lieu of Taxes	767,476	720,141	(47,335)
Lease and Other Property Revenue	4,611,127	4,611,127	-
Debt Reserve Fund Recovery	80,504	80,504	-
Interest Earnings	250,000	250,000	-
Transfer From Reserve	612,820	612,820	-
TOTAL REVENUE	32,793,740	32,746,405	(47,335)
<u>EXPENDITURES</u>			
Debt Servicing	12,159,064	12,159,064	-
Capital Equipment Grants	2,955,000	2,955,000	-
Administration	1,252,908	1,252,908	-
Studies	300,000	300,000	-
Property Management	512,816	515,481	2,665
Total Expense	17,179,788	17,182,453	2,665
Transfer to Reserve			
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	-
Transfer to Debt Management Reserve	11,600,000	11,550,000	(50,000)
Transfer to Land Holdings Management Reserve	-	-	-
Transfer to Summit Management Reserve	263,952	263,952	-
Total Transfer to Reserve	15,613,952	15,563,952	(50,000)
TOTAL EXPENDITURES	32,793,740	32,746,405	(47,335)
Total Net Surplus (Deficit)	-	-	-
Change in requisition over prior year, \$	8,511	8,511	-
Change in requisition over prior year, %	0.0%	0.0%	0.0%
Tax impact on average residence, \$	134.37	133.73	(0.64)
Tax impact on \$100,000 of converted assessments, \$	12.33	12.20	(0.13)
Tax requisition per average residence, %	0.0%	0.0%	0.0%

APPENDIX C

**CAPITAL REGIONAL HOSPITAL DISTRICT
2026 - 2030 FUTURE BUDGET PROJECTIONS**

	2026 ANNUAL BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET	2030 BUDGET
REVENUE					
Tax Requisition Total	26,471,813	27,067,303	28,171,577	29,089,413	30,032,654
Payments in Lieu of Taxes	720,141	720,141	720,141	720,141	720,141
Lease and Other Property Revenue	4,611,127	4,532,061	4,535,939	4,539,894	4,543,928
Debt Reserve Fund Recovery	80,504	222,019	134,772	85,453	64,374
Interest Earnings	250,000	250,000	250,000	250,000	250,000
Transfer From Reserve	612,820	433,000	338,000	300,000	300,000
TOTAL REVENUE	32,746,405	33,224,525	34,150,429	34,984,900	35,911,097
EXPENDITURES					
Debt Servicing	12,159,064	14,123,401	16,035,057	17,854,997	19,516,372
Capital Equipment Grants	2,955,000	2,955,000	2,955,000	2,955,000	2,955,000
Administration	1,252,908	1,280,101	1,289,306	1,298,696	1,308,273
Studies	300,000	300,000	300,000	300,000	300,000
Property Management	515,481	252,071	257,113	262,255	267,500
Total Expense	17,182,453	18,910,573	20,836,477	22,670,948	24,347,145
Transfer to Reserve					
Transfer to Minor Capital Projects Reserve	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Transfer to Debt Management Reserve	11,550,000	10,300,000	9,300,000	8,300,000	7,550,000
Transfer to Summit Management Reserve	263,952	263,952	263,952	263,952	263,952
Total Transfer to Reserve	15,563,952	14,313,952	13,313,952	12,313,952	11,563,952
TOTAL EXPENDITURES	32,746,405	33,224,525	34,150,429	34,984,900	35,911,097
Change in total requisition over prior year, \$	8,511	595,490	1,104,274	917,836	943,241
Change in total requisition over prior year, %	0.0%	2.2%	4.1%	3.3%	3.2%
Tax impact on 2026 average residence (\$1,095,711)	133.73	136.74	142.31	146.95	151.72
Tax impact on \$100,000 of 2026 completed assessments	12.20	12.48	12.99	13.41	13.85
Tax requisition, % change	0.0%	2.2%	4.1%	3.3%	3.2%
Converted assessment, \$000s	\$21,689,860				
Average residential assessed value, \$	\$1,095,711				

APPENDIX D

**CAPITAL REGIONAL HOSPITAL DISTRICT
RESERVE SCHEDULE 2026 - 2030***

	Budget Year					
	2025 Actual	2026	2027	2028	2029	2030
OPERATING:						
Administration & Feasibility Studies Reserve						
- to be spent on future studies or special projects						
Beginning Balance	1,983,027	1,983,027	1,553,027	1,120,027	782,027	482,027
Transfer from Operating	-	-	-	-	-	-
Transfer to Operating	-	(430,000)	(433,000)	(338,000)	(300,000)	(300,000)
	1,983,027	1,553,027	1,120,027	782,027	482,027	182,027
CAPITAL GRANTS:						
Non-Traditional Projects Reserve						
- non-profit healthcare facilities capital grant funding						
Beginning Balance	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874
Transfer from Operating	-	-	-	-	-	-
Transfer to Operating	-	-	-	-	-	-
	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874	1,054,874
Minor Capital Projects Reserve						
- Minor Capital Grants to Island Health cashflowed over three years and expire after five years						
Beginning Balance	6,361,711	4,379,973	4,717,821	4,367,045	3,306,366	3,058,676
Transfer from Operating	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Capital Grant Paid to Island Health	(5,731,738)	(3,412,152)	(4,100,776)	(4,810,679)	(3,997,690)	(3,750,000)
	4,379,973	4,717,821	4,367,045	3,306,366	3,058,676	3,058,676
CRHD CAPITAL:						
Land Holdings Management Reserve						
- CRHD properties: 950 Kings, Oak Bay Lodge, Royal Bay, The Summit						
Beginning Balance	1,945,759	2,066,455	1,980,119	2,061,487	2,131,576	2,190,739
Transfer from Operating	-	-	-	-	-	-
Interest Earnings	120,696	96,484	81,368	70,089	59,162	48,887
Transfer to Operating	-	(182,820)	-	-	-	-
	2,066,455	1,980,119	2,061,487	2,131,576	2,190,739	2,239,626
Summit Management Reserve						
Beginning Balance	1,567,904	1,937,978	2,098,165	2,239,179	2,380,349	2,511,255
Transfer from Operating - lifecycle contribution	263,952	263,952	263,952	263,952	263,952	263,952
Interest Earnings	106,122	96,235	87,322	77,217	66,955	56,754
Transfer to Capital	-	(200,000)	(210,260)	(200,000)	(200,000)	(200,000)
	1,937,978	2,098,165	2,239,179	2,380,349	2,511,255	2,631,961
FINANCING:						
Debt Management Reserve						
- to mitigate future debt costs						
Beginning Balance	15,468,890	27,093,140	33,077,818	39,845,965	40,488,795	39,888,981
Transfer from Operating	9,800,000	11,550,000	10,300,000	9,300,000	8,300,000	7,550,000
Transfer from Operating - Surplus	1,417,531	-	-	-	-	-
Interest Earnings	937,594	1,434,678	1,468,147	1,342,830	1,100,186	751,230
Transfer to Capital	(530,875)	(7,000,000)	(5,000,000)	(10,000,000)	(10,000,000)	(20,000,000)
	27,093,140	33,077,818	39,845,965	40,488,795	39,888,981	28,190,210
TOTAL ANNUAL	38,515,448	44,481,824	50,688,578	50,143,987	49,186,552	37,357,375

* Under the Hospital District Act Section 20(4), CRHD can maintain reserve accounts for specified purposes

2026 Final Budget

Capital Regional Hospital District
Wednesday March 11, 2026

2026 Final Budget Summary

Changes from Provisional



Capital Regional
Hospital District

Operating	Capital
\$32.7M	\$35M

Requisition Funding
\$26.5M | 0.0%

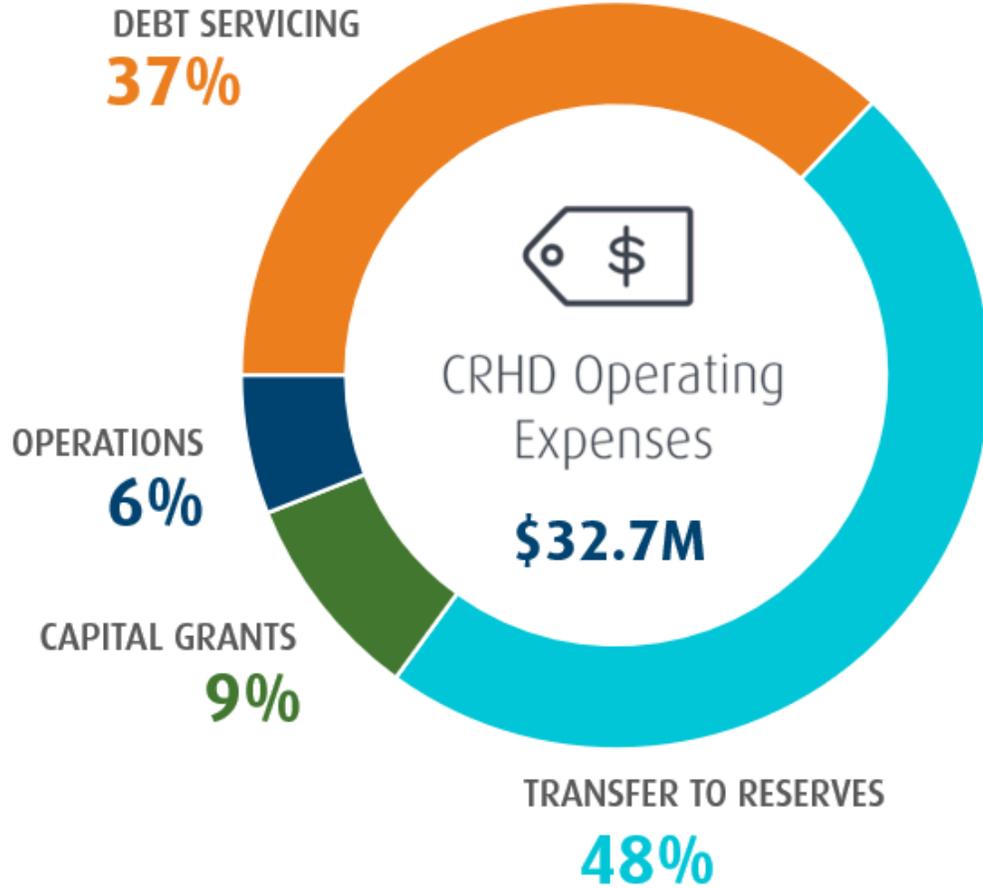
- **Revenue** – Lower payments in lieu of tax (PILT)
- **Debt Servicing** – reduced borrowing and decreasing interest rates in 2026
- **Operations & Transfers** – increased contributions to debt management reserve



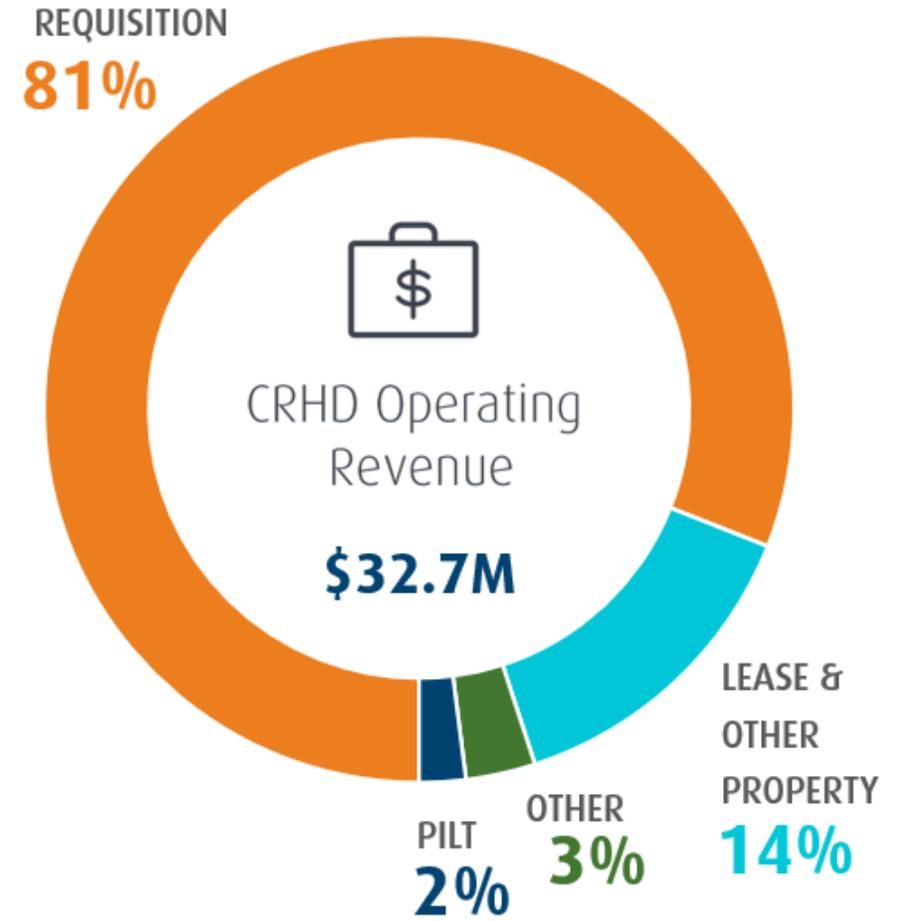
	2026 Final	2026 Prov.	Change \$	Change %
Requisition	26.5	26.5	-	-
Other Revenue	6.2	6.3	(0.1)	(1.6%)
Total	\$32.7M	\$32.8M	(\$0.1)	(0.3%)
Debt Servicing	12.2	12.2	-	-
Grants	3.0	3.0	-	-
Operations & Transfers	17.5	17.6	(0.1)	(0.6%)
Total	\$32.7M	\$32.8M	(\$0.1)	(0.3%)

2026 Operating Budget

WHERE THE MONEY GOES

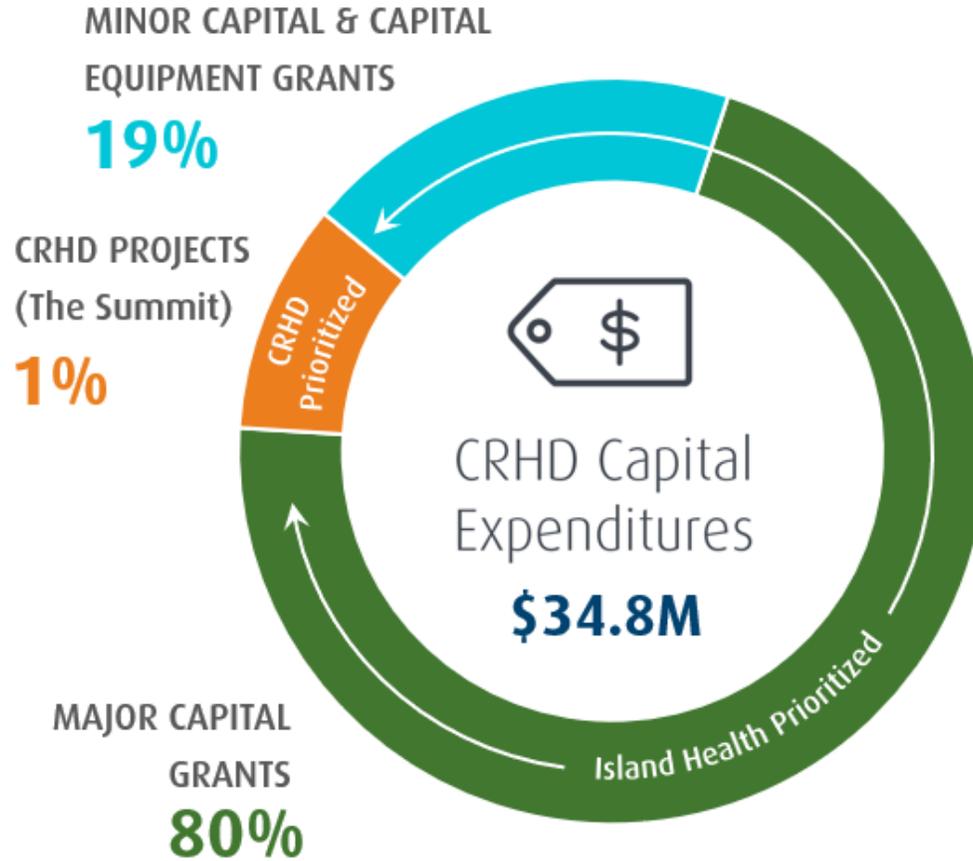


WHERE THE MONEY COMES FROM

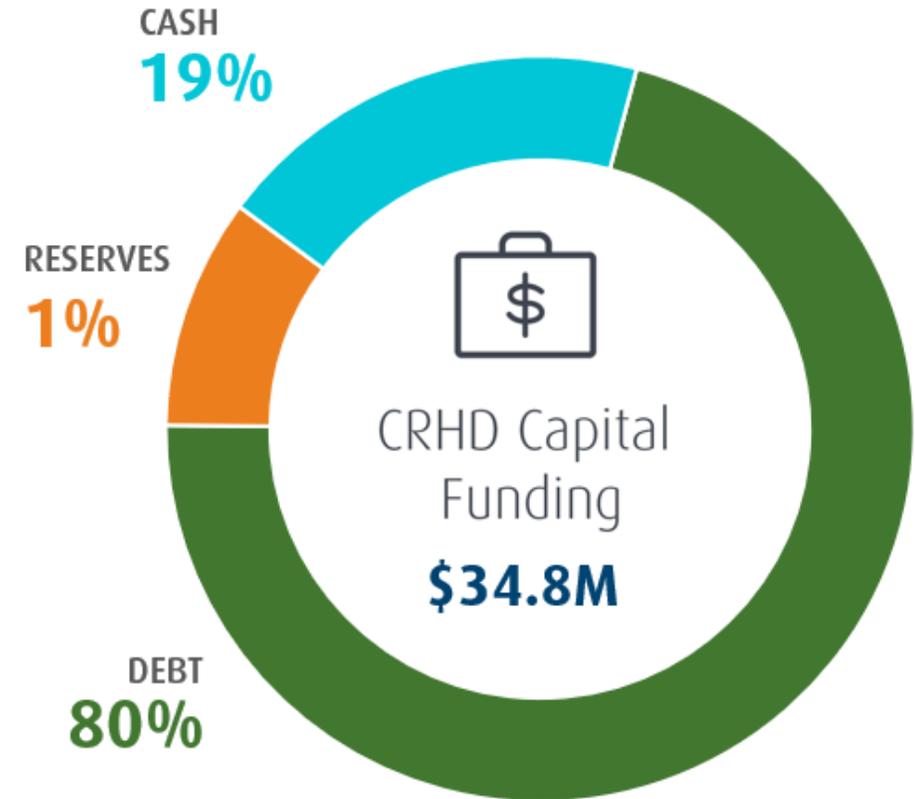


2026 Capital Budget

WHERE THE MONEY GOES

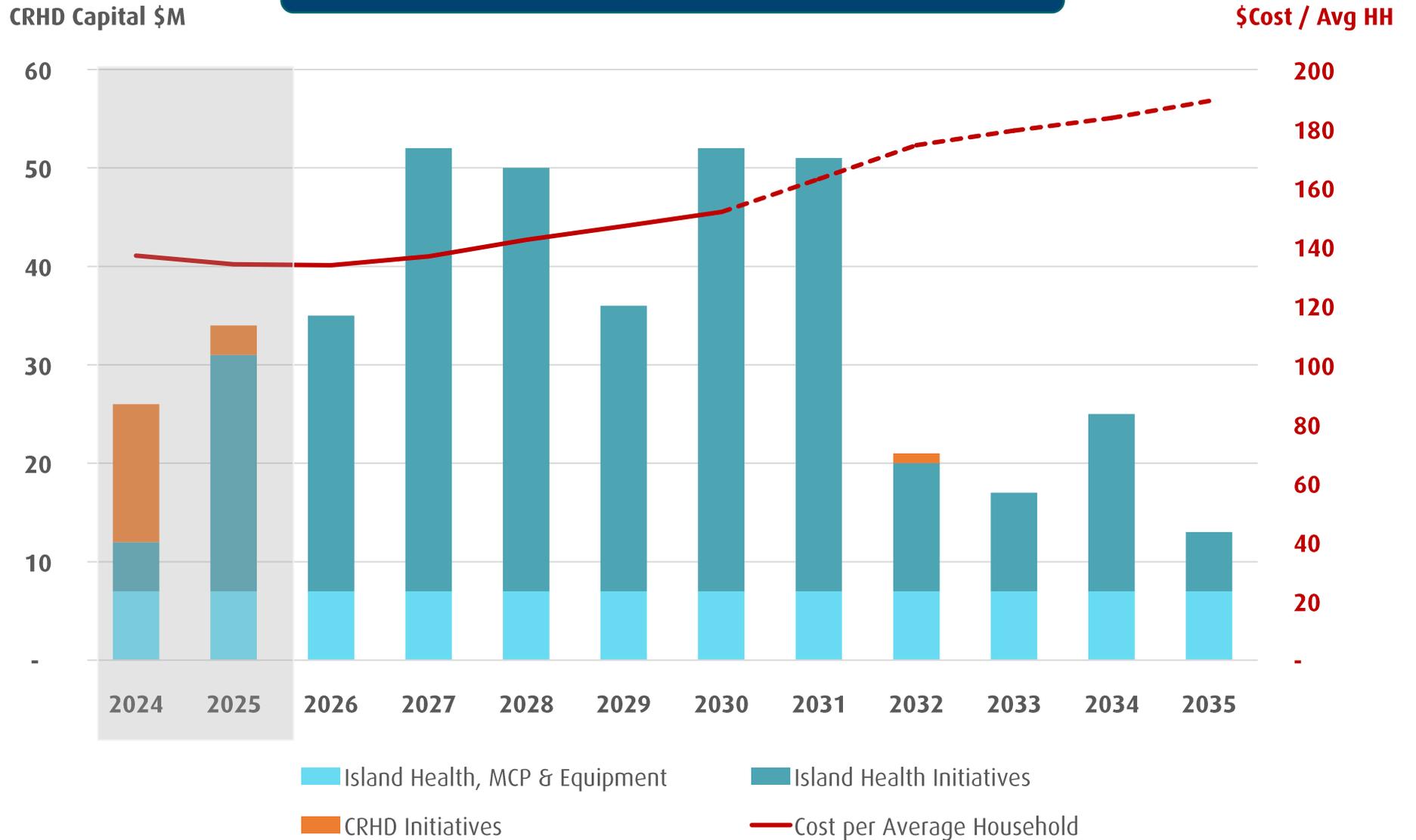


WHERE THE MONEY COMES FROM



CRHD 10-Year Forecast

CRHD COST SHARE | 10-YEAR CAPITAL PLAN





Thank you



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Capital Regional District



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