



## Notice of Meeting and Meeting Agenda Capital Regional Hospital District Board

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Wednesday, June 10, 2026

12:05 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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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. [26-0690](#) Minutes of the Capital Regional Hospital District Board meeting of May 13, 2026

**Recommendation:** That the minutes of the Capital Regional Hospital District Board meeting of May 13, 2026 be adopted as circulated.

**Attachments:** [Minutes - May 13, 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](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. CONSENT AGENDA

6.1. [26-0608](#) Capital Regional Hospital District Capital Contribution Funding Model

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:  
\* Maintain a 30% contribution for major capital projects;  
\* Maintain a 40% contribution for minor capital projects; and  
\* Maintain current annual allocations for medical equipment.  
(WP - All)

**Attachments:** [Staff Report: CRHD Capital Contribution Funding Model](#)  
[Appendix A: May 25, 2026 letter from Island Health](#)

6.2. [26-0604](#) Motion with Notice: Pender Island Health Clinic Capital Funding  
(Director Brent)

**Recommendation:** [At the June 3, 2026 Hospitals and Housing Committee meeting, the Committee moved and seconded the following motion with notice:  
"The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the Capital Regional Hospital District Board allocate \$100,000 in capital funding to the Pender Island Health Clinic in 2026."  
Following the Committee's discussion on the matter, the following referral motion was passed:]

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the matter be referred to staff for a report back.  
(NWA)

**7. ADMINISTRATION REPORTS**

**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

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Wednesday, May 13, 2026

12:10 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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#### PRESENT

DIRECTORS: K. Murdoch (Chair), P. Brent, S. Brice, J. Brownoff, J. Caradonna, C. Coleman, Z. de Vries, B. Desjardins, K. Guiry (for S. Goodmanson), G. Holman, P. Jones, S. Kim (for M. Alto) (EP), D. Kobayashi, M. Little, C. McNeil-Smith, D. Murdoch, M. Tait, D. Thompson, S. Tobias (EP), M. Wagner (EP), M. Westhaver (for C. Plant) (EP), A. Wickheim, K. Williams

STAFF: T. Robbins, Chief Administrative Officer; S. Carey, Acting General Manager, Corporate Services; N. Chan, Chief Financial Officer/General Manager, Finance and Technology; S. Henderson, General Manager, Electoral Area Services; L. Jones, General Manager, Parks, Recreation and Environmental Services; P. Klassen, Acting General Manager, Housing, Planning and Protective Services; M. Alsdorf, Senior Manager, SEAPARC Recreation (EP); M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; I. Lawrence, Senior Manager, Juan de Fuca Administration; M. MacIntyre, Senior Manager, Regional Parks (EP); S. May, Senior Manager, Facilities Management and Engineering Services; C. Neilson, Senior Manager, People, Safety and Culture; D. Ovington, Senior Manager, Salt Spring Island Administration; R. Tooke, Senior Manager, Environmental Innovation; L. Ferris, Manager, Resource Recovery and Innovation, Environmental Innovation; C. Vrabel, Manager, Fire Services, Protective Services; M. Miklea, Deputy Corporate Officer/Manager, Legislative Services; T. Pillipow, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors M. Alto, S. Goodmanson, C. Plant, R. Windsor

The meeting was called to order at 12:43 pm.

#### 1. TERRITORIAL ACKNOWLEDGEMENT

A Territorial Acknowledgement was provided in the preceding meeting.

#### 2. APPROVAL OF THE AGENDA

**MOVED** by Director Coleman, **SECONDED** by Director Desjardins,  
That the agenda for the Capital Regional Hospital District Board meeting of May  
13, 2026 be approved.

**CARRIED**

#### 3. ADOPTION OF MINUTES

- 3.1. [26-0468](#) Minutes of the Capital Regional Hospital District Board meeting of April 8, 2026
- MOVED by Director Coleman, SECONDED by Director Desjardins,  
That the minutes of the Capital Regional Hospital District Board meeting of April 8, 2026 be adopted as circulated.  
CARRIED**

#### 4. REPORT OF THE CHAIR

There were no Chair's remarks.

#### 5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

#### 6. CONSENT AGENDA

**MOVED by Director Coleman, SECONDED by Director Desjardins,  
That consent agenda item 6.1. be approved.  
CARRIED**

- 6.1. [26-0315](#) Capital Regional Hospital District 2025 Audit Findings Report and Audited Financial Statements
- That the Capital Regional Hospital District 2025 Audited Financial Statements be approved.  
CARRIED**

#### 7. ADMINISTRATION REPORTS

There were no administration reports.

#### 8. REPORTS OF COMMITTEES

There were no reports of committees.

#### 9. BYLAWS

There were no bylaws for consideration.

#### 10. NOTICE(S) OF MOTION

Director Brent provided the following Notice of Motion to be heard at the next Hospitals and Housing Committee meeting:

"That the Capital Regional Hospital District Board allocate \$100,000 in capital funding to the Pender Island Health Clinic in 2026."

**11. NEW BUSINESS**

There was no new business.

**12. ADJOURNMENT**

**MOVED** by Director Coleman, **SECONDED** by Director Desjardins,  
That the Capital Regional Hospital District Board meeting of May 13, 2026 be  
adjourned at 12:45 pm.  
**CARRIED**

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**CHAIR**

**CERTIFIED CORRECT:**

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**CORPORATE OFFICER**

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, JUNE 03, 2026**

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**SUBJECT**     **Capital Regional Hospital District Capital Contribution Funding Model**

**ISSUE SUMMARY**

Staff to review the Capital Regional Hospital District (CRHD) capital contribution funding model.

**BACKGROUND**

On October 29, 2025, the CRHD Board passed the following motion:

*The Capital Regional Hospital District Board ask staff to review the 30% contribution for major capital and 40% contribution for minor capital and make a recommendation on a potential lower percentage based on a Consolidated Capital Regional District Budget and evolving costs for newly-established services.*

In 2007, the Board completed a comprehensive review of the CRHD funding model and established the current contribution structure. The three categories of CRHD funding are:

1. **Major Capital Projects**  
Projects greater than \$2 million (M) generally cost-shared at a 30% contribution level and primarily financed through debt arranged through the Municipal Finance Authority.
2. **Minor Capital Projects**  
Projects valued between \$100,000 and \$2M where the CRHD contributes 40% of project costs, up to an annual maximum of \$3.75M.
3. **Medical Equipment**  
Annual contributions of \$2.925M to Island Health and \$30,000 to Mount Saint Mary Hospital for medical equipment replacement and acquisition.

The current contribution structure has remained largely unchanged since 2007. During this period, construction costs, population growth, healthcare demand, and broader CRD financial pressures have increased. Staff met with Ministry of Health and the Ministry of Infrastructure staff on February 20 and March 20, 2026, to discuss Hospital District(s) cost shares. Staff were informed that most hospital districts across British Columbia typically contribute up to 40% of eligible capital costs; however, contributions are voluntary and vary based on local circumstances and project funding arrangements. A review of major health capital projects identified in the Province's 2026/27–2028/29 Budget and Fiscal Plan indicates that Regional Hospital District contributions vary significantly between projects. Key observations indicate the historical 40% contribution model is a convention rather than a requirement and funding arrangements increasingly include provincial, foundation, and other funding sources.

Overall, while provincial funding arrangements demonstrate increasing flexibility, discussions with Island Health indicate that existing and planned projects within the CRHD have been developed based on current contribution assumptions and may not readily accommodate further reductions. Island Health advised that the current reduction from the conventional 40% contribution expectation to 30% for major capital projects already represents a significant reduction in CRHD participation.

## **ALTERNATIVES**

### *Alternative 1*

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

That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:

- Maintain a 30% contribution for major capital projects;
- Maintain a 40% contribution for minor capital projects; and
- Maintain current annual allocations for medical equipment.

### *Alternative 2*

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

That the Capital Regional Hospital District staff work with Island Health and the Ministry of Health to understand the implications of reducing the major capital percentage contribution from CRHD to 25%.

### *Alternative 3*

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

## **IMPLICATIONS**

### *Financial Implications*

In the current capital environment, increasing construction costs and infrastructure requirements mean that even relatively small contribution changes can create significant funding impacts. Across current Island Health major projects within the existing CRHD Ten-Year Capital Plan, the previous reduction from a 40% to 30% contribution model represents approximately \$98M in reduced contributions. A further reduction to 25% would create an estimated additional \$49M in funding pressure. Island Health has indicated that additional funding pressures may require reassessment of project scope, timing, viability, and funding strategies (Appendix A).

Maintaining the current contribution model supports assumptions embedded within current and planned capital projects. While reducing contribution rates could improve CRHD financial flexibility, relatively small percentage reductions may create significant funding gaps for major projects. Future impacts would vary depending on the scale and timing of approved capital projects and would require project-specific analysis.

### *Intergovernmental Implications*

Funding arrangements for major capital projects are negotiated and variable. Changes to the CRHD contribution model would require discussions with Island Health and the Province regarding impacts on capital planning and could impact the viability of planned capital projects.

### *Governance/Legal Implications*

The CRHD is established under provincial legislation and letters patent. Authority for establishing, restructuring, or dissolving a regional hospital district rests with the Province through the Lieutenant Governor in Council. A preliminary review of the legislative framework indicates that any restructuring—particularly dissolution—would require provincial approval and would need to address a range of complex considerations, including existing assets and liabilities, debt and long-term financial obligations, taxation authority and requisitioning, ongoing capital funding

responsibilities, and alignment with health authority capital planning. There is no clear mechanism for unilateral dissolution of a regional hospital district by its Board. As such, any consideration of structural changes would represent a significant provincial policy and governance decision requiring coordination with the Province and Island Health. Discussions with Ministry staff indicate a strong opposition to dissolution of the CRHD. While this context is important, it does not directly impact the CRHD’s ability to adjust its contribution model within the existing legislative framework.

**CONCLUSION**

The current reduction from a conventional 40% contribution to 30% for major capital projects already represents a significant reduction in CRHD funding participation. Information provided by Island Health indicates that additional reductions could create material funding pressures that may affect project viability, scope, timing, and overall capital planning assumptions. Maintaining the existing contribution model supports continued partnership with Island Health and the Province and provides stability for current and future healthcare infrastructure planning.

**RECOMMENDATION**

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

That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:

- Maintain a 30% contribution for major capital projects;
- Maintain a 40% contribution for minor capital projects; and
- Maintain current annual allocations for medical equipment.

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:	Angela Linwood, CMA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: May 25, 2026 letter from Island Health

**OUR VISION:**

Excellent health and care for everyone,  
everywhere, every time.



May 25, 2026

Michael Barnes, MPP  
Senior Manager, Health and Capital Planning Strategies  
Capital Regional Hospital District  
Capital Regional District  
625 Fisgard Street  
Victoria, BC V8W 0E1

Sent via email: [mbarnes@crd.bc.ca](mailto:mbarnes@crd.bc.ca)

Dear Michael:

**Re: CRHD Cost-Share Contributions and Health Infrastructure Delivery**

Thank you for your May 12, 2026, correspondence regarding Regional Hospital District cost-share contributions and potential changes to the Capital Regional Hospital District's (CRHD) funding approach.

Island Health recognizes the pressures local and regional governments face regarding supporting growing need for health infrastructure, escalating costs for this infrastructure, multiple competing priorities across sectors, and the increasingly limited capacity of tax payers to absorb tax increases.

I am responding in my capacity of being responsible for identifying, planning and advancing priority health infrastructure projects in the South Island. This letter is intended to speak to the practical implications of changes to CRHD cost-share contributions and should not be read as legal advice or as a definitive interpretation of provincial policy. Questions regarding provincial policy, legislative requirements, or Regional Hospital District cost-share expectations should be directed to the Ministry of Health and the Ministry of Infrastructure, as appropriate.

As you are aware, the current 30% CRHD contribution assumption for major capital projects is already materially lower than the historic 40% regional contribution reference point. The practical effect of this change in contribution is significant: a lower regional contribution reduces the funding available to advance priority health infrastructure in the CRD region. The move from a 40% reference point to a 30% CRHD contribution for major capital projects already has a substantive impact on Island Health's ability to deliver health care infrastructure in the CRD region. A further reduction would compound that impact.

This is particularly significant in the current capital environment. Project budgets are not carrying large margins, and costs continue to escalate across construction, equipment, infrastructure renewal, consultant fees and contingency. In that context, even relatively small percentage changes translate into material funding gaps.

Health infrastructure is integral to care delivery. Clinical buildings, electrical capacity, medical equipment, diagnostic and treatment space, infection prevention requirements, accessibility, and building renewal form the foundation required to enable the delivery of safe and effective health services. When capital funding is reduced, the impact extends beyond buildings and equipment; over time, it constrains Island Health's maintain, modernize, and expand the service capacity required to support patient care needs.

Island Health and the CRHD are critical partners in delivering health care infrastructure for the region. From Island Health's perspective, the cost-share model is not simply a financial arrangement – it is fundamental to advancing projects from planning through to approval, funding and delivery. When regional contributions are reduced, it impacts on the project scope, the project schedule, and project viability. Ultimately it delays the delivery of need infrastructure for the community requiring care.

Contribution shifts also create pressure across Island Health's broader capital plan, as provincial and health authority capital funding must be managed across a portfolio of priorities in Island Health's service area. Reduced or less predictable regional contributions in one area may affect the ability to advance priorities in other regions and can create broader uncertainty for capital planning, particularly where multiple Regional Hospital Districts are supporting major projects at the same time. The practical consequence is reduced capacity to renew, replace and expand the health infrastructure that supports care delivery in the Capital Region. Over time, which means fewer projects advancing, projects taking longer to deliver, projects being reduced in scope, or projects not proceeding at all. While the effect may not always be visible immediately as a direct service reduction, the long-term result is a lower level of health care service capacity than would otherwise be possible in the CRHD region.

Island Health is committed to continued collaboration with the CRHD and the Province to advance priority health infrastructure for the region. As noted earlier, should there be interest in changing the current relationship between the CRHD and Island Health, next steps most likely require legal review and clarifying existing legislative expectations.

We recognize the pressures for infrastructure funding within the current environment. For Island Health, maintaining a stable and predictable cost-share framework is critical to ensure that residents of the Capital Region continue to have access to the health infrastructure and services they need.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse Tarbotton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jesse Tarbotton, RPP  
Director, Capital Planning, Real Estate & Leasing

cc: Ted Robbins, Chief Administrative Officer, Capital Regional District  
Kevin Lorette, General Manager, Housing, Planning & Protective Services, Capital Regional District  
Kathy MacNeil, President & CEO  
James Hanson, Vice President, Community Clinical Operations and Support Programs  
Bobi Plecas, Deputy Minister, Ministry of Infrastructure  
Cynthia Johansen, Deputy Minister, Ministry of Health  
Amy Miller, Assistant Deputy Minister, Ministry of Infrastructure  
Mark Bell, Director, Ministry of Infrastructure