2026 – 2030 Financial Plan

Capital Regional District

Wednesday March 11, 2026

2026 Planning Parameters and Results

Direction for the service planning process and the 2026 provisional budget was set through:

2023-2026 Board Priorities (est. March 2023) subsequently the 2023-2026 CRD Corporate Plan was developed and approved

The Financial Planning Guidelines (May 2025) established a 1.8% inflation target, while forecasting 6.2% increase based on committed initiatives

➲ Plans for 2026 are focused on maintaining core service delivery and delivering remaining initiatives supporting the 2023-2026 Corporate Plan

2026 PROVISIONAL

Operating* | $413M
Capital | $244M
Requisition | 5.9%

CRD & CRHD
Requisition | 4.7%
Cost/HH | 4.7%

2026 FINAL

Operating* | $423M
Capital | $274M
Requisition | 6.6%

CRD & CRHD
Requisition | 5.2%
Cost/HH | 4.5%

*Excludes Municipal Debt

2026 Final Budget

Executive Summary

Capital Regional District
Operating* $423M | Capital $274M
Requisition Funding
$103M | 6.6%
*Excludes Municipal Debt

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Capital Regional Hospital District
Operating $33M | Capital $35M
Requisition Funding
$26M | 0.0%

Capital Region Housing Corp
Operating $33M | Capital $134M

CRD & CRHD Requisition Funding
$129M | 5.2%

CRD, CRHD & Muni Debt Requisition Funding
$151M | 7.8%

Managing Capital Investments

capital investment more than 4x depreciation while 8% of revenue is committed to long-term debt payments

Supporting Board & Corporate Priorities

continuing to execute multi-year projects while adding initiatives in alignment with the 2023-2026 corporate plan

Adapting to Regional Challenges

employment challenges, economic uncertainty, continued population growth resulting in increased asset utilization

Striving for Financial Sustainability

continued revenue diversification, leveraging partnerships, developing financing strategies

Changes since Provisional Approval

Comparison of Budgets

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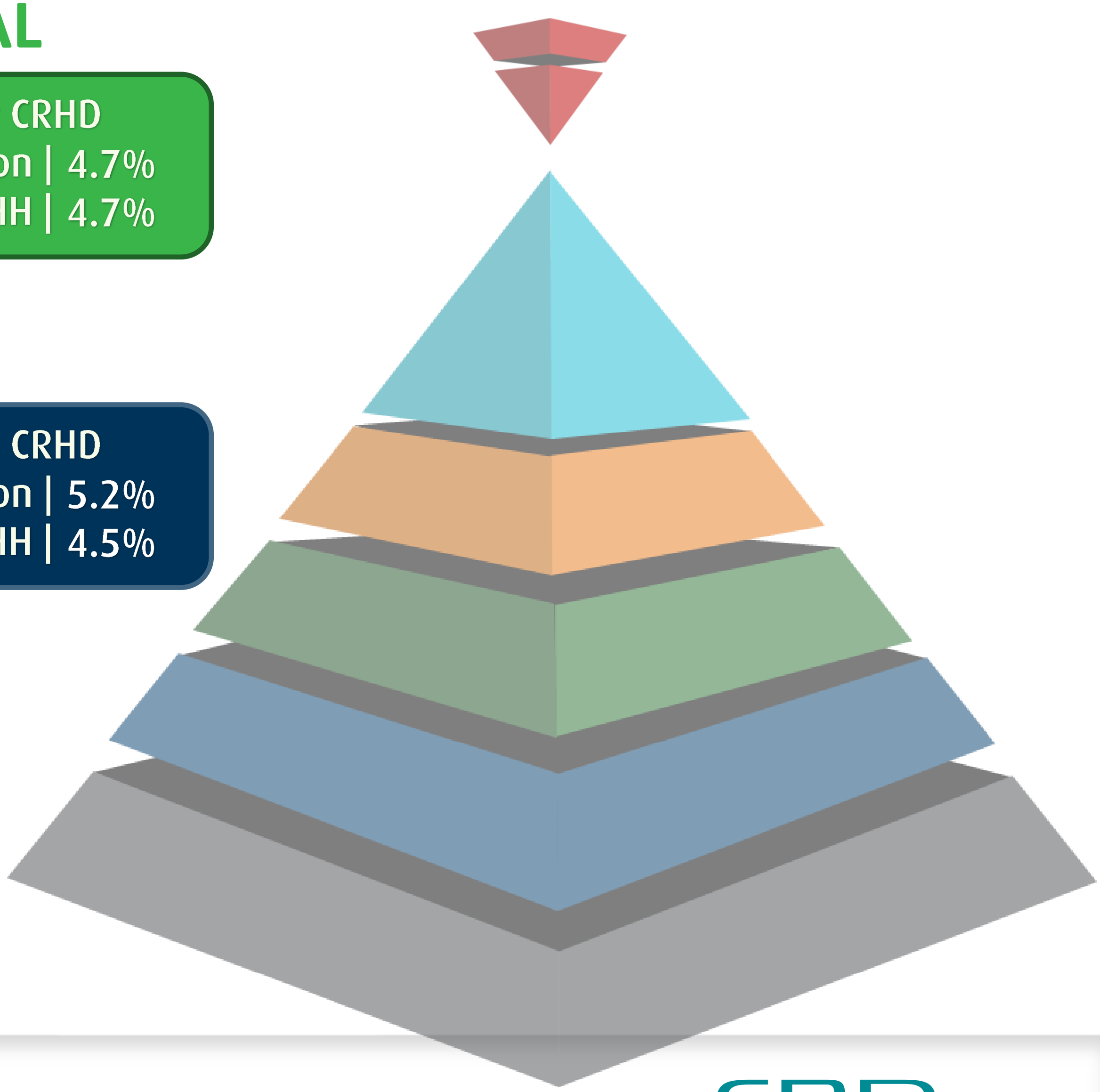
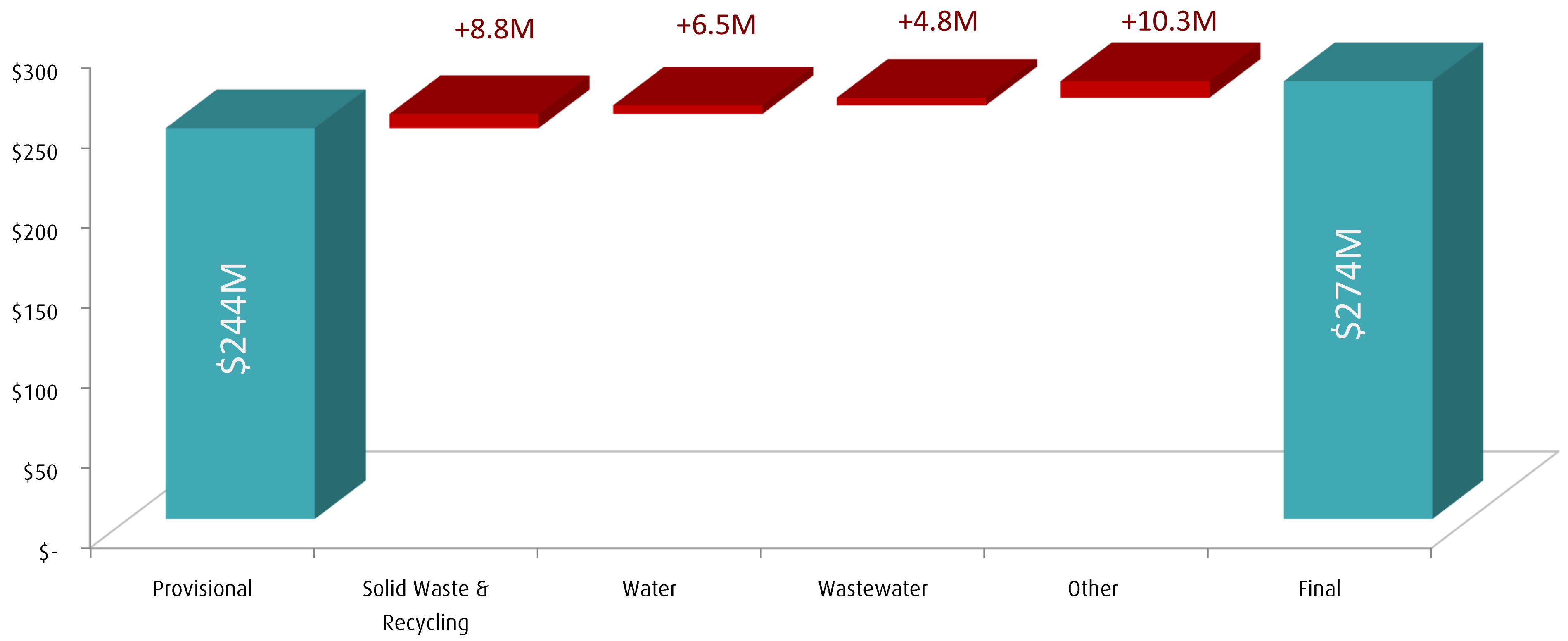


*Excludes Municipal Debt

Capital Investment Changes

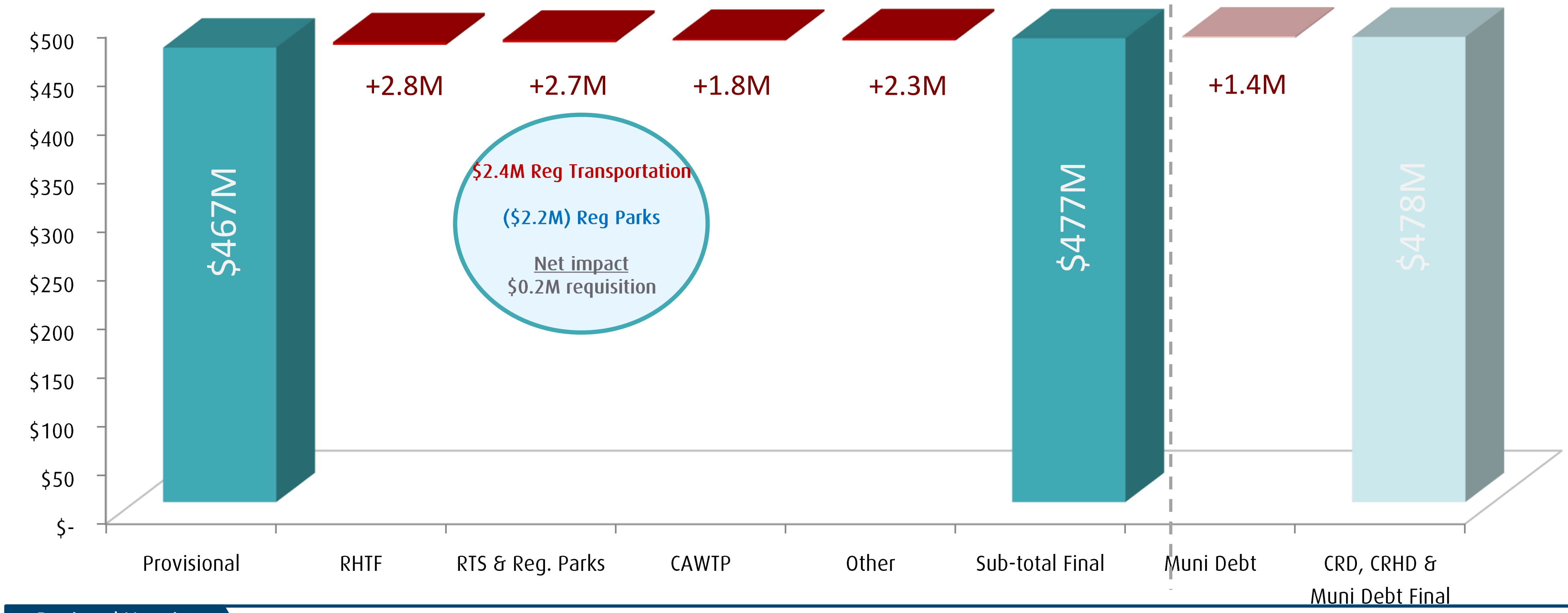
Capital Investment increased by $29.4M or 12.0%



Solid Waste & Recycling	Carryforward of various projects, including $4.2M landfill gas utilization and optimization, $1.2M contractor workshop relocation, $1.0M fence replacement and quarry wall liner projects, $1.0M Hartland Amenity project and $0.7M for project design for Hartland North electrical.
Water	Carryforward of various projects, including $2.1M Saanich-Peninsula Water system upgrades, $0.9M reservoir seismic isolation valves and asset management at Saanich Peninsula and $0.5M upgrading Main No.4 and Main No. 1 in Regional Water Supply.
Wastewater	Carryforward of various projects, including $2.0M for residual treatment facility optimization for Core area Wastewater, $1.3M for Harling Pump Station replacement, $0.5M for the Biosolids Advanced Thermal Plant.
Other	Carryforward of various projects, including $2.5M for upgrades to the Sooke Lake and Deception Water Supply Area dams, $1.2M for the SAP financial system lifecycle replacement. New projects identified since Provisional include $1.0M for the new recreation facility and $0.4M for arena renovations in the Panorama Recreation service, $1.2M for various Regional Parks projects, and $0.8M for the skate park renewal for SEAPARC. Various carryforward and new projects totaling $0.4M for Salt Spring Island Parks & Rec, and $1.5M Pender Island Comm. Parks.

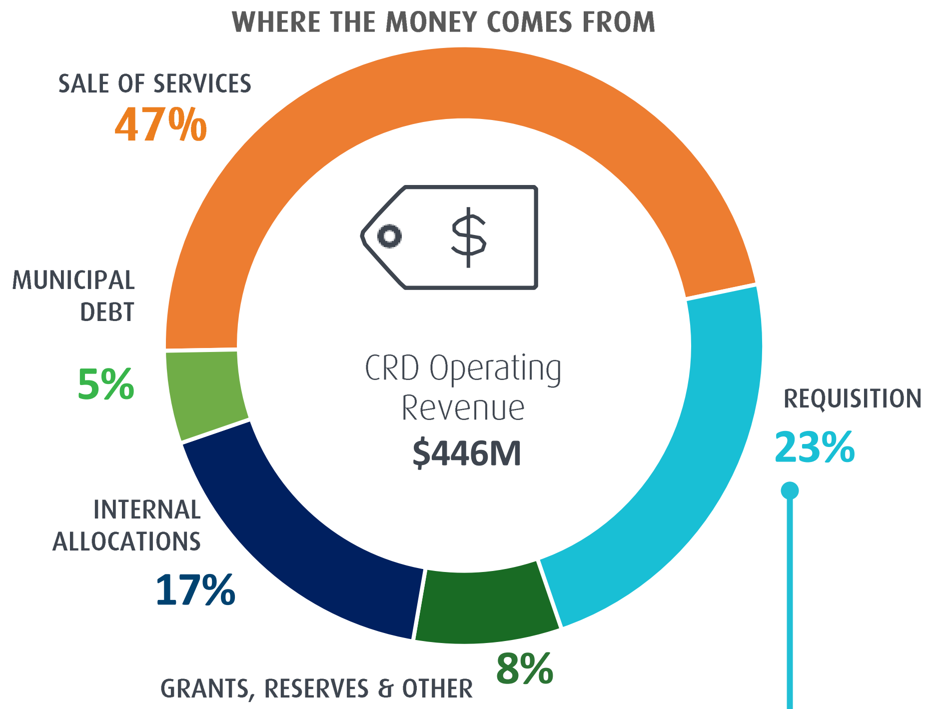
Consolidated Operating Budget Changes

Changes to Expenditures since Provisional of $10.4M



Regional Housing Trust Fund	Carryforward of unspent funds from 2025 to 2026 of $1.8M for the Village on the Green, $0.8M for Verdier and $0.2M for the Rural Housing Pilot Program.
Regional Transportation & Regional Parks	Allocation of regional trails Operations & Maintenance ongoing support from Regional Parks of $1.1M and trail-related debt of $1.1M from Regional Parks. In addition, $0.3M in carryforward of studies from 2025 to 2026, and $0.2M in newly identified regional trail expenses for bylaw enforcement, winter trail safety management and role realignment for transportation planning. Of this amount, $0.2M results in additional requisition since Provisional approval.
CAWTP	$1.5M anticipated operating cost adjustment required to achieve contractual project completion with the third-party operator of the Residual Treatment Facility (RTF); $0.3M one-time expenditure for contractually required RTF facility assessment
Other	$1.3M increased expense for the Hartland landfill for Bird control and material processing contract costs and an updated infrastructure agreement with Saanich, $0.5M carryforward for construction of internet and connectivity costs in the Southern Gulf Island (SGI) Economic Development Commission service, $0.3M carryforward for the Electronic Documents & Records Management System project in Corporate Services, $0.3M in support costs for procurement projects.
Municipal Debt	Impact of new debt issuances for the District of Saanich and the City of Victoria and the Town of Sidney, subsequent to the 2026 Provisional Financial Plan approval.

Operating Budget Funding

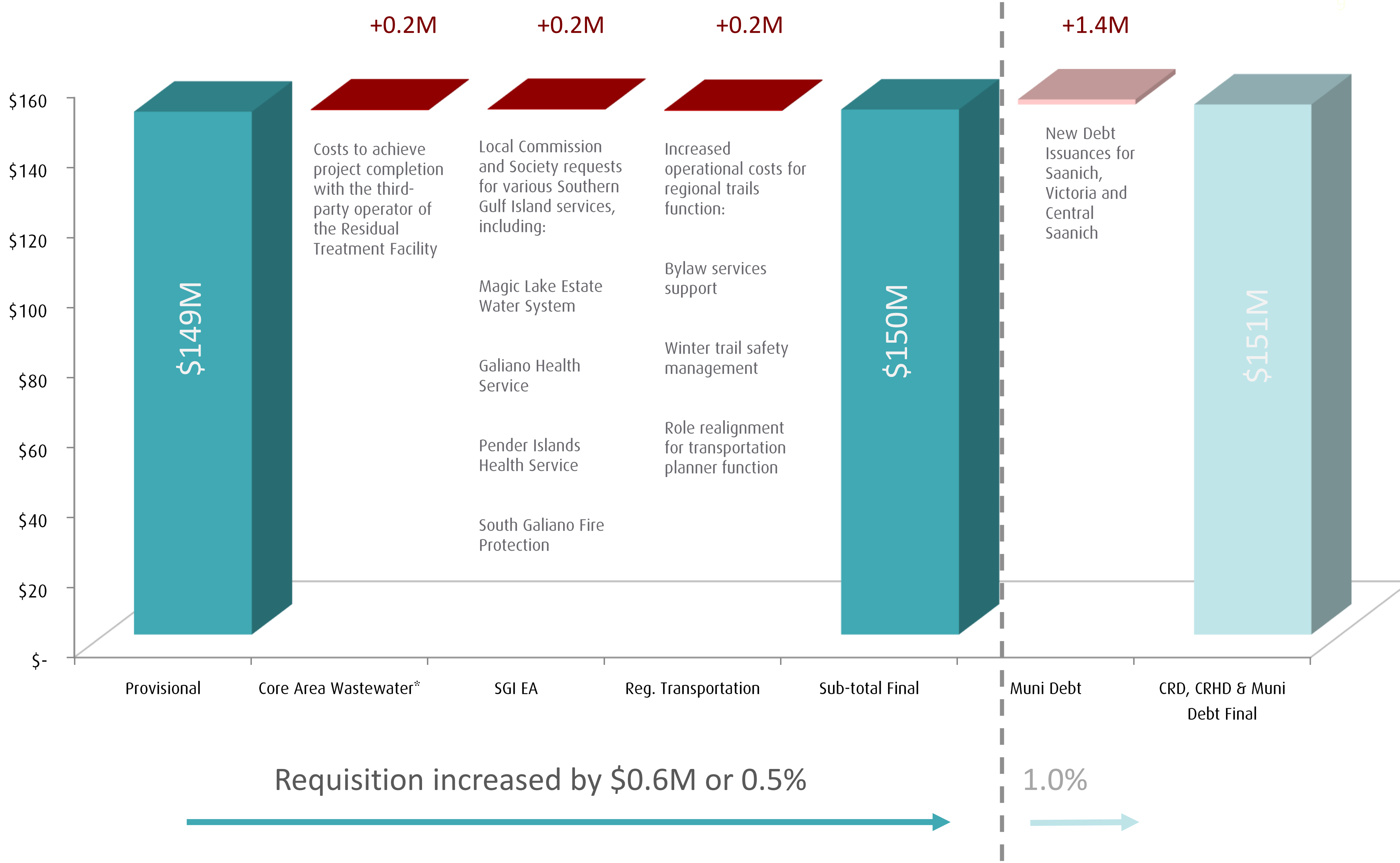


Sale of Services	211.4
Requisitions	102.5
Internal Allocations	74.5
Grants, Reserves & Other	34.8
Sub-total	$423M
Municipal Debt	22.5
Total	$446M

2026 Final Budget	2026 Preliminary	Δ $
$102.5M	$101.9M	$0.6M

2025 Budget
$96.2M

Consolidated Requisition Funding Changes

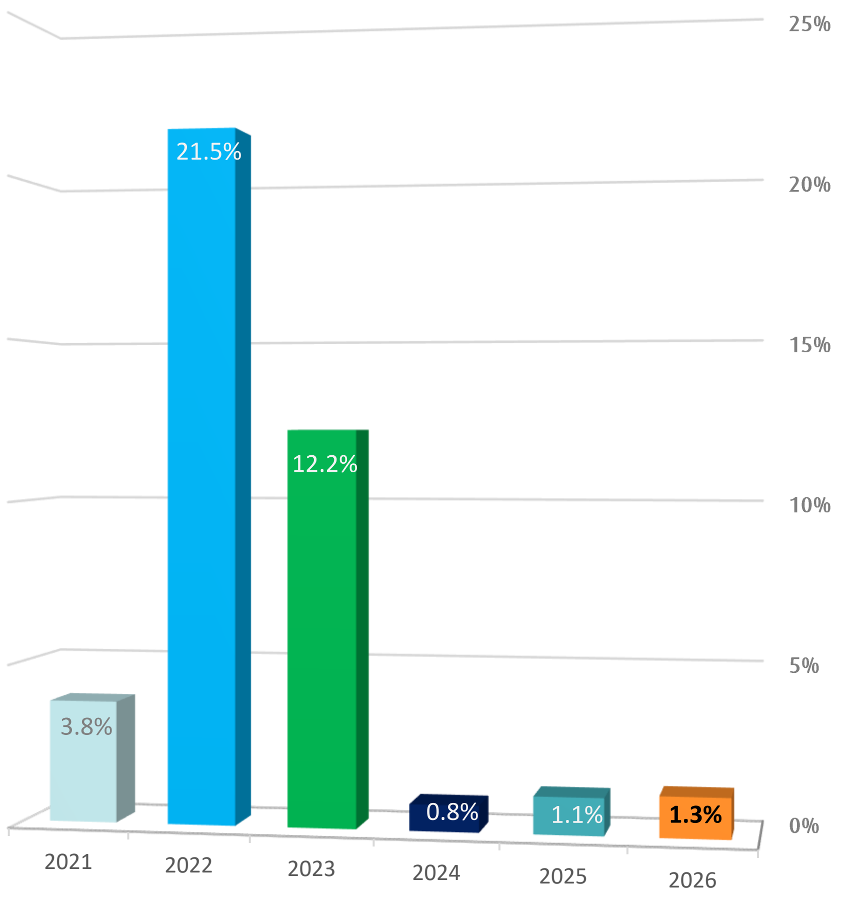


* Changes represent impact to requisition, does not consider invoice by agreement

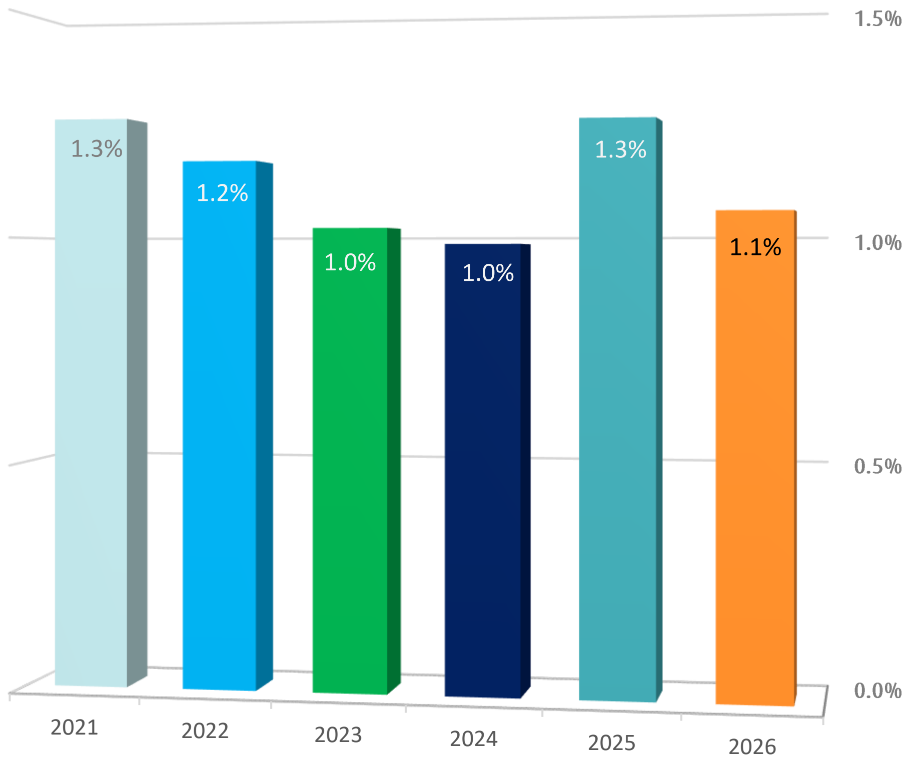
Impacts to Participants

2026 Assessment Impacts

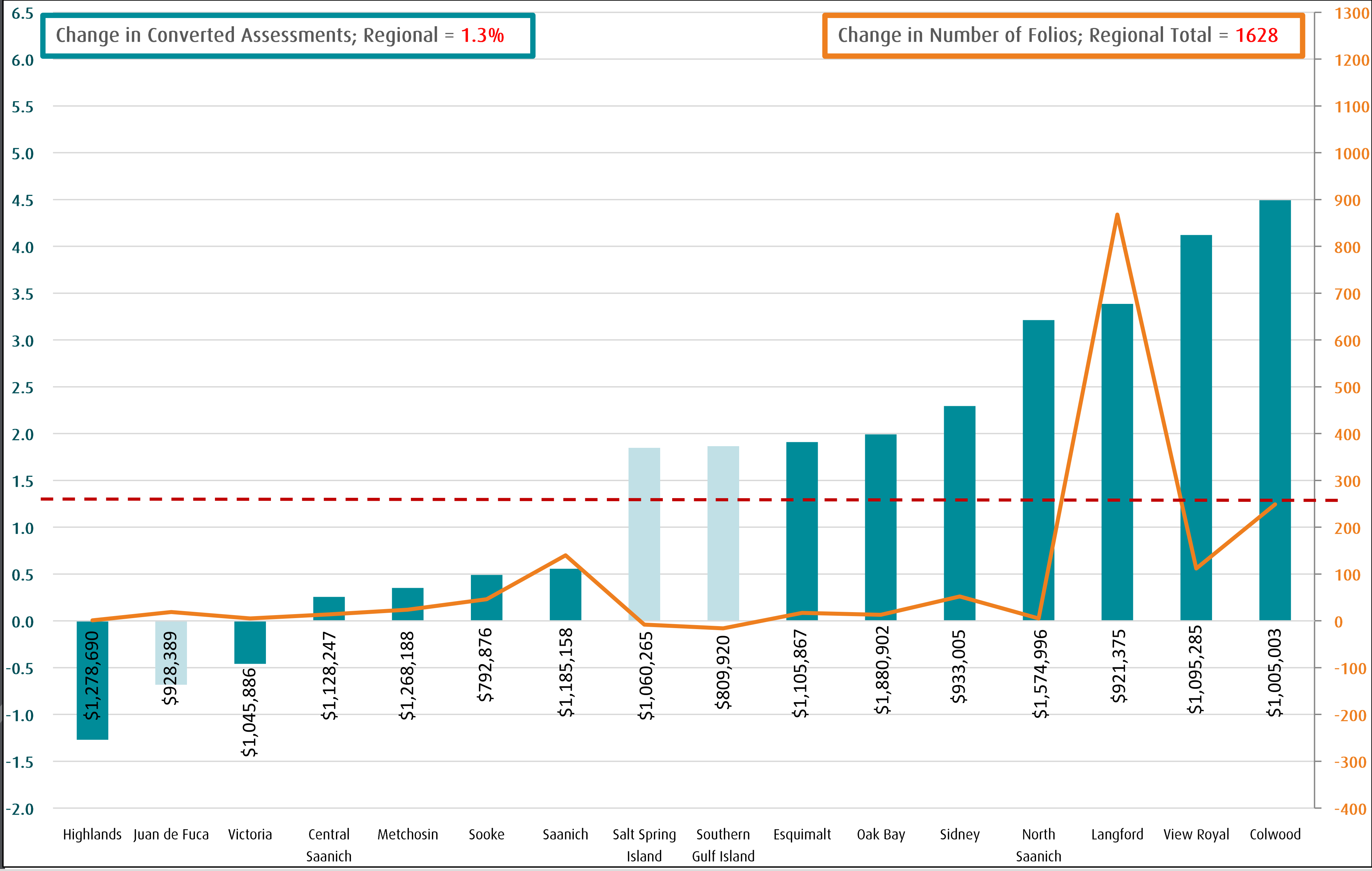
Change in Converted Assessments



Change in Taxable Folios



Impact of Assessment & Folios



Requisition by Participant

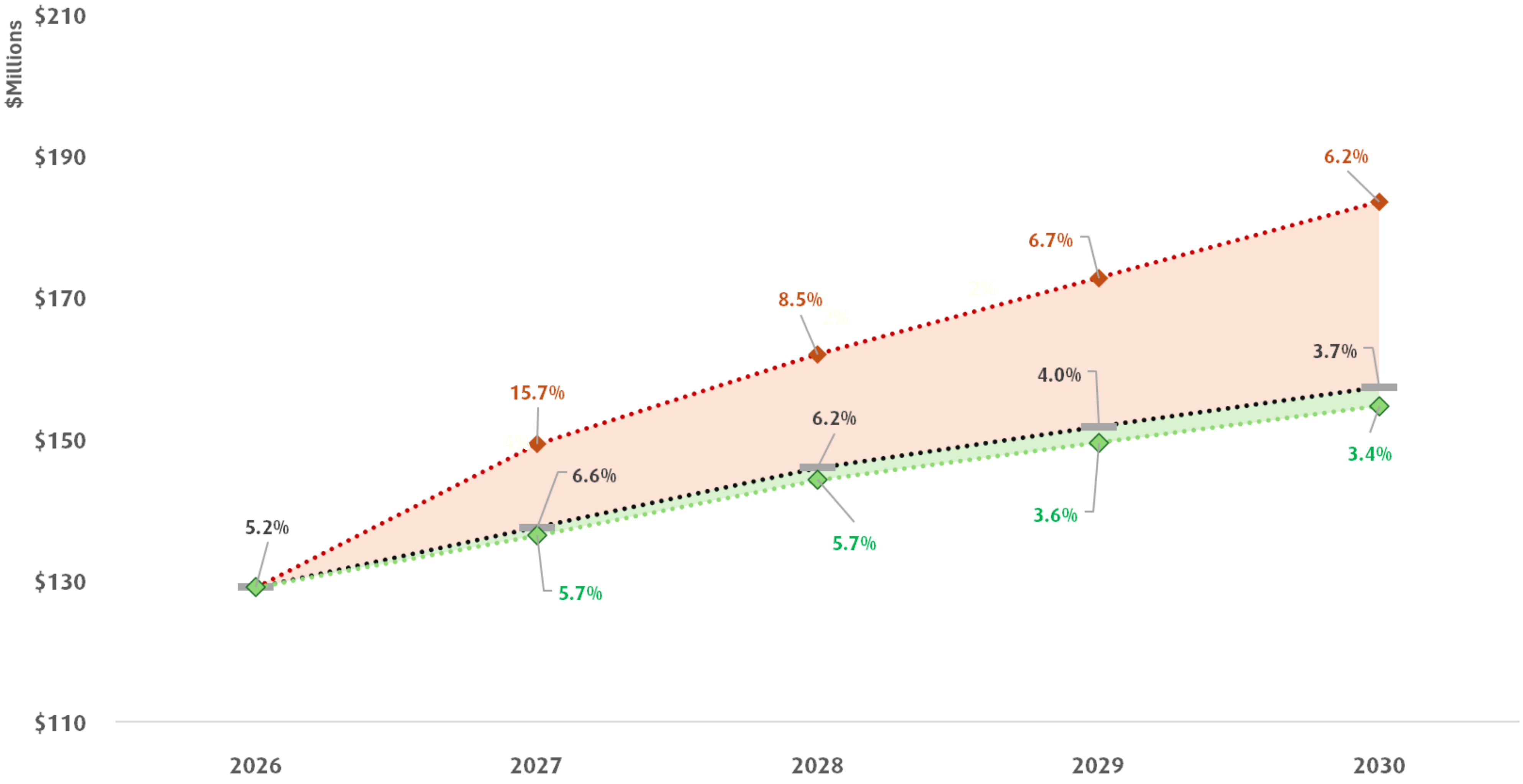
A + B = C ➔ D ➔ E ➔ F

Municipalities & EAs	Impact of Cost Apportionment	CRD Service Costs	CRD Final	CRD & CRHD Final	CRD & CRHD Cost per HH %	CRD & CRHD Cost per HH $	CRD, CRHD & Muni Debt Cost per HH %
Central Saanich	(0.6%)	6.1%	5.5%	**4.5%**	**5.2%**	$930	11.9% **
Colwood	2.2%	6.4%	8.6%	**7.1%**	**3.3%**	$467	2.3% **
Esquimalt	0.3%	3.1%	3.4%	**2.9%**	**3.6%**	$852	1.4% **
Highlands	(0.8%)	6.4%	5.6%	**2.9%**	**2.7%**	$487	2.4% **
Langford	0.8%	7.3%	8.1%	**7.0%**	**3.5%**	$635	3.5%
Metchosin	(0.3%)	6.8%	6.5%	**4.1%**	**1.0%**	$507	1.0%
North Saanich	1.4%	4.1%	5.5%	**4.7%**	**3.8%**	$869	3.2% **
Oak Bay	0.5%	2.7%	3.2%	**2.6%**	**2.2%**	$918	2.2%
Saanich	(0.7%)	6.0%	5.3%	**3.3%**	**3.3%**	$453	13.7% **
Sidney	0.4%	4.2%	4.6%	**3.9%**	**3.2%**	$537	3.6% **
Sooke	0.1%	6.5%	6.6%	**5.6%**	**4.1%**	$735	3.6%**
Victoria	(1.3%)	5.7%	4.4%	**2.4%**	**3.3%**	$413	7.5% **
View Royal	2.6%	5.8%	8.4%	**6.6%**	**3.7%**	$421	2.2% **
Juan de Fuca*	(1.4%)	12.0%	10.6%	**8.7%**	**7.8%**	$835	7.8%
Salt Spring Island*	0.1%	8.7%	8.8%	**8.0%**	**7.0%**	$1456	7.0%
Southern Gulf Islands*	0.5%	7.6%	8.1%	**6.8%**	**6.5%**	$643	6.5%
Total	**0.0%**	**6.6%**	**6.6%**	**5.2%**	**4.5%**	**$654**	**7.2%**

* Excludes Local Defined Areas
** Participants with Municipal Debt

Column E & F represents percentage change from prior year, cost per household

CRD & CRHD Five-Year Requisition Forecast



Future requisition forecasts are based on current assumptions regarding inflation, tariff impacts, demographic change, population growth, and other macroeconomic conditions. While inflation is currently expected to remain relatively moderate in 2026, the outlook remains uncertain. Changes in tariff policy, broader trade conditions, monetary policy, labour markets, supply chains, and other macroeconomic conditions could materially affect service delivery costs and future requisition levels.

Financial Health Indicators

Financial Health Indicators

Investing for the Future

Measure: the amount of capital invested in infrastructure for every dollar that assets depreciate each year.

Result: in 2026, the investment in capital will be $274M* vs $63M in amortization. This yields a 4.4x multiplier.

*Amortization based on net book value as per the audited financial statements from the preceding year.

Saving for a Rainy Day

Measure: reserves provide sources of funding for uncontrollable factors and allow the CRD to set aside funds for future capital requirements.

Result: in 2026, reserve contributions will total $30M vs a $446M* operating budget. The result is 6.6%.

* Includes municipal debt servicing costs

Financial Health Indicators

Debt Affordability

Measure: the amount of revenue committed to debt repayment for existing and new capital.

Result: in 2026, debt servicing costs will account for $27M* out of the total revenue of $341M**. This equates to 7.8%.

* excludes municipal borrowing
** excludes municipal debt (22.5M), internal allocations (74.5M), and surplus carryforward (7.3M).

Debt Management

Measure: the amount of capital investment that will be funded by debt (instead of operating or reserves).

Result: in 2026, debt will fund approximately 29.4% of total capital investment of $274M.

Thank you

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Capital Regional District

CRDVictoria