

Capital Regional District
Quarterly Operating Variance Report - Q2, 2024
Service Budgets Greater than \$1,500,000

		2024 Operating Expenses							2024 Operating Revenue						
		Year to Q2				Annual Forecast			Annual Budget \$ (Schedule A)	Year to Q2			Annual Forecast		
Service Number	Service Description	Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2023 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation		Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2023 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under
1.010	Legislative & General	39,599,526	17,404,805	44%	40%	36,596,360	8%	Savings are primarily related to one-time staff vacancies, hiring delays, and the deferral of one-time expenses to 2025.	39,599,526	12,730,664	32%	32%	37,912,751	4%	Half of revenue is derived from allocations to other services; one-third is funded by requisition, with balance from reserves, grants and other revenue. Savings forecasted due to reduction in reserve funds being required for project salary and consultancy costs, and the deferral of reserve funded one-time costs.
1.105	Facility Management	2,151,733	898,580	42%	46%	1,987,669	8%	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced in Q1-Q2 due to seasonal variance in expenditures and temporary vacancies.	2,151,733	857,824	40%	47%	1,987,669	8%	Revenues derived from delivery of service to other services and projected to be below plan for the year, due to staff vacancies.
1.106	CRD Headquarters Building	2,204,840	1,232,772	56%	58%	2,177,747	1%	Service experienced no significant variance in operating costs during Q2 and is projected slightly below plan for the fiscal year.	2,204,840	1,086,090	49%	49%	2,177,747	1%	Service provides office space to other CRD services and is forecasted slightly below plan.
1.112	CRD Regional Grant in Aid	1,609,336	-	-	1%	-	100%	CRD raised the funds in 2013-2015 through tax requisition specifically for one-time funding request from Island Corridor Foundation (ICF). The timeline hasn't been established for the distribution of the funds.	1,609,336	1,604,321	100%	100%	1,619,336	-1%	Service revenue is 100% surplus carry forward; minor increase in revenue forecasted for interest income.
1.226	Health Facilities - VIHA	1,776,222	344,303	19%	21%	1,544,696	13%	Service provides leased buildings to VIHA, and is 100% recovered from tenant. Q2 is below budget due to savings in maintenance costs. Reserve transfers represent the largest proportion of the budget to be made later in the fiscal year.	1,776,222	775,048	44%	45%	1,544,696	13%	Service provides leased buildings to VIHA, and is 100% recovery from tenant. Any deficit will be recovered from VIHA and any surplus refunded to VIHA.
1.280	Regional Parks	19,684,346	7,394,076	38%	37%	19,599,667	0%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Payroll savings will be redirected to other projects that are currently experiencing resource constraints.	19,684,346	1,269,661	6%	8%	19,802,268	-1%	Revenues are primarily from requisition and are forecasted slightly above plan due to additional grants and fee income.
1.297	Arts Grants & Development	3,208,277	830,377	26%	28%	3,183,248	1%	Service is a grant funding service, which had limited grant distribution in Q1 and Q2. Projecting to disburse remaining budget for grant funding to arts organisations in the remaining quarters. Budget is projected to have a small savings in salaries for the year.	3,208,277	187,689	6%	6%	3,208,277	0%	Revenues are primarily from requisition and are on plan.
1.309	Climate Action and Adaptation	2,864,096	803,407	28%	30%	2,558,718	11%	Savings are primarily related to the timing of contract cost for the Home Energy Retrofit program.	2,864,096	395,437	14%	8%	2,558,718	11%	Revenues are primarily from requisition, and forecast below plan due to less ICIP (Investing in Canada Infrastructure Program) grant revenue.
1.310	Land Banking & Housing	3,566,967	1,877,492	53%	62%	3,238,211	9%	Savings forecasted due to staff vacancies and lower consulting costs.	3,566,967	857,476	24%	22%	3,238,211	9%	Revenues are approximately 54% requisition, 22% grants, and 24% allocation recoveries and surplus carry forward. Forecasted on plan with lower transfer from operating reserve required due to lower expenses.
1.311	Regional Housing Trust Fund	4,178,799	16,652	0%	0%	43,799	99%	Expenses are driven by internal and external grants, with timing contingent on external factors such as municipal approvals. Any surpluses are carried forward. Forecasted on plan with approximately \$3.2 million of committed grants to be disbursed to be disbursed to projects in 2027 and 2028.	4,178,799	3,389,919	81%	74%	4,211,599	-1%	Revenues are 77% surplus carry forward, 17% requisition and 6% other. Forecasted largely on plan with slightly higher revenues due to unanticipated donations.
1.313	Animal Care Services	1,737,305	931,921	54%	58%	1,762,359	-1%	Forecasted expenses are slightly above budget mainly due to increased auxiliary staff and overtime costs due to temporary staff vacancies, vet services, uniforms, and legal services.	1,737,305	757,116	44%	45%	1,754,992	-1%	Service is funded approximately 28% from requisition, 56% from contract revenue, 14% from dog tag sales and 2% from other. Forecasted surplus is due to higher than expected adoption fee revenue and additional contract revenue from the service contracts.
1.318	Building Inspection	2,241,973	915,531	41%	46%	2,082,313	7%	Operating expenses are expected to be lower than the budget mainly due to annual salary savings for temporary staff vacancies, lower equipment purchase, supplies expenses and deferral of Digitization Records project.	2,241,973	552,140	25%	36%	2,117,773	6%	Service is funded approximately 62% by permit fee revenue, with the balance funded by requisition and reserve. Permit fee revenue is significantly lower than expected in Q2, but forecasted to be partially made up in Q3 and Q4 from several large projects on SSI that will generate additional permit fee revenue.
1.324	Regional Planning Services	2,227,436	669,404	30%	43%	1,514,844	32%	Operating expenses are expected to be lower than budget due to savings from temporary staff vacancies and deferral of the ORF funded Island Corridor Planning & Consultation project.	2,227,436	306,845	14%	18%	1,641,546	26%	Revenue is approximately 60% requisition, 37% operating reserve and 3% other. Reduction of revenue is mainly due to deferral of ORF funded Island Corridor Planning & Consultation project, other revenue is forecasted on plan.
1.40X	SEAPARC	5,243,766	2,350,250	45%	48%	5,318,849	-1%	Service has a seasonal nature to operating expenses. In line with service delivery, 2024 operations are projected higher than 2023 due to the recovery from pandemic conditions and the contribution of the fitness gym. Forecasted slightly higher budget for the year due to increased service demand.	5,243,766	903,308	17%	19%	5,376,458	-3%	Revenues are approximately 62% from requisition; 38% from fees and other. Service revenue is projected higher plan for the year due to increased service demand.
1.44X	Panorama Rec. Center	10,810,738	4,748,227	44%	48%	10,754,729	1%	Service utilization recovered from pandemic conditions. Due to seasonal nature of service full year expense projected to be in line with budget.	10,810,738	2,448,094	23%	24%	10,782,192	0%	Revenues are approximately 51% from requisition; 49% from fees and other. Service project to be on plan for the year.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,439,891	1,147,918	47%	60%	2,446,154	0%	Forecasting overall operating expenses to be largely on plan, except for a minor overage mainly due to higher auxiliary wages in pool's budget.	2,439,891	278,712	11%	14%	2,453,811	-1%	Forecasting operating revenue will be slightly over the budget mainly due to higher revenue from the pool recreation programs.

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1.521	Environmental Resource Management	38,751,084	17,807,660	46%	46%	37,249,255	4%	Operational services are continuing as planned. Hartland Landfill Operations/Diversion Services/Energy Recovery services expenses are forecasted to be lower than budget for 2024. Some new diversion initiatives not yet fully implemented.	38,751,084	18,703,785	48%	59%	38,551,084	1%	Tipping fee revenues higher due to an increased quantity of RTF residuals being received. Excessive disposal of banned materials resulting in more tickets being issued. RNG Net Sales Revenue will be lower due to the postponed project completion date of the Hartland Biogas Upgrading Facility Plan construction. Excessive disposal of banned materials resulting in more tickets being issued.
1.576	Environmental Engineering Services	3,007,695	1,353,022	45%	46%	2,873,816	4%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Small savings in Q2 from temporary staff vacancies, but not anticipated to continue throughout the year, \$100,000 saving from delay in PMO study to 2025.	3,007,695	1,300,138	43%	50%	2,880,667	4%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service forecasted to be in line with annual budget. \$100,000 operating reserve transfer for PMO study delayed to 2025.
1.577	IW - Environmental Operations	14,549,517	6,667,985	46%	45%	14,062,423	3%	Overhead service budget, continuing to deliver services as planned. Expenditures forecasted under budget largely due to delays in the delivery of new vehicles, now expected in 2025.	14,549,517	7,174,123	49%	46%	14,161,772	3%	The budgeted revenue is made of 95% from labor recovery and 5% from reserve transfers to cover one-time costs. Due to delays in receiving the new vehicles next year, a reduction in reserve transfers is anticipated
1.578	Environmental Protection and Water Quality	9,337,895	4,405,466	47%	48%	9,216,064	1%	Overhead service budget, continuing to provide service as planned. Forecast largely on plan, with some minor savings on temporary staff vacancies.	9,337,895	4,826,034	52%	51%	9,216,064	1%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.911	911 Systems	2,606,719	1,326,061	51%	52%	2,575,934	1%	This service collects 911 levies from phone carriers and distributes a percentage to participating municipalities. Variance is due to decreased levies received and distributed. Fixed contracts and debt servicing costs are on track with budget.	2,606,719	1,149,046	44%	45%	2,562,983	2%	Sources of revenue are fixed source requisitions, lease revenue, reserves, and variable 911 levies received from phone carriers. Forecasting reduction in revenues due to reduction in 911 levies.
1.921	Regional CREST	1,932,993	983,904	51%	50%	1,936,993	0%	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget	1,932,993	96,942	5%	5%	1,922,493	1%	Operating revenues are primarily requisition and are on plan. Forecasted increase in revenue due to projected interest income.
2.610	Saanich Peninsula Water Supply	7,892,266	3,223,900	41%	47%	7,740,600	2%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be below budget due to temporary vacancies, which is partially offset by bulk water costs exceeding expected demand.	7,892,266	3,588,450	45%	52%	7,924,200	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and above current year budget largely due to summer weather conditions.
2.670	Regional Water Supply	42,114,204	10,290,408	24%	36%	41,522,300	1%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	42,114,204	17,802,558	42%	47%	42,285,300	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and above current year budget largely due to summer weather conditions.
2.680	Juan de Fuca Water Distribution	26,026,524	8,860,549	34%	34%	26,856,100	-3%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to exceed budget due to bulk water purchases exceeded expected demand.	26,026,524	9,737,390	37%	39%	28,580,100	-10%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and above current year budget largely due to summer weather conditions.
3.717	Core Area Wastewater Operations	34,192,131	17,171,204	50%	51%	34,975,671	-2%	Operational services are on track as planned. Overspending on waste sludge disposal at the Hartland facility and legal costs partially offset by underspending on utilities, and repair and maintenance costs. If waste sludge continues to be landfilled, a budget amendment is likely to occur, transferring funds from the Operating Reserve Fund.	34,192,131	962,473	3%	3%	34,975,671	-2%	Revenues are approximately 95.7% from requisition, 4.3% from other, with a potential transfer from Operating Reserve Fund to cover continued landfilling of waste sludge.
3.718	Saanich Peninsula Wastewater	4,993,969	2,055,816	41%	46%	4,740,588	5%	The service delivery proceeded as planned. In Q2, savings were realized in labor consumption and repair maintenance costs, though some of these savings were offset by additional spending on utilities and chemicals.	4,993,969	116,168	2%	5%	4,935,169	1%	Revenues are approximately 93% from requisition, with the remaining 7% derived from various sources including reserve transfers, heat recovery from Panorama Recreation Centre, and lab service recoveries. Overall revenue is expected to be on plan.
3.755	Regional Source Control	1,674,718	865,096	52%	48%	1,673,786	0%	Service delivery continuing as planned. No changes anticipated at this time, and forecasted in line with plan.	1,674,718	145,674	9%	9%	1,673,956	0%	Revenues are primarily from requisition, and forecasted in line with plan.
Total Services above		292,624,966	84%							292,624,966	84%				
Other CRD Services		54,593,457	16%							54,593,457	16%				
Total CRD*		<u>347,218,423</u>								<u>347,218,423</u>					

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CRHD	Capital Regional Hospital District	33,548,386	12,996,445	39%	34%	32,648,424	3%	Savings forecasted due to deferred feasibility studies, lower debt servicing costs, and lower maintenance costs forecasted for 950 Kings, The Summit, and Oak Bay Lodge properties.	33,548,386	4,460,590	13%	11%	33,602,793	0%	Higher property revenue due to recovery of insurance costs from Island Health for The Summit, largely offset by lower transfer from property management reserve to fund 950 Kings and Royal Bay properties due to savings on maintenance costs.		
Total CRHD		33,548,386							33,548,386								
CRHC	Administration	3,818,333	1,625,282	43%	39%	3,614,314	5%	Forecasting some administrative expense savings due to staff vacancies and turnover.	3,818,333	1,795,639	47%	50%	3,818,334	0%	Revenue is tied to fixed property management fees, and forecasted on plan.		
CRHC	Development Services	1,176,033	342,120	29%	27%	1,058,210	10%	Savings forecasted due to staff vacancies.	1,481,337	193,492	13%	19%	1,481,337	0%	Revenues are 100% project management fees from multiple projects. May accrue PM fees related to new projects at year end.		
CRHC	CHF Operating	1,699,528	516,946	30%	36%	1,631,902	4%	Forecasted savings primarily due to the opening of Michigan B delayed from late Q2 to Q3.	1,699,528	598,840	35%	37%	1,600,295	6%	Revenues are approximately 50% tenant rents and 50% provincial subsidies. Forecasting slightly lower revenues due to delayed opening of Michigan B from late Q2 to Q3.		
CRHC	UOA buildings	13,485,092	6,521,878	48%	50%	13,389,346	1%	Forecasted to be on track with plan with some minor savings in salaries primarily due to caretaker vacancies.	13,378,911	7,109,065	53%	52%	13,378,911	0%	Forecasted on plan.		
CRHC	ILBC building	927,858	437,773	47%	51%	928,969	0%	Forecasted on plan.	927,858	562,911	61%	46%	1,043,489	-12%	Revenues are approximately 60% provincial subsidies and 40% tenant rents. Island Health controls occupancy and subsidy is adjusted based on occupancy. Forecasting higher subsidy due to new agreement with Island Health.		
CRHC	NOA buildings	1,730,942	817,920	47%	49%	1,715,017	1%	Forecasted on plan with some small savings in caretaker salaries.	1,761,248	894,870	51%	51%	1,761,248	0%	Revenues are 100% from tenant rents and forecasted on plan.		
CRHC	RHFP buildings	9,986,408	4,680,644	47%	46%	9,929,679	1%	Forecasted on plan with some minor savings in salaries due to caretaker vacancies.	9,898,206	4,917,504	50%	46%	9,898,206	0%	Forecasted on plan.		
CRHC	IHI building	793,641	397,265	50%	49%	800,505	-1%	Forecasted slightly above plan, with a possible overage due to maintenance required in Q1 and Q2.	847,993	456,623	54%	50%	880,620	-4%	Revenues are 100% tenant rents. Forecasting increased revenue due to increased occupancy.		
CRHC	RR Services	591,142	57,014	10%	n/a	428,362	28%	Savings forecasted due to staff vacancies and hiring delays.	591,142	295,574	50%	n/a	428,362	28%	Administration costs are 100% recovered from capital replacement reserves. Estimating a lower recovery due to staff vacancies and hiring delays.		
Total CRHC		34,208,977							34,404,556								
Total Services (CRD + CRHD + CRHC)		\$414,975,786							\$415,171,365								

*Amended Budget as at May 8, 2024 (Bylaw 4614)