

**REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, JANUARY 14, 2026**

SUBJECT **CAO Quarterly Progress Report No. 4, 2025**

ISSUE SUMMARY

To provide the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to December 31, 2025.

BACKGROUND

In February 2023, the Board approved the *CRD Board Strategic Priorities 2023-2026* (the “*Board Priorities*”) that identifies five strategic priorities with 17 initiatives to be advanced over the four-year term. The Board Priorities Dashboard tracks progress on the Board and Corporate strategic priorities and will be presented quarterly to the Board. Core service priorities are prepared and reviewed annually in departmental Service Plans in alignment with Board and Corporate Priorities, with corresponding KPIs and other service information that is approved by the Board. The Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) Financial Plans are reviewed and approved annually, and staff have developed a quarterly variance report to highlight differences between budget and actual expenditures on operating budgets and capital projects over \$500,000. An update on non-confidential people, safety and culture matters, including labour relations and workforce trends is also included in this report.

DISCUSSION

Corporate Activities and Initiatives

Appendix A highlights some corporate activities and initiatives in the last quarter and a few photographs have been included to represent announcements and events that occurred in the quarter.

On October 6, 2025, members of the CRD Board and the Regional Water Supply Commission, along with CRD staff, participated in a tour of the newly acquired Kapoor Lands. In 2025, 1,973 hectares of land was purchased from the Kapoor Lumber Company and the ownership transferred to the CRD on September 15, 2025. The Kapoor Lands are located adjacent to the Sooke Lake Reservoir catchment area and the Sooke Lake Watershed, which is the primary water supply for the Greater Victoria area. This was an opportunity for elected officials and staff to tour the lands, observe key features and share history about the Kapoor Lumber Company.

On October 7, 2025, the CRD received the BC Municipal Safety Association’s Organizational Safety Excellence award. This award recognizes local governments for activities that reduce injuries, illness, disease and fatalities, and which lower experience ratings through WorkSafeBC. We are proud to be recognized for our efforts in safety, and for all our managers, supervisors, staff and safety professionals for the work they do to keep our employees safe on the job.

On October 30, 2025, the Songhees Nation signed a Government-to-Government Protocol Agreement with the CRD, that will guide the Parties in a renewed relationship founded on mutual respect, collaboration, and shared prosperity. Under the Protocol Agreement, the Parties will use specific processes for joint decision-making and improved communication, to advance work in our areas of mutual interest.

The CRD Regional Parks Volunteer Recognition event took place on Saturday, November 15, 2025, at the Esquimalt Gorge Park Pavilion. This annual event provides an opportunity for CRD staff and elected officials to show their appreciation and acknowledge the many contributions that the over 420 regular volunteers make to our regional parks.

On November 17, 2025, the Sooke Electoral Area Parks and Recreation Commission (SEAPARC) broke ground on the new Sooke Skatepark, a project that will provide a vibrant and inclusive space for youth and families to enjoy active recreation. The new skatepark, located at 6522 Throup Road, will feature surf-inspired transitions with a mini-ramp and organic bowl, along with street-style features. While the new park is being constructed, a temporary skatepark will be located on the Ravens Ridge Park Sport Box on Phillips Road. The new skatepark is anticipated to be completed by April 2026.

Board Priorities and Corporate Plan Initiatives

In April 2023, the CRD Board approved the CRD 2023 – 2026 Corporate Plan (the Corporate Plan) that identifies 134 initiatives to be advanced over the four-year term. Progress on the Board Priorities and Corporate Plan initiatives from January 2023 to date is reflected in Progress Report Q4, 2025, as Appendix B. The “Comments” section provides a summary of completed actions as well as any issues or problems that have arisen that may impact progress on the priority. The “Next Steps” section identifies future planned actions and associated timing. Attached as Appendix C is the Board Priorities Dashboard Summary of Completed Actions.

Board Advocacy

The CRD Board approved Advocacy Strategy forms the basis for advocacy initiatives. An Advocacy Dashboard based on the Board’s Strategic Priorities for 2023 - 2026 has been prepared which tracks the ongoing advocacy work being done by the CRD Board, partners, and staff.

Progress on advocacy is reflected in the Advocacy Dashboard Progress Report Q4, 2025 as Appendix D. Progress on advocacy specifically related to the Electoral Areas is reflected in the Electoral Areas Advocacy Dashboard as Appendix E.

Operating Variance Financial Report – Q3, 2025

The Financial Operating Variance Report details the quarterly operating variance, providing actual results and annual forecasts for services with an annual budget greater than \$1.5 million. The report lags by one quarter to allow time for financial reconciliation prior to reporting. These services constitute approximately 88% of the consolidated financial plans for the CRD, CRHD, and CRHC.

The amount of budget expended through the quarter will vary from service to service, depending on planned expenditures, seasonality, and the timing of the transactions. Budgeted revenue can also fluctuate by quarter, for example requisition funding is received in Q3, while utilities, landfill, and recreation services sales revenue is earned throughout the year and influenced by seasonal trends.

The quarterly Financial Operating Variance Report (Appendix F) highlights the percentage of the annual budget that has been expended to date, for both revenue and expenses, throughout 2025.

Capital Regional District

The quarterly and year-end forecasts indicate the majority of services are on track and aligned with the annual budget, funding essential community services such as water, wastewater management, and solid waste disposal.

Notable variances at the third quarter include:

- Reduced operating and utility costs associated with the delayed completion and operation of the Renewable Natural Gas (RNG) facility at Hartland Landfill.
- Deferral of contract for services costs due to timing for the Home Energy Retrofit Program and Regional Public EV Network program in the Climate Action & Adaption service.
- Deferral of one-time reserve funded Island Corridor Consultation, Transportation Model, and Transportation planning projects.
- Salary savings across numerous service areas due to challenges in hiring and temporary vacancies.

Capital Regional Hospital District

The report highlights minor savings resulting from the deferral of feasibility studies, lower debt servicing costs, and lower maintenance costs forecasted on The Summit, 950 Kings and Oak Bay Lodge properties.

Capital Region Housing Corporation

The actuals for CRHC are presented by portfolio and reflects the estimated cost savings and revenue variances forecasted at the end of Q3. Savings are anticipated primarily due to staff vacancies and the delayed timing of mortgage payments for Caledonia as now anticipated in Q1 2026.

Specific details on CRD, CRHD and CRHC expense and revenue forecasts are outlined in Appendix F.

Capital Variance Financial Report – Q3, 2025

The Capital Variance Financial Report (Appendix G) highlights variances between actual expenditures and both the quarterly and annual capital budgets for all entities (CRD, CRHD and CRHC). The report is current to the end of Q3 and includes all capital projects with a budget greater than \$0.5 million.

The Capital Plan is budgeted on a quarterly basis, reflecting the scope and schedule of each initiative. Forecasts are also updated each quarter to improve accuracy and provide more detailed updates as projects progress and tenders are finalized. As late quarter tenders are awarded, capital activity and forecast precision are expected to increase.

Capital Regional District

The CRD is forecasting to come under its Capital budget due to delays in Infrastructure & Water Services projects and Parks, Recreation and Environmental Services. Capital expenditures on projects greater than \$0.5 million totaled \$29.9 million in Q3, 26% below forecasted costs of \$40.3 million. Notable variances at the third quarter include:

- Delays in Construction to 2026 contributed to the variance for Main No.4 Trunk Extension project of \$1.0 million, and the Goldstream Field Office Centre of \$0.9 million (Regional Water Supply);
- Instrumentation portion of the Sooke Lake Dam upgrades is delayed, with contractor negotiations underway, contributing \$0.9 million (Regional Water Supply);

- Delays in motor deliveries on the Marigold Electrical and Building Upgrades have slowed down installation and commissioning. This contributed \$0.7 million to the Q3 variance (Core Area Wastewater);
- Outstanding deficiencies of \$0.6 million for the Landfill Gas Utilization project are being addressed, with completion delayed to Q4. Functional completion of the facility was achieved in Q2 (Environmental Resource Management);
- Construction delays for Cell 5 Liner for \$0.5 million and the Hartland Amenity project for \$0.4 million (Environmental Resource Management);
- The Skate Park Renewal project had its borrowing approved in Q3, with construction deferred to begin in Q4, contributing a variance of \$0.6 million (SEAPARC);
- Phase 1 of the SAP migration completed in Q2, with phase 2 pushed out to Q4 and 2026, resulting in \$0.6 million variance;
- The Centennial Park Multi Sport Box had its soft open in Q3, with grand opening forecast for Q1 2026 after artwork is installed. \$0.4 million variance is expected savings on the project (Panorama Recreation).

Other variance contributors include construction delays for the SCADA and Radio Assessment project and the Gorge Siphon Inlet Chamber for Core Area Wastewater service, delay in vehicle availability for the Vehicle & Equipment replacement project for Juan de Fuca Water Distribution service, procurement of supplies for the Schooner Way Trail on Pender Island, equipment delivery delay and grant funding agreement for the Regional electric vehicle charging infrastructure, and timing adjustments for the Heat Recover Plant at Panorama Recreation.

Capital Regional Hospital District

No capital spending has occurred in Q3. Island Health has indicated they will not be proceeding with the designated health facility project at 950 Kings.

Capital Region Housing Corporation

Capital expenditures on projects greater than \$0.5 million totaled \$7.3 million in Q3, 29% less than forecast. The Caledonia redevelopment accounted for \$1.2 million of this variance, with occupancy review and approval delayed into Q4. Other variances include design revisions for the Carey Lane development, and delays for Campus View Redevelopment due to unforeseen site conditions.

People, Safety & Culture

Appendix H provides an analysis of current and emerging trends in workforce composition, turnover, promotions, absenteeism and occupational health and safety. The CRD continuously monitors human resource organizational health, and proactively modifies and adapts its People, Safety & Culture programs and systems where trends may show challenges arising.

While improving, the CRD continues to experience increased pressures associated with economic conditions, a highly competitive labour market, and a steady number of retirements, especially in areas requiring specialized labour. The CRD has implemented significant employment engagement and work strategies as part of our comprehensive People, Safety & Culture Strategic Plan to aid in ensuring we attract and retain a high caliber workforce.

The People, Safety & Culture Strategic Plan (2024-2027) includes significant efforts and actions on enhancing efforts around our people and culture, and aligns with the Corporate Plan and Board Strategic Priorities. This Plan includes significant efforts and actions on enhancing efforts around our people and culture, and included in the Plan are robust strategies and outcomes around: Equity, Diversity, Inclusion and Accessibility; Organizational Capacity; Talent Excellence; Employee Experience and Recognition; Talent Acquisition; and People, Safety and Culture Excellence. These activities ensure the organization is supported in this key service area, and the CRD remains competitive and is an employer of choice in the competitive market.

The CRD has also worked to modernize the work environment through the Alternative Work Options (AWO) program (earned time off and/or compressed work week alternatives), hybrid work from home, and workplace flexibility initiatives, and continues to evaluate the effectiveness of these programs. Since implementation in 2023, approximately 80% of eligible CRD employees have elected to participate in the AWO, hybrid work from home, and/or workplace flexibility programs. These programs build upon our flexibility initiatives of:

- providing employees with greater flexibility and work life balance, which in turn supports the retention of our employees and ensures the CRD is a competitive employer who takes into consideration employee circumstances including diversity, equity and inclusion, employee engagement, satisfaction, health, and wellness;
- ensuring organizational and business needs are being met and are effective and efficient; and
- contributing to the CRD's climate action goals regarding sustainability including the reduction of CO2 emissions by decreasing work related travel.

The AWO and workplace flexibility initiatives have had a positive impact in our employee engagement, recruitment, and retention initiatives. In addition, and based on regional census journey calculations, the hybrid work from home arrangements have had a direct and positive impact on the CRD regional transportation goal of reducing congestion in the morning and afternoon peak periods. We will continue to monitor the program on a regular basis to ensure the core targets are being met and maintained.

The CRD's proactive and positive focus on workplace health and safety remains a top of priority, and the CRD's comprehensive occupational health and safety (OHS) strategy, which is aligned with OHS best practice standards, meets or exceeds requirements of the WorkSafeBC approved municipal Certificate of Recognition (CoR) program. The CRD continues to experience a positive (merit) situation with WorkSafeBC which, when combined with our CoR program is resulting in a 47.6% better-than-industry Employer Rating Assessment and 47.6% premium reduction over industry base rates.

The CRD successfully completed its annual Certificate of Recognition (CoR) recertification audit. CoR audits are conducted externally every three years, and internally in years in-between. Our next internal audit is in 2026, and our next external audit is in 2027.

CONCLUSION

The CAO Quarterly Progress Report No. 4, 2025 provides the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to December 31, 2025.

RECOMMENDATION

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

Submitted by:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer
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ATTACHMENT(S)

- Appendix A: Photographs of Corporate Activities and Initiatives
- Appendix B: Board Priorities Dashboard Progress Q4, 2025
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Advocacy Dashboard Progress Q4, 2025
- Appendix E: Electoral Area Advocacy Dashboard Q4, 2025
- Appendix F: Operating Variance Financial Report Q3, 2025
- Appendix G: Capital Variance Financial Report Q3, 2025
- Appendix H: People, Safety & Culture Trends