

# 2025 Provisional Budget

Capital Regional District  
Wednesday October 30, 2024

# Agenda

## 1 CRD Accomplishments 2023-2024

Ted Robbins  
Chief Administrative Officer

## The Executive Leadership Team is available to discuss capital projects, operating initiatives, community needs

inclusive of key trends and  
assumptions, performance metrics,  
service level adjustments, initiative  
progress, etc.

Ted Robbins  
Chief Administrative Officer  
Nelson Chan  
Chief Financial Officer, GM Finance & IT  
Alicia Fraser  
GM, Integrated Water Services



## 2 2025 Planning Process & Timelines

Ted Robbins  
Chief Administrative Officer

## 3 2025 Provisional Budget Regional Context Capital & Operating Plans

Nelson Chan  
Chief Financial Officer, GM Finance & IT

4  
Russ Smith  
Acting GM, Parks, Recreation & Environmental Services  
Kevin Lorette  
GM, Planning & Protective Services  
Kristen Morley  
GM, Corporate Services & Corporate Officer

## CRD Board 2023-2024

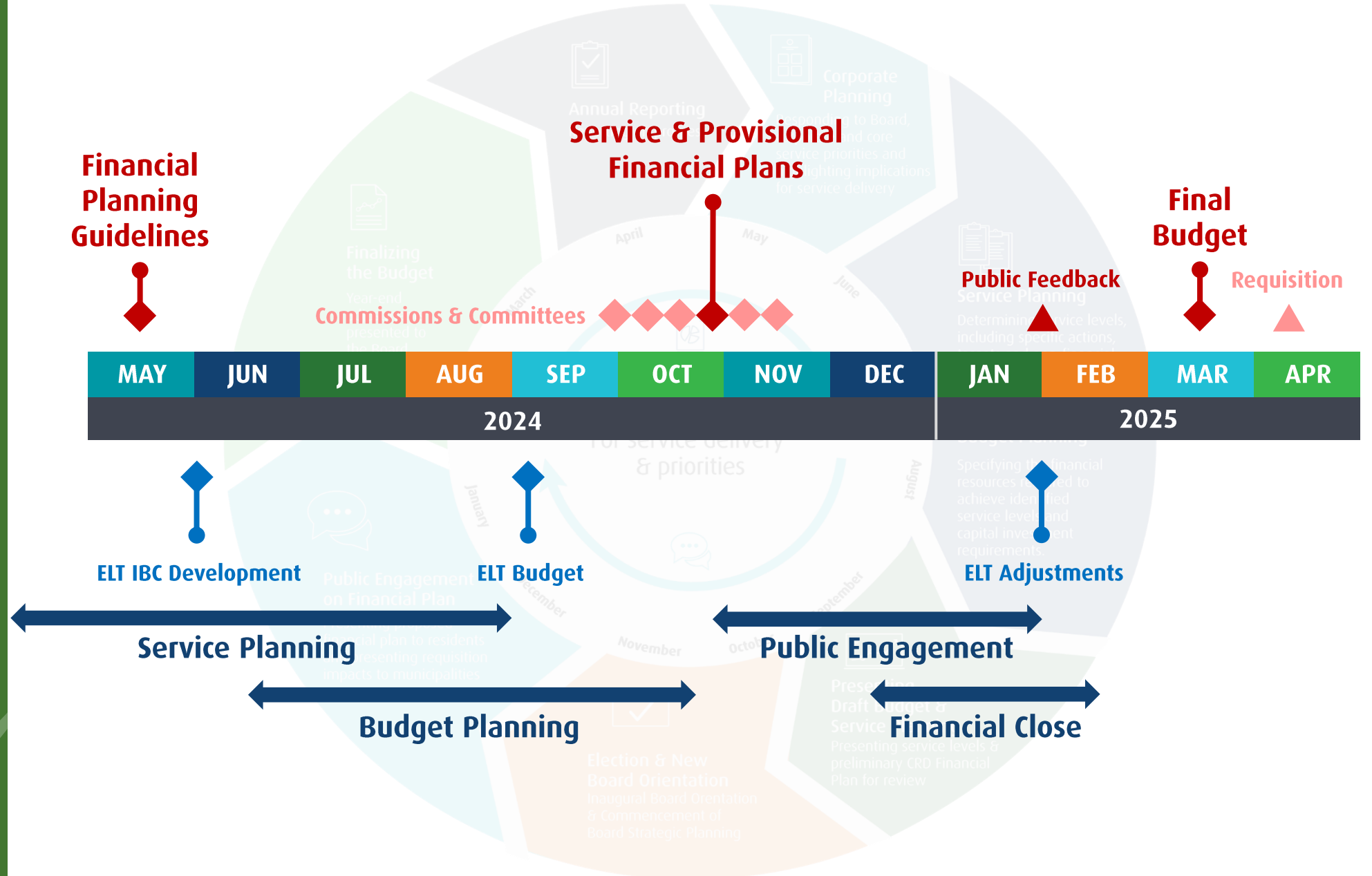
### Over the course of its term the CRD Board:

- Approved the **2023-2026 Board Priorities** & the **CRD Corporate Plan**
- Approved **new or revised regional & sub-regional strategic plans**, setting the course for CRD services and the future of the region building on existing plans
- Started **new initiatives** in 2023 & 2024 and **planned for 2025 & 2026 initiatives**
- Evaluated progress made on advancing the **Board Priorities** & the **Corporate Plan** and provided staff with direction for adjustments
- Oversaw the advancement of **large-scale capital investments**
- Kept the organization on track with delivery of more than **200 services and agreements at a regional, sub-regional and local level** and prepared for the **establishment of three new services**
- Provided staff with Budget direction annually through the **Planning Guidelines** directive

# Process & Timeline

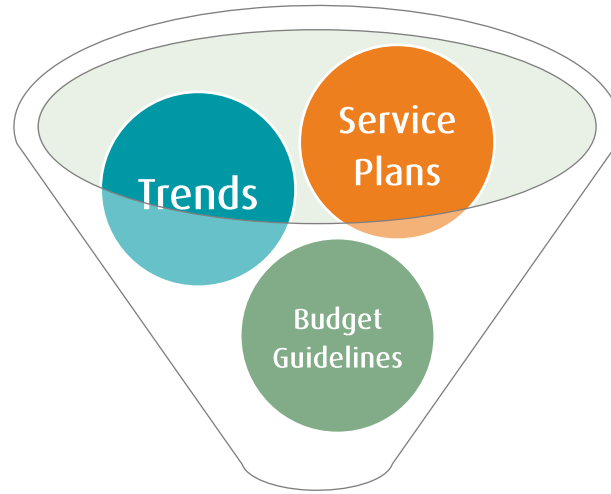
# Process & Timeline

## 2025 Planning



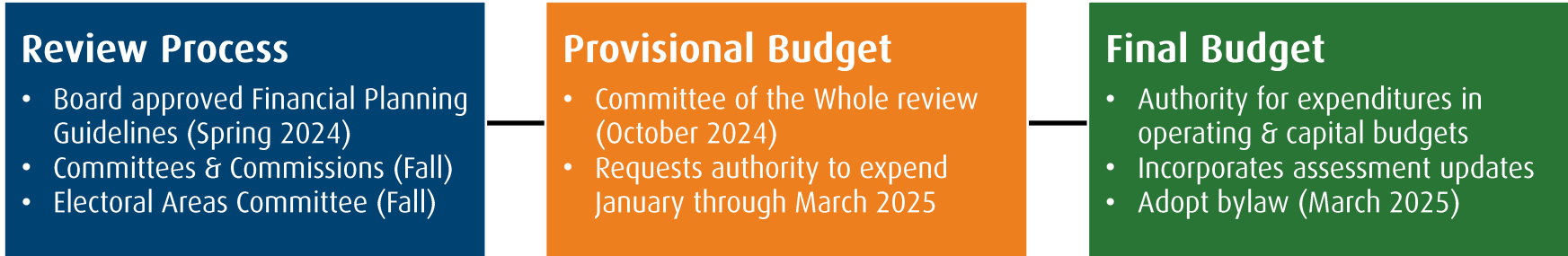
# Process & Timeline

# 2025 Approvals



## 2025 Provisional Budget

- Service Planning Process**  
Define appropriate levels of service delivery, adjust impacts, realign resources, evaluate infrastructure
- Trends and Assumptions**  
Adjustments made for external factors including population growth, demographics, economic, etc.
- Budget Guidelines**  
Annual Board approval of the Financial Management Strategies and Guidelines



# Planning Guidelines

# Planning Guidelines

## 2025 Direction



### Economic Conditions

Drivers and assumptions for the basis of the financial plan



Planning Guidelines



### Financial Management Strategies

**1** Optimize fees for service revenue and stabilize tax rates to fund operations, maintenance, growth and assets utilization

**2** Limit transfers to/from operating reserves to fund one-time projects or to stabilize revenue requirements

**3** Transfers to/from capital reserves supported through life cycle funding and optimal debt and debt terms



### Service Delivery

The Corporate Plan aligns services plans to outcomes

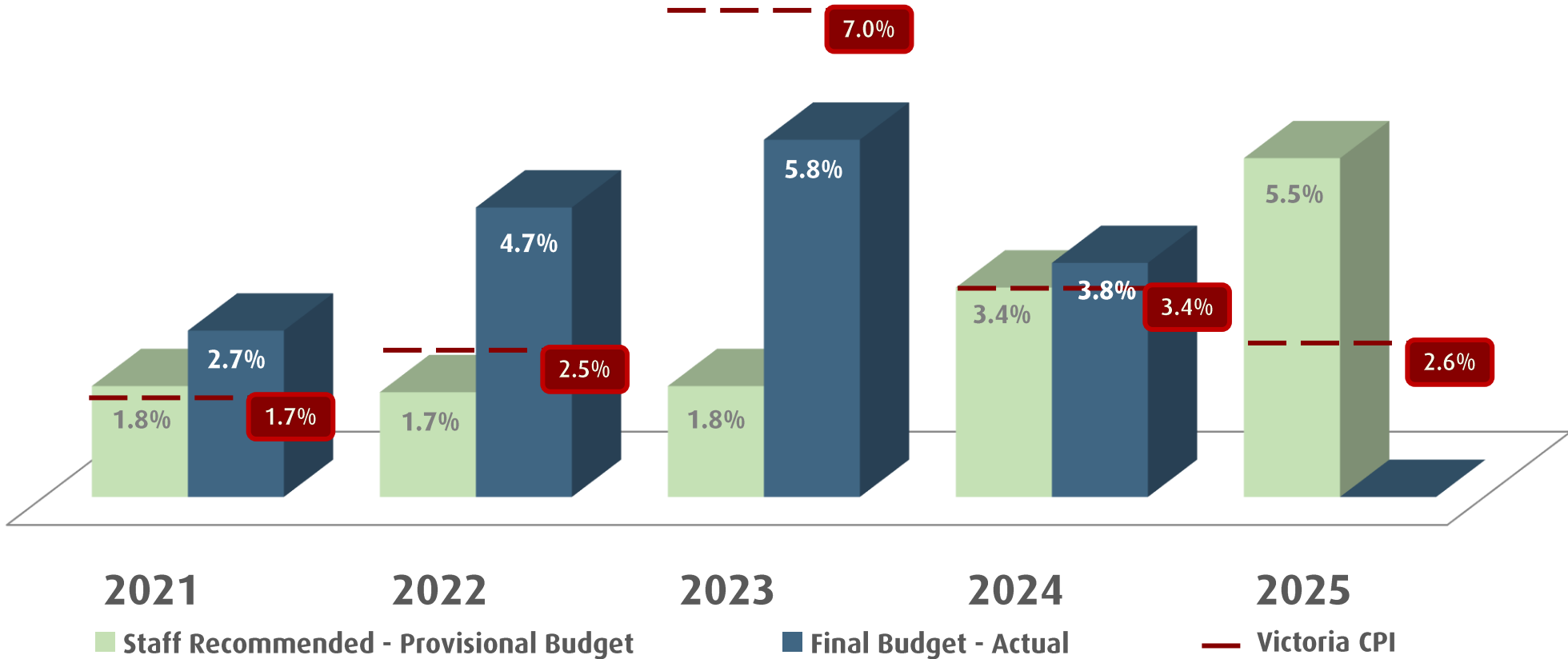


# Planning Guidelines

# KPI Budget Performance

	2024 Final	2025 Prelim
<b>Consolidated</b> (CRD + EAs + CRHD)	3.8%	5.5%
<b>Consolidated Req/HH \$</b>	\$690	\$728

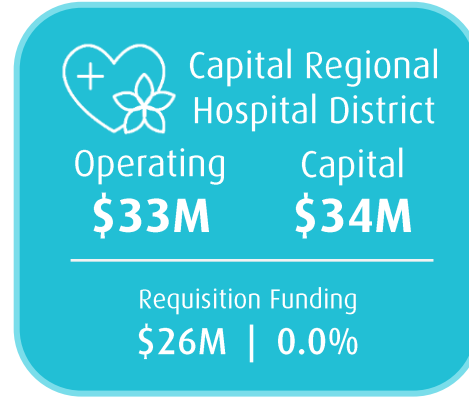
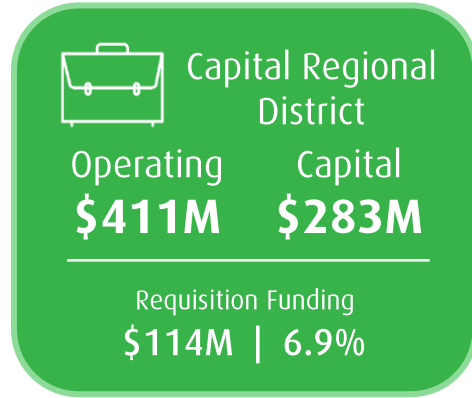
Average Household Assessment of \$1.1M will be impacted \$38



# 2025 Provisional Budget

# 2025 Provisional Budget

## Executive Summary




### Managing Capital Investments

capital investment is nearly 5x depreciation while less than 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



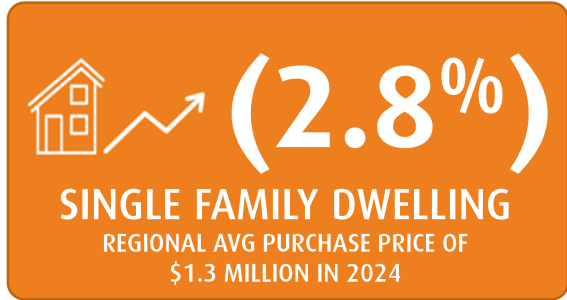
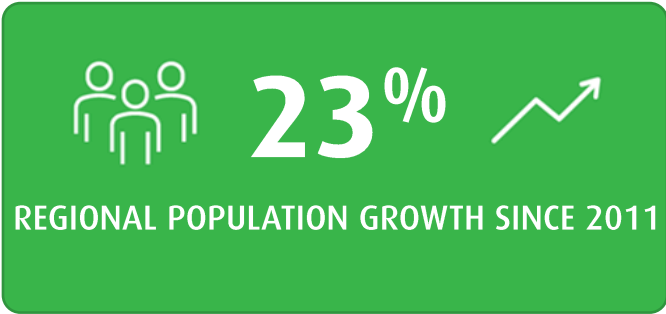
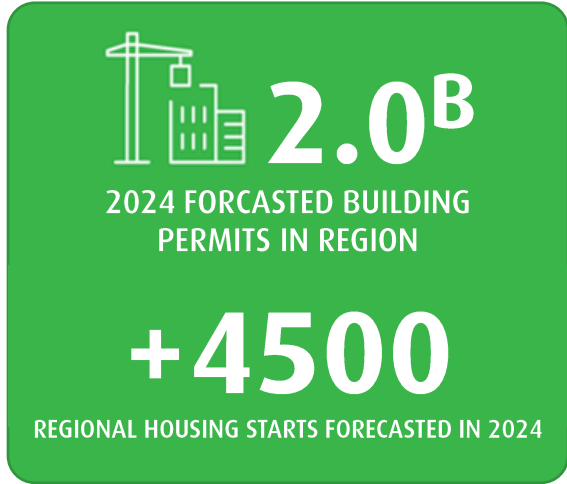
### Striving for Financial Sustainability

continued revenue diversification, leveraging partnerships, developing financing strategies

# Regional Context

# Regional Context

# External Factors & Growth Indicators



## Regional Context

## Housing in the Capital Region

Since 2019 the CRD has added more than **810 new** dwellings. In the next 5 years, we are forecasting **adding almost 900** new dwellings for a combined portfolio of **more than 2900 units** operated by the CRD by 2029 (or more depending on available funding).



# CRD Capital Plan

# CRD Capital Plan

## Executive Summary

2024 | \$266M

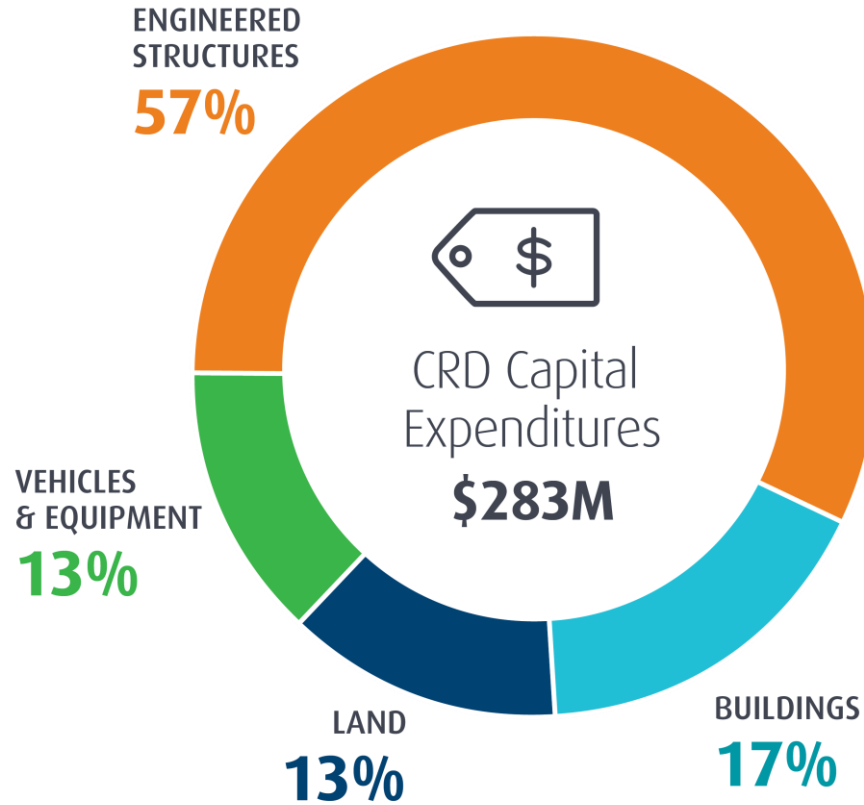


2025 | \$283M

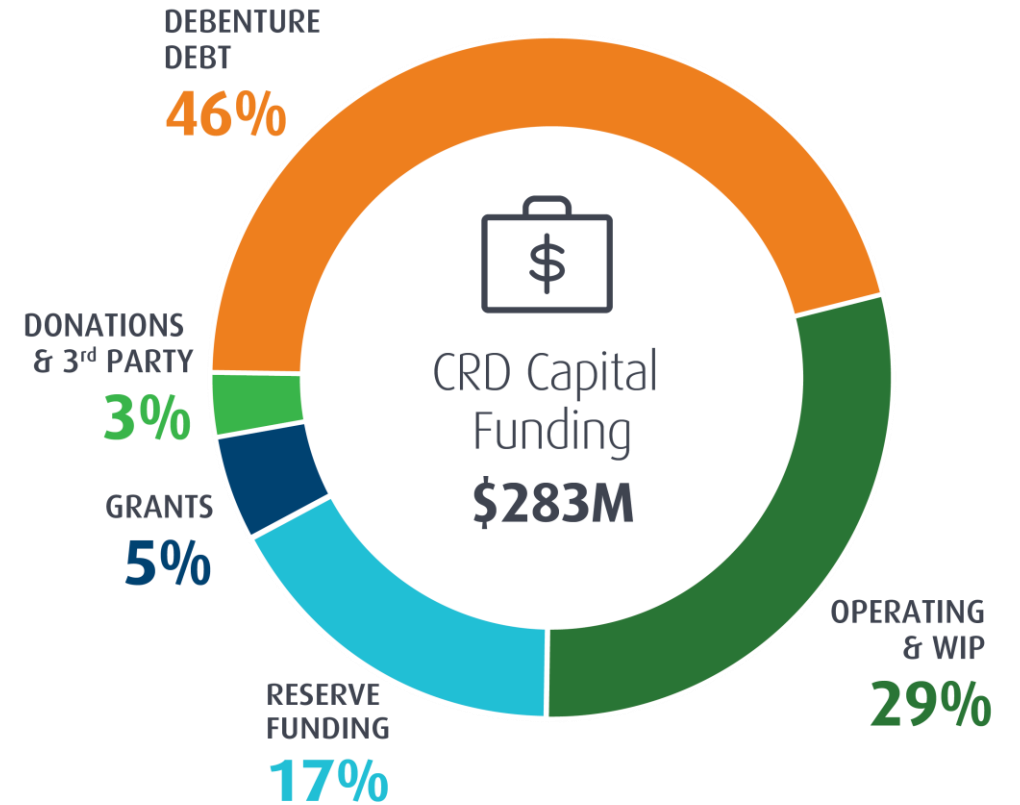


+\$17M | 6.3%

### WHERE THE MONEY GOES



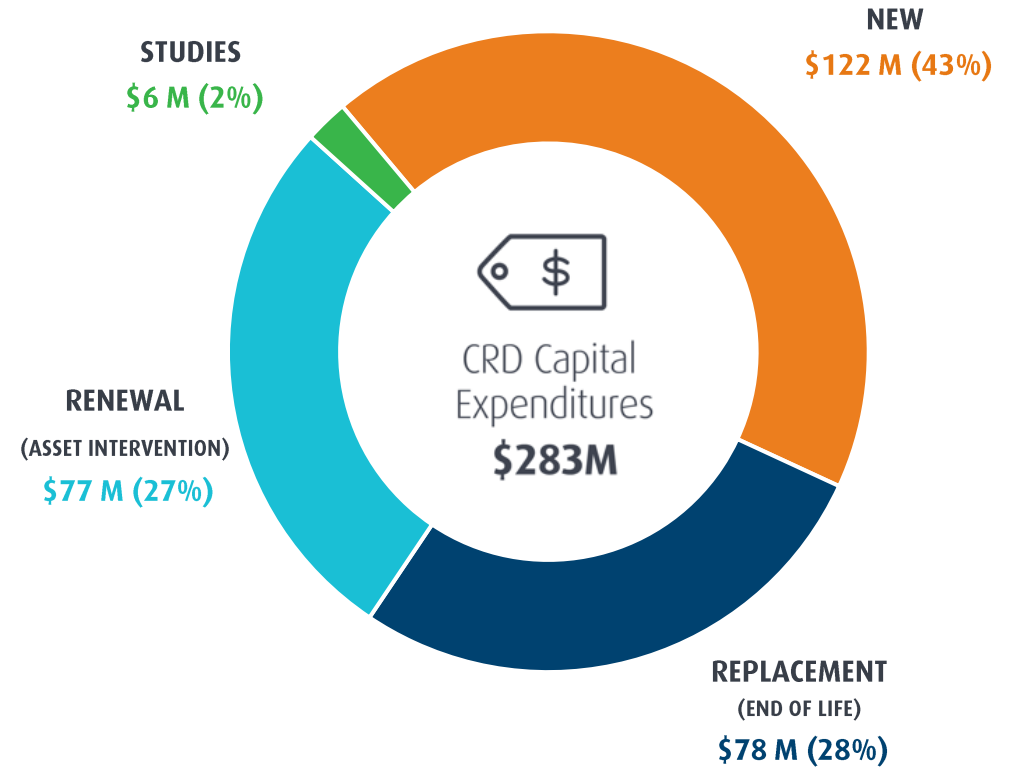
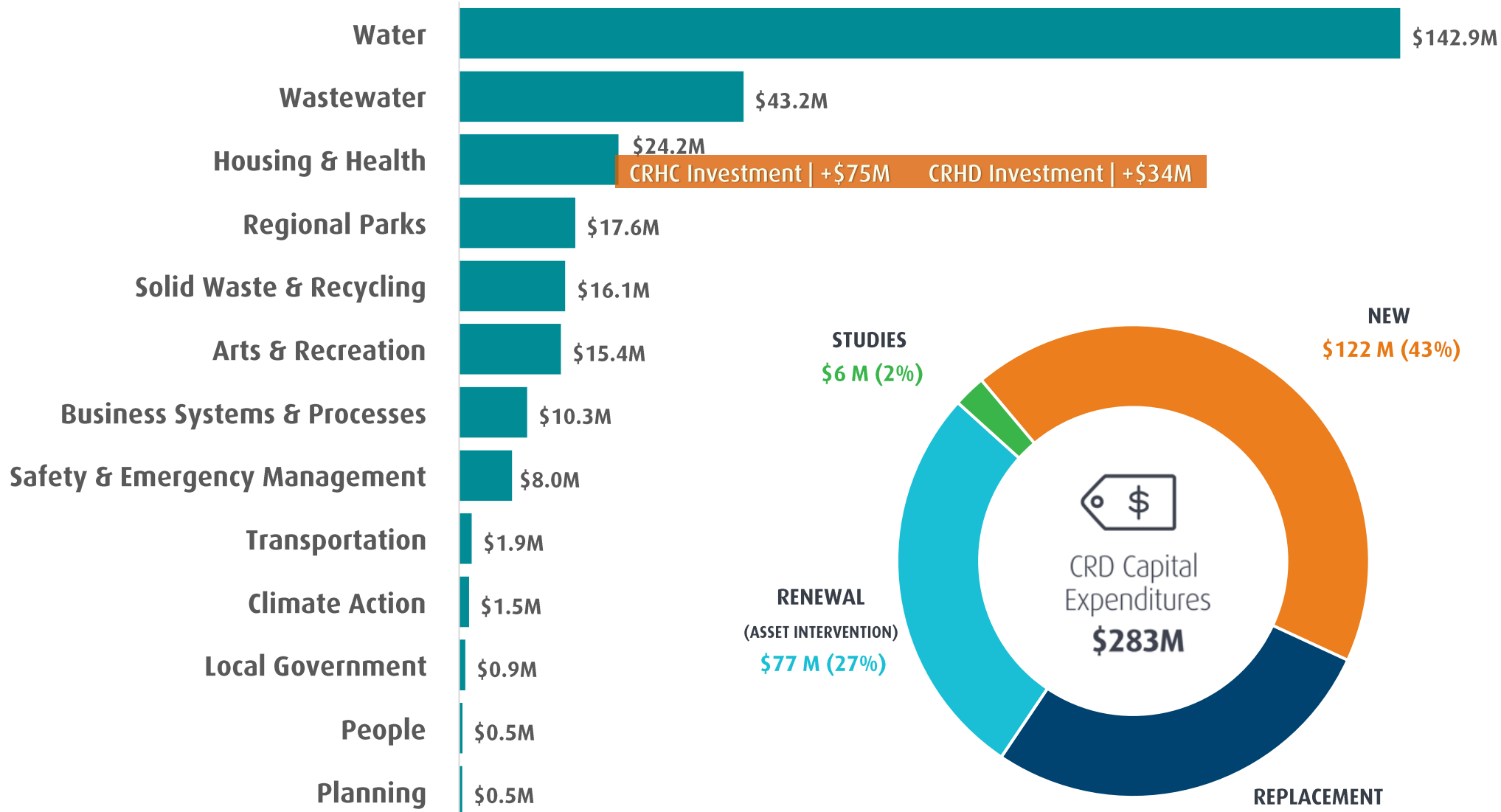
### WHERE THE MONEY COMES FROM





# CRD Capital Plan

## Community Needs



# CRD Operating Plan

# CRD Operating Plan

## Executive Summary

2024 | \$369M

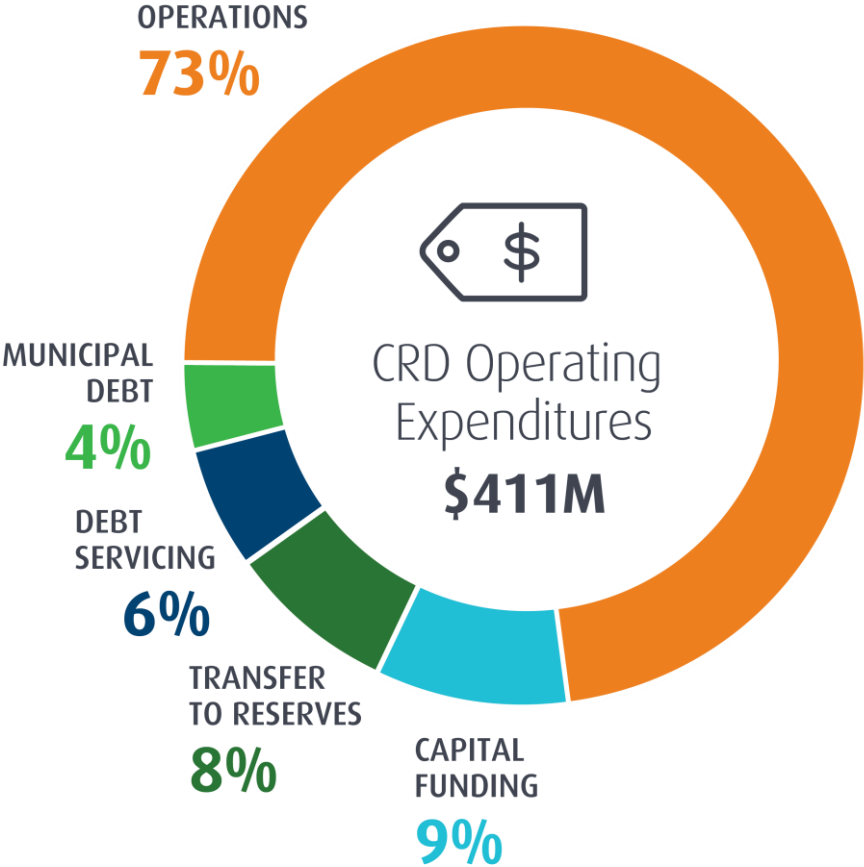


2025 | \$411M

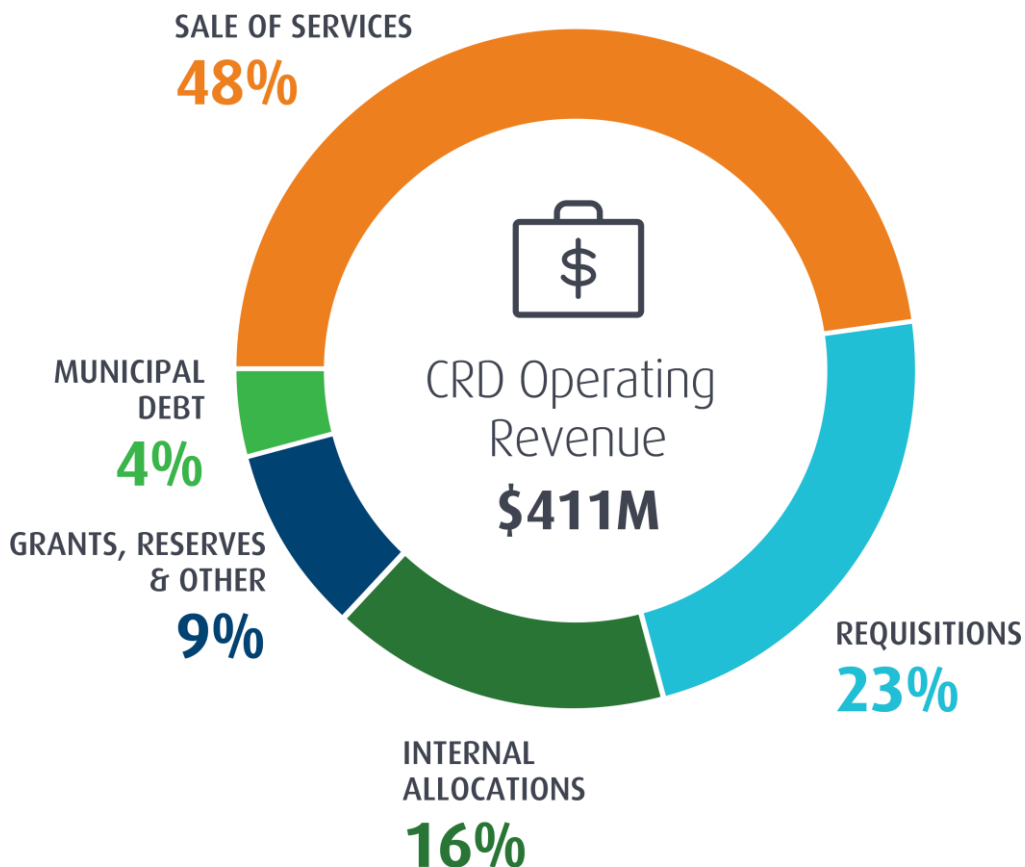


+\$42M | 11.5%

### WHERE THE MONEY GOES

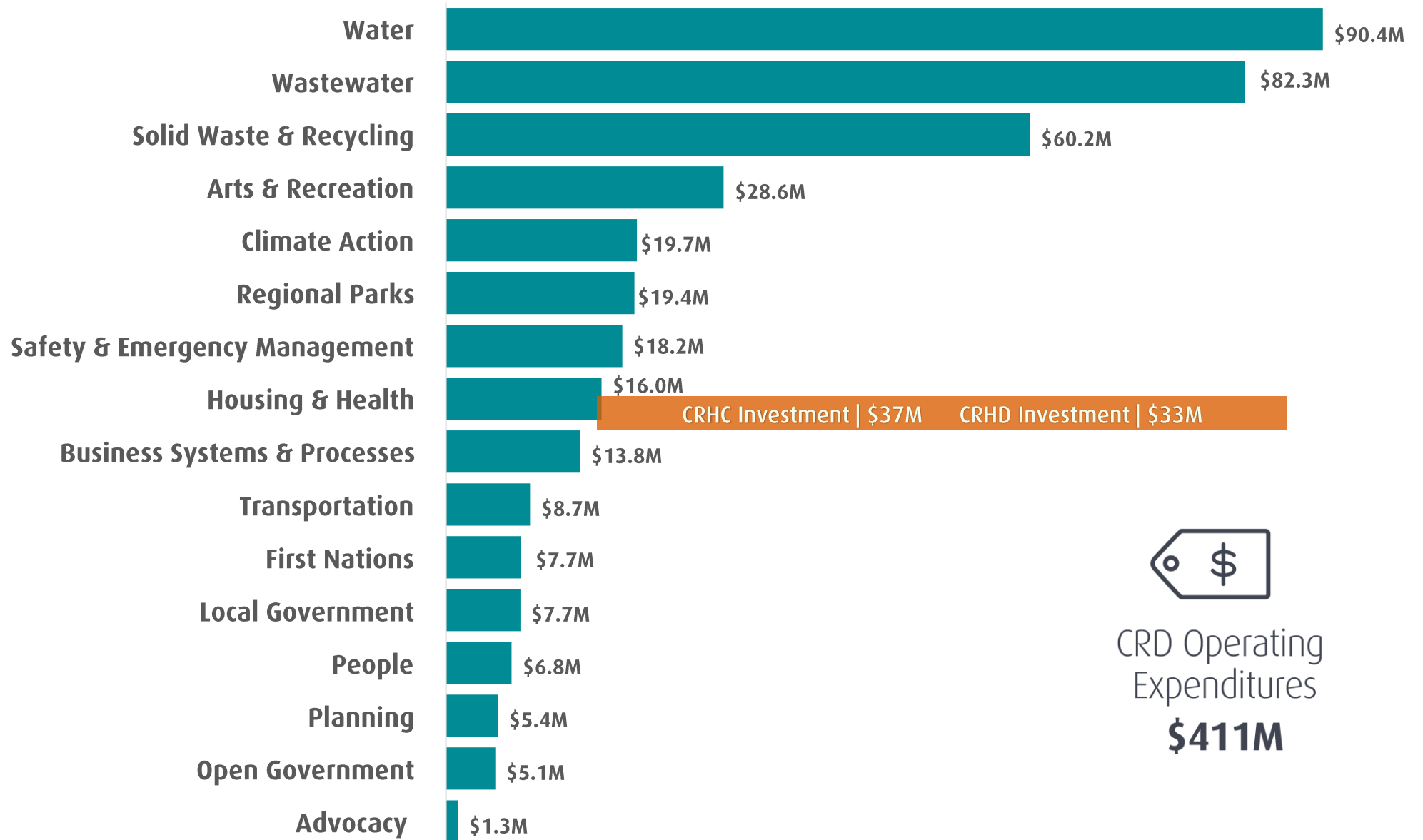


### WHERE THE MONEY COMES FROM



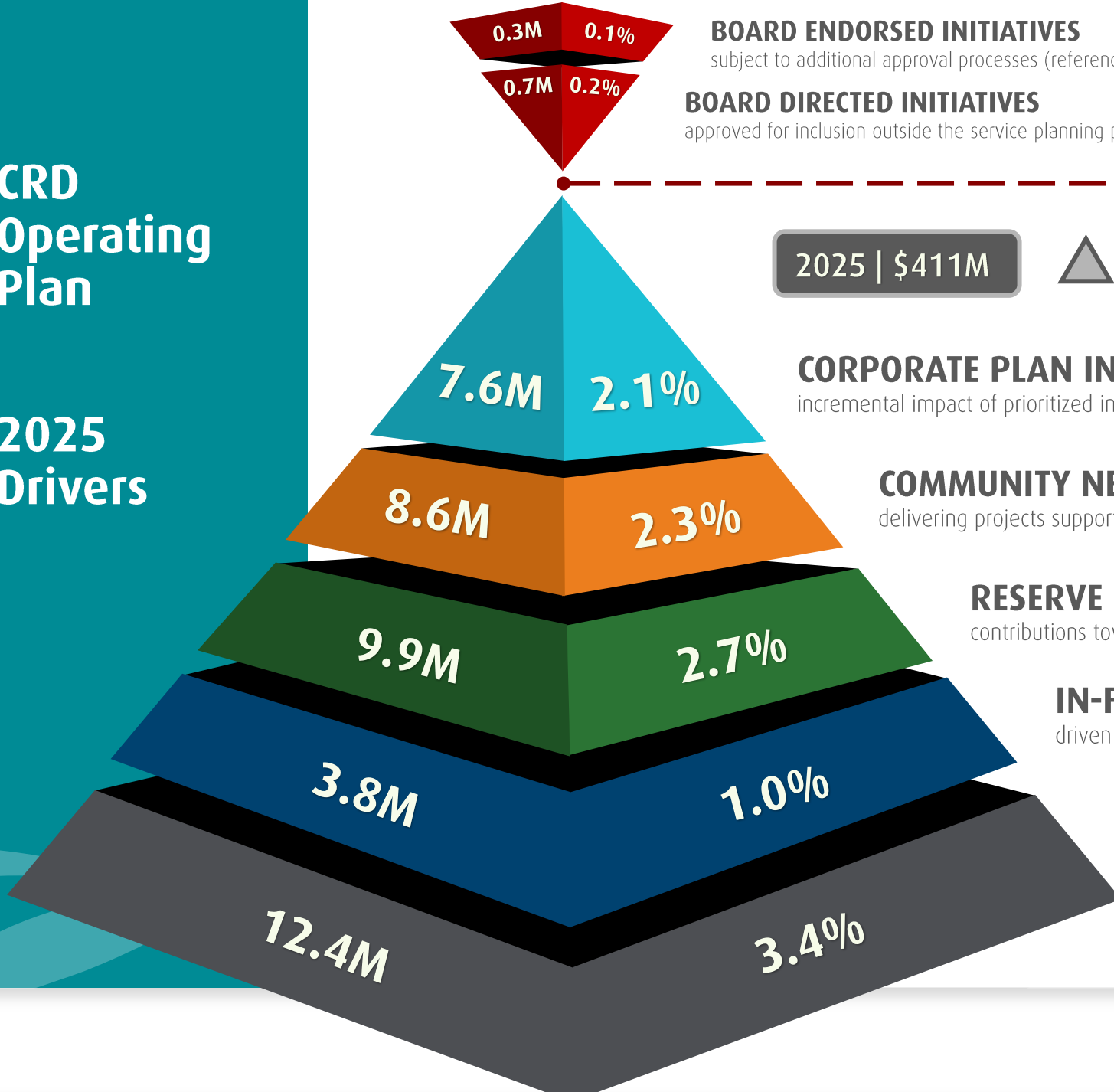
# CRD Operating Plan

## Community Needs



# CRD Operating Plan

## 2025 Drivers



### BOARD ENDORSED INITIATIVES

subject to additional approval processes (referendum, services establishment)

### BOARD DIRECTED INITIATIVES

approved for inclusion outside the service planning process

2025 | \$411M



\$42M | 11.5%



\$1.0M | 0.3%

### CORPORATE PLAN INITIATIVES

incremental impact of prioritized initiatives to support the Board and corporate priorities

### COMMUNITY NEEDS INITIATIVES

delivering projects supporting approved master plans

### RESERVE & DIRECT CAPITAL PROJECT FUNDING

contributions towards funding operating and reserves, and capital initiatives

### IN-FLIGHT COMMITMENTS

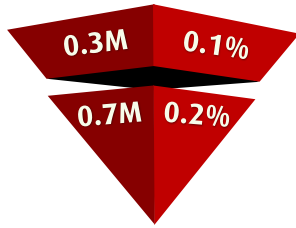
driven by annualization of 2024 IBCs and incremental debt servicing

### INFLATION & CORE SERVICE DELIVERY

execution of existing service mandates, impact of inflation on cost of goods & services, contracts & agreements, salaries & benefits, net of mitigation

# CRD Operating Plan

## Board Endorsed & Directed



### BOARD ENDORSED INITIATIVES

subject to additional approval processes (referendum, services establishment)

### BOARD DIRECTED INITIATIVES

approved for inclusion outside the service planning process

**\$1.0M | 0.3%**

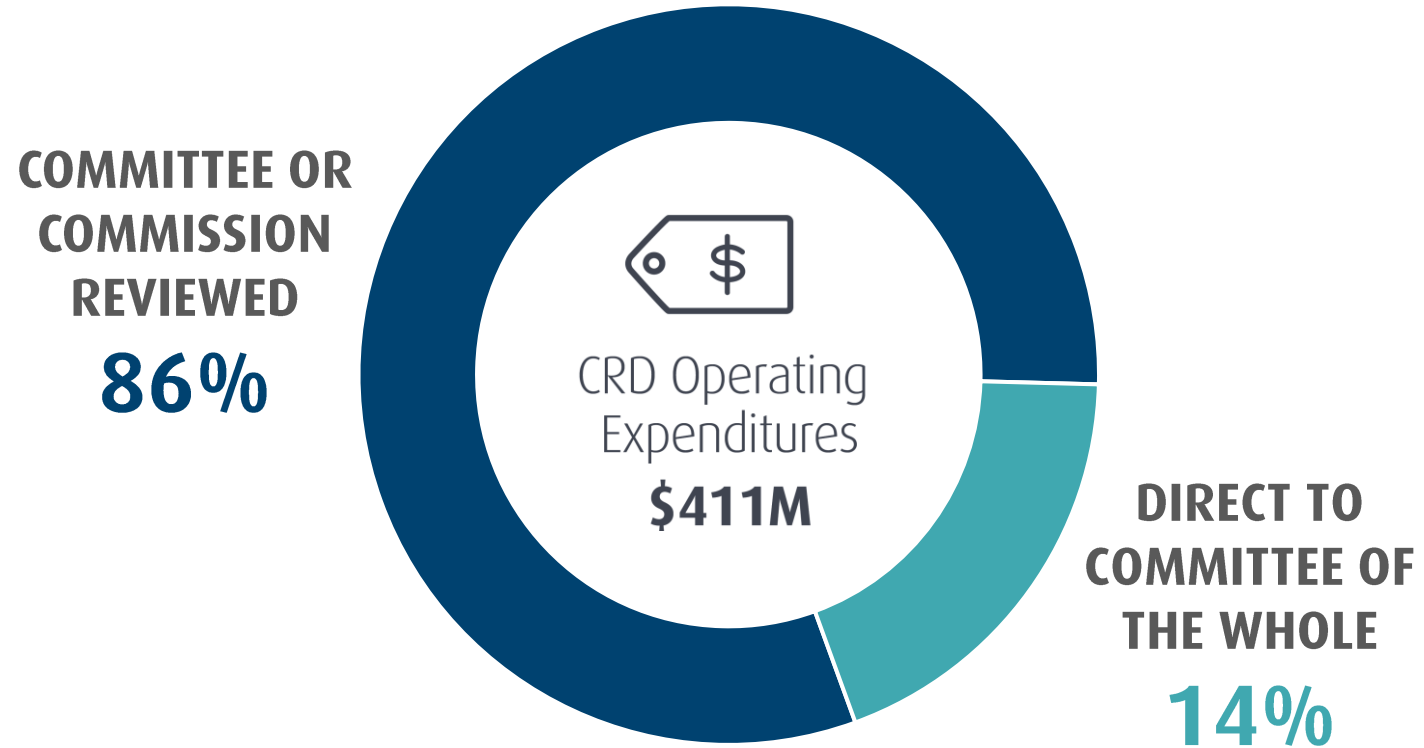
BOARD ENDORSED INITIATIVES		\$000's		
8b-1.1	Community Need: Planning Initiative: Foodlands Access	\$320		
		Req	Fees	A/O
		100%		0%
BOARD DIRECTED INITIATIVES		\$000's		
4a-1.2	Community Need: Transportation Initiative: Transportation Service Implementation	\$635		
		Req	Fees	A/O
		100%		
	Community Need: Regional Housing Initiative: Supporting Housing for the Region Assessment	\$100		
		Req	Fees	A/O
		100%		

# Service Budget Reviews

# CRD Operating Plan

## Commission & Committee Review

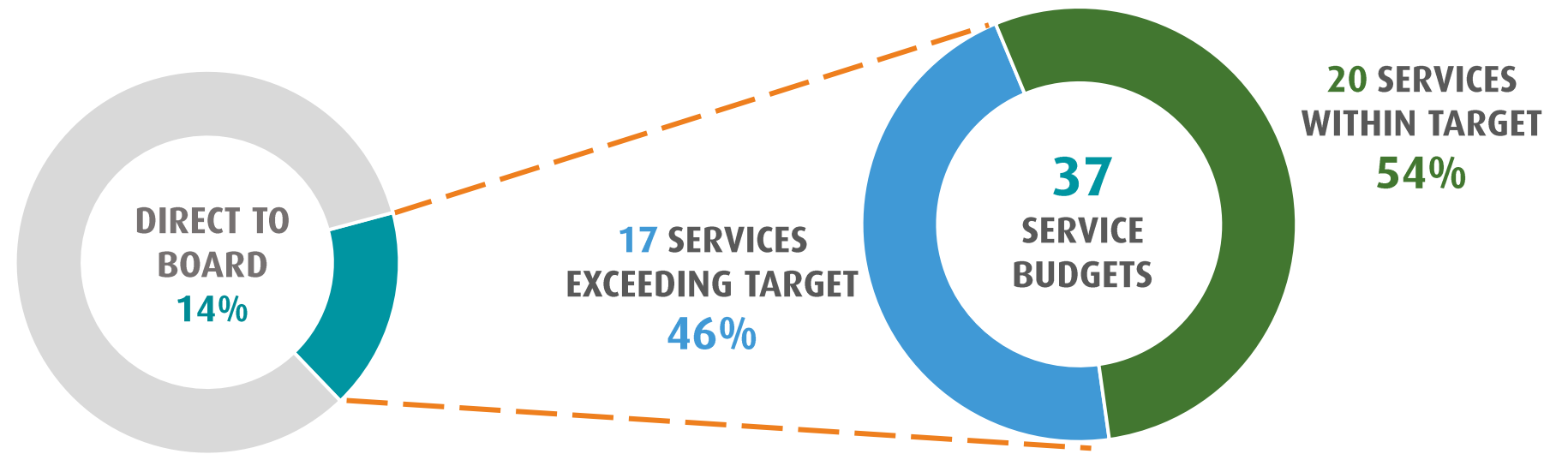
- The Executive Leadership Team has reviewed all budgets in consideration of the **Service & Financial Planning Guidelines** approved by the Board.
- The plan has been prioritized where several initiatives and workplans have been deferred, phased, mitigated, or scaled down where possible while maintaining directed service levels and **meeting Corporate Plan objectives**.
- Through the planning process, the majority of budgets have been **recommended for approval by Commissions and Committees** ahead of the Committee of the Whole.





# CRD Operating Plan

## Balance of Services



- 14% of the operating plan has not been reviewed by a Commission or Committee ahead of Committee of the Whole, this represents **37 services as detailed in appendix M**
- Of these services, 17 or 46% exceed the target budget impact of +/- 3.0%. All budgets have been through a detailed **review by the Executive Leadership Team and are recommended for approval**

# CRD Operating Plan

## Balance of Services by GM

FINANCE AND TECHNOLOGY		\$000's		%	
4.3.4) Feasibility Study Reserve Fund (Appendix G, Part A, PDF pg 132, Print pg 60)		<b>(\$218)</b>		<b>(62.3%)</b>	
• Reduction in one-time costs from a 2024 Transportation Service Study, offset from a New Regional Arts Facility Study.	Req	Fees	Other	Alloc	
	35%	-	65%	-	
4.3.5) Regional Grant in Aid (Appendix G, Part A, PDF pg 136, Print pg 64)		<b>\$60</b>		<b>3.7%</b>	
• 2012 legacy funding restricted to the E&N Rail Corridor project. Increase funded from interest earnings.	Req	Fees	Other	Alloc	
	-	-	100%	-	

INTEGRATED WATER SERVICES		\$000's		%	
8.2.4) Wastewater Operations Overhead (Appendix G, Part C, PDF pg 230, Print pg 107)		<b>\$1,133</b>		<b>7.8%</b>	
• New Systems Maintenance Electronics Technologist (1.0 FTE), new Systems Maintenance Electrician (1.0 FTE), base salary and step increases for existing staff, net new vehicle purchase, additional transfer to Operating Reserve Fund, and increased staff training costs.	Req	Fees	Other	Alloc	
	-	-	20%	80%	
Debt – Core Sewage Integrated Treatment Facilities		<b>(\$80)</b>		<b>(9.8%)</b>	
• Reduction in debt servicing costs from debt retiring in Spring 2025 for MFA Issue 110.	Req	Fees	Other	Alloc	
	27%	-	73%	-	

❖ X.X.X) Appendix G Budget reference numbers

# CRD Operating Plan

## Balance of Services by GM

PARKS, RECREATION & ENVIRONMENTAL SERVICES		\$000's		%	
6.2.2) Environmental Protection & Water Quality Overhead (Appendix G, Part B, PDF pg 114, Print pg 19)		<b>\$390</b>		<b>4.2%</b>	
<ul style="list-style-type: none"> <li>Base salary and step increases for existing staff, New Lab Assistant (1.0 FTE), new Water Quality Sampling Technician (0.6 FTE), increased transfer to Operating Reserve Fund, and increased allocations for Human Resources, Building Occupancy, SharePoint Upgrade and Field Operations Centre. These costs are partially offset from a 2024 initiative not implemented and a reduction in transfer to Equipment Replacement Fund.</li> </ul>		Req	Fees	Other	Alloc
		-	-	-	100%
6.2.3) Regional Source Control (Appendix G, Part B, PDF pg 131, Print pg 36)		<b>\$80</b>		<b>4.8%</b>	
<ul style="list-style-type: none"> <li>Increased contract for services for lab expenses and additional labour allocation, partially offset from a reduction in consultant and engineering expenses.</li> </ul>		Req	Fees	Other	Alloc
		59%	2%	39%	-
6.2.10) Climate Action & Adaption (Appendix G, Part B, PDF pg 169, Print pg 74)		<b>\$320</b>		<b>11.2%</b>	
<ul style="list-style-type: none"> <li>Funding for Benchmarking program, additional funding for electric vehicle work, and increased allocations for Bylaw Enforcement, Standard Overhead and Human Resources. These costs are partially offset from a decrease in salaries from a term position concluding in 2025.</li> </ul>		Req	Fees	Other	Alloc
		17%	8%	75%	-
6.2.11) Regional Goose Management (Appendix G, Part B, PDF pg 179, Print pg 84)		<b>\$50</b>		<b>20.6%</b>	
<ul style="list-style-type: none"> <li>Increased labor allocation partially offset by a reduction in contracts for services.</li> </ul>		Req	Fees	Other	Alloc
		17%	-	83%	-
6.2.13) Core and West Shore Stormwater Quality Management (Appendix G, Part B, PDF pg 188, Print pg 93)		<b>(\$69)</b>		<b>(8.0%)</b>	
<ul style="list-style-type: none"> <li>Reduction in lab services costs partially offset by increased labor allocations.</li> </ul>		Req	Fees	Other	Alloc
		100%	-	-	-
6.4.1) Environmental Engineering Services Overhead (Appendix G, Part B, PDF pg 222, Print pg 127)		<b>\$831</b>		<b>27.6%</b>	
<ul style="list-style-type: none"> <li>New Regional Trestles Renewal Trails Widening &amp; Lighting Project Team (3.0 FTE), base salary and step increases for existing staff, increased allocations for Standard Overhead, Human Resources, Building Occupancy and Manager of Contract Coordination, and a vehicle purchase.</li> </ul>		Req	Fees	Other	Alloc
		-	-	-	100%

❖ X.X.X) Appendix G Budget reference numbers

# CRD Operating Plan

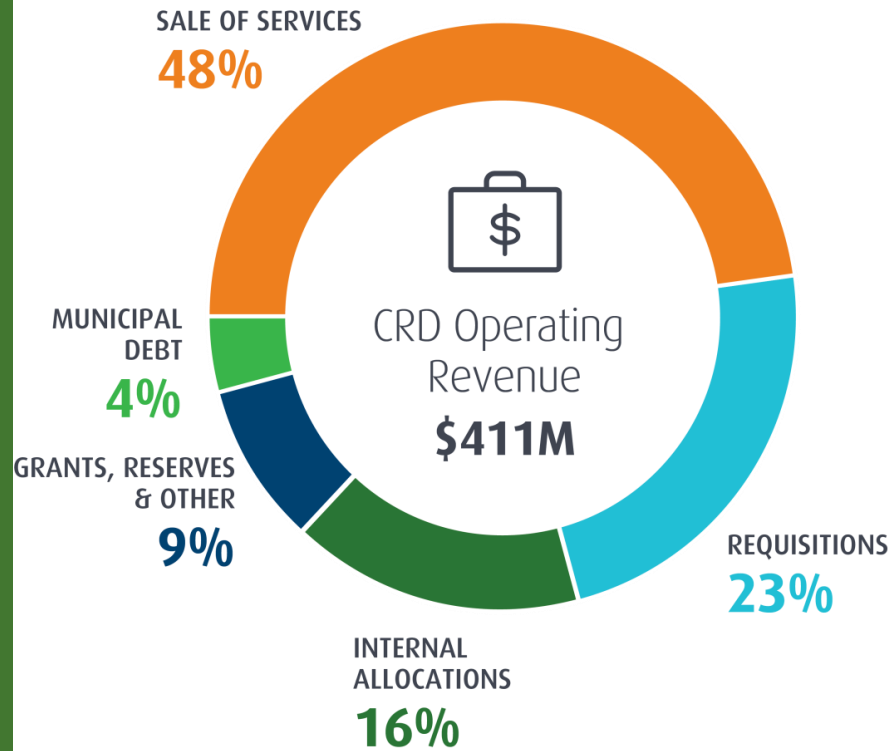
## Balance of Services by GM

PLANNING & PROTECTION SERVICES		\$000's		%	
7.2.2) Regional Housing Trust Fund (Appendix G, Part C, PDF pg 23, Print pg 21)		<b>\$144</b>		<b>3.4%</b>	
<ul style="list-style-type: none"> <li>Prior year carry-forward from capital grants offset by a decrease in disbursement of new capital grants.</li> </ul>		Req	Fees	Other	Alloc
		-	-	100%	-
7.3.2) Community Health (Appendix G, Part C, PDF pg 33, Print pg 31)		<b>(\$118)</b>		<b>(11.8%)</b>	
<ul style="list-style-type: none"> <li>Reduction of one-time contribution in 2024 to the Alliance to End Homelessness and one-time increase to Community Safety Plan, partially offset by increased grant funded initiatives.</li> </ul>		Req	Fees	Other	Alloc
		-	-	100%	-
7.4.3) Hazardous Material Incident Response (Appendix G, Part C, PDF pg 51, Print pg 49)		<b>\$101</b>		<b>24.8%</b>	
<ul style="list-style-type: none"> <li>Increase to contract for services and training and development for the hazmat team readiness and preparedness initiative.</li> </ul>		Req	Fees	Other	Alloc
		100%	-	-	-
7.4.7) Regional CREST Contribution (Appendix G, Part C, PDF pg 80, Print pg 78)		<b>\$72</b>		<b>3.7%</b>	
<ul style="list-style-type: none"> <li>Increase in CREST contribution per new agreement, partially offset by reduced deficit carried forward.</li> </ul>		Req	Fees	Other	Alloc
		96%	-	4%	-
7.4.8) Animal Care Services (Appendix G, Part C, PDF pg 84, Print pg 82)		<b>\$151</b>		<b>8.7%</b>	
<ul style="list-style-type: none"> <li>Base salary and step increases for existing staff; position transferred from Bylaw (0.4 FTE), increased dog license costs, and increased allocations for Standard Overhead and Human Resources.</li> </ul>		Req	Fees	Other	Alloc
		44%	17%	39%	-
7.5.2) Regional Planning Services (Appendix G, Part C, PDF pg 108, Print pg 106)		<b>\$372</b>		<b>16.7%</b>	
<ul style="list-style-type: none"> <li>Transportation Model Update implementation, building occupancy charges, base salary and step increases for existing staff, contribution to the SharePoint online upgrade. These costs were partially offset by a reduction in travel expenses.</li> </ul>		Req	Fees	Other	Alloc
		10%	-	90%	-
7.5.3) Regional Growth Strategy (Appendix G, Part C, PDF pg 119, Print pg 117)		<b>\$461</b>		<b>138.9%</b>	
<ul style="list-style-type: none"> <li>Increased contract for services from Regional Growth Strategy Review, Foodlands Access Service Study, and UMBC Growth and Mobility Study.</li> </ul>		Req	Fees	Other	Alloc
		2%	-	98%	-

❖ X.X.X) Appendix G Budget reference numbers

# CRD Operating Plan Funding

# CRD Operating Plan Funding



**Capital Regional District**

Operating	Capital
<b>\$411M</b>	<b>\$283M</b>

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Requisition Funding  
**\$114M | 6.9%**



**Capital Regional Hospital District**

Operating	Capital
<b>\$33M</b>	<b>\$34M</b>

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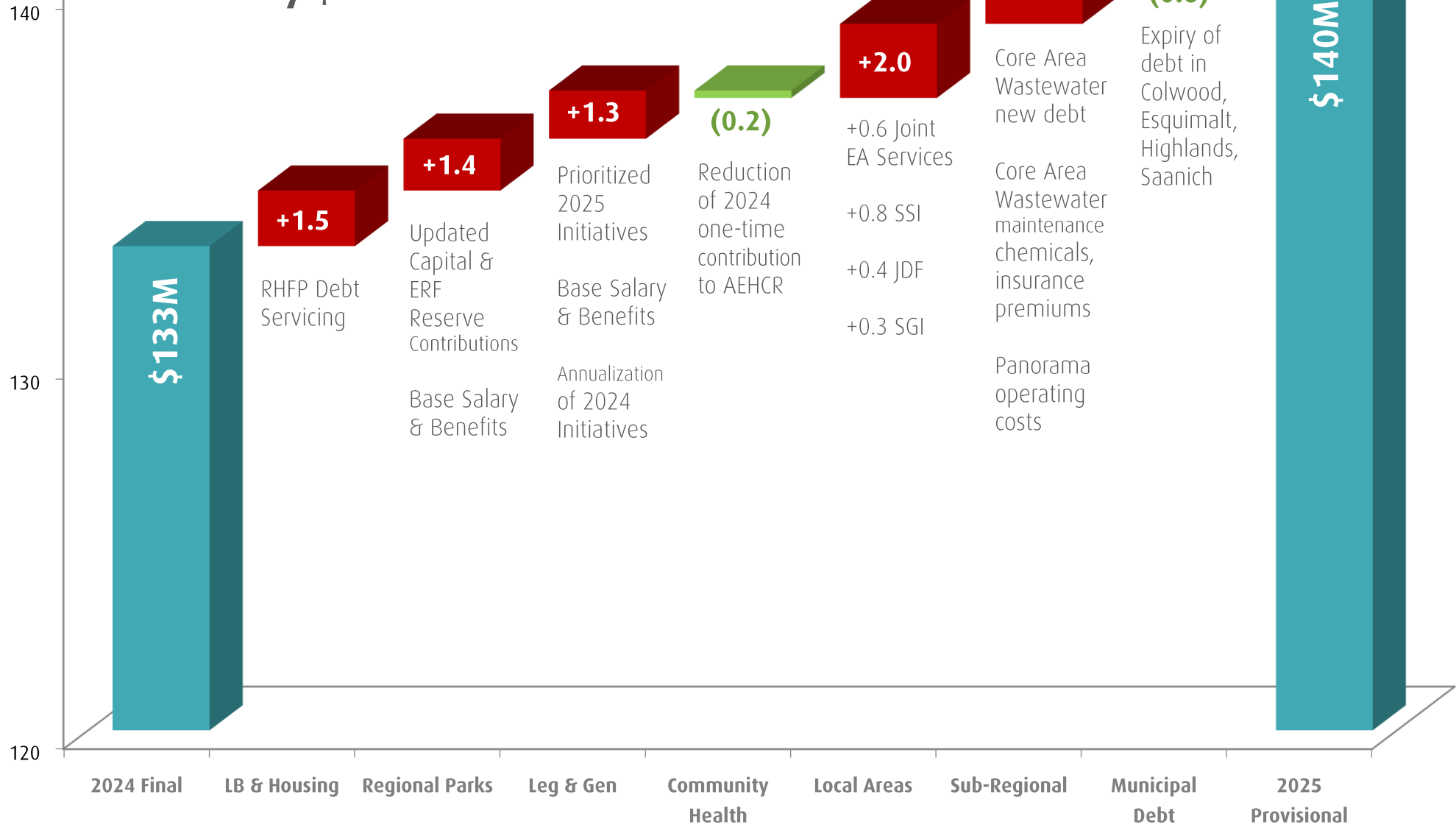
Requisition Funding  
**\$26M | 0.0%**



Requisition Funding  
**\$140M | 5.5%**


# Requisition Funding Drivers

## Consolidated Requisition increases by \$7.4M or 5.5%



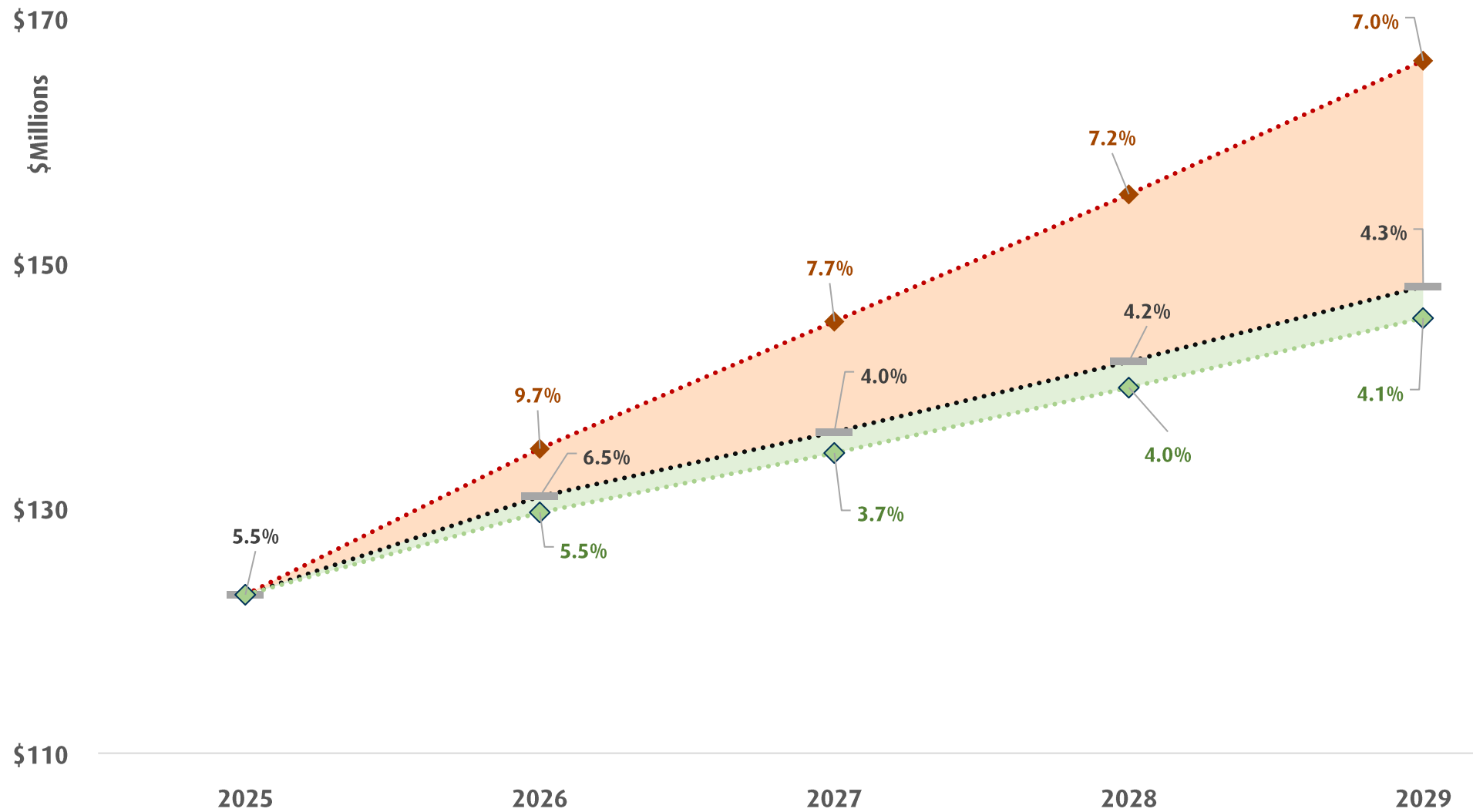
# CRD Operating Plan Funding

## Requisition Summary

	<b>A</b>	<b>+</b>	<b>B</b>	<b>=</b>	<b>C</b>	<b>→</b>	<b>D</b>	<b>→</b>	<b>E</b>
Municipalities & EAs	Impact of Cost Apportionment		All Other CRD		CRD (Base)		CRD, CRHD & Municipal Debt (Base)		CRD, CRHD & Municipal Debt (Cost per HH)
Central Saanich	-		7.2%		7.2%		5.5%		5.5%
Colwood	-		10.5%		10.5%		1.6%		1.6%
Esquimalt	-		11.2%		11.2%		3.4%		3.4%
Highlands	-		9.0%		9.0%		0.3%		0.3%
Langford	-		9.6%		9.6%		7.7%		7.7%
Metchosin	-		9.0%		9.0%		6.0%		6.0%
North Saanich	-		9.2%		9.2%		6.4%		6.5%
Oak Bay	-		9.0%		9.0%		6.5%		6.5%
Saanich	-		7.8%		7.8%		2.5%		2.5%
Sidney	-		7.8%		7.8%		5.3%		5.3%
Sooke	-		6.7%		6.7%		5.2%		5.2%
Victoria	-		7.5%		7.5%		4.1%		4.1%
View Royal	-		7.4%		7.4%		5.9%		5.9%
Juan de Fuca	-		12.3%		12.3%		10.3%		10.3%
Salt Spring Island	-		14.7%		14.7%		13.2%		13.1%
Southern Gulf Islands	-		9.5%		9.5%		7.8%		7.8%
<b>Total</b>	-		<b>9.1%</b>		<b>9.1%</b>		<b>5.5%</b>		<b>5.5%</b>
<b>BOARD DIRECTED &amp; ENDORSED INITIATIVES</b>						<b>+1.2%</b>	<b>+0.6%</b>		<b>+0.6%</b>



# 5-Year Consolidated Requisition Forecast



Future requisition forecasts consider various factors such as inflation, demographic shifts, population growth, and macro-economic conditions. These forecasts are based on current regional population trends and are updated to reflect emerging federal and provincial policies.

Inflation is expected to continue to moderate in 2025, influenced by adjustments in Bank of Canada monetary policy and associated factors. Persistent economic challenges, including unemployment rates, logistics & supply chain, cost of goods including shelter, utilities, and consumables have implications on service delivery.

# 2025 Provisional Budget Summary

# 2025 Provisional Budget

## Key Takeaways



### Managing Capital Investments

capital investment is nearly 5x depreciation while less than 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



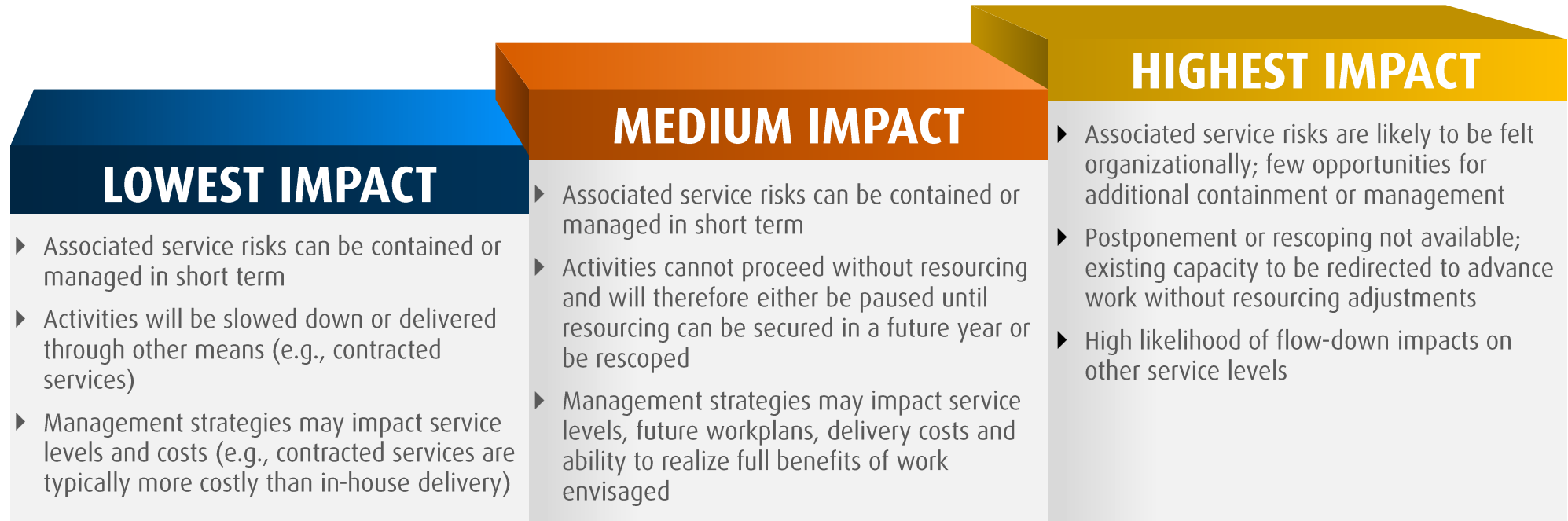
### Striving for Financial Sustainability

continued revenue diversification, leveraging partnerships, developing financing strategies

# Potential Adjustments

# CRD Operating Plan

## Potential Adjustments



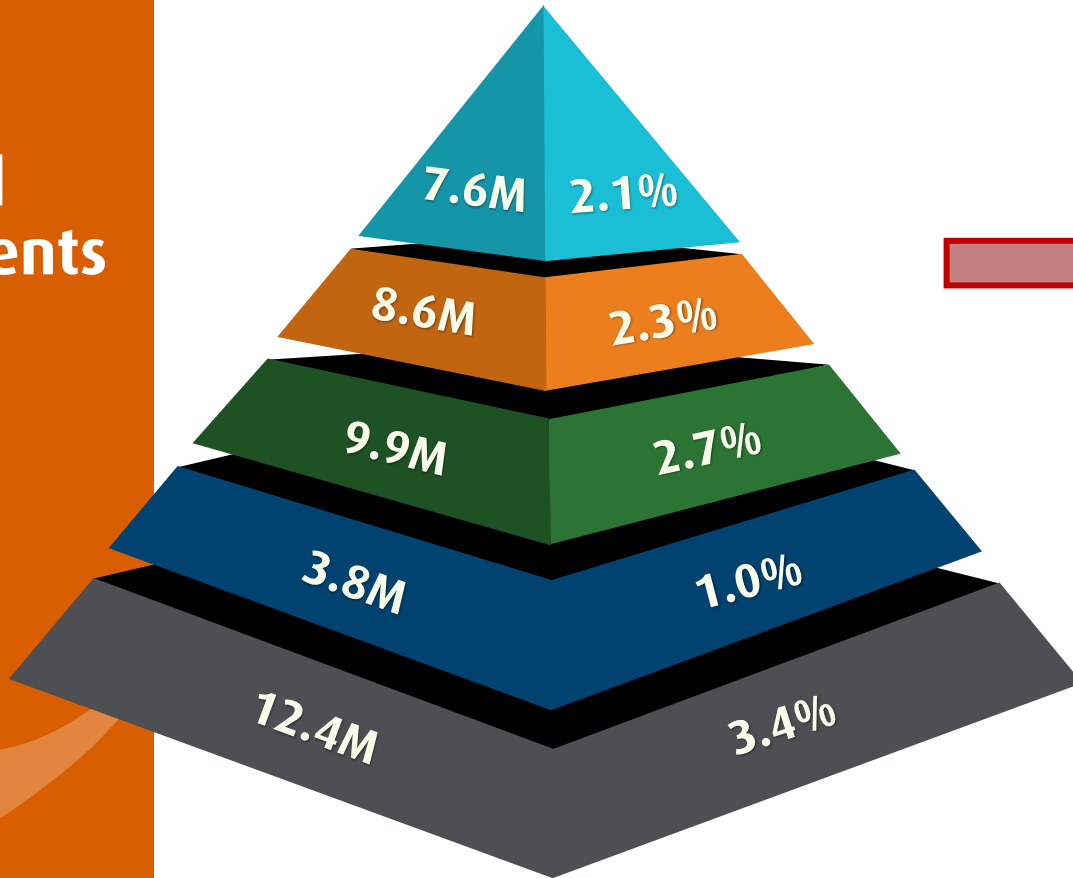
Service Delivery Impact	FTE Adjustment	Operating Expense	Capital Expense	Requisition
Lowest	(11.9)	(0.353M)	(2.000M)	(0.050M)
Medium	(6.5)	(2.508M)	(2.550M)	(0.370M)
Highest	(3.5)	(0.307M)	-	(0.059M)
Total	(21.9)	(3.168M)	(4.550M)	(0.477M)

# CRD Operating Plan

## Potential Adjustments

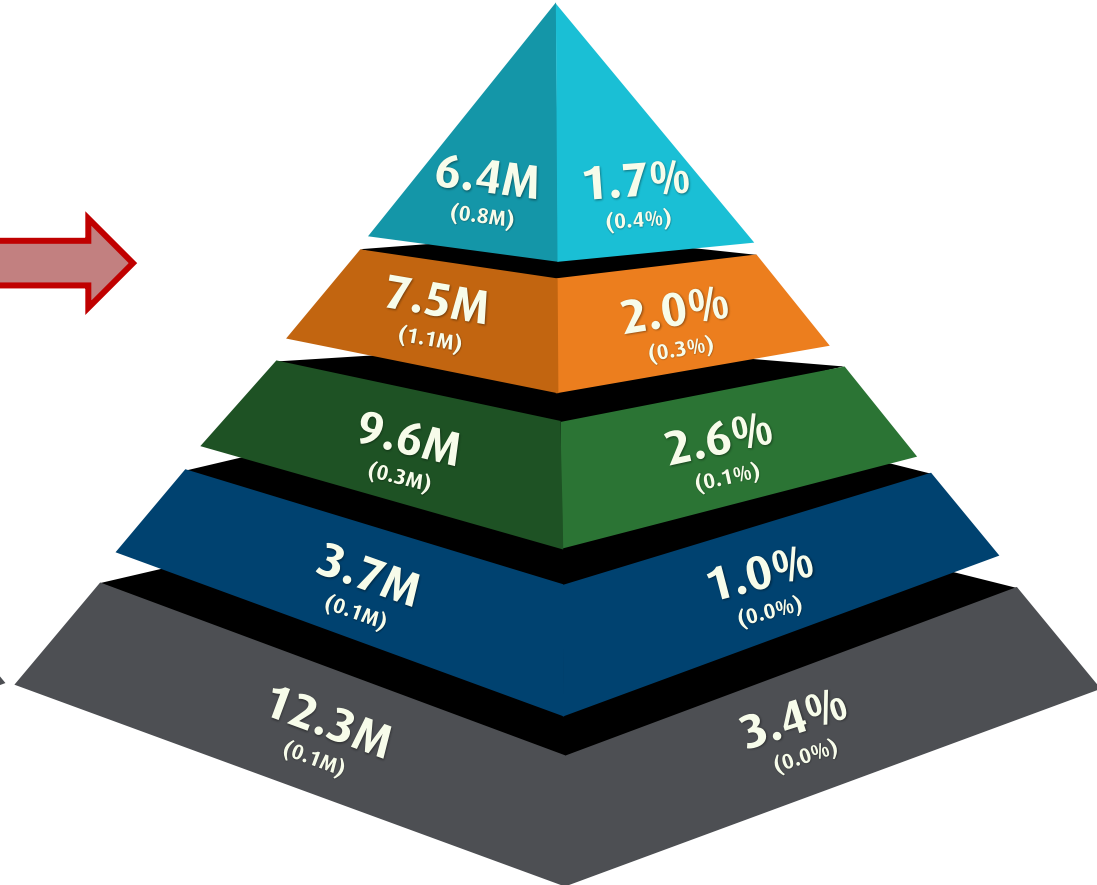
### CRD OPERATING BUDGET

2025 | \$411M ▲ \$43M | 11.5%



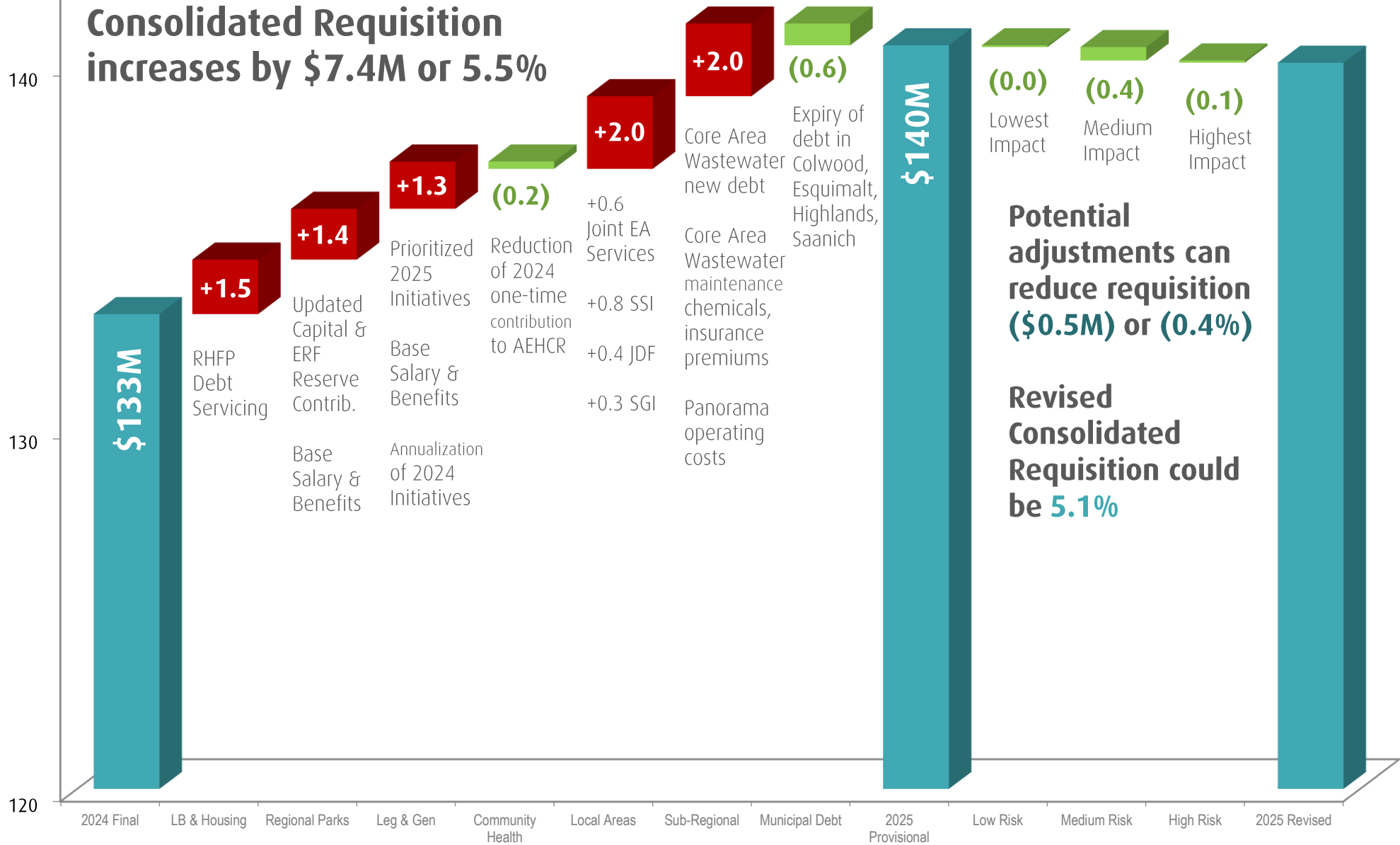
### REVISED OPERATING BUDGET

2025 | \$408M (\$3M) ▲ \$40M | 10.7% (0.8%)



# Requisition Funding Drivers

# Potential Adjustments





# Thank you



@crdvictoria



Capital Regional District



CRDVictoria



[crd.bc.ca](http://crd.bc.ca)



# Backup

# CRD Operating Plan

## Potential Adjustments

### Lowest Impact

Service	Area of Savings	Potential Adjustment	2025 Expense Adjustment	2025 Req. Adjustment
Environmental Water Quality	Laboratory Assistant	Defer new FTE from 2025 to 2026	(64,782)	-
Regional Water Supply	Demand Management Public Engagement	Defer demand management public engagement work from 2025-2026	(98,570)	-
Wastewater Operations	Systems Maintenance Electrician	Defer new FTE from 2025 to 2026	(65,752)	-
Regional Water Supply	Corporate Fleet Mechanic	Defer new FTE from 2025 to 2026	-	-
Regional Parks	Regional Parks Maintenance Workers	Defer Auxiliary Conversion from 2025: 4 x 0.8 FTE to 2026; 4 x 0.8 FTE to 2027	-	-
Panorama Recreation	Aquatic Program Assistant	Defer Auxiliary Conversion from 2025 to 2026	(2,000)	(2,000)
Panorama Recreation	Maintain Recreation Staffing Levels	Defer Auxiliary Conversion from 2025 to 2026	(25,000)	(25,000)
SEAPARC	Maintain Reception Staffing	Defer Auxiliary Conversion from 2025 to 2026	(22,000)	(22,000)
Information Technology	Service Review Recommendations	Defer operating work from 2025 to 2026	(75,000)	-
Finance	FOC Capital Contribution	Reduce from \$5M to \$3M & move from Finance to Facilities budget	(2,000,000)	-
<b>Total</b>			<b>(\$2.4M)</b>	<b>(\$0.050M)</b>

# CRD Operating Plan

## Potential Adjustments

## Medium Impact

Service	Area of Savings	Potential Adjustment	2025 Expense Adjustment	2025 Req. Adjustment
Environmental Resource Management	Hartland 2100	Defer Solid Waste analyst from 2025 to 2026; defer term conversion to future years	(134,962)	-
Environmental Resource Management	Solid Waste ReThink Waste Grants	Defer program management from 2025 to 2026	(500,000)	-
Environmental Resource Management	Solid Waste Depot Funding Strategy	Defer program management from 2025 to 2026	(500,000)	-
Environmental Resource Management	Solid Waste Business Coaching Program	Defer program management from 2025 to 2026 Business Coaching Program	(120,000)	-
Environmental Engineering	Regional Trestles, Trails Widening & Lighting Project	Defer 1.0 Term FTE from 2025 to 2026	(142,000)	-
Regional Parks	Reserve Contribution Decarbonization	Defer ERF transfer from 2025 to 2026	(175,000)	(175,000)
Regional Parks	Land Acquisition Reduction	Capital Plan changes result in debt servicing operating savings	(43,000)	(43,000)
Regional Parks	Land Acquisition Reduction	Revision in Capital Plan from \$2M to \$-M	(2,000,000)	-
SEAPARC	Reserve Contribution Decarbonization	Defer transfer from 2025 to 2026	(50,000)	(50,000)
Information Technology	New Corporate Project and Service Management Platform	Defer new FTE and operating expense from 2025 to 2026	(294,975)	(56,045)
Information Technology	MyCRD and Supporting Platforms	Defer new FTE and operating expense from 2025 to 2026	(235,487)	(44,743)
Information Technology	Microsoft CoPilot	defer operating work from 2025 to 2026	(25,000)	-
Board Expenditures	Boardroom Improvements	Defer work from 2025 to 2026	(550,000)	-
CRHC	Maintain Operations	Defer unit turnover team of 3.0FTEs to 2026; add back contract for services budget	(287,102)	-
<b>Total</b>			<b>(\$5.1M)</b>	<b>(\$0.379M)</b>

# CRD Operating Plan

## Potential Adjustments

### Highest Impact

Service	Area of Savings	Potential Adjustment	2025 Expense Adjustment	2025 Req. Adjustment
Regional Water Supply	Seasonal Watershed Operator 2s	Auxiliary Conversion of 2 x 0.75 FTE from 2025 to 2026	(46,879)	-
Finance	Manager Finance Regional Housing	Defer 1.0 Term FTE from 2025 to 2026	(179,577)	(59,260)
Human Resources	Manager Safety	Defer new 1.0 FTE from 2025 to 2026	(80,759)	-
<b>Total</b>			<b>(\$0.307M)</b>	<b>(\$0.059M)</b>
		<b>Total Potential Adjustments</b>	<b>(\$7.7M)</b>	<b>(\$0.5M)</b>