

Purpose: To provide detailed listing of budget drivers for changes in the operating budget.

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Operating Expenses

Since Provisional approval, the operating budget increased by \$1.4 million or 0.3%. Table 1 provides a detailed listing of changes greater than \$50,000 to the operating budget since Provisional approval.

Table 1: Drivers for Change in Operating Expenses

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Legislative and General Government	0.495	Corporate Services Initiatives	Regional	Reserve (one-time)	Included in 2024 Service Plan
	Carry forward of unspent funds from 2024 to be spent in 2025 for the Electronic Documents and Records Management System (EDRMS) project of \$285k, continuing the feasibility study for centralizing procurement of \$70k and actuarial support for Legal & Risk to review self -insurance funding of \$70k; auxiliary and co-op student support for 6 months and contracted business continuity support for \$70k.				
	0.311	First Nation Initiatives	Regional	Reserve (one-time)	Included in 2024 Service Plan
	Carry forward of unspent funds from 2024 to be spent in 2025 for government-to-government consultation of \$175k; reconciliation action plan and engagement work of \$110k; archeology projects of \$35k; partially offset from a net reduction in other costs (\$9)k.				
	0.100	Human Resources Initiatives	Regional	Reserve (one-time)	Included in 2024 Service Plan
	Carry forward of unspent funds from 2024 to be spent in 2025 for the second phase of Capital Regional District (CRD) employee experience survey, and facilitation work for the Equity, Diversity, Inclusion and Accessibility (EDIA) strategy.				
Foodlands Access	0.270	Establishment of New Regional Service	Regional	Requisition (on-going)	CRD Board, February 12, 2025
	The establishment of this service has been introduced since provisional budget through Bylaw No. 4602. Per Board directive, the new service was established to address the decline of productive farmland.				

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Biodiversity & Environmental Stewardship	0.213	Establishment of New Regional Service	Regional	Requisition & Recovery (on-going)	CRD Board, February 12, 2025
	The establishment of this service has been introduced since provisional budget through Bylaw No 4575. Per Board directive, the new service was established to pursue a regional approach to biodiversity, and the protection of ecological assets with public authorities and groups across the capital region.				
Saanich Peninsula Wastewater	0.100	Saanich Peninsula Wastewater Initiatives	Sub-Regional	Reserve (one-time)	Change in Budget Assumptions
	Carry forward of unspent funds from 2024 to be spent in 2025 for the Carbon Media replacement program.				
Land Banking & Housing	0.100	Board Directed Initiative	Regional	Requisition (one-time)	CRD Board, September 11, 2024
	Direction for staff to undertake regional engagement to determine CRD's potential role in advancing regional supporting housing and sheltering objectives.				
	(0.073)	Debt Servicing Cost Adjustment	Regional	Requisition (on-going)	Change in Budget Assumptions
	Reduction in estimated debt servicing costs for \$9.1M borrowed in Fall 2024 resulting from lower than planned interest rates.				
Regional Parks	0.074	Regional Parks Initiatives	Regional	Surplus & Requisition (one-time & on-going)	Included in 2024 Service Plan; Change in Budget Assumptions
	Carry forward of initiatives from 2024 to be spent in 2025 for the Land Acquisition Strategy Update \$75k; Coles Bay Restoration Project \$40k; Cultural Use and Safety Policy Project \$20k; offset from deferral of 2025 IBC 7c-3.2 Elk/Beaver Lake Oxygenator Operation that was deferred to 2026 for (\$61)k.				

Service	(\$M) Change	Description	Impact	Funding Source	Direction
911 Systems	0.065	Service Contract Adjustment	Regional	Requisition (on-going)	Change in Budget Assumptions
	Increase in levy from Ecomm for 2025 \$48k; increased deficit from lower call levy revenue received in 2024 of \$17k.				
CRD HQ Building	0.063	Funding of 2024 Deficit	Regional	Reserves (one-time)	Included in 2024 Service Plan
	Recognition of 2024 deficit carried forward to 2025, resulting from higher than anticipated maintenance and cleaning costs. This deficit is funded through a one-time transfer from operating reserve.				
Sooke Regional Museum	0.063	Contribution Payment Adjustment	Sub-Regional	Requisition (on-going)	Change in Budget Assumptions
	Agreement to increase contribution payment to Sooke Region Historical Society, for the society's living wage adjustment.				
Panorama Recreation Centre	0.052	Recreation Initiatives	Sub-Regional	Surplus (one-time)	Included in 2024 Service Plan
	Carry forward of unspent funds from 2024 for community needs initiatives on recreation and parks.				
Salt Spring Island Economic Development Commission	0.052	Salt Spring Island (SSI) Economic Development Commission Initiatives	Local Area	Surplus (one-time)	SSI Local Community Commission (LCC) January 30, 2025
	Carry forward of one-time initiative from 2024 for SSI Integrated Housing Strategy.				
Climate Action and Adaptation	(0.102)	Service Level Adjustment	Regional	Recovery (ongoing)	CRD Board, February 12, 2025
	Invasive species function transferred from the Climate Action and Adaption Service to the newly established Biodiversity & Environmental Stewardship Service.				

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Environmental Resource Management	0.060	Environmental Resource Management Initiatives	Regional	Recovery and Fees & Charges (ongoing)	Change in Budget Assumptions
	Reflects overhead costs for the Innovation Work Unit to deliver on the Board's priorities that require innovation. This includes programming for the Long Term Biosolids Management Strategy, climate action strategy, and other longer term, technology-focused projects supporting resource recovery and climate action goals.				
	(1.185)	Environmental Resource Management Initiatives	Regional	Reserves, Other Revenue and Fees & Charges (ongoing)	Change in Budget Assumptions
	With the delayed completion timeline of the Renewable Natural Gas (RNG) construction project, both costs for electricity and operating contract have been revised.				
Municipal Debt	0.364	Increased debt servicing costs of \$269k for the City of Colwood and \$96k for the Town of Sidney. These debt changes resulted from new debt issuances subsequent to the 2025 Provisional Financial Plan development and approval.			
All other services (Including Electoral Areas (EA))	0.400	Net increase across 87 other services			
Subtotal	\$1.422				

Operating Revenue

Service plan adjustments and budget assumption changes since the provisional budget are funded through a variety of revenue sources totaling \$1.4 million or 0.3%. The following tables provide changes since provisional approval by revenue type.

Table 2: Drivers for Change in Surplus Carry forward

Service	(\$M) Change	Description	Impact	Direction
Regional Parks	0.535	Funding for 2024 initiatives brought forward to 2025 for \$135k; fund planned one-time reserve contributions through 2024 savings of \$260k, and a further \$140k to mitigate 2025 requisition increase.	Regional	Change in Budget Assumptions
Regional Housing Trust Fund	0.058	Surplus resulting from additional donation received in 2024.	Sub-Regional	Change in Budget Assumptions
Panorama Recreation Centre	0.052	Savings from 2024 carried forward to fund community needs work on recreation and parks in 2025.	Sub-Regional	Included in 2024 Service Plan
SSI Economic Development Commission	0.052	Remaining funding for one-time initiative for SSI Integrated Housing Strategy carried over from 2024 for work planned in 2025.	Local Area	SSI LCC January 30, 2025
Electoral Area Admin Exp - Southern Gulf Islands	0.500	Carry forward of surplus from 2024, to fund one-time contractor costs brought forward from 2024 to 2025 to support Southern Gulf Islands (SGI) initiatives.	Local Area	Included in 2024 Service Plan
All other services (Including EA)	0.216	Net increase across 47 other services		
Total	\$1.413			

Table 3: Drivers for Change in Transfer from Reserves Revenue

Service	(\$M) Change	Description	Impact	Direction
Legislative and General Government	0.495	Corporate Services - Funding for initiatives carried forward from 2024 to be spent in 2025 for the EDRMS project of \$285k, continuing the feasibility study for centralizing procurement of \$70k and actuarial support for Legal & Risk to review self -insurance funding of \$70k; Auxiliary and co-op student support for 6 months and contracted business continuity support for \$70k.	Regional	Included in 2024 Service Plan
	0.311	First Nations - Funding for initiatives carried forward from 2024 to be spent in 2025 for government-to-government consultation of \$175k; reconciliation action plan and engagement work of \$110k; archeology projects of \$35k; partially offset from a net reduction in other costs (\$9)k.	Regional	Included in 2024 Service Plan
	0.100	Human Resources - Funding for unspent funds from 2024 to be spent in 2025 for the second phase of CRD employee experience survey, and facilitation work for the EDIA strategy.	Regional	Included in 2024 Service Plan; Change in Budget Assumptions
Climate Action and Adaptation	0.114	Funding for Local Government Climate Action program (LGCAP) was received in 2024 and carried forward to be spent in 2025.	Regional	Change in Budget Assumptions
Saanich Peninsula Wastewater	0.100	Funding for the Carbon Media replacement work, carried forward from 2024.	Sub-Regional	Included in 2024 Service Plan
CRD HQ Building	0.063	Carry forward deficit from 2024 to be funded by operating reserve.	Regional	Included in 2024 Service Plan

Service	(\$M) Change	Description	Impact	Direction
Building Inspection	0.052	Higher cost savings realized in 2024, which were transferred to reserve. The higher reserve balance is being utilized in 2025 to help mitigate requisition increases from 2024.	Joint Electoral Area	Included in 2024 Service Plan
Environmental Resource Management	(0.567)	Reduction in transfers from reserve, due to reduced revenues from the delayed completion timeline of the RNG construction project.	Regional	Change in Budget Assumptions
All other services (Including EA)	0.168	Net increase across 23 other services		
Total	\$0.836			

Table 4: Drivers for Change in Requisition Revenue

Service	(\$M) Change	Description	Impact	Direction
Foodlands Access	0.270	Funding for the new established Foodlands Access Service.	Regional	CRD Board, February 12, 2025
Core Area Wastewater Operations	0.121	Change due to participation by requisition versus invoice by agreement, and cost apportionment updates based on year-end flow adjustments and PILT contributions.	Sub-Regional	Change in Budget Assumptions
Biodiversity & Environmental Stewardship	0.111	Funding for the new established Biodiversity and Environmental Stewardship Service.	Regional	CRD Board, February 12, 2025
Sooke Regional Museum	0.065	Funding for an increased contribution payment for the Sooke Region Historical Society.	Sub-Regional	Change in Budget Assumptions
911 Systems	0.065	Funding for increase in levy from COMM for 2025 \$48k; increased deficit from lower call levy revenue received in 2024 \$17k.	Regional	Change in Budget Assumptions
Land Banking & Housing	(0.054)	Reflects a reduction in requisition from increased PILT contributions.	Regional	Change in Budget Assumptions
Building Inspection	(0.063)	Reflects a reduction in requisition due to increased transfers from reserves from savings in 2024 (\$53)k, and a further reduction as directed by Board to decrease planned contributions to reserves (\$10)k.	Joint Electoral Area	Change in Budget Assumptions
Legislative and General Government	(0.070)	Reflects a reduction in requisition from increased PILT contributions.	Regional	Change in Budget Assumptions
Regional Parks	(0.570)	Reduced requisition resulting from 2024 surplus carried forward into 2025 (\$400)k; increased PILT contribution (\$109)k; and deferral of 2025 IBC to 2026(\$61)k.	Regional	Change in Budget Assumptions

Service	(\$M) Change	Description	Impact	Direction
Municipal Debt	0.364	Increase in debt servicing costs due to the City of Colwood borrowing \$4.7m in fall 2024, resulting in annual debt servicing costs of \$269k and the Town of Sidney borrowing \$1.3m in fall 2024, resulting in debt servicing costs of \$96k.		
All other services (Including EA)	(0.162)	Net decrease across 79 other services		
Total	\$0.077			

Table 5: Drivers for Change in Payments in Lieu of Taxes (PILT)

Municipality* (\$M)	2025 Final	2025 Prelim	\$ Change	% Change
Township of Esquimalt	2.231	2.338	(0.107)	-5%
City of Victoria	0.540	0.520	0.020	4%
City of Colwood	0.506	0.166	0.340	205%
District of North Saanich	0.320	0.316	0.004	1%
District of Saanich	0.253	0.239	0.014	6%
District of Metchosin	0.145	0.131	0.014	11%
Electoral Areas	0.095	0.086	0.009	10%
City of Langford	0.045	0.042	0.003	7%
District of Central Saanich	0.023	0.026	(0.003)	-12%
District of Sooke	0.016	0.015	0.001	7%
Town of Sidney	0.008	0.008	0.000	0%
Town of View Royal	0.008	0.007	0.001	14%
District of Oak Bay	0.001	0.002	(0.001)	-50%
Total	\$4.191	\$3.896	\$0.295	8%

*Excludes municipalities and electoral areas that do not receive PILT