

2024 Operating Budget
Changes from Preliminary
March 13, 2024

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 \$5.9 million or 1.6%. 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	0.687	Information Technology Initiatives	Regional	Reserve (one-time & ongoing)	Included in 2023 Service Plan
	Carry forward of initiatives from 2023, including deferral of Enterprise Project Document Management System (EPDMS) development and implementation for \$455k, digital communications sharepoint analytics of \$45k, and computer supplies and support for Electronic Documents and Records Management System (EDRMS) and Enterprise Asset Management (EAM) initiatives for \$100k. Additional increase in ongoing costs for SAP software licences of \$80k.				
	0.325	Finance Initiatives	Regional	Reserve (one-time)	Included in 2023 Service Plan
	Carry forward of initiatives from 2023, including EAM consultant and deliverable work for \$170k, and SAP module work of \$110k. Additional expenses for risk advisory consultancy of \$100k; partially offset by a one-time reduction in salaries budget refinements due to project timing (\$55k).				
	0.310	Corporate Services Initiatives	Regional	Reserve (one-time)	Included in 2023 Service Plan
	Carry forward of unspent funds from 2023 to be spent in 2024 for the EDRMS Project of \$190k and feasibility study for centralizing procurement for \$100k; actuarial support costs for Legal & Risk to review self-insurance funding \$70k.				

Legislative and General Government	0.234	First Nation Initiatives	Regional	Reserve (one-time)	Included in 2023 Service Plan
	Carry forward of unspent funds from 2023 for archeology and cultural monitoring initiatives \$71k, government-to-government consultation \$70k, inclusive regional governance programming \$44k; Board and Commissions cultural training \$29k, and Forum of all Councils \$20k.				
	0.080	Board Initiatives	Regional	Reserve (ongoing & one- time)	Change in Budget Assumptions
	Upgrades of the Board correspondence portal including new hosting provider for \$50k; one-time costs for Chief Administrative Officer (CAO) 360 review \$30k				
	0.083	Corporate Emergency Initiatives	Regional	Other Revenue & Surplus (one-time)	Change in Budget Assumptions
	First Nation engagement work related to Emergency Disaster Management Act Implementation for \$66k; emergency management software acquisition deferred from 2023 for \$17k				
	0.050	Human Resources Initiatives	Regional	Reserve (one-time)	Change in Budget Assumptions
	Second phase of Capital Regional District (CRD) Employee Experience survey				

Regional Parks	0.591	Royal Oak Golf Course Property Operating and Borrowing Costs	Regional	Requisition & Other Revenue (one-time & ongoing)	CRD Board November 8, 2023; Change in Budget Assumptions
	One-time costs of \$130k and ongoing costs of \$96k for preparing and operating the Royal Oak Golf Course property for Regional Parks use. \$365k in interest expense on the \$8.5m property acquisition. The interest expense will be offset by additional interest revenue earned in 2024 in the Regional Parks Land Acquisition Reserve Fund.				
Climate Action and Adaptation	0.190	Climate Action Education and Policy Development	Regional	Reserve & Recovery (one-time)	CRD Board January 17, 2024
	Auxiliary and consulting support for climate action community engagement and education programming, and greenhouse gas reduction policy analysis approaches.				
	0.099	Reinstatement of Invasive Species Support	Regional	Reserve & Recovery (one-time)	Change in Budget Assumptions
	With the deferral of the establishment of the Biodiversity Service, costs for monitoring and environmental support for invasive species have been reinstated to the Climate Action and Adaption service budget.				
Community Health	0.275	Board Directives for Addressing Homelessness	Regional	Requisition (ongoing & one-time)	CRD Board October 11, 2023
	Board-directed initiatives for a one-time contribution to the Alliance to End Homelessness and an ongoing contribution for Aboriginal Coalition to End Homelessness				
Environmental Protection and Water Quality	0.158	Odour Sampling and Monitoring Support	Regional	Reserve (one-time)	Change in Budget Assumptions
	Reflects one-time enhanced odour sampling support related to wastewater treatment				

Regional Housing Trust Fund	0.118	Capital Grants Capacity	Regional	Surplus & Other Revenue	Change in Budget Assumptions
	Increased funding available for contribution to capital grants in 2024, resulting from 2023 surplus carry-forward				
Pender Fire Protection	0.114	Pender Fire Recommendations	Local Area	Requisition (on-going)	Pender Island Fire Protection Society September 21, 2023
	Additional staffing costs of \$97k and reserve transfers of \$17k, as directed by Pender Fire Protection Society				
Otter Point Fire Protection	0.110	Otter Point Fire Recommendations	Local Area	Requisition (on-going)	Otter Point Volunteer Fire Department Commission January 10, 2024
	Additional compensation for Fire Chief and Assistant Fire Chief, as directed by Otter Point Volunteer Fire Department Commission				
North Galiano Fire Protection	0.100	North Galiano Fire Recommendations	Local Area	Requisition & Surplus (ongoing & one-time)	North Galiano Fire Protection and Emergency Response Service Commission October 15, 2023
	Reflects costs for new Assistant Fire Chief position \$85k; supplies acquisition deferred from 2023 of \$13k, as directed by Commission				
Environmental Engineering Services	0.100	Feasibility Study	Regional	Reserve (one-time)	Included in 2023 Service Plan
	Conduct a feasibility study for a centralized project delivery office, carried forward from 2023				

Panorama Recreation Center	0.100	Facility Assessment	Sub-Regional	Requisition (one-time)	Peninsula Recreation Commission November 23, 2023
	To hire a consultant to conduct a sub-regional recreation facility needs assessment to assist in the planning of new and existing recreation facilities and services, recommended by Commission				
Electoral Area (EA) Admin Exp - Southern Gulf Islands	0.097	Service Level Maintenance	Local Area	Recovery & Reserve (one-time)	Change in Budget Assumptions
	Contractor support costs to maintain service level during staff secondment; cost offset by increased revenue recovery				
Core Area Wastewater Operations	0.070	Host Community Impact Fee	Sub-Regional	Reserve (ongoing)	Change in Budget Assumptions
	The annual Host Community Impact fee payable to Esquimalt was previously funded through the Core Area Wastewater Treatment project. With closeout of the project, the fee will be incurred in the operations budget. This expense is funded through residual funds from the project.				
911 Systems	0.065	2024 Service Contract Adjustment	Regional	Requisition & Reserve (ongoing)	Change in Budget Assumptions
	Increase in levy from Ecomm for 2024, to maintain service levels				
EA Emergency Program	0.058	Regulatory Update	Local Area	Reserve (one-time)	Change in Budget Assumptions
	Contractor costs required for support with regulatory updates from Emergency Disaster Management Act				

Salt Spring Island (SSI) Liquid Waste Disposal	0.058	SSI Local Community Commission (LCC) Directive	Local Area	Fees + Charges & Parcel Tax (ongoing)	SSI LCC February 1, 2024
	Cost adjustment associated with sewage and septage sludges, to reflect actual 2023 volume and rates for an impact of \$50k; increase in refinancing existing debt servicing costs of \$8k.				
Vancouver Island Regional Library	0.051	Higher Levy Payment	Local Area	Requisition & Other Revenue (ongoing)	Vancouver Island Regional Library Board September 16, 2023
	Higher levy payment for library services, approved by Vancouver Island Regional Library Board.				
SSI Community Transportation	(0.070)	SSI LCC Directive	Local Area	Requisition (one-time)	SSI LCC February 1, 2024
	Reflects reduction in transfers to reserves to reduce requisition as directed by SSI LCC.				
Harbours Environmental Action	(0.072)	Re-Evaluate Service	Sub-Regional	Requisition (ongoing)	Change in Budget Assumptions
	Re-evaluate the Saanich Peninsula Harbours Environmental Action service while the CRD Board considers boat management options in the wider region				
Land Banking & Housing	(0.134)	Land Banking & Housing Initiatives	Regional	Reserve, Surplus & Other Revenue (one-time)	Change in Budget Assumptions
	One-time reduction in debt servicing costs due to timing of borrowing from Spring to Fall in 2024 (\$191)k; partially offset by carry-forward of housing program consulting costs \$47k.				
Municipal Debt	1.506	Net change in municipal debt across all municipalities. These debt changes occurred and were recognized subsequent to the 2024 Provisional Financial Plan development and approval			
All other services (Including EA)	0.624	Net increase across 82 other services			
Subtotal	\$5.977				

Operating Revenue

Service plan adjustments and budget assumption changes since the provisional budget are funded through a variety of revenue sources totaling \$6.0 million. 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
Debt - Core Area Sewage Integrated Treatment Facilities	0.202	Debt reserve fund earnings returned upon debt maturity in 2023, carried forward as requisition to be returned to participants in 2024	Sub-Regional	Change in Budget Assumptions
Regional Housing Trust Fund	0.109	Savings from 2023 carried forward to fund increased contribution for capital grants in 2024	Sub-Regional	Change in Budget Assumptions
All other services (Including EA)	0.270	Net increase across 48 other services		
Total	\$0.581			

Table 3: Drivers for Change in Transfer from Reserves Revenue

Service	(\$M) Change	Description	Impact	Direction
Legislative and General Government	0.608	Information Technology - Funding for software licence, computer supply and development and support costs for initiatives carried forward from 2023	Regional	Included in 2023 Service Plan
	0.325	Finance - Funding for initiatives carried forward from 2023 including contracted EAM consulting, Enterprise Resource Planning (ERP) financial system module work. Also, risk advisory consulting	Regional	Included in 2023 Service Plan
	0.310	Corporate - Funding for work deferred from 2023 for EDRMS and the centralized procurement feasibility study, along with actuarial support costs for Legal & Risk to review self-insurance funding	Regional	Included in 2023 Service Plan
	0.234	First Nations - Funding for initiatives carried forward from 2023 including cultural monitoring, government to government consultation, regional governance programming, training and Forum of all Councils	Regional	Included in 2023 Service Plan
	0.080	Board - Funding for upgrading Board Correspondence Portal and CAO 360 Review	Regional	Change in Budget Assumptions
	0.050	Human Resources - Funding for second phase of CRD Employee Experience Survey	Regional	Change in Budget Assumptions

Climate Action and Adaption	0.190	Increased transfer from reserves to cover increasing capacity for the climate action community engagement and education programming	Regional	CRD Board January 17, 2024
Environmental Protection and Water Quality	0.122	Increased transfer from reserves for one-time enhanced odour sampling support related to wastewater treatment	Regional	Change in Budget Assumptions
Environmental Engineering Services	0.100	Funding for centralized project delivery office feasibility study, deferred from 2023	Regional	Included in 2023 Service Plan
EA Emergency Program	0.058	Increased transfer from reserves to fund one-time contractor costs required to support regulatory updates from Emergency Disaster Management Act	Local Area	Change in Budget Assumptions
Land Banking & Housing	(0.069)	Reduced use of reserve with one-time savings on timing of debt expense in 2024	Regional	Change in Budget Assumptions
All other services (Including EA)	0.173	Net increase across 15 other services		
Total	\$2.181			

Table 4: Drivers for Change in Requisition Revenue

Service	(\$M) Change	Description	Impact	Direction
Regional Parks	0.445	Funding for the one-time and ongoing costs associated with preparing and operating the Royal Oak Golf Course acquired lands and building for Regional Parks use. Includes debt servicing costs for the property acquisition.	Regional	CRD Board November 8, 2023; Change in Budget Assumptions
Core Area Operations	0.362	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
Community Health	0.274	Funding for Board-directed initiatives for a one-time contribution to the Alliance to End Homelessness and an ongoing contribution for Aboriginal Coalition to End Homelessness	Regional	CRD Board October 11, 2023
Pender Fire Protection	0.115	Funding for additional staffing costs and reserve transfers, as directed by Pender Fire Protection Society	Local Area	Pender Island Fire Protection Society September 21, 2023
Otter Point Fire Protection	0.110	Funding for additional compensation for Fire Chief and Assistant Fire Chief, as directed by Otter Point Volunteer Fire Department Commission	Local Area	Otter Point Volunteer Fire Department Commission January 10, 2024
Panorama Recreation Centre Center	0.100	Funding for Panorama Recreation Facility assessment, recommended by Commission	Sub-Regional	Peninsula Recreation Commission November 23, 2023
Legislative and General Government	0.080	Information Technology - Funding for increase in SAP software licences starting 2024	Regional	Change in Budget Assumptions
North Galiano Fire Protection	0.085	Funding for new Assistant Fire Chief position, as directed by Commission	Local Area	North Galiano Fire Protection and Emergency Response Service Commission October 15, 2023

911 Systems	0.066	Funding for increase in levy from Ecomm for 2024, to maintain service levels	Regional	Change in Budget Assumptions
Vancouver Island Regional Library	0.051	Funding for higher levy payment, approved by Vancouver Island Regional Library Board	Local Area	Vancouver Island Regional Library Board September 16, 2023
SSI Community Transportation	(0.070)	Reflects reduction in transfers to reserves expense to reduce requisition, as directed by SSI LCC	Local Area	SSI LCC February 1, 2024
Harbours Environmental Action	(0.072)	Reflects reduction in requisition as service is re-evaluated. CRD Board to consider boat management options in the wider region.	Sub-Regional	Change in Budget Assumptions
Municipal Debt	1.462	Increase in debt servicing costs due to the District of Saanich borrowing \$12.2m in fall 2024, resulting in annual debt servicing costs of \$1.1m; the City of Victoria received an interest rate increase and actuarial rate decrease, resulting in additional debt servicing costs of \$286k.		
All other services (Including EA)	(0.020)	Net decrease across 84 other services		
Total	\$2.988			

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

Municipality* (\$M)	2024 Final	2024 Prelim	\$ Change	% Change
Township of Esquimalt	2.338	2.188	0.150	7%
City of Victoria	0.520	0.527	(0.007)	-1%
District of North Saanich	0.316	0.337	(0.021)	-6%
City of Colwood	0.166	0.185	(0.019)	-10%
District of Saanich	0.239	0.228	0.011	5%
District of Metchosin	0.131	0.116	0.015	13%
Electoral Areas	0.086	0.085	0.001	1%
City of Langford	0.042	0.039	0.003	8%
District of Central Saanich	0.026	0.023	0.003	13%
Town of Sidney	0.008	0.009	(0.001)	-11%
District of Sooke	0.015	0.009	0.006	67%
Town of View Royal	0.007	0.006	0.001	17%
District of Oak Bay	0.002	0.000	0.002	0%
Total	\$3.896	\$3.752	\$0.144	4%

*Excludes municipalities and electoral areas that do not receive PILT