

**Capital Regional District
Quarterly Operating Variance Report - Q1, 2023
Service Budgets Greater than \$1,500,000**

Service Number	Service Description	Operating Expenses							Operating Revenue						
		Year to Q1				Annual Forecast			Year to Q1				Annual Forecast		
		Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2022 % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2022 % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation
1.010	Legislative & General	36,520,973	7,290,595	20%	21%	36,052,000	1%	Forecasting a small variance primarily due to deferred hiring of 5 term FTEs until Q3 for the SAP S4 Hana project.	36,520,973	6,696,459	18%	18%	36,152,000	1%	Half of revenue is derived from allocations to other services; one-third is funded by requisition, with balance from reserves, grants and other revenue. Forecasting reduced reserve funds required primarily due to the deferral of 3 term FTEs to Q3 for the SAP S4 Hana project.
1.105	Facility Management	2,016,211	458,982	23%	21%	2,015,000	0%	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced in Q1 due seasonal variance in expenditures.	2,016,211	500,714	25%	21%	2,015,000	0%	Revenues derived from delivery of service to other services and projected to remain on plan for the year.
1.106	CRD Headquarters Building	1,977,438	555,531	28%	22%	1,980,000	0%	Service experienced slightly higher operating costs as a result of a winter cold snap and commissioning of 1st Flr renovations. Service projected to be on plan for the fiscal year.	1,977,438	491,683	25%	26%	1,980,000	0%	Service provides office space to other CRD services and is on plan.
1.112	CRD Regional Grant in Aid	1,532,621	0	0%	0%	0	100%	CRD raised the funds in 2013-2015 through tax requisition specially for one-time funding request from Island Corridor Foundation (ICF). The timeline hasn't been established for the distribution of the funds.	1,532,621	1,532,621	100%	99%	1,532,621	0%	Revenue is 100% 2022 surplus carryforward.
1.226	Health Facilities - VIHA	1,720,718	191,136	11%	30%	1,200,000	30%	Service provides leased building to VIHA, and is 100% recovery from tenant. Q1 level of service provided, including rebilling utilities and daily checks will be reduced starting Q2, as VIHA will be assuming these costs directly. A small surplus is forecast to be returned to tenant.	1,720,718	387,630	23%	23%	1,200,000	30%	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	17,528,007	2,720,203	16%	14%	17,530,000	0%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Forecasted temporary staff vacancies on new service levels for 2023 are largely offset by one-time costs for studies, AUX backfills and deferred maintenance.	17,528,007	1,136,766	6%	6%	17,530,000	0%	Revenues are primarily from requisition and are on plan.
1.297	Arts Grants & Development	3,132,037	103,673	3%	8%	3,130,000	0%	Service is a grant funding service, which had limited grant distribution in Q1. Projecting to disburse remaining budget for grant funding to arts organisations in the remaining quarters.	3,132,037	179,943	6%	6%	3,130,000	0%	Revenues are primarily from requisition and are on plan.
1.309	Climate Action and Adaptation	2,288,185	317,490	14%	6%	2,288,100	0%	Operational services are continuing as planned, and forecasted to be in line with budget for the year. Large capital payments are budgeted in Q3 and Q4.	2,288,185	104,886	5%	3%	2,306,555	-1%	Revenues are primarily from requisition, and forecast slightly above plan due to additional grant revenue.
1.310	Land Banking & Housing	3,048,387	434,564	14%	14%	3,048,000	0%	Operating expenses on plan at Q1. Large debt payments come in Q2 and Q4.	3,048,387	398,526	13%	37%	3,048,000	0%	Revenues are on plan; approximately 50% requisition and 50% federal grants.
1.311	Regional Housing Trust Fund	3,676,394	8,314	0%	0%	650,000	82%	Expenses are driven by internal and external grants, with timing contingent on external factors such as municipal approvals. Any surpluses are carried forward. One grant of \$615K is forecast to be paid in 2023. Balance of forecast is admin costs.	3,676,394	2,608,067	71%	82%	3,676,394	0%	Service is on plan where revenue is about 70% from surplus carryforward and 30% from requisition.
1.313	Animal Care Services	1,663,324	482,908	29%	35%	1,703,324	-2%	Forecasting slightly above budget due to increased auxiliary staff costs due to new Royal Roads service contract and additional costs for the purchase of protective vests for Bylaw officers as mandated by OH&S and legal expenses.	1,663,324	423,318	25%	17%	1,690,988	-2%	Service is funded approximately 28% from requisition, 56% from contract revenue, 14% from dog tag sales and 2% from others. Forecasting surplus due to higher than expected dog tag sales and additional contract revenue due to new service contract with Royal Roads University.
1.318	Building Inspection	2,026,725	443,209	22%	20%	2,021,725	0%	Operating expenses are on plan with some annual savings forecasted for temporary staff vacancies.	2,026,725	464,003	23%	25%	2,186,725	-8%	Service is funded approximately 70% by permit fee revenue, with the balance funded by requisition and reserve. Permit fee revenue forecasted slightly higher due to increased construction values on Salt Spring Island and the Southern Gulf Islands.
1.324	Regional Planning Services	1,554,118	332,167	21%	13%	1,547,948	0%	Operating expenses are on plan with slight savings in travel, training, and staff overtime.	1,554,118	80,575	5%	4%	1,555,528	0%	Revenue is approximately 56% requisition, 41% operating reserve and 3% other. Actual revenue is on plan with slight higher other revenue from bike map sales.
1.40X	SEAPARC	4,571,131	1,045,928	23%	19%	4,600,000	-1%	High program levels are forecasted due to stronger user demand than plan. May result in higher overall operating expense for the year, largely in increased auxiliary wages.	4,571,131	498,322	11%	6%	4,625,000	-1%	Revenues are approximately 70% from requisition; 30% from fees. Higher than budgeted fees projected for the full year based on higher Q1 utilization in increased volume of membership fees other recreation user fees.
1.44X	Panorama Rec. Center	10,136,965	2,056,149	20%	18%	10,130,000	0%	Service utilization returning to pre-pandemic level (Q1 - 97% of 2019). Due to seasonal nature of service full year expense projected to be in line with budget.	10,136,965	1,465,596	14%	13%	10,230,000	-1%	Revenues are approximately 51% from requisition; 49% from fees. Higher than budgeted user generated revenues are projected for the full year based on the higher Q1 utilization, particularly in drop-in revenues, which result in a higher per visit average revenue.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,154,490	682,552	32%	21%	2,357,359	-9%	Forecasting operating expenses will be over budget due to increased pool chemical costs and maintenance to heat pumps, Community Centre maintenance and propane costs.	2,154,490	145,355	7%	4%	2,189,490	-2%	Forecasting operating revenue will be over budget due increased day use and pool pass revenue, and higher than anticipated Community Centre gym and room booking revenue.
1.521	Environmental Resource Management	29,690,987	6,704,863	23%	24%	29,531,987	1%	Operational services are continuing as planned. Experienced increased costs with emerging leachate management issues. Expense offset by savings on the service level failure credit penalties applied against curbside recycling contractor.	29,690,987	8,540,291	29%	28%	30,809,531	-4%	Tippling fee revenues higher due to an increased quantity of RTF residuals being received. Recycling revenue for scrap metal (price fluctuates with the global commodity markets) is also higher than budgeted.
1.576	Environmental Engineering Services	2,765,567	633,789	23%	21%	2,765,000	0%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Small savings in Q1 in payroll costs, not anticipated to continue throughout the year.	2,765,567	694,663	25%	31%	2,800,000	-1%	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.

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1.577	IW - Environmental Operations	13,875,220	3,082,156	22%	25%	13,156,624	5%	Overhead service budget, continuing to deliver services as planned. Expenditures forecasted under budget largely due to temporary staff vacancies.	13,875,220	3,236,326	23%	27%	13,421,240	3%	95% of revenue is driven by labour recovery, providing services to other CRD services. The remaining 5% of revenue is from reserves' transfer to cover one-time costs. Recovery revenue from CRD services forecasted to be slightly below annual budget due to staff vacancies.
1.578	Environmental Protection and Water Quality	9,177,767	2,290,943	25%	22%	9,077,767	1%	Overhead service budget, continuing to provide service as planned. Forecast largely on plan, with some minor savings on temporary staff vacancies.	9,177,767	2,367,477	26%	23%	9,227,767	-1%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.911	911 Systems	2,495,079	374,082	15%	15%	2,490,271	0%	This service collects 911 levies from phone carriers and distributes a percentage to participating municipalities. Fixed contracts and debt servicing costs are on track with budget.	2,495,079	573,460	23%	22%	2,481,634	1%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Forecasting reduction in revenues due to a drop in 911 levies.
1.921	Regional CREST	1,790,531	447,897	25%	25%	1,789,823	0%	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget.	1,790,531	97,073	5%	6%	1,789,031	0%	Operating revenues are primarily requisition and are on plan.
2.610	Saanich Peninsula Water Supply	7,407,397	1,345,556	18%	17%	7,400,000	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	7,407,397	1,286,346	17%	17%	7,410,000	0%	Revenues are driven by seasonal water sales. Demand is forecasted above prior year and in line with plan.
2.670	Regional Water Supply	39,915,804	4,147,151	10%	11%	39,900,000	0%	Operational services and system maintenance are continuing as planned. Potential for salaries budget variances in this service due timing of settlement of collective agreements, and service budget approval; chemical costs are forecast to exceed budgeted amounts. These costs are forecasted to be offset by savings from temporary vacancies.	39,915,804	6,744,648	17%	18%	39,950,000	0%	Revenues are driven by seasonal water sales. Demand is forecast to be similar to prior year and in line with plan.
2.680	Juan de Fuca Water Distribution	23,970,506	2,793,475	12%	10%	23,970,000	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budget.	23,970,506	2,632,603	11%	13%	23,980,000	0%	Revenues are driven by seasonal water sales. Demand is forecast above prior year and largely in line with plan.
3.717	Core Area Wastewater Operations	31,644,016	7,332,264	23%	20%	31,644,016	0%	Operational services are on track as planned. Higher prices for supplies has caused expenses to rise, but savings from water consumption are expected to balance out these costs. In addition, overspending on waste sludge disposal at the Hartland facility during the initial months will be offset by utilizing savings from operational contract services and environmental programs.	31,644,016	908,974	3%	3%	30,969,016	2%	Requisition serves as the main source of service revenue, however the revenue from tipping fees is reduced due to delays in the operational readiness of the OMS receiving facility at the Residual Treatment Facility. The operating reserve is available to help cover the revenue shortfall.
3.718	Saanich Peninsula Wastewater	4,747,515	1,140,301	24%	23%	4,324,300	9%	Service delivering on plan. Current expenditures forecast a favourable variance as a result of operational delay on the OMS receiving facility.	4,747,515	215,796	5%	1%	4,747,000	0%	Revenues are approximately 93% from requisition, 7% other. Overall revenue is expected to be on plan.
3.755	Regional Source Control	1,641,038	389,826	24%	26%	1,641,000	0%	Service delivery continuing as planned. No changes anticipated at this time.	1,641,038	117,000	7%	6%	1,716,038	-5%	Revenues are primarily from requisition, and forecast slightly above plan due to additional permit fee revenue.
Total Services above		264,669,151	84%							264,669,151	84%				
Other CRD Services		51,518,331	16%							51,518,331	16%				
Total CRD		316,187,482							316,187,482						

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CRHD	Capital Regional Hospital District	32,678,574	2,782,618	9%	8%	32,620,074	0%	Forecasted savings in administration due to the deferred hiring of a new capital planner term position to Q2.	32,678,574	1,862,713	6%	5%	32,816,074	0%	Fewer reserve funds will be required due deferred hiring of the new capital planner term position to Q2, and increased interest earnings on savings accounts.
Total CRHD		32,678,574							32,678,574						
CRHC	Administration	3,448,575	653,484	19%	20%	3,248,000	6%	Savings forecasted due to temporary staff vacancies.	3,448,575	906,495	26%	24%	3,448,000	0%	Revenues are directly tied to property management fees and are forecasted on plan.
CRHC	Development Services	801,498	127,578	16%	17%	731,500	9%	Savings forecasted due to temporary staff vacancies.	838,851	62,628	7%	19%	838,000	0%	Revenues are 100% project management fees from multiple projects, with a large amount budgeted in Q2. Forecasted on plan.
CRHC	CHF Operating	1,340,281	197,307	15%	n/a - new	1,340,000	0%	New building still in rent-up phase during Q1. Expenses forecasted to ramp up during Q2-Q4 and be on plan for the year.	1,340,281	240,745	18%	n/a - new	1,340,000	0%	New building still in rent-up phase during Q1. Revenues (approximately 50% tenant rents and 50% provincial grants) forecasted to ramp up during Q2-Q4 and be on plan for the year.
CRHC	UOA buildings	13,175,616	3,297,298	25%	25%	13,175,000	0%	Forecasted in line with budget. Small savings in salaries in Q1 offset by one-time maintenance expenses.	13,153,099	3,364,068	26%	25%	13,203,000	0%	Revenues are approximately 85% from tenant rents and 15% from provincial grants. Forecasted slightly higher than budget due to some small rent increases.
CRHC	ILBC building	868,056	216,474	25%	24%	868,000	0%	Forecasted on plan.	729,881	172,592	24%	23%	714,900	2%	Revenues are approximately 50% from tenant rents and 50% from provincial grants tied to occupancy controlled by Island Health. Small reduction to forecast due to tenant vacancies.
CRHC	NOA buildings	1,638,588	404,690	25%	19%	1,638,500	0%	Forecasted on plan.	1,684,250	431,481	26%	25%	1,684,250	0%	Revenues are 100% from tenant rents. Forecasted on plan.
CRHC	RHFP buildings	9,114,396	2,077,975	23%	24%	9,014,400	1%	Savings forecasted due to temporary staff vacancies.	9,217,057	2,094,102	23%	23%	9,117,000	1%	Budgeted revenues are 98% from tenant rents and 2% transfer from capital project surplus. Small reduction to forecast as entire surplus transfer not anticipated to be required due to savings in expenses.
CRHC	IHI building	750,967	187,286	25%	26%	751,000	0%	Forecasted on plan.	857,570	213,596	25%	24%	857,570	0%	Revenues are 100% from tenant rents. Forecasted on plan.
Total CRHC		31,137,977							31,269,564						
Total Services (CRD + CRHD + CRHC)		380,004,033							380,135,620						