

Capital Regional District
Quarterly Operating Variance Report - Q4, 2023
Service Budgets Greater than \$1,500,000

Service Number	Service Description	Operating Expenses			Operating Revenue			2023 Surplus / (Deficit)				
		Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	\$	% Budget	Treatment of Surplus / (Deficit)		
1.010	Legislative & General	36,520,973	33,363,598	91%	Savings are primarily related to one-time savings from staff vacancies and hiring delays, as well as a partial deferral of costs on Electronic Records Management (EDRMS) and the Electronic Project Document Management System (EPDMS) initiatives to 2024.	36,520,973	35,635,794	98%	Half of revenue is derived from allocations to other services; one-third is funded by requisition, with balance from reserves, grants and other revenue. Some minor savings due to reduction in reserve funds being required for project consultancy costs deferred to 2024, partially offset by increased grant revenue.	2,272,196	6.2%	Transfer to Operating Reserve Fund \$1.6m; and carried forward to 2024 \$675k.
1.105	Facility Management	2,016,211	1,823,830	90%	Service is facilities management delivered to CRD HQ and satellite facilities. Service is under plan due to temporary staff vacancies.	2,016,211	1,906,916	95%	Revenues derived from delivery of service to other services, and under plan for the year due to temporary staff vacancies.	83,086	4.1%	Surplus transferred to Operating Reserve Fund.
1.106	CRD Headquarters Building	1,977,438	1,981,286	100%	Service experienced slightly higher operating costs as a result of a winter cold snap in Q1 and commissioning of 1st floor renovations. Service on plan for the fiscal year.	1,977,438	1,981,292	100%	Service provides office space to other CRD services and is on plan.	7	0.0%	Surplus transferred to Operating Reserve Fund.
1.112	CRD Regional Grant in Aid	1,532,621	15,000	1%	CRD raised the funds in 2013-2015 through tax requisition specifically 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	1,584,336	103%	Revenue mostly consists of 2022 surplus carry forward; increase in revenue due to higher interest income.	1,569,336	102.4%	Surplus carried forward to 2024 operating budget.
1.226	Health Facilities - VIHA	1,720,718	1,013,017	59%	Service provides leased building to VIHA, and is 100% recovery from tenant. Q1 level of service provided, including rebilling utilities and daily checks were reduced starting Q2, as VIHA assumed these costs directly.	1,720,718	1,079,336	63%	Service provides leased buildings to VIHA, and is 100% recovery from tenant. Any deficit will be recovered from VIHA.	66,319	3.9%	Surplus transferred to Capital Reserve Fund.
1.280	Regional Parks	17,528,007	17,083,000	97%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Temporary staff vacancies on new service levels for 2023 are partially offset by one-time costs for studies, auxiliary staff backfills and deferred maintenance.	17,528,007	17,758,231	101%	Revenues are primarily from requisition and are on plan. Revenue generated from fees were higher than budget.	675,231	3.9%	Transfer to Equipment Replacement Fund \$250k; Capital Reserve Fund \$425k.
1.297	Arts Grants & Development	3,132,037	3,094,590	99%	Service is a grant funding service, which had limited grant distribution in Q1 and Q2. Grant funding to arts organisations was primarily distributed in Q3.	3,132,037	3,094,590	99%	Revenues are primarily from requisition and are on plan.	-	0.0%	No Surplus
1.309	Climate Action and Adaptation	2,288,185	1,931,201	84%	Operating expenses under budget on the Regional Building Energy Retrofit Program, due to reduction in contract cost.	2,288,185	2,053,023	90%	Revenues are primarily from requisition. Grant revenue was lower than budget due to delay in final approval of the Investing in Canada Infrastructure Program grant.	121,822	5.3%	Surplus transferred to Operating Reserve Fund
1.310	Land Banking & Housing	3,048,387	2,825,727	93%	Expenses under budget primarily due to staff vacancies and consultancy work carried forward to 2024.	3,048,387	3,086,360	101%	Revenues are approximately 50% requisition and 50% federal grants. Slightly higher revenues as predicted due to higher recovery from Reaching Home Grant.	260,633	8.5%	Surplus carried forward to 2024 operating budget.
1.311	Regional Housing Trust Fund	3,676,394	648,234	18%	Expenses are driven by internal and external grants, with timing contingent on external factors such as project schedules and municipal approvals. Any surpluses are carried forward. One grant of \$615K was paid out in 2023, with remaining commitments to be paid out in 2027 and 2028.	3,676,394	3,874,427	105%	Revenue is about 70% from surplus carry forward and 30% from requisition. Revenues were higher due to receipt of one-time donations and interest earned on carry-forward balance.	3,226,193	87.8%	Surplus carried forward to 2024 operating budget.
1.313	Animal Care Services	1,663,324	1,866,696	112%	Costs above budget due to higher auxiliary staff wages due to new service contracts and sick leave coverage of regular staff, higher vet services and legal costs. Additional costs for the purchase of protective vests for Bylaw officers as mandated by OH&S.	1,663,324	1,806,251	109%	Service is funded approximately 26% from requisition, 56% from contract revenue, 15% from dog tag sales and 3% from other. Higher revenue due to higher than expected dog tag sales, increased volume of adoptions, and additional contract revenue due to new service contract with Royal Roads University.	60,445	-3.6%	Reduce transfers to Equipment Replacement Fund (\$25k) and Operating Reserve Fund (\$25k); transfer from Operating Reserve Fund (\$10k).
1.318	Building Inspection	2,026,725	1,880,602	93%	Operating expenses are lower, mainly due to salaries savings from temporary staff vacancies.	2,026,725	2,037,410	101%	Service is funded approximately 70% by permit fee revenue, with the balance funded by requisition and reserve. Permit fee revenues were in line with the budget with a small increase due to higher interest income.	156,808	7.7%	Transfer to Equipment Replacement Fund \$20k; Operating Reserve Fund \$137k.
1.324	Regional Planning Services	1,554,118	1,395,360	90%	Operating expenses are lower than budget due to savings in salaries from temporary staff vacancies and lower auxiliary wages, and reduced consultant and program costs due to shifting focus to transportation governance initiatives during the year.	1,554,118	1,567,353	101%	Funding sources consist of approximately 79% requisition, 12% operating reserve and 9% other. Increase in revenue due to higher interest income.	171,993	11.1%	Transfer to Equipment Replacement Fund \$11k; Operating Reserve Fund \$161k.
1.40X	SEAPARC	4,571,131	4,881,708	107%	High program levels due to stronger user demand than planned. Resulted in higher overall operating expense for the year, largely in increased auxiliary wages, operating supplies and maintenance.	4,571,131	5,073,584	111%	Revenues are approximately 70% from requisition; 30% from fees. Higher than budgeted fees for the full year based on higher utilization, increased volume of membership fees and other recreation user fees.	191,876	4.2%	Transfer to Equipment Replacement Fund \$96k; Capital Reserve Fund \$96k.
1.44X	Panorama Rec. Center	10,136,965	10,189,040	101%	Service utilization returning to pre-pandemic level. Service is seasonal in nature, and full year expense in line with budget.	10,136,965	10,284,091	101%	Revenues are approximately 51% from requisition; 49% from fees. Higher than budgeted user generated revenues for the full year based on the higher utilization, particularly in rental revenues, child care grants and membership sales.	95,051	0.9%	Surplus transferred to Equipment Replacement Fund.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,154,490	2,316,421	108%	Higher service level due to higher user demand. As a result, operating expenses were over budget, largely in pool programs, staff salaries and Community Centre Recreation programs costs.	2,154,490	2,256,801	105%	Revenue was over budget due to increased day use and pool pass revenue, and higher than anticipated Community Centre gym and room booking revenue.	59,620	-2.8%	Reduce transfers of to Capital Reserve (\$7.5k); Carried forward to 2024 Operating Budget (\$52.1k).

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1.521	Environmental Resource Management	29,690,987	30,507,369	103%	Increased waste tonnages and biosolids disposal activities have increased landfilling costs in 2023. The service experienced higher equipment service costs related to landfilling of standard refuse and controlled wastes. Expenses partially offset by savings on curbside recycling and leachate operations.	29,690,987	35,019,699	118%	Overall solid waste revenue for 2023 is higher than budget due to increased waste tonnages, and a significant increase in controlled waste being received due to operational deficiency of biosolid treatment. Higher than budgeted revenue also received from Recycle BC, due to more materials being received, and recycling revenue for scrap metal is also higher than budgeted.	4,512,330	15.2%	Transfer to Operating Reserve Fund \$2.4m; Capital Reserve Fund \$2.1m.
1.576	Environmental Engineering Services	2,765,567	2,658,176	96%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Service is below budget due to a small saving in temporary staff vacancies and the postponement of the Project Management Office study.	2,765,567	2,719,252	98%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service are in line with annual budget, reserve transfers will be lower due to the postponed Project Management Office study.	61,076	2.2%	Surplus transferred to Equipment Replacement Fund.
1.577	IW - Environmental Operations	13,875,220	12,715,824	92%	Overhead service budget, continuing to deliver services as planned. Expenditures remained below budget largely due to temporary staff vacancies.	13,875,220	12,714,651	92%	97% of revenue is driven by labour recovery, providing services to other CRD services. The remaining 3% of revenue is from reserve transfers to cover one-time costs. Recovery revenue from CRD services has fallen below the budget due to staff vacancies.	1,173	0.0%	Recovered from Operating Reserve Fund.
1.578	Environmental Protection and Water Quality	9,177,767	8,480,457	92%	Overhead service budget, continuing to provide service as planned. Savings from vacancies on new positions, combined with delayed backfilling of existing positions.	9,177,767	8,955,384	98%	Revenues are driven by providing services to other CRD services. Recovery revenue from CRD services slightly below annual budget due to staff vacancies on new positions, combined with delayed backfilling of existing positions.	474,927	5.2%	Transfer to Equipment Replacement Fund \$286k; Operating Reserve Fund \$188k.
1.911	911 Systems	2,495,079	2,522,080	101%	This service collects 911 levies from phone carriers and distributes a percentage to participating municipalities. Debt servicing and operating costs were on track with budget, with the exception of higher dispatch levies to E-Comm.	2,495,079	2,469,619	99%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Reduction in revenues due to reduction in 911 levies.	52,461	-2.1%	Recovered from Operating Reserve Fund.
1.921	Regional CREST	1,790,531	1,821,255	102%	This is a contribution service that provides support to CREST based on service agreement. New agreement is in place which resulted in a larger contribution than budgeted.	1,790,531	1,799,270	100%	Operating revenues are primarily requisition and are on plan. Minor increase in revenue due to higher interest income.	21,985	-1.2%	Recovered from Operating Reserve Fund.
2.610	Saanich Peninsula Water Supply	7,407,397	7,681,289	104%	Operational services and system maintenance are continuing as planned. Expenditures exceeded budget due to higher than budgeted bulk water purchases as a result of increased water demand.	7,407,397	8,094,096	109%	Revenues are driven by seasonal water sales. Demand exceeded 2023 budget by 0.4m cubic metres largely due to dry summer weather.	412,807	5.6%	Transfer to Capital Reserve Fund.
2.670	Regional Water Supply	39,915,804	39,699,408	99%	Operational services and system maintenance are continuing as planned. Expenditures exceeded budget primarily due increased agriculture subsidy payments resulting from increased water demand, and chemical costs due to inflationary cost increases and demand volume. Operational savings resulted from temporary staff vacancies.	39,915,804	41,887,600	105%	Revenues are driven by seasonal water sales. Demand exceeded 2023 budget by 2.9m cubic metres largely due to dry summer weather.	2,188,192	5.5%	Transfer to Water Capital Fund.
2.680	Juan de Fuca Water Distribution	23,970,506	24,909,220	104%	Operational services and system maintenance are continuing as planned. Expenditures exceeded budget due to higher than budgeted bulk water purchases as a result of increased water demand.	23,970,506	26,281,331	110%	Revenues are driven by seasonal water consumption. Demand exceeded 2023 budget by 1.2m cubic metres. largely due to dry summer weather. Additional revenue from connection cost recovery is driven by development activity.	1,372,111	5.7%	Transfer to Water Capital Fund.
3.717	Core Area Wastewater Operations	33,765,016	32,412,336	96%	Operational services are largely on track as planned, with expenditures below the amended budget. Underspending occurred in repair maintenance, water, electricity, and purchasing maintenance, partially offset by higher than anticipated expenses in supplies and screen disposal.	33,765,016	32,412,336	96%	Requisition serves as the primary source of service revenue; while additional funding for one-time expenses, increased spending on waste sludge disposal, and delayed revenue from tipping fees was sourced from the Operating Reserve Fund. The total actual operating reserve transferred was less than the budgeted amount required for balancing the budget.	-	0.0%	No Surplus
3.718	Saanich Peninsula Wastewater	4,747,515	3,929,083	83%	Service delivering on plan. Underspend on budget due to operational delays at the OMS receiving facility and savings from labor allocation expenses.	4,747,515	4,620,858	97%	Revenues are approximately 93% from requisition, 7% other. Overall revenue is on plan.	691,775	14.6%	Transfer to Operating Reserve Fund \$346k; Equipment Replacement Fund \$346k.
3.755	Regional Source Control	1,641,038	1,648,943	100%	Operational services are continuing as planned. Minor additional expense due to increased interest expense incurred, offset by deferral of consulting work postponed to 2024.	1,641,038	1,609,062	98%	Service revenue is primarily from requisition. Overall revenue is on plan, with reduced reserve transfer due to postponed consultant work.	39,881	-2.4%	Recover from Operating Reserve Fund \$39k.
Total Services above		266,790,151	84%			266,790,151	84%					
Other CRD Services		51,623,331	16%			51,623,331	16%					
Total CRD		318,413,482				318,413,482						

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		Annual Budget \$ (Schedule A)	Year to Q4		Explanation	Annual Budget \$ (Schedule A)	Year to Q4		Explanation	\$	% Budget	Treatment of Surplus / (Deficit)
		Actuals \$	% of Budget			Actuals \$	% of Budget					
CRHD	Capital Regional Hospital District	32,678,574	32,020,324	98%	Savings due to the deferral of feasibility studies to 2024, and lower debt servicing costs from re-prioritization of certain Island Health capital projects from 2023 to future years.	32,678,574	32,838,208	100%	Higher interest earnings on operating capital and recovery of insurance costs for The Summit, partially offset by fewer reserve fund transfers required due to deferral of feasibility studies to 2024.	817,884	2.5%	Transfer to Summit Management Reserve \$180k; Debt Management Reserve \$209k; Admin & Feasibility Studies Reserve \$298; surplus carried forward \$131k.
Total CRHD		<u>32,678,574</u>				<u>32,678,574</u>						
CRHC	Administration	3,586,855	3,103,003	87%	Expenditures were below budget largely due to temporary staff vacancies and hiring delays.	3,586,855	4,130,552	115%	Revenues are directly tied to property management fees. Revenues were higher than budgeted fees due to the new CHF property at 2782 Spencer and higher than anticipated one-time interest earnings.	1,027,549	28.6%	Transfer to operating reserve.
CRHC	Development Services	801,498	714,537	89%	Savings due to temporary staff vacancies and hiring delays, and lower than budgeted consultancy costs.	838,851	680,827	81%	Revenues are 100% project management fees from multiple projects. Less revenues in 2023 as forecasted due to the delay of Michigan Square completion to Q2 2024, and the Campus View fees could not be collected until final project approval is achieved, now forecasted for Q2 2024.	33,710	-4.0%	Transfer from operating reserve.
CRHC	CHF Operating	1,347,674	1,048,643	78%	Expenditures are lower than budgeted primarily due to mortgage savings, lower than budgeted insurance and water expense at 2782 Spencer, and completion of Michigan building B delayed to Q2 2024.	1,347,674	1,007,609	75%	Revenues are lower than budgeted due to new building (2782) still in rent-up phase and completion of Michigan Building B is delayed until Q2 2024. Revenues are approximately 50% tenant rents and 50% provincial grants.	41,034	-3.0%	Transfer from operating reserve.
CRHC	UOA buildings	13,182,306	13,451,355	102%	Expenditures higher than budgeted due to increased maintenance costs, offset by savings in caretaker salaries, insurance and utilities.	13,030,302	13,544,058	104%	Revenues are approximately 85% from tenant rents and 15% from provincial grants. Revenues are higher than budget due to rent increases.	92,703	0.7%	Transfer to operating reserve.
CRHC	ILBC building	868,056	894,927	103%	Higher expenses due to first aid contract, insurance, and maintenance costs.	729,881	669,310	92%	Revenues are approximately 50% from tenant rents and 50% from provincial subsidy tied to occupancy controlled by Island Health. Revenues lower than budgeted due to lower subsidy received partially offset by increased tenant rents.	225,617	-30.9%	Transfer from operating reserve.
CRHC	NOA buildings	1,653,452	1,663,193	101%	Higher expenses due to maintenance costs and garbage disposal, net of savings in caretaker salaries due to staff vacancy.	1,684,250	1,730,095	103%	Revenues are 100% from tenant rents. Revenue slightly higher due to increased tenant rents.	66,902	4.0%	Transfer to operating reserve.
CRHC	RHFP buildings	9,183,431	8,982,256	98%	Lower expenses due to temporary staff vacancies, and delay of Michigan A completion to Q2 2024, partially offset by increased maintenance costs at current buildings.	9,217,057	9,086,088	99%	Budgeted revenues are 98% from tenant rents and 2% transfer from capital project surplus. Realized lower tenant rents due to vacancies and deficiencies with accessible units at Prosser and delay of Michigan A completion to Q2 2024.	103,832	1.1%	Transfer to operating reserve.
CRHC	IHI building	760,553	751,114	99%	Overall minor savings in operating expenditures.	857,570	840,878	98%	Revenues are 100% from tenant rents. Realized a small decrease in rents due to vacancy.	89,764	10.5%	Transfer to operating reserve.
Total CRHC		<u>31,383,825</u>				<u>31,292,440</u>						
Total Services (CRD + CRHD + CRHC)		<u>\$382,475,881</u>				<u>\$382,384,496</u>						

*Amended Budget as at September 13, 2023 (#Bylaw 4570)
**Amended Budget as at March 8, 2023 (CRHC Board Approved)