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## REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, JULY 08, 2026

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**SUBJECT**    **CAO Quarterly Progress Report No. 2, 2026**

### **ISSUE SUMMARY**

To provide the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to June 30, 2026.

### **BACKGROUND**

In February 2023, the Board approved the *CRD Board Strategic Priorities 2023-2026* (the “*Board Priorities*”) that identifies five strategic priorities with 17 initiatives to be advanced over the four-year term. The Board Priorities Dashboard tracks progress on the Board and Corporate strategic priorities and will be presented quarterly to the Board. Core service priorities are prepared and reviewed annually in departmental Service Plans in alignment with Board and Corporate Priorities, with corresponding KPIs and other service information that is approved by the Board. The Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) Financial Plans are reviewed and approved annually, and staff have developed a quarterly variance report to highlight differences between budget and actual expenditures on operating budgets and capital projects over \$500,000. An update on non-confidential people, safety and culture matters, including labour relations and workforce trends is also included in this report.

### **DISCUSSION**

#### **Corporate Activities and Initiatives**

Appendix A highlights some corporate activities and initiatives in the last quarter and a few photographs have been included to represent announcements and events that occurred in the quarter.

A ribbon cutting ceremony was held on April 9, 2026, to celebrate the completion of two new bus shelters on Salt Spring Island that provide comfort and safety to transit riders. The new bus shelters were funded by the CRD’s Salt Spring Island (SSI) Transit Service, and a grant from the Provincial Transit Minor Betterments program. The shelters are on two of the busiest routes and provide accessible transportation options as they are wheelchair accessible, solar panel lit for safety and are a welcome addition to the transit infrastructure on Salt Spring Island.

May 29, 2026, marked the official opening of Caledonia in Victoria which adds 158 new affordable homes to the capital region. Located at 1211 Gladstone Avenue, Caledonia is made up of 97 apartments and 61 townhomes with more than half of the homes having two, three, or four bedrooms, helping meet the need for larger rental homes for families. These homes are owned and operated by the Capital Region Housing Corporation (CRHC) and were funded through the Province’s Community Housing Fund and built in partnership with the CRHC.

The grand opening celebration of the Sooke and Electoral Area Parks and Recreation Commission’s (SEAPARC) new Sooke Skate Park was held on May 31, 2026. Located on Throup Road, the Sooke Skate Park represents an important investment in active living and affordable recreation and is designed for youth, families, and riders of all ages and abilities. The opening

marks the completion of the highly anticipated project that will support positive youth engagement and provide a welcoming environment for skateboarders, scooter riders, and bikers.

June was National Indigenous History Month, with National Indigenous Peoples Day on June 21<sup>st</sup>. This is a time to recognize and celebrate the histories, cultures, and contributions of First Nations, Inuit, and Métis Peoples across Canada and an opportunity to learn more and reflect on how we can build respectful relationships.

June was Pride Month, a time to celebrate love, diversity, and the strength of inclusive community. On June 25, CRD employees gathered to decorate this year's float in preparation for the Victoria Pride Parade taking place on Sunday, July 12, 2026. The CRD is proud to take part in this important event hosted by the Victoria Pride Society. On July 12, the CRD will join the celebration and stand in support of Gender, Sexuality, and Relationship Diverse individuals across the regional district.

On June 22, a CRD Regional Transportation Plan (RTP) Workshop was held to bring together elected officials, senior staff, and regional partners to test and refine emerging directions for the CRD's RTP. This full-day session included facilitated discussions and exercises to explore key transportation priorities, impacts and trade-offs and the input gathered will help shape the RTP's strategic direction.

### **Board Priorities and Corporate Plan Initiatives**

In April 2023, the CRD Board approved the CRD 2023 – 2026 Corporate Plan (the Corporate Plan) that identifies 134 initiatives to be advanced over the four-year term. Progress on the Board Priorities and Corporate Plan initiatives from January 2023 to date is reflected in Progress Report Q2, 2026, as Appendix B. The "Comments" section provides a summary of completed actions as well as any issues or problems that have arisen that may impact progress on the priority. The "Next Steps" section identifies future planned actions and associated timing. Attached as Appendix C is the Board Priorities Dashboard Summary of Completed Actions.

### **Board Advocacy**

The CRD Board approved Advocacy Strategy forms the basis for advocacy initiatives. An Advocacy Dashboard based on the Board's Strategic Priorities for 2023 - 2026 has been prepared which tracks the ongoing advocacy work being done by the CRD Board, partners, and staff.

Progress on advocacy is reflected in the Advocacy Dashboard Progress Report Q2, 2026 as Appendix D. Progress on advocacy specifically related to the Electoral Areas is reflected in the Electoral Areas Advocacy Dashboard as Appendix E.

### **Operating Variance Financial Report – Q1, 2026**

The Financial Operating Variance Report details the quarterly operating variance, providing actual results and annual forecasts for services with an annual budget greater than \$1.5 million. The report lags by one quarter to allow time for financial reconciliation prior to reporting. These services constitute approximately 89% of the consolidated financial plans for the CRD, CRHD, and CRHC.

The amount of budget expended through the quarter will vary from service to service, depending on planned expenditures, seasonality, and the timing of the transactions. Budgeted revenue can also fluctuate by quarter; for example requisition funding is received in Q3, while utilities, landfill, and recreation services sales revenue is earned throughout the year and influenced by seasonal trends.

The quarterly Financial Operating Variance Report (Appendix F) highlights the percentage of the annual budget that has been expended to date, for both revenue and expenses, throughout 2026.

### **Capital Regional District**

The quarterly and year-end forecasts indicate that the majority of service budgets are on track and aligned with the annual budget, funding essential community services such as water, wastewater management, and solid waste disposal.

The largest driver for variance from budget across some service areas are salary savings, due to staff hiring timing and temporary staff vacancies.

### **Capital Regional Hospital District**

The report highlights savings resulting from lower estimated feasibility study costs, and lower maintenance costs forecast for The Summit, 950 Kings, and Oak Bay Lodge properties.

### **Capital Region Housing Corporation**

The actuals for CRHC are presented by portfolio and reflects the estimated cost savings and revenue variances forecasted at the end of Q1. Minor savings are anticipated, primarily due to some salary savings on temporary staff vacancies. These are partially offset by higher maintenance costs for buildings in the Umbrella Operating Agreement and addressing new building expenses at the Caledonia and Michigan buildings. Revenue is estimated under budget due to increased unit vacancies in the RHFP buildings, and the rent up of the Caledonia building.

Specific details on CRD, CRHD and CRHC expense and revenue forecasts are outlined in Appendix F.

### **Capital Variance Financial Report – Q1, 2026**

The Capital Variance Financial Report (Appendix G) highlights variances between actual expenditures and both the quarterly and annual capital budgets for all entities (CRD, CRHD and CRHC). The report is current to the end of Q1 and includes all capital projects with a budget greater than \$0.5 million.

The Capital Plan is budgeted on a quarterly basis, reflecting the scope and schedule of each initiative. Forecasts are also updated each quarter to improve accuracy and provide more detailed updates as projects progress and tenders are finalized. As late quarter tenders are awarded, capital activity and forecast precision are expected to increase.

### **Capital Regional District**

Capital expenditures on projects greater than \$0.5 million totaled \$10.6 million in Q1, 74% below forecasted costs of \$41.5 million. The \$30.9 million variance can be largely attributed to:

- The Main No.4 extension project sees construction currently underway on the Bear Hill Trunk Extension, with the Main No.4 segment to be completed in 2027. This accounts for \$3.6 million (Regional Water Supply);
- Design and scheduling work on the Regional Trestle Renewal, Trails Widening and Lighting project pushes detour construction to begin in Q2, accounting for \$3.6 million (Regional Transportation); Delays from wet weather conditions in Q1 and extended construction

period for the Goldstream IWS Field Office, and associated Land & Site Works project, accounting for \$2.6 million (Regional Water Supply);

- Pipe installation for the Saanich Peninsula Water System Upgrade and Expansion project was largely deferred to Q2, and expected to occur throughout the remainder of the year, accounting for \$2.4 million (Saanich Peninsula Water Supply); Deferral of final acceptance of the Landfill Gas Utilization infrastructure and related Renewable Natural Gas Optimization projects at Hartland Landfill to Q2, accounting for \$1.8 million (Environmental Resource Management);
- The Sooke Road Watermain project is currently working through the design phase, with construction forecast to be delayed until Q1 2027, accounting for \$1.7 million (Juan de Fuca Water Distribution); and
- Construction procurement for the Cell 5 Liner Installation at the Hartland Landfill is deferred to begin in Q2, accounting for \$1.4 million (Environmental Resource Management).

Other variance contributors include timing of assessments and work for Regional Water Supply Area Dam Upgrades & Improvements, adjusted project implementation timelines for SAP S4/Hana integrations for Information Technology, delayed work by the province for the Highway 14 Watermain Relocation and deferral of SCADA Master Plan Upgrade work for Juan de Fuca Water Distribution, and delays in beginning the Master Plan Project Delivery for Regional Water with onboarding the new project manager.

### **Capital Regional Hospital District**

There are no capital projects greater than \$500,000 in the 2026 Financial Plan.

### **Capital Region Housing Corporation**

Capital expenditures on projects greater than \$0.5 million totaled \$10.2 million in Q1 and are in line with forecast. Projects are forecasted to remain on plan for the remainder of 2026.

### **People, Safety & Culture**

Appendix H provides an analysis of current and emerging trends in workforce composition, turnover, promotions, absenteeism and occupational health and safety. The CRD continuously monitors human resource organizational health, and proactively modifies and adapts its People, Safety & Culture programs and systems where trends may show challenges arising.

The CRD continues to experience increased pressures associated with economic conditions, a highly competitive labour market, and a steady number of retirements, especially in areas requiring specialized labour. The CRD has implemented significant employment engagement and work strategies as part of our comprehensive People, Safety & Culture Strategic Plan to aid in ensuring we attract and retain a high caliber workforce. The four-year People, Safety & Culture Strategic Plan (2024-2027) ([here](#)) includes significant actions to enhance efforts around our people and culture and aligns with the Corporate Plan and Board Strategic Priorities. These actions ensure the organization is supported in this key service area, and the CRD remains competitive and is an employer of choice in the competitive market.

As part of our People, Safety & Culture strategic initiatives, the CRD has worked to modernize the work environment through the Alternative Work Options (AWO) program (earned time off and/or compressed work week alternatives), hybrid work from home, and workplace flexibility initiatives, and continues to evaluate the effectiveness of these programs. Since implementation in 2023, a

significant number of eligible CRD employees have elected to participate in the AWO, hybrid work from home, and/or workplace flexibility programs. These programs build upon our foundational elements of:

- providing employees with greater flexibility and work life balance, which in turn supports the retention of our employees and ensures the CRD is a competitive employer who takes into consideration employee circumstances including diversity, equity, and inclusion, employee engagement, satisfaction, health, and wellness;
- ensuring organizational and business needs are being met and are effective and efficient; and
- contributing to the CRD's climate action goals regarding sustainability including the reduction of CO2 emissions by decreasing work related travel.

The AWO and workplace flexibility initiatives have had a positive impact in our employee engagement, recruitment, and retention initiatives. In addition, and based on regional census journey calculations, the hybrid work from home arrangements have continue to have a direct and positive impact on the CRD regional transportation goal of reducing congestion in the morning and afternoon peak periods. In 2026, we revisited some aspects of our AWO program, tied to collective bargaining, ensuring we remained aligned to the foundational principles, and are confident that this program will continue to have a positive impact for our staff, our organization, and the many services we provide. We will continue to monitor the program on a regular basis to ensure the core targets are being met and maintained.

The CRD's proactive and positive focus on workplace health and safety remains a top priority, and the CRD's comprehensive occupational health and safety (OHS) strategy, which is aligned with OHS best practice standards, meets or exceeds requirements of the WorkSafeBC approved municipal Certificate of Recognition (CoR) program. The CRD continues to experience a positive (merit) situation with WorkSafeBC.

The CRD recently completed its 2026 Employee Experience Survey, conducted between May 11 – 25, 2026, building on the organization's renewed commitment to understanding and improving workplace experience following the first organization-wide survey in over a decade in 2023. As with the previous survey, the CRD partnered with third-party consultant EPSI to ensure a consistent, independent approach to survey administration and data analysis. Employee Experience Surveys provide an important opportunity for staff across the organization to share feedback on their workplace experience, helping to inform organizational priorities and continuous improvement efforts. A further update to the Board will follow in the coming months, highlighting key strengths as well as areas of opportunity for growth and change.

In April 2026, the CRD received the 2026 Canada's Greenest Employers Award, an honour that reflects our unwavering commitment to sustainable practices and climate leadership. This award highlights the CRD's dedication to reducing environmental impact and fostering a more sustainable future for the region that reflects our unwavering commitment to sustainable practices and climate leadership. This award highlights the CRD's dedication to reducing environmental impact and fostering a more sustainable future for the region. Without our talented and dedicated team of employees this recognition would not be possible.

## **CONCLUSION**

The CAO Quarterly Progress Report No. 2, 2026 provides the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and People, Safety & Culture statistics up to June 30, 2026.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer
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**ATTACHMENT(S)**

- Appendix A: Photographs of Corporate Activities and Initiatives
- Appendix B: Board Priorities Dashboard Progress Q2, 2026
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Advocacy Dashboard Progress Q2, 2026
- Appendix E: Electoral Area Advocacy Dashboard Q2, 2026
- Appendix F: Operating Variance Financial Report Q1, 2026
- Appendix G: Capital Variance Financial Report Q1, 2026
- Appendix H: People, Safety & Culture Trends Q1, 2026