

Capital Regional District  
Quarterly Operating Variance Report - Q2, 2025  
Service Budgets Greater than \$1,500,000

		2025 Operating Expenses							2025 Operating Revenue						
			Year to Q2		Annual Forecast					Year to Q2		Annual Forecast			
Service Number	Service Description	Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2024 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actual \$	Actual % of Budget	2024 Actual % of Budget	\$ Annual Forecast	% Budget (over)/under	Explanation
1.010	Legislative & General	44,195,605	17,810,177	40%	44%	41,331,646	6%	Savings forecasted due primarily to one-time staff vacancies, hiring delays, and timing of one-time spending for initiatives in 2025.	44,195,605	14,272,248	32%	32%	43,039,384	3%	Half of revenue is derived from allocations to other services; one-third is funded by requisition, with balance from reserves, grants and other revenue. Savings forecasted due to reduction in funds required for one-time initiatives.
1.105	Facility Management	2,158,469	859,984	40%	42%	1,903,474	12%	Service is facilities management services delivered to CRD HQ and satellite facilities. Savings experienced in Q1 & Q2 due seasonal variance in expenditures and temporary vacancies.	2,158,469	866,079	40%	40%	1,963,640	9%	Revenues derived from delivery of service to other services and projected to remain below plan for the year due to vacancies.
1.106	CRD Headquarters Building	2,742,025	1,402,331	51%	56%	2,723,875	1%	Service experienced no significant variance in operating costs during Q1 & Q2 and is projected to be on plan for the fiscal year.	2,742,025	1,322,059	48%	49%	2,723,875	1%	Service provides office space to other CRD services and is forecasted slightly below plan, due to the underutilization of the building's vehicle fleet.
1.111	Electoral Area Admin Exp - SSI	1,598,333	642,888	40%	33%	1,493,831	7%	Projecting expenses under budget mainly due to savings due to temporary staff vacancy, as well as lower travel costs, building rental and legal expenses.	1,598,333	197,705	12%	14%	1,506,753	6%	Service is funded approximately 51% from requisition, 46% from labour recovery allocation and 3% from other. Forecasted lower recovery allocations, mainly due to temporary staff vacancy for engineering technician position.
1.112	CRD Regional Grant in Aid	1,692,433	-	-	-	-	100%	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.	1,692,433	1,676,573	99%	100%	1,692,433	0%	Service revenue is 100% surplus carryforward.
1.226	Health Facilities - VIHA	1,811,746	96,849	5%	19%	1,181,750	35%	Service provides leased buildings to VIHA, and is 100% recovered from tenant. Q1 & Q2 is under budget largely due to less requirement for maintenance costs. Reserve transfers represent the largest proportion of the budget to be made later in the fiscal year.	1,811,746	778,023	43%	44%	1,555,297	14%	Service provides leased buildings to VIHA, and is 100% recovery from tenant. The CRD is currently negotiating new 5 year leases with VIHA.
1.280	Regional Parks	21,310,198	7,572,519	36%	38%	20,597,412	3%	Service experiences a seasonal nature to expenditures, primarily weighted to Q2 and Q3. Payroll savings will be redirected to other projects that are currently experiencing resource constraints.	21,310,198	1,877,915	9%	6%	21,378,439	(0%)	Revenues are primarily from requisition and are on plan.
1.297	Arts Grants & Development	3,301,886	865,989	26%	26%	3,293,525	0%	Service is a grant funding service, which had limited grant distribution in Q1 & Q2. Projecting to disburse remaining budget for grant funding to arts organizations in the remaining quarters.	3,301,886	173,173	5%	6%	3,301,000	0%	Revenues are primarily from requisition and are projected to be on plan.
1.309	Climate Action and Adaptation	3,081,849	679,478	22%	28%	2,136,945	31%	Projecting operating expenses under budget, mainly due to savings related to the timing of contract cost for the Home Energy Retrofit Program & Regional Public EV Network Program.	3,081,849	346,314	11%	14%	2,136,945	31%	Revenues are primarily from requisition, and forecast below plan due to less grant revenue related to Regional Public EV Network Program.
1.310	Land Banking & Housing	5,521,962	2,207,356	40%	53%	4,933,078	11%	Savings forecasted due to one-time staffing vacancies, and lower consulting costs. Planned consulting costs expected in Q3 & Q4, with the exception of the cancellation of the Drake water drilling project.	5,521,962	770,527	14%	24%	5,291,962	4%	Revenues are approximately 54% requisition, 22% grants, 24% allocation recoveries and surplus carryforward. Decrease to forecasted grant revenue, related to the canceled Drake water drilling project.
1.311	Regional Housing Trust Fund	4,362,430	16,565	0%	0%	4,333,130	1%	Minor change in spend, allocation changed to \$850K going to fund CRD's Verdier project and \$250K to the Rural Housing Pilot Program, this change was approved in July Staff Report entitled "Regional Housing Trust Fund Commission and Advisory Committee Bylaw Repeal." With this change spending is slightly below plan resulting in less than \$80K carry forward into 2026, this will be used towards funding the Rural Housing Pilot Program.	4,362,430	4,324,348	99%	81%	4,362,430	0%	Forecasted on plan.
1.313	Animal Care Services	1,888,210	970,909	51%	54%	1,879,347	0%	Projected costs slightly under budget mainly due to lower legal services and savings due to temporary staff vacancies, partially offset by higher auxiliary wages.	1,888,210	791,508	42%	44%	1,880,845	0%	Service is funded approximately 29% from requisition, 53% from contract revenue, 14% from dog tag sales and 4% from other. Forecasted slightly lower animal shelter service revenue mainly due to reduced facility capacity because of renovations.
1.318	Building Inspection	2,403,242	1,081,250	45%	41%	2,296,409	4%	Projecting operating expenses under budget, mainly due to savings in staff training and salaries due to temporary staff vacancies and deferral of ORF funded Digitization Records project. These savings will be partially offset by higher licences fees and bylaw enforcement costs.	2,403,242	1,067,725	44%	25%	2,365,502	2%	Service is funded by approximately 58% permit fee revenue, with the balance funded by tax requisition (28%), reserve funds (13%) and other (1%). Permit fee revenue is projected to be as plan with no significant variance. Lower revenue projected mainly due to the deferral of Digitization Records project, funded by ORF.
1.324	Regional Planning Services	2,989,383	755,940	25%	30%	2,111,347	29%	Operating expenses are expected to be lower than budget due to savings from temporary staff vacancies and the deferral of one-time reserve funded Island Corridor Consultation and Transportation Model projects.	2,989,383	2,208,463	74%	14%	2,243,463	25%	Revenue is approximately 45% requisition, 50% operating reserve and 5% other. Revenue is forecasted to be below budget due to the deferral of one-time operating reserve funded projects.
1.40X	SEAPARC	5,711,058	2,556,772	45%	45%	5,618,361	2%	Service has a seasonal nature to operating expenses. In line with service delivery, 2025 operations are projected higher than 2024 due to growth in service delivery. Forecasted in line with budget for the year.	5,711,058	996,065	17%	17%	5,700,959	0%	Revenues are approximately 61% from requisition; 39% from fees and other. Service is projected to be on plan for the year.
1.44X	Panorama Rec. Center	11,508,989	5,087,460	44%	44%	11,437,554	1%	Service has a seasonal nature to operating expenses. In line with service delivery, 2025 operations are projected higher than 2024 due to growth in service delivery. Forecasted in line with budget for the year.	11,508,989	2,796,769	24%	23%	11,527,179	(0%)	Revenues are approximately 51% from requisition; 49% from fees and other. Service project to be on plan for the year.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	2,713,369	1,227,299	45%	47%	2,604,600	4%	Forecasting overall operating expenses to be lower than budget mainly due to savings for a temporary vacant position, as well as deferral of ORF-funded HVAC duct cleaning project. These savings are partially offset by higher software licences cost.	2,713,369	260,179	10%	11%	2,670,305	2%	Forecasting operating revenue slightly under the budget mainly due to lower rental revenue from Phoenix building and deferral of HVAC duct cleaning project, funded by ORF.

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1.521	Environmental Resource Management	52,223,347	22,571,631	43%	46%	49,267,971	6%	Waste Diversion Services & Energy Recovery services expenses are forecasted to be lower than budget for 2025. Some new diversion initiatives not yet fully implemented. Forecast largely on plan with some savings on both RNG contract and electricity cost, due to delayed completion time of the RNG plant.	52,223,347	23,995,069	46%	48%	49,038,390	6%	Tipping fee revenue forecast largely on plan. RNG sales revenues lower due to the delayed completion time of the RNG plant. Excessing disposal of banned materials resulting in more tickets being issued.
1.576	Environmental Engineering Services	3,851,300	1,484,965	39%	45%	3,472,113	10%	Service provides engineering and project management services to multiple services across the CRD's recreation and environmental management services. Savings in Q1 from temporary staff vacancies, continue to exist in Q2 and will continue into the 2nd half of the year at a reduced level.	3,851,300	1,615,491	42%	43%	3,472,113	10%	Revenues are driven by providing services to other CRD services which continue to operate as planned. Recovery revenue from CRD service forecasted below annual budget due to staff vacancies and limited activity in the feasibility study planned.
1.577	IW - Environmental Operations	15,682,076	6,804,669	43%	46%	14,821,774	5%	Overhead service budget, continuing to deliver services as planned. Expenditures are forecasted to come in under budget, primarily due to savings from temporary staff vacancies.	15,682,076	7,336,434	47%	49%	14,855,982	5%	96% of revenue is driven by labour recovery, providing services to other CRD services. The remaining 4% of revenue is from reserves' transfer to cover one-time costs. Recovery revenue from CRD services forecasted to be below annual budget due to staff vacancies.
1.578	Environmental Protection and Water Quality	9,728,043	4,280,160	44%	47%	9,315,637	4%	Overhead service budget, continuing to provide service as planned. Forecast largely on plan, with some minor savings on temporary staff vacancies.	9,728,043	4,780,193	49%	52%	9,515,637	2%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.911	911 Systems	2,677,917	1,522,848	57%	51%	2,662,877	1%	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, and levies distributed are slightly below budget due to decreased levy revenue.	2,677,917	1,103,519	41%	44%	2,655,133	1%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Call levy revenue is slightly below forecast.
1.921	Regional CREST	2,008,152	1,012,240	50%	51%	2,007,872	0%	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget	2,008,152	103,571	5%	5%	2,007,872	0%	Operating revenues are primarily requisition and are on plan.
2.610	Saanich Peninsula Water Supply	8,325,361	3,895,120	47%	41%	8,038,072	3%	Operational services and system maintenance are proceeding as planned. Expenditures for bulk water are forecast higher due to expected increased water consumption, offset by lower operational costs.	8,325,361	4,163,880	50%	45%	8,321,860	0%	Revenues are driven by seasonal water sales. Demand is forecasted to be similar to the prior year and in line with the plan. Generally fall and winter are periods of low usage, while spring and summer see higher volumes.
2.670	Regional Water Supply	44,959,023	20,206,361	45%	24%	44,352,137	1%	Operational services and system maintenance are proceeding as planned. Operational expenditures forecast to be slightly below budget due to temporary staff vacancies and lower debt servicing costs.	44,959,023	20,046,975	45%	42%	45,301,819	(1%)	Revenues are driven by seasonal water sales. Demand is forecast to be slightly higher than plan. Generally fall and winter are periods of low usage, while spring and summer see higher volumes.
2.680	Juan de Fuca Water Distribution	29,313,997	14,196,743	48%	34%	29,353,517	(0%)	Operational services and system maintenance are proceeding as planned. Expenditures for bulk water are forecast higher due to expected increased water consumption, offset by temporary staff vacancies and lower debt servicing costs.	29,313,997	11,015,032	38%	37%	29,826,278	(2%)	Revenues are driven by seasonal water sales. Demand is forecast to be slightly higher than plan. Generally fall and winter are periods of low usage, while spring and summer see higher volumes.
3.717	Core Area Wastewater Operations	37,196,627	19,250,537	52%	50%	38,160,857	(3%)	Operational services are progressing as planned. However, overspending on waste sludge disposal in the initial months is likely to continue throughout the rest of the year. A budget amendment is recommended for Q3, transferring funds from the Operating Reserve Fund to cover the shortfall.	37,196,627	1,023,808	3%	3%	37,196,627	0%	Revenues are approximately 94.7% from requisition, 5.3% from other, with a potential additional transfer from Operating Reserve Fund to cover the overspending on waste sludge.
3.718	Saanich Peninsula Wastewater	5,215,006	2,592,898	50%	41%	5,124,657	2%	Service delivery proceeded as planned. Savings to date were achieved in labor costs; however, the majority of these savings are expected to be offset by increased costs for sludge hauling and waste sludge disposal.	5,215,006	72,165	1%	2%	5,193,847	0%	Approximately 94.7% of revenues come from requisitions, with the remaining 5.3% derived from various sources, including reserve transfers, heat recovery from the Panorama Recreation Centre, and lab service recoveries. Actual heat recovery revenue is expected to fall below budget due to a lower annual rate being set. Overall, revenue is expected to remain on target.
3.755	Regional Source Control	1,755,201	838,539	48%	52%	1,705,201	3%	Service delivery continuing as planned. No changes anticipated at this time.	1,755,201	114,310	7%	9%	1,735,201	1%	Revenues are primarily from requisition, and forecast slightly below plan due to less permit fee revenue.
Total Services above		331,927,237	85%			318,158,969			331,927,237	85%			324,461,170		
Other CRD Services		56,823,851	15%						56,823,851	15%					
Total CRD*		388,751,088							388,751,088						

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CRHD	Capital Regional Hospital District	33,096,568	14,510,211	44%	39%	32,796,568	1%	Savings forecasted due to deferred feasibility studies, anticipated lower maintenance costs forecasted for 950 Kings, The Summit, and Oak Bay Lodge properties, and savings on debt servicing costs due to lower capital activity by Island Health.	33,096,568	4,468,915	14%	13%	33,078,494	0%	Lower transfer from property management reserve required to fund 950 Kings and Royal Bay properties due to savings on maintenance costs, partially offset by higher surplus payout on DRF for maturing debt.				
Total CRHD		33,096,568							33,096,568										
CRHC	Administration	4,915,014	2,243,301	46%	43%	4,735,014	4%	Savings due to temporary staff vacancies, partly offset by increased IT and legal costs.	4,915,014	2,178,209	44%	47%	4,915,014	0%	Revenue is tied to fixed property management fees. Forecasted on plan.				
CRHC	Development Services	1,878,992	591,593			31%	29%	1,428,992	24%	Savings forecasted due to staff vacancy and hiring challenges.			1,942,980	168,000	9%	13%	1,342,980	31%	Revenues are 100% project management fees from multiple projects. It is expected that Q3 & Q4 project management fees will increase significantly as major projects start from September. Reduced forecast revenue for projects pushed to 2026 start.
CRHC	CHF Operating	4,160,098	993,926			24%	30%	2,506,121	40%	Savings are anticipated as the Caledonia property will be available later than expected, delaying the start of mortgage expenses from July to December.			4,160,098	896,139	22%	35%	3,140,098	25%	Reduced revenue forecast due to low pickup at Michigan and Caledonia coming on stream in later than planned (Oct/Nov versus Aug/Sept). Marketing plan in place for both properties, Michigan expected to be fully occupied this Fall.
CRHC	UOA buildings	13,300,044	6,732,139			51%	48%	13,490,044	(1%)	Increased operational costs partially offset by savings from temporary staff vacancies.			13,379,813	7,094,609	53%	53%	13,879,813	(4%)	Adjusted revenue up slightly based on trend on actuals.
CRHC	ILBC building	932,891	298,645			32%	47%	932,891	0%	Forecast spend expected to be within budget.			932,891	467,637	50%	61%	952,891	(2%)	Adjusted revenue up slightly based on trend on actuals.
CRHC	NOA buildings	1,783,359	844,906			47%	47%	1,706,359	4%	Savings forecasted due to staff vacancy and hiring challenges.			1,839,812	791,633	43%	51%	1,573,213	14%	Reduced forecasted based on trend of actuals.
CRHC	RHFP buildings	10,833,892	5,316,159			49%	47%	10,663,892	2%	Savings forecasted due to staff vacancy and hiring challenges.			10,965,517	5,142,536	47%	50%	10,249,517	7%	Reduced forecasted based on trend of actuals.
CRHC	IHI building	792,301	385,608			49%	50%	770,301	3%	Saving from temporary staff vacancies are partially offset by higher operating costs.			930,841	486,448	52%	54%	968,841	(4%)	Adjusted revenue up slightly based on trend on actuals.
CRHC	RR Services	646,565	163,210			25%	10%	506,565	22%	Savings forecasted due to staff vacancies and hiring delays.			646,565	300,509	46%	50%	602,565	7%	Reduced forecasted based on trend of actuals.
Total CRHC		39,243,156							39,713,531										
Total Services (CRD + CRHD + CRHC)		\$461,090,812							\$461,561,187										