

Capital Regional District
Quarterly Operating Variance Report - Q1, 2020
Service Budgets Greater than \$1,500,000

		Operating Expenses							Operating Revenue						
		Q1				Annual Forecast			Q1				Annual Forecast		
Service Number	Service Description	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2019 % of Budget	\$	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2019 % of Budget	\$	% Budget (over)/under	Explanation
1.010	Legislative & General	23,882,917	4,921,571	21%	20%	23,582,000	1%	Forecasted annual savings on timing of staff vacancies is \$300k. Support services expecting to deliver services as planned.	23,882,917	3,816,582	16%	17%	23,882,000	0%	On target for 2020. Half of revenue is derived from allocations to other services; One third is funded by requisition, with the balance from reserves and other revenue.
1.226	Health Facilities - VIHA	1,997,072	438,713	22%	22%	1,997,072	0%	Service involves leasing of CRD buildings to VIHA and is 100% recovery from tenant. Any potential surpluses are returned to tenant.	1,997,072	471,677	24%	24%	1,997,072	0%	Projected on budget. This service receives revenue on CRD buildings leased to VIHA, and recovers all costs from VIHA.
1.280	Regional Parks	15,856,932	1,986,772	13%	12%	15,856,932	0%	Delays in hiring and postponement of certain operating programs offset additional labour and minor COVID costs, and are expected to be covered in the existing budget.	15,856,932	768,654	5%	6%	15,856,932	0%	Service is largely funded by requisition. Fee revenue for camping is expected to be lower this year, but largely offset by parking revenue. No material variance anticipated for operating revenue.
1.297	Arts Grants & Development	2,893,591	103,763	4%	2%	2,893,591	0%	Service is a grant funding service at full compliment, and projecting to disburse all grant funds available to arts organizations in line with budget.	2,893,591	186,071	6%	7%	2,893,591	0%	Projected on budget. Revenues from requisition.
1.310	Land Banking & Housing	2,764,165	256,858	9%	11%	2,764,165	0%	Operating expenses on track for 2020. Large expense for debt to be incurred late in the year.	2,764,165	1,066,724	39%	49%	2,764,165	0%	On target for 2020. 60% revenue from requisition, 20% from grants and other, 13% surplus carry forward.
1.311	Regional Housing Trust Fund	4,232,219	11,465	0%	2%	4,232,219	0%	Expenses are driven by grants to 3rd party housing service providers. Can vary based on eligibility and selection, surpluses are carried forward.	4,232,219	3,227,211	76%	69%	4,232,219	0%	On target for 2020. 24% from requisition, 75% from surplus carryforward.
1.318	Building Inspection	1,561,459	386,718	25%	22%	1,576,734	-1%	Operational services are continuing as planned. Expenditures are forecasted to be tracking close to budget.	1,561,459	199,016	13%	18%	1,532,097	2%	Revenue sources are requisition and building permit fees. Currently no indication of building inspection revenues experiencing any material downturn. Permit issuing and inspections continue as planned.
1.324	Regional Planning Services	1,654,488	288,989	17%	17%	1,618,835	2%	Delivery of specific programs is moving forward as originally planned. Underspend will primarily be from consultant costs related to transportation modelling.	1,654,488	234,771	14%	4%	1,654,488	0%	Revenues for service are primarily requisition and fixed allocation, no material variance anticipated for operating revenue.
1.40X	SEAPARC	4,310,976	909,742	21%	19%	3,233,000	25%	Projection is based on cancellation of programming from mid-March through to August. Cost savings from reduced programming, energy and operating costs and a furlough of Auxiliary employees. Also includes a redeployment of some regular staff for a 6 week period. Forecasting a gradual return of programming from September.	4,310,976	589,692	14%	12%	3,337,000	23%	Projection is based on the centre being closed until September 2020 and then gradually increasing revenue from 25% of normal in September to 50% in December 2020.
1.44X	Panorama Rec. Center.	9,690,732	1,807,283	19%	19%	6,960,000	28%	Projection is based on facility closure from mid-March through to August. During this period, cost savings arise from cancellation of programming, reduced energy and operating costs, and a furlough of Auxiliary employees. Also includes a redeployment of some regular staff for a 6 week period. Forecasting a gradual return of programming from September.	9,690,732	1,135,812	12%	15%	6,754,000	30%	Projection is based on the centre being closed until September 2020 and then gradually increasing revenue from 25% of normal in September to 50% in December 2020. Any revenue shortfall would be addressed by adjustments to transfers to reserve, or other potential cost savings.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,949,320	347,136	18%	19%	1,728,939	11%	Projection is based on cancellation of certain programs and associated operating cost savings, a furlough of Auxiliary employees through August, and a redeployment of one staff to EOC. A gradual return of programming is forecast from September.	1,949,320	69,264	4%	4%	1,753,180	10%	Projection is based on the centre being closed until September 2020 and then gradually increasing revenue from 25% of normal in September to 50% in December 2020.
1.521	Environmental Resource Management	24,905,334	3,598,852	14%	16%	24,787,374	0%	Forecasting higher cost due to higher recycling volumes, to be largely offset by reduction to reserve contribution of \$460k. Other operating expenditures are continuing as planned, and forecasted to be in line with budget for the year.	24,905,334	6,067,463	24%	22%	24,787,374	0%	Tipping fees and recycling contract revenue expect to be in line with budget, assuming Hartland landfill remains operational. No significant impact from COVID19 seen to date based on tonnage volumes. Projection is based on receiving no cruise ship waste in 2020.
1.576	Environmental Engineering Services	2,327,767	565,716	24%	20%	2,327,767	0%	Operational services are continuing as planned. Expenditures are forecasted to be within reasonable operating variances.	2,327,767	565,597	24%	24%	2,327,767	0%	Revenues are driven by providing services to other CRD services that continue to operate during COVID19. Recovery revenue expected to be within budgeted level for 2020.
1.577	IW - Environmental Operations	8,070,926	2,206,257	27%	23%	8,070,926	0%	Overhead service budget, continuing to provide service as planned. Expenditures are forecasted to be on track for the year.	8,070,926	2,139,238	27%	25%	8,070,926	0%	Revenues are driven by providing services to other CRD services that continue to operate during COVID19. Recovery revenue expected to be within budgeted level for 2020.
1.578	Environmental Protection and Water Quality	7,839,814	1,886,939	24%	21%	7,839,814	0%	Overhead service budget, continuing to provide service as planned. Expenditures are forecasted to be on track for the year.	7,839,814	1,894,757	24%	26%	7,839,814	0%	Revenues are driven by providing services to other CRD services that continue to operate during COVID19. Recovery revenue expected to be within budgeted level for 2020.
1.911	911 Systems	2,672,114	426,690	16%	19%	2,662,114	0%	Operating expenditure is continuing as planned and on target, as the expenditure is primarily for fixed costs of contract service, based on contract agreement and debt servicing cost.	2,672,114	647,842	24%	19%	2,660,114	0%	Revenues are primarily from fixed source of requisition and lease revenue. The variable source of 911 levy from carriers is on target based on the first quarter actuals.
1.921	Regional CREST	1,690,484	422,598	25%	25%	1,688,484	0%	Operating expenditure is on target, as this is solely a contribution service to provide funding to CREST based on the service agreement.	1,690,484	98,300	6%	6%	1,688,984	0%	Revenues are primarily requisition. Minor interest income might be slightly under budget.
2.610	Saanich Peninsula Water Supply	6,957,371	1,192,780	17%	17%	6,950,000	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budgeted figures.	6,957,371	1,182,151	17%	17%	7,000,000	-1%	Revenues are driven by seasonal water sales. Demand is expected to be within budgeted levels for 2020.
2.670	Regional Water Supply	34,055,398	3,393,094	10%	11%	33,700,000	1%	Operational services and system maintenance are continuing as planned. Minor savings estimated due to temporary staff vacancies and delays in filling new positions.	34,055,398	6,006,662	18%	17%	34,100,000	0%	Revenues are driven by seasonal water sales. Demand is expected to be within budgeted levels for 2020.
2.680	Juan de Fuca Water Distribution	20,135,341	2,498,187	12%	12%	20,200,000	0%	Operational services and system maintenance are continuing as planned. Budgeted MFA borrowing was secured in Q1. No material changes in costs are expected.	20,135,341	2,336,074	12%	12%	20,150,000	0%	Revenues are driven by seasonal water sales. Demand is expected to be within budgeted levels for 2020.
3.710	North West Trunk Sewer	3,111,089	921,898	30%	26%	3,167,225	-2%	Forecasting additional operating costs resulting from continued use of temporary facility. Additional operating costs to be funded by reducing 2020 budgeted ERF & maintenance transfers and transfers from operating reserve.	3,111,089	368,086	12%	8%	3,167,225	-2%	Revenue is forecasted higher due to unbudgeted transfer from operating reserve to fund additional operating cost due to project timing delay
3.712	North East Trunk Sewer	1,953,665	566,916	29%	24%	2,089,165	-7%	Forecasting additional operating costs resulting from continued use of temporary facility. Additional operating costs to be funded by reducing 2020 budgeted ERF & maintenance transfers and transfers from operating reserve.	1,953,665	24,954	1%	0%	2,089,165	-7%	Revenue is forecasted higher due to unbudgeted transfer from operating reserve to fund additional operating cost, due to project timing delay
3.718	Saanich Peninsula Wastewater	3,849,705	817,029	21%	22%	3,609,705	6%	Variance available for unplanned emergency. Remaining surplus will be transferred to the capital reserve fund at year-end based on SPWW commission direction	3,849,705	25,802	1%	1%	3,779,705	2%	Loss of heat recovery revenue from Panorama Recreation. Revenue forecast is based on Panorama Recreation being operational in Q3.
3.755	Regional Source Control	1,605,745	385,443	24%	24%	1,605,745	0%	Service expenditures are forecasted to be on track for the year, with the assumption that staff can continue to conduct sampling activities and the availability of consultant firms to perform analytical projects scheduled in Q3.	1,605,745	202,884	13%	7%	1,605,745	0%	2020 revenue as a percentage of budget is higher due to \$97% of surplus carried forwarded for special sampling work planned for Q3. Revenue for service are primarily requisition and no material variance is projected.
Total Services above		189,968,624	77%						189,968,624	77%					
Other CRD Services (excl. CAWTP)		56,250,519	23%						56,250,519	23%					
		246,219,143							246,219,143						
CRHD	Capital Regional Hospital District	37,441,471	2,534,198	7%	4%	37,421,471	0%	83% of the budget is related to debt servicing and capital granting activities, which are expected to continue as planned. Potential savings of approx. \$20k estimated related to lower rates on short-term financing than budgeted.	37,441,471	2,276,922	6%	7%	37,441,471	0%	On target for 2020. 81% of revenue is related to requisition, 11% is related to Summit lease payments and 8% other.