

Capital Regional District
Quarterly Operating Variance Report - Q2, 2020
Service Budgets Greater than \$1,500,000

		Operating Expenses							Operating Revenue						
		Year to Q2				Annual Forecast			Year to Q2				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	9,668,864	40%	43%	21,538,209	10%	Forecasted largely due to one-time savings on timing of staff vacancies, and deferral of one-time 2020 initiatives to 2021. Corporate Emergency costs related to COVID-19 response are forecasted to come in lower than budgeted. Support services delivering core services as planned.	23,882,917	7,204,094	30%	32%	22,057,259	8%	Half of revenue is derived from allocations to other services;. One third is funded by requisition, with the balance from reserves and other revenue. Forecasted reduction in transfers from reserve tied to lower forecasted expenses.
1.226	Health Facilities - VIHA	1,997,072	869,168	44%	43%	1,542,296	23%	Service involves leasing of CRD buildings to VIHA and is 100% recovered from tenant. Any potential surpluses are returned to tenant. Forecast updated to reflect recent negotiations with the tenant, which transfers responsibility for cleaning and security costs to the tenant.	1,997,072	473,386	24%	32%	1,542,296	23%	This service receives revenue on CRD buildings leased to VIHA, and recovers all costs from VIHA. Surpluses resulting from reduced expenses are returned to the tenant. Forecast updated to reflect recent negotiations with the tenant, which reduces revenue in line with reduced cleaning and security costs, transferred to the tenant.
1.280	Regional Parks	15,856,932	4,809,048	30%	30%	15,645,381	1%	Delays in hiring and postponement of certain operating programs are offset by additional labour and minor COVID-19 costs, and are expected to be covered in the existing budget.	15,856,932	865,236	5%	6%	15,930,071	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	1,062,553	37%	25%	2,868,371	1%	Service is a grant funding service at full compliment, and is projected to disburse all grant funds available to arts organizations in line with budget.	2,893,591	186,071	6%	7%	2,868,371	1%	Projected on budget. Revenues from requisition.
1.310	Land Banking & Housing	2,672,605	1,508,887	56%	62%	2,599,186	3%	Forecasted slightly under budget due to RHFP debt servicing deferred to 2022, and some development team operating expenses delayed to 2021.	2,672,605	1,395,796	52%	46%	2,656,381	1%	On target for 2020. 50% revenue from requisition, 40% from grants and other, 10% surplus carry forward. Forecasted lower recoveries from capital projects for development expenses, delayed to 2021.
1.311	Regional Housing Trust Fund	4,232,219	20,880	0%	2%	1,191,018	72%	Expenses are driven by grants to 3rd party housing service providers which can vary based on eligibility and selection. Forecast based on updated 3rd party capital project schedules. Surpluses will be carried forward.	4,232,219	3,234,819	76%	69%	4,249,818	0%	On target for 2020. 24% from requisition, 75% from surplus carryforward.
1.318	Building Inspection	1,561,459	723,621	46%	47%	1,445,876	7%	Operational services are continuing as planned. Expenditures are forecasted to be slightly under due to temporary vacancies and lower pay step for new hire.	1,561,459	452,740	29%	37%	1,445,876	7%	Revenue sources are requisition and building permit fees. Forecasted slight reduction in permit fee revenue, which is down since May.
1.324	Regional Planning Services	1,654,488	653,778	40%	37%	1,440,204	13%	Delivery of specific programs is moving forward as originally planned. Underspend is primarily due to consultant and auxiliary staffing costs, related to transportation modelling.	1,654,488	315,542	19%	11%	1,565,697	5%	Revenues for service are primarily requisition and fixed allocation. Forecasted reduction in use of operating reserve, due to reduced expenses.
1.40X	SEAPARC	4,310,976	1,269,452	29%	43%	3,516,110	18%	Projection is based on facility closure from mid-March through to May. During this period, cost savings arise from cancellation of programming, reduced energy and operating costs, a furlough of Auxiliary employees, and a redeployment of some regular staff for a 6 week period. A gradual return of programming is forecasted from June.	4,310,976	353,269	8%	13%	3,581,523	17%	Projection is based on the centre being closed until June 2020 and then gradually increasing revenues through fiscal 2021. Any revenue shortfall would be addressed by forecasted cost savings.
1.44X	Panorama Rec. Center.	9,690,732	3,664,539	38%	46%	7,182,406	26%	Projection is based on facility closure from mid-March through to May. During this period, cost savings arise from cancellation of programming, reduced energy and operating costs, a furlough of Auxiliary employees, and a redeployment of some regular staff for a 6 week period. A gradual return of programming is forecasted from June.	9,690,732	1,269,452	13%	24%	7,182,406	26%	Projection is based on the centre being closed until June 2020 and then gradually increasing revenues through fiscal 2021. Any revenue shortfall would be addressed by adjustments to transfers to reserve, and forecasted cost savings.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,949,320	816,611	42%	50%	1,744,021	11%	Projection is based on facility closure from mid-March through to May. During this period, cost savings arise from cancellation of programming, reduced energy and operating costs, a furlough of Auxiliary employees, and some redeployment of regular staff. A gradual return of programming is forecasted from June.	1,949,320	147,303	8%	9%	1,744,021	11%	Projection is based on the centre being closed until June 2020 and then gradually increasing revenues through fiscal 2021. Any revenue shortfall would be addressed by forecasted cost savings.
1.521	Environmental Resource Management	24,905,334	10,232,063	41%	36%	24,828,132	0%	Operational services are continuing as planned, and forecasted to be in line with budget for the year.	24,905,334	14,210,986	57%	26%	25,836,376	-4%	Tipping fees are projected to be \$1m over budget, driven mainly from higher volume received pre COVID-19 (Jan to Feb) along with normalized tonnage after phase 2 reopening. In 2020, the landfill is also projected to receive a one-time increase in tipping fees from biosolids disposal that is not expected to continue once CAWTP facilities start to operate. Recycling contract revenue expects to be in line with budget. Projection is based on receiving no cruise ship waste in 2020.
1.576	Environmental Engineering Services	2,327,767	1,152,073	49%	43%	2,217,370	5%	Overhead service budget, continuing to provide service as planned. Forcasted minor savings on timing of temporary vacancies.	2,327,767	1,327,438	57%	47%	2,327,767	0%	Revenues are driven by providing services to other CRD services that continue to operate as planned. Recovery revenue expected to be within budgeted level for 2020.
1.577	IW - Environmental Operations	8,070,926	3,963,764	49%	50%	7,870,519	2%	Overhead service budget, continuing to provide service as planned. Expenditures are over forecast to be on track for the year.	8,070,926	4,272,837	53%	49%	7,870,519	2%	Revenues are driven by providing services to other CRD services that continue to operateas planned. Recovery revenue expected to be within budgeted level for 2020.
1.578	Environmental Protection and Water Quality	7,839,814	3,610,788	46%	62%	7,720,043	2%	Overhead service budget, continuing to provide service as planned. Expenditures are forecasted to be on track for the year.	7,839,814	3,765,324	48%	53%	7,770,038	1%	Revenues are driven by providing services to other CRD services that continue to operateas planned. Recovery revenue expected to be within budgeted level for 2020.
1.911	911 Systems	2,672,114	1,388,898	52%	42%	2,657,157	1%	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	1,239,623	46%	38%	2,657,157	1%	Revenues are primarily from fixed source of requisition and lease revenue. The variable source of 911 levy from carriers is forcasted under budget based on Q1 and Q2 actuals. This is offset by increased transfer from operating reserve.
1.921	Regional CREST	1,690,484	845,565	50%	50%	1,690,484	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%	1,690,484	0%	Revenues are primarily requisition. Minor interest income might be slightly under budget.
2.610	Saanich Peninsula Water Supply	6,957,371	2,971,366	43%	45%	6,951,570	0%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be in line with budgeted figures.	6,957,371	3,105,592	45%	24%	6,951,570	0%	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	12,773,010	38%	42%	33,465,720	2%	Operational services and system maintenance are continuing as planned. Operational savings forecasted are due to temporary staff vacancies, delays in filling new positions.	34,055,398	14,621,568	43%	28%	33,465,720	2%	Revenues are driven by seasonal water sales. Demand is expected to be lower than budgeted levels for 2020.
2.680	Juan de Fuca Water Distribution	20,129,341	6,430,032	32%	34%	20,214,720	0%	Operational services and system maintenance are continuing as planned. No material changes in costs are forecasted.	20,129,341	6,469,512	32%	32%	20,214,720	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	1,490,112	48%	38%	3,272,163	-5%	Forecasted 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	368,753	12%	8%	3,272,163	-5%	Forecasted higher revenue for additional transfer from operating reserve. Operating reserve transfer required to offset operational costs resulting from project handover timing differences.
3.712	North East Trunk Sewer	1,953,665	677,615	35%	30%	2,179,885	-12%	Forecasted 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%	2,179,885	-12%	Forecasted higher revenue for additional transfer from operating reserve. Operating reserve transfer required to offset operational costs resulting from project handover timing differences.
3.718	Saanich Peninsula Wastewater	3,849,705	1,591,523	41%	39%	3,748,279	3%	Forecasted minor variance from plan. Remaining surplus will be transferred to the capital reserve fund at year-end based on SPWW commission direction.	3,849,705	49,457	1%	2%	3,748,279	3%	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	772,419	48%	44%	1,532,723	5%	Operational services are continuing as planned. Minor variance due to deferral of the manhole sampling project until 2021, due to COVID-19 related business interruptions and reduction to tourism.	1,605,745	234,418	15%	8%	1,599,819	0%	Higher Q2 revenue received from permit fees compared to the same period in 2019. Overall revenue is expected to be in line with budget.
	Total Services above Other CRD Services (excl. CAWTP)	189,871,064 56,358,079 246,229,143	77% 23%						189,871,064 56,358,079 246,229,143	77% 23%					
CRHD	Capital Regional Hospital District	37,441,471	12,972,533	35%	39%	36,162,612	3%	Forecasted savings for the year is primarily related to the NTP grant for the Nigel House redevelopment which has been postponed until 2021 due to COVID-19.	37,441,471	4,178,436	11%	13%	36,162,612	3%	Revenue is expected to be less for 2020 due the postponement of the NTP Grant for Nigel House, resulting in less reserve funding being required for 2020.