

Capital Regional District
Quarterly Operating Variance Report - Q3, 2020
Service Budgets Greater than \$1,500,000

		Operating Expenses							Operating Revenue						
		Year to Q3				Annual Forecast			Year to Q3				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	14,656,533	61%	64%	21,053,071	12%	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	18,471,610	77%	82%	21,931,272	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	1,309,696	66%	68%	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	1,079,313	54%	74%	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	13,251,504	84%	83%	15,545,381	2%	Forecasted one-time savings on delays in hiring and postponement of certain operating programs during COVID-19.	15,856,932	15,937,678	101%	100%	15,980,071	-1%	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	2,760,350	95%	96%	2,836,246	2%	Service is a grant funding service, and is projected to disburse grant funds to arts organizations \$40,000 less than budget.	2,893,591	2,868,979	99%	100%	2,887,991	0%	Projected on budget. Revenues from requisition.
1.310	Land Banking & Housing	2,672,605	1,924,373	72%	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	2,210,176	83%	94%	2,656,381	1%	On target for 2020. 50% revenue from requisition, 40% from grants and other, 10% surplus carryforward. Forecasted lower recoveries from capital projects for development expenses, delayed to 2021.
1.311	Regional Housing Trust Fund	4,232,219	174,092	4%	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	4,243,748	100%	101%	4,249,818	0%	On target for 2020. 24% from requisition, 75% from surplus carryforward.
1.318	Building Inspection	1,561,459	1,045,476	67%	73%	1,307,876	16%	Operational services are continuing as planned. Expenditures are forecasted to be under due to temporary vacancies and lower pay step for new hire.	1,561,459	1,058,452	68%	80%	1,307,876	16%	Revenue sources are requisition and building permit fees. Overall revenue from permit fees continues to be lower than budgeted since May.
1.324	Regional Planning Services	1,654,488	937,800	57%	55%	1,184,488	28%	Delivery of specific programs is moving forward as originally planned. Underspend is primarily due to one-time consultant and auxiliary staffing costs. Any surplus will be utilized for future planned transportation modelling.	1,654,488	1,613,154	98%	86%	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	3,557,036	2,666,070	75%	75%	3,516,110	1%	Budget amended in Q3 in response to COVID-19 Impact. Projection is based on facility closure from mid-March through to May. During this period, cost savings arose 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 has started since June.	3,557,036	3,412,315	96%	91%	3,581,523	-1%	Budget amended in Q3 in response to COVID-19 Impact. Projection is based on the centre being closed until June 2020 and then gradually increasing revenues through fiscal 2021. Any revenue shortfall will be mitigated through reduced costs.
1.44X*	Panorama Rec. Center	7,182,406	5,022,365	70%	73%	7,182,000	0%	Budget amended in Q3 in response to COVID-19 Impact. Projection is based on facility closure from mid-March through to May. During this period, cost savings arose 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 has started since June.	7,182,406	6,771,083	94%	89%	7,182,000	0%	Budget amended in Q3 in response to COVID-19 Impact. Projection is based on the centre being closed until June 2020 and then gradually increasing revenues through fiscal 2021. Any revenue shortfall will be mitigated through reduced costs.
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,949,320	1,106,137	57%	72%	1,537,185	21%	Projection is based on the aquatic centre being closed for three months in Q2 and opening in a reduced capacity in Q3. During this period, cost savings arose from cancellation of programming, reduced energy and operating costs, a furlough of Auxiliary employees, and some redeployment of regular staff.	1,949,320	1,729,913	89%	98%	1,669,380	14%	Projection is based on the aquatic centre being closed for three months in Q2 and opening in a reduced capacity in Q3. Any revenue shortfall will be mitigated through reduced costs.
1.521	Environmental Resource Management	24,905,334	14,062,096	56%	58%	24,828,746	0%	Operational services are continuing as planned, and forecasted to be in line with budget for the year.	24,905,334	18,977,505	76%	75%	25,836,991	-4%	Tipping fees are projected to be \$1m over budget, driven mainly by higher volume received pre COVID-19 (Jan to Feb) along with normalized tonnage after phase 2 reopening. \$160k additional tipping fees estimated from biosolids disposal. The landfill remained operational during COVID-19 and has not seen significant loss in volume in Q3 compared to 2019.
1.576	Environmental Engineering Services	2,327,767	1,706,178	73%	62%	2,242,261	4%	Overhead service budget, continuing to provide service as planned. Forecasted savings on one-time temporary vacancies and training costs, partially offset by auxiliary wages.	2,327,767	1,938,128	83%	68%	2,378,972	-2%	Revenues are driven by providing services to other CRD services that continue to operate as planned. Recovery revenue forecasted slightly above budget, due to higher level of chargeable hours than planned for existing and auxiliary staff for 2020.
1.577	IW - Environmental Operations	8,070,926	5,773,820	72%	74%	7,804,082	3%	Overhead service budget, continuing to provide service as planned. Total forecast to year-end expected to be fully recovered.	8,070,926	6,177,308	77%	71%	7,997,513	1%	Revenues are driven by providing services to other CRD services that continue to operates planned. Recovery revenue expected to be within budgeted level for 2020.
1.578	Environmental Protection and Water Quality	7,839,814	5,266,008	67%	69%	7,339,814	6%	Overhead service budget, continuing to provide service as planned. Forecasted one-time savings largely related to temporary staff vacancies, including retirements.	7,839,814	5,617,677	72%	78%	7,521,805	4%	Revenues are driven by providing services to other CRD services that continue to operate as planned. Revenues forecasted under budget, resulting from less labor allocation charges due to temporary staff vacancies.
1.911	911 Systems	2,672,114	1,792,259	67%	64%	2,662,488	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	2,021,133	76%	79%	2,662,488	0%	Revenues are primarily from fixed source of requisition and lease revenue. The variable source of 911 levy from carriers is forecasted under budget based on Q1-Q3 actuals. This is offset by increased transfer from operating reserve.
1.921	Regional CREST	1,690,484	1,267,246	75%	75%	1,687,647	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	1,688,265	100%	100%	1,688,717	0%	Revenues are primarily requisition. Interest income may end slightly under budget.
2.610	Saanich Peninsula Water Supply	6,957,371	5,214,981	75%	79%	7,056,053	-1%	Operational services and system maintenance are continuing as planned. Forecasted a higher water consumption, resulting in increased bulk water purchases.	6,957,371	5,911,309	85%	91%	7,056,053	-1%	Revenues are driven by seasonal water sales. Demand is expected to be slightly above budgeted levels for 2020.
2.670	Regional Water Supply	34,055,398	16,854,371	49%	55%	33,762,658	1%	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	26,661,425	78%	81%	33,762,658	1%	Revenues are driven by seasonal water sales. Demand is expected to be slightly lower than budgeted levels for 2020.
2.680	Juan de Fuca Water Distribution	20,129,341	10,065,414	50%	55%	20,634,589	-3%	Operational services and system maintenance are continuing as planned. Forecasted a higher water consumption, resulting in increased bulk water purchases and transfers to water capital fund.	20,129,341	16,266,988	81%	81%	20,634,589	-3%	Revenues are driven by seasonal water sales. Demand is expected to be slightly above budgeted levels for 2020.
3.710	North West Trunk Sewer	3,111,089	2,606,588	84%	75%	3,102,454	0%	Operating costs expected to remain on budget. Any remaining surplus will be transferred to operating reserve.	3,111,089	3,126,765	101%	97%	3,126,765	-1%	Forecasted higher revenue for additional transfer from operating reserve. Operating reserve transfer required to offset I&I works from 2019 completed in 2020.
3.712	North East Trunk Sewer	1,953,665	1,554,588	80%	74%	1,891,587	3%	Operating costs expected to remain on budget. Any remaining surplus will be transferred to operating reserve.	1,953,665	1,978,610	101%	97%	1,978,610	-1%	Forecasted higher revenue for additional transfer from operating reserve to fund environmental programs carried into 2020.
3.718	Saanich Peninsula Wastewater	3,849,705	2,482,491	64%	66%	3,612,055	6%	Operating costs expected to finish below plan due to one-time savings in Heat recovery for Panorama Recreation and biosolids management. Remaining surplus will be transferred to the capital reserve fund at year-end based on SPWW commission direction.	3,849,705	3,731,028	97%	99%	3,731,028	3%	Loss of heat recovery revenue from Panorama Recreation. Revenue forecast is based on Panorama Recreation running below budget for Q4
3.755	Regional Source Control	1,605,745	1,095,270	68%	68%	1,538,649	4%	Operational services are continuing as planned. 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	1,550,440	97%	90%	1,599,819	0%	Higher 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		186,608,798	77%												
Other CRD Services (excl. CAWTP)		56,358,079	23%												
		242,966,877													
CRHD	Capital Regional Hospital District	37,441,471	26,436,705	71%	79%	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	34,775,934	93%	104%	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.

* Amended Budget as at Sept. 9, 2020 (Bylaw #4366)