

Purpose: To provide detailed listing of budget drivers for changes in the operating budget.

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Operating Expenses

Since Provisional approval, the operating budget increased by \$2.8 million or 1.0%. Table 1 provides a detailed listing of changes to the operating budget since Provisional.

Table 1: Drivers for Change in Operating Expenses

| Service | (\$M) Change | Description | Impact | Funding Source | Direction |
|---|--|---|----------|---------------------------|----------------------------------|
| Legislative and General Government | 0.944 | Corporate Emergency - COVID Safe Restart Grant | Regional | Grant (one-time) | CRD Board December 9, 2020 |
| | The regional portion of the Safe Restart Grant for Local Government distributed to the CRD has been allocated to the Corporate Emergency budget, to fund incremental EOC operations and COVID-19 related costs. In 2021, these costs include labour for safety and tech support; vehicle and equipment rentals; operating supplies; computer and other technology costs to enhance interconnectivity and virtual communication; protective equipment and facility management. Of this amount, \$365k is identified as unspecified grants - this amount will be used to address various COVID-19 related initiatives as they arise throughout the year. | | | | |
| | 0.110 | First Nations initiatives | Regional | Reserve (one-time) | Included in 2020 Service Plan |
| | 2020 work plan deferred and carried forward to 2021 for archeology works and the Cultural Programming initiative with Parks (IBC 3a-3), for \$60k. A further \$50k of 2020 funding has been carried forward to extend the workplan in 2021 to engage with local nations on expanding CRDs Archaeological Overview Assessment (AOA). | | | | |
| | 0.060 | Corporate Services - EDRMS and Commission Governance Review | Regional | Reserve (one-time) | Included in 2020 Service Plan |
| | Carry forward of unspent funds from 2020 to be spent in 2021, for EDRMS (IBC 15f1-3) and Commission Governance Review (IBC 15a-1). | | | | |
| | 0.040 | Real Estate - land tenure costs for CAWTP completion | Regional | Reserve (one-time) | Included in 2020 Service Plan |
| | Unspent contract for services budget from 2020 to be spent in 2021, related to outstanding land tenure agreements that will be incurred at the completion of the Wastewater Treatment Project. | | | | |

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|--------------------------------------|--|--|--------------|-----------------------------|---|
| Regional Housing Trust Fund | 0.371 | Croftonbrook Phase 3 grant funding was delayed from 2020 to Spring 2021 | Sub-Regional | Carry Forward (one-time) | Included in 2020 Service Plan |
| | Delay in receiving the building permit, and related documents for the funding agreement. | | | | |
| Environmental Engineering | 0.210 | Office space considerations. | Regional | Carry Forward (one-time) | Staff Identified Requirement |
| | Carry forward 2020 surplus to fund office space considerations in 2021 led by Environmental Engineering. \$150k for an office space study for IWS, Parks and Bylaw building planning, involving advanced concept design. A further \$60k for reconfiguration of the Engineering/Facilities Management offices at Fisgard headquarters. | | | | |
| Panorama Recreation | 0.176 | Increase in capital reserve transfer | Sub-Regional | Carry Forward (one-time) | Peninsula Recreation Commission, February 4, 2021 |
| | 2020 surplus being carried forward to 2021, to restore annual capital reserve contributions to pre-COVID-19 levels. | | | | |
| Regional Parks | 0.083 | Increase in capital reserve transfer | Regional | Other Revenue (one-time) | Change in Budget Assumption |
| | PILT allocation directed to capital reserve transfer. | | | | |
| Harbours Environmental Action | 0.065 | Establishment of a new Harbours Environmental Action service for Saanich Peninsula | Sub-Regional | Requisition (ongoing) | Saanich Peninsula Wastewater Commission November 10, 2020 |
| | The establishment of this service has been introduced since preliminary budget. This service is to support environmental stewardship on the Peninsula in response to increasing stressors on the marine environment. | | | | |

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|--|--|---------------------------------------|--------------|---------------------------|---|
| Electoral Area Fire Services | 0.065 | EA Fire Services Regulatory Review | Local Area | Reserve (one-time) | Electoral Area Committee February 10, 2021 |
| | Recent Fire Services Review report identified administrative and operational improvements required to bring departments into compliance with provincial legislation. One-time costs to facilitate increased support to fire departments and achieve regulatory compliance. | | | | |
| SSI Community Parks | 0.056 | 2020 deficit carry-forward, COVID-19 | Local Area | Grant (one-time) | EA Director Approval |
| | SSI Community Parks experienced a deficit in 2020, due to drop in rental revenues resulting from COVID-19. The 2020 deficit is carried forward into 2021, to be offset by one-time Safe Restart Initiatives Grant funding. | | | | |
| SSI Emergency Communication - CREST | 0.051 | CREST: P25 radio equipment | Local Area | Requisition (ongoing) | Change in Budget Assumption |
| | Increase in payment to CREST due to upgrade to new P25 radio equipment for emergency program and fire service. | | | | |
| Regional Septage | 0.050 | Additional capital contribution | Sub-Regional | Service Fees (ongoing) | Changes in Budget Assumptions |
| | Additional income of \$50k resulting from new agreement with SPL (from \$0.01/gallon to \$0.015/gallon). This additional revenue is used to fund increased capital fund contributions for monitoring and remediation projects. | | | | |
| All other services (Including EA) | 0.511 | Net increase across 84 other services | | | |
| Subtotal | \$2.8 | | | | |

Operating Revenue

Service plan adjustments and budget assumption changes since the provisional budget are funded through a variety of revenue sources totaling \$2.8 million. The following tables provide changes since provisional approval by revenue type.

Table 2: Drivers for Change in Surplus Carryforward

| Service | (\$M) Change | Description | Impact | Direction |
|--|-----------------|--|--------------|---|
| Regional Housing Trust Fund (RHTF) | 0.371 | Related to grant funding that was not disbursed in 2020 due to minor project delay. This will be granted in 2021 | Sub-Regional | Included in 2020 Service Plan |
| Core Sewage Integrated Treatment Facility - Debt (3.798B) | 0.280 | Surplus carried forward to to reduce requisition and invoicing. Surplus generated by renewal of existing loan at lower than planned interest rate. | Sub-Regional | Revised Amount |
| Panorama Recreation | 0.259 | Savings from adjusted programming in the COVID-19 environment in 2020, to restore capital reserve funding levels in 2021, and reduce impact to requisition | Sub-Regional | Peninsula Recreation Commission, February 4, 2021 |
| Environmental Engineering | 0.210 | Carry Forward of operating to fund office reconfiguration and study on office space for IWS, Parks and Bylaw Building space. | Regional | Staff Identified Requirement |
| NET & ECI Sewer Upgrade - Debt | 0.119 | Debt reserve fund earnings returned upon debt maturity, carried forward to reduce 2021 requisition | Sub-Regional | Revised Amount |
| Regional Planning | 0.072 | Carry forward of operating to fund one-time initiative of Implementation of Data Review, and to reduce requisition. | Regional | Staff Identified Requirement |
| All other services (Including EA) | 0.244 | Net increase across 46 other services | | |
| Total | \$1.6 | | | |

Table 3: Drivers for Change in Transfer from Reserves Revenue

| Service | (\$M) Change | Description | Impact | Direction |
|---|-----------------|--|------------|--|
| Legislative and General Government | 0.110 | First Nations - Funding for Cultural Programming initiative, deferred archeology works, and engagement with local nations on expanding CRDs Archaeological Overview Assessment (AOA) | Regional | Included in 2020 Service Level |
| | 0.060 | Corporate Services - Funding for EDRMS and Commission Governance Review work deferred to 2021 | Regional | Included in 2020 Service Level |
| | 0.040 | Real Estate - Funding for land tenure costs for CAWTP completion | Regional | Included in 2020 Service Level |
| Electoral Area Fire Services | 0.065 | Funding for EA Fire Services review findings implementation | Local Area | Electoral Area Committee February 10, 2021 |
| Regional Planning | (0.050) | Fund one-time Implementation of Data Review study, to be funded by 2020 surplus carryforward instead of reserve | Regional | Staff Identified Requirement |
| All other services (Including EA) | 0.225 | Net increase across 19 other services | | |
| Total | \$0.5 | | | |

Table 4: Drivers for Change in Requisition Revenue

| Service | (\$M) Change | Description | Impact | Direction |
|---|-----------------|--|--------------|---|
| 911 Call Answer - Municipalities | 0.070 | Increase due to higher deficit carry-forward to 2021 as the result of lower 911 Call Levy revenue in 2020 | Sub-Regional | Revised Amount |
| Harbours Environmental Action | 0.065 | | Sub-Regional | Saanich Peninsula Wastewater Commission November 10, 2020 |
| SSI Emergency Communication - CREST | 0.051 | Increase due to purchase of new fire equipment from CREST | Local Area | Change in Budget Assumption |
| SSI Community Transit | (0.059) | Use of the BC Transit Safe Restart Grant to mitigate the requisition impact | Local Area | EA Director Approval |
| Core Sewage Integrated Treatment Facility - Debt | (0.063) | Use of 2020 surplus to reduce requisition | Sub-Regional | Revised Amount |
| Legislative and General Government | (0.067) | Use of updated PILT adjustment to reduce requisition | Regional | Revised Amount |
| Panorama Recreation | (0.081) | Use of 2020 surplus to reduce requisition | Sub-Regional | Revised Amount |
| Core Area Wastewater Operations and Capital | (0.629) | Change due to participation by requisition versus invoice and cost apportionment updates based on year-end flow adjustments. | Sub-Regional | Operating and Capital Agreements |
| All other services (Including EA) | (0.038) | Net decrease across 95 other services | | |
| Total | (\$0.8) | | | |

Table 5: Drivers for Change in Grant Revenue

| Service | (\$M) Change | Description | Impact | Direction |
|---|-----------------|---|------------|-------------------------------|
| Legislative and General Government | 0.944 | Corporate Emergency - COVID Safe Restart Grant funding for incremental regional EOC operations and COVID-19 related costs | Regional | Included in 2020 Service Plan |
| SSI Community Transit | 0.196 | BC Transit Safe Restart Grant funding, utilized to mitigate impact to requisition | Local Area | EA Director Approval |
| SSI Community Parks | 0.056 | Utilizing COVID Safe Restart Grant funding for SSI Electoral Area. Applied to offset 2020 deficit carryforward, due to lost rental revenue during COVID-19. | Local Area | EA Director Approval |
| All other services (Including EA) | 0.216 | Net increase across 9 other services | | |
| Total | \$1.4 | | | |

Table 6: Drivers for Change in Payments in Lieu of Taxes (PILT)

| Municipality (\$M) | 2021 Final | 2021 Prelim | \$ Change | % Change |
|-----------------------------|----------------|----------------|----------------|-----------|
| Township of Esquimalt | 2.091 | 2.170 | -0.079 | -4% |
| City of Victoria | 0.496 | 0.458 | 0.038 | 8% |
| District of North Saanich | 0.292 | 0.246 | 0.046 | 19% |
| City of Colwood | 0.276 | 0.265 | 0.011 | 4% |
| District of Saanich | 0.197 | 0.196 | 0.001 | 1% |
| District of Metchosin | 0.124 | 0.100 | 0.024 | 24% |
| Electoral Areas | 0.067 | 0.056 | 0.011 | 20% |
| City of Langford | 0.034 | 0.028 | 0.006 | 21% |
| District of Central Saanich | 0.011 | 0.020 | -0.009 | -45% |
| Town of Sidney | 0.009 | 0.010 | -0.001 | -10% |
| District of Sooke | 0.007 | 0.007 | - | 0% |
| Town of View Royal | 0.006 | 0.006 | - | 0% |
| District of Oak Bay | 0.000 | 0.001 | -0.001 | -100% |
| Total | \$3.610 | \$3.563 | \$0.047 | 1% |

*Excludes municipalities and electoral areas that do not receive PILT