

Capital Regional District
Quarterly Operating Variance Report - Q2, 2021
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	2020 % of Budget	\$	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actuals \$	% of Budget	2020 % of Budget	\$	% Budget (over)/under	Explanation
1.010	Legislative & General	25,887,694	10,092,381	39%	41%	24,590,049	5%	Forecasted annual savings on timing of staff vacancies, and potential deferral of some one-time spending. Support services delivering core services as planned.	25,887,694	8,901,701	34%	30%	25,806,707	0%	Half of the revenue is derived from allocations to other services; one-third is funded by requisition, with the balance from reserves, grants or other revenue. Some potential savings from less than planned reserve funding.
1.105	Facility Management	1,690,872	705,063	42%	47%	1,497,521	11%	Service involves the provision of facilities management services to CRD HQ and satellite facilities, and IWS facilities. Savings in Q1 and Q2 on temporary staff vacancies are anticipated to be partially caught up with use of additional labour support in the final 2 quarters of the fiscal year.	1,690,872	632,087	37%	44%	1,504,639	11%	Revenue largely from provision of facilities management services. Projected to be under budget due to vacancies in Q1 through Q3.
1.226	Health Facilities - VIHA	1,580,254	777,108	49%	44%	1,575,754	0%	Service involves leasing of CRD buildings to VIHA, and is 100% recovery from tenant. Any potential surpluses are returned to tenant.	1,580,254	769,648	49%	24%	1,575,754	0%	Service involves leasing of CRD buildings to VIHA and is 100% recovery from tenant. Any potential surpluses are returned to tenant.
1.280	Regional Parks	16,391,381	5,072,008	31%	30%	16,434,152	0%	Service on budget with expenditure primarily weighted to Q2 and Q3.	16,391,381	1,105,460	7%	5%	16,475,090	-1%	Projected slightly above budget. Revenues primarily from requisition. Additional revenue received from internal recovery and one time municipal contribution.
1.297	Arts Grants & Development	2,942,074	608,619	21%	37%	2,945,689	0%	Service is a grant funding service at full compliment, and projecting to disburse most grant funds available to arts organizations in line with budget.	2,942,074	191,051	6%	6%	2,965,999	-1%	Projected slight abover budget. Revenues primarily from requisition. Additional revenue received from internal recovery and one time municipal contribution.
1.310	Land Banking & Housing	2,692,517	1,593,699	59%	56%	2,587,386	4%	Operating expenses largely on track for 2021, with some annual savings forecasted for temporary staff vacancies. Expenses unevenly distributed due to large debt payments in Q2 and Q4.	2,692,517	1,311,648	49%	52%	2,634,171	2%	On target for 2021. 50% requisition, 48% grants and other, 2% surplus carry forward. Minor reduction in project management fee (planning) revenue due to temporary staff vacancy.
1.311	Regional Housing Trust Fund	4,511,970	280,565	6%	0%	1,068,270	76%	Expenses are driven by grants to 3rd party housing service providers. Can vary based on eligibility and selection, surpluses are carried forward.	4,511,970	3,507,687	78%	76%	4,522,686	0%	On target for 2021. 78% from surplus carryforward, 22% from requisition.
1.318	Building Inspection	1,653,290	712,718	43%	45%	1,577,300	5%	Underspend largely due to temporary staffing vacancies.	1,653,290	637,116	39%	29%	1,760,300	-6%	Permit Fee Revenue has increased due to higher than expected number of permit requests. Revenues on Salt Spring Island increased as a result of particularly high permit activity due to a large condominium project.
1.324	Regional Planning Services	1,662,662	642,897	39%	40%	1,424,247	14%	Forecasted underspend on program development costs, including Implementation of Data Review project (fewer bike counters required), and underspend on auxilliary wages and contractor costs. The 2022 budget is recalibrated and restructured to align with historical spending in aiming for effective service delivery.	1,662,662	357,675	22%	19%	1,662,662	0%	Revenues for service are primarily requisition and fixed allocation. No variance projected for 2021.
1.40X	SEAPARC	3,684,094	1,541,345	42%	29%	3,627,135	2%	Forecasted to be on plan with usual increase in activity through remainder of the year. The service continues to monitor and respond to health orders that limit the levels of indoor programs.	3,684,094	397,493	11%	8%	3,672,735	0%	Revenues are approximately 80% from requisition; 20% fees. The service has faced continuing health orders that have limited the provision of indoor programs, it is anticipated that higher activity in the remaining quarters will result in actuals in line with plan.
1.44X	Panorama Rec. Center	8,071,561	3,285,243	41%	38%	8,617,785	-7%	Forecasted to be on plan with usual increase in activity through remainder of the year and introduction of the new child care program. The service continues to monitor and respond to health orders that limit the levels of indoor programs.	8,071,561	1,569,870	19%	13%	8,622,964	-7%	Revenues are approximately 65% from requisition; 35% fees. The service has faced continuing health orders that have limited the provision of indoor programs, it is anticipated that higher recreation activity in the remaining quarters, along with the introduction of a new child care service area that is fully funded from grants and fees, will result in actuals exceeding plan.
1.459*	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,759,079	746,198	42%	42%	1,726,552	2%	The service has faced continuing health orders that have limited the provision of the programs. Some maintenance labor cost is redirected to capital work resulting in a minor savings in operating expenditure. It is anticipated that higher activity in the remaining quarters will result in actuals in line with plan.	1,759,079	131,142	7%	8%	1,726,552	2%	Revenues are approximately 88% from requisition; 12% fees. The service has faced continuing health orders that have limited the provision of indoor programs, it is anticipated that higher activity in the remaining quarters will result in actuals in line with plan.
1.521	Environmental Resource Management	25,176,280	12,005,349	48%	39%	25,142,340	0%	Operating costs are on plan, and forecasted to be in line with budget for the year.	25,176,280	16,393,061	65%	55%	28,503,061	-13%	Tipping fee revenues are forecasted higher largely due to the current environment for construction and redevelopment. This is driving larger volumes of construction, demolition, renovation and moving waste. Also, the current travel restrictions seem to have resulted in more individual resident doing self-hauling of long-time stored items to the landfill for disposal, as evidenced by the increase in traffic across the public scales. Overall revenue for 2021 is forecasted to be higher than budget by \$3.2M.
1.576	Environmental Engineering Services	2,802,602	1,074,137	38%	49%	2,551,912	9%	Service involves the delivery of engineering and project management service to multiple services in the CRD's recreation and environmental management services. Savings in Q1 and Q2 on temporary staff vacancies are expected to continue through remainder of year with related outreach programming affected by reduced interactions levels during COVID pandemic.	2,802,602	1,380,956	49%	57%	2,551,912	9%	Revenue driven by providing engineering and project management service to multiple service in the CRD's recreation and environmental services areas. Forecasted to remain below budget in final 2 quarters.
1.577	IW - Environmental Operations	11,626,417	5,575,305	48%	53%	11,201,713	4%	Overhead service budget, continuing to deliver services as planned. Expenditures forecast slightly under budget for the year. Forecasted temporary staff vacancies providing salary savings.	11,626,417	6,013,766	52%	55%	11,962,496	-3%	Revenues are driven by providing services to other CRD services, that continue to operate as planned. Recovery revenue forecasted to generate a favourable variance.
1.578	Environmental Protection and Water Quality	8,238,988	3,760,046	46%	45%	8,126,941	1%	Service involves the delivery of environmental regulation and monitoring programs, continuing to provide service as planned. Forecast largely on budget, with some minor savings on temporary staff vacancies.	8,238,988	4,189,342	51%	50%	8,126,946	1%	Revenues are driven by providing services to other CRD services that continue to operate as planned.
1.911	911 Systems	2,595,230	1,300,422	50%	52%	2,570,453	1%	Fixed contracts and debt servicing costs are on track with budget. This service receives 911 levy contributions from phone carriers and pays a portion of these to municipalities. Forecasted reduced 911 levies from phone carriers reduces payment distribution compared to budget.	2,595,230	1,136,908	44%	46%	2,570,453	1%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Forecasting reduced revenues from a drop in 911 levies.
1.921	Regional CREST	1,723,234	861,012	50%	50%	1,720,734	0%	This is a contribution service that provides support to CREST based on service agreement. Operating expenses are on track with budget.	1,723,234	99,504	6%	6%	1,722,734	0%	Operating revenues are primarily requisition and are on track with budget.

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2.610	Saanich Peninsula Water Supply	7,169,999	3,215,304	45%	43%	7,506,197	-5%	Operational services and system maintenance are continuing as planned. Expenditures are forecasted to be higher than budget due to increased bulk water purchases.	7,169,999	3,615,147	50%	45%	7,691,280	-7%	Revenues are driven by seasonal water sales. Demand is expected to be higher than budgeted levels for 2021 due to increased summer temperatures.
2.670	Regional Water Supply	34,921,283	13,001,827	37%	38%	34,537,361	1%	Operational services and system maintenance are continuing as planned. Operational savings forecasted due to temporary staff vacancies.	34,921,283	16,628,697	48%	43%	36,836,970	-5%	Revenues are driven by seasonal water sales. Demand is expected to be higher than budgeted levels for 2021 due to increased summer temperatures.
2.680	Juan de Fuca Water Distribution	20,793,372	7,820,345	38%	34%	20,676,417	1%	Operational services and system maintenance are continuing as planned. Operational savings forecasted due to reduced labour charges which will be largely offset by increased bulk water purchases.	20,793,372	8,558,177	41%	32%	22,063,311	-6%	Revenues are driven by seasonal water sales. Demand is expected to be higher than budgeted levels for 2021 due to increased summer temperatures.
3.717	Core Area Wastewater Operations	29,538,628	9,670,687	33%	26%	28,568,628	3%	Expanded wastewater treatment and conveyance operations (i.e. existing and new infrastructure) began in Q1 2021. Forecasted savings in electricity, chemicals, and R%M are expected to be offset by increased labour and contract for services required for first year of treatment and conveyance operations. These trends were present during Q1 and have continued into Q2.	29,538,628	950,420	3%	5%	28,568,628	3%	Service revenues are primarily from requisition. Forecast revenue is reduced due to delays in operational readiness of the OMS receiving facility at the Residual Treatment Facility.
3.718	Saanich Peninsula Wastewater	4,404,946	1,752,923	40%	43%	4,250,534	4%	Services delivering on plan and current expenditures forecast a minor favourable variance as a result of operational delays on the OMS receiving facility.	4,404,946	55,920	1%	1%	4,250,534	4%	Service revenues are primarily from requisition. Projected to come in slightly under budget as a result of lower heat recovery revenue from Panorama Rec.
3.755	Regional Source Control	1,685,236	798,386	47%	48%	1,574,129	7%	Operational services are continuining as planned. Forecasted savings due to temporary staff vacancies.	1,685,236	195,378	12%	15%	1,574,129	7%	Service revenue is primarily from requisition. Forecasted reduction in internal allocation recovery revenue, due to temporary staff vacancies.
Total Services above		223,203,663	81%												
Other CRD Services		52,023,954	19%												
		275,227,617													

CRHD	Capital Regional Hospital District	36,111,356	11,620,815	32%	31%	36,031,904	0.2%	Minor reduction in short term borrowing costs, and lower than expected debt reserve fund expense due to the timing of Island Health capital claims.	36,111,356	3,198,651	9%	9%	36,079,224	0.1%	Less reserve funds will be required due to HCPS term position vacancy in Q1 and Q2; Revenues are primarily requisition and on track with budget.
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CRHC	Administration	2,604,290	1,116,017	43%	46%	2,404,290	7.7%	Savings due to staff vacancies and hiring lags.	2,604,290	1,265,224	49%	45%	2,604,290	0.0%	The Administration revenues are directly tied to property management fees and are expected to be as planned.
CRHC	Development Services	714,500	203,156	28%	32%	714,500	0.0%	The Development Services expenses are directly tied to capital project fees and is expected to be as planned.	714,500	180,199	25%	32%	714,500	0.0%	The Development Services revenues are directly tied to capital project fees and are expected to be as planned. (Fees unevenly distributed throughout the year.)
CRHC	UOA buildings	12,742,465	6,497,622	51%	51%	12,509,755	1.8%	Savings from reduction in property tax due to reclassification by BC Assessment.	12,509,757	6,269,131	50%	53%	12,509,757	0.0%	The UOA building revenues are made up of grants and rents and are expected to be as planned.
CRHC	ILBC building	679,433	334,632	49%	53%	673,604	0.9%	Savings from reduction in property tax due to reclassification by BC Assessment.	679,433	295,155	43%	51%	648,000	4.6%	The ILBC building revenues are made up of grants and rents tied to occupancy controlled by Island Health. Unfavourable forecast due to vacancies managed by Island Health.
CRHC	NOA buildings	1,322,345	594,866	45%	47%	1,260,439	4.7%	Savings from reduction in property tax due to reclassification by BC Assessment.	1,603,626	800,017	50%	50%	1,603,626	0.0%	The NOA building revenues are made up of tenant rents and are expected to be as planned.
CRHC	RHFP buildings	7,409,153	2,384,538	32%	50%	7,265,797	1.9%	Forecast expected to vary below budget due to reduction in mortgage payments (lower rate mortgate on 2 properties) and anticipated water utility savings due to slower than planned rent-up of new buildings; partially offset by an increase in property tax for a building purchased during the year (becomes exempt 2nd year.)	7,424,979	2,943,211	40%	48%	6,168,012	16.9%	Unfavourable variance due to slower than planned rent-up of new buildings. Forecasts based on new assumptions reflecting current trends and experience in this portfolio. All buildings forecast to be fully rented by Dec 31, 2021.
CRHC	IHI building	670,871	310,203	46%	n/a	670,871	0.0%	The IHI building expenses are expected to be as planned.	812,668	419,481	52%	n/a	812,668	0.0%	The IHI building revenues are made up of tenant rents and are expected to be as planned.