

Capital Regional District
Quarterly Operating Variance Report - Q3, 2021
Service Budgets Greater than \$1,500,000

		Operating Expenses							Operating Revenue						
		Annual Budget \$ (As Amended)	Year to Q3			Annual Forecast			Annual Budget \$ (As Amended)	Year to Q3			Annual Forecast		
Service Number	Service Description	Annual Budget \$ (As Amended)	Actuals \$	% of Budget	2020 % of Budget	\$	% Budget (over)/under	Explanation	Annual Budget \$ (As Amended)	Actuals \$	% of Budget	2020 % of Budget	\$	% Budget (over)/under	Explanation
1.010	Legislative & General	25,887,694	15,901,566	61%	61%	23,662,281	9%	Forecasted annual savings on timing of staff vacancies, and deferral of some one-time spending from 2021 to 2022. Support services delivering core services as planned.	25,887,694	22,237,808	86%	77%	25,775,588	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 savings due to reduction in reserve funds being required, net of proceeds from sale of investment.
1.105	Facility Management	1,690,872	1,041,072	62%	74%	1,477,521	13%	Service involves the provision of facilities management services to CRD HQ and satellite facilities, and IWS facilities. Savings in Q1 -Q3 on temporary staff vacancies are anticipated to be partially caught up with use of additional labour support in the final quarter of the fiscal year.	1,690,872	1,118,411	66%	80%	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	1,166,518	74%	66%	1,425,700	10%	Service involves leasing of CRD buildings to VIHA, and is 100% recovery from tenant. Any potential surpluses are returned to tenant. Additional work service levels have been reduced as a result of COVID-19 restrictions.	1,580,254	986,061	62%	54%	1,425,700	10%	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	13,791,139	84%	84%	16,375,000	0%	Service on budget with expenditure primarily weighted to Q2 and Q3. Experienced extra costs related to bylaw enforcement and rangers in the park. Expenses offset by temporary vacant positions.	16,391,381	16,664,373	102%	101%	16,675,000	-2%	Projected above budget. Revenues primarily from requisition. Additional revenue received from internal recovery, one time municipal contribution and \$200,000 from COVID-19 Restart funding.
1.297	Arts Grants & Development	2,942,074	2,838,356	96%	95%	2,923,730	1%	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	2,919,061	99%	99%	2,965,999	-1%	Projected slight above budget. Revenues primarily from requisition. Additional revenue received from internal recovery and one time municipal contribution.
1.310	Land Banking & Housing	2,692,517	1,947,478	72%	72%	2,620,000	3%	Operating expenses largely on track for 2021, with some annual savings forecasted for temporary staff vacancies.	2,692,517	2,241,340	83%	70%	2,660,000	1%	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	288,865	6%	4%	1,065,000	76%	Expenses are driven by grants to 3rd party housing service providers. Can vary based on eligibility and selection, as well as timing of municipal approvals. Surpluses are carried forward.	4,511,970	4,516,995	100%	100%	4,525,000	0%	On target for 2021. 78% from surplus carryforward, 22% from requisition.
1.318	Building Inspection	1,653,290	1,053,963	64%	67%	1,577,300	5%	Underspend largely due to temporary staffing vacancies and reduced travel costs due to COVID-19.	1,653,290	1,460,984	88%	68%	1,760,300	-6%	Permit Fee Revenue has increased due to higher than expected number of permit requests, and a new permit fee structure implemented in Q2.
1.324	Regional Planning Services	1,662,662	933,244	56%	57%	1,424,247	14%	Forecasted underspend on program development costs, including Implementation of Data Review project (fewer bike counters required), and underspend on auxiliary wages and contractor costs.	1,662,662	1,576,514	95%	98%	1,662,662	0%	Revenues for service are primarily requisition and fixed allocation. No variance projected for 2021.
1.40X	SEAPARC	3,684,094	2,719,800	74%	75%	3,685,000	0%	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	3,569,879	97%	96%	3,800,149	-3%	Revenues are approximately 80% from requisition; 20% fees. The service has faced health orders that have limited the provision of indoor programs during the first 2 quarters. However, Q3 experienced higher activity including the return of annual memberships and Q4 is anticipated to be slightly above plan.
1.44X	Panorama Rec. Center	8,071,561	5,496,287	68%	70%	8,090,079	0%	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	7,637,198	95%	94%	8,400,079	-4%	Revenues are approximately 65% from requisition; 35% fees. The service has faced health orders that have limited the provision of indoor programs in the first 2 quarters. However, Q3 experienced higher recreation activity which is projected to continue in Q4, along with the introduction of a new child care service area that is fully funded from grants and fees, which will result in actuals exceeding plan.
1.459*	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,759,079	1,326,390	75%	57%	1,730,552	2%	The service has faced continuing health orders that have limited the provision of the programs. Some maintenance labor cost was redirected to capital work resulting in a minor savings in operating expenditure. It is anticipated that higher activity in Q4 will result in actuals in line with plan.	1,759,079	1,679,870	95%	89%	1,782,552	-1%	Revenues are approximately 88% from requisition; 12% fees. The service has faced health orders that have limited the provision of indoor programs in the first 2 quarters. Higher recreation activityin Q3 and projected to continue into Q4, with pool drop-in fees and annual membership revenue expected to be slightly above plan.
1.521	Environmental Resource Management	25,176,280	16,958,202	67%	56%	24,895,340	1%	Operational services are continuing as planned. Experienced additional heavy equipment services costs related to landfilling of standard refuse and controlled wastes. Expenses offset by savings on Leachate operations supply and Hartland diversions programs.	25,176,280	24,317,624	97%	82%	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. There is also an observed increase in traffic across the public scales. Overall revenue for 2021 is forecasted to be higher than budget by \$3.3M.
1.576	Environmental Engineering Services	2,802,602	1,587,057	57%	73%	2,230,177	20%	Service involves the delivery of engineering and project management service to multiple services in the CRD's recreation and environmental management services. Savings due to temporary staff vacancies (18%) are expected to continue through the remainder of year.	2,802,602	1,916,682	68%	83%	2,441,438	13%	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 Q4.
1.577	IW - Environmental Operations	11,626,417	8,391,719	72%	80%	11,123,590	4%	Overhead service budget, continuing to deliver services as planned. Expenditures forecast slightly under budget for the year due to temporary staff vacancies providing salary savings.	11,626,417	8,974,924	77%	83%	11,971,820	-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	5,696,645	69%	65%	8,126,941	1%	Service involves the delivery of environmental regulation and monitoring programs, continuing to provide service as planned. Forecast largely in line with budget.	8,238,988	6,262,210	76%	73%	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	1,671,305	64%	67%	2,544,518	2%	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	1,915,483	74%	76%	2,528,840	3%	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	1,291,126	75%	75%	1,720,734	0%	This is a contribution service that provides support to CREST based on a service agreement. Operating expenses are on track with budget.	1,723,234	1,721,139	100%	100%	1,722,734	0%	Operating revenues are primarily requisition and are on track with budget.
2.610	Saanich Peninsula Water Supply	7,169,999	6,894,646	96%	75%	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	6,857,146	96%	85%	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	17,700,080	51%	50%	34,135,156	2%	Operational services and system maintenance are continuing as planned. Operational savings forecasted due to temporary staff vacancies.	34,921,283	29,575,077	85%	78%	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	11,818,614	57%	53%	20,716,628	0%	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	18,979,160	91%	81%	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	16,493,958	56%	47%	26,275,994	11%	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 partially offset by increased contract for services required for first year of treatment and conveyance operations. These trends were present during Q1-Q2 and have continued into Q3.	29,538,628	28,568,825	97%	89%	28,570,828	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	2,701,892	61%	68%	3,870,602	12%	Services delivering on plan and current expenditures forecast a favourable variance as a result of operational delays on the OMS receiving facility.	4,404,946	4,203,514	95%	97%	4,231,375	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.

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			Year to Q3		Annual Forecast				Year to Q3			Annual Forecast															
Service Number	Service Description	Annual Budget \$ (As Amended)	Actuals \$	% of Budget	2020 % of Budget	\$	% Budget (over)/under	Explanation	Annual Budget \$ (As Amended)	Actuals \$	% of Budget	2020 % of Budget	\$	% Budget (over)/under	Explanation												
3.755	Regional Source Control	1,685,236	1,146,312	68%	67%	1,574,129	7%	Operational services are continuing as planned. Forecasted savings due to temporary staff vacancies.	1,685,236	1,537,229	91%	97%	1,574,129	7%	Service revenue is primarily from requisition. Forecasted reduction in internal allocation recovery revenue from Hartland Landfill.												
	Total Services above	223,203,663	81%												223,203,663	81%											
	Other CRD Services	52,242,954	19%												52,242,954	19%											
	Total CRD*	275,446,617														275,446,617											

CRHD	Capital Regional Hospital District	36,111,356	26,196,439	73%	71%	36,031,904	0%	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	33,521,491	93%	93%	36,079,224	0%	Less reserve funds will be required due to term position vacancy, hiring deferred to 2022; Revenues are primarily requisition and on track with budget.
Total CRHD		36,111,356								36,111,356					

CRHC	Administration	2,404,290	1,689,447	70%	69%	2,352,319	2%	Savings due to staff vacancies and hiring lags.	2,604,290	1,898,376	73%	66%	2,604,647	0%	The Administration revenues are directly tied to property management fees and are expected to be as planned.		
		714,500	265,264	37%	42%	351,668	51%	The Development Services expenses are directly tied to capital project fees and will be under budget due to timing of approved projects.	714,500	250,139	35%	35%	367,932	49%	The Development Services revenues are directly tied to capital project fees and will be under budget due to timing of approved projects.		
CRHC	Development Services																
		12,509,757	9,458,877	76%	75%	12,220,539	2%	Savings due to caretaker vacancies and hiring lags and lower than planned insurance deductible payments.	12,742,465	9,719,548	76%	73%	12,829,066	-1%	The UOA building revenues are made up of subsidy grants and rents. An increase in rent revenue is due to turnover in affordable units and increases in RGI units.		
CRHC	UOA buildings																
		673,604	504,820	75%	67%	665,083	1%	Small savings forecasted in utility costs.	679,433	488,019	72%	69%	658,834	3%	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	ILBC building																
		1,260,439	913,877	73%	75%	1,231,303	2%	Savings due to caretaker vacancies and hiring lags and lower than planned insurance deductible payments.	1,603,626	1,212,053	76%	74%	1,628,580	-2%	The NOA building revenues are made up of tenant rents, with the increase in rent revenue due to turnover in affordable units.		
CRHC	NOA buildings																
		7,265,797	4,855,312	67%	76%	6,846,969	6%	Savings due to caretaker vacancies and hiring lags and lower than planned maintenance, insurance premium and insurance deductible payments.	6,168,012	4,001,010	65%	72%	5,800,700	6%	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.		
CRHC	RHFP buildings																
		670,871	491,065	73%	n/a	652,025	3%	Savings due to caretaker vacancies and hiring lags and lower than planned insurance deductible payments.	812,668	627,578	77%	n/a	839,360	-3%	The IHI building revenues are made up of tenant rents, with the increase in rent revenue due to turnover in affordable units.		
CRHC	IHI building																
Total CRHC**		25,499,258														25,324,994	
Total Services (CRD + CRHD + CRHC)		337,057,231														336,882,967	

****Amended Budget as at July 14, 2021 (CRHC Board Approved)**