

Capital Regional District
Quarterly Operating Variance Report - Q4, 2021
Service Budgets Greater than \$1,500,000

		Operating Expenses				Operating Revenue				2021 Surplus / (Deficit)		
			Actual				Actual					
Service Number	Service Description	Annual Budget \$ (Schedule A)	Actual \$	% Budget (over)/under	Explanation	Annual Budget \$ (Schedule A)	Actual \$	% Budget (over)/under	Explanation	\$	% Budget	Treatment of Surplus / (Deficit)
1.010	Legislative & General	25,887,694	24,453,376	6%	Largely due to one-time savings on timing of staff vacancies, and deferral of some one-time spending from 2021 to 2022.	25,887,694	26,902,828	-4%	Half of 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.	2,449,452	9%	Transfer \$1.2m to Operating Reserve Fund and Carryforward \$1.2m to 2022
1.105	Facility Management	1,690,872	1,432,932	15%	Service involves the provision of facilities management services to CRD HQ and satellite facilities, and IWS facilities. Savings are due to one-time staff vacancies.	1,690,872	1,446,130	14%	Revenue largely from provision of facilities management services. Under budget due to one-time vacancies throughout the year.	13,198	1%	Transfer to Operating Reserve Fund
1.226	Health Facilities - VIHA	1,580,254	1,631,243	-3%	Service involves leasing of CRD buildings to VIHA, and is 100% recovery from tenant. Any potential surpluses are returned to tenant. Expenditures higher than budget due to higher utility and maintenance costs partially offset by reduced work service levels as a result of COVID-19 restrictions.	1,580,254	1,631,243	-3%	Service involves leasing of CRD buildings to VIHA and is 100% recovery from tenant. Any potential surpluses are returned to tenant.	0	0%	N/A
1.280	Regional Parks	16,391,381	16,061,678	2%	Savings are due to one-time staff vacancies partially offset by extra costs related to bylaw enforcement and rangers in the park.	16,391,381	16,728,592	-2%	Revenues primarily from requisition. Additional revenue received from internal recovery, higher one-time grants, fee revenues and \$200,000 from COVID-19 Restart funding.	666,914	4%	Transfer to Capital Reserve Fund
1.297	Arts Grants & Development	2,942,074	2,930,219	0%	Service is a grant funding service at full compliment, with grant funds available to arts organizations disbursed in line with budget.	2,942,074	2,966,787	-1%	Revenues primarily from requisition. Additional revenue received from internal recovery and one-time municipal contribution.	36,568	1%	Transfer \$5k to Equipment Reserve Fund, and \$32k to Operating Reserve Fund
1.310	Land Banking & Housing	2,692,517	2,520,273	6%	Under budget due to savings from one-time staff vacancies.	2,692,517	2,737,155	-2%	50% requisition, 48% grants and other, 2% surplus carry forward. Additional revenue in federal grants related to Reaching Home program.	216,882	8%	Transfer \$105k to Operating Reserve Fund and \$111k Carry forward to 2022
1.311	Regional Housing Trust Fund	4,511,970	297,147	93%	Expenses are driven by grants to 3rd party housing service providers, which can vary based on eligibility and selection, as well as timing of municipal approvals. Surpluses are carried forward.	4,511,970	4,550,900	-1%	78% from surplus carry forward, 22% from requisition. Additional revenue due to interest revenue.	4,253,753	94%	Carry forward to 2022
1.318	Building Inspection	1,653,290	1,419,910	14%	Underspend largely due to one-time staff vacancies and reduced travel costs due to COVID-19.	1,653,290	1,645,148	0%	Revenues are approximately 70% from permit fees; 30% requisition. Revenue is on budget for 2021. Permit fee revenue is higher than budget due to an increased number of permit requests and a new permit fee structure implemented in Q2. This increase in revenue was offset by a reduced transfer from the operating reserve fund.	225,238	14%	Transfer \$100k to Operating Reserve Fund and \$125k to Equipment Reserve Fund
1.324	Regional Planning Services	1,662,662	1,200,339	28%	Savings are due to underspending on program development costs, including Implementation of Data Review project (fewer bike counters required); and auxiliary wages and contractor costs.	1,662,662	1,665,370	0%	Revenues for service are primarily requisition and fixed allocation. Small variance due to interest income and the sale of bike maps.	465,031	28%	Transfer \$277k to Operating Reserve Fund and \$188k to Equipment Replacement Fund
1.40X	SEAPARC	3,684,094	3,681,930	0%	Throughout the year, the service monitored and responded to health orders that limited the levels of indoor programs. Savings in Q1 and Q2 in payroll, utilities, and reduced general operations occurred due to limits on programming. These savings were later offset by increased operations in Q3 and Q4.	3,684,094	3,858,992	-5%	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, this was offset in Q3 and Q4 which experienced higher activity including the return of annual memberships, resulting in actuals exceeding plan.	177,062	5%	Transfer to Capital Reserve Fund
1.44X	Panorama Rec. Center	8,071,561	7,816,325	3%	Throughout the year, the service monitored and responded to health orders that limited the levels of indoor programs. Savings were seen in lower than budgeted maintenance costs, vacant positions, and utilities costs.	8,071,561	8,779,854	-9%	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 and Q4 experienced higher recreation activity, along with the introduction of a new child care service area that is fully funded from grants and fees, resulting in actuals exceeding plan.	963,529	12%	50% Transfer to Capital Reserve Fund, 25% Transfer to Equipment Replacement Fund and 25% to Operating Reserve Fund
1.459*	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	1,759,079	1,761,859	0%	Throughout the year, the service monitored and responded to health orders that limited the levels of indoor programs. Higher levels of activity and provision of programs in Q3 and Q4 resulted in expenses coming in line with plan.	1,759,079	1,786,379	-2%	Health orders limiting the provision of indoor programs ended in Q3 resulting in pool fees and annual membership revenue above plan. The service also received additional Safe Restart grant funding to support the core budget.	24,520	1%	Transfer \$4k to Operating Reserve Fund and transfer \$21k to Capital Reserve Fund
1.521	Environmental Resource Management	25,260,498	27,132,333	-7%	Experienced higher operating costs due to increased landfilling of standard refuse and controlled waste (Residual Treatment Facility) tonnages, and additional contribution to sustainability reserve.	25,260,498	32,334,865	-28%	Revenues exceeded budget largely due to higher than estimated waste revenues during a strong construction and development market, as well as additional tonnages of controlled waste. Other minor increases in revenue from higher use of kitchen scraps facility and stronger than anticipated scrap metal markets.	5,202,532	21%	Transfer to Capital Reserve Fund
1.576	Environmental Engineering Services	2,802,602	2,181,032	22%	Service involves the delivery of engineering and project management to multiple services in the CRD's recreation and environmental management services. Savings are largely due to temporary staff vacancies (18%).	2,802,602	2,429,877	13%	Revenue driven by providing engineering and project management service to multiple service in the CRD's recreation and environmental services areas.	248,845	9%	Carry forward to 2022 of \$55K for vehicle purchase, \$115K to support densification initiative, and balance of \$79K transfer to Equipment Replacement Fund
1.577	IW - Environmental Operations	11,626,417	11,432,190	2%	Overhead service budget, delivering services as planned. Expenditures slightly under budget due to temporary staff vacancies providing salary savings.	11,626,417	12,145,743	-4%	Revenues are driven by providing services to other CRD services. Additional recovery revenue provides favourable variance.	713,553	6%	Transfer to Equipment Replacement Fund
1.578	Environmental Protection and Water Quality	8,238,988	7,758,690	6%	Overhead service budget provided service as planned for the year. Savings largely due to one-time staff vacancies.	8,238,988	8,006,093	3%	Revenues are driven by providing services to other CRD services. Under budget as a result of less labor allocation charges due to temporary staff vacancies.	247,403	3%	Transfer to Equipment Replacement Fund
1.911	911 Systems	2,595,230	2,522,108	3%	This service receives 911 levy contributions from phone carriers and pays a portion of these to municipalities. Reduced 911 levies from phone carriers resulted in a lower payment distribution compared to budget.	2,595,230	2,491,298	4%	Sources of revenue are fixed source requisitions, lease revenue, and variable 911 levies received from phone carriers. Under budget due to a drop in 911 levies.	(30,810)	-1%	Reduced transfer to Equipment Reserve Fund
1.921	Regional CREST	1,723,234	1,719,935	0%	This is a contribution service that provides support to CREST based on a service agreement. Operating expenses were on track with the budget.	1,723,234	1,721,493	0%	Operating revenue is primarily from requisition and was in line with budget.	1,558	0%	Carry forward to 2022
2.610	Saanich Peninsula Water Supply	7,169,999	7,642,515	-7%	Operational services and system maintenance continued as planned. Expenditures were higher than budget due to increased bulk water purchases.	7,169,999	8,148,105	-14%	Revenues are driven by seasonal water sales. Demand exceeded budgeted 6.8 million cubic metres for 2021 due to increased temperatures and lack of precipitation over the summer.	505,590	7%	Transfer to Capital Reserve Fund
2.670	Regional Water Supply	34,921,283	34,549,162	1%	Operational services and system maintenance continued as planned. Operational savings resulted from one-time staff vacancies. These savings are partially offset by increased fleet costs and an increase in agricultural water subsidy expense for the year related to higher consumption.	34,921,283	37,798,457	-8%	Revenues are driven by seasonal water sales. Demand exceeded the budgeted 48.0 million cubic metres for 2021 due to increased temperatures and lack of precipitation over the summer.	3,249,295	9%	Transfer to Water Capital Fund
2.680	Juan de Fuca Water Distribution	20,793,372	22,030,834	-6%	Operational services and system maintenance are continuing as planned. Operational costs exceed budget primarily due to increased bulk water purchases.	20,793,372	24,024,083	-16%	Revenues are driven by seasonal water sales. Demand exceeded the budgeted 8.9 million cubic metres for 2021 due to increased temperatures and lack of precipitation over the summer.	1,993,249	10%	Transfer to Water Capital Fund
3.717	Core Area Wastewater Operations	29,338,628	23,742,784	19%	Expanded wastewater treatment and conveyance operations (i.e. existing and new infrastructure) began in Q1 2021. Savings in electricity, chemicals, and R&M were partially offset by increased contract for services in the first year of treatment and conveyance operations. Temporary savings from reduced residual treatment payments occurred throughout 2022, due to quality assurance and operational optimization issues. It is expected the Residual Treatment Facility will be operating as intended in 2022.	29,338,628	28,387,428	3%	Service revenues are primarily from requisition. Revenue is under budget due to delays in operational readiness of the OMS receiving facility at the Residual Treatment Facility.	4,644,644	16%	\$2.2M - RTF Operating Reserve Fund \$921k - Core Area Operating Reserve Fund \$919k - Equipment Replacement Fund \$387k - Env Programs Operating Reserve Fund \$197k - Carry forward to 2022 to offset one-time Environmental Programs, net new equipment
3.718	Saanich Peninsula Wastewater	4,404,946	3,855,757	12%	Services delivered on plan. Total annual expenditures resulted in a favourable variance as a result of operational delays on the OMS receiving facility.	4,404,946	4,233,627	4%	Service revenues are primarily from requisition. Total annual revenues under budget as a result of lower heat recovery revenue from Panorama Rec.	377,870	9%	Transfer \$373k to Capital Reserve Fund and \$5k to Operating Reserve Fund (Env. Services)
3.755	Regional Source Control	1,685,236	1,567,030	7%	Operational services continued as planned. Variance due to further delaying the Enhanced Key Manhole sampling project to 2022, resulting from COVID-19 related business interruptions and reduction in tourism.	1,685,236	1,592,078	6%	Service revenues are primarily from requisition. Less reserve funds required in 2021, as funding the Enhanced Key Manhole sampling project is deferred to 2022.	25,048	1%	Transfer to Operating Reserve Fund
Total Services above Other CRD Services Total CRD*		223,087,881 52,368,736 275,456,617	81% 19%			223,087,881 52,368,736 275,456,617	81% 19%					

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		Actual				Actual						
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CRHD	Capital Regional Hospital District	36,111,357	35,797,589	1%	Savings are primarily due to lower debt servicing and property management costs.	36,111,357	35,849,077	1%	Less reserve funds required due to term position vacancy and savings on property management budgets.	51,488	0%	Transfer to Administration and Feasibility Reserve
	Total CRHD	36,111,357				36,111,357						
CRHC	Administration	2,404,290	2,247,616	7%	Savings due to temporary staff vacancies and hiring lags.	2,604,290	2,610,709	0%	The Administration revenues are directly tied to property management fees and are as planned. Revenues in line with budget.	163,093	6%	Transfer to Operating Reserve Fund
CRHC	Development Services	714,500	354,976	50%	The Development Services expenses are directly tied to capital project fees and are under budget due to timing of approved projects.	714,500	367,871	49%	The Development Services revenues are directly tied to capital project fees and are under budget due to timing of approved projects.	12,895	2%	Transfer to Operating Reserve Fund
CRHC	UOA buildings	12,509,757	12,597,665	-1%	Minor variance related to higher utility and maintenance expenses.	12,742,465	12,925,378	-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.	95,005	1%	Transfer to Operating Reserve Fund
CRHC	ILBC building	673,604	672,793	0%	Portfolio delivered on plan.	679,433	657,984	3%	The ILBC building revenues are made up of grants and rents tied to occupancy controlled by Island Health. Under budget due to vacancies managed by Island Health.	(20,638)	-3%	Transfer to Operating Reserve Fund
CRHC	NOA buildings	1,260,439	1,246,405	1%	Savings due to caretaker vacancies and hiring lags and lower than planned insurance deductible payments.	1,603,626	1,623,773	-1%	The NOA building revenues are made up of tenant rents, with the increase in rent revenue due to turnover in affordable units.	34,181	2%	Transfer to Operating Reserve Fund
CRHC	RHFP buildings	7,265,797	6,936,743	5%	Savings due to caretaker vacancies and hiring lags and lower than planned maintenance, insurance premium and insurance deductible payments.	6,168,012	5,833,633	5%	Under budget due to slower than planned rent-up of new buildings. Portfolio deficit addressed by transfers from operating reserve and capital surpluses.	(5,325)	0%	Transfer to Operating Reserve Fund
CRHC	IHI building	670,871	664,663	1%	Savings due to caretaker vacancies and hiring lags and lower than planned insurance deductible payments.	812,668	834,964	-3%	The IHI building revenues are made up of tenant rents, with the increase in rent revenue due to turnover in affordable units.	28,504	4%	Transfer to Operating Reserve Fund
	Total CRHC**	25,499,258				25,324,994						
	Total Services (CRD + CRHD + CRHC)	337,067,232				336,892,968						

*Amended Budget as at November 10, 2021 (#Bylaw 4456)
**Amended Budget as at July 14, 2021 (CRHC Board Approved)