

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 \$4.6 million or 1.7%. Table 1 and 2 provide a detailed listing of changes to the operating budget since Provisional.

Table 1: Changes in Operating Expenses – Staff Identified Requirements

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Legislative and General Government	0.100	Commission Governance Review	Regional	Reserve (one-time)	Staff Identified Requirement
	Review of the CRD's 60 plus commissions and committees in the areas of governance, authority, records collection and FOI compliance, administrative support and adherence to CRD policy. Will address current inconsistencies and gaps in authority and mandate, effective service delivery and governance structure, and recommendations for consistency in aspects such as appointment processes and membership terms, meeting procedures, financial management and decision making authority.				
	0.100	Automate Capital Reporting	Regional	Reserve (one-time)	Staff Identified Requirement
	Automate manually intensive quarterly capital project variance reporting. Originally structured as a pilot, the report has provided value internally and publicly through the quarterly CAO report. Expanding to support more timely production, enhanced performance monitoring and decision support are included in the scope.				
	0.170	Various Human Resource Initiatives	Regional	Reserve (one-time)	Staff Identified Requirement
	In alignment with the approved Organizational Development Plan (ODP) and workforce development strategy the following initiatives have been added to the service plan and related budget; <ul style="list-style-type: none"> • iLead Leadership Development Program - offer a 2020 cohort certificate program • Hiring Dashboard Maintenance - updates to the job posting and application collection tool • Certificate of Recognition - to support a safe and healthy application for the Certificate of Recognition (CoR) Program through WorkSafeBC • Diversity and Inclusivity review – in alignment with actions identified through the Special Task Force on First Nations, CRD will develop and implement a comprehensive diversity and inclusion program 				
Solid Waste	0.943	Early payout of outstanding loan to reduce interest costs	Regional	Carry Forward (one-time)	Staff Identified Requirement
	Change in budget assumptions, given timing of existing debt renewal in early 2020. Surplus monies on hand a result of higher than planned revenues.				
Subtotal	\$1.313				

Table 2: Drivers for Change in Operating Expenses

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Legislative and General Government	0.150	Corporate Services – Electronic Document and Records Management (EDRM)	Regional	Reserve (one-time)	Governance & Finance Committee October 30, 2019
	IBC 15f1.3 - begin modernizing its corporate records management program and will update its records management policies, Records Classification Schedule (RCS or file plan), develop training resources, select software and implement an Electronic Document and Records Management Solution (EDRMS) pilot project. One-time project money to be expended from operating budget in 2020. Due to timing - not included in operating at provisional. Funded from Reserve.				
	0.026	Board – update to remuneration reflecting update to CPI and benefit rate adjustment	Regional	Requisition (ongoing)	Change in Budget Assumptions
	Update for CPI adjustment implemented to 2020 Board remuneration and increase in Board remuneration (due to One-time exception to policy implemented in 2019) resulted in higher levels of statutory dedications.				
	0.012	Human Resources – Increase in GVLRA Fees	Regional	Reserve (ongoing)	Change in Budget Assumptions
	Adjustment to GVLRA membership fee, as provided by the GVLRA, and as a result of changes to GVLRA membership and staff resources.				
	0.060	Heritage Conservation Policy development and implementation deferred from 2019 to 2020 (previously identified as First Nation Archeology Study)	Regional	Reserve (one-time)	Included in 2019 Service Plan
	Work plan carried forward due to new priorities advanced by the CAWTP team. One-time funds required for Policy implementation through staff training sessions on RAAD and CAD systems; Archeologist-lead cultural orientation sessions for project management staff and contractors; support for engagement with First Nations to develop archeological protocols to enhance the heritage conservation policy.				

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Climate Action and Adaptation	0.050	Funding for a regional greenhouse gas emissions inventory and modelling study, deferred from 2019 to 2020	Regional	Carry Forward (one-time)	Included in 2019 Service Plan
	Work plan carried forward as initiative is associated with a term position funded in part through the BC Hydro Community Energy Manager grant program. Grant Process and associated staff recruitment took longer than expected. Plan to complete in Q2 2020.				
Regional Parks	0.109	Increase in Land Acquisition Fund transfer as a result of the change in average residential home values.	Regional	Requisition (ongoing)	Land Acquisition Strategy
	2020 completed assessment values resulted in a change to the total levy to be collected.				
Regional Housing Trust Fund	0.676	West Park Lane grant funding was delayed from November 2019 to Spring 2020	Sub-Regional	Carry Forward (one-time)	Included in 2019 Service Plan
	Delay in receiving the building permit, and related documents for the funding agreement.				
CAWTP*	0.549	Net change in debt expenditures due to refinement of FCM financing agreement.	Sub-Regional	Existing Requisition (Ongoing)	Change in Assumptions – Existing Service Plan
	Change in assumptions contract terms and operating estimates. 1) Reduction in contract for services related to refinement of costs of disposal of biosolids 2) Reduction in transfers to capital project 3) Revised debt servicing estimates due to FCM loan agreement terms				
	(6.300)	Reduction in capital funding to project	Sub-Regional	Existing Requisition (Ongoing)	Change in Assumptions – Existing Service Plan
	Reclassification of ongoing operating commitment from transfer to capital to operating reserve to reflect appropriate designation of funding.				

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	6.600	Increase in funding to operating reserve for future operations	Sub-Regional	Existing Requisition (Ongoing)	Change in Assumptions – Existing Service Plan
	Same as above.				
Liquid Waste Management Plan	0.840	Allocation of expense for initializing disposal of biosolids associated with CAWTP	Sub-Regional	Reserve (one-time)	Change in Assumptions – Existing Service Plan
	Assumption change to reflect the anticipated costs for biosolid disposal.				
Regional Source Control	0.062	5 year plan review and fermentation project deferred from 2019 to 2020	Sub-Regional	Carry Forward (one-time)	Included in 2019 Service Plan
	<p>5-year plan review: Work plan delayed by one year due to overall LWMP reviews that occurred in 2019. RSCP review was originally scheduled for early completion in 2019 and now will be done by Q4 2020.</p> <p>Fermentation Project: Due to less breweries participating in the project than anticipated, the study was extended into 2020 to collect more months of data within the same assigned budget. Plan to complete in Q2 2020.</p>				

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On Site System Management Program	0.129	Database consulting work delayed from 2019 to 2020 due to lack of available vendors	Sub-Regional	Carry Forward, Reserves (one-time)	Included in 2019 Service Level
Work plan carried forward due to initial consultant estimates exceeding project budget. A project rescoping is underway with IT department. Anticipated completion by end of 2020.					
All other services (Including EA)	0.324	Net increase across 67 other services			
Subtotal	\$3.287				
Total (Table 1 & 2)	\$4.600				

Operating Revenue

New initiatives and service plan adjustments since the provisional budget are funded through a variety of revenue sources totaling \$4.6 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
Solid Waste Disposal	0.943	To fund one-time charge to exercise option to payout of a loan early to reduce interest expense	Regional	Staff Identified Requirement
Regional Housing Trust Fund (RHTF)	0.676	Related to grant funding that was not disbursed in 2019 due to minor project delay. This will be granted in 2020	Sub-Regional	Included in 2019 Service Plan
Land Banking & Housing	0.216	Due to staff vacancies in the RHFP program, and savings on consultant contracts	Regional	Staff Identified Requirement
Environmental Services	0.100	Carry forward of operating to fund purchase of minor equipment.	Regional	Staff Identified Requirement
Trunk Sewers Debt	0.232	Interest savings in 2019 due to refinancing of existing loan carried forward to reduce requisition and invoicing.	Sub-Regional	Staff Identified Requirement
Regional Source Control	0.098	Carry forward of operating for 5 year plan review and fermentation project	Sub-Regional	Included in 2019 Service Plan
Septage Disposal – Municipal	0.064	Carry forward funds pending direction on Septage Disposal Agreement.	Sub-Regional	Included in 2019 Service Plan
Climate Action and Adaptation	0.051	Carry forward of operating for regional greenhouse gas emissions inventory and modelling study	Regional	Included in 2019 Service Plan
All other services (Including EA)	0.356	Net increase across 56 other services		
Total	\$2.7			

Table 3: Drivers for Change in Transfer from Reserves Revenue

Service	(\$M) Change	Description	Impact	Direction
Legislative and General Government	0.150	Corporate Services – Funding for Electronic Document and Records Management (EDRM)	Regional	Governance & Finance Committee October 30, 2019
	0.012	Human Resources – Funding for Increase in GVLRA Fees	Regional	Change in Budget Assumptions
	0.060	Funding for First Nation Archeology Study deferred from 2019 to 2020	Regional	Included in 2019 Service Level
	0.100	Corporate Services – Funding for Commission governance review	Regional	Staff Identified Requirement
	0.100	Finance – Funding for Enhanced Capital Reporting	Regional	Staff Identified Requirement
	0.060	Human Resources – Funding for iLead program funding for 2020	Regional	Adjustment to Existing Service Level
	0.020	Human Resources – Funding for Hiring Dashboard Maintenance	Regional	Staff Identified Requirement
	0.040	Human Resources – Funding for Certificate of Recognition	Regional	Staff Identified Requirement
	0.050	Human Resources – Funding for Diversity and inclusivity review of HR Development Plan	Regional	Staff Identified Requirement

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Liquid Waste Management Plan	0.840	Funding for initializing disposal of biosolids associated with CAWTP	Sub-Regional	Change in Assumptions
On Site System Management Program	0.088	Partial funding for database consulting work, delayed from 2019 to 2020 due to lack of available vendors	Sub-Regional	Carry Forward
All other services (Including EA)	0.080	Net increase across 7 other services		
Total	\$1.6			

Table 4: Drivers for Change in Requisition Revenue

Service	(\$M) Change	Description	Impact	Direction
Regional Parks	0.101	Increase in Land Acquisition Fund transfer as a result of the change average residential home values	Regional	Land Acquisition Strategy
Core Area Trunk Sewers - Debt	(0.239)	Use of 2019 surplus to reduce requisition	Sub-Regional	Revised Amount
Core Area Wastewater Treatment and Trunk Sewers	(1.387)	View Royal moving from requisition to invoice for Sewer services	Sub-Regional	Operating Agreement February 12, 2020
Land Banking & Housing	(0.154)	Use of 2019 surplus to reduce requisition	Regional	Revised Amount
All other services (Including EA)	(0.021)	Net increase across 82 other services		
Total	\$(1.700)			

Table 5: Drivers for Change in Payments in Lieu of Taxes (PILT)

Municipality (\$M)	2020 Final	2020 Prelim	\$ Change	% Change
Township of Esquimalt	2.170	2.002	0.168	8%
City of Victoria	0.458	0.438	0.020	5%
District of North Saanich	0.265	0.280	-0.015	-5%
City of Colwood	0.246	0.228	0.018	8%
District of Saanich	0.196	0.187	0.009	5%
District of Metchosin	0.100	0.097	0.003	3%
Electoral Areas	0.056	0.054	0.002	4%
City of Langford	0.028	0.022	0.006	27%
District of Central Saanich	0.020	0.019	0.001	5%
Town of Sidney	0.010	0.009	0.001	11%
District of Sooke	0.007	0.006	0.001	17%
Town of View Royal	0.006	0.005	0.001	20%
District of Oak Bay	0.001	0.001	-	0%
Total	\$3.563	\$3.348	\$0.215	6%

* excludes municipalities and electoral areas that do not receive PILT