

**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 \$3.5 million or 1.1%. 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
<b>Climate Action and Adaptation</b>	0.924	Updated Climate Action Strategy	Regional	Requisition (ongoing)	CRD Board, February 9, 2022
	A Board directive to respond to a declaration of Climate Emergency led to the development of an updated Climate Action Strategy with increased service levels. Key initiatives include the Regional Building Energy Retrofit Program for \$603k, Public EV Coordinator for \$240k, and Corporate Energy Key Project Manager for \$81k.				
<b>Regional Housing Trust Fund</b>	0.800	Drennan and Sooke Housing Project funding delayed from 2021 to Spring 2022	Sub-Regional	Carry Forward (one-time)	Included in 2021 Service Plan
	Carryforward of unspent funds from 2021 due to the timing of grant recipients meeting funding eligibility. Approved grant recipients will receive funds in 2022.				
<b>Pender Islands Health Care Centre</b>	0.226	Establishment of a new Health Care Centre service for Pender Islands	Local Area	Requisition (ongoing)	CRD Board, December 8, 2021
	The establishment of this service has been introduced since preliminary budget through bylaw No. 4441. The new service will contribute to the costs of administration and operation of the Pender Islands Health Care Centre.				
<b>Environmental Engineering</b>	0.170	Office space considerations and vehicle purchase	Regional	Carry Forward (one-time)	Included in 2021 Service Plan
	Carry forward 2021 surplus to fund a vehicle purchase from 2021 that was not completed; carry forward funds from the HQ2 study initiative to assist in funding the densification initiative.				

<b>Legislative and General Government</b>	0.207	Human Resources initiatives	Regional	Reserve (one-time)	Staff Identified Requirement
	Additional iLead program to be conducted in 2022 for \$60k; IT Services Review added for 2022 for \$60k; revised 2022-2026 IBC for HRIS, which recognizes a correction to the consultancy costs, with a \$87k impact for 2022.				
	0.184	First Nations initiatives	Regional	Reserve (one-time)	Included in 2021 Service Plan
	Carry-forward of unspent funds from 2021 for archeology work for \$35k, cultural programming/training for \$95k, and indigenous internship program for \$54k.				
	0.175	Corporate Emergency initiatives	Regional	Carry Forward (one-time)	Included in 2021 Service Plan
	Work carried forward to 2022 of \$142k for Regional Emergency Planning Response and Corporate EOC costs, \$25k Emergency Exercise Program deferred due to COVID-19; \$8k for retention of an RRU co-op student to assist Protective Services with the EM software roll out.				
	0.094	Finance initiatives	Regional	Reserve (one-time)	Included in 2021 Service Plan
	Consultancy work carried forward from 2021 relating to the Internal Financial Controls Program for \$50k and the Asset Management CAMS Decision-Making and Lifecycle Costing Project for \$40k.				
	0.055	Corporate Services initiatives	Regional	Reserve (one-time)	Included in 2021 Service Plan
	Carry forward of planned 2021 work for EDRMS consultancy.				

<b>Environmental Resource Management</b>	0.108	Landfill security services	Regional	Other Revenue (ongoing)	Change in Budget Assumptions
	Landfill security services was adjusted to reflect a more accurate estimate based on the tender process.				
<b>SGI Small Craft Harbour Facilities</b>	0.056	Operating cost and debt adjustment	Local Area	Requisition (one-time)	Change in Budget Assumptions
	Operating cost increase due to higher wharfinger compensation, delayed closure of Horton Bay dock, and one-time start-up costs for new Anson Rd dock. Debt costs increased due to higher borrowing required to finance construction of Anson Rd Dock Facility and Swartz Bay Improvements and Dock Replacement.				
<b>911 Call Answer - Municipalities</b>	0.051	Call levy adjustment	Sub-Regional	Requisition (ongoing)	Change in Budget Assumptions
	Higher 2021 deficit carryforward due to lower 911 Call Levy revenue in 2021, which lowered the 2022 revenue projection in alignment with historical actual revenue trends.				
<b>911 Systems</b>	(0.079)	Call levy adjustment	Regional	Service Fees (ongoing)	Change in Budget Assumptions
	Due to lower than estimated 911 call levy in 2021, the budget for 2022 was adjusted to reflect updated estimate due to experience in 2021.				
<b>All other services (Including EA)</b>	0.479	Net increase across 82 other services			
<b>Subtotal</b>	<b>\$3.450</b>				

**Operating Revenue**

Service plan adjustments and budget assumption changes since the provisional budget are funded through a variety of revenue sources totaling \$3.5 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
<b>Regional Housing Trust Fund (RHTF)</b>	0.800	Carry forward of unspent funds from 2021 due to the timing of grant recipients meeting funding eligibility.	Sub-Regional	Included in 2021 Service Plan
<b>Corporate Emergency</b>	0.175	Carry forward of funding, for regional emergency initiatives to be completed in 2022.	Regional	Included in 2021 Service Plan
<b>Environmental Engineering</b>	0.170	Carry forward to fund a vehicle purchase from 2021 that was deferred to 2022; HQ2 study initiative to assist in funding the densification initiative.	Regional	Included in 2021 Service Plan
<b>Land Banking and Housing</b>	0.065	Carry forward of unspent grant funding, to be used to offset consultant fees carried forward from 2021, and adjust allocation recoveries.	Regional	Revised Amount
<b>NET &amp; ECI Sewer Upgrade - Debt</b>	0.056	Debt reserve fund earnings returned upon debt maturity, carried forward as requisition to be returned.	Sub-Regional	Revised Amount
<b>All other services (Including EA)</b>	0.124	Net increase across 42 other services		
<b>Total</b>	<b>\$1.390</b>			

**Table 3: Drivers for Change in Transfer from Reserves Revenue**

Service	(\$M) Change	Description	Impact	Direction
<b>Legislative and General Government</b>	0.207	Human Resources - Increased transfer from operating reserve to support additional 2022 iLead program, IT Services Review, and revised HRIS consultancy costs.	Regional	Staff Identified Requirement
	0.184	First Nations - Funding for initiatives carried forward from 2021 for archeology work, cultural programming and training, indigenous internship program.	Regional	Included in 2021 Service Plan
	0.090	Finance - Funding for 2021 committed work carried forward for Internal Financial Controls Program and the Asset Management CAMS Decision-Making and Lifecycle Costing Project.	Regional	Included in 2021 Service Plan
	0.055	Corporate Services - Funding for EDRMS work deferred from 2021.	Regional	Included in 2021 Service Plan
<b>All other services (Including EA)</b>	0.145	Net increase across 14 other services		
<b>Total</b>	<b>\$0.681</b>			

**Table 4: Drivers for Change in Requisition Revenue**

Service	(\$M) Change	Description	Impact	Direction
<b>Climate Action and Adaptation</b>	0.923	Increase due to new service levels associated with the updated Climate Action Strategy. New initiatives include the Regional Building Energy Retrofit Program, Public EV Coordinator and Corporate Energy Key Project Manager.	Regional	CRD Board, February 9, 2022
<b>Pender Islands Health Care Centre</b>	0.226	Increase due to the establishment of Pender Islands Health Care Centre service.	Local Area	CRD Board, December 8, 2021
<b>911 Call Answer - Municipalities</b>	0.076	Higher 2021 deficit carryforward due to lower 911 Call Levy revenue in 2021; lowered the 2022 revenue projection in alignment with historical actual revenue trends.	Sub-Regional	Revised Amount
<b>Core Area Wastewater Operations</b>	0.074	Change due to participation by requisition versus invoice and cost apportionment updates based on year-end flow adjustments.	Sub-Regional	Operating and Capital Agreements
<b>Core Area Wastewater Capital</b>	(0.165)	Change due to participation by requisition versus invoice and cost apportionment updates based on PILT contributions.	Sub-Regional	Operating and Capital Agreements
<b>All other services (Including EA)</b>	0.015	Net decrease across 93 other services		
<b>Total</b>	<b>\$1.149</b>			

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

Municipality* (\$M)	2022 Final	2022 Prelim	\$ Change	% Change
Township of Esquimalt	2.460	2.091	0.369	18%
City of Victoria	0.515	0.496	0.019	4%
District of North Saanich	0.304	0.276	0.028	10%
City of Colwood	0.254	0.292	-0.038	-13%
District of Saanich	0.216	0.197	0.019	10%
District of Metchosin	0.112	0.124	-0.012	-10%
Electoral Areas	0.076	0.067	0.009	13%
City of Langford	0.036	0.034	0.002	6%
District of Central Saanich	0.016	0.018	-0.002	-11%
Town of Sidney	0.009	0.009	-	0%
District of Sooke	0.007	0.007	-	0%
Town of View Royal	0.006	0.006	-	0%
District of Oak Bay	0.001	0.001	-	0%
<b>Total</b>	<b>\$4.012</b>	<b>\$3.618</b>	<b>\$0.394</b>	<b>11%</b>

\*Excludes municipalities and electoral areas that do not receive PILT