

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 \$8.4 million or 2.6%. Table 1 provides a detailed listing of changes greater than \$50,000 to the operating budget since Provisional approval.

Table 1: Drivers for Change in Operating Expenses

Service	(\$M) Change	Description	Impact	Funding Source	Direction
Core Area Operations	1.384	Wastewater treatment operating cost adjustment	Sub-Regional	Reserve & Requisition (one-time & ongoing)	Change in Budget Assumptions
	Reflects increase in the cost of chemicals for wastewater treatment of \$900k; increased property insurance for the Residual Treatment Facility of \$253k; increased cost of waste sludge disposal at landfill of \$200k.				
Environmental Resource Management	1.244	Landfill operating cost adjustment	Regional	Other Revenue & Reserve (one-time & ongoing)	Change in Budget Assumptions
	Reflects a one-time payment of \$1M with the termination of the electricity sales agreement with BC Hydro with the migration to the RNG project; increased contract costs for roads maintenance of \$180k; \$64k for a collective agreement adjustment for Union and Exempt employees.				
Millstream Remediation	0.415	Debt payout	Sub-Regional	Reserve (one-time)	Change in Budget Assumptions
	MFA debt issues up for refinancing in 2023 will exercise the early payout option, funded from reserve.				
Climate Action & Adaption	0.278	Climate Action Initiatives	Regional	Other Revenue (ongoing)	Change in Budget Assumptions
	Increased transfer to capital expense, related to CRD Public Electric Vehicle Charging Network project. Additional grant funding anticipated for this initiative through the Investing in Canada Infrastructure Program.				

Regional Goose Management	0.238	Establishment of the Regional Goose Management service	Regional	Requisition (ongoing)	CRD Board, February 8, 2023
	The establishment of this service has been introduced since preliminary budget through bylaw No. 4522. Per Board directive, the new service was established to address increasing regional population and inter-regional impacts of non-migratory, resident geese.				
IWS Operations	0.194	Collective agreement adjustment	Regional	Reserve (ongoing)	Change in Budget Assumptions
	Collective agreement adjustment for Union and Exempt employees.				

Legislative and General Government	0.450	Collective agreement adjustment	Regional	Reserve (ongoing)	Change in Budget Assumptions
	Collective agreement adjustment for Union and Exempt employees across the Legislative & General services. This includes \$141k for Information Technology, \$132k for Finance, \$46k for Human Resources, \$45k for Corporate Services, \$22k for Corporate Communications, \$16k, CAO & Executive Office, \$10k for First Nations, and \$38k in other Legislative & General services.				
	0.311	Finance initiatives	Regional	Reserve (one-time)	Included in 2022 Service Plan
	\$161k in contracted financial system review work carried forward from 2022; \$100k for Enterprise Asset Management consulting and \$50k for Internal Financial Controls program.				
	0.250	Board Directive for First Nations	Regional	Requisition (one-time)	CRD Board, September 21, 2022
	A Board directed initiative to add \$250k for Final Budget for First Nations government-to-government relationship building.				
	0.239	First Nations initiatives	Regional	Reserve (one-time)	Included in 2022 Service Plan
	Carry forward of unspent funds from 2022 for reconciliation action plan \$45k, archeology and cultural monitoring initiatives \$72k, Board and Commissions cultural training \$42k, and government-to-government consultation \$80k.				
	0.211	Information Technology initiatives	Regional	Reserve (one-time)	Included in 2022 Service Plan
	Carry forward of software licence and computer supply costs to 2023, in support of a number of 2022 IBC initiatives.				
0.165	Information Technology - recruitment & onboarding	Regional	Requisition & Reserve (one-time)	Staff Identified Requirement	

Legislative and General Government	Recruitment, cross-over and onboarding costs for IT Senior Manager hiring.				
	0.200	Corporate Services initiatives	Regional	Reserve (one-time)	Included in 2022 Service Plan
	Carry forward of unspent funds from 2022 to be spent in 2023 for EDRMS \$100k; Business Case/feasibility study for centralizing procurement for \$100k.				
	0.050	Human Resources initiatives	Regional	Reserve & Requisition (one-time & ongoing)	Staff Identified Requirement
	Additional \$50k for engaging in a corporate-wide employee survey for 2023				
	0.052	CAO Office Initiatives	Regional	Requisition (ongoing)	Change in Budget Assumptions
	Includes \$40k for potential initiatives arising from the CAO office; \$8k for additional auxiliary resourcing and \$4k for additional meeting costs.				
	0.050	Board Compensation and Orientation	Regional	Reserve & Requisition (one-time & ongoing)	Change in Budget Assumptions
	Includes \$30k for updated 2023 Board compensation adjustment, based on Victoria CPI per the Board Compensation Bylaw. An additional \$21k was carried forward from 2022 for Board Orientation expenses.				

Regional Parks	0.185	Collective agreement adjustment	Regional	Surplus (ongoing)	Change in Budget Assumptions
	Collective agreement adjustment for Union and Exempt employees.				
Environmental Protection	0.179	Additional FTE and collective agreement adjustment	Regional	Reserve & Recovery (ongoing)	Change in Budget Assumptions
	\$96k for collective agreement adjustment for Union and Exempt employees; additional 0.5 FTE wages & benefits of \$82k labour support for new Regional Goose Management service.				
SPWW	0.165	Carry forward of wastewater media costs	Sub-Regional	Reserve (one-time)	Included in 2022 Service Plan
	Delivery date for wastewater treatment media delayed from late 2022, carried forward into 2023.				
Building Inspection	0.153	Additional FTE and collective agreement adjustment	Sub-Regional	Requisition, Reserve, Fees & Charges (ongoing)	CRD Board, September 21, 2022
	A Board directive to add 1.0 FTE to Building Inspection service to address the backlog of permit applications for \$114k; \$39k for collective agreement adjustment for Union and Exempt employees.				
Community Health	0.150	Board Directive for ACEH grant funding	Regional	Requisition (one-time)	CRD Board, September 21, 2022
	Board directed initiative to extend funding for the Aboriginal Coalition to End Homelessness for the 2023 year.				
Electoral Areas Admin - Ep SSI	0.122	Salt Spring Island Initiatives	Local Area	Requisition & Surplus (one-time)	Director Approval
	Costs associated with the establishment of the Salt Spring Island Local Community Commission added \$106k in 2023, \$22k one-time initiatives for orthophoto project and funding for leasehold improvements; \$17k in collective agreement adjustment for Union and Exempt employees.				

Peninsula Recreation	0.115	Collective agreement adjustment	Sub-Regional	Reserve (ongoing)	Change in Budget Assumptions
	Collective agreement adjustment for Union and Exempt employees.				
EA Fire Protection Services	0.100	Core Governance review initiative	Local Area	Reserve (one-time)	Included in 2022 Service Plan
	Carry forward of unspent one-time costs from 2022 for Core Governance Review Initiative.				
Environmental Services Engineering	0.100	Feasibility study	Regional	Reserve (one-time)	Staff Identified Requirement
	Conduct a business case/feasibility study for a centralized project delivery office.				
	0.099	Vehicle purchase and collective agreement	Regional	Surplus & Reserve (one-time & ongoing)	Included in 2022 Service Plan
	Carry forward of unspent funds of \$60k from 2022 for deferral of a new vehicle purchase; \$39k collective agreement adjustment for Union and Exempt employees.				
Seagirt Water System	0.098	Establishment of the Seagirt Water System	Sub-Regional	Parcel Tax (ongoing)	CRD Board, December 14, 2022
	The establishment of this local service has been introduced since preliminary budget through bylaw No. 4487, following a successful elector assent approval process to convert Seagirt Improvement District (SID) and incorporate the water system into the Juan de Fuca Water Distribution service. The new service was established to finance the infrastructure improvements required as a condition of conversion.				
Facility Management	0.077	Vehicle purchase and collective agreement	Regional	Surplus & Reserve (one-time & ongoing)	Included in 2022 Service Plan
	Carry forward of unspent funds of \$50k from 2022 for deferral of a new vehicle purchase; \$27k collective agreement adjustment for Union and Exempt employees.				

Saturna Island Fire Protection	0.074	Saturna Island Initiatives	Local Area	Requisition (ongoing)	CRD Board, February 8, 2023
	Additional funding request from the Society for service expansion to fund Medical Patient Transportation.				
Fire Dispatch	0.06	Fire Dispatch Initiatives	Sub-Regional	Reserves (one-time & ongoing)	Change in Budget Assumptions
	Updates to address one-time costs for Fire Dispatch Record Management System of \$35k; Increased contract for services due to call volume increases of \$25k.				
SEAPARC	0.055	Collective agreement adjustment	Sub-Regional	Surplus (ongoing)	Change in Budget Assumptions
	Collective agreement adjustment for Union and Exempt employees.				
Municipal Debt	0.777	Net change in municipal debt across all municipalites. The majority of this debt was recognized in the 2022 Financial Plan amendment (November 2022), after 2023 Provisional Financial Plan approval.			
All other services (Including EA)	0.150	Net increase across 129 other services			
Subtotal	\$8.390				

Operating Revenue

Service plan adjustments and budget assumption changes since the provisional budget are funded through a variety of revenue sources totaling \$8.4 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
Regional Parks	0.185	Carry forward of savings from 2022 temporary staff vacancies to offset the collective agreement adjustment.	Regional	Change in Budget Assumptions
Environmental Services Engineering	0.060	Carry forward of unspent funds in 2022 from deferral of a new vehicle purchase.	Regional	Included in 2022 Service Plan
SEAPARC	0.055	Carry forward of savings from 2022 temporary staff vacancies to offset the collective agreement adjustment.	Sub-Regional	Change in Budget Assumptions
Facility Management	0.050	Carry forward of unspent funds in 2022 from deferral of a new vehicle purchase.	Regional	Included in 2022 Service Plan
Core Area Operations	(0.197)	The 2022 surplus was lower than expected at provisional budget, due to increased chemical costs and higher contract for services support at the treatment plant.	Sub-Regional	Change in Budget Assumptions
IWS Operations	(0.415)	The 2022 surplus was lower than expected at provisional budget, due to lower labour recoveries with onboarding of staff in the second half of 2022.	Regional	Change in Budget Assumptions
All other services (Including EA)	0.300	Net increase across 51 other services		
Total	\$0.038			

Table 3: Drivers for Change in Transfer from Reserves Revenue

Service	(\$M) Change	Description	Impact	Direction
Environmental Resource Management	1.064	Funding for a one-time payment of \$1M with the termination of the electricity sales agreement with BC Hydro with the migration to the RNG project, and the collective agreement adjustment for Union and Exempt employees.	Regional	Change in Budget Assumptions
Core Area Operations	0.923	Increased transfer to fund increased cost of chemicals for wastewater treatment, and reduced surplus carrforward from 2022.	Sub-Regional	Change in Budget Assumptions
IWS Operations	0.419	Increased transfer from reserves to cover the collective agreement adjustment increase, and lower than forecasted surplus revenue from 2022.	Regional	Change in Budget Assumptions
Millstream Site Remediation	0.415	MFA debt issues up for refinancing in 2023 will exercise the early payout option, funded from reserve.	Sub-Regional	Change in Budget Assumptions
Legislative and General Government	0.311	Finance - Funding for initiatives carried forward from 2022 including contracted financial system review work, Enterprise Asset Management consulting and Internal Financial Controls program.	Regional	Included in 2022 Service Plan
	0.239	First Nations - Funding for initiatives carried forward from 2022 including the reconciliation action plan, archeology and cultural monitoring initiatives, Board and Commissions cultural training, and government-to-government consultation.	Regional	Included in 2022 Service Plan

Legislative and General Government	0.281	Information Technology - Funding for software licence and computer supply costs in support of various initiatives carried forward from 2022, and recruitment costs for hiring new Senior Manager.	Regional	Included in 2022 Service Plan
	0.200	Corporate Services - Funding for EDRMS work deferred from 2022, and for a business Case/feasibility study for centralizing procurement.	Regional	Included in 2022 Service Plan
	0.050	Human Resources - Increased transfer from operating reserve to engage in a CRD Employee Survey in 2023.	Regional	Staff Identified Requirement
	0.026	Board Remuneration - Funding for continued Board orientation costs work carried forward from 2022.	Regional	Included in 2022 Service Plan
SPWW	0.163	Delivery date for wastewater treatment media delayed from late 2022, carried forward into 2023.	Sub-Regional	Included in 2022 Service Plan
Peninsula Recreation	0.104	Increased transfer from reserves to cover the collective agreement adjustment for Union and Exempt employees.	Sub-Regional	Change in Budget Assumptions
EA Fire Protection Services Coordination	0.100	Funding for Core Governance Review work deferred from 2022.	Local Area	Included in 2022 Service Plan
Environmental Services Engineering	0.139	Increased transfer from reserve to conduct a business case/feasibility study for a centralized project delivery office, and to cover the collective agreement adjustment increase.	Regional	Change in Budget Assumptions
Environmental Protection	0.134	Increased transfers from reserve to fund collective agreement adjustment increases and additional 0.5 FTE wages & benefits to support new Regional Goose Management service.	Regional	Change in Budget Assumptions
Building Inspection	0.070	Use of reserve to partially fund the additional 1.0 FTE to address the backlog of permit applications. Balance of funding through increased fee revenue.	Sub-Regional	CRD Board, September 21, 2022
Fire Dispatch	0.059	Increased transfer to fund one-time costs for Fire Dispatch Record Management System, and increased contract for services for call volume increases.	Sub-Regional	Change in Budget Assumptions

All other services (Including EA)	0.04	Net increase across 27 other services
Total	\$4.737	

Table 4: Drivers for Change in Requisition Revenue

Service	(\$M) Change	Description	Impact	Direction
Core Area Operations	0.829	Reflects increased property insurance for the Residual Treatment Facility, increased cost of waste sludge disposal at Hartland Landfill, and reduced PILT and surplus carryforward from 2022.	Sub-Regional	Change in Budget Assumptions
First Nations Relations	0.250	A Board directed initiative to add \$250k for Final Budget for First Nations government-to-government relationship building.	Regional	CRD Board, September 21, 2022
Regional Goose Management	0.238	Funding for the establishment this new service. Per Board directive, the new service was established to address increasing regional population and inter-regional impacts of non-migratory, resident geese.	Regional	CRD Board, February 8, 2023
Community Health	0.150	Funding for the Board directed initiative to extend funding for the Aboriginal Coalition to End Homelessness for the 2023 year.	Regional	CRD Board, September 21, 2022
CAWTP	0.147	Increase in requisition to offset reduced PILT revenue.	Sub-Regional	Change in Budget Assumptions
Legislative and General Government	0.545	Collective agreement adjustment for Union and Exempt employees, and funding for recruitment and onboarding of new IT Senior Manager.	Regional	Change in Budget Assumptions
Municipal Debt	0.777	Net change in municipal debt across all municipalites. The majority of this debt was recognized in the 2022 Financial Plan amendment (November 2022), after 2023 Provisional Financial Plan approval.		
All other services (Including EA)	(0.058)	Net decrease across 76 other services		
Total	\$2.878			

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

Municipality* (\$M)	2023 Final	2023 Prelim	\$ Change	% Change
Township of Esquimalt	2.188	2.460	(0.272)	-11%
City of Victoria	0.527	0.515	0.012	2%
District of North Saanich	0.337	0.304	0.033	11%
City of Colwood	0.185	0.254	(0.069)	-27%
District of Saanich	0.228	0.216	0.012	6%
District of Metchosin	0.116	0.112	0.004	4%
Electoral Areas	0.085	0.076	0.009	12%
City of Langford	0.039	0.036	0.003	8%
District of Central Saanich	0.023	0.016	0.007	44%
Town of Sidney	0.009	0.009	0.000	0%
District of Sooke	0.009	0.007	0.002	29%
Town of View Royal	0.006	0.006	0.000	0%
District of Oak Bay	0.000	0.001	(0.001)	-100%
Total	\$3.752	\$4.012	(\$0.260)	-6%

*Excludes municipalities and electoral areas that do not receive PILT