

**REPORT TO GOVERNANCE COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 04, 2023**

SUBJECT **Service Planning 2024 – Business Systems & Processes Community Need Summary**

ISSUE SUMMARY

To provide strategic context and an overview of services, initiatives and performance data related to the Business Systems & Processes Community Need.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2023-2026 Board Priorities on March 8, 2023. Staff then developed the 2023-2026 CRD Corporate Plan which was approved by the CRD Board on April 12, 2023.

The CRD Corporate Plan presents the work the organization needs to deliver over the four-year term, along with the critical regional, sub-regional and local services, to meet the region's most important needs (i.e., Community Needs) and advance the Board's Vision and Priorities. Board Priorities, Corporate Plan initiatives and core service delivery form the foundation of the five-year financial plan.

The 2024 planning cycle marks the first year of the implementation of the 2023-2026 CRD Corporate Plan. The CRD's annual service plans, known as Community Need Summaries, provide an overview of the operational and strategic context, services levels, initiatives, and performance data for each Community Need. They also provide details of the initiatives, associated staffing, timing and service levels required to advance the work in future years.

The Business Systems & Processes Community Need Summary is attached as Appendix A. The desired outcome is leading systems and policies to respond to best practices, comply with legislative requirements and delivery sustainable budgets.

The CRD reports on the progress of its initiatives and services on a regular basis. The Board receives updates about the Board Strategic Priorities through the Chief Administrative Officer Quarterly Progress Reports. The Board also receives an overview of progress made on delivering the Corporate Plan twice a year at the strategic check-in and provisional budget meetings, which take place in the spring and fall respectively. The next strategic check-in will take place in spring 2024. During the year, standing committees and commissions also fulfill an oversight and advisory role in relation to the work.

ALTERNATIVES

Alternative 1

The Governance Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Business Systems & Processes be approved as

presented and form the basis of the Provisional 2024-2028 Financial Plan.

Alternative 2

The Governance Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Business Systems & Processes be approved as amended and form the basis of the Final 2024-2028 Financial Plan.

IMPLICATIONS

Governance Implications

In 2024, staff have prioritized programs and initiatives that:

- Advance 2023-2026 Board Priorities or Corporate Plan initiatives;
- Operationalize capital investments; and/or
- Are necessary to maintain a core service level following a regulatory change or where there is a safety risk to customers, communities, or staff.

The Executive Leadership Team (ELT) has reviewed and assessed all initiative business cases and confirmed alignment with the criteria. ELT has determined that the consolidated package of work is appropriate and a proportional response to the CRD Board's and communities' expectations of the organization.

Financial Implications

To exercise constraint and cost containment, the CRD Board directed staff to keep the core inflationary adjustment to 3.5% through the 2024 Service and Financial Planning Guidelines. Staff and management have taken the necessary steps to mitigate the financial impact of proposed initiatives as well as cost escalation and high inflation rate experienced in 2022 through to 2023.

Financial and staff impacts for initiatives will be summarized and included in the provisional budget which will be presented at the Committee of the Whole meeting scheduled for October 25, 2023. Starting this year, this will also include a five-year forecast of staffing level changes, which will be reviewed annually.

Service Delivery Implications

Appendix A includes information about existing service delivery, operational considerations and performance. Additional information has been provided below about the proposed changes for 2024/2025.

1. Proposed changes for 2024

Include summary of service level(s) change(s), if applicable

Support resources

In both the Financial Services and Information Technology & GIS Divisions, there are no new initiatives proposed for 2024. Work continues to progress on several multi-year initiatives including the implementation of the Corporate Asset Management Strategy and upgrade of the organization's Enterprise Resource Management software system.

However, the Financial Services and Information Technology & GIS Divisions are support services for the organization that provide one-time and ongoing project assistance. To provide the necessary support to the initiatives that are advancing the sixteen Community Needs in 2024, the Divisions seek to increase their staffing complement as shown in Table 1.

Table 1. Support services resourcing (2024):

Initiative	Implementation year(s)	Staff impacts (2024)	Incremental cost (2024)	Funding source
<i>Transportation Community Need</i>				
4a-1.1 Transportation Service	2024–2025	Financial Services: 0.5 New Term	\$47,000	Requisition/Internal Recovery
<i>Housing & Health Community Need</i>				
5a-1.1 Capital Project Delivery	2023-2028	Financial Services: 0.5 New Term	\$47,000	Requisition/Internal Recovery
<i>All Other Community Needs</i>				
Various IBCs	2024-ongoing	Financial Services: 1.0 New Ongoing	\$82,000	Requisition/Internal Recovery
Various IBCs	2024-ongoing	Information Technology & GIS: 1.0 New Ongoing	\$140,000	Requisition/Internal Recovery

The information in Table 1 reflects the business case costs which ELT reviewed as part of their annual assessment of initiatives. The financial impacts reflect a phased implementation of resourcing in 2024 and include non-labour costs such as equipment, furniture, office space, etc. Full annual impacts of labour are reflected in the 2025 and ongoing budgets.

2. Planned changes in 2025

There is one initiative planned for 2025, shown in Table 2. The CRD Board will consider approval next year.

Table 2. Forecast of Future Initiatives: Business Systems & Processes Community Need

Initiative	Implementation year(s)	Staff impacts (2025)	Incremental cost (2025)	Funding source
13c-1.1 Revenue Services	2025-ongoing	1 New Ongoing	\$196,000	Fee-for-service & Requisition

The information in Table 2 also reflects the business case costs.

13c-1.1 Revenue Services

In 2018, the CRD established a new service level to meet current revenue management needs and accommodate future growth. A new position was created with a service level allocation of 30% revenue, 20% corporate finance, 30% treasury and debt management, and 20% cash management and other related responsibilities. This service level proved very successful in providing dedicated support for revenue analysis, solidifying a best practice approach to revenue strategy, billing, collections and customer service.

New demand has emerged in this area over time, beyond the originally planned growth and initiative 13c-1.1 will be proposed to create a regular ongoing Manager of Revenue position in the Financial Services Division to maintain service levels considering this growth.

CONCLUSION

CRD staff are progressing initiatives identified in the 2023-2026 CRD Corporate Plan, including the Board Priorities. The CRD Board and commissions with delegated authorities determine resourcing through the annual review and approval of the provisional financial plan. To support decision-making, staff provide recommendations on funding, timing and service levels through the service and financial planning processes.

RECOMMENDATION

The Governance Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Business Systems & Processes be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

Submitted by:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Submitted by:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Approved by:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Community Need Summary – Business Systems & Processes