



Making a difference...together

REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, JULY 14, 2021

SUBJECT **CAO Quarterly Progress Report No. 2, 2021**

ISSUE SUMMARY

To provide the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2019-2022 Board and Corporate Priorities, Corporate Climate Action Initiatives, Capital and Operating Variances, and Human Resources and Corporate Safety up to July 1, 2021.

BACKGROUND

The Board and Corporate Priorities Dashboard provides quarterly updates on progress related to Board and Corporate priority initiatives, actions, and advocacy as well as variances in financial performance and human resources trends. Following the approval of the Board Strategic Plan in March, 2019 staff prepared a Corporate Plan 2019-2022 to identify potential initiatives to advance Board and Corporate priorities. The Board completed an annual check-in on priorities on May 12, 2021 and the priorities were confirmed and staff was directed to continue to progress the initiatives and actions as developed in the Corporate Plan.

Service plans are prepared annually in alignment with Board and Corporate Priorities, service mandates and other approved plans, with corresponding KPIs and other service information that is approved by the Board. The 2021 service and financial planning process is currently underway, and staff are providing recommendations on service levels, timing and the funding of core services and new initiatives for 2021 by way of Commission, Committee and Board review. The service planning work is now presented as a summary of Community Needs and includes information on the strategic context, core service levels, proposed initiatives, funding and reporting as well as key performance indicators and annual progress that was made on initiatives approved in the prior year. The CRD, CRHD and CRHC Financial Plans are reviewed and approved annually by the respective Boards' of these corporations.

This report presents quarterly progress on priorities, initiatives, actions and advocacy for the second quarter of 2021, however the capital and operating variances and human resources trends are for the first quarter in 2021. The Quarterly Capital Variance Report highlights differences between budget and actual expenditures on capital projects over \$500,000. The Quarterly Operating Variance Report highlights provides results and forecasts for services with an annual operating budget over \$1.5 million, which comprise approximately 77% of the CRD budgets for the year. The quarterly update on non-confidential human resources matters is provided to highlight workforce trends.

ALTERNATIVES

Alternative 1:

That the CAO Quarterly Progress Report No. 2 - 2021 be received for information.

Alternative 2:

That the CAO Quarterly Progress Report No. 2 - 2021 be referred back to staff for additional information.

DISCUSSION

Corporate Activities and Initiatives

Appendix A highlights corporate activities and initiatives in the last quarter and a number of photographs have been included to present announcements and events that occurred in this quarter.

For the fourth year in a row the CRD has been recognized as one of Canada's Greenest Employers. This award recognizes employers across the country that have interesting environmental programs and Earth-friendly policies. Application based awards are important to recognize the leading practices of the CRD and to existing and prospective employees who value being part of a progressive organization.

National Volunteer Week took place April 18 – 24 and the 2021 theme was The Value of One, The Power of Many. This theme is meant to reflect on the awe-inspiring acts of kindness by millions of individuals and the magic that happens when we work together towards a common purpose. This past year, we have seen people supporting family, friends, neighbours, and strangers. We are extremely grateful to the many CRD volunteers who generously give their time and expertise to help our CRD programs succeed and make our region a better place to work and play. Our Regional Parks volunteer program has been going strong for over 39 years, helping to support and enhance the work of staff in protecting the over 13,000 hectares of regional parkland managed by the CRD and to help residents have safe and enjoyable outings in Regional Parks. Some other areas that receive support from volunteers include the CRD Animal Shelter, the Bowker Creek Initiative, the Esquimalt Lagoon Stewardship Initiative, the Gorge Waterway Initiative, Electoral Area Community Parks, Emergency Management, Fire Protection and Animal Control. There are also many residents that serve on the more than 70 CRD commissions and committees.

On April 21, ground breaking for Phase 3 of Croftonbrook on Salt Spring Island took place. Croftonbrook is an affordable housing development operated by Islanders Working Against Violence located at 132 Corbett Road on Salt Spring Island. The project includes 11 units for individuals who can live independently with supports with rent set to match the provincial income assistance rate (currently \$375/month).

On April 23rd, the CRD honoured employees with 20, 25, 30 and 35 years of service at our annual Career Service Celebration event. We also had the opportunity to thank those employees who have retired within the last year for their dedicated service to the CRD. The celebration was an opportunity to recognize and share stories of the accomplishments of those celebrating milestone years of service with the CRD. While we were not able to gather in person to commemorate such significant milestones, we came together virtually to celebrate 26 career service employees with our first live career service event.

Despite the challenges presented over the past year, CRD staff stepped up and showed their local love and had a very successful United Way campaign. In 2020, staff raised more than \$40,000 making the CRD's overall donation over the past 25 years over a million dollars and we were recognized with the "Thanks A Million" award from United Way. A message from the United Way of Greater Victoria read "On behalf of United Way, our Board, Workplace Advisory Council, labour committee, and team members, congratulations again and thank you for your exceptional leadership, generosity and commitment to making our community a better place for all of us".

The Wastewater Treatment Project Board successfully fulfilled its role and presented the CRD with the Wastewater Treatment Project Completion Report and Governance Transition Report. The

CRD, through the Project Board, planned, procured and constructed the Wastewater Treatment Project from May 2016 to May 2021. The Project Board held its last meeting on May 19, 2021.

51 new affordable homes are planned at 1909 Prosser Road in the District of Central Saanich as part of the Regional Housing First Program (RHFP). The Prosser Road affordable housing development will be located next to a 39-unit supportive housing project, which is currently under development. It will consist of a five-storey multi-unit residential building with a shared underground parkade. It will be acquired by the CRD through the RHFP following completion of site redevelopment and operated by the Capital Region Housing Corporation. The building will include studios and 1-and 2-bedroom apartments. 41 units will be rented at affordable rates for people with moderate to low incomes, while the remaining 10 units will rent at the provincial income assistance rate of \$375/month as a result of the RHFP equity contribution of \$3 million. Total project cost is estimated at \$17 million including the \$3 million RHFP equity purchase, a \$3.25 million Investment in Housing Innovation grant from BC Housing and \$615,000 in grant funding from the Regional Housing Trust Fund. Construction is underway with building completion expected by spring 2022.

With June being National Indigenous History Month, and June 21st Indigenous Peoples Day, it provided a moment to reflect on and learn about our shared history and envision a path forward that recognizes and respects the rights of Indigenous peoples. As an organization, the CRD remains committed to the Board's Priority of Reconciliation through establishing strong relationships with First Nations based on trust, mutual respect, partnerships and working together on shared goals. This past year, the CRD Board approved the inclusion of First Nations Members to participate on CRD Standing Committees, and the CRD has been consulting with First Nations on the development of Parks Management Plans, for example with Mount Work Regional Park. Also, this year has seen the completion of the Core Area Wastewater Treatment Project in consultation with the Lekwungen Speaking Nations the Songhees and Esquimalt, which was recognized by a Blanketing Ceremony.

A \$10.4 million expansion project will bring improvements to emergency department patient care and privacy at Lady Minto Hospital on Salt Spring Island. Capital costs for the project are being shared by the Lady Minto Hospital Foundation which has pledged \$7.4 million and the Capital Regional Hospital District which will contribute \$3 million. The project involves construction of a new 4,500 square feet emergency department that will double the number of acute and primary care patients that can be treated at one time, a mental health and substance use treatment room, a medication area, dedicated triage desk, nursing/team care station with sight lines to all assessment and treatment areas, ambulance bay, decontamination site, accessible washrooms and expanded patient and family waiting area.

Board Priorities and Corporate Plan Initiatives

Progress on the Board Priorities and Corporate Plan initiatives from January 2019 to date is reflected in Progress Report Q2, 2021, as Appendix B. The “Comments” section provides a summary of completed actions as well as any issues or problems that have arisen that may impact progress on the priority. The “Next Steps” section identifies future planned actions and associated timing. Attached as Appendix C is the Board Priorities Dashboard Summary of Completed Actions.

Corporate Climate Change Initiatives

A quarterly update on corporate climate change initiatives tracking progress on programs, projects, education, incentives, grants, measures, studies and monitoring work is included as Appendix D. This work is also compiled and reported as an annual report in conjunction with Climate Action Revenue Incentive Program (CARIP) reporting requirements related to our commitment to the Community Climate Action Charter.

Board Advocacy

An Advocacy Dashboard has been prepared which tracks the ongoing advocacy work being done by the CRD Board, municipalities, partners and staff. Progress on advocacy is reflected in the Advocacy Dashboard Progress Report Q2, 2021 as Appendix E.

Operating Variance Report –Q1, 2021

The Operating Variance Report outlines the quarterly operating variance, providing actual results and annual forecasts for services with an annual operating budget over \$1.5 million. These services make up approximately 81% of the CRD budget for the year, and also includes the Capital Regional Hospital District (CRHD) budget.

The forecasts have been compiled by staff to determine estimates for how services are expected to perform fiscally for the year, as at the end of the first quarter. Determining these forecasts includes looking at prior year results, planned and actual changes in activity, and considering service level delivery and associated funding impacts.

The amount of budget used to the end of the first quarter will vary from service to service, based on the individual services' planned spending, seasonality, and timing of transactions. For example, services funded by requisition receive their funding in the third quarter, and water supply and distribution services receive more sales revenue over the summer months.

The Quarterly Operating Variance Report, attached in Appendix F, highlights how much of the annual budget has been used, in comparison to prior year, and what the annual forecast is expected to be based on information available to the end of the first quarter. This is outlined for both expenditures and revenue.

Spending to the end of the first quarter, as a percentage of actual budget, is largely in line with the same period and timeframe as 2020 for both revenue and expenses. Effects of the current COVID-19 pandemic event on operations has been limited to specific services, primarily recreation and some demand driven services such as landfill.

Capital Regional District

The annual forecast highlights that the majority of services will still track in line with the annual budget. Many of these services are providing essential services to our communities, such as delivery of water, wastewater management, and solid waste. Forecasts for the recreation services incorporate estimated impact on business activities as a result of current health guidelines in response to the pandemic. The forecasts for SEAPARC and Panorama Recreation Centre services are not materially different from budget in the first quarter, as budget for these services reflected a gradual return to some recreational programming.

Capital Regional Hospital District (CRHD)

The annual forecast highlights some minor savings expected due to temporary staff vacancy, but otherwise the CRHD operations are forecasted to continue as planned.

Capital Region Housing Corporation (CRHC)

CRHC variance reporting is included in the annual financial planning process and in the annual audited financial statements. The variances are also monitored internally by building, by agreement and by division.

Specific details on CRD and CRHD expense and revenue forecasts are outlined in Appendix F.

Capital Variance Report –Q1, 2021

The Capital Variance Report, attached in Appendix G, highlights variances on actual expenditures from the quarterly and annual capital budgets for all three entities CRD, Capital Regional Hospital District and the Capital Region Housing Corporation. It also outlines the impact on the total project plan. The Capital Variance Report is current to the end of the fourth quarter of 2021 and covers all capital projects with budgeted spending in 2021 greater than \$0.5 million.

For 2021, the capital plan was budgeted quarterly and based on the expected delivery of the projects in the plan. In addition, the process includes quarterly forecasting to provide periodic updates and oversight on the projects. As quarters progress through the year and tenders complete, the expectation is that accuracy on estimates will be refined.

Capital Regional District

Capital expenditures on projects >\$0.5 million totaled \$46.4 million in the first quarter of 2021, 72% lower than a forecast of \$163.9 million. Of the \$117.5 million variance, \$103.0 million is related to timing of the residual treatment facility substantial completion being deferred to the second quarter, on the Core Area Wastewater Treatment Project (CAWTP). Notable projects in the balance of the variance include timing differences on the work on the Magic Lake Sewer Wastewater Improvements project, and delays in beginning the Saanich Peninsula Wastewater Rotary Presses project.

Capital Regional Hospital District (CRHD)

Capital expenditures on projects >\$0.5 million are on track with budget for the first quarter. No spending on these CRHD projects was planned for the first quarter, with the majority of spending planned for the third and fourth quarter of the year. .

Capital Region Housing Corporation (CRHC)

Capital expenditures, on projects >\$0.5 million totaled \$26.0 million in the first quarter of 2021, 12% lower than forecast of \$29.6 million. The variance is mainly due to timing of the Triway redevelopment, and Caledonia redevelopment projects. The Triway housing redevelopment is expected to have construction begin in the third quarter, after a delay in taking possession of the land from the vendor in the second quarter. The Caledonia housing redevelopment is currently on hold, awaiting agreement on lease terms for the land with school district 61. Estimates at the first quarter forecast the project to resume in the fourth quarter, with costs deferred to 2022.

Human Resource Trends and Corporate Safety

Appendix H provides an analysis of current and emerging trends in workforce composition, turnover, promotions, absenteeism and occupational health and safety. The CRD continuously monitors Human Resource organizational health, and proactively modifies and adapts Human Resource programs and systems where trends may show challenges arising.

As with 2020 metrics, the 2021 Quarter 1 metrics information is reflective of the impact from the COVID-19 Pandemic, most particularly with regard to illness duration and Occupational Health and Safety resourcing, policies, and programs. The CRD is a defined essential service, and as such is closely monitoring the impact of COVID on service delivery and our people, and is taking appropriate measures as needed to ensure the essential operations are maintained and staff receive supports as may be needed.

The CRD continues to experience increased pressures associated with a highly competitive labour market and a steady number of retirements. Local governments, and especially those delivering highly essential services, are becoming increasingly more complex as our role and responsibilities continue to evolve, and this continues to place more demand to secure more specialized labour. To this end, the CRD continues its significant efforts in workforce planning, organizational development initiatives, and impactful recruitment and outreach strategies.

The CRD's proactive and positive focuses on workplace health and safety remain top of priority, and the CRD's comprehensive occupational health and safety (OHS) strategy, which is aligned with OHS best practice standards, meets or exceeds requirements of the WorkSafeBC approved municipal Certificate of Recognition (CoR) program. The CRD continues to experience a positive (merit) situation with WorkSafeBC resulting in a 20.2% better-than-industry-average Employer Rating Assessment and an equally reflected reduction in premiums.

Awards and Recognition

As noted in our last report, the CRD has been formally recognized as one of *BC's Top Employers 2021* for the fourth consecutive year. This award and recognition is provided to employers which lead their industries in offering exceptional workplaces. The CRD has received this recognition as a result of our human resources policies and programs, our continued commitment to professional development and our involvement in programs that truly make a difference across the region.

In addition, and also for the fourth consecutive year, the CRD has been recognized as one of *Canada's Greenest Employers 2021*. This special designation recognizes the employers that lead the nation in creating a culture of environmental awareness in their organizations, which have developed exceptional sustainability initiatives, and which are attracting people to their organizations because of their environmental leadership.

More detail on both awards can be found at <https://reviews.canadastop100.com/top-employer-capital-regional-district>.

CONCLUSION

As part of staff's commitment to enhanced quarterly reporting to the Board, the CAO Quarterly Progress Report No. 2 - 2021 provides a status update of Progress on Board and Corporate Priorities, Activities and Initiatives, Capital Project Variances, and Human Resource Trends across the organization.

RECOMMENDATION

That the CAO Quarterly Progress Report No. 2 - 2021 be received for information.

Submitted by:	Robert Lapham, MCIP, RPP, Chief Administrative Officer
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ATTACHMENT(S)

- Appendix A: Photographs of Corporate Activities and Initiatives
- Appendix B: Board Priorities Dashboard Progress Q2, 2021
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Corporate Climate Change Initiatives
- Appendix E: Advocacy Dashboard Progress Q2, 2021
- Appendix F: Operating Variance Report Q1, 2021
- Appendix G: Capital Variance Report Q1, 2021
- Appendix H: Human Resources Trends and Corporate Safety Q1, 2021