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REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, JULY 12, 2023

SUBJECT **CAO Quarterly Progress Report No. 2, 2023**

ISSUE SUMMARY

To provide the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and Human Resources and Corporate Safety statistics up to June 30, 2023.

BACKGROUND

In February 2023, the Board approved the *CRD Board Strategic Priorities 2023-2026* (the “*Board Priorities*”) that identifies five strategic priorities with 17 initiatives to be advanced over the four-year term. The Board Priorities Dashboard tracks progress on the Board and Corporate strategic priorities and will be presented quarterly to the Board. Core service priorities are prepared and reviewed annually in departmental Service Plans in alignment with Board and Corporate Priorities, with corresponding KPIs and other service information that is approved by the Board. The CRD, Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) Financial Plans are reviewed and approved annually, and staff have developed a quarterly variance report to highlight differences between budget and actual expenditures on capital projects over \$500,000. An update on non-confidential human resources matters, including labour relations and workforce trends is also included in this report. This report will be the second report on the Board Priorities identified for 2023 – 2026 and for this Board.

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.

The CRD has been recognized as one of Canada’s Greenest Employers for the sixth year in a row. This award recognizes our commitment to environmental sustainability and innovation in our operations and services. We are proud to be a part of a community that values and protects our natural resources and biodiversity. This achievement is a testament to the dedication of our staff, who have implemented various initiatives to reduce the CRD’s environmental impact and enhance our social responsibility.

On May 4 the CRD received a BC Recreation and Parks Association (BCRPA) Program Excellence Award for the CRD Regional Parks Exploring Indigenous Perspectives Program. This program enables park visitors to gain a better understanding and respect for the cultural history of the region and also helps create more culturally safe parks for Indigenous community members to assert their traditional rights.

BC Recreation and Parks Association (BCRPA) presented its Facility Excellence Award for projects under \$3 million today to Panorama Recreation’s Jumpstart Multi Sport Court. The award recognizes outstanding innovation in facility concept, design, development, maintenance, or operation of a facility. Panorama Recreation’s Jumpstart Multi Sport Court, located in North Saanich, has removed barriers to being active by providing free, accessible, outdoor options for physical activity and sport to all ages and community members with a variety of abilities. The 13,200 square-foot outdoor sport facility features areas for basketball, volleyball, pickleball,

badminton, four square and hopscotch. The Court has enabled Panorama Recreation to expand inclusive and accessible programming including reservable family pickleball, multisport physical literacy camps and programs, and specific sensory friendly play times. The facility also allowed Panorama Recreation to partner with Canucks Autism Network and Island Health to create and deliver programming that was previously not possible due to the lack of an appropriate facility.

The 2022 CRD United Way campaign was extremely successful with staff continuing to show their incredible support by raising over \$42,000. We were excited to receive the news that the CRD was the winner of the United Way Municipal Cup Spirit Award for our campaign last year. It was highlighted that our efforts to ensure fresh perspectives and extend professional development opportunities by welcoming new members to the CRD United Way Committee each year demonstrates the CRD's commitment to establishing a culture of giving. We are now planning our corporate 2023 CRD United Way donor campaign.

The 2023 Arts Champions Summit was held on May 17 at the Baumann Centre. Over 100 leaders from the arts sector gathered in-person and online to come together, celebrate accomplishments, and provide community knowledge. The Arts Champions Summit was the keystone event in the engagement plan that gathered feedback from artists and audiences to inform the next strategic plan of the Arts and Culture Support Service, which will be completed by the end of this year.

The Employee Recognition and Service Program is based on the principle that CRD employees are our greatest asset. Each year, service milestones of 5, 10 and 15 years are recognized at the department level by the CAO, General Manager, and Division Manager. The focus of service recognition is acknowledging the contributions the employees have made during their years at the CRD. The career service recognition event which recognizes employees with 20, 25, 30, and 35 plus years of service was held earlier this year.

CRD Regional Parks staff supported the GoByBike Celebration Station at the Switch Bridge and also at Lochside Drive during GoByBike week which was held from May 29 – June 4, 2023. During this week, British Columbians were encouraged to ride their bikes as much as possible by riding to work, to school or for fun.

In April this year, eighteen exempt CRD managers participated in the weeklong iLead program at Royal Roads University and two follow up days in June. The iLead program is an award-winning leadership program that was designed by leaders from the CRD and Royal Roads University in 2009. Its aim is to help align CRD leaders as we continue to build our culture to that of a high performing organization that exemplifies our cultural traits. The focus of this year's leadership challenge tasked the participants to apply their learnings from the week, along with considering the Employee Experience Survey results, and present their recommended initiatives to the Executive Leadership Team that would advance the goal of making the CRD Organizational Vision Statement a reality.

On June 1, CRD employees and their families, together with some Board Directors attended the CRD employee BBQ at Hamsterly Beach for a relaxing evening of family games and activities, including food. There was a great turn out with approximately 175 people participating in this enjoyable event.

The CRD Charity Golf Tournament took place on June 3 at the Cedar Hill Golf course with a fun-filled day on the links followed by food and festivities. Approximately \$7,000.00 was raised and will be donated to Ronald MacDonald House through the CRD's annual United Way Southern Vancouver Island campaign.

The CRD collaborated with regional partners to develop a new Indigenous business directory to support Indigenous economic reconciliation by building new relationships and connections. Launched with an event at the Songhees Wellness Centre on June 7, the new South Island Indigenous Business Directory provides opportunities for relationships, growth and partnership between community members and the many Indigenous-owned businesses across the region. The Directory was developed through a partnership between the CRD, Greater Victoria Harbour Authority, the South Island Prosperity Partnership, the City of Victoria, the Greater Victoria Chamber of Commerce, and Animikii.

Janice Williams, Manager, Occupational Health and Safety with the CRD received the 2023 Top Women in Safety Award from Canadian Occupational Safety (COS). COS invited occupational health and safety professionals from across the country to nominate exceptional female leaders for the third annual Top Women in Safety list. Janice was recognized in part for her role in managing the WorkSafeBC Process Safety Initiative (wastewater infrastructure) and creating the CRD Job Safety Planning Tool and supporting Guidelines.

Beginning in April, 2023, the CRD Board Chair, Colin Plant and Executive Leadership Team began a series of presentations to municipal councils across Greater Victoria. This was an opportunity for the Chair, Chief Administrative Officer, and the Executive Leadership Team to share information about the CRD, the services the CRD provides, and to ensure open lines of communication with the municipalities.

On June 16, the CRD Board had the opportunity to tour the Hartland Landfill and Residual Treatment Facility. The tour highlighted the Hartland public drop off area, active landfilling area, and the significant capital works at the north end of the Hartland site. In addition, the group toured the Residual Treatment Facility – wastewater infrastructure that is co-located on the Hartland site.

On June 21, Royal Roads University and partner organizations, including the CRD, hosted a National Indigenous Peoples Day event. This annual event offers community members the opportunity to watch canoe landing protocol, experience Indigenous artists and musicians, take a guided nature walk, and shop at Indigenous vendors. This year's event attracted over 4000 attendees. As a partner organization, the CRD coordinated a Regional Parks outreach booth at the event, where staff led educational and culturally appropriate craft activities as well as a self-guided walk on "Exploring Indigenous Perspectives". The CRD also contributed to the event promotion, participated in planning sessions, and provided a monetary donation.

On June 28, the CRD hosted a two-hour site tour of the Greater Victoria Water Supply Area for Environment and Climate Change Canada as a precursor to the Commission for Environmental Cooperation to be held in Victoria. The delegation included the Minister of Environment and Climate Change, Steven Guilbeault, CRD Board Chair, Colin Plant, Chair, Regional Water Supply Commission, Gord Baird, and ministerial counterparts from both the United States of America and Mexico.

Phase I of the new Alternative Work Options available to employees at the CRD was successfully completed and the program launched on June 1, 2023. 393 staff across the organization are now working under formal agreements that allow hybrid work from home, earned time off, or compressed work schedules. A lunch to recognize the significant efforts made by staff from many divisions across the organization to ensure the successful implementation of this initiative was held on June 29.

On July 6, the CRD Board had the opportunity to tour Salt Spring Island and meet with the newly elected Local Community Commissioners. Site visits included the Rainbow Recreation Centre, Portlock Park, Salt Spring Island Multi Space, and the Ganges Wastewater Treatment Plant.

For the first time, the CRD will be participating in the Victoria Pride Parade on July 9 with a float that was decorated and a logo that was designed by employee volunteers. The CRD is honoured to be included in the parade this year with approximately 100 other colourful floats in one of the city's most vibrant community events in support of the 2SLGBTQIA+ communities.

Board Priorities and Corporate Plan Initiatives

In April 2023, the CRD Board approved the CRD 2023 – 2026 Corporate Plan (the Corporate Plan) that identifies 134 initiatives to be advanced over the four-year term. Progress on the Board Priorities and Corporate Plan initiatives from January 2023 to date is reflected in Progress Report Q2, 2023, 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.

Board Advocacy

On July 3, 2019, staff brought forward a report to the CRD Board with the CRD Advocacy Strategy, which was approved, attached as Appendix D, to form the basis for individual advocacy initiatives. Based on the new Board Strategic Priorities for 2023 – 2026, the Advocacy Strategy has been updated and will be brought to the August Governance Committee meeting. An Advocacy Dashboard based on the new Strategic Priorities has been prepared which tracks the ongoing advocacy work being done by the CRD Board, partners, and staff.

Progress on advocacy is reflected in the Advocacy Dashboard Progress Report Q2, 2023 as Appendix E.

Operating Variance Financial Report – Q1, 2023

The Financial Operating Variance Report outlines the quarterly operating variance, providing actual results and annual forecasts for services with annual budget greater than \$1.5 million. These services account for approximately 86% of the consolidated CRD, CRHD, and CRHC financial plans.

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 expended to the end of the first quarter will vary from service to service based on planned expenditures, seasonality, and timing of transactions. For example, services funded by requisition receive their funding in the third quarter, where utility and distribution services receive sales revenue throughout the year subject to seasonality.

The quarterly Financial Operating Variance Report, attached as Appendix F, highlights how much of the annual budget has been expended 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.

Actuals to the end of the first quarter, as a percentage of actual budget are largely in line with the same period and timeframe as 2022 for both revenue and expenses.

Capital Regional District

The annual forecast highlights the majority of services are on track and in line with the annual budget. Many of these services provide essential services to our communities such as delivery of water, wastewater management, and solid waste.

Favourable variances are forecasted for the Regional Housing Trust Fund due to estimated grant funding opportunities, for Environmental Services Management due to increased quantity of biosolids being received at Hartland Landfill, for the Saanich Peninsula Wastewater Service due to operational delays of the municipal sludge receiving facility, and salary variances across a number of services due to some delay in hiring and temporary vacancies.

Capital Regional Hospital District (CRHD)

The annual forecast highlights minor savings expected due to deferred hiring of the capital planner role, but otherwise the CRHD operations are forecasted to be on plan.

Capital Region Housing Corporation (CRHC)

The annual forecast for CRHC is presented by portfolio and reflect the estimated cost savings and revenue variances forecasted at the end of the first quarter.

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

Capital Variance Financial Report – Q1, 2023

The Capital Variance Financial Report, attached as Appendix G, highlights variances on actual expenditures from the quarterly and annual capital budgets for all entities (CRD, CRHD, and CRHC). The report is current to the end of the first quarter and covers all capital projects with a budget greater than \$0.5 million.

The Capital Plan is budgeted quarterly based on scope and schedule of initiatives. In addition, forecasts are updated quarterly to provide periodic revisions and updates on the projects. As quarters progress through the year and tenders complete, the expectation is that activities and accuracy will increase.

Capital Regional District

Capital expenditures on projects greater than \$0.5 million totaled \$10.6 million in the first quarter, 69% below budgeted costs of \$34.1 million. Of the \$23.5 million variance, \$17.1 million is related to timing of the acquisition of the Prosser Place Regional Housing First Program property delayed to the second quarter due to subdivision registration, \$1.5 million is related to timing of construction costs for the Goldstream Pipe replacement in the Juan de Fuca Water Distribution service, and \$0.7 million is related to re-tendering of the Maliview Wastewater Treatment Plant upgrade. Other notable projects include construction delays for the McCallum Pump Water Station and Water Tank 4 project and offset by accelerated projects costs for the Landfill Gas Utilization project at Hartland.

Capital Regional Hospital District (CRHD)

There were no expenditures in hospital district projects greater than \$0.5 million in the first quarter. The capital contribution to the Regional Housing First Program is forecast to occur in the third quarter, in line with plan.

Capital Region Housing Corporation (CRHC)

Capital expenditures on projects greater than \$0.5 million totaled \$8.5 million in the first quarter, 62% below the budget of \$22.4 million. Variances within the portfolio is largely related to timing of the acquisition of the Prosser Place Regional Housing First Program property, delayed to the second quarter due to subdivision registration, and timing of construction draws on the Michigan redevelopment being sooner than forecast but still within the approved project budget. Both projects are forecasted for completion in 2023.

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.

The CRD continues to experience increased pressures associated with a highly competitive labour market and a steady number of retirements. Local governments 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 including work to modernize the work environment. These activities, such as the implementation of hybrid work from home and flexible work schedules, will ensure we not only remain competitive but are considered as employers of choice. These impactful strategies are aimed: to support the retention of our employees and strive to be a competitive employer who takes into consideration employee circumstances including diversity, equity and inclusion, employee engagement, satisfaction, health, and wellness; to ensure organizational and business needs are being met and are effective; and to contribute to the CRD's climate action goals regarding sustainability and CO2 reduction.

In addition to achieving a collective agreement with our CUPE Local in late 2022, the CRD and its USW and CUPE unions have concluded labour negotiations to merge its USW membership into CUPE effective March 1, 2023. We are pleased to have reached this three-party agreement, which creates stability for our workforce and the services we deliver.

The CRD's proactive and positive focus on workplace health and safety remains a 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 33% better-than-industry-average Employer Rating Assessment and an equally reflected reduction in premiums. With the CRD receiving CoR Certification, premiums are further reduced another 10% for a total 43% reduction.

CONCLUSION

The CAO Quarterly Progress Report No. 2 - 2023 provides the Board with a quarterly update on Corporate Activities and Initiatives, progress made on the 2023-2026 Board and Corporate Priorities, Capital and Operating Budget Variances, and Human Resources and Corporate Safety statistics up to June 30, 2023.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer
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ATTACHMENT(S)

- Appendix A: Photographs of Corporate Activities and Initiatives
- Appendix B: Board Priorities Dashboard Progress Q2, 2023
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Staff Report: Capital Regional District Advocacy Strategy
- Appendix E: Advocacy Dashboard Progress Q2, 2023
- Appendix F: Operating Variance Financial Report Q1, 2023
- Appendix G: Capital Variance Financial Report Q1, 2023
- Appendix H: Human Resources Trends and Corporate Safety