

**REPORT TO ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, SEPTEMBER 11, 2024**

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**SUBJECT**     **Establishment of Electoral Area Services Department**

**ISSUE SUMMARY**

To seek authority to establish a new Electoral Area Services department overseen by a new General Manager position.

**BACKGROUND**

The Capital Region District (CRD) is the local government for three electoral areas in the capital region, namely Juan de Fuca, Salt Spring Island, and the Southern Gulf Islands. It provides a range of services to these three unincorporated areas depending upon the community needs of each electoral area.

Currently, the three electoral areas operate under a decentralized administrative and operational model, resulting in varying levels of resources. Each electoral area is overseen by a distinct Senior Manager who reports to a different General Manager or the Chief Administrative Officer (CAO). These areas also utilize the expertise and resources of various operational departments as needed, particularly for the management and operation of local services such as utilities. Across the three electoral areas, there are 31 local service committees and commissions, including the Local Community Commission on Salt Spring Island, all administered by different management teams from various departments.

The current model faces several issues highlighted by the staff that can't practically be resolved without structural changes.

There is no consistent framework for handling queries or assessing service levels and resources. Each General Manager and Senior Manager independently decides based on the electoral area Director's priorities and their department's capacity, leading to difficulty in operational and political prioritization of initiatives, even at the executive level.

Secondly, there's an increasing gap in unallocated costs as resources are pulled from corporate and operational departments without consistency in cross-charges or cost recovery.

Lastly, electoral areas could gain from more reliable local government support, such as coordination with other agencies, legislative analysis, and solutions for service gaps and missing links in governance.

To improve services in electoral areas, staff recommend forming a new Electoral Area Services department led by a General Manager. This department will consolidate existing services, with current Senior Managers in each area reporting to the new General Manager, who will join the Executive Leadership Team. It's recommended that the new General Manager be appointed as a CRD Officer and that CRD Bylaw 3343 be updated. The CAO must obtain Board approval to establish this new department.

## **ALTERNATIVES**

### *Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the CAO be directed to establish a new department for Electoral Area Services under the CRD organizational structure, create a new General Manager position to oversee the new department, and reflect these changes in the 2025 provisional budget and service plans; and
2. That staff be directed to bring back proposed amendments to CRD Bylaw No. 3343 (Officers', General Managers' and Management Staff's Bylaw No. 1, 2006), Schedule A, to incorporate this General Manager position.

### *Alternative 2*

That this report be referred back to staff for additional information.

## **IMPLICATIONS**

### *Service Delivery Implications*

The new Electoral Area Services department will enhance service delivery by:

1. Increasing coordination, integration, and efficiency of service delivery to better meet legislative requirements and corporate policies.
2. Improving collaboration across internal support service delivery teams, and optimizing and, where possible, standardizing service levels for similar activities across the electoral areas.
3. Creating a structure that allows the General Manager to identify opportunities to leverage common solutions and approaches across electoral areas, enabling staff to enhance service delivery in a cost-effective or cost-neutral manner.
4. Through the General Manager, offering a consistent community interface with the CRD that respects local identity and community connection, and providing a consistent interface for Electoral Area Directors.

A comprehensive list of services that will be consolidated in the Electoral Area Services department, as well as any excluded services, has been provided in Appendix A.

At a high level, the list of services in scope includes:

- Administration – including granting for organizations contributing to the interests of the electoral areas<sup>1</sup>
- Building Inspection
- Community parks and recreation programs
- Contribution Services – provision of services or annual contributions to third-party organizations, including library, health, and arts services
- Water supply – conveyance, storage and distribution systems including operations and capital projects<sup>2</sup>
- Sewage collection and management – operations and capital projects<sup>2</sup>

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<sup>1</sup> These granting activities are supported by Financial Services functions that will remain the responsibility of that division.

<sup>2</sup> Water and sewage services are supported by Integrated Water Services (IWS), including engineering support; the transition of responsibilities will happen gradually with some continued support from IWS in the short term.

Furthermore, local services tailored to specific communities will be reassigned to the new Electoral Area Services department. This encompasses various functions such as land use planning in Juan de Fuca (handled by Islands Trust for the Southern Gulf Islands and Salt Spring Island), the promotion and support of economic development initiatives for the Southern Gulf Islands, and the provision of support services under the jurisdiction of the Salt Spring Island Local Community Commission, including assistance to the Commission.

Electoral Area fire and emergency services have been excluded because they are closely linked with regional services, and separating them would lead to increasing operational complexity. Future considerations will include the possibility of integrating these services, taking into account any service and financial impacts as the department continues to develop.

The current service levels and their funding structure will remain unchanged for the time being. Any potential enhancements identified by the new General Manager in collaboration with the Senior Managers, which affect resources, will require approval from the Electoral Areas Committee and the CRD Board, following standard protocols.

### **Benefits analysis**

Staff have conducted an initial analysis and identified several efficiency opportunities through consolidating functions and enhancing collaborations among key electoral area staff. These will be discussed with the new General Manager. For instance, there are opportunities for improvements in administrative tasks such as coordinating approvals, using common templates, managing grant applications, and joint procurement. Additionally, they may optimize service levels in areas such as community parks and share staff expertise and resources.

The new General Manager will look into standardizing meeting management and potentially consolidating local service area commissions. This could save time and effort, allowing key personnel to focus on operational tasks.

The General Manager will improve the consistency of financial reporting, overseeing 75 service budgets and 38 capital plans, and address cost recovery gaps. They will also improve community communications and coordination with third parties, advocating for electoral areas. This will allow existing General Managers and the CAO to handle more responsibilities related to new or expanded corporate functions as outlined in the reorganization plan, CRD Evolves 2024-2025.

To ensure seamless standard setting, optimization, and balancing of services, it is crucial that all three electoral areas take part in the proposed departmental structure.

### Financial Implications

For context, the total value of the 2024 Final Operating and Capital budgets associated with the electoral areas<sup>3</sup> is as follows:

	Operating	Capital
Juan de Fuca	\$2.8M	\$1.9M
Salt Spring Island	\$11.2M	\$7.7M
Southern Gulf Islands	\$5.6M	\$6.8M
Joint Electoral Areas	\$2.4M	\$0.2M
<b>Total</b>	<b>\$22.0M</b>	<b>\$16.5M</b>

The Electoral Area Services department is scheduled to start in Q3 2025 and will be led by a General Manager with one administrative support, adding two full-time employees. Recruitment for the General Manager begins by Q1 2025, involving the CAO, Electoral Area Directors, the Board Chair/Vice Chair and other Directors as determined by the Board. The General Manager will lead administration and service delivery in electoral areas and join the Executive Leadership Team, participating in corporate-level discussions. The department's (two new positions) funding will come from requisition: 30% from Regional Legislative and General Services, and 70% from the three Electoral Areas based on converted assessment.

Table 1 summarizes the high-level estimation of the expenditure for staffing and overhead with funding split between regional and electoral areas.

*Table 1: Five Year Estimated Requisition Impact – Regional and Joint EAs*

	2025	2026	2027	2028	2029
Regional (30%)	\$74,998	\$137,512	\$141,323	\$145,237	\$149,257
Joint Electoral Area (70%)	\$174,997	\$320,863	\$329,753	\$338,886	\$348,267
<b>Total</b>	<b>\$249,995</b>	<b>\$458,375</b>	<b>\$471,076</b>	<b>\$484,123</b>	<b>\$497,524</b>

Table 2 outlines the estimated requisition impact for each electoral area using 2024 converted assessment value for cost apportionment.

*Table 2: Electoral Area Requisition Impact by Cost Apportionment*

		2025	2026	2027	2028	2029
Juan de Fuca	23%	\$40,045	\$73,425	\$75,459	\$77,549	\$79,696
Salt Spring Island	43%	\$75,282	\$138,033	\$141,857	\$145,786	\$149,822
Southern Gulf Islands	34%	\$59,669	\$109,405	\$112,437	\$115,551	\$118,749
<b>Total</b>	<b>100%</b>	<b>\$174,997</b>	<b>\$320,863</b>	<b>\$329,753</b>	<b>\$338,886</b>	<b>\$348,267</b>

<sup>3</sup> Excluding Fire and Emergency Services, as listed in Appendix A.

Table 3 shows the incremental effect of creating the department in 2025 on the 2024 final requisition for each electoral area, based on the 2024 assessment value. The total 2024 final requisition includes regional, sub-regional, joint electoral area, individual electoral area services, and the Capital Regional Hospital District, but excludes local-specified services.

*Table 3: 2025 Incremental Requisition Impact over 2024 Final (full cost realized in 2026)*

	2024 Final		2025 Incremental		+% Incremental	
	\$	Cost/Avg HH	\$	Cost/Avg HH	\$	Cost/Avg HH
Juan de Fuca	2.9M	\$703	\$40,045	\$10	1.4%	1.4%
Salt Spring Island	8.1M	\$1,238	\$75,282	\$11	0.9%	0.9%
Southern Gulf Islands	3.9M	\$569	\$59,669	\$9	1.5%	1.6%

#### *Alignment with Board & Corporate Priorities*

The electoral areas' unique needs were considered in creating the 2023-2026 CRD Board Priorities and Corporate Plan. A strategic process with Electoral Area Directors unified local service initiatives under "Local Government" in the Corporate Plan. The new General Manager will advance this initiative and report on progress.

#### *Alignment with Existing Plans & Strategies*

The CRD's CAO, Chief Financial Officer and General Managers are all Officers of the CRD, as designated by CRD Bylaw. Designating this new General Manager as an Officer would be consistent with other CRD General Manager positions.

### **CONCLUSION**

The CRD governs three electoral areas in the capital region. Staff recommend creating an Electoral Area Services Department, combining most services under a new General Manager to tackle challenges and improve services. This change will be included in the 2025 provisional budget and take effect in Q3 of 2025, subject to Board approval.

### **RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That the CAO be directed to establish a new department for Electoral Area Services under the CRD organizational structure, create a new General Manager position to oversee the new department, and reflect these changes in the 2025 provisional budget and service plans; and
2. That staff be directed to bring back proposed amendments to CRD Bylaw No. 3343 (Officers', General Managers' and Management Staff's Bylaw No. 1, 2006), Schedule A, to incorporate this General Manager position.

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**ATTACHMENT(S)**

Appendix A: Electoral Area Services List