



**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 27, 2023**

SUBJECT **Service Planning 2024 – Climate Action Community Need Summary**

ISSUE SUMMARY

To provide strategic context and an overview of services, initiatives and performance data related to the Climate Action 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 Climate Action Community Need Summary is attached as Appendix A. The desired outcome is progress on adaptation, reduced greenhouse gas emissions and triple-bottom-line solutions that consider social, environmental and economic impacts.

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 Environmental Services Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

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

Alternative 2

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

That Appendix A, Community Need Summary – Climate Action, 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

Staff are proposing to advance three new initiatives for the Climate Action Community Need that have financial implications for 2024, as shown in Table 1. The key drivers for the initiatives are:

1. advancing a Board or Corporate Plan Priority; and
2. operationalization of capital investments.

Table 1. Climate Action Community Need Initiatives (2024)

Initiative	Implementation year(s)	Staff impacts (2024)	Incremental cost (2024)	Funding source
6a-4.1 Biodiversity Service	2024-ongoing	Existing position moved	-	Core budget
6b-3.1 Fuel Purchase System	2024	-	\$17,000	Other
6b-3.3 Fleet Overhead Recovery	2024	-	\$128,000	Other

The information in Table 1 reflects the initiative business case costs, which ELT reviewed as part of its annual assessment of initiatives. The financial impacts reflect full program costs, including cost of staffing.

6a-4.1 Biodiversity Service

The CRD Board directed staff to “explore options for a regional approach to biodiversity and the protection of ecological assets.” Increased environmental stewardship through action on biodiversity and protection of ecological assets can improve watershed and harbour health, build climate resilience and create more sustainable and livable communities.

Ecosystems that have a high degree of biodiversity with a wide variety of species are more resilient than those that have less biodiversity. The more diverse an ecosystem, the more it can withstand stressors like climate change, invasive species, disease, or other disturbances. Conserving and restoring natural spaces, both on land and in the water, is essential for limiting carbon emissions and adapting to an already changing climate.

As a start, initiative 6a-4.1 seeks to allocate an existing staff position (0.5 full-time equivalent) and budget in the Environmental Protection Division to create a new Biodiversity & Environmental Stewardship Service (Sooke to Saanich Peninsula) to coordinate invasive species management, biodiversity and ecological assets.

6b-3.1 Fuel Purchase System

The CRD currently utilizes the services of seven vendors to facilitate fuel purchasing for its fleet assets. This approach evolved over time as services grew but is no longer efficient.

Initiative 6b-3.1 seeks a core budget increase to identify and implement a software tool to improve the CRD’s fuel purchasing process. Doing so will enable the Customer & Technical Services Division to streamline cost allocation, lower the administrative burden and acquire data to facilitate better fiscal and climate action monitoring and reporting.

6b-3.3 Fleet Overhead Recovery

Since it was created in 2007, the Corporate Fleet function has grown its internal customer base from two water services with 100 fleet assets to 33 services across the region with a fleet size of 420 assets. The fleet supported has also grown more complex, as a wider variety of vehicles and mobile equipment was added. The replacement value of all current fleet assets is \$55 million.

While the scope of services provided has grown steadily, the way that the function recovers costs for services rendered has not been updated. Currently, overhead costs are only recovered from the Integrated Water Services fleet users, which only account for 45% of all customers. The shortfall has been made up using Integrated Water Services revenue.

Initiative 6b-3.3 seeks to expand the cost recovery model to all internal customers to ensure appropriate fiscal accountability and support the ongoing fleet management and electrification.

2. Planned changes in 2025

There are two initiatives planned for 2025, shown in Table 2. The CRD Board will consider approval next year.

Table 2. Forecast of Future Initiatives: Climate Action Community Need

Initiative	Implementation year(s)	Staff impacts (2025)	Incremental cost (2025)	Funding source
6b-2.1 Corporate Fleet Mechanic	2025-ongoing	1 New Ongoing	\$120,000	Fee-for-service
6b-3.1 Fleet Data Telematics	2025	-	-	

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

6b-2.1 Corporate Fleet Mechanic

The number of vehicles and equipment that the CRD’s Corporate Fleet function (Customer & Technical Services Division) supports has grown from 100 to over 400 over the last 10 years, in alignment with the growth of operations. The addition of specialist vehicles (e.g., fire and rescue vehicles) and growing geographic area supported means the level of complexity and effort involved in maintaining the fleet has grown considerably.

Separately, the CRD is implementing a strategy to electrify 75% of its light duty fleet by 2028 and 90% by 2030. Guiding and supporting this implementation is drawing considerable effort from the function. While the function has so far been able to respond to times of high demand by drawing on contracts for services, the cost of doing so has increased by 40% in recent years for lower levels of service.

Initiative 6b-2.1 will propose the creation of one new regular ongoing Fleet Mechanic position with the Customer & Technical Services Division to address these pressures in a cost-efficient manner and improve the level of support for fleet users.

6b-3.2 Fleet Data Telematics

Initiative 6b-3.2 will propose to identify and implement fleet telematics to strengthen utilization management, reporting, fiscal accountability and climate action.

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 Environmental Services Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary – Climate Action, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

Submitted by:	Nikki Elliott, MPA, Manager, Climate Action Programs
Concurrence:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
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ATTACHMENT

Appendix A: Community Need Summary – Climate Action