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**REPORT TO THE FINANCE COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 4, 2017**

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**SUBJECT    2018 Service Plan Summary Update**

**ISSUE**

As a follow up to the 2018 Service Plan Summary Discussion report presented to Finance Committee on September 6, 2017, this report provides additional information with respect to service delivery levels and associated resourcing.

**BACKGROUND**

The 2018 Service Plan Summary Discussion report, attached as Appendix A, summarized three main themes that were prevalent through preliminary planning;

1. Alignment to regulatory or legislative compliance – as the organization realizes continued growth, there is a need to realign the organization to reflect the scope and scale of similar local governments in administrative oversight, controls, regulatory and legislative frameworks;
2. Impacts due to external situational factors – the organization can experience both positive and negative impacts through external factors such as a strong and vibrant local economy increasing both revenue and expenses at Hartland landfill and wholesale water distribution; and
3. Internal organizational impacts – as the CRD has grown into a \$500M organization, it is well positioned to drive a renewed internal focus on organizational resilience in alignment with corporate and strategic priorities for effective and efficient service delivery.

Through themes outlined above, additional staffing resources are proposed throughout the organization. These resources will be added in different departments and divisions and have unique funding structures, based on the requesting service.

**IMPLICATIONS**

**Division: Executive Services**

**1. *Salt Spring Island***

- Description: Salt Spring Island's Rainbow Road Indoor Pool (RRIP) operating contract is up for renewal March 31, 2018.
- Impact: The CRD Board approved assuming the management and operation of the facility in order to provide additional programming and increase operating hours. 4.6 FTE's will be required to assume responsibilities from the off-island private contractor.
- Funding: This will be recovered through a combination of savings from the contracted service and fees and charges revenue for programs at the Rainbow Road Indoor Pool on Salt Spring Island.

**2. *Human Resources***

- Description: Centralized oversight of regulatory and legal responsibilities related to the CRD's safety obligation is a necessary focus for the Human Resources department.
- Impact: Along with an internal realignment of staff, there is a requirement of two FTE's, offset by the reduction of one term FTE. A safety advisor has been realigned from

Integrated Water Services to Human Resources, funded through allocations from IWS. The Manager of Corporate Occupational Health and Safety will be converted from a term position to a permanent position, along with the addition of a Human Resources Advisor to provide confidential statutory support and service to the corporate occupational health and safety function.

- Funding: The manager position will be funded through requisition and the advisor will be funded by allocation.

## **Division: Finance and Technology**

### **1. Financial Services (Project Support)**

- Description: There will be added volume and complexity created by the Core Area Wastewater Treatment Project (CAWTP), including invoice and payment volumes, added internal controls, and grant funding complexity.
- Impact: Two 4-year term positions are required to manage the distributed workload across the finance department in various areas including financial analysis, accounts payable, payroll, and required grant reporting.
- Funding: These term positions will be funded by an allocation from CAWTP and will have no impact on other services or requisition.

### **2. Financial Services**

- Description: As the organization continues to grow in size and scope, internal financial controls and reporting become a higher priority to ensure fiscal responsibility and transparency.
- Impact: One additional FTE will be required to carry out duties related to closing procedures, reconciliations, exception reporting, and the standardization and automation of manual processes.
- Funding: The position will be recovered through internal allocations.

### **3. Asset & Risk Management**

- Description: Planning for essential services during an emergency or disaster is a legislated requirement for Local Governments.
- Impact: One additional FTE will be required to support the development of a corporate Business Continuity Management Program. The responsibilities will include developing and implementing a framework, policy, strategy, and plans for organizational resilience.
- Funding: The position will be recovered through internal allocations.

### **4. Information Technology (Security)**

- Description: An external third party was engaged to conduct an Information Technology (IT) security vulnerability assessment, testing the enterprise system for weaknesses through ethical hacking techniques.
- Impact: One additional resource is required to address recommendations for a more secure computing environment across the organization.
- Funding: The position will be recovered through internal allocations.

### **5. Information Technology (Complexity)**

- Description: As technology continues to be integrated throughout daily operations, there is a growing need for IT support, both in the number of devices supported and the complexity of the technology.

- Impact: One FTE is required to support the growing IT organizational requirements (seven new work locations, additional phones, and a growing number of networked devices).
- Funding: The position will be recovered through internal allocations.

## **Division: Integrated Water Services**

### **1. Infrastructure Operations (CAWTP)**

- Description: The design and construction of the infrastructure related to CAWTP began in 2017 and will continue through 2020. Beginning in 2019, the new infrastructure will be commissioned and integrate into ongoing system operations.
- Impact: One FTE is required; a Supervisor of Operations for the wastewater treatment plant to proactively engage in the transition from the project to ongoing operations.
- Funding: This FTE will be funded from committed funds from the CAWTP for 2018 with funding transitioning to a new CAWTP operating budget being developed for 2019.

### **2. Infrastructure Operations (Magic Lake Estates Water and Sewer Service)**

- Description: With the completion of the new water treatment plant at Magic Lake Estates on Pender Island, additional operating effort is required to operate and maintain more advanced treatment infrastructure and processes..
- Impact: 0.5 FTE is required to complete ongoing operations and maintenance tasks.
- Funding: This will be funded through parcel taxes and user fees related to Magic Lake Estates.

### **3. Infrastructure Engineering (Core Area Wastewater Service)**

- Description: The expansion of the Core Area Wastewater system infrastructure, including the McLoughlin Point treatment plant, major pumping stations at Clover Point and Macaulay, extensive conveyancing systems, along with related ancillary works, require significant ongoing engineering support.
- Impact: Two FTEs are required; a technical support engineer and a GIS/drafting technician to support core sewer engineering for ongoing core area wastewater projects.
- Funding: These positions will be funded through requisition.

### **4. Infrastructure Engineering (JDF Water Distribution Service)**

- Description: In order to maintain service levels for the rapidly growing JDF water distribution system, additional administrative support is required to coordinate development servicing requests and the development cost charge (DCC) program, as well as other CRD underground utility referrals from external agencies.
- Impact: One FTE is required to support ongoing operational activities of Tempest, the enterprise database system, and manage the new DCC process.
- Funding: This position is budgeted to be funded through water sales revenue.

### **5. Watershed Protection (Regional Water Supply Service)**

- Description: Increasing service levels related to public engagement on regional watershed tours and incremental resource planning initiatives related to the future use of the Leech Water Supply Area.
- Impact: One FTE is required; a Watershed Technologist/Information Officer to provide additional capacity for resource planning projects, hydrology field monitoring, and public tour expansion.

- Funding: This position will be funded through the water rate.

**Division: Parks & Environmental Services**

**1. Environmental Protection (Landfill)**

- Description: A growing and vibrant regional economy has resulted in dramatic increases in construction activities leading to amplified waste loads at the landfill.
- Impact: 0.5 FTE is required for a demolition waste permit technician.
- Funding: This will be funded through tipping fee revenue.

**2. Environmental Protection (Climate Action)**

- Description: To support the implementation of the board approved Regional Community Climate Action Strategy.
- Impact: 0.3 FTE is requested; a Climate Action Program Assistant that will provide additional support to address strategic priorities related to climate change.
- Funding: This position will be funded through requisition.

**3. Environmental Protection (Invasive Species)**

- Description: To support regional coordination of invasive species management
- Impact: 0.5 FTE is requested; an Ecosystem Biologist for regional management of invasive species.
- Funding: This position will be funded through requisition.

**4. Environmental Protection (Contaminated Sites)**

- Description: Public Sector Accounting Board Standards (PSAB) require the organization to carry a liability for contaminated sites for which the CRD is responsible.
- Impact: 0.6 FTE is required to address the increased regulatory requirements related to tracking and monitoring the liability of contaminated sites.
- Funding: This will be funded by the various capital projects requiring additional support for remediation.

**5. Environmental Protection (Water Sampling)**

- Description: Expanded municipal water sampling and analysis is required to achieve compliance with existing legislation.
- Impact: One FTE is required; a Drinking Water Sampling Technician to meet legislative requirements.
- Funding: This position will be funded through the water rate.

**6. Integrated Resource Management (IRM)**

- Description: The procurement process related to IRM is expected to significantly increase over the next several years, both in volume and complexity.
- Impact: Two 4-year term positions are required as project leads to support IRM procurement and ensure consistent application of policies and procedures.
- Funding: These positions will be funded through the IRM capital project from 2018 through 2021.

**Division: Planning & Protective Services**

**1. *Bylaw Enforcement & Animal Care***

- Description: Dog management in Regional Parks continues to be a public concern resulting in a service level adjustment with greater focus and emphasis on the enforcement of existing regulations and bylaws.
- Impact: 0.5 FTE will be required to support Regional Parks in monitoring and enforcement.
- Funding: This position will be funded internally through allocation from Regional Parks.

**2. *Capital Region Housing Corporation (CRHC)***

- Description: The CRHC Board of Directors directed staff to undertake a Tenant Engagement Pilot Project.
- Impact: One FTE will be required as an outcome of this initiative.
- Funding: This position will be funded internally through building property management fees collected and administered by the CRHC.

**CONCLUSION**

The service planning process is an integral component of implementing the Board's strategic priorities and providing ongoing service delivery. Service plans define the work that will be performed over a four year period and provide the foundation for building operating and capital budgets. This report has been developed to provide a summary of the additional staffing resources that will be required for 2018.

**RECOMMENDATION**

That the Finance Committee recommend to the Capital Regional District Board:  
That the 2018 Service Plan Summary Update report be received for information and referred to Committees and Commissions for information as part of the 2018 service and financial planning process.

Submitted by:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Appendix A: 2018 Service Plan Summary Discussion report (September 6, 2017)