



Making a difference...together

REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, JANUARY 08, 2020

SUBJECT **CAO Quarterly Progress Report No. 4 - 2019**

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 Project Variances, and Human Resource Trends up to January 1, 2020.

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. 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 CRD, CRHD and CRHC Financial Plans are also reviewed and approved annually. The quarterly variance report highlights differences between budget and actual expenditures on capital projects over \$500,000. The quarterly update on non-confidential human resources matters, including labour relations and workforce trends. This report will be the fourth report on the Board and Corporate Priorities identified for 2019-2022 and for this Board.

ALTERNATIVES

Alternative 1:

That the CAO Quarterly Progress Report No. 4 - 2019 be received for information.

Alternative 2:

That the CAO Quarterly Progress Report No. 4 - 2019 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.

October 18 was the kick-off of the 2019 CRD United Way Campaign. Representatives from Saanich Volunteer Services, Sooke Family Resource Center and the Victoria Cool Aid Society, to name a few, spoke to staff about the positive impact the funds received from the United Way make for the people they support with their organization. Thanks to the tremendous support from staff

we raised over \$14,500 in workplace events and \$35,500 in pledges to achieve our goal of \$50,000. Next year will mark the CRD's 25th consecutive participation in the United Way Campaign and staff have the potential to reach the one million dollar mark on funds raised.

A delegation from Jordan participating in a Solid Waste Management Study Tour with the Federation of Canadian Municipalities (FCM) came to the CRD on October 22 for an opportunity to meet with staff. The CRD is an active participant of the FCM and benefits by participating with other external stakeholders on international work such as the Jordan Municipal Support Project mission.

The Regional Parks Volunteer Recognition event took place on November 2 at the Royal Colwood Golf Club. This annual event provides an opportunity for CRD staff and elected representatives to show their appreciation and acknowledge the many contributions that volunteers make to Regional Parks.

On November 6th, a number of CRD employees brought their Grade 9 student to work to give them a snapshot of the work we do. Take Our Kids to Work Day is an annual career exploration event, held every November, where Grade 9 students spend the day in the life of a working professional. Developed by The Learning Partnership, it is a national event with more than 250,000 students, 18,000 teachers and 75,000 organizations participating each year.

Chair Plant attended the Grumpy Taxpayer\$ of Greater Victoria's 2019 Annual General Meeting on November 27 and gave a presentation focusing on how the CRD is moving towards 2050.

Island Health's most recent Public Forum was held on November 28 at the Saanich Fair Grounds. Chair Colin Plant and CAO Robert Lapham participated in this session which brought together key partners and leaders from across the Saanich Peninsula for an opportunity to discuss our shared work as partners to support the health and wellness of the community.

The Solid Waste Management Plan guides how the region will manage solid waste in the coming years, including recyclables, compostable material and garbage from homes, businesses and institutions, as well as construction and demolition sites. The aim is to reduce our waste from 380 kg per capital (2018 levels) to 250 kg per capital by 2030 – a reduction of more than a third. Public engagement is a key part of developing this plan and capital region residents were invited to provide feedback in person at an open house or by filling in an online feedback form between October 18 and December 1, 2019.

Forum of All Councils took place on November 30th at the Hotel Grand Pacific and was a place where Indigenous and non-Indigenous representation from across the capital region worked together to begin co-creating a path towards a future with stronger relationships that are based on trust, mutual respect, partnerships and working together on shared goals. The purpose of the Forum of All Councils was to explore what approaches, actions, activities and processes First Nations and local government could pursue together and set the stage for annual events that bring leadership from across the region together to build relationships and discuss matters of mutual interest. In total, 73 attendees participated in the forum include representation from 6 First Nations, 13 municipalities and 2 electoral areas. CRD Staff will be working to summarize all of the notes from the day and will be bringing forward a Summary Report and Recommendations to the CRD's First Nations Standing Committee in February 2020 followed by the CRD Board. The Report and Recommendations will be shared with staff from both the Ministry of Municipal Affairs and Housing

and the Ministry of Indigenous Relations and Reconciliation in February/March 2020. The Report and Recommendations will be shared with all participants and CRD staff will look to establish an action and reporting framework to help in framing the 2020 Forum of All Councils and to support tracking annual progress.

On December 9th Director Holman joined MLA Sheila Malcolmson and Islanders Working Against Violence Society for the ground breaking of new affordable homes for seniors on Salt Spring Island. Located at 132 Cobett Road, Phase 2 of the development will provide 10 studio units and 12 one-bedroom units for seniors. The Capital Regional District is providing \$144,000 through the Regional Housing Trust Fund and \$100,000 through the Community Works Fund.

The 15th Annual Holiday Potluck Lunch was held in the Boardroom at Fisgard on December 11 for staff. Each year, the GLEE Club holds a charity raffle and sells tickets for an array of prize baskets all donated by staff. All proceeds are split between the Mustard Seed food bank and Our Place. This year, staff raised an amazing \$1,409.00 from this raffle for charity.

For a second year in a row, the CRD has won the GFOA US & Canada Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award recognizes local government budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. To date the CRD is the only regional district in BC to win this award.

Board Priorities and Corporate Plan Initiatives

An updated Board Priorities Dashboard has been prepared reflecting the new Board Priorities. Progress on the Board Priorities and Corporate Plan initiatives from January 2019 to date is reflected in Progress Report Q4, 2019, 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 Action Initiatives

A quarterly update on corporate climate action 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 Q4, 2019 as Appendix E.

Capital Variance Report – Q3, 2019

Financial plan variance analysis is the process of investigating deviations in financial performance from the limits defined in the budget. The value in monitoring variance analysis reporting is two-fold: it affords the Board a medium to exercise appropriate financial oversight but also provides the Board, staff, and community critical insight into the performance of the organization and how to adjust going forward.

The Capital Variance Report, attached in Appendix F, 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 third quarter of 2019 and covers all capital projects with budgeted spending in 2019 greater than \$0.5 million.

For 2019, 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

The CRD capital expenditures, on projects >\$0.5 million, was \$69 million for the third quarter of 2019, 18% lower than the \$84 million forecasted for the quarter. The \$14.9 million variance is primarily due to lower than expected expenditures for the Core Area Wastewater Treatment Project (CAWTP) of \$11.4 million due to timing and \$1.0 million due to delay in construction for Regional Water Supply's intake screen replacement. Notable projects in the balance of the variance include the Lubbe Dam remediation, North Ganges transportation improvements, and expansion of the SEAPARC facility.

Forecasts to year end reflect actual experience in the first to third quarters, and forecast for quarter four of the year. The 2019 forecast is lower than plan primarily due to projects being delayed to future years because of market pricing pressures, where re-design and re-scoping may be required to proceed to tender and construction. Financial plan amendments for changes to the approved capital plan are reflected in the summary table.

Capital Regional Hospital District (CRHD)

In the third quarter, \$6.1 million was spent on construction of the Summit Project by the CRHD. The quarterly variance from plan is 30% or \$2.6 million, due to timing differences on furniture, fittings and equipment billings. The project is on target for December 31, 2019 completion, and forecast to be within budget.

Capital Region Housing Corporation (CRHC)

The CRHC capital expenditures, on projects >\$0.5 million, was \$2.7 million for the third quarter of 2019, 15% lower than the \$3.2 million forecasted for the quarter. The \$0.5 million variance is primarily due to delays due to tendering for the Westview apartment building. As a result, the completion date for this project has shifted slightly from March 2020 to May 2020.

Human Resource Trends and Corporate Safety

Appendix G 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. While there continues to be no significantly concerning organizational health trends based on metrics information, the CRD continues to experience increased pressures associated with a highly competitive labour market, low unemployment, and the increased number of retirements which are expected to continue in 2020 and beyond.

Local governments are becoming increasingly more complex as these organizations and their roles and responsibilities continue to evolve, and this continues to place more demand to secure more specialized labour. This, coupled with some of the lowest unemployment in the country and a high number of pending retirements, put significant pressure on the CRD's ability to attract and retain staff. 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. The CRD's fifteen (15) element OHS strategy aligned with OHS best practice standards, which meets or exceeds requirements of the municipal Certificate of Recognition (CoR) program, has been implemented and continue to ensure overall safe work and management practices. The CRD continues to experience a positive (merit) situation with WorkSafeBC resulting in a 15% lower-than-industry Employer Rating Assessment and equally reflected reduction in premiums.

CONCLUSION

The CAO Quarterly Progress Report provides the Board with an update on Corporate Activities and Initiatives, progress made on the 2019-2022 Board and Corporate Priorities, Corporate Climate Action Initiatives, Capital Project Variances, and Human Resource Trends.

RECOMMENDATION

That the CAO Quarterly Progress Report No. 4 - 2019 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 Q4, 2019
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Corporate Climate Change Initiatives
- Appendix E: Advocacy Dashboard Progress Q4, 2019
- Appendix F: Capital Variance Report Q3, 2019
- Appendix G: Human Resources Trends and Corporate Safety Q3, 2019