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

SUBJECT **CAO Quarterly Progress Report No. 1, 2020**

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 Variance, and Human Resource Trends up to April 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 Capital Variance Report highlights differences between budget and actual expenditures on capital projects over \$500,000. The quarterly update on non-confidential human resources matters is provided to highlight workforce trends. Progress on priorities, initiatives, actions and advocacy in this report is presented for the first quarter of 2020, however the capital variances and human resources trends are for the last quarter in 2019. This will be the fifth report on the Board and Corporate Priorities identified for 2019 – 2022 with an annual check in on the Strategic Plan currently being planned for May 2020.

ALTERNATIVES

Alternative 1:

That the CAO Quarterly Progress Report No. 1 - 2020 be received for information.

Alternative 2:

That the CAO Quarterly Progress Report No. 1 - 2020 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.

The CRD Board Highlights were launched in December, 2019 as part of the CRD's commitment to transparency and accountability. The Board Highlights monthly e-newsletter provides a summary of key agenda items and Board decisions with links to related materials and webcasts for in-depth review.

On February 28th the CRD honoured employees with 20, 25, 30, 35 and 40 years of service at our annual Career Service Celebration event. It was also an opportunity to thank those employees who have retired within the last year for their dedicated service to the CRD.

On March 6, the CRD Board had an opportunity to have a tour of The Summit at Quadra Village, a 320 unit residential care facility for seniors who need complex and dementia care. Construction is now complete and the property has been transferred to Island Health for their use.

A special CRD Board meeting was held on Friday, March 27 and due to the COVID-19 pandemic and the requirement for social distancing the first remote CRD Board meeting was conducted with the majority of Board Directors dialing into the meeting.

For a second year in a row, the CRD has won the GFOA awards for Popular Annual Financial Reporting and Financial Reporting.

Board Priorities and Corporate Plan Initiatives

Progress on the Board Priorities and Corporate Plan initiatives from January 2019 to date is reflected in Progress Report Q1, 2020, 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 Change Initiatives

A quarterly update on corporate climate change 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 Q1, 2020 as Appendix E.

Capital Variance Report – Q4, 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 the 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 fourth 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

Capital expenditures on projects >\$0.5 million totaled \$56 million in the fourth quarter of 2019, 25% lower than a forecast of \$75 million. Of the \$18 million variance, \$16 million is related to timing of construction costs on the Core Area Wastewater Treatment Project (CAWTP) while \$1 million is related to construction timing for Regional Water Supply's intake screen replacement project. Other notable initiatives include the phases 3 and 4 of the E&N trail, the Turgoose Pump Station Upgrade and the Todd Creek Trestle refurbishment.

Capital Regional Hospital District (CRHD)

Construction of the Summit Project resulted in \$8.4 million in expenditures against a forecast of \$10M. The \$1.7M or 17% variance is due to timing differences on furniture, fittings and equipment billings. The project will be complete in the first quarter of 2020, and is expected to be on budget.

Capital Region Housing Corporation (CRHC)

Capital expenditures, on projects >\$0.5 million totaled \$4.5 million in the fourth quarter of 2019, 5% higher than a forecast of \$4.3 million. The variance is due to timing differences on trades scheduling for the Westview property. The project is scheduled to be completed in the second quarter of 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. The metrics information for the last quarter of 2019 does not reflect any impact from the COVID-19 Pandemic. However, prior to the declaration of a state of emergency, the CRD was continuing to experience increased pressures associated with a highly competitive labour market, low unemployment, 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. 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

As part of staff's commitment to enhanced quarterly reporting to the Board, the CAO Quarterly Progress Report No. 1 - 2020 provides a status update of Progress on Board and Corporate Priorities, Activities and Initiatives, Capital Project Variances, and Human Resource Trends across the organization.

RECOMMENDATION

That the CAO Quarterly Progress Report No. 1 - 2020 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 Q1, 2020
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Corporate Climate Change Initiatives
- Appendix E: Advocacy Dashboard Progress Q1, 2020
- Appendix F: Capital Variance Report Q4, 2019
- Appendix G: Human Resources Trends and Corporate Safety Q4, 2019