

REPORT TO GOVERNANCE AND FINANCE COMMITTEE MEETING OF THURSDAY, OCTOBER 01, 2020

SUBJECT 2019-2022 Accountability Service Planning

ISSUE SUMMARY

To provide the Governance and Finance Committee with an overview of relevant initiatives undertaken by corporate and executive services divisions in 2020 and planned for 2021 to deliver on approved Board Priorities and the Corporate Plan.

BACKGROUND

The CRD Board completed its strategic planning early in 2019 and approved the CRD Board Strategic Priorities 2019-2022.

The four priorities are:

1. Community Wellbeing – Transportation & Housing;
2. Climate Action & Environmental Stewardship;
3. First Nations Reconciliation; and
4. Advocacy, Governance & Accountability.

The priorities were confirmed at the annual check-in on May 13, 2020.

The 2019-2022 CRD Corporate Plan is aligned to the Board direction. It highlights the initiatives the CRD needs to deliver over the Board's four-year term to address the region's most important needs. The Corporate Plan identified seven initiatives under Accountability, which fall under the Governance and Finance Committee's mandate.

Appendix A *Community Need Summary – Accountability 2021* is a summary of the planned activities for 2021. It contains details about core service levels, new initiatives proposed and performance metrics.

Appendix B *Accountability – Initiatives Progress Report* provides insights into what has been delivered through the 19 delivery initiatives approved last year, for delivery in 2020.

The Service Planning process gathered information necessary to assemble a provisional budget for Committee and Board review. The purpose of this report is to explain how the corporate and executive services program of work connects to Board Priorities, Corporate Plan and provisional budget.

ALTERNATIVES

Alternative 1

The Governance and Finance Committee recommends to the Capital Regional District Board: That Appendix A *Community Need Summary – Accountability* be approved as presented and advanced to the October 28, 2020, provisional budget review process.

Alternative 2

The Governance and Finance Committee recommends to the Capital Regional District Board: That Appendix A Community Need Summary – Accountability be approved as amended and advanced to the October 28, 2020, provisional budget review process.

IMPLICATIONS

Financial Implications

Initiatives identified in the Corporate Plan (including Board Priorities) cannot be undertaken without resourcing. The Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making, staff, through the service planning process, provide recommendations on funding, timing and service levels.

During the service planning process this year, staff have been mindful of the fiscal challenges facing the region in the months ahead. To that end, any budget increase or other impacts have been mitigated, as much as possible.

Service Delivery Implications

The Community Need Summary provides an overview of all work that needs to be undertaken in order to meet regulatory requirements, satisfy Board direction and meet the needs of the communities served by the CRD.

Alignment with Board & Corporate Priorities

Staff have identified 11 initiatives that will have budget implications for 2021 (Table 1).

Table 1: Community Need Summary – Accountability, Initiatives

#	Initiative	Description	Year(s)	FTE impacts in 2021	Budget Impacts in 2021
5b-5	CAMS Lifecycle Costing	Develop policy and procedure to embed lifecycle assessments within the asset's lifecycle (i.e. business case analysis)	2021-2022	-	Included in Provisional Budget
15a-1	Commission Review	Review of CRD's 60+ Commissions and Committees in areas of governance, authority, record collection and FOI compliance and administrative support	2020 – 2021	-	Already funded

#	Initiative	Description	Year(s)	FTE impacts in 2021	Budget Impacts in 2021
15b-2	Financial Services Treasury Analyst	New position to enhance management of investment and debt portfolio	2021	1.0	Included in Provisional Budget
15b-2	Financial Services Support	Financial Services support for Electoral Areas and Planning & Protective Services	2021	1.0 Term Conversion 1.0 Auxiliary Conversion	Included in Provisional Budget
15c-1.2	Facilities Management Worker Formalization	Facility maintenance and operations duties	2021	1.0 Ongoing	Included in Provisional Budget
15c-1.3	Diversity, Inclusion and Organizational Development and Alignment	Delivery of the multi-faceted Organizational Development Plan and related strategies	2021	1.0 Ongoing	Included in Provisional Budget
15d-1.2	Graphic Standards Update	Development of updated graphic standards package and alignment with the CRD's Statement of Reconciliation	2021	-	Included in Provisional Budget
15f-1.3	Facilities Management Centralization Strategy	Creation of new Project Coordinator position to support low and medium level complexity project for Facilities Management, primarily for VIHA projects	2021	1.0 Ongoing	Included in Provisional Budget
15f-1.4	Hartland Scales and PerfectMind Applications Support	Enhanced IT support for two key applications used by Landfill and Recreation services	2021	1.0 Ongoing	Included in Provisional Budget
15f-1.5	Mobile Maintenance Workorder Platform Support	IT ongoing support and development of mobile workorders for mobile workers	2021	1.0 Ongoing	Included in Provisional Budget

#	Initiative	Description	Year(s)	FTE impacts in 2021	Budget Impacts in 2021
15f-1.6	Electronic Signatures	Pilot the use of electronic signature software to approve, track and execute Real Estate licenses, leases and agreements	2021	-	Included in Provisional Budget
15f-1.7	Microsoft Office 365	Migration to Microsoft Office 365 Cloud	2021	-	Included in Provisional Budget
15f-1.9	IWS Infrastructure Resilience Support	Enhanced IT support for seven Integrated Water Services initiatives to address gap	2021	1.0 Ongoing	Included in Provisional Budget
15f-1.13	Staffing Initiative	Staffing Initiative for Financial Services, Information Technology & GIS and Human Resources and Corporate Safety	2021	5.7 Ongoing	Included in Provisional Budget

Blue highlighted areas are initiatives that directly address a Board Priority.

Initiatives

5b-5 – Corporate Asset Management Strategy (CAMS) Lifecycle Costing

Based on the context, decision-making tools come in different forms and utilize different sets of criteria. But, one universal criterion used is Lifecycle Costing Analysis, which belongs to a family of Lifecycle Assessments (LCA). There are four types of impact analysis under the LCA: Lifecycle Environment, Social, Economic and Costing. As an example, business cases are developed for all CRD capital projects. Lifecycle Costing Analysis, as an industry practice, assesses the whole lifecycle cost of an asset in order to support effective decision-making. The CRD Corporate Asset Management Strategy identified the need to facilitate such analysis along with analysing environmental, social and economic impacts as part of the CRD's business case development and decision-making.

Implementing a Lifecycle Assessment policy would advance the Advocacy, Governance & Accountability Board Priority by improving the transparency of CRD decision-making processes. This initiative entails chartering a team that includes a local University and a consultant for 2021-2022 to assist the Asset Management division in incorporating industry-based standards and best practice and implementation through a pilot project. Through this initiative, we will seek to develop a policy, procedures, templates and process workflows to embed lifecycle assessment in the CRD's decision-making towards a sustainable service delivery. The initiative will also provide internal training for divisions within the CRD as well as sharing the knowledge gained within the asset management community of practice groups regionally and provincially. The additional

workload will be absorbed within the existing Asset Management division staffing capacity, with support from colleagues across the organization.

15a-1 – Commission Review

The CRD has over 60 commissions and committees that assist in the governance and operational guidance of many services. Their structure, decision-making and governance models have evolved significantly over the last 50 years of operations due to changing bylaws and practices. Improving consistency across these decision-making tables will advance the Advocacy, Governance & Accountability Board priority by increasing coordination and transparency. This initiative will seek to review all of the commissions and committees in the areas of governance, authority, record collection and FOI compliance, administration and adherence to CRD policy. The objective is to identify and address inconsistencies and gaps by creating plans to move commissions and committees towards models of ideal governance and administration.

This one-time initiative was initially approved by the CRD Board for implementation in 2020 but was later deferred as a result of COVID-19. The funding has already been secured from the operating reserves and no additional resources are requested this year.

15b-1 – Financial Services Treasury Analyst

The Treasury function manages a growing investment and debt portfolio on behalf of the 200+ CRD services, the CRHD and the CRHC. The annual investment and debt portfolio are worth around \$250M and \$450m, respectively. An active portfolio management strategy has shown that value can be generated through the optimization of interest costs and income, internal interest framework and cashflow management.

To date, the work has been delivered by existing resources and within approved service levels. However, the increasing complexity of operations and largely manual nature of activities performed, there is a need for an increase in the staffing complement to address gaps in existing processes and continue to optimize value creation interest income and interest costs. This initiative seeks to increase the staffing complement in Financial Services by one ongoing position, the cost of which will be recovered through the CRD interest income on cash investments. This initiative advances the Advocacy, Governance and Accountability Board priority by promoting sustainable budgets through innovation, good governance and accountability.

15b-2 – Financial Services Support for Local Services/PPS

The Financial Services division supports three Electoral Areas, as well as Planning and Protective Services (PPS) by assisting and interacting with a range of stakeholders and local services committees and commissions. The role of the service has been to provide financial planning, reporting, controls and administration for the Electoral Areas. However, in recent years, the division has experienced increased demand for more responsive and dynamic financial advisory activities, including financial advice and insight on a greater range of policies, procedures, guidelines and processes.

This initiative seeks to increase the staffing capacity in the Financial Services team to ensure that the Electoral Areas Directors, operational managers, committee and commission volunteers and the community continue to have access to appropriate levels of financial due diligence and control. Doing so would contribute to the Advocacy, Governance & Accountability Board Priority by reflecting the unique needs and governance of each Electoral Area.

The current team complement is made up of a manager supported by two analysts (one ongoing and one auxiliary term position). This initiative seeks to convert the existing term position to ongoing and convert existing term auxiliary position to a permanent position (ongoing) bringing the total up to two analysts. Recruitment of the additional position is expected to be completed in Q1 2021.

15c-1.2 – Facilities Management Worker Formalization

The Facilities Management division manages around 12 locations, providing facilities management and maintenance support to all CRD departments, including locations in the Electoral Areas. This initiative seeks to convert an existing facilities and maintenance operations position into an ongoing position. This position has enabled the team to reduce the amount of deferred maintenance work, resulting in an overall betterment of the condition of CRD facilities, and reduce dependence on contracted services. The position charges-out labour cost for various maintenance services to other divisions.

15c-1.3 – Diversity, Inclusion and Organizational Development and Alignment

The CRD Organizational Development Plan (ODP) supports organizational capacity and resilience. This multi-faceted program of work is now in its fourth year of implementation. To move to the next phase, this initiative seeks to create a new position to lead a program to build internal understanding of and staff engagement with the CRD's organizational priorities, cultural traits and ODP goals. The resource, which will be added to the Human Resource & Corporate Safety division staffing complement, will manage, coordinate and execute this program with a focus on diversity and inclusion, performance management and strategic workforce planning.

15d-1.2 – Graphic Standards Update

The existing CRD graphic standards package was developed in 2007 and has been successfully used since across a range of digital and printed materials. In recent years, a shift from print to digital has significantly changed the way the CRD develops materials and how they are distributed and viewed. In addition, there is an opportunity to align our corporate materials with the CRD's Statement of Reconciliation by acknowledging the connection between Indigenous Peoples and these lands and waters.

The update to the corporate graphic standards guide will include updated information on the CRD brand, including new standards for typography and palette for digital use, as well as updated templates. The cost of the contract for this work in 2021 will be recovered from operating surplus.

15f-1.3 – Facilities Management Centralization Strategy

The Facilities Management & Engineering Services division provides project management services for low to medium complexity projects at four health units leased to the Vancouver Island Health Authority (VIHA) as part of an existing operating agreement. In order to maintain the facilities to industry standards and respond to new facility requests in a timely manner, additional staffing capacity is required in the division.

This initiative seeks to create a new ongoing position to provide project coordination and oversight support for the VIHA-leased facilities. The cost of this initiative will be recovered through VIHA.

15f-1.4 – Hartland Scales and PerfectMind Applications Support

Two automated scales have been implemented at Hartland depot (installed in 2004 and 2020 respectively) to facilitate operations. Separately in 2014, a new recreation management system

(PerfectMind) was deployed to all three recreation centres (Panorama, SEAPARC and Salt Spring Island) and Regional Parks. New technology solutions will often add new levels of sophistication and increased complexity.

The introduction of these new systems created a steady growth in demand for support from Information Technology & GIS (IT&GIS) specialists. While the division has been able to absorb the additional demand for a number of years, the volume of work hours is no longer sustainable, so this initiative seeks to increase the staffing complement in IT&GIS by creating one new position. The new position will ensure that the necessary level of support is maintained for these operationally critical systems.

15f-1.5 – Mobile Maintenance Workorder Platform Support

Mobile workorders were developed and implemented in 2002 to support Integrated Water Services. Since then, IT&GIS have continued to develop, implement, expand, and support the system. The total number of users has since increased threefold and the number of data retrievals performed by users has increased from 8,600 to almost 20,000 annually. The system is now also used by Regional Housing and the Core Area Wastewater Treatment Program to support their work.

While the division has been able to absorb the additional demand for a number of years, the volume of work required to support the system is no longer sustainable; this initiative seeks to increase the staffing complement in IT&GIS by creating one new position. The new position will focus on a range of functions to maintain and enhance the service levels provided.

15f-1.6 – Electronic Signatures

An opportunity has been identified to improve the efficiency and effectiveness of the approval, execution and tracking of documents in the organization by switching from paper-based to software-based processes. This would contribute towards the corporate objective of enhancing systems and policies to respond to evolving best practices, adhere to legislative requirements and provide efficient and accessible customer service.

This initiative proposes to pilot an e-signature software in the Real Estate division. Currently, the division circulates over 200 documents per year for review and signature. The pilot would test the use of e-signatures for licenses, leases and agreements and seek to assess impact on efficiency, effectiveness, tracking transparency and management of documents. If successful, the pilot would inform future CRD policy regarding the use of e-signature software for document approvals.

15f-1.7 – Microsoft Office 365

A number of Microsoft Office applications used by the CRD are nearing end of life with Microsoft discontinuing support and security updates. The latest version of the applications reside in the Microsoft Azure Cloud, requiring a migration and upgrade project. The CRD currently provides only one application through Azure (MS Teams). This application was deployed during the COVID-19 pandemic to facilitate remote collaboration.

This initiative seeks to increase the annual operating cost relating to data storage and back-up to enable the migration of the remaining Microsoft Office applications to the Microsoft Azure Cloud and upgrade to Microsoft Office 365. Doing so would deliver a number of benefits, including enhanced cyber security, reliability, and compliance with industry regulations. It will also improve the email system back-up performance and reduce reliance on servers in the CRD data centre,

which are now beyond their operational end of life. Any additional workload resulting from this will be absorbed by the IT&GIS division.

15f-1.9 – IWS Infrastructure Resilience Support

The complexity of the IT needs from the Integrated and Water Services department has grown significantly. A review of the workload has identified a support gap across seven key initiatives. A number of these initiatives are to replace and update aging infrastructure across the water distribution system including more than 20,000 bulk and in-ground water meters. To ensure the technical expertise is available to guide and support these significant, multi-year asset replacement programs, this initiative seeks to increase the IT&GIS staffing complement by creating one new ongoing position.

15f-1.13 – Staffing Initiative

The CRD is proposing to progress 35 delivery initiatives in 2021 to advance the Community Need target outcomes. The cumulative impact of these initiatives on support divisions will be significant. In order to address the pressure this additional workload will bring, and maintain an adequate service level, this initiative seeks to create new positions as follows:

- 2.2 regular positions in Financial Services divisions in support of transaction volumes in payroll, accounts payable, accounts receivable and to support revenue generating system interfaces.
- 2.5 regular positions in IT&GIS division
- 1.0 regular position in Human Resources & Corporate Safety division

The cost of these positions will be recovered through corporate allocations.

CONCLUSION

Staff have been progressing initiatives and actions identified in the Corporate Plan, including Board Priorities. The Board determines resourcing through its annual review and approval of financial plans. As per previous years, to support the Board's decision-making, staff are providing recommendations on funding, timing and service levels through the service and financial planning processes.

RECOMMENDATION

The Governance and Finance Committee recommends to the Capital Regional District Board: That Appendix A Community Need Summary – Accountability be approved as presented and advanced to the October 28, 2020 provisional budget review process.

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ATTACHMENT(S)

Appendix A: Community Need Summary – Accountability
Appendix B: Accountability – Initiatives Progress Report