



Making a difference...together

REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, APRIL 14, 2021

SUBJECT CAO Quarterly Progress Report No. 1, 2021

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 and Operating Variances, and Human Resources and Corporate Safety up to April 1, 2021.

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. The Board completed an annual check-in on priorities in May 2020 and the priorities were confirmed and staff was directed to continue to progress the initiatives and actions as developed in the Corporate Plan. The 2021 Board annual check-in on priorities is scheduled at a special meeting of the Committee of the Whole to be held on the morning of May 12, 2021 prior to the regular Board meeting.

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 2021 service and financial planning process is currently underway, and staff are providing recommendations on service levels, timing and the funding of core services and new initiatives for 2021 by way of Commission, Committee and Board review. The service planning work is now presented as a summary of Community Needs and includes information on the strategic context, core service levels, proposed initiatives, funding and reporting as well as key performance indicators and annual progress that was made on initiatives approved in the prior year. The CRD, CRHD and CRHC Financial Plans are reviewed and approved annually by the respective Boards' of these corporations.

This report presents quarterly progress on priorities, initiatives, actions and advocacy for the first quarter of 2021, however the capital and operating variances and human resources trends are for the fourth quarter in 2020. The Quarterly Capital Variance Report highlights differences between budget and actual expenditures on capital projects over \$500,000. The Quarterly Operating Variance Report highlights provides results and forecasts for services with an annual operating budget over \$1.5 million, which comprise approximately 77% of the CRD budgets for the year. The quarterly update on non-confidential human resources matters is provided to highlight workforce trends.

ALTERNATIVES

Alternative 1:

That the CAO Quarterly Progress Report No. 1 - 2021 be received for information.

Alternative 2:

That the CAO Quarterly Progress Report No. 1 - 2021 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.

A CRD cybersecurity program was developed to build a security-aware culture that provides staff with the information they need to spot and react to potential security problems at the office and at home. The new security awareness training was launched last fall. This training is now a part of the mandatory education new employees receive upon joining the CRD.

In January the CRD Corporate Sign Strategy was finalized together with guidelines to provide a more coordinated and consistent approach to signage. The design, materials and consistency of our signage maintains the integrity of the CRD identity. By providing inventory for design, defining applications, colour and materials the strategy aims to meet the needs of visitors and residents, whether walking, cycling or driving.

The Salt Spring Island Parks and Recreation Commission (SSIPARC) has received two grants for licensed care. The first grant, in the amount of \$214,000 from the Province, was to support the construction of a purpose-built classroom to house a half-day recreation based pre-school program at the Rainbow Road Aquatic Centre. This licensed preschool opened on January 11, 2021. The second grant, in the amount of \$832,725 from the Province, will support the creation of child and infant care spaces on Salt Spring Island. Tender documents have been prepared and a not for profit licensed care provider has been selected. Construction is slated to begin this summer with the new day care opening in January 2022.

On February 16, the CRD was once again recognized as one of BC's Top Employers. This is the fourth year in a row the CRD received this award and recognition as a result of our human resources policies and programs, our continued commitment to professional development and our involvement in programs that truly make a difference across the region; although this was still the predominant rationale for the acknowledgment, they were also very interested to hear about our approach to safety during a pandemic.

On February 24 the CRD participated in Pink Shirt Day, when Canadians come together to wear pink to show their continued commitment to treating each other with dignity and respect and in support of anti-bullying initiatives. The theme this year was to “lift each other up” with a call to encourage healthy self-esteem and practice empathy and compassion with others.

SEAPARC Leisure Complex in Sooke was identified as an Island Health COVID-19 immunization clinic. The Vaccination Centre became operational on March 15. An appointment with Island Health is required. Select programs have been either cancelled or re-located as a result. Measures are in place to re-direct traffic to the appropriate entry/exit points to minimize traffic flow inside the facility.

The final blanketing ceremony for the Core Area Wastewater Treatment Project took place on March 22nd to honour the two Lekwungen Nations, Songhees and Esquimalt on whose territory the Wastewater Treatment Plant was constructed. The occasion was to mark the end of this specific partnership and to acknowledge the good work and lessons that were learned from all parties who were involved. While this project is near completion, the relationship that has been built between both governments will continue to be valuable for future endeavours. The CRD thanks the Nations for working with us on a project that is serving the region and helping to clean up the ocean environment.

On March 24 the Honourable Ahmed Hussen, Minister of Families, Children and Social Development and Minister Responsible for Canada Mortgage and Housing Corporation (CMHC), David Eby, Attorney General and Minister Responsible for Housing, and Colin Plant, Chair of the Capital Regional District (CRD), announced details of the \$13.1 million Rapid Housing Initiative allocation for the CRD, which will create up to 91 new affordable homes in Saanich and Central Saanich.

Hockley House, a six-storey rental building owned and operated by the CRHC in downtown Langford comprised of studios, one-bedroom and two-bedroom suites opened on March 26. Low income families and individuals will benefit from 120 new affordable homes as part of the Regional Housing First Program. The property includes 12 accessible units and 24 units renting at the provincial income assistance shelter rate of \$375/month. Residents will begin moving into their new homes in early April.

For the third year in a row, the CRD has won the GFOA US & Canada Distinguished Budget Presentation Award, The Certificate of Achievement for Excellent in Financial Reporting and the Popular Annual Financial Reporting 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. The Certificate of Achievement for Excellence in Financial Reporting encourages local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The Popular Annual Financial Reporting Award encourages local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports designed to be readily accessible and easily understandable to the general public.

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, 2021, 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, 2021 as Appendix E.

Operating Variance Report –Q4, 2020

The Operating Variance Report outlines the operating variance at the end of Q4. As we have a full year of actual results at Q4, the report compares these results against annual budget for services

with an annual operating budget over \$1.5 million. These services make up approximately 77% of the CRD budget for the year, and also includes the Capital Regional Hospital District (CRHD) budget.

The report has been compiled by staff to outline how services have performed fiscally for the year, and highlights the year end surplus or deficit occurring by service. The actual results compared to budget are impacted by actual changes in activity, and considering service level delivery and associated funding impacts.

The Quarterly Operating Variance Report, attached in Appendix F, highlights how much of the annual budget has been used, and outlines the treatment of the resulting surplus or deficit.

Spending to the end of the year, as a percentage of actual budget, is largely in line with the same period and timeframe as 2019 for both revenue and expenses. Effects of the current COVID-19 pandemic event on operations has been limited to specific services, primarily recreation and some demand driven services such as landfill.

Capital Regional District

The annual forecast highlights that the majority of services will still track in line with the annual budget. Many of these services are providing essential services to our communities, such as delivery of water, wastewater management, and solid waste. The notable exception to this is recreation services where forecasts incorporate a current and estimated impact on business activities as a result of current health guidelines in response to the pandemic. In the third quarter, budget amendments were made to the SEAPARC and Panorama Recreation Centre services, to revise expense and revenue budget impacts related to the COVID-19 event-related closures over March through May. A gradual return to some recreational programming started in June, 2020 and carried through the rest of the year.

Capital Regional Hospital District (CRHD)

The annual forecast highlights expenses and revenues are forecasted lower than budget due to the deferral of the Nigel House redevelopment, deferring grant to 2021.

Capital Region Housing Corporation (CRHC)

CRHC variance reporting is included in the annual financial planning process and in the annual audited financial statements. The variances are also monitored internally by building, by agreement and by division. Specific details on CRD and CRHD expense and revenue forecasts are outlined in Appendix F.

Capital Variance Report –Q4, 2020

The Capital Variance Report, attached in Appendix G, 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 2020 and covers all capital projects with budgeted spending in 2020 greater than \$0.5 million.

For 2020, 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 \$109.2 million in the fourth quarter of 2020, 47% lower than a forecast of \$204.9 million. Of the \$95.8 million variance, \$92.0 million is related to timing of construction costs and savings on the Core Area Wastewater Treatment Project (CAWTP). Notable projects in the balance of the variance include savings on the work on the parking lot at Sooke Hills Wilderness Regional Park, and delays in construction of the Gas & Leachate Collection Pipe extension at Hartland Landfill.

Capital Regional Hospital District (CRHD)

With the Summit Project substantially complete in the second quarter, the fourth quarter recognized a credit of \$(0.1) million against a forecast of \$(0.02) million for remaining energy rebates on the project. Some refundable deposits are remaining to be received in early 2021. The project is complete and within budget.

Capital Region Housing Corporation (CRHC)

Capital expenditures, on projects >\$0.5 million totaled \$1.1 million in the fourth quarter of 2020, 61% higher than forecast of \$0.7 million, but still within budget authority. The variance is mainly due to timing of routine capital replacement, and design and engineering work progressing ahead of forecast for the Caledonia redevelopment. The construction project billings on the Westview property were completed in April, with remaining close-out costs incurred in the fourth quarter 2020. This multi-year project is complete under budget in 2020 by \$2.0 million, due in part to the construction management model employed cost efficiencies and efficacy.

Human Resource Trends and Corporate Safety

Appendix H 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 2020 year end metrics information is reflective of the impact from the COVID-19 Pandemic, most particularly with regard to illness duration and Occupational Health and Safety resourcing, policies, and programs. The CRD is a defined essential service, and as such is closely monitoring the impact of COVID on service delivery and our people, and is taking appropriate measures as needed to ensure the essential operations are maintained and staff receive supports as may be needed.

The CRD continues to experience increased pressures associated with a highly competitive labour market and a steady number of retirements. Local governments, and especially those delivering highly essential services, 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. 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, and the CRD's comprehensive occupational health and safety (OHS) strategy, which is aligned with OHS best practice standards, meets or exceeds requirements of the WorkSafeBC approved municipal Certificate of Recognition (CoR) program. The CRD continues to experience a positive (merit) situation with WorkSafeBC resulting in a 19.8% better-than-industry-average Employer Rating Assessment and an equally reflected reduction in premiums.

Awards and Recognition

For the fourth (4th) consecutive year, the CRD has been formally recognized as one of BC's *Top Employers 2021* (see <https://reviews.canadastop100.com/top-employer-capital-regional-district#> for detailed information). This award and recognition is provided to employers which lead their industries in offering exceptional workplaces. The CRD has received this recognition as a result of our human resources policies and programs, our continued commitment to professional development and our involvement in programs that truly make a difference across the region.

CONCLUSION

As part of staff's commitment to enhanced quarterly reporting to the Board, the CAO Quarterly Progress Report No. 1 - 2021 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 - 2021 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, 2021
- Appendix C: Board Priorities Dashboard – Summary of Completed Actions
- Appendix D: Corporate Climate Change Initiatives
- Appendix E: Advocacy Dashboard Progress Q1, 2021
- Appendix F: Operating Variance Report Q4, 2020
- Appendix G: Capital Variance Report Q4, 2020
- Appendix H: Human Resources Trends and Corporate Safety Q4, 2020