

**REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, JANUARY 12, 2022**

SUBJECT **CAO Quarterly Progress Report No. 4, 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 January 1, 2022.

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 on May 12, 2021 and the priorities were confirmed and staff was directed to continue to progress the initiatives and actions as developed in the Corporate Plan.

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 2022 financial planning process is currently underway, and service levels, timing and the funding of core services and new initiatives for 2022 by way of Commission, Committee and Board review have been given provisional approval.

This report presents quarterly progress on priorities, initiatives, actions and advocacy for the fourth quarter of 2021, however the capital and operating variances and human resources trends are for the third quarter in 2021. The quarterly Capital Variance Report highlights differences between budget and actual expenditures on capital projects over \$500,000. The quarterly Operating Variance Report provides results and forecasts for services with an annual operating budget over \$1.5 million, which comprise approximately 85% of the combined CRD, CRHD and CRHC 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. 4 - 2021 be received for information.

Alternative 2:

That the CAO Quarterly Progress Report No. 4 - 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.

The CRD received an Excellence Award for safety in the Canada's Safest Employers Award 2021 in the category of Canada's Safest Public Sector/Non-Profit Employer. The Canada's Safest Employers Award recognizes outstanding health and safety professionals and companies in multiple sectors in Canada for their achievements over the past year. This is the CRD's first nomination for and receipt of this Canadian award. We are also pleased to announce that the CRD has achieved COR Certification with an audit score of 95%. Employers receive COR Certification when they implement an Occupational Health & Safety Management System that has successfully passed an external audit and met WorkSafeBC's standards. The voluntary program recognizes employers that proactively improve workplace safety and are dedicated to continual improvement.

On December 2, 2021, the BC Municipal Safety Association awarded the CRD with the 2021 Safety Improvement Award. Executive Director, Mike Roberts advised that "the CRD has demonstrated a great example of leadership, dedication and hard work in reducing the costs of claims by creating a safer and healthier workplace and helping injured workers recover and return to work."

The CRD Core Area Wastewater Project won an Award of Excellence from the Association of Consulting Engineers of Canada. The project was entered in the Project Management Category and included the CRD's recognition as a major contributor to the overall management of the project. These awards are judged from major projects completed across Canada so receiving this award is quite an accomplishment.

The 2020 Canada Innovation Initiative Award from the Tunnelling Association of Canada was recently received for the McLoughlin Point Wastewater Treatment Plant Cross Harbour Force Main and Outfall. The Tunnelling Association of Canada promotes and advances Canadian tunnelling and underground excavation technologies.

The CRD received an honourable mention in the Community Planning and Development category for the Community Energy Association's 2021 Climate & Energy Action Awards for the Bring It Home 4 the Climate Program. The CRD partnered with the Bring It Home 4 the Climate Program to provide home owners in the capital region an opportunity to take action and make their homes more climate friendly. Through the program, homeowners will have access to free virtual home energy check-ups with a Bring It Home Energy Expert, up to a \$250 subsidy for COVID-safe EnerGuide Home Energy Evaluation, supplies to reduce the air leakage in their homes, learning opportunities to increase home energy literacy and support do-it-yourself projects. They will also have access to existing provincial and municipal retrofit incentives offered through the Better Homes BC program, making retrofits more affordable.

This year's CRD United Way campaign launched on October 18 for two weeks with a variety of fun fundraising events and pledging. In 2021, The United Way of Southern Vancouver Island has identified four areas of action this year: Isolated Seniors; Families in Need; Diversity, Equity & Inclusion; and Mental Health & Addictions. As they have for the last 26 years, CRD employees did an amazing job supporting the campaign and this year we received the United Way's "Thanks a Million Award" for surpassing the million dollar fundraising milestone.

On October 21, 2021, the CRD Traffic Safety Commission (TSC) awarded two scholarships to two Camosun College students. Monica Amos received the annual \$2,000 Cst. Sarah Beckett Memorial Scholarship and Bryce Schiebel received a \$1,800 scholarship from the Vancouver Island Slain Police Officers Fund and Deputy Commissioner Jennifer Strachan Retirement Donation. This is the fifth year the TSC has awarded the Cst. Sarah Beckett Memorial Scholarship to a student living in the capital region who demonstrates academic achievement, financial need, community service, and an expressed interest in pursuing a career in law enforcement. Thanks to additional donated funds through the Vancouver Island Slain Police Officers Fund and Deputy Commissioner Jennifer Strachan Retirement Donation, the TSC has been able to provide a second scholarship when there is an additional outstanding applicant.

The CRD's Salt Spring Island Parks and Recreation Commission (PARC) recently received \$90,127 in funding through the Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream and will be moving ahead with the Drake Road Trail Upgrade Project. The Drake Road (Bishops Walk) Trail is a connector trail starting at Cypress View Road through to Drake Road where users can then access Salt Spring Commons, Mouat Park and the downtown core. The trail is approximately 480 m long by 1.8 m wide and is a multi-use community trail. This project will address drainage issues on the trail through a Storm Water Management plan which will include recommendations for trail materials and will improve drainage and direct runoff water away from the trail.

Habitat Acquisition Trust (HAT) and the CRD announced the successful completion of the purchase of the Mountain Road Forest property on November 29, 2021. The CRD provided \$2 million for the purchase using its Land Acquisition Fund and the majority of the remaining purchase price was contributed by HAT through a major fundraising campaign. This nearly 50-acre property, a stunning example of a mature urban forest located just a few minutes from downtown Victoria, will be protected forever. The property is home to several species-at-risk, including the Western Screech Owl and Common Nighthawk and serves as part of the headwaters for the regionally-important Colquitz River system via Excelsior Creek. The property will become a regional park within CRD's Regional Parks system.

The CRD has signed a lease agreement with the Sooke Bike Club to maintain existing, authorized mountain bike rated trails in Sea to Sea Regional Park in order to create a better quality mountain biking experience. Sea to Sea Regional Park is the second largest CRD Regional Park. It is a wilderness area that encompasses almost 4,000 hectares. The trail network in Sea to Sea Regional Park was established through the park management planning process, which included stakeholder engagement. Mount Manuel Quimper, within the park, has mountain biking trails ranging from "Easy" to "Extremely Difficult." Any work done under this license agreement will align with the existing park management plan, honour land covenants and protect park values.

On October 22, 2021, a tree dedication event took place to honour and celebrate the late Nils Jensen's leadership with and contributions to the Bowker Creek Initiative. A "weeping copper" European beech tree, one of Denmark's two national trees, was planted last year in his memory. CRD Board Chair Colin Plant attended the memorial together with Oak Bay Councillor, Andrew Appleton and Nils' family. Nils was a leader at the CRD for many years and his influence has left a lasting mark on our region.

On Monday, December 6, 2021, there was a ribbon cutting ceremony to officially open the Esquimalt Urgent and Primary Care Centre (UPCC) located at 890 Esquimalt Road. The UPCC will offer a full range of comprehensive health-care services. Capital funding for the UPCC was provided by the Ministry of Health and the Capital Regional Hospital District (CRHD). CRHD Chair, Denise Blackwell and Mayor/CRD Director, Barb Desjardin attended together with Leah Hollins, Island Health Board Chair and the Honourable Mitzi Dean, MLA for Esquimalt-Metchosin and Minister of Children and

Family Development. Island Health will continue to operate the UPCC with the support of the Ministry of Health and the Capital Regional Hospital District. It is a part of the Western Communities Primary Care Network.

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 Q4, 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 Q4, 2021 as Appendix E.

Operating Variance Report – Q3, 2021

The Operating Variance Report outlines the quarterly operating variance, providing actual results and annual forecasts for services with an annual operating budget over \$1.5 million which comprise approximately 85% of the combined CRD, CRHD and CRHC budgets for the year. The report also includes the CRHD budget, and starting this quarter, includes the CRHC budget.

The forecasts have been compiled by staff to determine estimates for how services are expected to perform fiscally for the year, as at the end of the third quarter. Determining these forecasts includes looking at prior year results, planned and actual changes in activity, and considering service level delivery and associated funding impacts.

The amount of budget used to the end of the third quarter will vary from service to service, based on the individual services’ planned spending, seasonality, and timing of transactions. For example, services funded by requisition receive their funding in the third quarter, and water supply and distribution services receive more sales revenue over the summer months.

The quarterly Operating Variance Report, attached in Appendix F, highlights how much of the annual budget has been used, in comparison to prior year, and what the annual forecast is expected to be based on information available to the end of the third quarter. This is outlined for both expenditures and revenue.

Spending to the end of the third quarter, as a percentage of actual budget, is largely in line with the same period and timeframe as 2020 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. Forecasts for the recreation services incorporate estimated impact on business activities as a result of current health guidelines in response to the pandemic. The forecasts for SEAPARC and Panorama Recreation Centre services are largely within plan as at the third quarter, as budget for these services reflected a gradual return to more recreational programming. Furthermore, Panorama Recreation also recognizes in the forecast the addition of new child care services, added in the third quarter.

Capital Regional Hospital District (CRHD)

The annual forecast highlights some minor savings expected due to temporary staff vacancy, but otherwise the CRHD operations are forecasted to continue as planned.

Capital Region Housing Corporation (CRHC)

CRHC variance reporting was introduced into the Operating Variance Report last quarter. Previously, CRHC variance reporting was provided in the annual financial planning process and in the annual audited financial statements. The variances are provided by portfolio and reflects the forecasted cost savings and revenue shortfalls forecasted for the various CRHC portfolios at the end of the third quarter. These variances also incorporate the budget amendment as approved by the CRHC Board on July 14, 2021.

Specific details on CRD, CRHD and CRHC expense and revenue forecasts are outlined in Appendix F.

Capital Variance Report – Q3, 2021

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, CRHD, and CRHC) including impact on the total project. The Capital Variance Report is current to the end of the third quarter and covers all capital projects with budgeted spending in 2021 greater than \$0.5 million.

The capital plan is budgeted quarterly based on scope and schedule of projects. In addition, forecasts are updated quarterly to provide periodic revisions and oversight on outcomes. As quarters progress through the year and tenders complete, the expectation is that activities will increase.

Capital Regional District

Capital expenditures on projects greater than \$0.5 million totaled \$9.2 million in the third quarter of 2021, 35% lower than a forecast of \$14.0 million. Of the \$4.8 million variance, \$1.5 million is related to timing of potential closeout costs of the residual treatment facility being deferred to the fourth quarter and into early 2022. Other notable projects include timing differences on the aggregate production for Hartland Landfill, new fleet purchases for Core Area Wastewater, and Magic Lake Sewer Wastewater improvements.

Capital Regional Hospital District (CRHD)

Capital expenditures on projects greater than \$0.5 million totaled \$0.8 million in the third quarter of 2021, 53% lower than a forecast of \$1.6 million. The variance is mainly due to a minor delay in the demolition work on Oak Bay Lodge. Project completion has been revised to early 2022, with the overall project forecasted to be under budget due to a favourable RFP result.

Capital Region Housing Corporation (CRHC)

Capital expenditures on projects greater than \$0.5 million totaled \$3.6 million in the third quarter of 2021, in line with the third quarter forecast. Variances within the CRHC portfolio is mainly due to timing on consultant and contractor tendering for the Michigan Redevelopment project pushed to the fourth quarter, and a license deposit for the Caledonia Redevelopment being brought ahead of forecast into the third quarter.

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.

As with 2020 metrics, the 2021 Quarter 3 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-19 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 20.2% better-than-industry-average Employer Rating Assessment and an equally reflected reduction in premiums. With the CRD now receiving CoR Certification, premiums will be further reduced another 10% in 2022.

The CRD's achievement in establishing a safe and healthy workplace is also recognized externally. By this, the CRD has received the following safety recognition in 2021:

- 1) **Canada's Safety Employers Excellence Award:** this award recognizes outstanding health and safety professionals and companies in multiple sectors in Canada for their achievements over the past year.
- 2) **BC Municipal Safety Association Safety Improvement Award:** this award recognizes local governments in BC for activities that improve their experience rating, and ultimately reduce injuries, illness, disease and fatalities.
- 3) **Certificate of Recognition (CoR) Certification:** CoR recognizes employers that are proactive about improving workplace safety, and dedicated to continual improvement. As part of the CoR program, employers whose occupational health and safety management systems have passed an audit and are in good standing with WorkSafeBC are considered for additional financial incentives above their employer rated assessment discounts. The CRD achieved a score of 95% and has now formally achieved CoR Certification. In addition

to demonstrating safety excellence, this Certification results in a WorkSafeBC Employer Rated Assessment (premium) reduction of 10%.

CONCLUSION

The CAO Quarterly Progress Report No. 4 - 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. 4 - 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 Q4, 2021
Appendix C: Board Priorities Dashboard – Summary of Completed Actions
Appendix D: Corporate Climate Change Initiatives
Appendix E: Advocacy Dashboard Progress Q4, 2021
Appendix F: Operating Variance Report Q3, 2021
Appendix G: Capital Variance Report Q3, 2021
Appendix H: Human Resources Trends and Corporate Safety Q3, 2021