

**REPORT TO COMMITTEE OF THE WHOLE
MEETING OF WEDNESDAY, SEPTEMBER 21, 2022**

SUBJECT **2023 Service Planning - Community Needs Summaries**

ISSUE SUMMARY

To provide the Committee of the Whole with an overview of core service levels, new and progressing initiatives and performance metrics related to services provided by the Capital Regional District (CRD) in 2022 and planned for 2023.

BACKGROUND

The CRD Board identified its strategic priorities in early 2019. Subsequently, staff prepared the 2019-2022 CRD Corporate Plan to align with this direction. The CRD Corporate Plan presents the work the CRD needs to deliver over the Board term to meet the region's 15 most important needs (community needs). These initiatives are delivered in conjunction with the mandated core services and regulatory requirements that the CRD is accountable for delivering.

The priorities were re-confirmed by the CRD Board at the annual strategic check-ins in May 2020, 2021 and 2022. The Board also approved the 2023 Service and Financial Planning Guidelines on May 11, 2022. The guidelines establish how management will address core service levels, new initiatives, adjustments for inflation and market cost escalations in preparation of the budget each year. Both guided staff's work developing the 2023 service plans, documented in the Community Needs Summaries.

The upcoming year is a period of transition for staff and the CRD Board. The operational adjustments and initiatives proposed in the service plans are necessary to maintain continuity of core service over this period of time. In total, staff identified 22 initiatives (Appendix A) in support of the 15 community needs that will have financial implications in 2023.

The attached Community Needs Summaries (Appendices B-P) inform the 2023-2027 Provisional Budget. Each summary provides an overview of the strategic context for service areas, core service levels associated with each service and a summary of the business model and performance metrics associated with targeted outcomes. It also provides details of the initiatives, associated staffing, timing and service levels required to advance the CRD's work in 2023.

The key drivers for the proposed incremental initiatives are:

1. the continued operationalization of large-scale capital investments made in housing and core area wastewater
2. minor adjustments to core service levels to maintain existing performance levels; and
3. the continued modernization, through technology investments, of our corporate service delivery to keep pace with the growth of the organization.

In addition, the CRD Board gave staff direction which impacts core operating budgets through the following motions:

Direction	Staff response
On August 10, 2022 at the CRD Board the following motion arising related to the Affordable Housing Community Need was carried: <i>“That the Board provides direction to staff to include funding in the 2023 Budget of \$150,000 for one year to the Aboriginal Coalition to End Homelessness in the five year financial plan beginning in 2023 budget.”</i>	The amendment will be made in time for the final budget approval in March. The initiative will be listed as 1a-7 Funding for Aboriginal Coalition to End Homelessness.
On August 10, 2022 at the CRD Board the following motion related to the First Nations Relations Community Need was carried: <i>“1. That staff be directed to advance a service plan and recommended funding proposal of up to \$250,000 to be considered with the 2023 Provisional Budget to support engagement and relationship building with First Nations, and; 2. That the CRD advocate to the Province to provide capacity funding for First Nations to support efforts towards reconciliation.”</i>	The amendment will be made in time for the final budget approval in March. The initiative will be listed as 3a-1.1 Government to Government Relationship Building.

IMPLICATIONS

Financial Implications

To exercise constraint and cost containment, the Board directed staff to keep the core inflationary adjustment to 3% through the 2023 Service and Financial Planning Guidelines.

Staff and management have taken all necessary steps to mitigate the financial impacts of proposed initiatives as well as cost escalation and the sustained high inflation rate experienced in the second half of 2022. More information about the mitigation strategies will be provided through the 2023 Provisional Budget presentation taking place on the same day that this report will be considered.

In parallel to the growth constraint set by the CRD Board, in the months leading up to provisional budget the Board directed that staff advance a number of additional initiatives, listed in the table above. These initiatives are over and above the core operating services and, as such, their impact has been identified separately in the Community Need Summaries.

Service Delivery Implications

The CRD reports on the progress of its initiatives and services on a regular basis. The Board oversees the Board Strategic Priorities through the Quarterly Board Priorities Dashboard which

accompanies the Chief Administrative Officer Quarterly Progress Reports. The Board also receives a progress report on the entirety of the CRD Corporate Plan initiatives twice a year at the Board Strategic Check-in and Provisional Budget meetings, which take place in the spring and fall respectively. During the course of the year, standing committees and commissions also fulfil an oversight and advisory role in relation to our work.

The CRD was given a mandate by the Board to pursue a large scope of work through their strategic priorities and the 2019-2022 CRD Corporate Plan. To address this, CRD divisions initiated around 200 new initiatives during this Board's term, delivering change on an unprecedented scale, over and above the existing service mandates and obligations.

At the same time, the CRD has delivered a number of large-scale capital projects, including investments overseen by the Core Area Wastewater Treatment Plan project, the Capital Region Housing Corporation, and the Capital Regional Hospital District. Capital projects of this scale are resource-intensive and have contributed to the creation of a sizeable tangible asset base (worth \$2.5 billion today) which now has to be operated.

This multifaceted, systematic growth in operations has driven demand in support services. The CRD has embarked on a path of managed modernization to support the organization as it pivots into a much larger and more sophisticated operating environment.

Alignment with Board & Corporate Priorities

At its annual check-in, the CRD Board directed staff to stay the course on the existing strategic priorities. In addition, given the transitional nature of the upcoming year, staff indicated at the annual strategic check-in that they would only bring forward work necessary to maintain continuity of service. This is to ensure there is capacity and room for the incoming Board of directors to agree on a set of priorities in the first part of 2023.

The Executive Leadership Team has reviewed and assessed all initiative business cases and believes the consolidated package of work is appropriate and commensurate to the organization's needs.

CONCLUSION

Staff have been progressing initiatives and actions identified in the CRD Corporate Plan, including Board Strategic Priorities. The CRD Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making on the financial plan, staff provide recommendations on funding, timing and service levels through the service and financial planning processes. The Community Need Summaries provide this information, and are approved through the approval of the financial plan.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Emily Sinclair, MCIP, RPP, Senior Manager, Regional & Strategic Planning
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

- Appendix A: Consolidated list of initiatives for 2023
- Appendix B: Community Need Summary – Arts & Culture
- Appendix C: Community Need Summary – Water
- Appendix D: Community Need Summary – Wastewater
- Appendix E: Community Need Summary – Protective Services
- Appendix F: Community Need Summary – Planning & Development
- Appendix G: Community Need Summary – Health Facilities
- Appendix H: Community Need Summary – Transportation
- Appendix I: Community Need Summary – Affordable Housing
- Appendix J: Community Need Summary – Recreation
- Appendix K: Community Need Summary – Climate Action & Adaptation
- Appendix L: Community Need Summary – Landfill & Recycling
- Appendix M: Community Need Summary – Parks & Natural Resource Protection
- Appendix N: Community Need Summary – First Nations Relations
- Appendix O: Community Need Summary – Accountability
- Appendix P: Community Need Summary – Electoral Areas