

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

SUBJECT **CAO Quarterly Progress Report No. 3, 2022**

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 October 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 11, 2022 and the priorities were confirmed and staff was directed to continue to progress the initiatives and actions as developed in the Corporate Plan.

This report presents quarterly progress on priorities, initiatives, actions and advocacy for the second quarter of 2022, however the capital and operating variances and human resources trends are for the second quarter in 2022. 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.

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 Capital Regional District (CRD) and its municipal partners are celebrating students across the region for their participation in this year's Cool It! Climate Leadership Training program. From January to June, 1,410 students from 65 classrooms participated in the BC Sustainable Energy Association's (BCSEA) program that empowers youth to take action on climate change. This year, the CRD sponsored 22 classrooms to participate in the regional program, with an additional 21 workshops sponsored by the District of Saanich, 15 by the City of Victoria, and 7 by the District of Central Saanich. During the challenge, students committed to 12,349 actions that reduce energy and carbon emissions at home, which will result in a projected savings of 493 tonnes of CO₂e annually, if continued for one year.

In October, the CRD and its staff received two awards of excellence for health and safety from the BC Municipal Safety Association (BCMSA):

- *2022 Occupational Health and Safety Excellence Award:* this award recognizes local governments for activities that improve their safety experience rating, and ultimately reducing injuries, illness, disease and fatalities. This award goes to the heart of the CRD's occupational health and safety program, ensuring staff have a safe workplace.
- *2022 Occupational Health and Safety Leadership Award:* this award was presented to Mr. Robert Ingraham, Manager of Corporate Occupational Health and Safety for his outstanding achievement in the field of local government occupational health and safety.

At the Annual GFOA BC Conference Nelson Chan, CFO accepted the Innovative Idea Team Award on behalf of the CRD as part of *The Excellence in Local Government Finance Award Program* for the parks land acquisition financing strategy.

On Thursday, August 11, staff and CRD Board Directors had the opportunity to tour the Southern Gulf Islands and visit CRD sites. Starting on Mayne Island where they toured Miners Bay Park and then observed the progress on the construction of Anson Road Dock before heading to Saturna. The group had an opportunity to see the recycling centre, emergency services building and Lyall Harbour Boot Cove Water Treatment plant as well as a stop at Thompson Park. On North Pender Island they toured the CRD Building Inspection, CRD Emergency Services, Magic Lake Fire Hall and IWS Water Treatment Facility.

The 2022-2023 CRD/CUPE Bursary Award ceremony was held on August 25, 2022. There were eight successful applicants for the Bursary Program which financially supports students of the CRD employees who are entering into or are currently enrolled in post-secondary education programs.

The CRD has acquired four parcels of land totalling 9.8 hectares adjacent to Mill Hill Regional Park. These parcels contain coastal Douglas-fir forest and arbutus stands and were purchased from the Town of View Royal for \$927,500. This new parkland was purchased through the Land Acquisition Fund. The Coastal Douglas-fir Biogeoclimatic Zone is home a significant number of species and ecosystems at risk, of which many are ranked globally as imperiled or critically imperiled. These parcels also span both the Craigflower and Millstream Creek watersheds, which play important roles in nutrient cycling, downstream fish habitat, and water management.

Overnight on Friday, August 26, a small wildfire burned through about half a hectare of land in Thetis Lake Regional Park, near Seymour Hill. More than 20 firefighters from various detachments worked through Saturday and Sunday to suppress the fire. View Royal Fire Rescue led the response with support from Colwood Fire Department, Langford Fire Rescue, BC Wildfire Service and CRD staff. On Monday, August 29 another small wildfire was reported in East Sooke Regional Park. Firefighters from East Sooke, Metchosin and Otter Point Fire Departments, as well as CRD staff, worked to contain and extinguish this fire.

The Capital Regional District (CRD) will receive funding through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program. The \$1,989,000 in joint federal-provincial funding will enable completion of upgrades to the Maliview Wastewater System on Salt Spring Island while significantly reducing costs to be covered by local ratepayers. Detailed design work is currently underway to refine cost estimates and inform next steps, including a decision to proceed with a borrowing bylaw and begin construction in 2023.

September 30th marks the second annual National Day for Truth and Reconciliation which provides an opportunity to recognize and commemorate the legacy of residential schools. On this day we are encouraged to remember the thousands of Indigenous children who died at residential schools and to honour the trauma that many survivors have experienced and still live with every day.

On September 8, the City of Langford, in partnership with the CRD and the Capital Regional District's Regional Water Supply Commission announced the acquisition of 13-acres of land at 2955 Sooke Lake Road to expand recreation and park space in Langford. The CRD land, currently zoned as residential, had previously been used for industrial uses, both as a source of gravel and for construction fill. The proposed concept for the newly acquired land includes baseball fields, a spray park, a playground, and parking.

The CRD Climate Action Program launched a region-wide outreach campaign between June through September called Charge Your Ride to encourage the adoption of electric vehicles (EVs) and electric bicycles (e-bikes) to reduce our region's greenhouse gas emissions. The CRD engaged with over 3,800 residents at 20 community events and three large test drive and ride events in collaboration with municipal partners, Capital Bike, The Victoria EV Association, and EmotiveBC, connecting residents with experts to answer their questions and give them hands-on experiences with EVs and e-bikes. Charge Your Ride has been made possible thanks a \$224,000 grant from Natural Resources Canada.

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 Q3, 2022, 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 Q3, 2022 as Appendix E.

Operating Variance Report – Q2, 2022

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. These services comprise approximately 88% of the combined three entities CRD, Capital Regional Hospital District and Capital Regional Housing Corporation budgets for the year.

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 second quarter. Determining these forecast 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 second 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 second quarter. This is outlined for both expenditures and revenue.

Spending to the end of the second quarter, as a percentage of actual budget, is largely in line with the same period and timeframe as 2021 for both revenue and expenses.

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.

Favourable variances are forecast for the Regional Housing Trust Fund due to timing of grant funding requests, for Core Area Wastewater Operations due to savings on electricity, chemicals and repairs & maintenance, and generally across a number of services due to some delay in hiring and temporary vacancies.

Capital Regional Hospital District (CRHD)

The annual forecast highlights some minor savings expected due to deferred hiring of term role and property management costs, but otherwise the CRHD operations continued as planned.

Capital Region Housing Corporation (CRHC)

The annual forecast for CRHC is presented by portfolio, and reflect the estimated cost savings and revenue variances forecasted at the end of the second quarter.

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

Capital Variance Report – Q2, 2022

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 second quarter of 2022 and covers all capital projects with budgeted spending in 2022 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 the projects. 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 \$8.7 million in the second quarter of 2022, 39% lower than a forecast of \$15.3 million. Of the \$5.9 million variance, \$1.5 million is related to timing of construction on the Bear Mountain Parkway Extension Supply Mains project, \$0.8 million is related to timing of contract closeout costs on the Core Area Wastewater Treatment Project (CAWTP), \$0.7 million related to deferral of work as scope is re-evaluated on the McPherson Theatre's repair of the East Elevation Wall, and \$0.7 million related to the delay of available materials for the Rocky Point Upgrade project. Other notable projects include contributed capital towards Panorama Recreation's Multi-Purpose Sports Field, and work on Juan de Fuca's Water Distribution AC Pipe replacement program.

Capital Regional Hospital District (CRHD)

Capital expenditures on projects greater than \$0.5 million totaled \$1.4 million in the second quarter of 2022, in line with forecast. With the discovery of additional contaminated materials to be addressed for demolition work on Oak Bay Lodge, a budget amendment was approved by CRHD Board in May 2022 to update the 2022 budget and scope, with project completion forecast for the third quarter of 2022. At the second quarter, actual spending is in line with the amended budget.

Capital Region Housing Corporation (CRHC)

Capital expenditures on projects greater than \$0.5 million totaled \$8.1 million in the second quarter of 2022, 14% lower than a forecast of \$9.5 million. Variances within the CRHC portfolio are mainly due to a delay in start for the Carey Lane BER project now expected in Q1 2023 and a delay in purchase of the Prosser Property now anticipated early 2023.

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 previous years' metric, the 2022 metrics information is reflective of the impact from the COVID-19 pandemic and related economic pressures. The CRD is a defined essential service and, as such, is closely monitoring the impact of the pandemic and its resulting economics 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 focus on workplace health and safety remains a 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 29.8% 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% - for a total 39.8% reduction - in 2022.

CONCLUSION

The CAO Quarterly Progress Report No. 3 - 2022 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

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

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 Q3, 2022
Appendix C: Board Priorities Dashboard – Summary of Completed Actions
Appendix D: Corporate Climate Change Initiatives
Appendix E: Advocacy Dashboard Progress Q3, 2022
Appendix F: Operating Variance Report Q2, 2022
Appendix G: Capital Variance Report Q2, 2022
Appendix H: Human Resources Trends and Corporate Safety Q2, 2022