



STAFF REPORT

DATE: October 31, 2019

FILE: 0550-04 Board

TO: Chair and Directors
Regional Board

FROM: David Leitch
Chief Administrative Officer

RE: 2020-2024 FINANCIAL PLAN – STRATEGIC BUSINESS CASES (CORPORATE)

PURPOSE/PROBLEM

To review strategic business cases for service enhancements and capital project improvements to be considered for inclusion in the SRD's 2020-2024 Financial Plan package.

EXECUTIVE SUMMARY

At its June 27, 2019 meeting the Board approved the 2020 Financial Planning process which included the presentation of strategic business cases for consideration in the 2020-2024 Financial Plan package during regular Board, committee, and commission meetings in November 2019 leading into 2020-2024 Financial Plan deliberations occurring in early 2020.

Strategic business cases as presented are focused on high priority service enhancements and capital improvements for the Regional District operations and ongoing service delivery. Asset renewal projects which are required to maintain base service levels are not presented with a business case, those are presented in the draft capital plan for each area.

The business cases presented for consideration for 2020 Financial Planning for the Regional Board for corporate and regional services include:

- Human Resources Program Enhancements
- Corporate Vehicle Addition

Funding for service enhancements are generally funded by requisition or user fee increases as ongoing funding is required to maintain these service levels. Funding for operating or capital projects are generally funded by reserves with ongoing contributions from the operating budgets or from the Community Works Fund reserves allocated to each electoral area.

The Recommended Budget that will be published in late January will include the base operations budget, capital budget, reserve balances, and the requisition impact of any recommended business cases. This will allow the Board to make a fully informed decision on the service needs and the total requisition impact to the related users of the service in finalizing the approved budget.

RECOMMENDATIONS

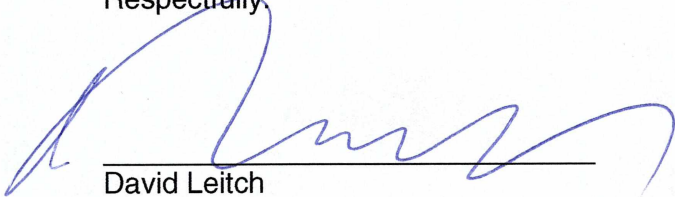
1. THAT the report from the Chief Administrative Officer be received.
2. THAT the 2020-2024 Financial Plan include an increase to HR service delivery of \$30,000 annually to be funded by general taxation in Function 110 – General Government services.

Staff Report – 2020-2024 FINANCIAL PLAN – STRATEGIC BUSINESS CASES (CORPORATE) Page 2

3. THAT the 2020-2024 Financial Plan include \$35,000 in capital funding for the purchase of an additional corporate vehicle, to be funded from the general administration capital reserve, and

THAT the 2020-2024 Financial Plan include \$10,000 in funding for the operating costs and annual reserve contributions for end of life replacement, to be funded from the general administration function; which will be recovered through the support services allocations to all SRD services.

Respectfully:



David Leitch
Chief Administrative Officer

Prepared by: Myriah Foort, BBA, CPA, CA, Chief Financial Officer

Attachments:

- 1) 2020 Budget – Business Case (Human Resources Program Enhancement)
- 2) 2020 Budget – Business Case (Corporate Vehicle Addition)



2020 Financial Plan - Business Case

Human Resources Program Enhancements

1. Executive Summary

This business case continues to build on the work of the 2019 occupational health and safety review and areas identified in need of improvement to enhance service delivery across the SRD. In the fourth quarter of 2019, the Strathcona Regional District (SRD) is scheduled to undertake a comprehensive review of its occupational health and safety program. In 2020 the SRD will proceed with the recommendations of the review and continue developing the organization’s health and safety management system with a target of achieving a Certificate of Recognition (COR) from the BC Municipal Safety Association. The COR certificate is a voluntary incentive program that recognizes employers who develop and implement health and safety and injury management systems that meet an industry standard. The program rewards employers who take a strategic approach to workplace safety and are committed to reducing both the human and financial costs of workplace injuries.

2. Business Problem and Opportunity

The SRD minimally meets the legislated requirements for the health and safety of its workers. Many of our workers are in environments with close proximity to chemical, physical and microbial hazards. There is also a much higher awareness of bullying and harassment in the workplace and the SRD has received a corresponding increase in the number of related complaints. A high proportion of our workers are also young and new to the workforce, which places them statistically at much higher risk for workplace injury. Through the development of a robust health and safety management system the SRD will demonstrate its commitment to creating a healthy and safe workplace, with the ultimate goal of reducing workplace incidents, injuries and illness. There is opportunity to combine return to work coordination and claims management for occupational and non-occupational injuries/illness. Additionally, a robust health and safety management program will include good tracking of important safety metrics that can be used to guide decision making in the workplace.

3. Proposed Project Objectives

The objective of this project is to develop a corporate health and safety management system that meets the requirements for COR certification. This involves garnering organizational commitment and then developing the program, policies and procedures. Program development will include developing and/or updating hazard identification and control procedures, developing and/or updating training, education and certification, developing and/or updating worksite inspections and incident investigation procedures. The program administration will be clearly articulated and communicated to all workers with well-defined areas of responsibility for management, supervisors and workers including the function of the Joint Occupational Health and Safety Committees. The return to work and recover at work policies and programs, which have been administered in an informal and ad hoc manner will be formalized through the develop of sound policy and clear procedures.

4. Business Risks

Employers hold legal accountability for worker safety under provincial occupational health and safety statutes and regulations and the federal Criminal Code. Beyond legal accountability, poor safety performance directly impacts worker morale and productivity. The harm to the organization’s reputation makes it difficult to attract and retain skilled workers. The SRD will make a strong public statement about the organization’s commitment to protecting the wellbeing of workers and maintaining a culture of safety in the workplace.

5. Cost Benefits Analysis and Proposed Source(s) of Funding

Organizations who achieve and maintain COR certification may be eligible to receive up to 15% in an annual incentive payment from WorkSafeBC. Over time, with reduced injuries and lowered claim costs, the organization’s experience rated WorkSafeBC premiums will reflect additional savings. Poor safety performance affects more than premium costs. It also affects productivity as personnel are redirected to administrative tasks including filing reports, conducting incident investigations and recruiting and training temporary replacements for an injured worker. The return on investment for focusing on enhancing occupational health and safety will take time to see returns and will have impact across the organization. A request for an annual increase to HR service delivery will allow the SRD to proactively manage emergent issues identified as limitations to efficient and effective service delivery.

a) Total Costs	2020	2021	2022	2023	2024
Capital Costs	\$	\$	\$	\$	\$
Operational Revenues	\$	\$	\$	\$	\$
Operational Costs	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Total	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000



2020 Financial Plan - Business Case Human Resources Program Enhancements

b) Benefits	
Tangible Benefits	Reduce WorkSafeBC insurance premiums and increase worker safety, wellness and productivity.
Intangible Benefits	A safe and healthy workplace.

6. Summary Recommendation

THAT the 2020-2024 Financial Plan includes an increase to HR service delivery of \$30,000 annually to be funded by general taxation in Function 110 – General Government services.



2020 Financial Plan - Business Case Corporate Vehicle Addition

1. Executive Summary

The SRD covers a very large geographical area to provide services. Travelling off-site to remote locations is a daily task for many of the staff. Site visits and face-to-face meetings are a large part of the services that are provided by SRD staff, specifically; Bylaw, Building Inspection, Community Health Network, Emergency Services, Environmental Services, Parks, and Strathcona Gardens projects. As the organization grows, more vehicles are required to accommodate conflicting schedules and to prevent service limitations to the residents. It has become increasingly common for staff to have to adjust or cancel meetings because of a lack of available transportation.

As per the asset management plan, the current condition of corporate vehicles is rated as Good, with approximately 63% of life cycle remaining. As no replacements are slated for the near future, now would be an ideal time to increase the fleet to accommodate the increase in staff and related service levels.

2. Business Problem and Opportunity

An increase in staff, specifically staff who regularly spend time in the field, has led to a need for more available vehicles. On numerous days the current fleet of three vehicles will be booked, leaving nothing available for short notice usages and limiting staff's ability to accommodate unforeseen urgent matters. Staff regularly use personal vehicles for local travel to meetings, as well as for attending conferences or out of town events. Vehicle shortage is becoming a progressively more frequent issue as the organization grows.

The current fleet is not scheduled for renewal in the next budget cycle and as such, this would be an opportune time to invest in fleet expansion.

3. Proposed Project Objectives

- Purchase new vehicle for corporate office
- Increase vehicle fleet size

4. Business Risks

- Sustainable service delivery is at risk as transportation to and from sites becomes increasingly more difficult to schedule
- Delaying/rescheduling site visits is problematic for time sensitive projects

5. Cost Benefits Analysis and Proposed Source(s) of Funding

In addition to the cost of the vehicle purchase which would be funded from the general administration capital reserve, there would be ongoing operating costs for this asset including fuel, repairs and maintenance, insurance and an annual contribution to the reserve for future replacement of this vehicle at the ends of service life.

a) Total Costs	2020	2021	2022	2023	2024
Capital Costs	\$35,000	\$	\$	\$	\$
Operational Revenues	\$	\$	\$	\$	\$
Operational Costs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$45,000	\$10,000	\$10,000	\$10,000	\$10,000

b) Benefits	
Tangible Benefits	Increased fleet availability. Reduced scheduling conflicts.
Intangible Benefits	Increased availability and flexibility to meet service and community needs. Enhancement to service level delivery.

6. Summary Recommendation

THAT the 2020-2024 Financial Plan includes \$35,000 in capital funding for the purchase of an additional corporate vehicle, to be funded from the general administration capital reserve.

AND THAT, the 2020-2024 Financial Plan includes \$10,000 in operational funding for the operating costs and annual reserve contributions for end of life replacement, to be funded from the general administration function; which will be recovered through the support services allocations to all SRD services.