**RECOMMENDATION**

That the Regional District of Nanaimo Resilience and Renewal Framework be approved.

**SUMMARY**

The Province of BC has experienced a flattening of the curve of COVID-19 infections and the provincial government has released the BC Restart Plan as a guide for resuming service and easing restrictions over time. Phase 2 of the Restart Plan is underway and local governments are planning for the restoration of programs and services, as well as identifying a path forward to address current and ongoing financial consequences associated with the pandemic.

The draft RDN Resilience and Renewal Framework (Framework, Attachment 1) is presented for the Board’s consideration as a corporate strategy for responding to the COVID-19 pandemic.¹ The Framework serves as a policy document to inform decision-making and operational planning going forward on a path to recovery, and supports the strategic objectives guiding the RDN’s efforts. It is a living document and will be updated to reflect emerging public health information from health authorities, other levels of government, WorkSafeBC, and stakeholders.

**BACKGROUND**

The pandemic spread of COVID-19 has caused significant economic uncertainty for citizens, businesses and governments. The RDN closed many of its facilities to the public, including recreation centres and the administration office, and is operating the RDN Transit Service on a reduced schedule with enhanced cleaning and safety protocols. These closures, reductions and

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¹ This Framework has been developed in close alignment with, and inspiration from, the excellent work of other local governments, including Cowichan Valley Regional District, Comox Valley Regional District, Alberni-Clayoquot Regional District, the City of Richmond, and other municipalities, in order to support consistency and uniformity among regions as contemplated by the BC Restart Plan and Provincial guidance.
modifications, in addition to revenue losses in the areas of solid waste, transit and recreation, have impacted the RDN’s financial situation.

The RDN continues to review its services in light of the impacts of the COVID-19 pandemic to ensure that service levels and the financial contributions from the community to support those services are appropriate to maintain core service levels and support the community’s needs through the term of the 5-year Financial Plan.

In keeping with the approach of the BC Restart Plan and public health guidance, the restoration of programs and services will be a gradual process guided by advice from health authorities, other levels of government, WorkSafeBC, and stakeholder groups such as sector associations. Alignment, where possible, with other regions will maximize consistency and clarity of communications.

Working within the Framework, adjustments to the RDN’s 2020 work plans and 5-year Financial Plan will be identified and recommended to ensure appropriate service delivery while providing an adjustment to the tax requisition from current projections in future years. The process includes:

1. Continuation of core functions\(^2\) to meet regulatory requirements and provide vital services required within the community;

2. Review of 2020 non-core\(^3\) projects and services for relevance and priority and for eligibility for grant funding;

3. An assessment of all RDN services to confirm service levels, seek financial efficiencies and confirm the new practices and procedures that support the health and safety of the community and RDN employees; and

4. A call on all organizations to which the RDN provides external funding to examine their service levels and seek financial efficiencies to reduce the tax burden on residents during these challenging times.

The Framework, developed by a team of internal RDN managers, is based on the RDN’s strategic drivers and includes a timeline focusing on core services. The process envisions dialogue with key stakeholders and input from the community and partners, as appropriate. The Framework is also proposed as the guideline to follow for setting future financial plans, being mindful of overall community and financial impacts resulting from the COVID-19 pandemic. Inherent within this process is an acknowledgment of the continuously evolving conditions associated with the pandemic, and the necessity of flexibility. Regular communication with the public to enhance awareness about services, impacts and community value is essential.

1. Strategic Actions

In light of the changing circumstances, the Board has taken a number of strategic actions:

a) The Board approved the extension of time for property owners to pay their utility bills.

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\(^2\) Core functions are defined as legislated functions or functions that are critical due to their essential nature to the community.

\(^3\) Non-core functions are tasks for which there is more flexibility to consider adjustments.
b) The Board endorsed a motion to put the Dashwood Firehall on hold and re-assess in September. Hopefully at that time, details of the federal stimulus packages will be available and funding support can be explored to proceed with this project while alleviating some of the associated tax increase. However, typically funding for firehalls has not been forthcoming from provincial or federal sources.

c) Tribal Journeys will not be occurring in 2020 and therefore the Board’s support of this initiative will be postponed to a later year.

d) In May the Board endorsed motions from the Oceanside Services Committee (OSC) to:
   i. Not proceed with the disbursement of funds under the Northern Community Economic Development Function for 2020 and return the contribution share to Parksville and Qualicum Beach, reducing costs by $50,000; and
   ii. Defer the allocation of Recreation Grants until the August OSC meeting pending the impacts of COVID 19 on programs, potentially reducing costs by $75,000 for 2020

e) A number of initiatives requiring public consultation have been delayed and reports will be provided in the future as to the next steps to be undertaken for each of the following:
   i. Transit Redevelopment Strategy
   ii. Area F OCP Review
   iii. Fire Governance Review

The Financial Annual Report will be completed without the professionally published booklet, reducing costs by $20,000.

2. Operational Impacts

Currently, the RDN participates in weekly calls with Emergency Management BC (EMBC) and the Medical Health Officer, as well as community partners, and continues to follow the directives of health officials. All actions to date have complied with the Ministerial Orders from the Province. The RDN has sought reimbursement from EMBC for expenditures, where appropriate, but there have been inordinate resources consumed in responding to this change such that departmental objectives have been delayed. The Emergency Operations Centre has functioned continually since early March following the requirements of the RDN’s pandemic plan.

The RDN Board and Committees have conducted virtual meetings and business has moved ahead with all legislative requirements continuing to be fulfilled. The public has had access to the meetings either in person or through online participation.

Recreation facilities were closed, including the Parksville Curling Club, Oceanside Place Arena, Ravensong Aquatic Centre, all playgrounds, sports courts and campgrounds. Recreation programming was moved to virtual delivery. There were savings realized through the reduction in these services. With the announcement of the BC Restart Plan, the RDN has re-opened sports courts, skate parks to single play, campgrounds and playgrounds. The RDN Regional Parks and Community Parks have remained open, ensuring that residents can stay active and enjoy our region while maintaining physical distance. There were increased costs due to the increased usage of the Parks. Costs related to the enforcement of the Ministerial Orders in the RDN Parks have been paid for by EMBC.
The RDN and Victoria Transit were the first to offer rear door boarding, a decision implemented to ensure the health and safety of drivers who provide an essential service. With the development of vinyl panels to allow physical distancing for RDN transit operators, the collection of fares resumed June 1, 2020. Should new cases of COVID-19 be reported in the region, the RDN Transit system will adjust its service. There is in place a reduced service level for both the regular transit system and the HandyDart system due to reduced customer demand.

Our Regional Landfill and Church Road Transfer Station modified fee collection with the acceptance of debit and credit only, eliminating the need for employees to handle cash. The purchase of extra garbage tags was moved to a web-based model which will continue moving forward.

All RDN offices transitioned to online service, via conference calls, or where necessary by appointment only. A new web portal for building permits has been highly successful and has changed the way we do business.

In terms of staffing, there have been the accompanying layoffs and recruitment has been delayed. Select casual and term positions have ended which will result in salary gapping funds in the 2020 budget. Staff training, where required, has been taking place through virtual means which has reduced training costs. Additional staff support has been provided through enhanced communications, employee assistance program advancement for casual and regular staff, the virtual delivery of some health care services (sanctioned by the benefits provider), and the stringent adherence to rapidly evolving health and safety requirements.

The movement of some staff to working at home required additional support from Information Services, but the concept has been well received. In the RDN offices, additional resources were required to redefine and implement office cleaning protocols and to ensure physical distancing requirements were met. Vehicle usage rose as multiple staff could no longer occupy one vehicle. The future challenge will be ensuring the workplace culture continues to evolve to meet the changing circumstances and that staff skills maintain their currency.

3. Future Reports

The Board’s Strategic Plan is scheduled to be re-visited in the fall of 2020 when the magnitude of the pandemic’s impact is further understood. The review of this Plan through a resiliency lens may result in alterations to Board’s objectives, which in turn would alter the operational plan, the service levels delivered and the 5-year Financial Plan. As a multi-year recovery is forecast, operational plan deliverables will be continually reviewed and adjusted. The ability of taxpayers to pay for services they desire while maintaining affordability is the delicate balance that must be undertaken.

The RDN’s reputational risk must continue to be managed through heightened attention to customer satisfaction surveys, as typically customer satisfaction decreases during times of crisis when reduced programming is offered.
Capital programs, which form a source of economic stimulus for the local economy, will be presented to the Board for review. A new source of external grant funding appears to be forthcoming from the federal government, but the details are not defined. To ensure the RDN is in a position to capitalize on any future federal grants program, the “shovel ready” capital programs are being analyzed to determine which may qualify based on past criteria. The federal government has announced that funding delivered through the Gas Tax Fund will be accelerated this year and that $2.2 billion in 2020-2021 annual federal infrastructure funding for communities will be delivered in one payment in June.

The Community Works Fund (CWF) provides local governments annual transfers which may be used for local priorities to improve public infrastructure. As a result of the Board decision in 2007, each RDN Electoral Area is allocated funds based on population. Future reports will examine the distribution and use of CWF funds with capital projects that meet the Board’s key strategic priority areas, with a focus on efficiencies and reduction of the overall tax requisition in these service areas, which would significantly impact the 2021 and following years’ financial plans.

All managers are reviewing their budgets and capital projects to determine if any deferrals, cancellations or adjustments can be made as the RDN moves forward. While BC has successfully flattened the curve, Provincial health authorities expect new clusters in the fall during the typical flu season. Decisions the RDN makes must consider how we will operate should a resurgence of the COVID-19 virus occur.

With regard to the Regional Growth Strategy Function (RGS), the Board has instructed that a review of the current work program take place, as it relates to the 2019-2022 Board Strategic Plan. Key areas will include the scope of the Regional Growth Strategy Review, Climate Adaptation initiatives, Social Needs Assessment and the Regional Housing Service analysis.

Future elections on whether, how and when to re-start or vary operational levels in certain areas will be forthcoming as recreation, solid waste and transit are facing major decision points in the delivery of these services.

**ALTERNATIVES**

1. That the Regional District of Nanaimo Resilience and Renewal Framework be approved.

2. That alternate direction be provided.

**FINANCIAL IMPLICATIONS**

The 5-year financial plan was adopted on February 25, 2020 following extensive analysis, engagement and feedback. This financial plan was developed through the lens of the Board’s strategic priorities. The RDN is actively monitoring the financial implications to its services and the response of senior government. Some services have the potential for surplus, some reduced revenues and others with increased or decreased costs. Disruption to transit rider fees, solid waste tipping fees and recreation programs have resulted in diminished revenues.
Departmental managers are reviewing the 2020-2024 Financial Plan which includes the following tax requisitions:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax Requisition</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$62,186,851</td>
<td>8.6%</td>
</tr>
<tr>
<td>2021</td>
<td>$67,431,336</td>
<td>8.4%</td>
</tr>
<tr>
<td>2022</td>
<td>$71,593,978</td>
<td>6.2%</td>
</tr>
<tr>
<td>2023</td>
<td>$76,472,855</td>
<td>6.8%</td>
</tr>
<tr>
<td>2024</td>
<td>$79,639,747</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Unlike a municipality, an overall tax increase does not exist. Each property receives a combination of the 106 services the RDN provides and as such, the financial implications vary widely by property.

The strategic use of Community Works Funds (CWF) has been identified as a tool with significant potential to offset requisition in service areas which are ongoing and have large capital improvements, or capital projects envisioned for the 2021-2023 timeline that could be funded using CWF to reallocate requisition dollars in service areas and reduce costs. There is in excess of $7.5 million available for consideration in 2020, and future reports will identify opportunities to utilize CWF funding. The conversion of these funds to a strategic investment tool to manage required increases to spending is recognized as a best practice and has the potential to have positive impacts for residents, as well as investment of capital dollars in the Region.

The Province has provided a regime where the RDN Board can elect to use reserves to offset operational impacts, but the funds borrowed from the reserve must be repaid within 5 years. Although the concept of borrowing from the future is something to be explored, if the economy does not improve, or even worsens, the ability to address the requirement to pay may prove onerous to future Boards. The Province has noted that due to complexities inherent in regional district funding models, careful internal financial planning should be done before considering interfund borrowing.

**STRATEGIC PLAN IMPLICATIONS**

The RDN Response and Resilience Framework reflects the focus and direction of the RDN 2019-2020 Strategic Plan in that it lays the foundation and provides a tool for the Board to address the ongoing operations of the Corporation and a focus for the delivery of services. The mission, vision and values that are the foundation of the Plan and the eight strategic focus areas form the basis by which the Board will consider how to adjust the Financial Plan to account for the challenges that COVID-19 has placed upon the communities and people of the Region.
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Chief Administrative Officer  

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General Manager, Strategic and Community Development  

Elizabeth Hughes  
Manager, Intergovernmental Relations  

Reviewed by:  
• Corporate Leadership Group  

Attachment:  
1. RDN Resilience and Renewal Framework