



# WHISTLER

## REPORT | ADMINISTRATIVE REPORT TO COUNCIL

**PRESENTED:** August 17, 2021

**REPORT:** 21-098

**FROM:** GM REX, GM IS, GM CCS, CAO

**FILE:** 2325

**SUBJECT:** FIVE-YEAR FINANCIAL PLAN 2021-2025 AMENDMENT

### COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

**That** the recommendation of the Senior Leadership Team be considered.

### RECOMMENDATION

**That** Council consider giving first, second, and third readings to “Five-Year Financial Plan 2021-2025 Amendment Bylaw No. 2325, 2021”.

### REFERENCES

Appendix A – Schedule B of “Five-Year Financial Plan 2021-2025 Amendment Bylaw No. 2325, 2021”

### PURPOSE OF REPORT

This report seeks consideration of first three readings of the “Five-Year Financial Plan 2021-2025 Amendment Bylaw No. 2325, 2021”, a bylaw to amend “Five-Year Financial Plan 2021-2025 Bylaw No. 2306, 2021” for the purposes discussed below.

There are four items up for consideration in this amendment: proposed additions to RMOW staff in both 2021 and 2022; changes to office space both immediate and considerations for long-term; changes to the Fuel Systems Upgrade project budget as previously discussed by Council on July 20, 2021; and Indigenous Outreach and Temporary Housing Initiative Grant.

### DISCUSSION

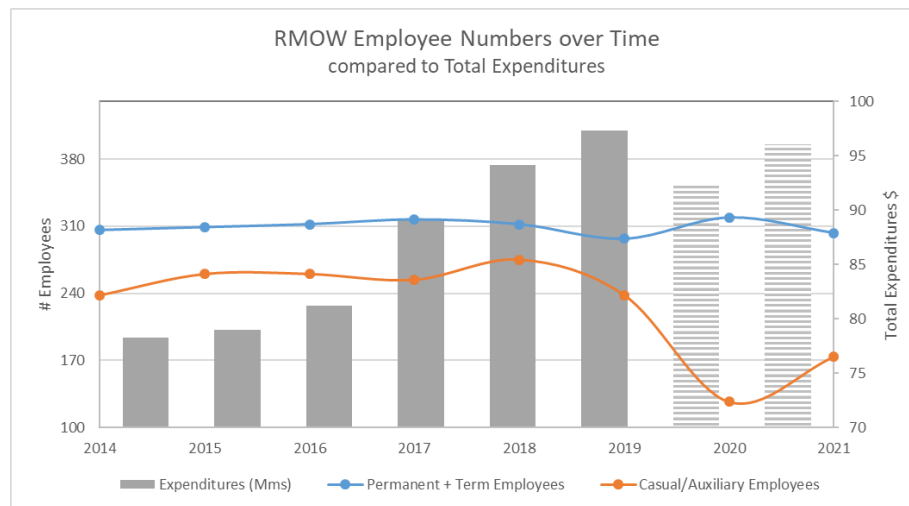
#### 1. Staff Resourcing

##### *Background.*

During the November 2020 leadership retreat with Staff and Council, a clear theme emerged across workgroups and initiatives: capacity challenges, issues of burnout, and the mismatch between the Resort Municipality of Whistler’s (RMOW) volume of work (both core services and new/timely priority projects) and the hours available to complete the work. Beginning December 2020, the senior leadership team conducted a focused review of business areas to better understand the resourcing challenges and identify potential solutions to the staffing-workload misalignment.

This review has revealed an organization that entered 2020 struggling to keep pace with its core services and expanding list of responsibilities with a workforce that has only marginally changed in size from 2014 levels. Adding the pandemic response and recovery work to this already unmanageable list of tasks, shifted an untenable situation into critical shortages in key areas. COVID has shone a light on already existing cracks in the community, and cracks within the RMOW as an organization. When an organization is working at (and beyond) the outer limits of its

productive capacity, additional disruptions have the potential to create significant incremental risks and impacts both within operations and across community economic development processes.



Then on April 26, 2021 the RMOW suffered a cyber security incident and was again pushed to adapt and respond. 2021 was already expected to be a busy year. The 10 weeks of systems shutdown that resulted from the cyber incident meaningfully impaired productivity and created entirely new/novel demands on the time of many RMOW employees. The same amount of work continues to exist after the cybersecurity incident as before, but now with 10 fewer weeks available in which to complete it. Departments including Planning and Building are in effect being asked to deliver the same permitting processes now, but in less time. Relative to what was evident at the time of the Council/Staff retreat, this has further eroded the sustainability of the current work environment.

Current workloads are unsustainable, and staff resiliency is low as a result. Pandemic recovery will continue to put operational and political pressure on the RMOW. Conflict and stress with the community and local industry has risen as the dislocation widens between community service-level expectations and what is possible to achieve with existing staff resources. Maintaining a high-quality Whistler product and level of customer service remains paramount and must be achieved regardless of outside challenges. Industry data further supports the case that the RMOW is under-resourcing its workforce. Relative to other communities of similar size (meaning: volume of activity and service mix) the RMOW apportions a significantly smaller amount of its total expenditures to payroll. This measure is important. There is a natural relationship between total dollars spent delivering municipal services and projects, and the dollars spent staffing the organization with people. These people dedicate their time and effort not to the direct delivery of a particular service (writing parking tickets or leading fitness classes), but also to the management of external providers and spending. Said differently, there are limits to the extent to which these differences boil down to degrees of outsourcing. It is ultimately people (staff) that are responsible to direct, manage, monitor, and report out on spending of all types, and serve to ensure that spending is aligned with municipal and council objectives. So a relationship necessarily exists between total budget size and total internal workforce. Where this relationship becomes disjointed, risk increases and the effectiveness of the organization falls. The manner in which Whistler has chosen to grow its staff relative to the growth in its total spending over time is noticeably out of step with common practices, and further explains some of the pressure and slowdowns that are evident today.

Municipality	Total Own-Source Revenue (2019)	2019 Expenditures	2019 Payroll	Payroll % of Expenditures
Courtenay	28,273,283	52,267,604	17,327,540	33.2%
Parksville	14,968,751	24,102,463	8,943,628	37.1%
Vernon	43,811,000	81,360,000	30,289,000	37.2%
Penticton*	35,138,187	74,375,539	27,750,405	37.3%
Fort St. John	32,149,536	61,837,717	23,232,366	37.6%
Squamish	31,395,065	50,110,626	19,324,852	38.6%
Port Coquitlam	69,076,078	103,663,636	40,451,593	39.0%
District of N Vancouver	111,521,856	167,773,061	83,462,833	49.7%
City of North Vancouver	67,351,840	118,379,000	62,226,000	52.6%
Port Moody	45,658,168	73,378,948	39,609,061	54.0%
West Vancouver	76,070,574	112,335,861	70,564,520	62.8%
<b>Whistler</b>	<b>52,031,225</b>	<b>97,360,292</b>	<b>33,644,808</b>	<b>34.6%</b>
			Median	38.6%
		If Whistler were inline with median		37,546,393
		Payroll differential		3,901,585

In summary, as the demands of the resort community grow and become increasingly complex, the sophistication of the municipal government must change in response. In this way, the needs and the expectations of our residents and guests can continue to be satisfied. The RMOW has lost sight of that connection somewhat in the last decade, wishing instead to stay small, and to rely on the resiliency of our staff, and more recently on the use of overtime, to fill the growing gaps. Despite these efforts, an increasing amount of work is remaining undone and customer service is unable to improve to meet expectations. In order to move successfully forward the organization must rethink its resourcing. Specifically, where effort (effectively, staff hours and payroll) can best be rescaled relative to the necessary work. These recommendations reflect the first step down the path of responsible resourcing and matching community service demands and aspirations with aligned internal resources.

### *Proposal*

Determining where the best opportunities exist to apply expanded effort against existing service-level shortfalls is a two-step process. Step one is to understand the work that has been added to the RMOW's plate without appropriately accompanying resources.

- The RMOW is delivering on new or expanded priorities, including: Three-Stream Waste, Big Moves, New Valley Trail kms, expanded Community Engagement, supporting new Employee Housing initiatives, new non-tax revenue streams (EV Charging, Parks parking fees), free transit for High School students,
- The needs of the resort continue to grow
- New assets and priorities have left the organization in a chronically reactive state.

Step two is to evaluate the risks embedded in the existing model. Where gaps will widen and risks increase if no changes to staffing are made.

- Asset maintenance falling behind industry standard levels – impairs asset performance and costs more in the long term
- Wait times for building permits, business licenses and development permits will further increase
- Social capital of the municipality will be lowered
- Staff effectiveness and efficiency will decline
- Ability to attract and retain staff will decrease

- Post COVID and cybersecurity incident recovery will take longer
- Overall reputational decline as an organization and an elected local government.

The outcome of this work is the identification of urgent needs, in the following high-risk areas:

- Building Department
- Information Technology
- Finance
- Legislative Services
- Resort Operations / Parks Planning.

Detail has been provided to Council on the limitations within the Planning Department and the Building Department in Closed Council on February 16 and April 20, 2021 respectively.

### *Staff Resourcing Request*

The following proposed staff resources have been identified to address chronic shortfalls, challenges to providing effective customer service and the ability to effectively manage our assets into future years. These resources are identified as urgent additions. However, it is unlikely that recruitment for all positions will be able to occur before the end of 2021. These additions will be prioritized as “in-year” additions which are those positions likely able to be recruited in the short term and “subsequent year” additions which are those positions anticipated to be recruited in the start of 2022. Should recruitment be feasible, subsequent year additions may be advanced in the fourth quarter of 2021.

In-year additions:

- REX: Project Manager – Parks and Trails Construction
- IS: Building Official III
- CCS/IS: Computer Systems Analyst - Building digitization project (term)
- CCS: Accountant
- CCS: Computer Systems Analyst

Subsequent year additions:

- IS: Capital Projects Coordinator (existing term role becomes permanent)
- CCS/IS: Records Clerks - Building digitization project (2 term roles)
- CCS/IS: Bylaw Enforcement Officer (Building department)
- CCS: Risk & Insurance Coordinator
- CCS: Computer Systems Tech (term role becomes permanent)
- CCS: 0.4 FTE Computer Systems Analyst (add to current 0.6 FTE role)

The impact of these changes on fiscal year 2021 is expected to be approximately \$112,000, and for 2022 approximately \$560,000. Funding for these changes in 2021 already exists, in the form of budget allocation to payroll that was unspent in the first part of the year due to greater than expected vacancies. Rather than growing overall operating expenses this year, this is simply a change to which department spends this money on payroll. This will not, however, be the case in 2022 and so appropriate allocations to the affected departments will need to be made then.

## **2. Municipal Hall Capacity Improvements**

The RMOW is also undertaking a long-horizon space planning review. Providing appropriate spaces in which employees can effectively do their work is another important responsibility of the RMOW as an employer. This project will consider building lifecycle, staffing levels and all work site locations, and ultimately make recommendations regarding best use of existing space. This work will be

impacted by our return-to-office policies that are currently being completed by Human Resources and the senior leadership team. The decisions we make in the coming month regarding a potential hybrid work-in-office/work-from-home approach will impact our space planning, but will also balance recruitment and retention expectations for a quality, supportive work environment.

Current space was already unable to meet the needs of staff, with a deficiency of desks already existing pre-COVID. Most critically in the Planning Department. To deal with this urgent need, Facilities Construction Maintenance is seeking to convert the current Planning Department space from individual offices to an open space concept floor plan. This provides significant space efficiencies and allows for four additional work stations within the existing footprint.

The initial cost estimate for these changes is \$130,000 and includes demolition, partial walls, and additional furniture. This is a major change for the department and is a cost-efficient approach to the challenge at hand, particularly in comparison to the cost of building an entirely new space. The budget for this line item will be added to the existing Building General Improvements project.

### **3. Fuel System Upgrade Project budget**

On July 20, 2021, Council directed staff to prepare a budget amendment to increase the 2021 Budget for project Y014-01 by \$255,000 (see Administrative Report 21-084). This is that amendment. The Fuel System Replacement Project includes replacement of the underground fuel tanks and vehicle fueling system at the municipal public works yard. The current tanks and fueling system are now approximately 25 years old and do not comply with today's standards and regulations. Long lead-time equipment associated with this work was procured in 2020. The tender for the remaining work was awarded to Protec on July 20, 2021. The budget needs to be adjusted in order to accommodate the value of the tender award, and to introduce a contingency amount appropriate to a project of this size and risk profile. Specifically, the contingency considers the possibility that dewatering may be required and also that soil or groundwater contamination may be present. Clarity on these two factors will only be possible when the work is under way.

### **4. Indigenous Outreach and Temporary Housing Initiative**

On April 20, 2021 Council endorsed a grant application to the Union of B.C Municipalities', for the Community and Indigenous Outreach, and Temporary Housing Initiative under the Strengthening Communities' Services funding stream to a maximum of \$450,000. Staff were notified that the grant was approved in the amount of \$446,000 and have been notified that 50% of the funds will arrive shortly.

The focus of the proposed grant activities will be based primarily on outreach, peer support and providing temporary emergency shelter. The RMOW is working in partnership with several local non-profits including Whistler Community Services Society (WCSS), Squamish Lil'wat Cultural Centre (SLCC), Howe Sound Women's Centre (HSWC) and Sea to Sky Community Services Society (SSCS) to provide increased access for the local population to services and support. This includes, but is not limited to, emotional & mental health support, access to healthy food, referral, transportation, clothing and peer support as well as temporary emergency shelter. The RMOW Emergency Program will provide oversight for the administration and disbursement of grant funding while the non-profits will provide the outreach workers and referrals to support services including referrals for potential emergency shelter.

This project will commence in the latter half of 2021 and continue for the duration of one year from the approval date of July 31, 2021. The remaining 50% percent, or eligible final payment, will be available after a satisfactory final report and financial summary has been submitted to UBCM. An amendment to the Five-Year Financial Plan is required in order to capture this work.

## **OTHER POLICY CONSIDERATION**

Section 165 of the *Community Charter* requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw. Once adopted, the plan is in effect until it is amended, and may be amended by bylaw at any time.

The recommended resolutions included within this Report are consistent with the goals, objectives and policies included within “Official Community Plan Bylaw No. 2199, 2018”.

## **BUDGET CONSIDERATIONS**

The five-year financial plan sets the budget for the next five years, and is prepared annually. It can be revised at any time by bylaw, and is being revised to reflect proposed changes. The budgeting process is premised on a longer-term outlook in order to maintain relatively stable year to year fluctuations in fee and tax rate changes.

## **COMMUNITY ENGAGEMENT**

The “Five-Year Financial Plan 2021-2025 Amendment Bylaw No. 2325, 2021” is being presented at a Regular Council Meeting consistent with *Community Charter* requirements.

## **SUMMARY**

This Bylaw, the “Five-Year Financial Plan 2021-2025 Amendment Bylaw No. 2325, 2021” is to amend “Five-Year Financial Plan 2021-2025 Bylaw No. 2306, 2021”, in order to reflect changes in the proposed operational and project spending plans related to Staff Resourcing as presented within this report.

Respectfully submitted,

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DIRECTOR OF FINANCE

for

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GENERAL MANAGER OF CORPORATE AND COMMUNITY SERVICES

and

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and

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