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MANAGER'S REPORT NO.	50
COUNCIL MEETING	1978 07 04

RE: THE BRITISH COLUMBIA URBAN TRANSIT AUTHORITY ACT
(ITEM 12, REPORT NO. 48, 1978 JUNE 26)

When the Municipal Council considered Item 12, Report No. 48 on June 26, consideration was also given to a copy of a letter dated 1978 June 20 from the Hon. Hugh A. Curtis addressed to Mayor Constable and Council which was circulated at the same meeting, and which officially appears on the Agenda for the July 04 Council meeting.

At the time that the report item and the letter from the Minister considered, the staff were requested to comment on the contents of the Minister's letter. The following is the report of the Planning Director dated June 28 in this connection.

The Municipal Manager concurs in the conclusions reached by the Planning Director, and the following recommendations are made in that respect. As to the other aspects raised by the Planning Director that must be resolved in the future, our intention would be to continue to work on these subjects once the basic decisions covered by this report item are resolved.

RECOMMENDATIONS:

1. THAT the Province be advised that Burnaby would like to see the financing formula such that all transit costs (Capital and Operating), are shared 75% by the Province and 25% by the local area; and

2. THAT the transit service area be the G.V.R.D. area; and

3. THAT the composition of the Lower Mainland Regional Transit Commission be locally elected Aldermen who are members of the G.V.R.D. and who would be Transportation Committee members; and

4. THAT a copy of this report item be forwarded to the G.V.R.D. for distribution to the other municipalities in the Lower Mainland area.

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PLANNING DEPARTMENT
1978 JUNE 28

TO: MUNICIPAL MANAGER

FROM: DIRECTOR OF PLANNING

SUBJECT: THE BRITISH COLUMBIA URBAN TRANSIT AUTHORITY ACT

Reference the letter addressed to the Mayor and Council from the Hon. Hugh A. Curtis dated 1978 June 20; and the request from Council for staff comment on the Minister's letter.

In his letter Mr. Curtis asks for comments or advice on the following three items:

1. The financing formulae to be contained in Provincial regulations, which are currently being drafted for review, and which will control this metropolitan areas' financial participation in the transit function. Mr. Curtis in his letter states that the formulae will be at least as generous as that provided for in the current agreements under the Small Communities Program; and at least comparable to that in place in other Provinces throughout Canada (attention is drawn to Ontario as being the most sophisticated).

2. Definition or designation of the transit service area for the Lower Mainland.

3. Recommendations for candidates for Provincial appointment to the Lower Mainland Transit Commission. Recommended members will have to hold elective office within the designated transit service area.

The following information and comment is provided on each item in turn in order to assist Council in its deliberations on these matters:

1. Financing Formulae

Attached is Appendix F from a report entitled A Revised Proposal to Finance Regional Transportation prepared by the GVRD staff in 1977

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December. This Appendix provides information on Canadian Provinces contributions to Urban Transportation.

Dealing with the two programs mentioned by the Minister, i.e. Small Communities Program and Ontario, the financial formulaes are generally as follows:

a. Small Communities Program

- Capital Costs are provided 100% by the Province (provision of rolling stock).
- Approved operating deficit is paid 50% by the Province and 50% by the local Municipality.

b. Province of Ontario - Metro Toronto

The Provincial sharing formulae varies with the designated class of the community but the following information applies in Metropolitan Toronto:

- All regional road costs are shared 50% by the Province and 50% by the Municipality.
- Transit capital costs are paid 75% by the Province, 25% by the Municipality.
- Transit operating costs are estimated at the beginning of the year and paid 50% by the Province, 50% by the Municipality. If the actual deficit exceeds the estimate, the Municipality picks up the difference. If the actual deficit is less than the estimate, then the difference is credited to the Municipality. In other words there is a built in bonus system to encourage an efficient operation.

c. The GVRD Position

The current GVRD position is that roads and transit should not be separated, and that the financial formulae should not separate capital costs from operating costs on the basis that capital costs are predictable while operating deficits are not.

Under these criteria the GVRD proposal is that all costs (roads, transit capital, transit operating) should be shared 70% by the Province, 30% by the Region.

The GVRD does not have a stated position on transit alone at the moment but their proposal based upon non-separation of capital and operating costs, would probably be in the order of all transit costs being paid 75% by the Province, 25% by the Lower Mainland.

Comment

The principle of one formulae for capital and operating costs, seems supportable as they are related costs of integral components of the same system.

If one agrees with this principle a sharing arrangement based upon 75% Provincial cost and 25% local cost seems to be a goal to aim at.

2. Definition of Transit Service Area

The transit service area once defined with the agreement of the local authority is the area within which transit service is provided, and within which the member municipalities are required to raise their share of transit costs.

The service area should presumably be so defined as to contain an area with common transit objectives capable of being satisfied by an efficient and economical system.

In this regard it makes sense that the Lower Mainland Transit Area reflect as closely as possible the boundaries of the GVRD and be made up of the member municipalities.

If one agrees with this principle, Burnaby should go on record as being prepared to participate in negotiations arising from such a designated area; at the same time expressing the view that Burnaby does not wish to "go-it-alone" or to participate in a fragmented region containing more than one designated transit area.

3. Appointments to Lower Mainland Regional Transit Commission

This is primarily a political question, but does have ramifications for an effective and coordinated organization.

If one agrees with the principle that the provision of a coordinated transportation service is a Regional function, then it is important to ensure that close links exist with the GVRD. This could be achieved by recommending to the Minister, elected representatives who are also members of the GVRD, and who could act not only as members of the Transit Commission but as members of the GVRD Transportation Committee. In this way one would have some chance of achieving the close liaison needed between Transportation and Land Use - in other words between the goals of the Liveable Region Plan as reflected in population distribution, employment distribution and open space policies, and the transportation system needed to serve such a program.

Conclusion

This report has commented briefly on three items raised by the Hon. Hugh A. Curtis in his letter of 1978 June 20, namely:

- the financing formulae - all transit costs (capital and operating) shared 75% by the Province, 25% by the local area.
- transit service area - the GVRD area.
- transit commissioners - locally elected Aldermen who are members of the GVRD, and Transportation Committee members.

Still to be dealt with from the list of six items listed in the Burnaby staff report dated 1978 June 22 are:

1. Burnaby Bouncil has to decide who they wish to counsel and represent them in negotiating service areas and operating agreements - Municipal staff? GVRD staff? Consultants?

2. Burnaby Council to decide upon the level and quality of transit service needed in this community (e.g. a light rapid transit system serving Metrotown, located underground in the Metrotown core, and supported by a related bus service, linking other activity centres and residential areas in North and South Burnaby with Metrotown and with each other.

   Reference should be made to the report Public Transit in Burnaby prepared by the Burnaby Planning Department 1976 June.

3. A decision has to be made on the source of funds to be used to raise this areas share of transit costs - gasoline tax? power surcharge? property tax?

Submitted for the information of Council.

A. L. Parr,
DIRECTOR OF PLANNING.

ALP:cm
Attach.
c.c. Municipal Treasurer
Municipal Engineer

PROVINCIAL CONTRIBUTIONS TO URBAN TRANSPORTATION*

APPENDIX F

PROVINCE	TRANSIT COSTS CAPITAL	TRANSIT COSTS OPERATING	ROAD COSTS CAPITAL	ROAD COSTS OPERATING	LOCAL GOVERNMENT RECIPIENTS
Quebec	10-30% increase based on % of Quebec labour in product bought (Quebec Value Added) (total program = $70M in 1976-77)	45-55% of deficit increase 1% in grant for 10% increase in ridership -Montreal special case Metro $20M debt servicing grant	none directly to roads -municipalities receive $6-$10/capita general grants which they budget themselves		-municipal governments, transit authorities
Ontario	75% -buses and subway (total program = $105M 1975-76)	50% of deficit -upper limit on contribution	50% -Metro receives funds for regional roads, local municipalities for local roads -includes traffic signals	50%	-Metropolitan Toronto, the local municipalities, and the Toronto Transit Commission
Manitoba	50% ($777,000 in 1973)	50% -of revenue or deficit whichever less (Winnipeg: $3.8M in 1974)	50% -regional roads only	$4000/lane-mile	-City of Winnipeg - unified regional government
Alberta	$7.5M/yr -arbitrary, long-standing program (6 year fund of $102M)	50% -or less or up to $3/capita ($6.6M over 2 years)	$6M/yr -arbitrary, long-standing program	$500/mile -for arterials only	-City of Edmonton -province expecting to soon adopt more rational funding approach

N.B. All provinces pay 100% for provincial roads in urban regions, and all take transportation monies out of a general fund (no earmarked funds). All provinces evaluate municipal/regional proposals on a project-by-project basis, through Quebec may soon switch to comprehensive multi-mode program budgeting.

*for provinces with urban regions of population over 250,000.

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PROVINCIAL PROGRAMS OF ASSISTANCE TO URBAN PUBLIC TRANSIT

Province	Capital Cost Subsidies	Operating Cost Subsidies	Other
Newfoundland	-	$3 per capital towards St. John's operating deficit (total: $300,000)	
Nova Scotia	-	-	Policy Study Underway. Grant to Halifax-Dartmouth ferry. Grant to set up new services in Bedford-Sackville.
P.E.I.	-	-	
New Brunswick	-	-	Policy Study Underway.
Quebec	10% of any bus 30% of Quebec manufactured buses	60% of Metro deficit. 45-55% of other operating deficits, depending on ridership.	

(total program: $70 M in 1976-77)

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Ontario	75% of all equipment costs ($33.8 M in 1975) 100% commuter rail/bus plus federal grant.	50% of deficit ($45.9 M in 1975)	75% of study costs for innovative solutions to congestion. 50% cost of computer controlled traffic systems.
	(total program:	$105 M in 1975-76)	
Manitoba	50% of vehicle costs ($777,000 in 1973)	50% of deficit, or 50% of revenue, whichever is lesser. (Winnipeg: $3.8 M in 1974).	Aid to experimental projects.
Saskatchewan	50% of rolling stock. 75% of transit construction.	3¢ per passenger carried	75% special demo projects. 75% transit studies.
Alberta	6 year fund of $102 M.	50% of deficit up to $3 per capita. ($6.6 M over two years).	Two-thirds cost of planning studies R & D. Up to $1.6 M per year.
British Columbia	100% of vehicle costs (Vancouver & Victoria)	100% of deficits in Vancouver and Victoria; lesser amounts in other cities.	Considering commuter rail, LRT urban ferry boats.