

RE: LETTER FROM VANCOUVER REGIONAL TRANSIT COMMISSION, 750-17TH STREET,
VANCOUVER, B.C., V7V 3T3
ORGANIZATION AND FUNDING OF TRANSIT LETTER FROM CHAIRMAN OF
VANCOUVER REGIONAL TRANSIT COMMISSION

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Planning & Building Inspection be adopted.

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TO: MUNICIPAL MANAGER 1989 May 16

FROM: DIRECTOR PLANNING & BUILDING INSPECTION Our File: 08.211

SUBJECT: ORGANIZATION AND FUNDING OF TRANSIT
LETTER FROM CHAIRMAN OF THE VANCOUVER
REGIONAL TRANSIT COMMISSION

PURPOSE: To respond to correspondence from Mayor D.A.S. Lanskail
regarding the organization and funding of transit in the
Vancouver area.

RECOMMENDATIONS:

1. THAT Council support the principles for reorganization of transit outlined in the correspondence.
2. THAT Council support for the six principles be accompanied by a request to consider the other issues outlined in Section 8.0 in the context of the transit organization and funding proposals.
3. THAT a copy of this report be sent to Mayor D.A.S. Lanskail, Chairman of the Vancouver Regional Transit Commission, Municipal Hall, 750 - 17th Street, West Vancouver, B.C. V7V 3T3

R E P O R T

1.0 BACKGROUND

At its regular meeting of 1988 June 13, Council received correspondence from Mayor D.A.S. Lanskail intended for the following purpose:

- (i) Report on current status of regional transit, in particular, negotiations between the Vancouver Regional Transit Commission (VRTC) and the Provincial Government on a funding formula and related matters.
- (ii) Invite submissions from Municipal Councils within the Region in respect of the form, structure, organization and operational policy of the transit system.

Subsequently at its regular meeting of 1988 June 31, Council considered a report (Attachment 'A') from the Director Planning & Building Inspection prepared in response to Council's direction to prepare a brief for submission to the Vancouver Regional Transit Commission regarding the organization and structure for transit in Greater Vancouver. At this meeting council adopted the following recommendation:

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"THAT the attached brief be forwarded to Mayor Lanskail, Chairman of the Vancouver Regional Transit Commission, Municipal Hall, 740 - 17th Street, West Vancouver, B.C. V7V 3T3".

As indicated in the letter from Mayor Lanskail, which appears as an item of correspondence on this agenda, a brief was prepared by the Commission for presentation to the Honourable Rita Johnston, Minister Responsible for Transit. At this time Mayor Lanskail is requesting comment on the brief resulting from input received from all Municipalities.

The principle points of the Commission's brief with respect to transit organization and funding include the following:

- (i) The creation of a separate regional transit authority to serve Greater Vancouver.
- (ii) A Board of Directors with representation from each Municipality in the Region.
- (iii) An Executive Committee responsible to the Board of Directors.
- (iv) A strong partnership role for the Provincial government commensurate with its responsibility.
- (v) Recognition that the SkyTrain system is analogous to highways and as such should be funded by the Province.
- (vi) A voting system that would recognize disparity in the size of member Municipalities but which would prevent unfair domination by blocs.

This report provides a review of the Commission brief with respect to each of these points.

2.0 SEPARATE REGIONAL TRANSIT AUTHORITY

In the original invitation for municipal input, the Commission asked for comment on five possible organizational structures including:

- (i) Operation as a function of the Greater Vancouver Regional District.
- (ii) A parallel, but separate, structure to the GVRD
- (iii) Fine tuning of present structure, e.g., additional powers to the Commission in determination of budgets, etc.

- (iv) A more broadly based Commission structure with all Municipalities represented.
- (v) Creation of a separate transit authority for the Vancouver Region involving a merger of the present BC Transit and the Commission.

While the above options are not mutually exclusive, the brief proposes a separate regional transit authority with its primary characteristics similar to Options (ii) and (v). In order to address the issue of increased local accountability, the organization would have a similar structure to the GVRD with all Municipalities represented.

This new regional transit authority would be created by combining the responsibilities of Vancouver section of the BC Transit Board with those of the Vancouver Regional Transit Commission. This process would accord with the suggestion in Council's brief that the new transit entity have direct responsibility and accountability for planning and operating the system - in essence, have its own employees and line responsibilities.

3.0 BOARD OF DIRECTORS

The transit organization proposed by the Commission would be managed by a Board of Directors comprising 18 members appointed from Municipal Councils in the Vancouver area and the Minister Responsible for Transit. This contrasts with the current Commission structure in the following respects:

- (i) Each Municipality would be represented rather than "municipal areas" (e.g., Burnaby and New Westminster are presently within one municipal area).
- (ii) Members would be appointed by the Municipalities rather than by the Minister Responsible for Transit.
- (iii) Both the Province and the Municipalities would be represented on the Board. The Province is not currently represented on the Commission.

In its brief to the Commission, Council proposed the current GVRD Board structure as a model of how a locally selected transit board might operate. Council's brief recognizes the need for local autonomy in the selection of Board members and representation by all municipal areas.

Inclusion on the Board of the Minister Responsible for Transit, while not included in Council's brief, could be both a necessary and positive measure to improve the often adversarial relationship between the Province and the Commission. Inclusion of both the Province and Municipalities on the same Board of Directors would more closely parallel the situation with the current BC Transit Board. The structure of the BC Transit Board tends to promote a less confrontational approach to transit issues.

4.0 EXECUTIVE COMMITTEE

As the Board of Directors would meet relatively infrequently (e.g., twice per year), ongoing administration of the transit system would be undertaken by an Executive Committee very similar in structure to the Commission. Seven members, representing municipal areas, would be drawn from the Board of Directors and the Committee would also include the Minister of Municipal Affairs.

While the Executive Committee proposal is not specifically mentioned in Council's brief to the Commission, the Executive Committee structure would incorporate two of the more positive attributes of the current Commission including the following:

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- (i) The reduced size of the current Commission and the proposed Executive Committee promotes more effective discussion and greater efficiency in day to day decision making.
- (ii) Representation by municipal areas tends to encourage a more regional perspective on transit issues.

5.0 PROVINCIAL PARTICIPATION

The proposed organizational structure provides for direct representation by the Minister Responsible for Transit on both the Board of Directors and the Executive Committee. As previously noted, representation by both the Province and local government has been effective at the BC Transit Board level in directing the operation of the transit system. While the proposed Board structure would be more likely to generate controversy than the BC Transit Board, controversial issues could be more effectively addressed with both provincial and municipal representatives as members of the same body.

6.0 SKYTRAIN FUNDING

The Commission brief reiterates its long standing position that SkyTrain capital costs should be funded according to the current arrangements under the Highways Act for provincial highways. This specific issue was not addressed in Council's brief to the Commission.

Responsibility for SkyTrain funding has been the single greatest obstacle to developing an appropriate funding agreement for transit in the Lower Mainland. It should be noted that every other Province in Canada funds rapid transit capital facilities through some form of capital grant provisions. In most cases these are substantially more generous than the current 65% - 35% provisions of the recently agreed funding formula.

7.0 WEIGHTED VOTING SYSTEM

The Commission brief proposed a weighted voting system in order to recognize the disparity in the size of member Municipalities but which would prevent unfair domination by large blocs of members.

The brief proposes that both the Board of Directors and the Committee would use a weighted voting system based on their share of the assessment for hospital district purposes. This weighted voting system appears to operate effectively at the GVRD Board level in addressing regional scale issues and therefore would probably be appropriate for transit as a regional service.

8.0 OTHER ISSUES

The Commission's brief does provide a foundation for continuing negotiations with the Province to develop an appropriate organizational structure for transit. Council's brief however does mention other issues which are not dealt with directly by the Commission's brief including the following:

- (i) The need to emphasize capital grants, the gas tax and consideration of a residential property tax to fund transit.
- (ii) The need for a long term philosophy and plan for transit.


In addition, Council's brief refers to the need for public input on the transit organization. This request is addressed in the letter which recognizes that the general public should have the opportunity for discussion and input soon.

SUMMARY

The brief from the Vancouver Regional Transit Commission to the Provincial Government on transit organization and funding has been developed through input from all affected Municipalities. The current proposals reflect virtually all of Council's concerns in their previous brief to the Commission on this subject including the following:

- (i) An administrative structure with local accountability similar to the GVRD but not the GVRD.
- (ii) Expanded responsibilities for the new organization including planning and operation created from the existing fabric of BC Transit.
- (iii) The need to develop an acceptable long term funding formula for transit.

Based on this review of the proposals it would be appropriate for Council to express its support for the basic principles in the current Commission brief.


A.L. Parr
DIRECTOR PLANNING &
BUILDING INSPECTION

RG/mcb
Attachs:

ATTACHMENT 'A'

ITEM	7
MANAGER'S REPORT NO.	38
COUNCIL MEETING	89/05/23

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BRIEF REGARDING

THE STRUCTURE AND ORGANIZATION OF TRANSIT IN THE VANCOUVER CONURBATION

Submitted by the Council of The Corporation of the District of Burnaby



to the Vancouver Regional Transit Commission

1988 June

BRIEF REGARDING THE ORGANIZATION AND STRUCTURE OF TRANSIT
IN THE VANCOUVER CONURBATION

ITEM	7
MANAGER'S REPORT NO.	38
COUNCIL MEETING	89/05/23

1.0 INTRODUCTION

On its agenda for 1988 June 13 Burnaby Council received correspondence from the Mayor of West Vancouver. As Chairman of the Vancouver Regional Transit Commission, Mayor Lanskail is inviting comment and suggestion regarding the structure and organization of transit in the Greater Vancouver Region. This brief is offered as the response of Burnaby Council which welcomes the opportunity for input. This brief highlights concerns of Burnaby regarding the current transit structure, and also expresses Council's support for a regional transit authority while raising the issue of the need for public input into the restructuring process.

2.0 SUMMARY

This report reviews some of the issues arising from Mayor Lanskail's letter. On the basis of our review we conclude that the present structure of transit is both anomalous and inappropriate. It is our view that transit should be organized so that there is greater local autonomy and accountability. This requires the establishment of a regional transit authority with full responsibility of planning and operating the transit system. The transit authority would be staffed by the same people currently operating the Vancouver system as employees of BC Transit. As employees of the Metropolitan Vancouver Transit Authority, they would be accountable to a locally determined board/commission rather than the Provincial Government. This commission could be modelled on the Greater Vancouver Regional District Board. While the transit commission could indeed be comprised of the same people as the GVRD Board there is no apparent advantage to adding transit to the existing GVRD structure.

The Provincial Government would continue to be a partner in the funding of transit but would be relieved of the burden of day to day operation. A prerequisite to such reorganization is a longer term funding formula that would allow both the province and the local transit authority to plan for the future.

3.0 ISSUES RAISED BY MAYOR LANSKAIL'S LETTER

The following commentary follows the major headings of Mayor Lanskail's letter.

3.1 Present Structure

3.1.1 Provincial Government

To our knowledge the direct participation of the Provincial Government of British Columbia in the day to day operation of transit is unique. Most other provinces fund urban transit but prefer to leave the planning and operation of urban transit systems to local authorities. In the other western provinces the major urban areas are all governed as single cities. These cities typically provide transit as one of the city departmental functions. A bonus arising from this unified city government is that the planning and operation of transit can be integrated with road infrastructure planning and management as well as land use development.

In Ontario and Quebec there is greater fragmentation of local government. In metropolitan areas the responsibility for transit rests with local commissions (e.g. the Toronto Transit Commission) or regional districts (e.g. Ottawa-Carleton).

3.1.2 British Columbia Transit

As indicated by Mayor Lanskail,

"BC Transit is the actual operator of the system, not only the Vancouver component, but also Victoria and others throughout the Province."

The scope of BC Transit's mandate results in the requirement for a large organization. Yet there is no indication that economies of scale accrue from such a large organization. The concept of a provincial transit agency to serve small communities is attractive but there is no logic in expanding this concept to fold in the larger metropolitan areas (Vancouver and Victoria). If the BC Transit were disaggregated into say three agencies, then we should expect economies through, for example, reduction in management staff complement. The new transit agencies would also tend to "compete" with each other in being more innovative, productive, etc.. This would be healthy. At present it is difficult to compare our system objectively with others in Canada. It appears however that transit fares in Vancouver are amongst the highest in Canada while cost recovery from the farebox is amongst the lowest.

3.1.3 Vancouver Regional Transit Commission

In his description of the Vancouver Regional Transit Commission, Mayor Lanskail outlines how commission members are selected. All the commission members are locally elected officials but the selection of the majority of the board members is at the discretion of the Minister of Municipal Affairs. This creates the unfortunate perception that the commission, whose composition can be altered at the whim of provincial government, has accountability to that government.

Some of the appointees to the commission (principally mayors) have designated responsibility for representing adjacent Municipalities. This increases the dimension of the task for those commission members and may at times raise the dilemma of having to balance competing local interest as well. The existing commission size is optimal for effective discussion and action but this efficiency may be outweighed by the need to ensure that each local area has its own voice at the table. With the range in size of municipal governments in Greater Vancouver, expansion of the commission would require a weighting of votes. Accordingly the Greater Vancouver Regional District Board provides a model for how this locally selected transit commission/board might operate.

In his discussion of the commission Mayor Lanskail concludes with this statement, "The commission has no employees and no line responsibilities in the operation of the system.". This statement is significant. The transit system is large and complex and of necessity commission members must rely on BC Transit staff for information and analysis. BC Transit staff however, are the employees of a provincial agency and their accountability must ultimately lie with that agency. For transit staff it must be difficult to maintain objectivity where local and provincial interest compete. The commission, pending reorganization, may find it expedient to retain an independent transit consultant to "audit" BC Transit reports, provide an alternate perspective, and act as catalyst for debate.

3.2 Province-Commission Funding Formula

The proposed funding formula was the subject of a recent staff report to Burnaby Council and a copy of that report was transmitted to the Vancouver Transit Commission and BC Transit. Mayor Lanskail's letter raises issues that the previous staff report did not address. A concern is that the proposed agreement is only an interim one. It is in the interests of both the province and the commission that there be a long term agreement for funding in place, then both parties can project their future spending with some degree of assurance.

Our previous report concluded that the terms of agreement as outlined, seemed to be reasonable. However, the capping of the gas tax as a local revenue source for funding transit is a further concern. Motor fuel tax, is perhaps the most appropriate revenue source for funding transit. Gasoline tax addresses, albeit imperfectly, the underpricing of private vehicle travel, which in turn leads to the need for greater transit subsidies. With the gas tax capped it is probably inevitable that a residential tax levy will have to be used to fund transit. It should be emphasized however that this revenue source is the rule rather than the exception in other Canadian cities for local funding of transit.

It must also be emphasized that the province of B.C. relative to other Canadian provinces is not ungenerous in its funding support for transit. Obviously, the province wants to be assured that its money is well spent. However, other provinces have found it expedient and appropriate to delegate the transit function to the local authorities and to minimize the conditions that they attach to transit funding. Indeed some provinces provide lump sum funding for urban transportation - roads and transit - (usually as a per capita grant) leaving it to the local government to allocate funds.

4.0 TRANSIT POLICY FORMULATION AND LOCAL ACCOUNTABILITY

In the early part of his letter Mayor Lanskail invited "submissions from Municipal Councils within the Region in respect of form, the structure, organization and operational policy of the transit system." His letter, to some extent, neglected the issue of policy. At the present there is no cogent overall long term policy or philosophy for running transit. Before the Second World

War transit was run as a business and made money. As transit ceased to be profitable, its viability was maintained by public subsidy to support a number of very good policy objectives. The new local transit authority that we recommend should review those objectives with a view to reaffirming why this region needs a transit system and what kind of transit system it needs. This process of planning for the future of our metropolitan area cannot be done by the province or BC Transit on our behalf.

4.1 Municipal Transportation Policy

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For its part the Municipality has adopted Transportation Policies and a Comprehensive Transportation Plan that include Public Transit. Specifically with regard to Public Transit our policies, which were adopted in 1979 April, state:

"THAT Council support and pursue the priority development of a comprehensive public transit system with the objective that such a system will become the most attractive means of access to selected core areas of regional significance during peak movement times and provide a competitive alternative to the use of the private automobile as a means of movement within the Region and the Municipality.

THAT Council strive to obtain from the Provincial Government legislation establishing an appropriate cost-sharing formula for transit service funding that will allow the Municipalities to establish attractive fare schedules capable of encouraging public transit usage."

With regard to Regional Transportation planning the policy is:

"THAT a regional authority be designated to coordinate, formulate and finance the development of an improved regional transportation system with provision for the Municipality of Burnaby to be involved in the planning and approval process of that system."

The Burnaby Comprehensive Transportation Plan, which is based on 27 policy recommendations (3 of which were quoted above) states that:

"To be effective, the transportation plan as presented requires that public transit will have to play an increasingly larger role in the future movement of people in and through the Municipality."

It is in the context of adopted Policies and Plan that the Municipality has been pursuing transit improvements such as the North Burnaby Area Plan and the relocation of the Transit Fare Zone Boundary in N.E. Burnaby. We believe that our success in the pursuit of such local issues, which do not compromise wider Regional Transit system objectives, would be enhanced if the transit system had greater local accountability.

4.2 Public Consultation

It should be noted that a major strength of the Burnaby Transportation Plan is its widespread acceptance. This acceptance has been achieved and maintained through extensive public consultation during both policy formulation and plan development phases. Burnaby Council believes that this approach to local accountability is essential. Accordingly Burnaby recommends that the present commission consider the benefits of expanding the scope of its public consultation regarding the future structure of transit.

The BC Transit Act specifies that Regional Transit Commissions shall 'prepare plans, set fares and determine service and performance standards for each public passenger transportation system in the Regional transit service area for which it is designated in consultation with municipal officials, operators of public passengers' transportation systems and the public'. In the past BC Transit officials have expressed the view that consultation with the public should as a matter of protocol, occur through Municipal Councils. However in 1986, in response to Municipal Council's request for a 'public involvement procedure regarding transit service changes' the Commission endorsed a pro forma Consultation Procedure developed by BC Transit staff. Thus the increased public involvement - through public meetings, open houses, static displays - that Burnaby Council is seeking is within the scope and spirit of what legislation has enjoined and what the Commission has previously agreed to do.

5.0 CONCLUSION: THE FUTURE STRUCTURE OF TRANSIT

In his invitation for municipal input, Mayor Lanskaill lists a number of structural options which are not necessarily mutually exclusive. All of his options address the fact that the present structure of transit lacks local accountability. To correct this we require a locally determined government body - a "new" transit commission. The most appropriate model for the transit commission appears to be the GVRD board. However, while we believe that transit is a regional function we do not necessarily believe that it is a Regional District function. At present the GVRD mandate does not include any complementary functions that would suggest incorporating transit. In the Regional District of Ottawa-Carleton for example the transit function co-exists with responsibilities for road infrastructure and land use. Locally this would not be the case. The staff/operating portion of a local transit authority could readily be created from the existing fabric of BC Transit.

