
TO: CITY MANAGER **DATE:** 2006 May 9
FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 1750-20
Reference: TransLink Governance
SUBJECT: PROVINCIAL REVIEW OF GVTA (TRANSLINK) GOVERNANCE
PURPOSE: To propose a submission to the Provincial GVTA (TransLink) Governance Review Panel

RECOMMENDATIONS:

1. **THAT** Council forward the following recommendations to the Provincial GVTA (TransLink) Governance Review Panel:

Evaluation Process

- a. That the Panel include the evaluation criteria contained within **Appendix "B"** *attached* to this report in its comparative assessment of governance options.
- b. That the Panel release their draft recommendations for public review and comment prior to submitting their final recommendations to the Minister of Transportation.

Governance Options

- c. That Council recommend that the Panel include the following option in their evaluation of alternative governance options for GVTA (TransLink):
 - i. A 17 member "one-seat, one-vote" GVTA (TransLink) Board appointed for a three year term coincident with municipal elections, with weighted votes allowed, alternates allowed, and eligibility limited to members of Council who are GVRD Directors.

Finance

- d. That the Panel consider recommending that the Province needs to assist in securing a long term commitment for "New Deal" gasoline tax revenue for both GVTA (TransLink) capital and operating costs from the Federal Government.

- e. That the Panel consider recommending a floating cap on property tax collected by GVTA (TransLink) and that it shall not exceed the current percentage of total GVTA (TransLink) revenue (i.e. 28% in 2006).
- f. That the Panel investigate and recommend a mechanism that would allow GVTA (TransLink) to adjust their property tax rate annually to reflect assessed values and collect only the amount they have budgeted for to avoid collecting property tax surpluses in the future.
- g. That the Panel consider recommending that the Province increase gasoline tax revenue allocated to GVTA (TransLink) by \$0.01/litre to off-set the revenue budgeted from the parking area tax to allow for its elimination.
- h. That the Panel review the principles of the original *SkyTrain Expansion Cost Sharing Agreement* with a view to recommending that the Province increase its share of capital funding for rapid transit improvements in the GVRD.

Mandate

- i. That the Panel review the 1996 GVRD-Provincial “*Master Implementation Agreement*” as model operational framework in which the GVTA (TransLink) and the Province can work together in a more coordinated manner to ensure their mutual involvement in transportation programs and major projects in the Greater Vancouver area.
 - j. That the Panel give serious consideration to the GVRD’s recommendations to improve Provincial-GVTA (TransLink) communications by identifying a political liaison for regional transportation matters; and developing a mechanism for Provincial commitment to regional land use and transportation plans.
 - k. That Council state that in general it is in agreement with the current mandate of the GVTA (TransLink) as defined by the GVTA Act, but request that the Panel recommend mechanisms to:
 - i. Ensure that GVTA (TransLink) has the ability to collect a vehicle levy, should one be advanced in the future by the GVTA (TransLink) and approved by both the GVRD Board and the Province.
 - ii. Transfer the responsibility for establishing policy as it relates to vehicle testing for the Greater Vancouver region to GVTA (TransLink).
2. **THAT** Council forward copies of this report to the Minister of Transportation, the Minister of Municipal Affairs, the Chair of the GVRD, the Chair of GVTA (TransLink), Burnaby MLA’s and GVRD member municipalities.

REPORT

1.0 BACKGROUND

On 2006 March 8, the Minister of Transportation announced that a three-person panel would conduct a review of the Greater Vancouver Transportation Authority's (TransLink) governance structure. In response to this announcement, Council, at its regular meeting of 2006 March 20, requested that a staff report be developed as a submission to the Provincial GVTA (TransLink) Governance Review Panel.

The purpose of this report is to highlight the terms of reference (scope, activities, membership, and timing) of the Provincial GVTA (TransLink) Governance Review Panel; and to present evaluation criteria, governance options, and specific recommendations on mandate, governance, and financing as input for the consideration of the Panel in their review.

2.0 PROVINCIAL GVTA (TRANSLINK) GOVERNANCE REVIEW PANEL

2.1 Scope of the Review

As noted on the Provincial government's web-site:

"The panel will review past recommendations on TransLink governance (Auditor General, 2001 and Greater Vancouver Regional District (GVRD) Board, 2005) and input from interested members of the public. The panel will make recommendations on the appropriate division of roles and responsibilities between TransLink, the GVRD, and the Province over local transportation-related matters, including revenue-raising measures. It will also make recommendations from those discussions on the appropriate size, composition, and appointment processes for TransLink's Board."

The Province has stated in the panel's terms of reference that the scope of the Panel's review shall include the following elements which can be grouped within the three main theme areas of mandate, governance, and finance:

- *Mandate* – the division of Provincial/GVTA (TransLink) roles and responsibilities;
- *Governance* – relationship to the Province (input and oversight on issues of Provincial interest); relationship to the GVRD (responsibilities, authorities and powers); size, composition and appointment of the GVTA (TransLink) Board; and
- *Financing* – appropriate responsibilities, authorities and powers of GVTA (TransLink) to institute revenue measures to fund both capital projects and delivery of service.

To: City Manager
From: Director Planning and Building
Re: Provincial Review of GVTA (TransLink) Governance
2006 May 9..... Page 4

Therefore the scope of the Provincial Panel is much broader than both of the previous governance reviews undertaken¹ – particularly as related to the areas of mandate and finance.

On the issue of governance – which has been reviewed in detail previously – the issues of weighted votes; alternates; eligibility; and subsidiary boards² are not explicitly referenced in the Panel’s terms of reference, but are implied by the broader category of “composition and appointment of the GVTA (TransLink) Board”.

2.2 Activities

In addressing the matters outlined above, the Province has stated in the Panel’s terms of reference that the Panel will undertake the following activities:

- Review the recommendations of the Auditor General made in 2001 and the Auditor General’s 2003 follow-up;
- Review the proceeding of the GVRD’s Task Force on GVTA (TransLink) Governance in 2002/03 as well as the recommendations of the GVRD Board in 2005.
- Meet with the GVRD Board, the GVTA (TransLink) Board, and with other interested parties; and
- Retain technical experts.

2.3 Panel Members

The Panel consists of three members – Marlene Grinnell (chair), Dan Doyle, and Wayne Duzita. Brief biographies of the three Panel members provided in the Provincial press release can be found in **Appendix “A” (attached)**.

2.4 Timing

The Panel will accept submissions until the end of May, although it has expressed an interest in receiving submissions before the end of April. The Panel’s final recommendations are intended to be submitted to the Minister of Transportation this fall.

¹ The Auditor General in 2001 and the Greater Vancouver Regional District (GVRD) Board in 2005.

² TransLink has a number of subsidiary operating companies (AirCare, Albion Ferry, West Coast Express, Coast Mountain Bus, SeaBus, SkyTrain, and ITS) and the GVTA Act requires TransLink to appoint the chair and board of each of these subsidiaries. However, the GVTA Act does not prescribe that the directors of the subsidiary boards be elected, indirectly elected, or non-elected representatives.

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2.5 Public Awareness

According to an Ipsos Reid poll undertaken by TransLink in late 2006 March, 30% of respondents were aware the Province is reviewing GVTA's (TransLink) governance.

3.0 GVTA'S (TRANSLINK) MANDATE

The purpose of GVTA (TransLink) as defined by the *Greater Vancouver Transportation Authority (GVTA) Act*,

"... is to provide a regional transportation system that (a) moves people and goods, and (b) supports (i) the regional growth strategy, and (ii) the air quality objectives and economic development of the transportation service of the region."

Under the terms of the *Greater Vancouver Transportation Authority (GVTA) Act*, the GVTA (TransLink) is responsible for:

- planning regional transportation (Strategic Transportation Plan);
- transit operations (Bus, SeaBus, West Coast Express, and HandiDart);
- Major Road Network (MRN);
- Albion Ferry;
- Patullo Bridge, Knight Street Bridge, and Westham Bridge;
- transportation demand management (including RideShare); and
- AirCare.

3.1 Jurisdictional conflict and lack of coordination

The Province is currently proposing a number of bridge and highway projects which are primarily elements of the Provincial highway system and within the Province's jurisdiction but where controversy exists as to their appropriateness as related to the overall regional transportation system.

The GVRD Board (including the Greater Vancouver Sewer and Drainage District and Greater Vancouver Water District) are legislated by the Province, under the *Local Government Act*, to be consistent with the region's growth strategy – the *Livable Region Strategic Plan* (LRSP).

The GVTA (TransLink) is legislated by the Province, under the *GVTA Act*, to provide a regional transportation system which supports the region's LRSP, air quality, and economic development objectives. However, it currently lacks the legislative ability to independently raise revenues to meet its projected financial obligations. **Table 1** (on the next page) outlines the revenue sources available to GVTA (TransLink) under the terms

of the *Greater Vancouver Transportation Authority (GVTA) Act* and also shows if GVTA (TransLink) has to seek approval from either the GVRD Board and/or the Province in each case.

Table 1 Forms of Revenue Available to GVTA (TransLink) and Approvals Required				
	GVTA (TransLink) Board	GVRD Board	Province	Federal
Sources and Approvals in Use Now				
Transit Fares	●			
Property Tax	●	●		
Parking Area Tax	●	●		
Strategic Transportation Plan (STP) Ratification	●	●		
Approval of Debt Limit	●	●		
Provincial Fuel Tax	●		●	
Hydro Levy	●		●	
PST on Parking	●		●	
Sources Allowed For But Not In Use				
User Fees	●			
Vehicle Levy	●	●	●	
MRN Tolls (cost recovery)	●	●	●	
Other New Major Sources	●	●	●	
Sources Available Outside of the GVTA Act				
Federal Fuel Tax ("New Deal")	●			●

Under the current legislative framework, the Province is the only level of government allowed to propose a project or a family of projects which may not necessarily support the region's LRSP. This has resulted in a considerable amount of jurisdictional conflict and lack of coordination between Provincial and regional plans and projects. As a result, a considerable amount of energy is being expended at both the provincial and regional level on trying to shift projects toward their respective interests. This may be one reason why the Province launched the Provincial review of GVTA (TransLink) Governance.

In 1996, the GVRD Board and the Provincial government entered into a "*Master Implementation Agreement*", in which both parties made a commitment to work together in a coordinated manner to ensure their mutual involvement in, "... program proposals that will affect the Greater Vancouver region," and "... work towards the implementation of the LRSP."³ It would appear that the "*Master Implementation Agreement*" was cast to help avoid the jurisdictional conflict that appears to have set provincial and regional interest in opposition. With this laudable objective in mind, it is recommended that the Panel review the 1996 GVRD-Provincial "*Master Implementation Agreement*" as an

3 "*GVRD Response to the Provincial Gateway Program*", 2006 April 7

operational framework in which the GVTA (TransLink) and the Province could work together in a more coordinated manner to ensure their mutual involvement in transportation programs and major projects in the Greater Vancouver area.

3.2 Other Mandate Limitations

Other current limitations with the mandate as defined by the *GVTA Act* include:

- GVTA (TransLink) has the ability to propose a vehicle levy as a new revenue source, but does not have the ability to collect the vehicle levy – even if the levy is approved by the Province. Therefore, it is recommended that the Panel ensure that GVTA (TransLink) has the ability to actually collect the vehicle levy, should one be advanced in the future by the GVTA (TransLink) and approved by both the GVRD Board and the Province.
- GVTA (TransLink) is responsible for operating AirCare while the Province retains the role of establishing policy as it relates to vehicle testing. GVTA (TransLink) itself is not in control of setting the program required to meet regional air quality objectives. Therefore it is recommended that the Panel propose transferring the responsibility for establishing policy as it relates to vehicle testing for the Greater Vancouver region to GVTA (TransLink).

4.0 GOVERNANCE

The existing governance option uses 15 Directors (12 municipal representatives and 3 Provincial representatives) which results in a “sub-regional” level of representation (larger municipalities have direct representation while smaller municipalities have indirect representation).

4.1 Problems with the Current Structure

12 municipal Directors and three (3) vacant Provincial seats

As shown in **Table 2** (on the next page) the current GVTA (TransLink) Board structure has resulted in:

- Three municipalities (Vancouver, Surrey, Richmond) having permanent representation on GVTA (TransLink) Board every year;
- Three municipalities (Langley City, Burnaby, Coquitlam) having rotating representation on GVTA (TransLink) Board most years;
- Eight municipalities (New Westmister, Maple Ridge, North Vancouver City, Pitt Meadows, Port Moody, West Vancouver, North Vancouver District, Port Coquitlam) having representation on GVTA (TransLink) Board some years;
- Two jurisdictions (Electoral Area “A”, Langley Township) having had representation on GVTA (TransLink) Board only one year;

To: City Manager
From: Director Planning and Building
Re: Provincial Review of GVTA (TransLink) Governance
2006 May 9..... Page 9

- position of Chair has historically been filled by a municipality that has representation each and every year (Vancouver, Surrey, or Richmond);
- public acceptance of this structure is low;
- it is not responsive to local issues;
- size of voice or votes is not weighted by population;
- moderate degree of policy interaction between GVRD and GVTA;
- the public is confused by the current representation roles, responsibilities and reporting relationships;
- there is some public frustration with the lack of direct accountability of the GVTA Directors; and
- limited membership to the current GVTA Board (GVRD Directors or Mayors) means a heavy workload for these individuals.

In summary, the fundamental problem with the existing Board structure is not who is at the table, but who is not at the table – the current GVTA (TransLink) Board structure is not inclusive enough in the composition and distribution of seats.

While a number of GVTA (TransLink) governance options have been considered in the past, circumstances have changed and therefore a new option is being proposed.

4.2 A New Option ***17 Municipal Directors with “one-seat, one-vote”***

There is a strong desire for improved accountability and inclusiveness on the part of the public given TransLink’s role in setting transportation policy, transportation service delivery, and its increasing draw in property taxes. The system of using municipally elected representatives to manage policy issues, capital projects, service delivery and multi-million dollar budgets has been successful on the municipal/regional level (21 independent municipalities in the GVRD), the Provincial level (Union of BC Municipalities), and the national level (Federation of Canadian Municipalities). At all levels these models allow for all voices to be heard and most issues to be resolved through the pursuit of decisions by consensus. At the regional level each municipality maintains a slightly different culture, but all are allowed to work to a common regional goal while maintaining their individual autonomy.

The detailed elements of a proposed option which best embodies the principles of accountability and inclusiveness are shown in **Table 3** (on the next page).

Table 3 A New Option 17 Municipal Directors with "one-seat, one-vote"	
Number of Directors	17
Representation	Municipal
Degree of local representation	17 municipalities would have direct representation 4 municipalities (Anmore, Belcarra, Bowen Island, Lions Bay) and Electoral Area "A" would have indirect representation
Duration of term	Three (3) years
Voting weighted by population	Normally consensus voting but with provision for weighted vote as requested by individual GVTA (TransLink) Directors
Alternates permitted	Yes. Alternates would be eligible to sit on GVTA (TransLink) Board sub-committees.
Timing of appointments	Immediately following municipal elections
How are they appointed	Appointed by municipal councils (limited to mayors or members of Councils who are GVRD Directors)
Would allow for possible future direct election of Directors?	Yes, as this is tied to geographic representation throughout the GVRD.
Who appoints the Chair?	The GVTA (TransLink) Directors select the Chair.

The proposed distribution of 17 municipal seats is shown in **Table 4** (on the next page). Under this proposal the number of municipalities with a permanent seat offering direct representation would increase from three (3) to 17. Four (4) municipalities and Electoral Area "A" would have indirect representation but would have the potential opportunity to serve as alternates on occasion. This option, therefore, offers the following general benefits:

- increases direct representation,
- increases the breath of representation,
- increases continuity with a three year term coincident with municipal elections,
- decreases absenteeism by allowing for alternates,

- builds on the success of the consensus building governance model of the GVRD Board for non-weighted votes,
- allows for representation by population using weighted votes (upon request), and
- increases accountability with a simple to understand system of each Director representing a specific jurisdictional and geographic area.

Moreover, if a system of electing Directors were to be adopted in future, if required, this model of direct representation of all geographic areas could also continue to function.

GVTA (TransLink) Governance
17 Municipal Directors - "One Seat, One Vote" Option

Table 4

version: 2006 April 9

MUNICIPALITY	2005 Population	2005 Population Grouped	Number of Directors	One Seat One Vote	Weighted Vote	Difference
BURNABY	204,324	204,324	1	5.9%	9.5%	3.6%
COQUITLAM	121,973	121,973	1	5.9%	5.7%	-0.2%
DELTA	102,655	102,655	1	5.9%	4.8%	-1.1%
LANGLEY CITY	25,716	25,716	1	5.9%	1.2%	-4.7%
LANGLEY TOWNSHIP	97,125	97,125	1	5.9%	4.5%	-1.4%
MAPLE RIDGE	73,280	73,280	1	5.9%	3.4%	-2.5%
NEW WESTMINSTER	57,480	57,480	1	5.9%	2.7%	-3.2%
NORTH VANCOUVER CITY	46,759	46,759	1	5.9%	2.2%	-3.7%
NORTH VANCOUVER DISTRICT	87,083	87,083	1	5.9%	4.1%	-1.8%
PITT MEADOWS	16,673	16,673	1	5.9%	0.8%	-5.1%
PORT COQUITLAM	57,563	57,563	1	5.9%	2.7%	-3.2%
PORT MOODY	28,458					
ANMORE	1,673	30,854	1	5.9%	1.4%	-4.4%
BELCARRA	723					
RICHMOND	173,430	173,430	1	5.9%	8.1%	2.2%
SURREY	393,137	393,137	1	5.9%	18.3%	12.4%
VANCOUVER	583,267	592,080	1	5.9%	27.6%	21.7%
ELECTORIAL AREA "A"	8,813					
WEST VANCOUVER	44,149					
BOWEN ISLAND	3,424	48,994	1	5.9%	2.3%	-3.6%
LIONS BAY	1,421					
WHITE ROCK	19,577	19,577	1	5.9%	0.9%	-5.0%
GVRD (less Indian Reserves)	2,148,703	2,148,703	17	100.0%	100.0%	

SOURCE:

Population Section, BC Stats, Ministry of Management Services, Government of British Columbia

Weighted votes are a mechanism that the GVRD Board has used successfully to reinforce the notion of accountability to the public as a proxy for representation by population. It should be noted that the majority of votes taken by the GVRD Board are by straight consensus-based vote, however, on issues where there is a difference of opinion, votes are often weighted at the request of individual Directors of the GVRD Board.

Under the "one seat, one vote" option small, medium, and large municipalities would all have the opportunity to speak directly to issues which may affect them through their

Director regardless of how the vote is taken. GVTA (TransLink) Directors would have the opportunity to call for a weighted vote, should they wish. As shown in **Table 4** (on the previous page) only eight municipalities would be significantly affected⁴ by the voting choice:

- Langley City, Pitt Meadows, Port Moody/Anmore/Belcarra, and White Rock would carry more influence under a straight vote; and
- Surrey and Vancouver would carry more influence under a weighted vote.

Although larger municipalities (Vancouver, Surrey) would no longer have multiple Directors, this may result in greater operational effectiveness of the GVTA (TransLink) Board as each municipality or group of municipalities represented by one Director would speak with one voice. Moreover, any Council could vote to transmit their position via their single Director to the GVTA (TransLink) Board.

This new option - *17 Municipal Directors with “one-seat, one-vote”* – has the following benefits listed under each of the evaluation criteria listed below (and described in more detail in **Appendix B attached**):

- 1) *Accountability* - Increases the direct accountability of each GVTA (TransLink) Director and potentially increases public acceptance by virtue that the Boards increased size would now offer similar direct representation to that of the GVRD Board.
- 2) *Inclusiveness of Local Representation* – Increases the number and geographic representation of member municipalities with a direct voice, while not diminishing the representation by population of the larger municipalities when weighted votes are taken which would mirror the GVRD Board.
- 3) *Relationship between the GVTA/GVRD* - Improving and reinforcing the GVTA/GVRD’s joint review, promotion and implementation of the objectives of the Livable Region Strategic Plan (LRSP).
- 4) *Regional Land Use/Transportation Planning* – Increases coordination in decision making between the LRSP and ongoing regional transportation decisions.
- 5) *Operational Effectiveness* – Increases the ease of public understanding of the roles (GVRD, GVTA, subsidiaries).

It should be noted that although this option is being recommended with 17 municipal Directors, it could also be workable with 15 as well if a smaller Board were considered more desirable by consolidating appropriate geographic areas.

4 Change of greater than 4%.

4.3 A Second Alternative
A Hybrid or Mixed Board Option:
Municipal Directors and Appointed Non-elected Directors

The option suggested by the BC Progress Board - a hybrid model of the existing Vancouver International Airport Authority (VIAA) and Vancouver Port Authority (VPA) with Directors appointed by the Province and a minority of elected representatives - is not considered to be a workable solution for the following reasons:

- Unelected Directors would not in any way be accountable to the public, but would be responsible for the management and expenditure of millions of dollars of public money from sources including property tax – this would effectively result in taxation without representation.
- Directors appointed by the Province would likely not be as well versed in the land use and transportation plans of the GVRD including the region’s growth management plan, the LRSP or municipal government practices as would local elected representatives.

4.4 Summary of Governance Analysis

At the core of this analysis is the view that GVTA (TransLink) is an urban policy and financing authority with operational responsibilities delegated to contracted suppliers. Therefore, it is necessary for a political Board to govern regional policy and the expenditure of public monies and the appropriate location for technical experts or representatives of the local business community to sit is on the subsidiary Boards not on the GVTA (TransLink) Board.

Therefore, the *17 Municipal Directors with “one-seat, one-vote”* option is clearly superior to the *“hybrid” or mixed Board* option suggested by the BC Progress Board.

5.0 FINANCE

5.1 Historic Trends

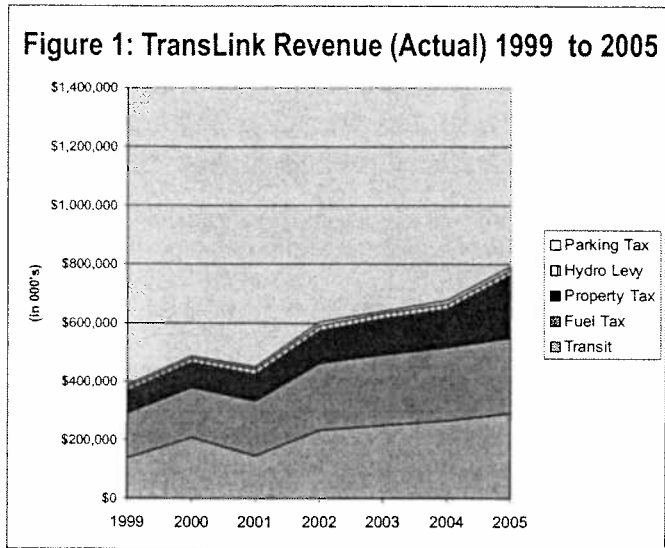
As shown in **Figure 1** (on the next page), GVTA’s (TransLink) annual operating budget has increased from \$384 million in 1999 (GVTA’s (TransLink) first partial year of existence) to \$792 million in 2005 (or an increase of 206%). It should be noted that the decrease in transit revenue (fares) in 2001 was due to the bus strike.

As a point of reference, GVTA’s (TransLink) \$846 million 2006 operating budget represents 188% of the GVRD’s \$448 million⁵ 2006 operating budget and 303% of the City of Burnaby’s \$279 million⁶ 2006 operating budget.

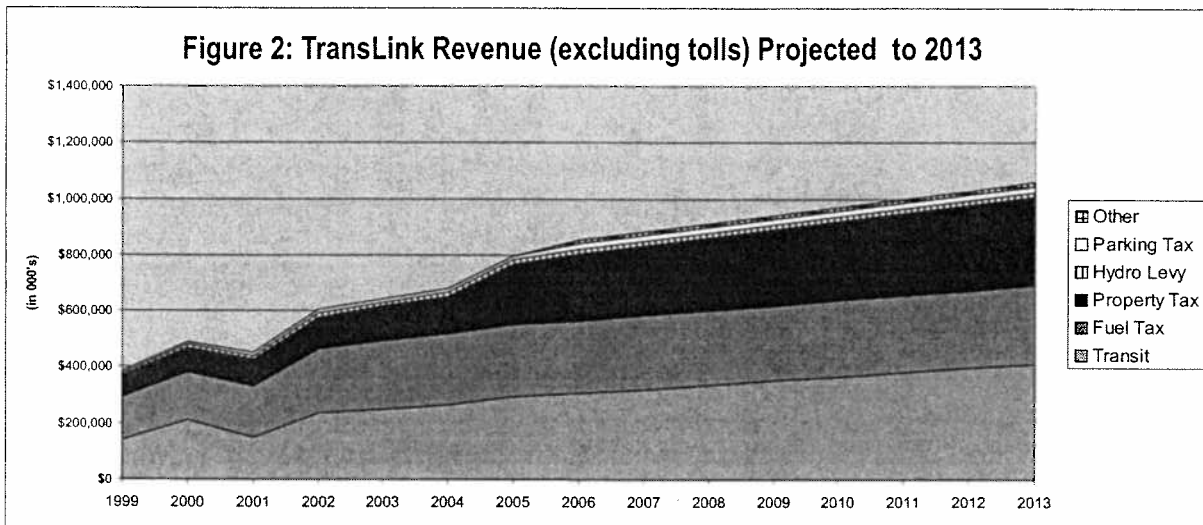
5 2006 Budget in Brief – Greater Vancouver Districts, October 2005

6 2006 Annual Budget

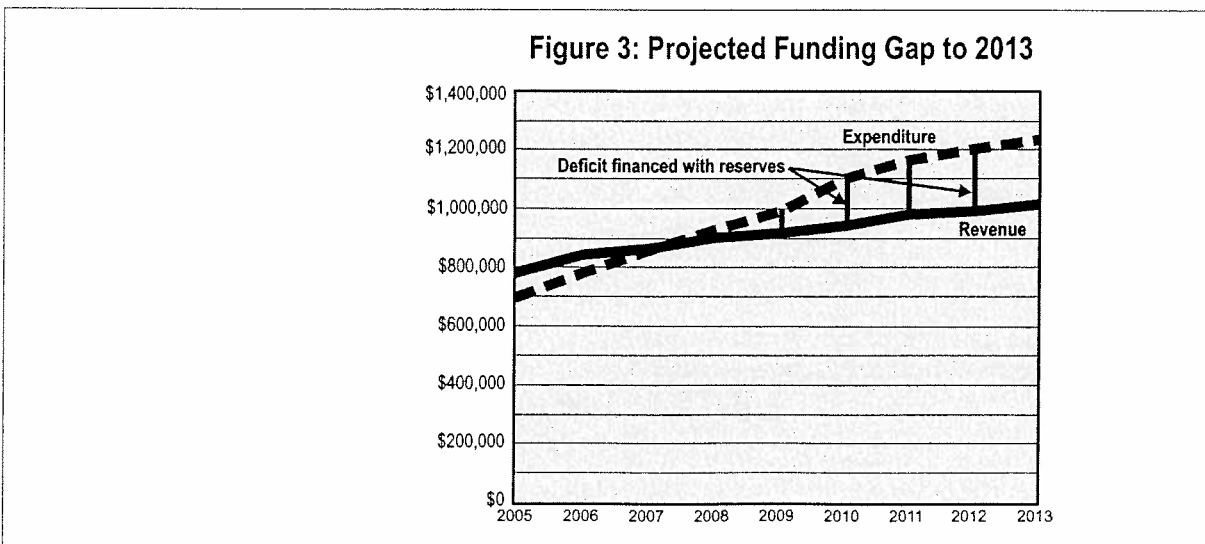
To: City Manager
 From: Director Planning and Building
 Re: Provincial Review of GVTA (TransLink) Governance
 2006 May 9 Page 14



Sources: TransLink's Annual "Expenditure and Revenue" Reports 1999 to 2005



Source: Ian Jarvis and Pat Jacobsen's "Collective History on TransLink Governance" presentation to RAAC 2006 April 18



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To: City Manager
From: Director Planning and Building
Re: Provincial Review of GVTA (TransLink) Governance
2006 May 9 Page 15

According to a recent press release from the current Chair of GVTA (TransLink), the GVTA's (TransLink) capital budget has grown from "tiny" in 2000 to a \$4 billion capital plan.

In terms of year 2005 revenue, slightly more than one third of their revenue (37%) was from transit fares; almost one third (32%) was from Provincial fuel tax; and almost another third (31%) is from a combination of sources (property taxes, hydro levy, parking taxes, and other sources).

GVTA's (TransLink) current revenue mix creates financial vulnerability due to two groups of factors – factors the Provincial government has little influence over and factors that the Provincial government can influence:

Factors the Provincial government has little influence over

- Higher transit fares typically reduce GVTA (TransLink) revenue.
- Fuel tax volatility (due to fluctuating prices and consumption) result in revenue changes for GVTA (TransLink).

Factors the Provincial government can influence

- The amount of gasoline tax allocated to GVTA (TransLink) (currently \$0.12/litre of \$0.205/litre or 58% of the gasoline tax collected by the Province in Greater Vancouver).
- The amount of competition between the GVTA (TransLink) and the GVRD, municipalities, and school districts for any remaining property tax room.
- Property tax rates can not currently be adjusted on an annual basis resulting in more tax being collected than was budgeted to be collected as a result of unexpected increases in assessed values.
- Implementation of new GVTA (TransLink) revenue sources (e.g. vehicle levy and the parking tax).
- The amount of Provincial capital funding provided for rapid transit construction – previously the construction of both the Expo and Millennium lines had been entirely paid for by the Province and now they are only minor contributors to both the RAV line and the Evergreen line.
- Federal "New Deal" gasoline tax revenue uncertainty (five year term and limited to capital spending only - it can not currently be used to cover operating costs).

As a result, the recommendations on *finance* focus on this latter group of issues.

5.2 Looking Forward

Figure 2 (two pages previous) is an extension of **Figure 1** (two pages previous) going forward into the future using components of revenue growth (excluding tolls) prepared by GVTA (TransLink). Note we have used a straight line projection between 2006 and 2013 as these were the only two years provided by GVTA (TransLink). As shown in **Figure 2** (two pages previous) total revenue is expected to increase to \$1.056 billion by 2013.

As shown in **Figure 2** (two pages previous), although property tax remains proportional to other existing revenue sources (namely transit fares and fuel tax), revenue from property taxes is expected to increase from \$240.8 million in 2006 to \$316.3 million in 2013 - an increase of \$75.5 million (or 31%) over the seven years from 2006 to 2013.

Moreover, as shown in **Figure 3**, (two pages previous) although GVTA (TransLink) projects revenues in surplus of expenditures to 2007, GVTA (TransLink) projects expenditures to exceed revenues beyond 2007 with the funding gap continuing to increase. In year 2013, even with the increased revenue projected of \$1.056 billion in **Figure 2** (two pages previous), the revenue gap will be about \$225 million. GVTA (TransLink) has proposed that this gap will be “financed with reserves”.

This highlights that GVTA’s (TransLink) financial future is far from secure and that significant increases in revenue will be required and new sources of revenue may also likely be required.

What is needed is:

- Assistance from the Province in securing a long term commitment for “New Deal” gasoline tax revenue for both GVTA (TransLink) capital and operating costs from the Federal Government.
- Increased Provincial capital funding for rapid transit construction - in particular for the Evergreen line.
- A floating cap on property tax collected by GVTA (TransLink) and that it shall not exceed the current percentage of total GVTA (TransLink) revenue (i.e. 28% in 2006).
- A legislated mechanism that would allow GVTA (TransLink) to adjust their property tax rate annually to reflect assessed values and collect only the amount they have budgeted for to avoid collecting property tax surpluses in the future.
- An increase in the Provincial gasoline tax revenue allocated to GVTA (TransLink) by \$0.01/litre to off-set the revenue budgeted from the parking area tax to allow for the elimination of the parking area tax.

To: City Manager
From: Director Planning and Building
Re: Provincial Review of GVTA (TransLink) Governance
2006 May 9..... Page 17

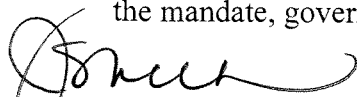
- To consider the principles of the original *SkyTrain Expansion Cost Sharing Agreement* where the Province assumed a majority funding responsibility for the capital costs for rapid transit expansion. This agreement has been the subject of renegotiating in recent years and resulting in the Province making progressively smaller contributions to the capital costs of the rapid transit system. Originally, the Province had committed to a 60 percent funding responsibility for the capital costs for rapid transit improvements. This share has diminished to about 20 percent provincial funding for the Canada and Millennium Lines resulting in heavy debt loads for TransLink over an extended period of time.

6.0 CONCLUSION

The purpose of GVTA (TransLink) as defined by the *Greater Vancouver Transportation Authority (GVTA) Act*, is to provide a regional transportation system that moves people and goods, and supports the regional growth strategy, and the air quality objectives and economic development of the transportation service of the region. As such the GVTA (TransLink) was intended to be an urban policy and financing authority with operational responsibilities delegated to contracted suppliers. Therefore, it is necessary for a political Board to govern regional policy and the expenditure of public monies.

It is with this desire to ensure that transportation planning and operations at the regional level be fully integrated into the growth management, air quality and economic development objectives of the region that this report puts forward a series of specific recommendations to the Provincial *GVTA (TransLink) Governance Review Panel* for their consideration on the mandate, governance, and financing of the GVTA (TransLink).

The GVTA (TransLink) has made great strides in the planning, operation, maintenance and expansion of the regional transportation system and is looked upon with envy by other jurisdictions throughout North America for its integrated regional approach and broad range of revenue sources. As a result the recommendations contained within this report are course corrections or adjustments rather than a call for a wholesale redesign of the mandate, governance, and financing of the GVTA (TransLink).



J.S. Belhouse, Director
PLANNING AND BUILDING

DAC/JSB
Attachments (2)

cc: Director Finance
Director Engineering
Director Parks, Recreation & Cultural Services

P:\David Chutton\MS Word\dac00072.doc

Appendix "A"

Provincial Panel on GVTA (TransLink) Governance Panel Member Biographies

Marlene Grinnell (Chair)

Marlene Grinnell has 25 years of experience in public office, having been first elected in 1980 to the Langley School Board. She served on the Board until 1993, the last 7 years as its Chair. Elected Mayor of the City of Langley in 1993, she retired in November of 2005. Over these years she has served on numerous committees, including the B.C. Transit Commission, TransLink, the Municipal Finance Authority and the G.V.R.D. Inter-Governmental & Corporate Affairs Committee.

Dan Doyle

Dan Doyle is a transportation veteran with 37 years of experience across the province in all areas of transportation policy and project management. Educated as a civil engineer in 1969, Mr. Doyle spent his career committed to the management of B.C.'s transportation system, eventually becoming Deputy Minister of Transportation in 2001. He has been named the 2005 Canadian Transportation Person of the Year, received the Lieutenant-Governor's Silver Medal Award for Excellence in Public Administration, and been recognized with a Lifetime Achievement Award from the Institute of Transportation Engineers. Mr. Doyle is currently the Chair of the board of Rapid Transit 2000.

Wayne Duzita

Wayne Duzita has 35 years of experience in business and all aspects of the transportation of commercial goods. A current vice president of both AMB Property Canada Ltd and International Aviation Terminals Inc, Mr. Duzita sits as a member of the Economic and Air Cargo Security committees of Airports Council International (North America), a member of the advisory council for the Calgary International Airport and Co-chair of the Richmond Chamber of Commerce CEO Exchange Forum. Mr. Duzita continues to serve on a number of community foundations and boards, including as Vice-chair of the 2010 Olympic Oval Steering Committee for Richmond and Chair of Canuck Place Children's Hospice Foundation.

Source:

<http://www.th.gov.bc.ca/translinkreview/panel.htm>

Appendix "B"
Supporting Evaluation Criteria and Their Measurement
 Adapted from the 2002 June 24
 City of Burnaby Council Report

CRITERIA	MEASUREMENT
Principle: <i>Accountability</i>	
to the regional electorate	degree of direct responsibility and representation
	degree of public acceptance
to the municipal Council and local citizens	responsiveness to local plans and issues
Principle: <i>Inclusiveness of Local Representation</i>	
equitable municipal representation across the region with a logical geographic context	number of member municipalities with a direct voice
	number of municipalities having a permanent seat
	ability to provide for weighted vote by population
	completeness of jurisdictional / geographic representation
Principle: <i>Regional Land Use / Transportation Planning</i>	
coordinated decision making process (LRSP and supporting transportation decisions)	degree of policy and implementation interaction between GVRD and GVTA and member municipalities
	ability of both Boards to coordinate directions and understand the regional implications of each others' actions
coordination with Provincial investments	degree of policy and implementation interaction between GVRD/GVTA and the Province
Principle: <i>Operational Effectiveness</i>	
jurisdictional complexity	ease of public understanding of the roles (GVRD, GVTA and operating subsidiaries)
Board efficiency	ability to make timely decisions
	ability to achieve regional objectives in the face of differing local values
	Board members' (Directors') work load

