



To: General Purposes Committee Date: May 1, 2007
From: Victor Wei, P. Eng. File: 01-0154-01/2007-Vol 01
Director, Transportation
Re: **TRANSLINK GOVERNANCE REVIEW PANEL – REPORT
RECOMMENDATIONS**

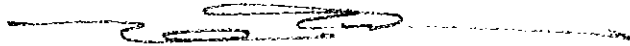
Staff Recommendation

- I. That the BC Minister of Transportation be requested to incorporate the following suggested enhancements into the finalization of the proposed changes to the governance and funding structure of TransLink:
 - (a) include social and environmental expertise within the new TransLink Board of Directors to ensure a balanced consideration of all impacts to achieve sustainability in all future regional transportation decisions;
 - (b) provide sufficient opportunity for the Council of Mayors to be consulted on the development of the terms of reference of the TransLink Commissioner, the 30-year provincial vision and the 10-year strategic plan, as well as the 3-year operating plan, as the latter plan can have direct impacts on municipal capital and operating budgets;
 - (c) confirm that regional land use and growth management plans are a criteria in the assessment and approval of the 10-year strategic plan by the Council of Mayors and/or its appointed TransLink Commissioner;
 - (d) that further consideration be given to opportunities and mechanisms that would reduce the reliance on property taxes as a primary revenue source, such as:
 - (i) the provision of an equitable funding source drawn from the entire province to support the provincial vision and recognize the contribution of the regional transportation system to the provincial economy; and
 - (ii) allow any Federal Government transfers to offset property tax increases, not just fare increases as recommended by the report;
 - (e) validate and, if necessary, adjust the financial projections based on the proposed expanded transportation service region under the new revenue structure to ensure revenues and expenditures are kept balanced over the long-term;
 - (f) that the mechanism for determining the financial contributions and service levels for the new added service regions be structured consistently and equitably across all municipalities of the entire service region; and

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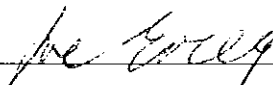
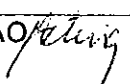
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- (g) that any future expansion of the service region include non local government jurisdictions, such as the Vancouver International Airport Authority road network, including Russ Baker Way and the Arthur Laing Bridge.
2. That the above letter be copied to all municipalities affected by the proposed expanded transportation service region, TransLink and the Greater Vancouver Regional District.



Victor Wei, P. Eng.
Director, Transportation (4131)

Att. 6

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Policy Planning	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>	
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO  YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

On March 8, 2006, the BC Minister of Transportation announced the appointment of a three-person panel to conduct a review of the Greater Vancouver Transportation Authority (GVTA or TransLink) governance structure. At the April 24, 2006 regular Council meeting, Council endorsed the submission of a report to the Panel and approved the following motion:

WHEREAS an effective transit and road system remains the highest priority in the Lower Mainland; THEREFORE BE IT RESOLVED:

- (1) That the TransLink Governance Review Panel be advised that the City supports the incorporation of the following key principles into its recommendations to the Province:*
 - (a) ensure continued integration of regional land use and transportation planning by providing TransLink with greater independence to support the liveability of the region and economic development of the province;*
 - (b) increase sustainable and equitable funding to TransLink, such as fuel tax, GST, PST, Excise Tax or other sources, from both federal and provincial governments, provided they are implemented within current administrative practices;*
 - (c) maintain a majority of local government representation on the TransLink Board, provided that they are directly elected by the public and that they also be sitting Mayors or Councillors, for a three year term, to ensure accountability and a continued collaborative municipal approach to regional transportation planning; and*
 - (d) that the Provincial Government appoint its three members on the TransLink Board, who would either be MLAs from the region, or representatives from the business community, and that consideration be given to weighted votes for all TransLink Board members based on population.*
- (2) That a copy of this report be forwarded to the TransLink Governance Review Panel for their consideration in developing recommendations to the Province, subject to the deletion of the first bullet under Section 2.3 in the staff report.*

On March 8, 2007, the Minister released the Panel's report, which recommends reorganizing the agency's current governance and funding structure. This report summarizes the Panel report recommendations (see **Attachment 1** for a complete list of the 43 recommendations) and proposes a number of refinements intended to enhance the recommended structure.

Analysis

1. TransLink Governance Review Panel – Terms of Reference

The independent panel reviewed TransLink's existing governance model to determine if TransLink is as effective as it can be in meeting the transportation needs of the Lower Mainland and the province. Specifically, the terms of reference of the panel included:

- the appropriate division of responsibility and control between the Province and TransLink for transportation matters in Greater Vancouver;
- the appropriate size, composition and appointment processes for the Board of Directors of TransLink;
- the appropriate responsibilities, authorities and powers of the GVRD in relation to TransLink under the *GVT Act*;
- the appropriate responsibilities, authorities and powers of TransLink to institute revenue measures for funding service delivery and capital projects; and
- how to ensure the Province will have effective input into, and oversight of, TransLink activities and decisions as they affect provincial interests.

2. Key Recommendations from TransLink Governance Review Panel

The Panel recommends that TransLink should continue with the responsibility for planning, constructing, and operating the regional transportation system but with a revised governance and funding framework. The new governance structure would include:

- a provincial 30-year long term transportation vision;
- a Council of Mayors to set high-level direction through approval of a 10-year strategic plan to achieve the provincial vision;
- a new 11-member TransLink Board of non-elected professionals; and
- an independent Commissioner to authorize transit fare increases and to provide checks, balances and transparency.

A sustainable funding framework is also proposed that would include providing the Council of Mayors with the authority to increase fuel taxes within TransLink's service area by up to three cents per litre in the coming years, on the condition that additional revenues from any increase in fuel taxes is balanced with increases in property taxes and other revenues, including fares, over the next two decades.

Some of the key significant positive changes as a result of the Panel's recommendations include:

- Council of Mayors: the expansion will allow the participation of elected representatives from all municipalities in the service region and provide direct and clearer accountability to the electorate;
- Greater Board Expertise: the appointment of professionals to the TransLink Board with a range of relevant abilities, knowledge and experience will provide greater depth and capacity for managing and growing the regional transportation system;
- Expanded Service Region: an expanded and more fully integrated transportation system will better serve the common interests of the Lower Mainland and its neighbouring districts;
- Increased Sustainable Funding: the ability to increase fuel taxes within TransLink's service area will provide much needed funding to support expansion of the region's transportation system; and
- Municipally Appointed Commissioner: the Council of Mayors will appoint an independent Commissioner who will help ensure equity of the costs and benefits of the transportation system among the funding sources, including the review of financial elements and future fare increases, adherence to the provincial vision, and public consultation on major initiatives.

Notwithstanding the above positive features, the Panel's recommendations do not fully reflect the intent of Council's resolution of April 2006 as:

- there is no clear link between regional land use and transportation planning identified in the proposed governance structure;
- the increase in funding will be provided by an increase in the fuel tax levied in the Lower Mainland (matched by increases in property taxes, transit fares and other revenues) rather than from existing revenues of the provincial government; and
- the TransLink Board will be replaced by a non-elected Board and the Council of Mayors will have decreased scope of authority over the operations of TransLink.

3. Proposed Funding Framework – Impact on Municipal Property Taxes

The proposed full TransLink plan funding scenario to 2025 seeks to achieve an equal balance of revenue sources of one-third each from: (1) fuel taxes, (2) property taxes and (3) all other sources including transit fares, contributions from senior government and development revenues. Given that fuel taxes are raised by three cents per litre in the first year of the 10-year strategic plan, the additional annual revenue required from property taxes by the end of the 10-year cycle is defined as that in excess of an adjusted base, measured by TransLink's total property tax revenues in 2007 adjusted annually by a percentage equal to the rate of inflation for Vancouver (2% per annum) plus the rate of population growth in the service region (1.5% per annum).

The full TransLink plan scenario presented in the Panel's report assumes annual increases to the mill rate above the adjusted base level of 1.5% in 2008, 2.0% in 2009 through 2016, and 1.0% in 2017 through 2025. Based on this scenario, the preliminary estimated impacts of the proposed additional TransLink tax on residential and commercial properties in Richmond, exclusive of any property tax revenue growth arising from inflation and population growth, are as follows (see **Attachment 2** for more detail):

- Single-Family Residential Property: given an average assessed value of \$591,500 in 2007 for a single-family residential property in Richmond and TransLink's 2007 mill rate of 0.3687 per \$1,000 of assessed value, the cumulative increase in residential property taxes over the 2007 amount for the 2008 through 2025 period would be \$687.79 (rising from \$218.09 in 2007 to \$283.65 in 2025), or an average annual increase of \$38.21 (or 1.4%) per residential property over the 18-year period; and
- Commercial Property: given an average assessed value of \$1,031,314 in 2007 for a Class 6 (business/other) property in Richmond and TransLink's 2007 mill rate of 1.8648 per \$1,000 of assessed value, the cumulative increase in commercial property taxes over the 2007 amount for the 2008 through 2025 period would be \$6,065.25 (rising from \$1,923.19 in 2007 to \$2,501.40 in 2025), or an average annual increase of \$336.96 (or 1.4%) per commercial property over the 18-year period.

4. Correspondence from Minister of Transportation to Chair of TransLink Board of Directors

Following the release of the Panel's recommendations, the BC Minister of Transportation sent a letter to the Chair of the TransLink Board of Directors seeking to clarify perceived misunderstandings regarding the proposed changes to TransLink's governance and funding

(**Attachment 3**). While the Minister's letter attempts to somewhat address the above outstanding items in Council's resolution of April 24, 2006, it also provides confirmation of his support for a number of positive structural and logistical changes being proposed for the governance structure to further streamline TransLink's decision-making and administration processes.

Subsequently, in response to questions from the TransLink Governance Review Task Force, the BC Minister of Transportation provided further information on several items including the appointment processes for the new TransLink Board and Commissioner, and the process for adding service regions outside of the GVRD (**Attachment 4**).

Based on the above correspondence plus additional communication between TransLink and City staff, it is expected that some recommendations of the Panel will not be implemented while others will be modified/expanded from that originally proposed, namely:

- Re **Recommendation 16**, the qualification requirements for the TransLink Commissioner will be established by statute and the Council of Mayors will select the Commissioner from a list of qualified individuals via a process to be established by the Council of Mayors;
- Re **Recommendation 24**, no interim TransLink Board will be appointed. It is anticipated that the current TransLink Board would remain until around July 2007 and the new TransLink Board would convene around October 2007. The new TransLink Board will be appointed by the Council of Mayors from a list of qualified individuals identified by an independent panel, the latter which would include appointees from TransLink, the Province, boards of professional bodies, and key stakeholder groups;
- Re **Recommendation 28**, TransLink will not be able to override municipal zoning bylaws and will not be given powers of expropriation equivalent to that of the provincial government;
- Re **Recommendation 30**, responsibility for AirCare will not be transferred to the GVRD;
- Re **Recommendation 31**, the new legislation will stipulate that TransLink's plans must be consistent with the region's growth management plans and the mandate of the TransLink Commissioner will also include providing an assessment of that consistency; and
- Re **Recommendation 37**, the Hydro levy will not be eliminated.

5. Meeting of Greater Vancouver Municipal CAOs/City Managers

In response to concerns expressed broadly across senior City staff of Greater Vancouver municipalities regarding the impact on local governments of the proposed governance and funding framework changes, the City of Richmond hosted a meeting on April 10, 2007 of Greater Vancouver CAOs and City Managers. Representatives from 13 municipalities plus TransLink and GVRD staff attended the meeting to discuss common concerns. As a result, a joint letter (see **Attachment 5**) was sent to the Ministry of Transportation requesting a meeting with Ministry staff to discuss funding, planning and governance issues prior to the finalization of the legislation.

6. GVRD Board Resolution

The GVRD Board passed a resolution (see **Attachment 6**) responding to the TransLink governance review at its April 27, 2007 meeting. The recommendations contained in its

resolution are generally consistent with those expressed by other municipalities as well as those of this staff report.

7. Tabling of the *Greater Vancouver Transportation Authority Amendment Act*

The new legislation, the *Greater Vancouver Transportation Authority Amendment Act* (Bill 36, 2007), was tabled in the Provincial Legislature on April 26, 2007 and is now at first reading (available at http://www.leg.bc.ca/38th3rd/1st_read/gov36-1.htm). Typically, there is a period of two to three weeks between first reading of a bill and royal assent when the Act becomes law; thus, it is still appropriate for the City to forward suggested enhancements to the Panel's recommendations for the consideration of the BC Minister of Transportation. Based on staff's preliminary review of the legislation, some sections appear to address identified concerns while others may require further clarification, namely:

- Purpose of the Authority: the Authority must still support the regional growth strategy and Section 3 is amended to explicitly include provincial environmental (air quality and greenhouse gas emission reductions) and economic objectives;
- Power of the Authority: amendments to Section 6 refer to the ability of the Authority to exercise powers within a municipality and will require further analysis to determine the impact, if any, on municipalities from the existing legislation;
- Property Tax Revenue: a new Section 7.1 appears to give the Authority the power to generate additional (above that already authorized in the Act) property tax revenue not to exceed \$18 million in any fiscal year and from selected property classes (i.e., Class 2 – Utility, Class 4 – Major Industry, Class 5 – Light Industry, and Class 6 – Business/Other);
- New TransLink Board: a five-member screening panel with one member each appointed by the BC Minister of Transportation, the Council of Mayors, the Institute of Chartered Accountants of BC, the Vancouver Board of Trade, and the Greater Vancouver Gateway Society, will prepare a list of 15 qualified candidates by September 15, 2007 for a nine-member (as opposed to 11-member) TransLink Board and the Council of Mayors shall appoint the members within 45 days of receiving the list;
- Transaction Tax: the Authority will still have the power to levy a tax that would include a motor vehicle charge such as vehicle levy;
- Consideration of Plans: the Council of Mayors will have 90 days to review the annual base plan submitted by the TransLink Board;
- Council of Mayors: if a mayor is unable to attend a meeting, that mayor may appoint a delegate but the Chair of the Council of Mayors cannot appoint a delegate to act on the Chair's behalf;
- Fare Increases: any proposed fare increase must first be approved by the Council of Mayors but the Commission has the final approval and may reject the application, however, approval by the Commissioner for a fare increase is not required when that fare increase is deemed necessary to meet the debt obligations of the Authority; and
- Commissioner: the Authority must notify the Commissioner, to be appointed by the Mayors' Council, of any dispositions of major facilities and assets, who may order the Authority to refrain from the sale if he/she determines that the sale will have adverse impacts on the Authority's ability to carry out its operations.

With respect to property tax revenue, Bill 36 would allow TransLink to add a 3% increase to the base 2007 property tax revenue each and every year. From a Richmond resident's perspective, this may be a benefit as it would decrease the variability of annual assessments. To date,

TransLink has set property tax mill rates in late September/early October of the preceding year based on estimated property value assessments. When actual assessments are announced and if those assessments are higher than estimated, TransLink has not always reduced mill rates and in turn, tax payers have paid significantly more than is necessary for TransLink to meet its budget. Even in years where TransLink has changed its mill rates, these rates may not reflect the full increase from new growth and assessment appreciation.

Under Bill 36, TransLink cannot collect more than a 3% increase for property taxes and must adjust mill rates each year in April to reflect that increase. Any changes greater than 3% must be approved by the Council of Mayors. This proposed annual cap of increase is significantly less than what TransLink has levied in past years (i.e., the growth in property tax revenue collected by TransLink in 2005 and 2006 was much greater than 3% due to new growth and assessment appreciation). Staff do not anticipate that this proposed 3% cap for TransLink's base increase will have any impact on the ability of the City to increase its municipal tax rates.

With respect to the elimination of the parking site tax, Bill 36 directs that the \$18 million that was collected from the parking site tax will be rolled into the property tax mill rates for Classes 2 (Utility), 4 (Major Industry), 5 (Light Industry), and 6 (Business/Other). This is a change since Class 2, previously not subject to parking taxes, will now have to share the burden of the tax whereas Class 8 properties (seasonal recreational properties, churches, community centres, non-profit organizations) that may have been subject to the parking site tax in 2006 will no longer have to share the burden starting in 2008.

Staff will continue to review in greater detail the new legislation and will provide further information and analysis as required to Council.

8. Suggested Enhancements to the TransLink Governance Review Panel Recommendations

Based on staff's review of the recommendations as well as information contained in Minister Falcon's letters to Chair Brodie and the joint letter from the CAOs and City Managers of Greater Vancouver municipalities, the following sections identify City of Richmond staff suggestions to enhance the efficacy of a number of the Panel's 43 recommendations, which can be grouped around the following four major themes.

8.1 Service Region

The Panel recommends maintaining TransLink as the regional transportation authority but with an expanded service region, initially to include Mission, Abbotsford and Chilliwack, and ultimately to encompass Pemberton to Hope. Expansion of the service region would be subject to separate negotiated contributions to TransLink's budget by the added municipalities.

Staff's Suggested Enhancements:

- *Any new service region added should be contiguous with an existing service region in order to avoid isolated pockets of non-participating municipalities in the expanded service area, which could result in discontinuity of the regional road network and/or inefficiencies in the provision of transit service.*

- *The criteria for considering the addition of new service regions and the mechanism for determining the appropriate negotiated contributions from the new service regions as well as the service levels provided by TransLink should be clarified to ensure consistency and equity across the municipalities of the entire service region.*
- *Any future expansion of the service region should consider the inclusion of non local government jurisdictions, such as the Vancouver International Airport Authority road network, including Russ Baker Way and the Arthur Laing Bridge.*

8.2 Planning Framework

To ensure that provincial and regional interests are integrated, the Panel recommends a new three-stage planning framework that comprises:

- a 30-year provincial vision for transportation as the first stage;
- a 10-year TransLink strategic plan that is consistent with the provincial vision as the second stage; and
- a three-year TransLink operating plan based on the 10-year strategic plan as the third stage.

Staff's Suggested Enhancements:

- *To provide greater co-ordination and integration of municipal land use and transportation planning and strengthen the accountability of the Council of Mayors for property tax increases to support TransLink operations, ensure that the Council of Mayors is given adequate opportunity to provide input into the development of the provincial vision and the strategic plan as well as the operating plan, as the latter can have direct impacts on municipal capital and operating budgets.*
- *When consulting the Council of Mayors in the development of the 10-year strategic plan, it is suggested that the TransLink Board first submit a paper to the Council outlining the challenges and corresponding strategic responses thereby allowing sufficient time for municipal input and constructive discussion to occur when developing the strategic plan options. A recommended 10-year strategic plan should then be presented by the Board to the Council for approval.*
- *The TransLink Board should respect regional land use and growth management plans when developing the 10-year strategic plan.*

8.3 Governance Structure

The Panel recommends a new three-part governance structure comprised of:

- a new Council of Mayors who will approve TransLink's 10-Year Strategic Plans, including revenue measures;
- a new, non-political TransLink Board of 11 directors responsible for planning, constructing and operating the regional transportation system; and
- an independent TransLink Commissioner responsible for approving fare increases, for assessing and reporting on the consistency of TransLink's 10-year strategic plans with the provincial vision and for auditing TransLink's customer satisfaction performance.

Staff's Suggested Enhancements:

- *Include professionals on the new TransLink Board with experience in environmental (e.g., habitat and agriculture) and social (e.g., safety and transit dependent users) issues to provide a balance of expertise that encompasses the three major pillars of sustainability: economic, environmental and social.*
- *Provide opportunity for the Council of Mayors to give input into the development of the mandate and terms of reference of the TransLink Commissioner.*
- *The TransLink Commissioner's duties should explicitly include providing an assessment of whether or not TransLink's strategic plans are consistent with the region's land use and growth management plans.*
- *The existing joint TransLink and municipal staff committees and working groups should be maintained as they provide collaborative forums that help to ensure consistency, integration and co-ordination of transportation planning and operation activities across the region.*

8.4 Funding Framework

The Panel recommends establishing a sustainable funding framework that consolidates revenue measures to improve the transparency and efficiency of TransLink's funding and provide balanced, predictable funding to meet future demand.

Staff's Suggested Enhancements:

- *Give further consideration to opportunities and mechanisms that would reduce the reliance on property taxes as a primary revenue source, such as:*
 - *the provision of an equitable funding source drawn from the entire province to support the provincial vision and recognize the contribution of the regional transportation system to the provincial economy; and*
 - *allow any Federal Government transfers to offset property tax increases, not just fare increases as recommended by the report.*
- *If the TransLink service region is expanded, the projected 20-year financial outlook should be reassessed and, if necessary, adjusted to ensure that revenues still match the transportation infrastructure and servicing expenditures under the expanded service area of the authority over the long-term.*
- *Clarify whether or not the proposed three cents per litre increase in fuel tax is the maximum allowed through to 2025 and if the Province would support a further increase during that time should the provincial vision and TransLink 10-year strategic plans necessitate that additional transportation infrastructure is needed to meet the goals and objectives of those plans.*

9. Summary of Staff Suggested Enhancements to Governance and Funding Framework Changes

TransLink was created to oversee the planning, development, maintenance, and funding of regional transportation infrastructure and the Panel recommends that the agency and those core functions be maintained. The following key suggested enhancements to the recommended governance and funding framework changes for TransLink are proposed to further improve the operation of TransLink:

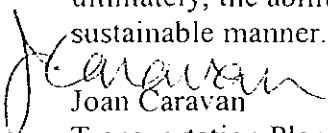
- (a) include social and environmental expertise within the new TransLink Board of Directors to ensure balanced consideration of the impacts with respect to sustainability of all future regional transportation decisions;
- (b) provide sufficient opportunity for the Council of Mayors to be consulted on the development of the terms of reference of the TransLink Commissioner, the 30-year provincial vision and the 10-year strategic plan, as well as the 3-year operating plan, as the latter plan can have direct impacts on municipal capital and operating budgets;
- (c) confirm that regional land use and growth management plans are criteria in the assessment and approval of the 10-year strategic plan by the Council of Mayors and/or its appointed TransLink Commissioner;
- (d) that further consideration be given to opportunities and mechanisms that would reduce the reliance on property taxes as a primary revenue source, such as:
 - (i) the provision of an equitable funding source drawn from the entire province to support the provincial vision and recognize the contribution of the regional transportation system to the provincial economy; and
 - (ii) allow any Federal Government transfers to offset property tax increases, not just fare increases as recommended by the report;
- (e) validate and, if necessary, adjust the financial projections based on the proposed expanded transportation service region under the new revenue structure to ensure that revenues and expenditures are kept balanced over the long-term;
- (f) that the mechanism for determining the financial contributions and service levels for the new added service regions be structured consistently and equitably across all municipalities of the entire service region; and
- (g) that any future expansion of the service region consider the inclusion of non local government jurisdictions, such as the Vancouver International Airport Authority road network, including Russ Baker Way and the Arthur Laing Bridge.

Financial Impact

None to the City at this time.

Conclusion

The TransLink Governance Review Panel has recommended significant changes to the governance and funding framework of TransLink. The BC Minister of Transportation has indicated that most of these recommendations will be implemented; new provincial legislation reflecting these recommendations is expected to be introduced in late April 2007. This report offers constructive suggestions to enhance the implementation of the recommendations and, ultimately, the ability of TransLink to respond to the long-term growth of the region in a sustainable manner.



Joan Caravan
Transportation Planner (4035)

TransLink Governance Review Panel Recommendations

Panel Recommendation	
1	A regional transportation authority with the responsibility to plan, construct and operate a regional transportation system should be maintained under a new governance structure.
2	TransLink's transportation service region should immediately expand to include Abbotsford, Mission and Squamish subject to transitional arrangements being negotiated. These communities are already part of the transportation patterns and economy of the wider service region.
3	Provision should be made to enable the expansion of TransLink's service region from Hope to Pemberton to encourage delivery of an integrated transportation system for this rapidly expanding region. The timing of this expansion would be a decision of the new TransLink Board in negotiation with the interested municipalities.
4	To facilitate transition to a larger service region, TransLink should be enabled to provide transportation services outside its service region with appropriate negotiated contributions to TransLink's budget.
5	The Province should establish and regularly update, as appropriate, a 30-year vision for integrated transportation from Pemberton to Hope. The vision should: <ul style="list-style-type: none"> • Be articulated within 12 months of establishing the new governance structure for TransLink; • Establish clear goals to guide TransLink and other transportation agencies in preparing their respective plans; and • Be informed by local and regional economic, social, and environmental goals.
6	TransLink should develop and operate within rolling 10-year strategic plans that are consistent with the provincial vision and that clearly identify the revenue measures and borrowing requirements needed to fund the infrastructure and services for which they are responsible.
7	TransLink should develop and implement rolling three-year operating plans for the transportation infrastructure and services for which they are responsible, consistent with their approved 10-Year Strategic Plans.
8	We recommend a new governance structure that includes a Council of Mayors, a TransLink Board, and an independent TransLink Commissioner.
9	A Council of Mayors should be established comprised of Mayors elected to councils in the transportation service region. It is anticipated that the Council of Mayors will grow as the service region grows over the next 30 years.
10	A new TransLink Board should be established, composed of non-elected officials with expertise in areas important to TransLink's mandate. The Board should have 11 members.
11	An independent TransLink Commissioner should be appointed by the Council of Mayors for a six-year term.
12	The <i>Greater Vancouver Transportation Act</i> should be renamed to reflect the broader region the authority will serve.
13	The TransLink Regional Transportation Authority should replace the Greater Vancouver Transportation Authority.
14	The Council of Mayors should consider the TransLink Board's recommended options for a 10-year strategic plan, including specific revenue measures and borrowing limits necessary for implementation of the plan. The Council of Mayors should select an option within 90 days; failing that, the TransLink Board should plan, construct and operate the system according to a base option, defined as the option within the currently approved fiscal framework.
15	Voting on TransLink's 10-year strategic plan options, including revenue measures and borrowing limits, should be proportional, based on 1 vote per 20,000 population or a portion thereof. Unincorporated electoral areas can obtain representation by becoming a municipality or joining a municipality.
16	The Council of Mayors should appoint an independent TransLink Commissioner.
17	The TransLink Board's mandate should be to plan, construct and operate the regional transportation system.

TransLink Governance Review Panel Recommendations

Panel Recommendation	
18	The TransLink Board will have sole responsibility for development of annual 10-year strategic plan options, including an option that stays within the currently approved fiscal framework. The Board will consult with the Council of Mayors in developing the annual 10-year strategic plan options.
19	The TransLink Board will submit the annual 10-year strategic plan options to the independent TransLink Commissioner for an opinion about the reasonableness of financial elements of the strategic plan and whether it is consistent with the provincial transportation vision.
20	Annually, the TransLink Board will be responsible for presenting the 10-year strategic plan options to the Council of Mayors. The Council of Mayors will be required to select an option within 90 days. If an option is not selected within 90 days, the TransLink Board must adopt the option that is within the currently approved fiscal framework.
21	The TransLink Board will have sole responsibility for developing, approving and implementing three-year operational plans. These must be consistent with approved 10-year strategic plans.
22	The TransLink Board will be responsible for hiring, compensating, evaluating and, if necessary, replacing the CEO.
23	The TransLink Board will operate according to best practices outlined in the Governance and Disclosure Guidelines for Governing Boards of British Columbia. It will produce a public annual report and hold public meetings as appropriate.
24	An interim Board of three members should be appointed by legislation to ensure continuity of service and to implement an orderly transition to the new governance structure. The interim Board will appoint the new TransLink Board. The interim Board's term should be no more than six months.
25	TransLink Board members should be appointed for three-year terms, staggered to allow for continuity. No Board member should serve more than six consecutive years.
26	The TransLink Board should be responsible for the collection of revenues to plan, construct and operate the regional transportation system.
27	The TransLink Board should be given the authority to generate revenue through development of property along its transit lines. The TransLink Board should create a new subsidiary to efficiently manage its property program.
28	The TransLink Board should be given adequate authority and powers to those enjoyed by the Ministry of Transportation under the <i>Act</i> to ensure timely implementation of major capital projects without being captive to municipal zoning or permitting approvals.
29	TransLink subsidiaries should be governed by independent boards appointed by and accountable to the TransLink Board. The relationship between TransLink and its subsidiaries and contractors should be governed by publicly available performance-based contracts, approved by the TransLink Board and the subsidiary board. Subsidiaries should be given the autonomy to organize their business operations to fulfill contract requirements.
30	Authority and responsibility for AirCare should be moved to the Greater Vancouver Regional District, which has regulatory authority for air quality in the region.
31	<p>An independent TransLink Commissioner should be appointed by the Council of Mayors for a six-year term to:</p> <ul style="list-style-type: none"> • review and authorize fare increases; • approve TransLink's practices and procedures for dealing with public complaints, establish TransLink's terms of reference for customer service surveys, and annually review and report on TransLink's customer service performance; • provide an opinion to the Council of Mayors and the TransLink Board about the reasonableness of the financial elements of TransLink's 10-year strategic plan; • determine and report to the public about whether TransLink's 10-year strategic plans and three-year operational plans are consistent with the provincial vision; • annually audit and report on the accuracy of TransLink's reporting of its strategic and operational plan performance; and • hold public hearings, receive public submissions and request information from TransLink as required to fulfill the above.

TransLink Governance Review Panel Recommendations

Panel Recommendation	
32	The Independent Office of the TransLink Commissioner should be funded by TransLink, based on a legislated formula that provides sufficient resources to fulfill the Commissioner's duties.
33	The TransLink Commissioner should prepare an annual report to the public regarding the activities of the Commissioner's office.
34	The TransLink Commissioner should, at the end of his or her six-year term, prepare and present a report to the Council of Mayors identifying any legislative amendments that may be warranted to ensure TransLink continues to fulfill its mandate into the future.
35	Continue TransLink's access to property taxes, fuel taxes, and fares to fund delivery and improvement of transportation services.
36	Eliminate the parking site tax. The net revenue derived from this tax in 2006 (about \$17 million) should instead be raised through TransLink's property tax levy from commercial, industrial and utility property classes. This will result in a fairer distribution of the tax over a broader base of commercial, industrial and utility property owners, and reduce overall taxes, as substantial administration costs will be avoided.
37	Eliminate the Hydro levy. The annual amount currently collected through this levy, \$22.80 per electricity account, should be collected through TransLink's property tax levy from residential property classes. This will be revenue-neutral for TransLink, but save taxpayers more than \$1 million per year by eliminating the collection of applicable GST.
38	TransLink's additional revenue should be balanced over the long-term on the basis of a 1/3-1/3-1/3 framework – one-third of additional revenues coming from TransLink's general property tax, one-third from provincial fuel tax, and one-third from other revenue sources (including fares and other miscellaneous sources such as commercial development of properties).
39	The Council of Mayors should be given the authority to increase the provincial fuel tax within TransLink's service area by up to 3¢ per litre, subject to the projected annual revenue from the increase being matched by the end of the 10-year strategic plan cycle by at least: <ul style="list-style-type: none"> the additional annual revenues from TransLink's property tax; and the additional annual revenues from all other TransLink revenue sources (not including contributions from the Provincial Government)
40	The definition of additional revenues should be: <ul style="list-style-type: none"> For fares, the additional revenue resulting from fare increases in excess of the rate of inflation for Vancouver (CPI); For fuel taxes, the additional revenue resulting from any increase in the fuel tax rate per litre dedicated to TransLink (currently 12¢) and, For property taxes, revenues in excess of an adjusted base, measured by TransLink's total property tax revenues in 2007 adjusted annually by a percentage equal to the rate of inflation for Vancouver (CPI) plus the rate of population growth in the service region.
41	The Province should continue to provide the agreed-to contributions for new rapid transit lines. However, these contributions should be conditional on increases in zoning densities around existing and anticipated rapid transit stations. The density increases would maximize the benefits from rapid transit investments by increasing ridership and by redirecting development away from areas less well served by transit.
42	To improve public understanding of the connection between property tax and the funding of transportation infrastructure and services, the TransLink property tax levy should be renamed the TransLink Transportation Tax.
43	TransLink's ability to borrow through the Municipal Finance Authority should be maintained to minimize borrowing costs.

Estimated Property Tax Impacts of Proposed Full TransLink Plan Funding Scenario

Year	Mill Rate Increase Above Base Level	Residential Property (Class 1) 2007 Avg Assessed Value=\$591,000			Commercial Property (Class 6) 2007 Avg Assessed Value=\$1,031,314		
		2007 Mill Rate	Property Tax Payable	Difference from 2007 Amount	2007 Mill Rate	Property Tax Payable	Difference from 2007 Amount
2007	0.0%	0.3687	\$218.09		1.8648	\$1,923.19	
2008	1.5%	0.3742	\$221.36	\$3.27	1.8928	\$1,952.04	\$28.85
2009	2.0%	0.3817	\$225.78	\$7.70	1.9306	\$1,991.08	\$67.89
2010	2.0%	0.3893	\$230.30	\$12.21	1.9692	\$2,030.90	\$107.71
2011	2.0%	0.3971	\$234.91	\$16.82	2.0086	\$2,071.52	\$148.33
2012	2.0%	0.4051	\$239.60	\$21.52	2.0488	\$2,112.95	\$189.76
2013	2.0%	0.4132	\$244.40	\$26.31	2.0898	\$2,155.21	\$232.02
2014	2.0%	0.4214	\$249.28	\$31.20	2.1316	\$2,198.32	\$275.12
2015	2.0%	0.4299	\$254.27	\$36.18	2.1742	\$2,242.28	\$319.09
2016	2.0%	0.4385	\$259.36	\$41.27	2.2177	\$2,287.13	\$363.93
2017	1.0%	0.4429	\$261.95	\$43.86	2.2399	\$2,310.00	\$386.81
2018	1.0%	0.4473	\$264.57	\$46.48	2.2623	\$2,333.10	\$409.91
2019	1.0%	0.4518	\$267.21	\$49.13	2.2849	\$2,356.43	\$433.24
2020	1.0%	0.4563	\$269.89	\$51.80	2.3077	\$2,380.00	\$456.80
2021	1.0%	0.4608	\$272.59	\$54.50	2.3308	\$2,403.80	\$480.60
2022	1.0%	0.4654	\$275.31	\$57.22	2.3541	\$2,427.83	\$504.64
2023	1.0%	0.4701	\$278.06	\$59.98	2.3777	\$2,452.11	\$528.92
2024	1.0%	0.4748	\$280.84	\$62.76	2.4014	\$2,476.63	\$553.44
2025	1.0%	0.4795	\$283.65	\$65.57	2.4254	\$2,501.40	\$578.20
Cumulative Increase				\$687.79			\$6,065.25
Avg Annual Increase over 2008-2025 Period				\$38.21			\$336.96



March 13, 2007

Malcolm Brodie, Chair
TransLink
4730 Kingsway, Suite 1600
Burnaby BC V5H 4N2

Reference: 154237
File No: 604-453-4636

Dear Chair Brodie:

Re: Changes to TransLink

I am writing you to correct certain misunderstandings regarding our government's recent announcement on changes to TransLink governance and funding.

1. It has been suggested that the Council of Mayors would have little power. In response, it is our belief that the Council would have the appropriate power - to adopt strategic plans for TransLink that would establish the long term objectives of the organization and the policy and fiscal framework within which the objectives would have to be achieved. The Council would determine if service levels or infrastructure should be expanded, and the associated revenue measures and borrowing requirements authorized.

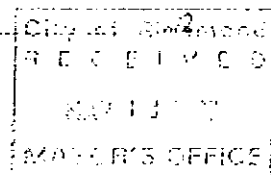
It is not necessary, even counterproductive, to have elected officials overseeing implementation of initiatives and day-to-day operations. These are matters that should be left to an appropriately experienced and skilled board and management team. The provincial government does not have MLA's or Cabinet Ministers sitting on the boards of Crown corporations and other government-owned companies involved in the provision of services to the public, for this very reason.

2. It has been suggested that there is no longer a link between the region's growth management and transportation plans. I find this assertion puzzling given that:
 - a. Most Mayors sit on the GVRD Board as well as lead municipal councils. Who would be better positioned to ensure that the long term objectives of TransLink are consistent with growth management plans?
 - b. The legislation governing TransLink will still stipulate that TransLink's plans must be consistent with the region's growth management plans.

Ministry of
Transportation

Office of the Minister

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- 2. The legislation will establish a new office of Co-ordination, to be appointed by the Council of Mayors, whose duties will include providing unbiased assessments of whether TransLink's plans are consistent with the region's growth management plans.
- 3. It has been suggested that TransLink will be able to override municipal zoning on lands owned by TransLink or in the vicinity of rapid transit stations. This will not be the case. A condition of provincial government contributions to future rapid transit lines will be denser zoning around proposed rapid transit stations. This will generate more ridership and fare revenues for TransLink, and further reduce congestion on roads, vehicle emissions and impacts on land. The denser zoning will also benefit TransLink to the extent that:
 - a. Property owned by the Authority at or around the stations can be used (for example, air rights over stations). The value of such land thus would be increased.
 - b. The resulting increase in the value of the land in question produces additional property tax revenues for TransLink.

The ultimate decision on zoning, however, will remain with the respective municipalities.

The nature and extent of the denser zoning that can be achieved will obviously require further discussion. The Province will not be arbitrarily setting density targets.

- 4. It has been suggested that the funding provided for is insufficient to meet TransLink's needs to 2025. In response, I would point out that TransLink's current long term plan extends to only 2013 and that, while the panel's financial projections after 2013 provide for general cost increases equal to 3.3% per annum and for funding TransLink's share of the Millennium Line extension, they also
 - a. Provide for a reserve projected to reach \$479 million in 2025; and
 - b. Do not include any provision for federal contributions, which we expect to be several hundred million dollars.

... 43

The Panel felt it would have been presumptuous of them to suggest what incremental bus or other services should be explicitly provided for. Further, it did not want to speculate on federal contributions as this would have set an arbitrary target that could have been detrimental in negotiations with the federal government.

I would also point out the 3¢/litre in additional fuel tax revenue room is roughly equivalent to providing TransLink with a contribution of \$1 billion. This is substantially more than the \$400 million additional contribution requested by TransLink for the Evergreen Line and is on top of the 60% share of the cost of the Millennium Line extension that the provincial government has indicated it will contribute (and expects to cost-share with the federal government).

5. It has been suggested that the Province is not bringing much to the table since the additional fuel tax will be paid by drivers in the region. I find this assertion also puzzling. There is only one taxpayer. If the Province directly levied the tax and provided contributions, the burden on the taxpayer would be the same. It also ignores contributions exceeding \$600 million for the Canada and Evergreen Lines, along with expenditures in excess of \$3 billion for the Pitt River Bridge and South Fraser Perimeter Road projects.

The panel chose to recommend this revenue measure as it would fairly balance the burden between drivers, transit users and property tax owners in the region and it would provide an incentive to reduce automobile usage and encourage transit usage. It will also provide a substantial and predictable revenue stream, and mitigate the need for property tax and fare increases, well into the future.

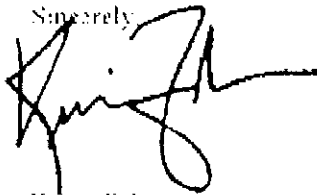
6. It has been suggested that the Province's 30-year vision called for by the Panel would override TransLink's 10 year plan. This is incorrect. The purpose of the vision will be to provide a framework to facilitate and help coordinate the plans of TransLink and other transportation service providers in the region, such as the port authorities. The Province will be consulting with TransLink, other transportation service providers and other stakeholders in the development of the vision.
7. It has been suggested that the Province will be arbitrarily expanding TransLink's service region to include neighbouring municipalities. This is also incorrect. Any expansion of the service region will be subject to the mutual consent of the parties involved. It is my intent to provide a legislative framework that would allow such an expansion with a substantial transition period.

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- a. Initially, it has been suggested that a Council of Mayors, with a potential membership of over 30, will be too big a group to provide effective leadership. In response, I would like to state that:
 - a. The Council will initially have a membership of 21, and that expansion of the membership and of TransLink's service region will only occur with the mutual agreement of the parties involved.
 - b. A significant portion of the authorities to be exercised by the Council are currently exercised by the GVRD Board which has a membership of 35.
 - c. The role of the Council of Mayors would be to adopt strategic plans for TransLink to set the long term objectives of the organization and establish the policy and fiscal framework within which the objectives would have to be achieved. This is a very focussed mandate to make key decisions that all communities in the region should be part of. Oversight of program and project implementation, and service delivery, would be the responsibility of the proposed new TransLink Board. These are matters that should be left to an appropriately experienced and skilled board.

I have confidence in the ability of the Mayors' of the region to drive an ambitious, environmentally sustainable vision for the Lower Mainland. I hope by writing to you directly I've cleared up these misunderstandings. I look forward to working together as we build an outstanding transportation system for the region.

Sincerely,



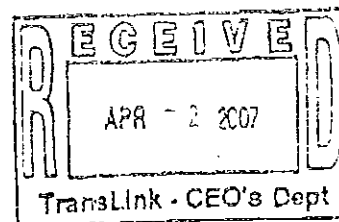
Kevin Falcon
Minister

Copy to Greater Vancouver Transportation Authority Board

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

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14 02 07 10:35 FAX 607 3401



Malcolm Brodie, Chair
TransLink
4720 Kingsway, Suite 1600
Burnaby BC V5H 4N2

Reference: 155314

Dear Chair Brodie:

Re: TransLink Governance

I am writing in response to your letter of March 30, 2007, to provide further information on the matters raised therein:

1. Use of alternates for the Mayors' Council? I do not anticipate at this time that alternates will be allowed for the Mayors' Council. This would break the direct accountability link to voters. One of the reasons for creating a Mayors' Council is to enable voters to know who their representative will be on TransLink matters.
2. What will be the appointment process for the TransLink Board and Commissioner? For the Board, I anticipate that appointments will be made by the Mayors' Council from a list of qualified individuals identified by an independent panel that will be established pursuant to statutory provisions. The members of the independent panel would include an appointee from TransLink as well as the Province, with other members to be appointed by the boards of professional bodies and key stakeholder groups. For the Commissioner, I anticipate that appointments will be also made by the Mayors' Council from a list of qualified individuals selected through a process established by the Mayors' Council. The qualification requirements for selected individuals would be established by statute.
3. Who and how will the Mayors' Council and its Chair be resourced? The Mayors' Council would be supported by TransLink staff. Resourcing would be from TransLink on the basis of statutory provisions to cover expenses and to provide other resources to the Mayors' Council.
4. What will be the process to add areas outside the GVRD? The process would likely entail voluntary negotiations between representatives of the Mayors' Council, supported by TransLink, and representatives of the neighbouring local government, possibly supported by BC Transit, as well as local government staff.

.../2

Ministry of
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MR. EXECUTIVE DIRECTOR

MR. MALCOLM BRODIE 04 02:07

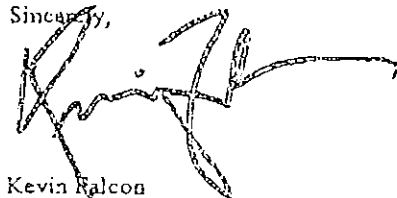
- 2 -

Any agreement could provide for a transition period of up to 10 years, would be subject to ratification of the Mayors' Council and the neighbouring local government and would require authorization by an Order-in-Council from the provincial government. This last requirement is needed to ensure provincial administrative and, possibly, statutory requirements are addressed.

5. What will be the process and timing of the provincial vision? The provincial vision will be a high-level document, as proposed by the Governance Panel. In preparing the vision, the government will be consulting with TransLink, local governments, other public bodies administering or overseeing components of the transportation system and transportation system stakeholder organizations. The intent is to produce the vision by the end of 2007 or early 2008.

Thank you for your letter. I am confident the proposed changes to TransLink will help the region provide a first-class transportation system for its people and businesses.

Sincerely,



Kevin Falcon
Minister



westvancouver

CHIEF ADMINISTRATIVE OFFICER

1000 West Vancouver Mall
West Vancouver, BC V8W 2E5

April 27, 2007

File: 3210.01

Mr. Frank Blasetti, Assistant Deputy Minister
Partnerships Department, Ministry of Transportation
PO Box 9850
Stn Prov Govt
Victoria, BC V8W 9T5

RE: TransLink Governance

I am writing on behalf of a number of City Managers in the lower mainland who met recently to consider the recommendations of the TransLink Governance Review Panel and the correspondence between the TransLink Chair and Minister Falcon. While many of the municipalities in the region may be preparing individual responses for consideration by the Ministry, we would like to offer a shared administrative perspective and request an opportunity to engage in a dialogue with Ministry staff involved in preparing the legislation. Some of the issues we would like to discuss include:

TransLink Funding

The legislative framework that will be put in place to fund TransLink projects and operations. We are particularly concerned about the increasing reliance on property tax, potential lack of flexibility and legislated authority to pursue other user/demand based funding options and the continuing disconnect between the funding sources and those who will benefit from transportation improvements.

Transportation Planning

The connection between TransLink and other bodies including the Province, the Federal Ministry of Transportation, the Vancouver International Airport, BC Ferries, the Port Authority, the rail companies and the GVRD. This does not appear to be strengthened under the proposed governance model and in our view this is critical to improving transportation planning in the region.

Accountability

The respective roles of the Board, Commissioner and Council of Mayors. Clarity around accountability for planning, funding decisions and operational issues is needed if the new model is to work successfully.

- 2 -

This document contains information that may be confidential or otherwise exempt from disclosure under the Access to Information Act.

These are just a few of the areas where through dialogue there may be opportunities to collaborate, enhancing what has been proposed. As Administrators responsible for transportation at the local level, we feel that we could contribute in a meaningful way to the process of creating a new TransLink Governance model and request the opportunity to meet with Ministry staff in Vancouver or Victoria before the legislation is passed. I would be pleased to arrange for a small representative group of CAOs to attend such a meeting.

Yours truly,



David C. Stuart
Chief Administrative Officer

Cc: Mr. John Dyble, Deputy Minister, Ministry of Transportation
Mr. Malcolm Brodie, TransLink Chair
Mr. Johnny Carline, CAO, GVRD
Mr. James Ridge, CAO, District of North Vancouver
Ms. Judy Rogers, City Manager, City of Vancouver
Mr. A.K. Tollstam, City Manager, City of North Vancouver
Mr. George Duncan, CAO, City of Richmond
Mr. George Harvey, CAO, The Corporation of Delta
Mr. Jim Rule, CAO, District of Maple Ridge
Mr. Murray Dinwoodie, City Manager, City of Surrey
Mr. Paul Daminato, City Administrator, City of New Westminster
Mr. Bob Moneur, City Manager, City of Burnaby
Mr. Francis Cheung, CAO, City of Langley
Mr. Gaetan Royer, City Manager, City of Port Moody
Mr. Warren Jones, City Manager, City of Coquitlam
Mr. Don Reid, Administrator, Village of Lions Bay
Mr. Howard Carley, CAO, Village of Anmore
Ms. Isabell Hadford, CAO, Bowen Island Municipality
Mr. Jake Rudolph, CAO, City of Pitt Meadows
Ms. Lynda Floyd, Administrator, Village of Belcarra
Mr. Mark Bakken, Administrator, Township of Langley
Ms. Peggy Clark, City Manager, City of White Rock
Mr. Tony Chong, CAO, City of Port Coquitlam

**Recommendations from GVRD Staff Report
Approved by GVRD Board at its April 27, 2007 Meeting**

Section G 1



Greater Vancouver Regional District

4330 Kingsway, Burnaby, BC, Canada V5H 4G8

Greater Vancouver Regional District
Director of the Board of Directors
Director of the Board of Directors
Director of the Board of Directors

GVRD Board Meeting Date: April 27, 2007

To: Board of Directors

From: Johnny Carlisle, Commissioner/Chief Administrative Officer
Greg Yeomans, Senior Planner, Policy and Planning Department

Date: April 12, 2007

Subject: GVRD Board Response to the TransLink Governance Review

Recommendations:

That the GVRD Board:

- a) Advise the Minister of Transportation:
 - i. That the Board supports the provincial government's goal to improve the governance of Greater Vancouver's transportation system to ensure it has the structure and resources necessary to meet the transportation needs of the region;
 - ii. That the Board does not support the provincial government making final decisions on the TransLink Governance Review Panel recommendations until the Board has been given adequate opportunity to meet with the Minister to explore opportunities to incorporate GVRD perspectives into the new transportation governance structure;
- b) Invite the Minister of Transportation to meet with the Board to discuss:
 - i. Options for ensuring that the proposed governance model for regional transportation can be guided by integrated land use and transportation policy;
 - ii. Options for providing additional transportation funding sources which are more closely tied to the use of the transportation system than the property tax;
 - iii. The province's intentions for the proposed 30-year transportation vision, in particular whether that vision will clearly establish the necessary linkages between regional land use, transportation and air quality management;
- c) Forward the report titled "GVRD Board Response to the TransLink Governance Review" dated April 12, 2007, to the Premier, Minister of Transportation, and the TransLink Board Task Force.