



Corporate Report

NO: R077

COUNCIL DATE: April 24, 2006

REGULAR COUNCIL

TO: Mayor & Council

DATE: April 20, 2006

FROM: Acting City Manager

FILE: 0500-001

SUBJECT: TransLink Governance Review

RECOMMENDATIONS

It is recommended that Council:

1. Receive this report as information; and
2. Authorize the Mayor to forward a copy of this report to the TransLink Governance Review Panel as the City of Surrey's input to this stage of the Panel's review process.

INTENT

The purpose of this report is seek Council authorization to forward input from the City of Surrey to the TransLink Governance Review Panel in response to the letter from the Chair of the Panel dated March 21, 2006, a copy of which is attached.

BACKGROUND

The Minister of Transportation has appointed a three-person panel (the "Panel") to review the governance of the Greater Vancouver Transportation Authority (TransLink). The Panel has been directed to prepare and submit a report with recommendations to the Minister on this matter. As noted above, the Chair of the Panel has written to the TransLink member municipalities and other stakeholders requesting comments to several matters related to the governance of TransLink.

Before providing comments on the matters listed in the recent letter from the Panel, the background to the establishment of TransLink, and the impacts of TransLink, need to be considered. TransLink was established in the late 1990's, primarily to give more local control over the provision of transit service in the Region. At the same time the Province was downloading a large number of highways onto the municipalities and, consequently,

TransLink took on financial and planning responsibilities for roads as well as transit, which in essence gave it a mandate for Regional “transportation” matters.

The establishment of TransLink has led to a number of significant improvements in Regional transportation services, examples of which include:

- An increase in the amount of transit service provided throughout the region.
- The establishment of an identified regional Major Road Network with associated integration of planning between municipalities and the provision of funding for maintenance of these roads and capital funding for appropriate upgrading work.
- The initiation of two rail rapid transit lines (The Canada or RAV line to YVR and Richmond and the EverGreen Line to Coquitlam).
- The commencement of the first new crossing of the Fraser in 20 years, the Golden Ears Bridge and related road works.
- The development of 10 Year Outlook plans and detailed 3-year Strategic Transportation Plans complete with approved funding.

Despite these successes, there have been some concerns with the governance of TransLink due largely to issues relating to funding and taxation (i.e., the vehicle levy, how is the local share of the RAV line to be funded over the longer term, how should parking taxes be dealt with, etc.). There are also some perceptions that the TransLink Board is progressing too slowly in dealing with transportation issues in the context of a rapidly changing regional and global economy but this, again, is largely an issue of funding.

Current Governance Structure

The current governance structure established by Provincial legislation calls for a TransLink Board of 15 members with 12 members to be municipal representatives (Mayors and Councillors) appointed by the GVRD Board and 3 MLAs to be appointed by the Province. Municipal representation calls for the various areas of the region and the larger municipalities to have a specific number of representatives (i.e., South of the Fraser 3 with 2 being from Surrey, Vancouver 3, North Shore 1, North East Sector 3, Richmond 1, and 1 at large). The size of the Board is an attempt to balance reasonable working size against adequate region-wide representation. The term of appointment for members of the Board is one year. Once appointed, the members of the Board select a chair from among the appointed members.

Apart from transit fares, the revenue generating authority for the TransLink Board is limited to what is provided in Provincial legislation (i.e., share of gas tax, various forms of parking taxes, B.C. Hydro levy, property taxes, tolls, etc.). Any changes in property tax rates have to be approved by the GVRD Board. However, the GVRD approval process is often viewed as just a ratification of the TransLink Board’s resolutions with no opportunity to influence any of the TransLink programs or expenditures that are underlying the requested increase in taxation.

Challenges with Existing Structure

TransLink serves the populations of 21 different municipalities, and its infrastructure and operations have overall Provincial implications and affect many different stakeholders. TransLink is mandated with providing transportation services to the GVRD but has no powers with respect to and very limited involvement in land use decisions that directly affect demand for transportation services. Overall regional growth and land use plans are the responsibility of the GVRD; however, the primary decision-makers regarding land use are the individual municipalities who must balance the interests of the region as articulated in the Regional plans (LRSP) with their own interests and needs.

The delivery of transportation services is costly. As outlined previously, the Provincial government and the GVRD Board control most of the revenue streams available to TransLink. TransLink has since its inception been challenged with revenues that are deficient relative to meeting the demands for the services that TransLink is mandated to provide.

Other Models for Governance Structure

Regional transportation (or just transit) authorities in multi-municipal jurisdictions are relatively common world-wide. A cursory review revealed a range of board sizes and governance structures. In the U.S. where a larger proportion of funding for transit and transportation comes from Federal and State sources, board members tend to be appointed by the State government whereas in areas where funding is derived from local government sources, the boards tended to have stronger representation from local government. Some boards have both voting and non-voting members.

Other governance models exist such as those that are in place for YVR (Vancouver Airport) or Crown Corporations; however, neither of these types of bodies levies local property taxes.

Another governance option would be for the TransLink Board to be directly and separately elected.

Discussion of Governance

A reasonable governance structure for TransLink should be focused on achieving a number of fundamental objectives, including among other things, democratic representation, sustainability, continuity, sound use of resources, accountability and timeliness of decision making. A range of different structures are able to achieve most of these objectives to a greater or lesser extent. As outlined previously, the current governance structure has revealed some challenges but these appear primarily related to funding. If the funding issues can be dealt with on a sustainable basis, then adjustments to the existing structure would address most of the other concerns such as stakeholder representation (i.e. ports, airports, trucking industry, etc.).

A particular concern would be the replacement of local government “elected” representation with a mainly appointed “non-elected” board (i.e., Airport Authority

model). While this may work well for airports or Crown corporations, these entities do not provide direct services at the municipal level. There is concern that if the TransLink Board is structured to have fewer or no municipal representatives, the level of cooperation between the member municipalities and TransLink would be adversely affected. Likewise, an appointed board would not address the issue of ‘taxation without representation’ nor public accountability.

Some other boards of transportation authorities, where funding from other levels of government is provided, have more technical or transportation- experienced people as representatives while others provide for representation on the board of specific sectors of the transportation industry (i.e., ports, airports and the trucking industry). The need for technical expertise on the TransLink Board is not critical as this should be the responsibility of the TransLink administration; however, the need for specific stakeholder input at the Board level could be beneficial and could be addressed through the Province appointing such stakeholders as its representatives on the Board rather than MLAs as is contained in the current legislation related to TransLink. Additionally, if Federal government funding is made available on a long term sustainable basis, there would be justification to include a Federally-appointed representative on the Board as well.

Other Issues – Need for Integrated Transportation Plan

TransLink has prepared and updates its Strategic Transportation Plan for its area of responsibility (being regional roads and transit under its jurisdiction); likewise, the Provincial Ministry of Transportation has its own strategic plans (the Gateway Program, etc.), as do Federally-regulated transportation agencies (i.e., ports, rail companies, airports, etc.). Regardless of the governance structure, there is a need for the plans of these various agencies to be integrated with one another to provide the best overall transportation service to those residing and undertaking business in the Region. Currently there is significant concern that the various plans do not mesh well with one another.

Specific Governance Panel Review Questions

The letter from the Chair of the Governance Review Panel (attached as Appendix I) requested a brief from the City on five areas related to the TransLink governance review. The Panel was directed by the Minister of Transportation to study these specific areas. The five areas for which comments were requested, each followed by staff comments in italics, are listed below:

- **The appropriate division of responsibility and control between the Province and TransLink for transportation matters in Greater Vancouver.**

In general, TransLink should be responsible for transportation issues that primarily relate to serving the regional population (i.e., transit and regional road issues) while the Province should be responsible for Provincial level transportation connectivity issues (i.e., Provincial Highway operation and expansion). For infrastructure or operations that are either jointly funded or impact on the other authorities’ system, there should be a level of joint (or consensus) decision-making

Each order of government will have its own areas of responsibility and related plans; however, there is the need for these transportation plans to mesh together and function in an integrated way. A protocol or system needs to be established to ensure that the plans properly blend with one another and are focused on complementary objectives.

- **The appropriate size, composition, and appointment processes for the Board of Directors of TransLink.**

The current Board structure appears to be a workable size; however, it is recognized that some municipalities and/ or areas of the region may hold the view that they are not properly represented. The Board could be expanded marginally to address these concerns; however, each member on the Board should represent a significant area of the region.

If other key stakeholder interests are considered important to the structure of the Board, then the number of Provincially-appointed members could be expanded to include such members or, alternatively, the number of MLA representatives on the Board could be reduced and replaced with representatives of other key stakeholders or “specific expertise” representatives (i.e., ports, airport, trucking industry, etc.). It is noted that these other stakeholder members should not have voting powers on property tax matters. Indeed it could be established that to be a voting board member, that board member has to have the authority or responsibility for a particular revenue stream available to TransLink.

The reappointment of municipal Board members on an annual basis appears to be an unnecessary encumbrance. It would be practical to have municipal members appointed for up to three years to coincide with the term of municipal Councils.

A board composed largely of appointed members or a separately and directly-elected board is not considered to be practical as such a situation would probably quickly lead to dissention between the municipal Councils in the Region and the TransLink Board as has occurred in other regions where this model has been applied.

- **The appropriate responsibilities, authorities, and powers of the GVRD in relation to TransLink under the GVTA Act.**

Legislation requires that TransLink’s Strategic Transportation Plans (STP) be ratified by the GVRD Board and TransLink must then carry out its activities in line with the approved STP. The GVRD Board’s approval is also required for new or increased charges, property taxes, tolls and new revenue sources. The GVRD, in turn, needs GVTA approval in relation to its regional growth strategy (LRSP). This creates a somewhat overlapping range of responsibilities and authorities.

In general, it is important that the GVRD Strategic Plans and the TransLink Strategic Plans be correlated with one another and be focused on common Regional objectives. On this basis, the governance structure should encourage dialogue between these two important Regional entities while giving neither absolute veto power over the other.

- **The appropriate responsibilities, authorities, and powers of TransLink to institute revenue measures for funding service delivery and capital projects.**

Currently TransLink authority to institute revenue measures is very limited. The range of TransLink revenue sources is established by Provincial legislation and most are directly controlled by the Province, such as the gasoline tax. Any TransLink revenues generated through property-based taxes require the approval of the GVRD Board. Transit fares are one of the few areas where TransLink has more or less unfettered control. The current checks and balances as contained in legislation related to TransLink revenue sources provide for a significant level of scrutiny before any increased charges are implemented; however, it is also safe to say that the public response to TransLink's attempts to raise revenues to support its operations are probably the primary reason underlying the current Panel review. In most cases, when TransLink has attempted to raise revenues through the limited means available to it, such action by TransLink has led to significant public controversy and the perception that the TransLink governance structure is problematic. In fact, if an adequate and stable funding approach could be provided to TransLink, the current approach with respect to TransLink governance would probably not be considered as much an issue. On this basis, it appears the primary issue may be not so much governance as the development of an equitable, sustainable and adequate funding arrangement for TransLink.

- **How to ensure the Province will have effective input into, and oversight of, TransLink activities and decisions as they affect Provincial interests.**

The Province currently has the ability to appoint 3 Board members (none of which have been appointed for the last three or four years).

As was mentioned earlier in this report, it is important that the Strategic Plans of the GVRD and TransLink mesh well with one another. It is equally as important that the Strategic Transportation Plans of the Province be meshed with the TransLink Strategic Plans and vice versa. Improving dialogue at both the staff and political levels between TransLink and the Province on strategic transportation planning and implementation of these plans is critical to achieving efficient and effective transportation investments in the Region to the benefit of all parties.

Currently, the Province has essentially a veto on any cost-shared programs; however, this only gives it the power to say no to a project.

General Comment

The establishment of TransLink with its current governance structure has allowed a significant number of new transportation projects and improved levels of transit to proceed in the Region. It also provides a better level of municipal involvement, overall planning, oversight and accountability in comparison to the previous service delivery model. While TransLink decision-making has not always been a smooth process, regional (multi-stakeholder) decision-making processes seldom are.

CONCLUSION

This report provides a preliminary assessment of the matters for which the TransLink Governance Review Panel has requested a brief. It is recommended that Council authorize the Mayor to forward a copy of this report to the TransLink Governance Review Panel as the City of Surrey's comments to this stage of the review process.

Murray Dinwoodie
Acting City Manager

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