

NO: R192

COUNCIL DATE: October 19, 2009

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 16, 2009**

FROM: **General Manager, Engineering**

FILE: **0500-01**

SUBJECT: **2010 TransLink's 10-Year Transportation and Financial Plan**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Receive this report as information;
2. Endorse the \$130 million Funding Stabilization Supplement as an interim funding mechanism for TransLink to allow time for continued discussion toward the development of a long term TransLink funding strategy;
3. Support the Mayors Advisory Council, working with TransLink and the Provincial Government, to develop a long term funding strategy for TransLink based on the principles articulated in this report to be formalized through the introduction of a further Supplemental Financial Plan for TransLink within the next 6 to 9 months; and
4. Authorize staff to forward a copy of this report and the related Council resolution to appropriate officials of TransLink and the Federal and Provincial governments.

BACKGROUND

The Transport 2040 Vision (the "Vision") sets an appropriate direction for TransLink in relation to the provision of transportation and public transit service throughout Metro-Vancouver over the next 30 years. The public and local governments throughout the region have generally supported this Vision; however, a funding strategy necessary to achieve the Vision has not yet been fully developed.

Surrey Council at its Regular meeting on July 27, 2009 after considering Corporate Report No. R134; 2009 (attached as Appendix I) endorsed the Vision and a related funding scenario titled "On Track to 2040". This funding scenario relied upon additional revenues being made available to TransLink from a variety of existing and new sources. To date TransLink has not been able to reach agreement with all parties on a long term funding model to achieve the "On Track to 2040" scenario.

The Mayors Advisory Council is required to approve a 2010 Ten-Year (2010-2019) Financial Plan for TransLink before the end of October of each year based on Provincial legislation. TransLink has presented the following options with respect to the 2010 Ten Year Financial Plan to the Mayor's Advisory Council and the Regional Transportation Commissioner:

1. Base Plan (Drastic Cuts) – Supplemental Revenue Required: \$0.

- a) The default or Base Plan that would be adopted if the Mayors' Advisory Council does not approve another Supplement.
- b) Contains significant cuts to bus services, road funding and the cycling program after 2011 to maintain existing financial commitments to rapid transit and road expansion.
- c) Includes a new tolled Pattullo Bridge.

Funding Implications:

- No change to existing funding sources or levels.

2. Funding Stabilization – Supplemental Revenue Required: \$130 million annually.

- a) Includes new tolled Pattullo Bridge.
- b) Maintains existing service levels.
- c) Most previously planned service enhancements for 2010 and beyond will not proceed.

Funding Implications:

- 3% property tax increase
- Fares in increase 10% over inflation
- 3 cents per litre fuel tax increase
- Other minor sources

3. Maintenance and Upgrade Program – Supplemental Revenue Required: \$275 million annually.

- a) Vehicle levy implemented. TransLink believes that existing sources of revenue and a new vehicle levy will generate the \$275 million annually to support this option.
- b) Does not include the Evergreen Line, Broadway Corridor and/or Surrey Skytrain Expansion.
- c) Includes new tolled Pattullo Bridge.
- d) Surrey residents would be subject to a vehicle levy but receive little additional transit service in return.

Funding Implications:

- 3% property tax increase
- Fares in increase 18% over inflation
- 3 cents per litre fuel tax increase
- Vehicle levy \$120 per year on average
- Other minor sources

4. On Track – Supplemental Revenue Required: \$450 million annually.

- a) Vehicle levy implemented
- b) Includes Evergreen Line, Broadway Corridor or Surrey Skytrain Expansion
- c) Includes new tolled Pattullo Bridge
- d) The estimated cost of this plan over 10 years is an additional \$4.6 billion over current funding levels for new infrastructure and increased transit service.

Funding Implications:

- Not yet fully defined by TransLink

The Transportation Commissioner has rejected Option 4 (On Track) since it does not have sufficient identified funding to support it and lacks sufficient detail to be evaluated by the Commissioner.

DISCUSSION

To provide time for the Provincial Government, TransLink and the Mayors Advisory Council to continue work toward the development of a new funding framework that will better satisfy the full expectations and directions of the 2040 Vision while at the same time allowing existing transit service to remain operational, it is recommended that Council endorse an approach that would see the Mayors Advisory Council approve as an interim funding supplement the proposed \$130 million Funding Stabilization Option. It is further recommended that Council endorse the following principles as the basis for on-going dialogue between the Province, TransLink and the Mayors Advisory Council regarding a long term funding model for TransLink with the understanding that these on-going discussions will result in a further Financial Supplement being introduced by TransLink within 6 to 9 months that represents a long term funding strategy that will meet the expectations and directions of the 2040 Vision:

The Principles:

- a) the provision of efficient, integrated and sustainable regional transportation and public transit services as documented in TransLink's 2040 Vision is one of the cornerstones in building a sustainable region;
- b) that to the extent practical transit service should be implemented so that it assists in shaping growth in Region rather than simply responding to growth;
- c) there needs to be demonstrated annual progress in the expansion and delivery of transportation and transit service across the region toward TransLink's 2040 Vision within prevailing economic conditions;
- d) there must be reasonable and sustained annual progress toward equity in relation to transit service being provided across the region;
- e) TransLink's budget and planning cycle should be more consistent with that of other levels of government; that is a 3 to 5 year rigorous rolling financial plan with a 10-year rolling notional outlook budget targeted at the 30-year vision;
- f) TransLink's funding framework should reflect a reasonable balance between the following sustainable sources of revenues:
 - a. User-based sources (transit fares; etc);
 - b. Vehicle-based sources (demand management tools; parking sales tax; vehicle levy; gas tax; etc.);
 - c. wealth-based sources (property and other forms of taxes, etc) and
 - d. other (advertising, realty, etc.);
- g) TransLink needs to be sensitive to the relationship between where revenues are generated and where services are provided;

- h) increased cooperation and collaboration within the Region and between the Region and the Provincial government will assist in ensuring there is consistency and alignment between TransLink plans, local government plans and Provincial Government plans related to the delivery of transportation and public transit in the Region and across the Province; and
- i) there needs to be a clearly defined and understood allocation of responsibility and authority between the Provincial Government, TransLink, the TransLink Board and the Mayors Advisory Council.

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VL/JB/PB/jkb

Appendix I: Corporate Report No. R134

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