



# Report of the Regional Transportation Commissioner On TransLink's 2012 Transportation and Financial Base Plan and Outlook

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Mayor Richard Walton,  
Chair,  
Mayors' Council on  
Regional Transportation

Ms. Nancy Olewiler,  
Chair, Board of Directors,  
South Coast British Columbia  
Transportation Authority

Delivered via e-mail

August 29, 2011

Dear Mayor Walton and Ms. Olewiler:

**Regional Transportation Commissioner's Report  
on the South Coast British Columbia Transportation Authority's  
2012 Base Plan and Outlook**

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I am pleased to submit the enclosed report, as required by section 203 of the South Coast British Columbia Transportation Authority Act. It gives my opinion on the reasonableness of the parameters and assumptions in the Authority's 2012 Base Plan and Outlook, along with detailed findings.

Last year, I undertook an examination of the 2011 Base Plan and Outlook titled *Funding Stabilization Update* and found it broadly reasonable. This year, TransLink has updated its Base Plan and Outlook once again.

My report addresses an important question: with the passage of another year, does the 2012 Base Plan and Outlook stay true to the intent of the Mayors' Council when, in 2009, the Council approved the *Funding Stabilization Plan* and agreed to extra funding, in considerably higher fares and taxes?

The Commission team and I are available to present the findings and recommendation to you in person, at your convenience.

Yours truly,

Martin Crilly  
Regional Transportation Commissioner

# 1 Opinion and Summary

## *Opinion*

Overall, the parameters and assumptions of TransLink's 2012 Base Plan and Outlook (“*The Plan*”) are reasonable.

## *Service, Revenues. Costs*

The amount of transit service *The Plan* will deliver is consistent with its ancestor, the 2010 Funding Stabilization Plan, which is the latest plan to be endorsed by the Mayors' Council. Given that service is frozen at 2009 levels, *The Plan's* forecast of transit ridership is ambitious, but the situation should be manageable if the forecast does not materialize. The commissioner has no difficulty with TransLink's projection of revenue from property, fuel and other taxes. He expects to be asked to approve a fare increase averaging 12% for 2013, as implied by TransLink's revenue projection.

*The Plan's* assumptions on external economic variables (such as interest rates and fuel prices) are generally reasonable.

## *Financial Sustainability*

*The Plan* satisfies the Act in that it shows that investments in infrastructure and services that are committed to by the end of 2014 can be maintained through 2021— by using only established revenue sources, by drawing on TransLink's surplus accumulated in previous years, and by borrowing within its approved ceiling. *The Plan* leaves TransLink solvent and financially sustainable.

## *Consultation*

The consultation process for *The Plan* cannot be found satisfactory when a major stakeholder, the Board of Metro Vancouver, considers it to be inadequate, but the commissioner does not consider this shortcoming to be serious enough to render the plan illegitimate.

## *Fit with Related Plans*

*The Plan* will result in erosion of gains made over the past 10 years towards the goals of TransLink's own Transport 2040 strategic plan. *The Plan's* fixed supply of transit service does little to respond to the call of Metro Vancouver's regional growth strategy for more services. It does not invest in several infrastructure components and services, such as the Evergreen Line and rapid bus lines, which feature in the Provincial Transit Plan.

## 2 TransLink's Plan and this Report

### a. Significance of *The Plan* and This Report

On July 29, 2011 TransLink's Board approved its *2012 Transportation and Financial Base Plan and Outlook* (abbreviated to "*The Plan*" in this report). This 10-year plan looks ahead to the year 2021.

The Act requires TransLink to refresh its 10-year plan every year, on the assumption that it has access only to established funding sources (see box), funds saved from previous years, and borrowings within existing limits.

The Act also requires the commissioner to publish a formal opinion on whether the parameters and assumptions of TransLink's plans are reasonable. This report presents that opinion for *The Plan*.

TransLink estimates that, over *The Plan's* ten-year span, established funding sources (including contributions from senior governments) will generate \$16 billion in revenue.

*The Plan* describes the transit services and programmes that TransLink believes it can deliver to its customers for this sum, while keeping its fleets and facilities in good repair, servicing its debts, upgrading some infrastructure components, retaining a prudent cash reserve, and borrowing within its limit of \$2.8 billion.

TransLink released *The Plan* while simultaneously preparing a further plan, called *The 2012 Moving Forward Supplemental Plan* (abbreviated to "*The 2012 Supplement*" in this report). TransLink is now consulting stakeholders on its contents: once it is final, the commissioner will provide a separate report with an opinion on its reasonableness. TransLink intends to present *The 2012 Supplement* to the Mayors' Council for its approval in the fall of 2011.

This means that the subject of this report, *The Plan*, stands as the fall-back plan in the event that *The 2012 Supplement* fails to win approval by vote of the Mayors' Council.

#### Established Funding Sources

assumed for *The Plan*  
10-year *Plan* total = \$16 billion

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- **regional taxes** (fuel, property, other) with increases earlier authorized by the Mayors' Council (49% of total);
- **fares and tolls** with increases previously approved by the Mayors' Council and commissioner (41%);
- capital and operating **subsidies** from governments of BC and Canada (7%); and
- **interest** income on cash balances (3%).

Even if the Mayors' Council approves *The 2012 Supplement*, however, there is a second eventuality which would put *The Plan* back into play: *The 2012 Supplement* is predicated on access to a new 2 cents/litre regional fuel tax to be levied by April 2012: in the event that the Province does not enable that tax, as only it can do, then *The 2012 Supplement* will revert to *The Plan*.

**b. Salient Features of *The Plan***

In *The Plan* TransLink commits to:

- hold the total amount of transit services operated within the region steady at its 2011 level, while providing for (1) orderly replacement of old vehicles and (2) redesign and redeployment of some transit capacity for better utilization;
- maintain its physical assets in a state of good repair;
- selectively upgrade its fleets and fixed plant. *The Plan* does not include any contribution to the high-profile Evergreen rapid transit line, which remains on hold;
- contribute funds to municipalities for minor capital projects on the major road network, and capital for bike infrastructure;
- continue to run a "TravelSmart" programme to change the travel behaviour of the region's residents; and
- proceed with planning work for the long- and short-term future of its operations and investments.

**c. Origins of *The Plan***

*The Plan* stems from *the 2010 Funding Stabilization Plan*, of which it is the second annual update.

The 2009 approval of *the 2010 Funding Stabilization Plan* by the Mayors' Council was a crucial turning point for TransLink's finances. It allowed three permanent increases in funding: two in taxes and one in fares.<sup>1</sup> As was intended, in 2010 TransLink tapped them all to fill a structural deficit of some \$130 million/year created by earlier decisions.

At the time, the new sources were imperative to avoid drastic cuts to transit service. The new revenue did not go to expand transit service. Rather, the annual amount of transit service to be delivered was frozen at the 2009 level. That same level (almost 7 million transit-vehicle service-hours per year) is the one that *The Plan* commits to continue.

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<sup>1</sup> They were (1) a 25% higher fuel tax rate in a single step, (2) fare increases at roughly twice the expected rate of general inflation and (3) tripling of the parking sales tax rate.

**d. Key Questions on *The Plan***

In examining *The Plan* for this report, the commissioner considered questions such as:

- are *The Plan's* assumptions reasonable as to external factors such as interest rates, cost inflation and fuel prices?
- are its forecasts for transit ridership (which drives fare-box revenue) and TransLink's own productivity, credible?
- is *The Plan* faithful to its two-year-old ancestor (i.e. *the Funding Stabilization Plan*), as approved by the Mayors' Council in 2009?
- does *The Plan* leave TransLink solvent and financially sustainable?
- how does *The Plan* fit with TransLink's 30-year strategy, the just-completed Metro Vancouver's growth management strategy, and the Province's transit plan issued in 2008?

This report is public. Addressed to both the Mayors' Council and the TransLink Board, its findings are purely advisory.

### 3 Findings and Recommendation

This chapter presents the commissioner's findings on the reasonableness of the parameters and assumptions of the plan. The subsequent chapter and appendices explain how he went about his task, and describes the nature of his oversight of TransLink's strategic planning.

TransLink was helpful in responding to information requests about *The Plan*. This review relied on an examination of more data and analyses than have been publicly released. Source materials are listed in Appendix B.

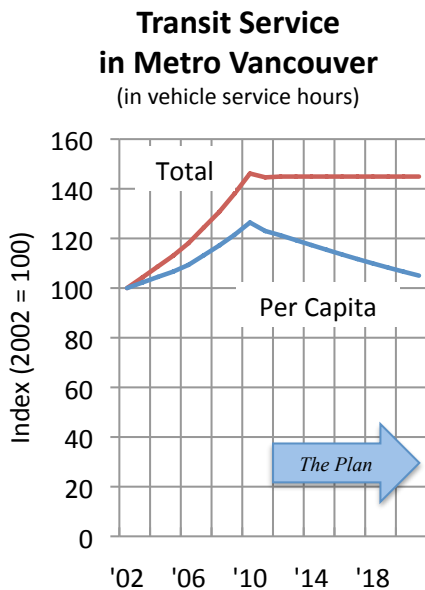
**a. Findings**

The commissioner offers the following observations and findings on *The Plan*.

- 1) *The Plan* is **legal**, i.e. it features all the elements to conform to the South Coast British Columbia Transportation Authority Act as amended in June 2010.
- 2) *The Plan's* **forecasting assumptions** of external variables—GDP growth, cost inflation, interest rates, fuel prices and regional fuel consumption—are generally reasonable.
- 3) *The Plan* would deliver virtually the same **amount of transit service** as its ancestor, *the 2010 Funding Stabilization Supplemental Plan*; in this key respect it is therefore consistent with that plan, which is the latest plan to be endorsed by the Mayors' Council.

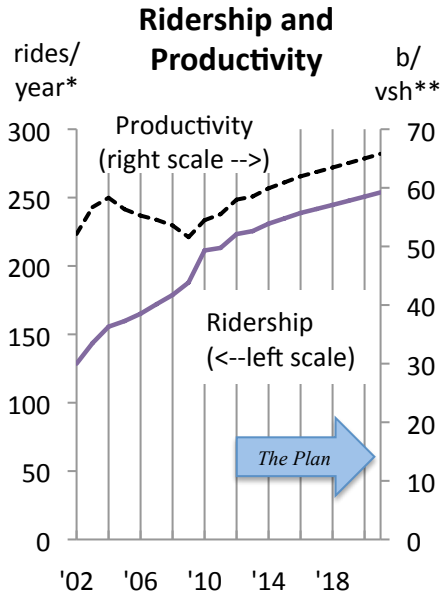
Clearly, if stagnation in the supply of service continues, it will not keep pace with urban growth. This concern should be kept in perspective, however: transit service supply is still high in relation to historical levels. During a long and financially unsustainable surge prior to 2009, transit service gained ground on urban growth.

As the chart on the previous page shows, on a per-capita basis, the supply of transit service would decline through the 10 years of *The Plan*, returning to the level experienced by the



region in 2005, but it would still be higher than the years prior to 2005.

The real work done by TransLink is not in the amount of service it delivers, but in the **ridership** it attracts. Almost paralleling the growth in service over the past 10 years, ridership saw a remarkable compound growth rate averaging 5.8% per year in the past 10 years, to reach an estimated 213 million<sup>2</sup> revenue passenger trips in 2011—as shown in solid line in the chart (left).



\* Millions of revenue passengers per year (linked trips)  
 \*\* Passenger boardings per vehicle service hour

- 4) For the near future, TransLink forecasts relatively strong ridership growth to continue, i.e. 4.7% in 2012, 1.0% in 2013 (in a year of a 12% fare increase—see below), and 2.4% in 2014. **The commissioner views these ridership growth rates as ambitious**, but not unachievable. Growth for the 10 years to 2021 averages 2.0% per year. To realize this during *The Plan's* freeze in the quantity of service would be a considerable accomplishment.

The dashed **productivity** line in the chart—showing how frequently passengers board and alight from an average transit vehicle—is one indicator of transit utilization. Underscoring the challenge, this metric would have to rise to a record average of 66 passenger-boardings per vehicle-service-hour if it is to meet the ridership forecast and, therefore, to earn the future fare revenue embodied in *The Plan*.

A 1% ridership variation equates to 0.3% (or \$5 million) in total revenues. Should TransLink's forecast prove too high, the unplanned revenue loss should be manageable over time.

- 5) TransLink's revenue forecasts factor a 12% **lift in average fare levels** in 2013, as in last year's 10-year plan. This suggests that TransLink will apply in 2012 for an increase in regulated "short term" fares for 2013.<sup>3</sup>
- 6) The commissioner finds no difficulty with TransLink's projections of revenue from **property taxes, fuel taxes**

<sup>2</sup> TransLink reported in August 2011 that ridership was unexpectedly high in the first six months of 2011, suggesting that actual ridership levels for 2011 may end up being higher than those estimated in *the Plan*.

<sup>3</sup> *The Plan* achieves the 12% lift by virtually eliminating the discount on unregulated "long-term" fares (e.g. monthly FareCards). The commissioner views this to be unrealistic as some levels of discounts on long term fares need to be continued. However, absent TransLink's formal application (and commissioner's approval) for a "short-term" fare increase for 2013, the commissioner has no objection to this as a planning device. This statement is without prejudice to any future application for a short-term fare increase.



and other taxes, and contributions from senior governments, for the 10-year horizon.

*Commentary on Capital Programme*

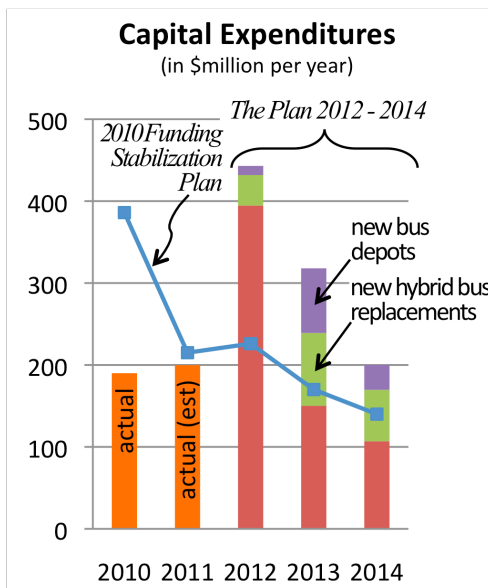
TransLink manages a vast **capital programme** with multi-year projects. Though *The Plan* envisages a freeze in transit service levels, TransLink must stand ready with a project portfolio for its ambitious expansion goals, while coping with uncertainty about new funding sources and working with funding partners on existing cost-sharing programmes. The following comments are not intended to be critical, but rather to illustrate how TransLink's capital programme is evolving.

TransLink needs, and has, latitude to reconfigure its capital programme as it sees fit: only then can it respond properly to changing circumstances—and meet, in the most effective fashion, its commitments to deliver services. In *The Plan*, TransLink reworks its capital spending plans. It alters the mix of transit assets (fleet and facilities) it would acquire, and prunes some programmes and projects.

As the chart shows, in the two years before *The Plan*, TransLink spent (i.e. actual 2010 and preliminary 2011) rather less than was planned two years ago in the *2010 Funding Stabilization Plan* (blue line). In contrast, *The Plan's* first year, i.e. 2012, shows a peak at double the *Funding Stabilization* figure for that year, which is partly attributable to catch-up spending.<sup>4</sup>

To compare *The Plan* relative to the *Funding Stabilization Plan*, as the latest plan to receive Mayors' Council approval, the commissioner inspected the first three years when the two plans overlap, being 2012-2014.<sup>5</sup>

For this three-year base period, *The Plan's* overall planned capital expenditure is much higher (by 79% or \$425 million) than planned in *Funding Stabilization*. In addition to the abovementioned catch-up factor, much of this amount is



<sup>4</sup> That said, an historical pattern of over-plan/under-spend is apparent, suggesting that actual capital spending in 2012 may well be less than planned in *the Plan*. Evidence is as follows: in 2008 TransLink planned for gross capital expenditure in **2009** that was **1.3 times** what was actually spent in 2009 (\$474m). For the next year, in 2009 TransLink planned for an expenditure in **2010** that was **2.0 times** what was actually spent in 2010 (\$190m). The year after that, in 2010 it planned for an expenditure in **2011** that is **1.3 times** what is (as of August 2011) expected to be spent in 2011 (\$200m). TransLink has indicated that tighter budgeting and decision-making should start to close the plan-spend gap in future.

<sup>5</sup> Though the two plans overlap for other years (2015-19), their capital expenditures are not directly comparable because, following the June 2010 amendment to the Act, TransLink changed its basis for including or excluding some expenditures.

explained by two new initiatives not featured in *Funding Stabilization*.

One is **newly added depots**, accounting for just over a quarter of the increase: when making the *2010 Funding Stabilization Plan* TransLink was updating its facilities plan and some items missed being not included. Notably, *The Plan* commits to the Hamilton Transit Centre.<sup>6</sup> It also adds Trolley Overhead relocation project and several smaller facilities projects.

The other is the **replacement of more buses**, and using **hybrid buses** (not diesels as planned in 2011), accounting for almost half of the increase. TransLink notes that while hybrids cost much more per bus, they bring significant environmental and operational benefits, e.g. 30% better fuel efficiency.

- 7) The Act requires the only first three “base” years of the 10-year plan to be fully funded. In *The Plan's* case these are 2012 through 2014. ***The Plan satisfies the Act in that it shows that the investments in infrastructure and transit services that are committed to by the end of 2014 can be maintained through 2021 using only TransLink's current revenue sources.***

*TransLink's Interpretation of "Outlook"*

Beyond the 3-year base period, however, the Act does not require the outlook years 4 to 10 to be fully funded. TransLink appears to interpret the Act to mean that *The Plan* may show an incomplete capital programme for years 4 through 10, i.e. one that does not include all of the capital expenditures required in years 4 to 10 to avoid building up a capital investment backlog for years 11 onward. TransLink goes on to compute that, based on its incomplete programme, the cumulative funded surplus and borrowing requirements—metrics that are important to stakeholders and investors—lie within the same acceptable limits<sup>7</sup> for years 4 through 10 as apply to the three base plan years.

Any capital programme necessarily becomes more speculative the further it looks into the future. Nonetheless, the commissioner suggests that TransLink should in addition show its best estimate of all the significant capital projects that need to be contemplated for years 4 through 10, such that TransLink

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<sup>6</sup> A new bus parking and maintenance depot in East Richmond whose cost has increased since inclusion in the 2011 Base Plan (not illustrated in the chart on the previous page).

<sup>7</sup> i.e. cumulative funded surplus greater than 10% of operating expenditures and borrowing less than \$2.8 billion

would start year 11 without catch-up investments being required. This may mean that the funded surplus and/or borrowings in years 4 through 10 stray outside normal limits—which is how the permitted condition of “unfunded” is revealed, usefully pointing to funding gaps for the future.

7) Given the above comments on the 7-year outlook period, *The Plan* leaves TransLink **solvent and financially sustainable**, for the three-year base period.

*Comments on consultation process for The Plan*

The commissioner studied TransLink's **consultation process** for *The Plan* and participated in some events. He notes that the Metro Vancouver Board considers the process to be inadequate and encourages substantial improvement, or legislative amendment, to the process to allow meaningful commentary prior to the TransLink Board's approval of *The Plan*.

8) The **consultation process for *The Plan* cannot be found satisfactory** when a major stakeholder considers it to be inadequate. The commissioner does not consider this shortcoming to be serious enough to render *The Plan* illegitimate.

Finally, how does *The Plan* fit its own long-range strategy and those of the region and province?

The commissioner accepts TransLink's evaluation of *The Plan's* performance against its own **Transport 2040** strategic plan: modest progress towards them through 2014, mostly due to network expansion that occurred over past years, followed by erosion of gains.

TransLink's existing service patterns already support Metro Vancouver's regional land use objectives, providing relatively greater accessibility by transit to existing urban centres. Momentum towards the goals should continue as added riders absorb the extra transit capacity installed before 2009. However, **the regional growth strategy** (see box) clearly calls for more service than exists today. In that respect, *The Plan's* fixed supply does little.

Parts of the **Provincial Transit Plan** have already been realized (Canada Line, Expo Line service upgrades, and ongoing bus replacements). *The Plan*, however, does not meet provincial goals for the Evergreen rapid transit line, the UBC Line (except for planning work) or a rapid bus network.

The commissioner recommends that the Mayors' Council and TransLink receive this report for their information.

**Metro Vancouver's Growth Strategy**

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- Ranks three priority corridors for rapid transit extensions;
- calls for enhancing or extending TransLink's Frequent Transit Network in some five regional corridors;
- seeks to lower the share of person-trips made by single-occupancy vehicles; and
- seeks lower energy consumption and emissions from on-road sources.

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The growth strategy does not identify or suggest specifics for transportation facilities or service levels.

**b. Recommendation**

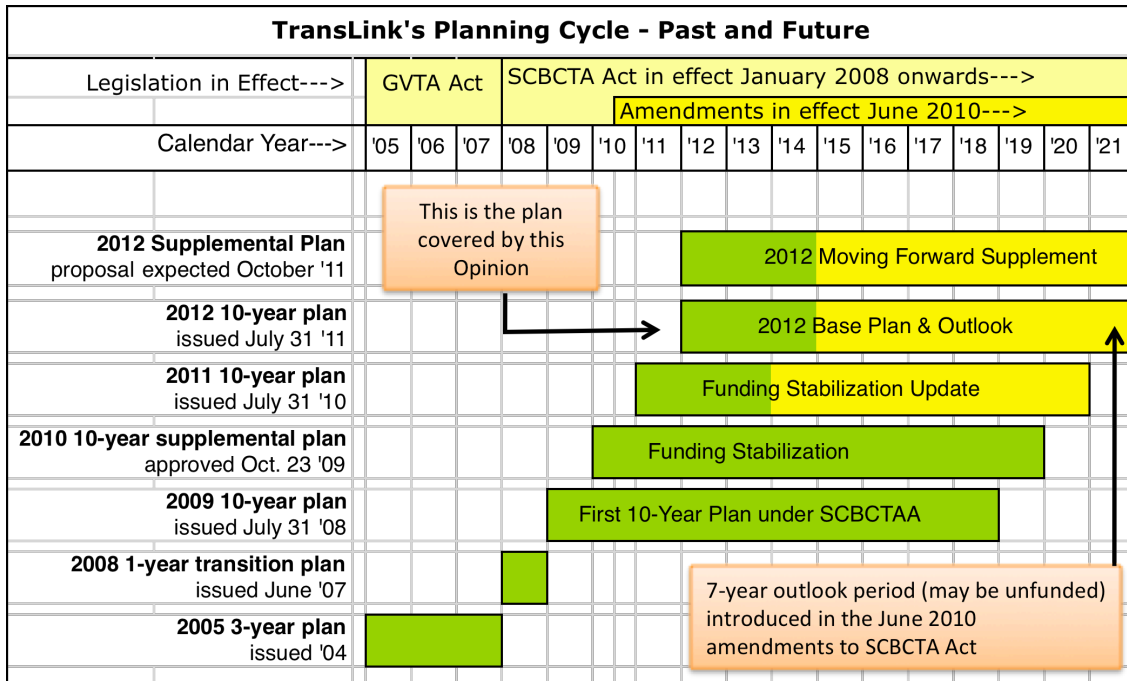
# 4 Approach to this Review

## a. Context

The rhythm of TransLink's rolling 10-year planning cycle, with the commissioner's regular reviews of TransLink's plans, is now well established.

This chapter reviews the context for the 2012 Base Plan and Outlook (abbreviated to *The Plan* in this report) and outlines how the commissioner went about his review.

Legally, TransLink must have a strategic plan in place at all times. A strategic plan looks forward ten years, describing future transit services, capital projects and other programs and initiatives, with projected revenues, expenditures and borrowing. TransLink must update it every year: by each August 1, the TransLink Board must approve an update (called a "Base Plan and Outlook") for the ten-year period starting in the forthcoming year.



*The Plan* advances the planning cycle by one year, dropping the first year of last year's 2011 Base Plan and Outlook, and adding one more year (i.e. the year 2021) to the far end, as illustrated in the above chart.

No Supplemental Plan, which would by definition propose new funding, has been voted upon by the Mayors' Council since October 2009, when it approved *the 2010 Funding Stabilization Plan*. However, even as it released the subject of this report, *The Plan*, TransLink was drafting a 2012 "Moving Forward" Supplemental Plan which would be added to *The Plan*. Though not yet approved by the Board or by the Mayors' Council, this is shown on the above chart.

*The Plan* is the second annual update of the 2010 Funding Stabilization Plan.

In 2009 the commissioner conducted an in-depth and extensive review of *the 2010 Funding Stabilization Plan*, rigorously analyzing its assumptions and parameters.<sup>8</sup>

Then, in 2010 the commissioner examined the first annual update of *Funding Stabilization*, i.e. last year's 2011 Base Plan and Outlook (called *Funding Stabilization Update*) focussing on the changes TransLink that introduced, and the reasons for them.

A similar approach was adopted for this review, which amounts to an independent test of validity and integrity of *The Plan*.

## b. Commissioner's Approach

The commissioner's team comprised: **Mr. Robert Irwin**, Senior Advisor; and **Mr. Stuart MacKay**, **Mr. Glenn Mair** and **Ms. Treena Cook**, all of MMK Consulting of Vancouver, as technical advisors.

The commissioner had early access to a draft of *The Plan*, provided by TransLink on July 8, 2011. He attended a webinar on *The Plan* run by TransLink on July 19. Before receiving the Board-approved version on July 29, he reviewed the Act in order to reconfirm what *The Plan* should contain and how to proceed with his assessment. He re-visited the Provincial Transit Plan and TransLink's Transport 2040 Plan.

The team met TransLink staff on July 25 and August 25, 2011 to discuss *The Plan*. The commissioner attended the Mayors' Council meeting on July 28, 2011 where TransLink's Chair and CEO presented an overview of *The Plan*.

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<sup>8</sup> The commissioner considers a parameter to be any defining characteristic of the plan that could affect its validity.

The commissioner received the TransLink-approved *Plan* on July 29, 2011, with supporting documentation that TransLink used in its preparation of *The Plan*. This consisted of a wide assortment of material, ranging from presentations used by the CEO in public consultation sessions and briefings to municipal councils to internal memoranda, as listed in Appendix B to this report

During the review of *The Plan* and its supporting documentation, the commissioner compiled a series of questions for clarification by TransLink. These were followed up during conference calls with senior staff members.

The commissioner asked TransLink to examine a final draft of this report for factual accuracy and made corrections accordingly.

# Appendix A: Commissioner's Role

This Appendix summarizes the planning framework for TransLink and the commissioner's oversight role in relation to it.

The SCBCTA Act, which was passed in November 2007, created a new governance structure for TransLink. It established an appointed Board of Directors, a Mayors' Council on Regional Transportation, and also the Regional Transportation Commissioner.

Under the Act, TransLink must produce both long term and strategic plans. TransLink must consult with the public and stakeholders as these plans are created.

A Long Term Strategy spans 30 or more years. It:

- identifies goals and direction for the transportation system, identifies key initiatives, and states the underlying principles; and
- guides preparation of Base Plans and any Supplemental Plans.

It must consider:

- regional land use objectives
- provincial and regional environmental objectives, including air quality and greenhouse gas emission reduction objectives; and
- anticipated regional population growth and economic development.

In developing the Long Term Strategy, TransLink must consult with Metro Vancouver, the Minister of Transportation, local governments in/adjacent to the service region, agencies of government involved in transportation in the region, the public in the service region, and other appropriate bodies. The Long Term Strategy must be submitted to the TransLink Board for approval and then submitted to the Mayors' Council. It must be

## a. Long Term Strategy

### Plans and Approvals

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#### 30+ Year Long Term Strategy

- must be updated every 5 years
- must be approved by Board
- reviewed by Mayors' Council
- *Transport 2040* is current strategy

#### 3- Year Base Plan and 7- Year Outlook

- updated annually
- equals last year's Base Plan + any approved Supplements
- Base Plan must be approved by TransLink Board
- Commissioner reviews annually
- Supplements must be approved by Board and Council; short-term fare increases, if any, over 2%/year must also be approved by commissioner

updated and submitted for approval and review by the respective bodies every five years.

## **b. Base Plan and Outlook**

Further amendments to the Act were brought into force in June of 2010. They require TransLink to prepare annually a three year Base Plan and an Outlook for the seven years after the Base Plan.

The Base Plan must describe how TransLink proposes to:

- provide transportation services;
- manage transportation demand; and
- meet its financial requirements.

In meeting its financial requirements, it can use only:

- established funding resources;
- funding resources from previous years; and
- borrowings within established limits.

The Outlook for the fourth to tenth years subsequent to the Base Plan requires TransLink to describe the transportation services (and their levels) that it plans to provide and the major capital projects that it contemplates engaging in for which expenditures will be required.

The defining feature of the Base Plan is that it assumes only existing sources of funds—with, however, certain built-in growth factors to recognize inflation and population growth.

### *Role of the Mayors' Council in Base Plan*

The approval process for a Base Plan and Outlook is different to that of the Long Term Strategy. Political endorsement of the Base Plan by vote of the Mayors' Council is not required, so the Mayors' Council does not have absolute control over its contents.

However, TransLink must consult specifically with the Mayors' Council, and other stakeholder groups, before finalizing the Base Plan. In the commissioner's view, for TransLink to proceed against significant opposition from stakeholders is as unlikely as it is inadvisable.

The only fiscal lever on the Base Plan and Outlook by Metro Vancouver mayors is indirect, via their overlapping membership of the Metro Vancouver Board. In that venue they may influence the annual disposition of the Federal gas tax revenue (Strategic Priorities Fund), which has to date, been 100% allocated to TransLink for eligible transportation expenditures, notably to buy new buses and rail cars.<sup>9</sup>

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<sup>9</sup> Most recently, on July 15 2011, the Metro Vancouver Board confirmed by motion that 100% of the Federal Gas Tax Fund allocated to the region be directed to



The Base Plan must be submitted to the TransLink Board for approval, and then submitted to the Mayors' Council and the commissioner by August 1<sup>st</sup> of each year. Within 30 days of receipt, the commissioner must advise TransLink and the Mayors' Council of reasonableness and appropriateness of the assumptions and parameters in the Base Plan.

**c. Supplements**

TransLink may also prepare supplemental plans at any time that include changes to the transportation services and major capital projects and other additional initiatives. TransLink must indicate in a supplement any increased expenditures that will be required and how it will obtain the funds for those initiatives.

Supplements must be submitted to the TransLink Board for approval, and then submitted to the Mayors' Council and the commissioner. Within 30 days of receipt, he must advise TransLink and the Mayors' Council of reasonableness and appropriateness of the Supplements. The Mayors' Council must then approve or reject the supplement within 90 days of receipt. Any increases, beyond inflation, in short-term fares (i.e. any transit fare valid for up to 3 days) contemplated by a Supplement must also be approved by the Commission.

**d. Commissioner's Role**

In summary, under the Act, the following are the roles of the Commissioner as they relate to the planning function:

- advising TransLink and the Mayors' Council of the reasonableness of the assumptions and parameters included in a Base Plan or a supplement submitted by TransLink;
- making an annual report the Mayors' Council with an opinion as to whether TransLink's operations and its subsidiaries for the previous fiscal year were in accordance with the strategic plan and applicable service, capital, and operation plans.

Should a Supplemental Plan propose "short term" fare increases at a rate faster than 2% per year, the commissioner is responsible for the following tasks:

- provide TransLink and the Mayors' Council with a preliminary, non-binding indication of the appropriateness and reasonableness of a fare increase or

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TransLink for eligible transportation expenditures that are supportive of regional goals for 2011. The agreement on the transfer of federal gas tax revenues under the New Deal for Cities and Communities 2005-2015 (among the governments of Canada and British Columbia and the Union of BC Municipalities) stipulates that the funds be directed to transportation up to 2013/14.

an assessment of a new short-term fare proposed in any Supplement, by September 1<sup>st</sup> of each year;

- consider applications from TransLink for short-term fares (transit service passes that are valid for less than 3 days) that are being assessed for the first time;
- consider applications from TransLink for increases in short term fares being proposed under a Supplement approved by the Mayors' Council, that are greater than the rate of inflation (2% compounded annually);
- if he considers it necessary, hold public hearings on the application for new short-term fares or an increase in short-term fares above the rate of inflation.

## Appendix B: Source Documents

Item/Topic	Author/Source	Dated
Provincial Transit Plan	Government of BC, Ministry of Transportation	2008
Memo: Response to Commissioner Request 4	G. Cross, TransLink	August 18, 201
Base Plan Review: Working Drafts	MMK Consulting	Various
Funding Stabilization: 2010 10-Year Transportation and Financial Supplemental Plan	TransLink	July 31, 2009
2008 TransLink Trip Diary Survey Report	Mustel Group Market Research and Halcrow for TransLink	February 2010
Memo: Nature of the Outlook	G. Cross and S. Ross, TransLink	May 25, 2010
Funding Stabilization Update: 2011 Base Plan and Outlook	TransLink	July 15, 2010
Publication: 2010 Sustainability Report - Setting a Baseline	TransLink	December, 2010
Briefing Note: Canada Line Ridership	D. Snider, TransLink	2011
Memo to Mayors' Council: Smart Card and Fare Gates - Business Case Summary	TransLink	February 23, 2011
Memo to 2012 Base Plan Committee: TransLink Capital Process	T. Shaver, TransLink	April 20, 2011
Burnaby Mountain Gondola Transit Project Backgrounder	TransLink	May, 2011
Briefing Memo to Board: Key Financial Assumptions for 2012 Base Plan	C. McLay, M. Shiffer, TransLink	May 3, 2011
Paper: Economic and Demographic Assumptions for the 2012 Ten Year Transportation Financial Plan	Perrin Thorau and Associates for TransLink	May 9, 2011
Paper: Pricing of Diesel Fuel Purchases	Perrin Thorau and Associates for TransLink	May 9, 2011
Memo: 2012 Base Plan Project Charter	TransLink	May 16, 2011
Presentation: Service Optimization Initiative – Project Overview and Update	TransLink	June, 2011

Source documents continued...

Item/Topic	Author/Source	Dated
Paper: Fuel Price Elasticities	Perrin Thorau and Associates for TransLink	June 10, 2011
Presentation to MRTAC: Pattullo Bridge Status Update	TransLink	June 16, 2011
Briefing Note to Gondola Project Advisory Committee	J. Busby, TransLink	June 21, 2011
Briefing Memo: Update to Ridership Forecast/Assumptions for 2012 Base Plan	M. Shiffer, K. Lownsbrough, TransLink	June 21, 2011
Memo: Pattullo Bridge Replacement Project Status Report	D. Beckley, TransLink	June 23, 2011
Regional Growth Strategy: Metro Vancouver 2040 – Shaping Our Future	Metro Vancouver	July, 2011
Briefing Memo: Quantitative Analysis of the Outcomes of the 2012 Base Plan and accompanying workbook “Outcomes Analysis.xlsx”	M, Starkey, G. Cross, TransLink	July 6, 2011
Workbook: U-Pass for 2012 Base Plan	TransLink	July 8, 2011
Memo: 2012 Base Plan – Fuel Consumption Forecast Review	K. Lownsbrough, L. Srivastava, TransLink	July 8, 2011
Workbook: 2012-2014 Capital Program.xlsx	TransLink	July 8, 2011
2012 Base Plan Financial Model	TransLink	July 29, 2011
Workbook: Capital Plan Spending re: 2010 Capital Program as at Jun 30, 2011	C. Dacre, TransLink	August 4, 2011
Memo: Response to Commissioner Request 2 – 2012 Base Plan version 2	G. Cross, TransLink	August 9, 2011
2012 Supplement Plan DRAFT	T. Raad, TransLink	August 11, 2011
Memo and Workbook: Response to Commissioner Request 3 2012 Base Plan and Supplement	T. Raad, TransLink	August 11, 2011
Workbook with Smart Card Capital Spending Amounts	T. Shaver, TransLink	August 17, 2011
Memo: Response to Commissioner Request 2 – 2012 Base Plan Part 2 – Capital Plan	G. Cross, TransLink	August 18, 2011
Paper: 2011 & 2010 YTD (June) Boardings, Revenue Passengers by Mode	G. Cross, TransLink	August 25, 2011
Workbook: Capital Cash Flows Comparison by Plan for Commissioner	G. Cross, TransLink	August 25, 2011