

Capital Regional District

Transit Governance Review

Report

February 20, 2013





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February 20, 2013

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Dear Ms. Misek-Evans:

TRANSIT GOVERNANCE REVIEW

We are pleased to submit our report on the above project, and wish to take this opportunity to acknowledge and thank you and your colleagues, Messrs Lapham and MacPhail, for your contributions and support.

During the course of the project we consulted with several CRD Board members, and senior management of BC Transit and the Ministry of Transportation and Infrastructure. The individuals are identified in Appendix B of the report. We also wish to acknowledge these persons for their cooperation and assistance.

Thank you for giving us the opportunity to work on this most interesting assignment.

Sincerely,

IBI GROUP

A handwritten signature in blue ink, appearing to read "Brian Hollingworth".

Brian Hollingworth
Director

A handwritten signature in blue ink, appearing to read "Marvin Rubinstein".

Marvin Rubinstein
Associate

Enc.

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Executive Summary

At a meeting on November 21, 2012 the CRD Transportation Select Committee (TSC) decided that the CRD Board should re-affirm its resolution of June 15, 2011 seeking to replace the VRTC as the transit authority for the region. In conjunction with this decision TSC directed CRD staff to investigate how the governance arrangement would function with the CRD Board serving as the transit authority. CRD staff retained IBI Group to assist with this work.

Challenges associated with the current transit governance structure are discussed in Section 4 of the report. Based on our review of available documentation and stakeholder consultations we have identified the following to be the principal governance change objectives:

- CRD Board to assume leadership and authority for regional transit decision-making
- Enhance responsiveness and accountability to local governments
- Establish strong partnership (with BC Transit) for transit planning and operational delivery
- Contribute to transit decision-making that is expedient and transparent
- Impart CRD Board with authority to manage transit funding and raise transit capital.

Section 5 of the report investigates three (3) alternative governance arrangements that potentially could satisfy these change objectives. They are:

1. CRD Board to replace VRTC
2. CRD Board, by way of a bylaw, to establish a Regional Transit Commission to replace VRTC
3. CRD Board, by way of an approved terms of reference, to establish a Regional Transit Committee (a standing committee) to replace VRTC

The following features are common to all of the governance options. BC Transit would continue to serve as delivery agent / operator of the VRTC transit system in the Greater Victoria region, whereas, CRD supported by in-house technical and professional resources, would:

- Provide independent financial and managerial services, planning and evaluation, and advice relative to the regional transit system.
- Establish / annually review performance standards, local / regional transit service plans and fares in consultation with local government decision makers, BC Transit and stakeholders.
- Formalize the above decisions / directions in annual tri-party operating agreements.
- Provide direction respecting the above decisions / directions to BC Transit.
- Independently review and evaluate BC Transit's analysis of operational and capital improvement requirements, making decisions and recommendations as appropriate.
- Raise the local share of the annual cost of transit services in the Greater Victoria region. This would be done in a manner generally similar to the process, which BC Transit currently administers on behalf of the VRTC.
- Assume leadership and authority for transit planning decisions affecting the Greater Victoria region. This would include authority to set transit priorities, make transit investment decisions, manage transit funding and serve as advocate to raise transit capital.

Among the alternatives considered, Option 3 "CRD Regional Transit Committee to Replace VRTC" comes closest to meeting all of the intended governance change objectives. Assessment details are set out in Section 5.4 of the report. We recommend this option to TSC as the preferred alternative.

1. Background

The Capital Regional District (CRD) is the regional government for 13 municipalities and 3 electoral areas that are located on the southern tip of Vancouver Island. The urban centre of the CRD is the City of Victoria, and the regional district also includes many of the Gulf Islands, a number of rural municipalities and a vast tract of wilderness that lies along the south-western coast of Vancouver Island.

In addition, the CRD is the local government for areas which are not in a municipality. These areas are known as electoral areas.

The CRD resident population is estimated to be approximately 375,000 persons.

The CRD is generally recognized by its policy making role in relation to regional authorities and services that it provides. These include:

- Regional governance and services for the entire Capital Region, including regional parks, regional planning, solid waste management (including recycling) and emergency 9-1-1 services.¹ These services are provided either directly or by way of corporations such as Capital Region Emergency Services Telecommunications (CREST) and the Capital Regional Housing Corporation (CRHC).
- Partnerships between any combination of municipalities and electoral areas for municipal / inter-municipal services or projects that are specific to only part of the region.
- Local (individual) services for electoral areas.

The CRD derives authority from Letters Patent and from provincial legislation, primarily the *Local Government Act*. It is run by a 24-member Board of Directors, who also sit as members of the Regional Hospital Board.

The Board is made up of Municipal Directors (who are appointed by council) and Directors from the Electoral Areas (who are elected for a three year term). The Board provides a political forum for representation of regional residents and communities and a vehicle for advancing the interests of the region as a whole. Board meetings are held once a month, and to ensure transparency and accountability they are open to the public.

Representation on the CRD Board balances the need to reflect varying population bases across the region with different community interests. Each local government gets one vote for every 5,000 population. Each local government gets one director for every 25,000 population. If a member municipality has more than one director, then the number of votes are divided as evenly as possible.

CAPITAL REGIONAL DISTRICT

Municipalities

- Central Saanich
- Colwood
- Esquimalt
- Highlands
- Langford
- Metchosin
- North Saanich
- Oak Bay
- Saanich
- Sidney
- Sooke
- Victoria
- View Royal

Electoral Areas

- Juan de Fuca
- Southern Gulf Islands
- Salt Spring Island

¹ Land use planning in Gulf Islands is done by Island Planning Trust.

2. Introduction

At a meeting held on June 15, 2011, the Capital Regional District (CRD) Board passed the following resolutions asking the Minister responsible for the *BC Transit Act* and the Minister responsible for the *Local Government Act* to bestow the CRD Board with authority for public transit services in the Greater Victoria region.²

1. *The minister responsible for the British Columbia Transit Act be requested to consider amendments to that Act as are necessary to constitute the members of the CRD Board representing the Greater Victoria regional transit service area, as elected or appointed from time to time, as the Regional Transit commission in place of the current members of the commission;*
2. *The minister responsible for the Local Government Act, and the minister responsible for the British Columbia Transit Act, be requested to consider the grant to the CRD of the additional transit-related powers referred to in Appendix 6 to the CRD staff report dated June 15, 2011, whether by legislative amendment or the grant of additional powers by regulation.*³

Authority for public transit services in the Greater Victoria region is currently vested with the Victoria Regional Transit Commission (VRTC). These resolutions, once approved, would transfer this authority to the CRD Board and the VRTC would be disbanded. As discussed further in this document, neither of these resolutions would discharge BC Transit of its role as transit services operator / delivery agent.

In support of these resolutions the CRD Board established a Regional Transportation Select Committee to examine how the current transportation and public transit governance and funding arrangements in the region should be changed to facilitate a greater role for the region in transportation planning and investment decisions.

On March 15, 2012, in response to concerns from several local governments, the Minister of Transportation and Infrastructure established an Independent Review Panel to review issues with respect to BC Transit, including operations and performance, governance, funding and local government consultation and communication processes. The Minister also directed the Review Panel to investigate the pros and cons of transferring the roles and responsibilities of the Victoria Regional Transit Commission to the Capital Regional District.

The Review Panel delivered its report to the Minister of Transportation and Infrastructure on August 1, 2012. The report confirmed that BC Transit provides first-rate, efficient and cost-effective transit services to the people of British Columbia; however, while the delivery of transit services works well, there is always room for improvement. In this, the report highlighted the need for stronger partnership and better communication around transportation planning and delivery.

In the matter of the governance structure for transit in the Capital regional District, the Review Panel report presented the pros and cons of the two options, either having the VRTC continue to manage the system or transferring the responsibilities of the Commission to the Capital Regional District. The report also included a third alternative, which the Review Panel felt may address some of the concerns associated with the current model. Specifically, the third alternative is to expand local government representation on the VRTC to 13 members (up from the current seven members).

² This action was taken as a result of a number of challenges associated with the current transit governance structure which, as described in Section 4 of this report, adversely impact the CRD's capability to deliver regional planning services throughout the Greater Victoria region. This includes the advancement of transit priorities of regional interest.

³ For the reader's convenience Appendix 6 of the staff report June 15, 2011 is appended as Appendix D of this report.

The BC Government's Response to the Review Panel report was issued in September 2012. In the matter of transit governance in Greater Victoria the BC Government Response stated the following:

"the Review Panel did not find consensus on transit governance in Greater Victoria, and instead, presented three options. The Government of British Columbia expects local governments in Greater Victoria will continue their discussion and is prepared to re-examine this issue once a consensus is reached".

The TSC considered the Review Panel options at a meeting on November 21, 2012 and decided in favour of the following preferred course of action: that the CRD Board should officially re-affirm its original resolution (of June 15, 2011) seeking to replace the VRTC as the transit authority for the region.

In preparation for this, the TSC directed CRD staff to undertake the following work intended to clarify how the preferred governance arrangement would function with the CRD Board serving as the transit authority:

- Review the VRTC governance structure including the existing commissioner responsibilities
- Investigate how these roles and responsibilities may be assumed by the CRD Board
- Investigate the roles and responsibilities that may be assumed by CRD staff
- Investigate the proposed relationships with BC Transit, MOTI and local governments, including the role that the CRD Board may play in securing requisite funding to advance regional transit priorities
- Investigate potential sub-structures by which the preferred governance arrangement may address community-based issues and interests.

IBI Group, which is working with CRD in the development of a Regional Transportation Plan, was retained to assist CRD staff with this work. The scope of work consisted of the following activities:

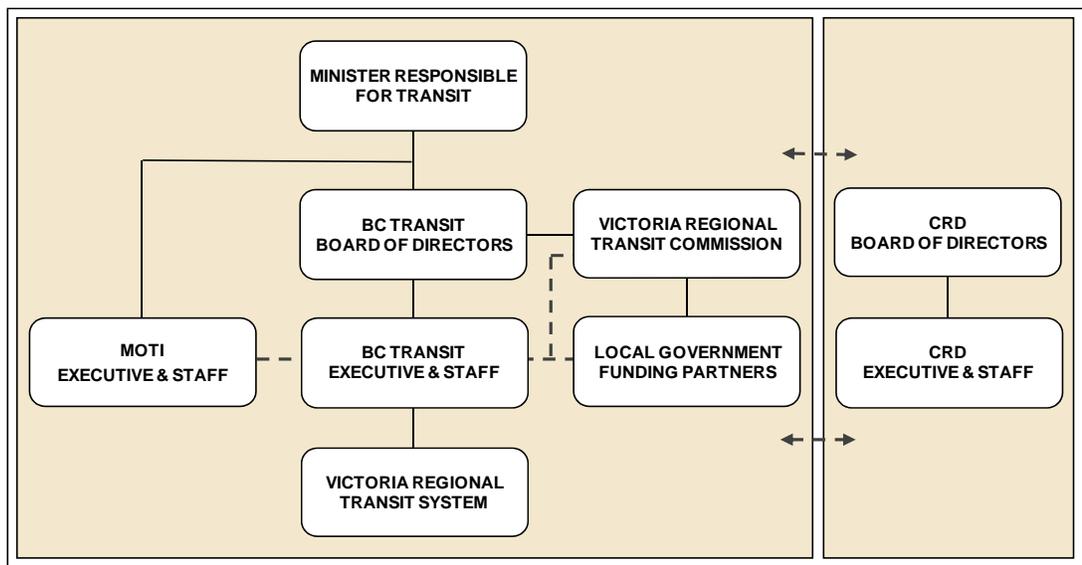
- Review previous research / available documents (see list contained in Appendix A)
- Stakeholder consultations (listed in Appendix B)
- Organize the assembled information
- Prepare a brief report.

3. Existing Transit Governance Structure in Greater Victoria

The existing transit governance structure in Greater Victoria is shown in Exhibit 3.1. The principal player is BC Transit, which operates within a governance framework involving the province by way of the Minister of Transportation and Infrastructure (MOTI) and the provincially established Victoria Regional Transit Commission (VRTC) representing the local government funding partners.

In the context of this governance framework, the CRD functions predominately as a community stakeholder in a consultative role. The existing governance arrangement is discussed further below.

Exhibit 3.1
Existing Transit Governance Structure in Greater Victoria



3.1 BC Transit

BC Transit is the provincial Crown Agency charged with the responsibility to coordinate the delivery of public transportation throughout British Columbia excluding the lower mainland (Greater Vancouver). Paraphrasing from Section 3.1 of the *British Columbia Transit Act*, the mandate of BC Transit is:

- “To plan, acquire, construct or cause to be constructed public passenger transportation systems and rail transit systems that support regional growth strategies, official community plans and the economic development of the transit service areas,
- To provide for the maintenance and operation of those systems, and
- With the approval of the Minister, to pursue commercial opportunities and undertake or enter into commercial ventures in respect of those systems and the authority’s [BC Transit’s] assets and resources”.

BC Transit may undertake the above on its own, or through subsidiaries incorporated by it or on its behalf.

BC Transit is governed by a provincially appointed Board of Directors consisting of seven (7) members. In conformance with the BC Transit Act, two of the members are municipally elected representatives from the provincially established Victoria Regional Transit Commission (VRTC) and two are municipally elected representatives from other municipalities served by BC Transit. The other three Board members are private individuals.

The province appoints a Chair of the Board from among the Directors. The Chair reports to the Minister of Transportation (who serves on behalf of the province).

BC Transit executive and staff manage the daily operations under the Board's stewardship, liaising periodically with MOTI and local government funding partners.

The transit service within the Capital Region District is officially known as the Victoria Regional Transit System (VRTS). BC Transit operates the service on behalf of the VRTC (the provincially appointed transit governance authority for the region). BC Transit also supplies the VRTC with information and planning, which the VRTC uses to make decisions about fares, routes and service levels.

In this regard, there are several issues. One is that the VRTC represents only 5 of the 13 member municipalities and 3 electoral areas, yet all local governments within the Greater Victoria region are financially obligated by the decisions arising from VRTC. Another is that the VRTC has no staff of its own and it relies on BC Transit staff for financial and managerial services, planning and evaluation, and advice. In this current arrangement, not only does BC Transit administrate the funding (received from the province, property taxes, etc) but there also is no third party to independently assess / validate the information or advice provided by BC Transit, or to ensure that local interests are adequately represented. These issues are discussed further in subsequent sections of this report.

In other parts of the province, BC Transit contracts service delivery to operating companies including local government, not-for-profits, and independent businesses. Services are formalized through a variety of service and operating agreements. BC Transit oversees the contracted operations to ensure that service delivery targets are achieved.

3.2 MOTI

On behalf of the BC Government, MOTI provides an annual provincial subsidy towards the cost of transit system operations in British Columbia. For conventional transit services in the Greater Victoria region the provincial subsidy for operations is about 31.5% of the total annual cost. For custom transit services it is 63%. BC Transit administrates these funds on behalf of the VRTC.

MOTI also provides provincial funding for transit infrastructure / network expansion. For such purposes, the amount of provincial funding is determined on a project-specific basis.

Under the BC Government's governance model for Crown agencies, a Crown Agency Board of Directors is accountable to Cabinet and the Legislative Assembly by way of a designated Minister Responsible. In the case of BC Transit this is the Minister of Transportation and Infrastructure.

The Deputy Minister, MOTI serves as the main advisor to the Minister, for this purpose relying on ministry executive and staff to liaise regularly with their counterparts at BC Transit, provide support as necessary, and monitor activities to ensure overall accountability. Accountability is defined in terms of the following principles that are set out in the BC Government's *Shareholder's Expectations Manual for British Columbia Crown Agencies*:

- Crown Agencies are instruments of public policy as mandated by Cabinet and the Legislative Assembly. The Province is the primary shareholder.

- The Minister Responsible is accountable for ensuring that Cabinet's direction is provided to a Crown Agency (e.g., by way of annual Shareholder's letters of Expectations or Directives). Crown Agency Boards are stewards accountable for managing the corporation within the guidelines established by Government.
- While they are operationally autonomous, Crown Agencies must adhere to uniform standards of conduct established by Government.
- Reporting and accountability relationships are assured by way of such items as annual Service Plans and Financial Reports.
- Government's accountability regime for Crown Agencies is designed in a manner that is efficient for Crown Agencies and supports their superior performance.
- Crown Agencies are given the authorities required to deliver their mandate. Cabinet and/or Ministers Responsible typically will appoint the majority, or all, of the members of a Crown Agency Board, using a 'skills matrix' to support merit-base appointments.
- Ministers Responsible for Crown Agencies rely on a "no surprises" commitment on the part of Crown Agencies entailing open communications, full and timely information sharing and mutual support and cooperation between Ministry and Crown Agency staff.

3.3 VRTC

The Victoria Regional Transit Commission (VRTC) was established by the province to represent the Greater Victoria region in the matter of public transit services. Its membership, as defined by Section 25 (7) of the BC Transit Act, consists of the following 7 members who are appointed by the province:

- Mayor of Victoria
- A Victoria councillor
- Mayor of Esquimalt or Oak Bay
- Mayor of Saanich
- A Saanich councilor
- One of the following: Mayor of Sidney, Mayor of North Saanich, or Mayor of Central Saanich
- One of the following: Mayor of Colwood, Mayor of Metchosin, Mayor of View Royal, Mayor of Langford, Mayor of the Highlands, Mayor of Sooke, or the electoral area director of the Juan de Fuca electoral area.

Listed below are the primary responsibilities of the VRTC, as set out under Sections 15 and 25 (12) of the *BC Transit Act*.

- In consultation with local municipal officials and the public, prepare plans, set fares and determine service and performance standards for each public passenger transportation system in the regional transit service area. The VRTC makes these decisions based predominately on information and planning provided by BC Transit, including the operating and capital budgets set by BC Transit.
- Review and make recommendations to BC Transit respecting the budget of the Commission and the annual operating and capital budgets for each public passenger transportation system in the regional transit service area;
- Raise the local share of the annual cost of transit services in the Greater Victoria region. In this regard, the Commission is required annually to prescribe a tax on the net taxable value of land and improvements in the regional transit service area, and an applicable rate, and to transmit

this information to each of the constituent municipalities. The municipalities are required to collect the taxes and forward the monies to BC Transit.

The above notwithstanding, in accordance with Sections 8 (1) (g) and 12 of the BC Transit Act, it is BC Transit that sets the annual operating and capital budgets for the Greater Victoria regional transit service area after consultation with the Commission and the constituent municipalities.⁴ It does so taking into account the annual operating costs of public passenger transportation services, the amounts required to amortize capital expenditures, and its internal operating costs to support the activities of the Commission.

This is consistent with Section 25 (2) of the BC Transit Act, whereby BC Transit is required to provide the Commission with clerical and technical employees that will enable the Commission '*to carry out its purposes and objects*'.

⁴ In this regard, IBI Group is advised that the CRD is not always fully consulted, thus adversely impacting the CRD's capability to deliver the services for which it is responsible. Further, given the composition of the VRTC, all of the local governments within the Greater Victoria region may also not be fully consulted.

4. Transit Governance Challenges and Change Objectives

Challenges associated with the current transit governance structure are discussed below. The discussion is organized under the following five (5) headings which we have interpreted (based on our literature review and stakeholder consultations) to be the principal change objectives:

- Leadership and authority for regional transit decision-making
- Responsiveness and accountability to local governments
- Strong partnership for transit planning and operational delivery
- Transit decision-making that is expedient and transparent
- Authority to manage transit funding and raise transit capital.

4.1 Leadership and Authority for Regional Transit Decision-Making

The Capital Regional District (CRD) is responsible for regional planning services for the entire Capital Region, including the advancement of transit priorities of regional interest.⁵ This notwithstanding, in the context of the existing transit governance framework, the CRD functions predominately as a community stakeholder relying on strategic planning initiatives, consultation, collaboration and goodwill to achieve such objectives.

The CRD Board Strategic Plan, the Regional Growth Strategy, Regional Sustainability Strategy and Regional Transportation Plan (currently in development) are examples of strategic planning studies undertaken by the CRD. These planning studies, and numerous others, have repeatedly identified a critical need to integrate transit planning, funding and service prioritization in the capital regional district with land use decisions and decisions concerning other transportation modes.

Listed below are a number of the arguments in support of these regional sustainability goals, as derived from the previous planning studies:

- Without integrated decision-making, future major investments may not reflect regional or local planning priorities as may have been established by the CRD Board, member municipalities or electoral areas.
- A fragmented approach to transit, transportation and related land use decision-making and investment in the capital regional district could result in unintended consequences that may not be easily rectified (e.g., dispersed population and employment growth which may be difficult to sustain, increased traffic congestion, longer commutes/travel times, etc).
- The ability to access senior level government funding for transit in the capital regional district will increasingly depend on provision of matching funds, partnership agreements and demonstration of planning decisions that are reinforced in regional policy objectives that align with senior government priorities (vis-à-vis growth, economic sustainability, etc).

The above notwithstanding, and despite a general desire for change (by the CRD Board, member municipalities and electoral areas), current governance arrangements for transit, transportation and land use in the capital regional district are such that no one agency has direct authority for funding or investment decisions or to comprehensively address and advance these regional goals.

To this end, the CRD Board has repeatedly promoted a change in governance that would impart the CRD with leadership and authority for transit and transportation decisions affecting the region, and decisions concerning land use adjacent to major transit / transportation corridors. In the area of

⁵ Land use planning in Gulf Islands is done by Island Planning Trust.

regional transit, this would include authority to set transit priorities, make transit investment decisions, manage transit funding and raise transit capital.

Since CRD already has responsibility for regional governance and services, and since it already participates with higher level governments and agencies on major investments and capital planning on a variety of items (other than transit), CRD is well positioned to assume leadership and authority for transit investment decision-making.

4.2 Responsiveness and Accountability to Local Governments

“With the growth and change in the region as a whole, it is time to move to a new model for planning, funding and governing regional transit to enhance responsiveness and accountability to local governments”. This is a key message contained in the CRD’s submission to the BC Transit Independent Review Panel. It also is an opinion that was voiced repeatedly during our CRD stakeholder consultations.

In this, the issue is the makeup of the VRTC, which CRD stakeholder’s point out is not representative of the entire capital regional district. The VRTC consists of 7 elected officials representing only 5 of the 13 member municipalities and 3 electoral areas. The problem stems from the *BC Transit Act*, which establishes the VRTC as the transit oversight authority for the Greater Victoria region and also rigorously defines the membership.

For municipalities that are not members of VRTC the situation is described as being akin to “local taxation without representation”, meaning that they may not be fully consulted but are nevertheless financially obligated by the decisions arising from VRTC.

The situation is also described as being uncomfortable for VRTC officials i.e., having to make transit decisions that potentially may have significant capital implications to municipalities that are not present during the deliberations. As a result of this situation, we are advised that VRTC deliberations / decisions involving major capital are frequently drawn out for extended periods.

The proposed change in transit governance is to transfer the VRTC’s authority to the CRD, which by virtue of its Board of Directors representing all of the member municipalities and electoral areas (and the weighted representative decision making model that it uses), would be more representative and equitable than the current VRTC structure.

A related issue is that VRTC decisions are made entirely based on information and advice provided by BC Transit. VRTC has no staff of its own to independently assess / validate BC Transit’s advice or to ensure that local interests are adequately represented. Further, BC Transit, not the VRTC consults with local municipalities on specific transit facilities. In this, the BC Transit Board is authorized to act independently with respect to the acquisition of land within a municipality and may not consult the VRTC or the municipality.

The CRD has the capacity and experience to provide independent financial, managerial and planning advice in support of local decision makers. By transferring the transit governance authority to CRD, local governments would benefit from CRD’s in-house technical and professional resources who would assume such responsibilities on their behalf.

Since CRD is already legislatively enabled to establish services, regularly defines service levels and expectations as part of its core function (in matters other than transit) and has extensive planning experience in transit, transportation and land use, one may readily conclude that CRD has the necessary credentials to assume VRTC’s role in Regional transit.

4.3 Strong Partnership for Transit Planning and Operational Delivery

The BC Transit Independent Review Panel confirmed that BC Transit provides first-rate, efficient and cost-effective transit services to the people of British Columbia. However, while the delivery of transit services works well, the Review Panel also identified a need for stronger partnership and better communication around transportation planning and delivery.

From this, one may readily conclude that despite best efforts to the contrary, BC Transit's decisions may not always align with regional / municipal stakeholder interests (e.g., regional / municipal plans to integrate land use and transportation), particularly if such interests conflict with / adversely affect transit delivery costs or operational performance.

Given the current legislation, under the *BC Transit Act*, these findings are not unexpected. Conflicting objectives are unavoidable and by legislation, BC Transit is required to make / balance decisions based on a range of fiduciary, economic and operational considerations.

The proposed change in transit governance will not eliminate conflicting objectives. There will continue to be occasions where regional / municipal stakeholder interests will conflict with those of BC Transit, as they relate to transit delivery costs or operational performance. What the proposed governance change is intended to achieve is better delineation of decision-making responsibilities wherein, by way of CRD, regional / municipal stakeholders would have a stronger influence on planning decisions pertaining to service levels, costs, fares, etc.

More specifically, the proposed governance change is intended to achieve a stronger partnership for transit planning and operational delivery that more appropriately reflects regional / municipal stakeholder interests.

In this, the proposed change is envisaged to be a 'value added' change. It is not envisaged to be a 'wholesale' reconfiguration of the existing governance arrangement for transit delivery. Building on the first-rate, efficient and cost-effective transit services which BC Transit provides, BC Transit would continue to:

- Function as a Crown Agency accountable to the Minister responsible for Transit by way of a provincial *Shareholder Letter*, and also
- Serve as delivery agent / operator of the VRTS transit system in the Greater Victoria region. In this regard,
 - Delivering the services in accordance to performance standards, local / regional transit service plans and fares that would be established / reviewed annually in consultation with CRD, and formalized by way of an annual tri-party operating agreement ⁶
 - Periodically providing operational and capital improvement analysis and recommendations, for independent review and evaluation by CRD in consultation with local governments and stakeholders
 - Bearing full responsibility for the day-to-day VRTS operations.

⁶ A practice adopted by BC Transit for municipalities outside of the Greater Victoria region. In the case of the Greater Victoria region the parties to the agreement(s) would include BC Transit, CRD and the individual local governments.

In this new governance arrangement the CRD, supported by in-house technical and professional resources, would assume the following responsibilities on behalf of regional / municipal interests:

- CRD would provide independent financial and managerial services, planning and evaluation, and advice relative to the regional transit system.
- CRD would establish / annually review performance standards, local / regional transit service plans and fares in consultation with local government decision makers, BC Transit and stakeholders.⁷
- CRD would formalize the above decisions / directions in annual tri-party operating agreements.
- CRD would provide direction respecting the above decisions / directions to BC Transit.
- CRD would independently review and evaluate BC Transit's analysis of operational and capital improvement requirements, making decisions and recommendations as appropriate.
- CRD would raise the local share of the annual cost of transit services in the Greater Victoria region. This would be done in a manner generally similar to the current process, which BC Transit administers on behalf of the VRTC i.e., by annually prescribing a tax and an applicable rate on the net taxable value of land and improvements in the regional transit service area, and once the money is collected by local governments, by distributing the monies received to BC Transit.
- CRD would assume leadership and authority for transit planning decisions affecting the Greater Victoria region. This would include authority to set transit priorities, make transit investment decisions, manage transit funding and serve as advocate to raise transit capital (as further discussed below in Section 4.5).

4.4 Transit Decision-Making that is Expedient and Transparent

The VRTC consists of 7 elected officials representing only 5 of the 13 member municipalities and 3 electoral areas. VRTC decisions are based on information and advice provided by BC Transit. VRTC has no staff of its own to independently assess / validate BC Transit's advice or to ensure that local interests are adequately represented. Also, there is no service agreement(s) setting out local / regional service expectations within the Greater Victoria region.⁸

For these reasons and others, the current VRTC governance arrangement is not considered to be either expedient or transparent.

The proposed change in transit governance is to transfer the VRTC's authority to the CRD, which by virtue of its Board of Directors representing all of the member municipalities and electoral areas (and the weighted representative decision making model that it uses), would be more representative and equitable – and transparent - than the current VRTC structure.

The size of the CRD Board, consisting of 24 members, may be seen as a potential drawback to the proposed governance arrangement (i.e., it may be considered to be more cumbersome than VRTC which consists of only 7 members). To address this concern the Board could delegate the regional transit responsibility to a commission or standing committee consisting of fewer members and still maintain region-wide representation. Such options are examined in Section 5.3 of this report.

⁷ Functions that currently are performed by BC Transit on behalf of the responsible party (i.e., VRTC).

⁸ Whereas, outside the Greater Victoria region, municipalities have individual operating agreements defining service expectations of BC Transit.

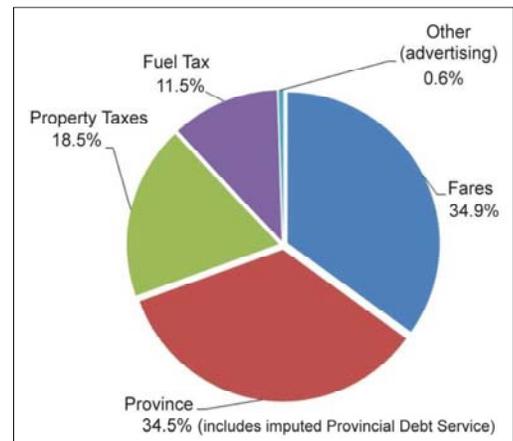
4.5 Authority to Manage Transit Funding and Raise Transit Capital

Authority to manage transit funding is arguably one of the strongest mechanisms by which a governmental agency may exercise influence and control over transit investment decision-making. Under the proposed governance change, authority for transit planning decisions affecting the Greater Victoria region would be assumed by the CRD. This would include authority to set transit priorities, make transit investment decisions, manage transit funding and raise transit capital.

By way of background, operating funds for the Victoria Regional Transit System come from the following sources: fare box revenue, advertisement, provincial subsidy, property tax and provincial fuel tax.

- Fare box revenue and advertisement: This money is raised or collected directly by BC Transit. Under the proposed governance arrangement this would not change.
- Provincial subsidy: As prescribed by the *BC Transit Act*, for systems operating in the Greater Victoria region the BC Government provides an annual provincial subsidy that is intended to cover a share of the annual transit operating cost, including the imputed capital debt service expenditure.⁹ For conventional transit services, the provincial subsidy for transit operations is about 31.5% of the total annual cost. For custom transit services it is 63%. BC Transit administers these funds on behalf of the VRTC. Under the proposed governance arrangement the CRD would administer and manage these funds.
- Property tax: Under the current governance arrangement VRTC is responsible to raise the local share of the annual cost of transit services in the VRTS service area.¹⁰ This includes annually prescribing a tax and an applicable rate on the net taxable value of land and improvements in the regional transit service area, and to administer the monies received. Since VRTC does not have staff resources, the process is administered on their behalf by BC Transit. Under the proposed governance arrangement the CRD would administer the process and manage the funds.
- Provincial fuel tax: Under the *BC Motor Fuel Tax Act*, VRTC is eligible for the money generated by way of a 3.5 cents per litre provincial fuel tax applied at point of sale (i.e., gas station pump) within the VRTS service area.¹¹ Since VRTC does not have staff resources, the fuel tax collection process is administered on their behalf by BC Transit. Under the proposed governance arrangement the CRD would administer the process and manage the funds.

Exhibit 4.1
VRTS Funding Sources



Source: "Regional Transit Local Funding Options - Technical Report", Victoria Transport Policy Institute, August 2012. The percentages shown are blended values based on the total funding for conventional and custom transit, for fiscal year 2010/11.

⁹ Unlike the Metro Vancouver area where the province contributes only to transit capital (not transit operating).

¹⁰ The VRTS service area differs slightly from the Greater Victoria region for which the CRD is responsible. Smaller in size, it is defined to include all incorporated municipalities in the CRD and that portion of the Juan de Fuca electoral area outside of Malahat and Renfrew Land districts. The VRTS service area also does not include Salt Spring Island which has a separate transit service arrangement. VRTC's ability to annually prescribe a tax and applicable rate for transit is restricted to the VRTS service area. It does not extend throughout the entirety of the CRD. The collection of provincial fuel tax monies is similarly restricted to the VRTS service area.

¹¹ Refer to Section 12.1 of the Act.

Senior level governments periodically introduce special funding programs to promote one or another public policy initiative (i.e., to promote a healthier urban environment through higher order transit initiatives, transit / land use intensification, etc). Access to such funding programs is typically by way of merit-based application processes.

It is generally acknowledged that the capital regional district's ability to access senior level government funding for both transit operations and capital (e.g., federal gas tax monies) will increasingly depend on provision of matching funds, partnership agreements and demonstration of planning decisions that are reinforced in regional policy objectives that align with senior government priorities (vis-à-vis growth, economic sustainability, etc). Given CRD's experience working with the Health Authority and other agencies, serving as an advocate for senior level government funding is an area in which the CRD is well suited to play a meaningful role.¹²

Similarly, for priority investment decisions, the CRD could well serve as advocate in direct negotiations with the province for additional transit capital.

¹² The federal gas tax program serves as an additional funding source for transportation (and transit) capital initiatives in the region. The monies are intended solely for capital initiatives. They may not be used to supplement operations budgets. The amount of money directed to the region is based on a per capita allocation. According to terms set out in the Gas Tax agreement for BC, 25% of the total regional allocation goes directly to CRD, 50% goes directly to local governments and the remaining 25% is awarded to local governments based on a merit-based application process. Under the proposed governance arrangement the CRD would administrate the entire gas tax allocation to the region (i.e., an arrangement similar to that of Translink in Metro Vancouver).

5. Alternative Transit Governance Arrangements

This section of the report discusses three (3) alternative governance arrangements that potentially could meet some or all of the change objectives set out previously in Section 4. They are:

- Option 1: CRD Board to replace VRTC
- Option 2: CRD Regional Transit Commission to replace VRTC
- Option 3: CRD Regional Transit Committee to replace VRTC

5.1 Definitions

The terms “Board”, “Commission” and “Committee” are defined by Capital Regional District Bylaw No. 3828, November 2012. Roles pertaining to Commissions and Committees are set out in Part 4, Sections 26 to 34 of the Bylaw. For the reader’s convenience these sections are appended to this report as Appendix F.

As described in the bylaw, “Board” means the governing and executive body of the CRD, whereas “Commission” and “Committee” mean the following.

5.1.1 Commission

"Commission" means a commission, local service committee or service committee established by the Board under section 176(1) (g) of the *Local Government Act*. Commission features of particular relevance to this investigation are discussed below:

- Commission must be established by a bylaw
- Commission representation is defined by the bylaw. Members may include Board members, local officials who are not Board members and private citizens
- The ‘purpose’ of the Commission is defined by the bylaw, as are the services that the CRD Board expects the Commission to perform
- Board delegates authority for decision-making in respect of the ‘purpose’ to the Commission. Thereafter, the Commission operates “at arms length” from the Board (i.e., Commission does not require Board approval for its decisions)
- The above notwithstanding, Commissions are required to prepare and submit an annual budget for the approval of the Regional Board. The annual budget is to be fully comprehensive and include estimates for administration, development, maintenance, operations, expenses (including debt charges) and expected revenues.

The Regional Water Supply Commission, established by way of Bylaw No. 2539 (and amended by Bylaw No. 3371), is an example of such a governance arrangement.

The CRD Board created the Water Supply Commission to manage the water supply function. The Water Supply Commission’s responsibilities extend across the full spectrum of water supply, including the provision of high quality water, conservation, and stewardship in conjunction with local governments and other stakeholders over the water supply catchment area. In these matters the Board has delegated authority for decision-making to the Water Supply Commission, and the Commission operates “at arms length” from the Board; albeit, the Commission must operate within the annual operating budget approved by the Board.

Representation on the Water Supply Commission is defined by the establishing bylaw. In this instance representation is based on population (each municipality appointing members of Council equivalent to the number of council members that the municipality has on the Regional Board plus a director for the participating electoral area) and decisions are made by way of a weighted voting process on the same basis as for the CRD Board.

5.1.2 Committee

“Committee” means a standing, advisory, select or other committee of the Board, but does not include a Committee of the Whole Board, a local service committee or a service committee. In this regard, features of particular relevance to this investigation are discussed below:

- The Board does not require a bylaw to establish a Committee. The Board would simply approve a terms of reference (and resolution) setting out the Committee’s mandate.
- The nature of a Committee, whether standing, advisory or select, is defined primarily by its mandate:
 - Standing Committee’s mandate relates to a CRD service or potential service.
 - Advisory Committee’s mandate is to provide advice and recommendations to the Board (or to a Standing Committee of the Board) on a specific matter or resolution.
 - Select Committee’s mandate is to consider or inquire into a specific issue referred to it by the Board. A Select Committee will cease to exist once it has reported its findings.
- IBI Group’s use of the term Committee in the context of this investigation is intended to mean a Standing Committee. Only Board Members may be appointed to a Standing Committee.
- The general duties of a Standing Committee are: to consider matters referred by the Board, to carry out the instructions of the Board and to present findings and recommendations for the Board’s consideration and approval. In this regard, the Standing Committee will report to the Board from time to time, or as otherwise required.
- Unlike a Commission, a Standing Committee may not operate autonomously. Committee findings and recommendations must go to the Board for approval.
- A Standing Committee may establish and refer specific matters or resolutions to an Advisory Committee for advice and recommendations.
- One reason a Standing Committee may establish an Advisory Committee is to bring requisite expertise to an issue. Another is to ensure that an issue / priority to a particular community is appropriately attended.
- While the rules concerning Standing Committee representation are stringent (i.e., only Board Members may be appointed), those pertaining to an Advisory Committee are much more flexible. An Advisory Committee must include at least one (1) member of the CRD Board. That aside, persons who are not Board members may be appointed to an Advisory Committee. This could include local officials who are not Board members and private citizens.

5.2 Features Common to All Options

BC Transit would continue:

- Function as a Crown Agency accountable to the Minister responsible for Transit by way of a provincial *Shareholder Letter*, and also
- Serve as delivery agent / operator of the VRTS transit system in the Greater Victoria region. In this regard,
 - Delivering the services in accordance to performance standards, local / regional transit service plans and fares that would be established / reviewed annually in consultation with CRD, and formalized by way of an annual tri-party operating agreement
 - Periodically providing operational and capital improvement analysis and recommendations, for independent review and evaluation by CRD in consultation with local governments and stakeholders
 - Bearing full responsibility for the day-to-day VRTS operations.

CRD, supported by in-house technical and professional resources, would assume the following responsibilities on behalf of regional / municipal interests:

- CRD would provide independent financial and managerial services, planning and evaluation, and advice relative to the regional transit system.
- CRD would establish / annually review performance standards, local / regional transit service plans and fares in consultation with local government decision makers, BC Transit and stakeholders.
- CRD would formalize the above decisions / directions in annual tri-party operating agreements.
- CRD would provide direction respecting the above decisions / directions to BC Transit.
- CRD would independently review and evaluate BC Transit's analysis of operational and capital improvement requirements, making decisions and recommendations as appropriate.
- CRD would raise the local share of the annual cost of transit services in the Greater Victoria region. This would be done in a manner generally similar to the process, which BC Transit currently administrates on behalf of the VRTC, albeit the CRD would assume the responsibility for administration.
- CRD would assume leadership and authority for transit planning decisions affecting the Greater Victoria region. This would include authority to set transit priorities, make transit investment decisions, manage transit funding and serve as advocate to raise transit capital.

5.3 Alternative Transit Governance Arrangements

5.3.1 Option 1: CRD Board to Replace VRTC

In this option (shown in Exhibit 5.1) the 24-member CRD Board of Directors would replace and assume the authorities currently vested in VRTC.

Pro's

Strengths associated with this option include:

- Imparts in CRD Board, leadership and authority for regional transit decision-making
- Enhances responsiveness and accountability to local governments
- Results in a strong partnership (with BC Transit) for transit planning and operational delivery
- Imparts in CRD, authority to manage transit funding and raise transit capital.

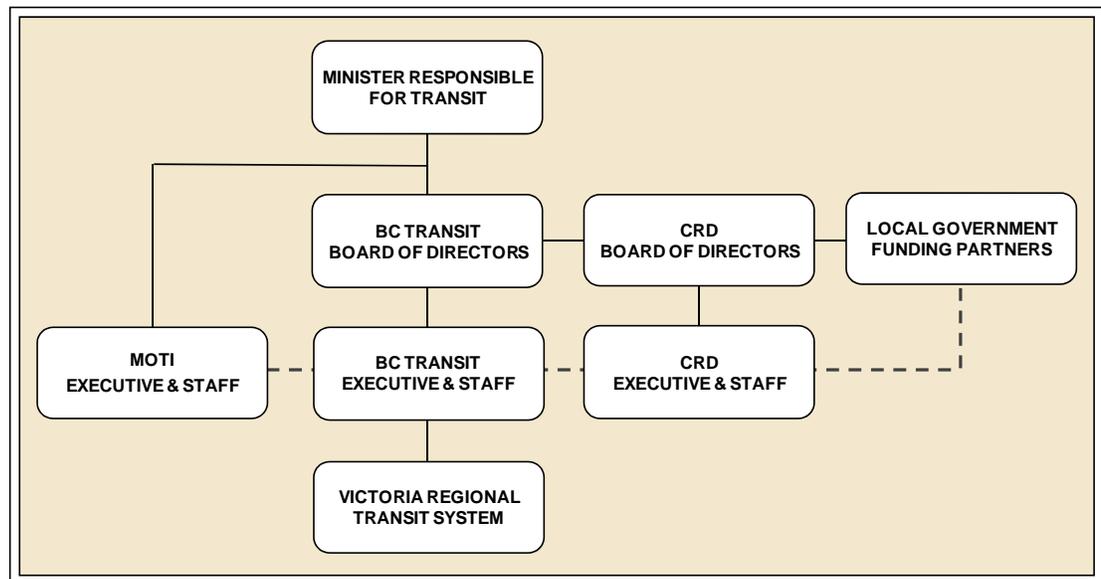
Further, by virtue of the CRD Board, which represents all of the member municipalities and electoral areas, this option would be more representative, equitable and transparent than the current VRTC structure (consisting of 7 members representing 5 municipalities).

Con's

A key challenge (weakness) associated with this option is the size of the CRD Board, which from a perspective of promoting expedient decision-making, may be more cumbersome than the current 7-member VRTC.

To address this concern the Board could delegate the regional transit responsibility to a commission or standing committee consisting of fewer members and still maintain region-wide representation. Such options are examined in Sections 5.3.2 and 5.3.3 of this report.

Exhibit 5.1
Option 1: CRD Board to Replace VRTC



5.3.2 Option 2: CRD Regional Transit Commission to Replace VRTC

In this option (shown in Exhibit 5.2) the CRD Board, by way of a bylaw, would establish and delegate the responsibility for regional transit decision-making to a “CRD Regional Transit Commission”.

The bylaw will define the ‘purpose’ of the Regional Transit Commission and the services that the CRD Board expects the Commission to perform. This, as discussed previously, would involve assuming leadership and authority for transit planning decisions affecting the Greater Victoria region, including authority to set transit priorities, make transit investment decisions, manage transit funding and serve as advocate to raise transit capital.

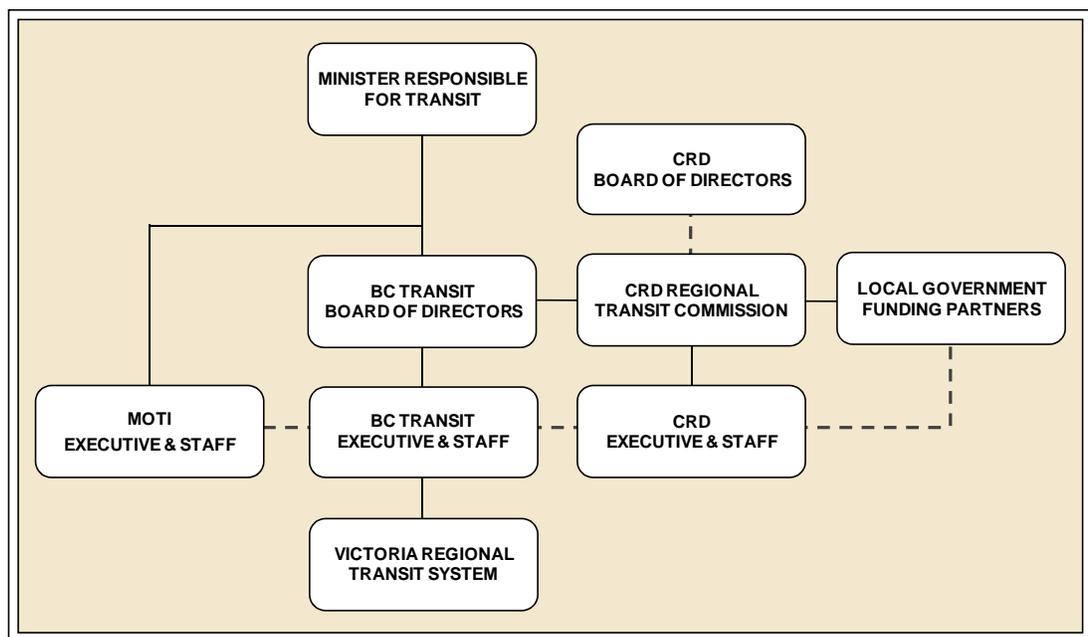
As in the Water Supply arrangement, the Board would delegate authority for decision-making in respect of Regional Transit to the Commission, and the Commission would operate “at arms length” from the Board.

The above notwithstanding, the Regional Transit Commission will be required to prepare and submit an annual budget (including all expenses and expected revenues) for the approval of the Regional Board.

The bylaw will define Regional Transit Commission representation. Members may include Board members, local officials who are not Board members and private citizens.

Representation on the Water Supply Commission is based on population and decisions are made by way of a weighted voting process on the same basis as for the CRD Board. The Regional Transit Commission could emulate this arrangement or alternatively, it could consist of fewer members – potentially only one representative from each of the 13 municipalities and a representative for the participating electoral areas, and the voting process may not be weighted.

Exhibit 5.2
Option 2: CRD Regional Transit Commission to Replace VRTC



In such matters, the Board's decisions (and bylaw) will come down to what the Board considers to be of greater priority, for example whether it be more important to ensure weighted representation, or to establish a lean organization capable of operating expediently, etc.

If the Board should choose to implement a lean Commission consisting of one representative from each participating municipality, then from the perspective of size and local government representation, this option would be similar to an alternative introduced by the BC Transit Independent Review Panel (wherein they suggested that perhaps VRTC should be expanded to 13 members). That aside, from a governance perspective the two models are distinctly different. This is discussed further in Section 5.4 of this report.

Pro's

Strengths associated with this option include:

- Imparts in a Regional Transit Commission, leadership and authority for regional transit decision-making
- Results in a strong partnership (with BC Transit) for transit planning and operational delivery
- Potential to establish a lean organizational structure (Commission) capable of operating expediently
- Despite the potential for a lean organizational structure, the Commission would represent all of the member municipalities and the electoral areas.

Con's

By definition, a decision to vest authority for transit decision-making to another body (i.e., a Commission established via a bylaw) would conflict with the CRD Board's stated change objective, which is to assume a more direct / active role for transit planning and funding decisions affecting the Greater Victoria region.

This option, which delegates regional transit decision-making to a Commission, may be viewed as potentially defeating one of CRD's main objectives, which is to enhance responsiveness and accountability to local governments since, from a transit perspective, local governments would be required to deal with the Commission (a separate body) in lieu of the CRD Board.

While a lean Commission structure, potentially consisting of one representative from each participating municipality and a voting process that is not weighted, may operate expediently it may not properly reflect the variance in transit interests and priorities among local governments in the region. For this reason it has been suggested that representation and weighted voting based on population (on the same basis as for the CRD Board) would be more appropriate.

5.3.3 Option 3: CRD Regional Transit Committee to Replace VRTC (Preferred)

In this option (shown in Exhibit 5.3) the CRD Board, by way of an approved terms of reference, would establish a standing committee of the Board to be known as the “CRD Regional Transit Committee”.

The terms of reference would define the Regional Transit Committee’s mandate, which generally would be to carry out transit planning, to consider related matters referred by the Board (i.e., transit service, operations and finance), to carry out the instructions of the Board and to present findings and recommendations for the Board’s consideration and approval.

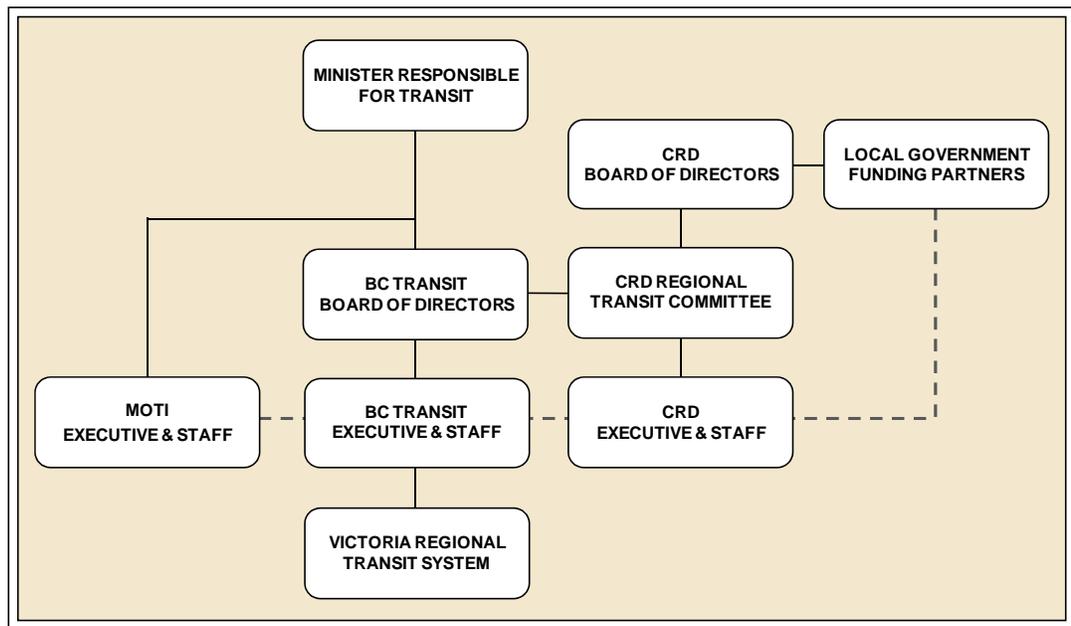
Unlike the Commission in Option 2, the Regional Transit Committee will not operate autonomously. The CRD Board of Directors will retain leadership and authority for transit planning and funding decisions affecting the Greater Victoria region, including setting transit priorities, making transit investment decisions, managing transit funding and serving as advocate to raise transit capital. These responsibilities would not be imparted to the Regional Transit Committee.

The Regional Transit Committee will develop findings and recommendations based on planning and evaluation. The recommendations will be presented to the Board for consideration and approval. In this regard, the Committee will report to the Board at scheduled intervals and as otherwise required.

In a sense one might characterize the Regional Transit Committee’s role as performing the heavy lifting on behalf of the CRD Board who will serve as the approval / decision-making authority.

By definition, only Board Members may be appointed to the Regional Transit Committee. That aside, by way of the terms of reference, it is the CRD Board that will decide on the size of the Committee.

Exhibit 5.3
Option 3: CRD Regional Transit Committee to Replace VRTC (preferred)



The Board may decide that Committee representation should be based on population (on the same basis as for the CRD Board), as this will ensure that transit interests and priorities among local governments in the region are appropriately reflected. Alternatively, in consideration of expediency

and transparency, the Board may decide to implement a leaner Committee construct. Regardless, the Regional Transit Committee will not be making decisions. That will be the Board's responsibility, and the Board's decision-making process will involve a weighted vote based on population.

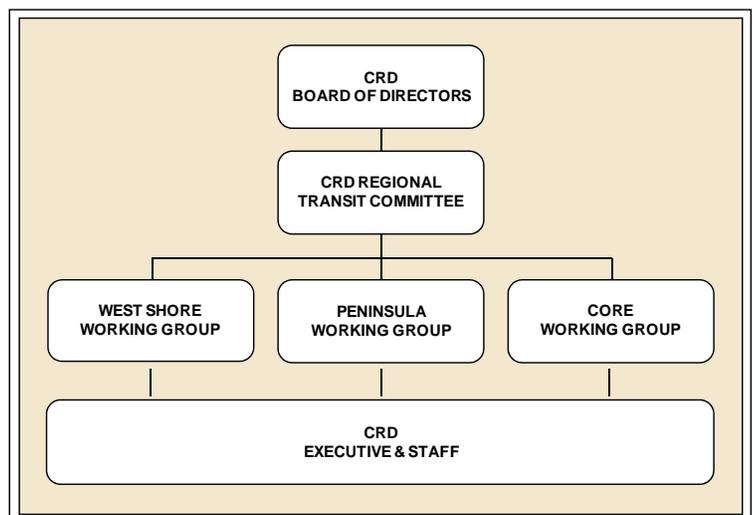
It has been suggested that the Regional Transit Committee might establish a working group (Advisory Committee) substructure, this for several reasons: to bring requisite expertise to an issue, to ensure that an issue / priority to a particular community is appropriately attended, and for reasons of expediency.

As discussed previously, such a substructure is permitted by CRD Bylaw No. 3828, which sets out the rules for CRD Commissions and Committees. Moreover, under the existing rules a Standing Committee (such as the proposed Regional Transit Committee) may offer Advisory Committee appointments to persons other than Board members, including other local officials and private citizens.

A potential sub-structure is shown in Exhibit 5.4. In this example, the working group sub-structure may be designed to include:

- Select members of the Board/ Committee who represent specific community transit interests,
- Other local officials who would participate at the invitation of the Committee, to ensure that local transit interests are appropriately attended, and
- CRD staff support.

Exhibit 5.4
Potential Working Group Substructure



Pro's

Strengths associated with this option include:

- Imparts in the CRD Board, leadership and authority for regional transit decision-making, including authority to manage transit funding and raise transit capital
- Having the CRD Board retain leadership and authority for regional transit decision-making will not only ensure accountability and transparency for decisions, it will also ensure responsiveness and accountability to local governments
- Weighted voting process used by the CRD Board will ensure that transit interests and priorities among local governments in the region are appropriately reflected
- Will result in a strong partnership (with BC Transit) for transit planning and operational delivery
- The Committee and working group substructure could serve expediently as the CRD Board's day-to-day instruments in matters pertaining to transit.

Con's

We are unable to identify any significant downside to this option.

5.4 Assessment Summary

Exhibit 5.6 (next page) presents a comparative assessment of the alternative options relative to the intended governance change objectives. For the reader's convenience, the assessment is extended to include the Status Quo (VRTC) governance arrangement for transit and the expanded VRTC governance arrangement that the BC Transit Independent Review Panel suggested as an additional alternative.

As depicted below by the Assessment Summary (Exhibit 5.5), among the alternatives considered Option 3 "CRD Regional Transit Committee to Replace VRTC" comes closest to meeting all of the intended governance change objectives.

Exhibit 5.5
Assessment Summary

Assessment Criteria	VRTC Options		CRD Options		
	Status Quo	Expanded VRTC (per Independent Review Panel)	1 CRD Board to Replace VRTC	2 CRD Regional Transit Commission to Replace VRTC	3 CRD Regional Transit Committee to Replace VRTC
1. Leadership and Authority for Regional Transit Decision-Making					
2. Responsiveness and Accountability to Local Governments					
3. Strong Partnership for Transit Planning and Operational Delivery					
4. Transit Decision-Making that is Expedient and Transparent					
5. Authority to Manage Transit Funding and Raise Transit Capital					

Does Not Meet Criterion						Fully Meets Criterion
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Exhibit 5.6
Comparative Assessment of Alternative Options

Assessment Criteria	VRTC Options		CRD Options		
	Status Quo	Expanded VRTC (per Independent Review Panel)	1 CRD Board to Replace VRTC	2 CRD Regional Transit Commission to Replace VRTC	3 CRD Regional Transit Committee to Replace VRTC
1. Leadership & Authority for Regional Transit Decision-Making	Authority rests with VRTC CRD serves as community stakeholder Fragmented approach to transit decision-making and investment	Authority rests with VRTC CRD serves as community stakeholder Fragmented approach to transit decision-making and investment	CRD Board assumes authority Integrated approach to transit decision-making and investment	CRD Commission assumes authority Potential disconnect with CRD Board Integrated approach to transit decision-making and investment	CRD Board assumes authority Decision-making is based on planning & evaluation by a Standing Committee Integrated approach to transit decision-making and investment
2. Responsiveness and Accountability to Local Governments	7 members (5 municipalities) Local governments are not always fully consulted	Expand to 13 members Local governments may not always be fully consulted 1 vote per municipality may not properly reflect local transit interests	All local governments would be represented Representation and weighted voting based on population (24 members)	Diminishes linkage between local governments and CRD Board Voting may range from 1 per municipality to population-based 1 vote per municipality may not properly reflect local transit interests	Committee and working group substructure could serve expediently as the Board's day-to-day instruments Representation and weighted voting based on population by CRD Board (24 members)
3. Strong Partnership for Transit Planning and Operational Delivery	BC Transit operates VRTS VRTC relies on BC Transit staff for planning and evaluation / no independent validation No service agreement(s) defining expectations	BC Transit to continue to operate VRTS & to provide planning and evaluation w/o independent validation No service agreement(s) defining expectations	BC Transit to continue to operate VRTS CRD staff to provide independent planning & evaluation Service agreement(s) to be established	BC Transit to continue to operate VRTS CRD staff to provide independent planning & evaluation Service agreement(s) to be established	BC Transit to continue to operate VRTS CRD staff to provide independent planning & evaluation Service agreement(s) to be established
4. Transit Decision-Making that is Expedient and Transparent	Local government interests are not fully represented No service agreements, no independent evaluation, etc	Conditions set out under status quo may continue	Transparency by way of weighted representation, independent evaluation & service agreements Size of CRD Board may be a potential drawback	Transparency via independent evaluation & service agreements 1 vote per municipality would reduce transparency / weighted representation may be cumbersome	Transparency by way of weighted representation, independent evaluation & service agreements Expediency by way of Committee & working group substructure
5. Authority to Manage Transit Funding and Raise Transit Capital	Currently a fragmented approach to managing transit funding and investment	Conditions set out under status quo may continue	CRD Board would assume accountability for administration of transit funding & transit investment	Vesting accountability for transit funding in a Commission may diminish CRD Board's capabilities to advocate for transit capital	CRD Board would assume accountability for administration of transit funding & transit investment

6. Potential Governance Arrangement for Regional Transportation Services

As demonstrated by Appendix C, which contains a chart summarizing the current governance arrangements for transportation and land use in the capital regional district, advocating for regional multi-use (pedestrian and cycling) trails is the role most often associated with CRD. For other transportation services (including public transit and the arterial road network), the CRD's role is predominately that of a community stakeholder, leading or participating actively in strategic planning, consultation and collaboration.

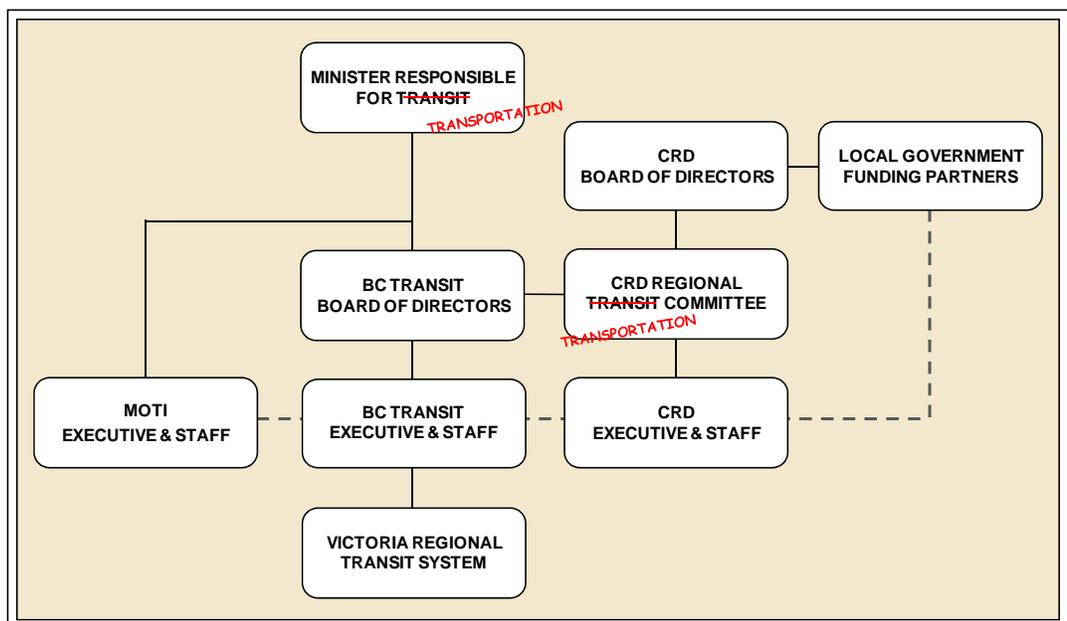
As further demonstrated by Appendix C, current governance arrangements for transportation and land use in the capital regional district are such that no one agency has direct authority for establishing, funding or implementing regional transportation priorities. The CRD Board has repeatedly promoted a change in governance that would impart the CRD with leadership and authority for transit and transportation decisions affecting the region, and decisions concerning land use adjacent to major transit / transportation corridors.

The CRD's preferred governance direction involves the establishment of a Regional Transportation Service having regional governance and authority for public transit, as well as enhanced roles for arterial roads, inter-community cycling network, demand management and land use adjacent to major transportation corridors and nodes. By way of this Regional Transportation Service the CRD Board would be vested with authority to define regional transportation priorities, make transportation investment decisions, manage transportation funding and raise transportation capital.

Appendix E presents a list of potential responsibilities that a CRD Regional Transportation Service would assume. The information was extracted from a CRD staff report, June 15, 2011.

Exhibit 5.3 presented a preferred regional transit governance arrangement. Exhibit 6.1 shows schematically how the CRD might build on that model to arrive at a governance arrangement for regional transportation services.

Exhibit 6.1
Potential Governance Arrangement for Regional Transportation Services



Appendix A - Bibliography

BC Government

- “BC Local Government Act”
- “BC Transit Act”

CRD

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- “2011 Comprehensive Annual Financial Report”, Capital Regional District, June 13, 2012
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- “Modernizing the Partnership”, Report of the BC Transit Independent Review Panel, August 2012
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- “Transit Governance and Funding”, CRD Staff Report prepared for the Transportation Select Committee Meeting on November 21, 2012
- “Staff Notes from Transportation Select Committee Meeting of November 21, 2012

BC Transit

- “Transit Future Plan – Victoria Region”, BC Transit, May 2011
- “Annual Report 2011/2012”, BC Transit

Appendix B - Stakeholders

CRD Transportation Select Committee

- Dean Fortin, Mayor, City of Victoria / Chair
- Wendal Milne, Mayor, District of Sooke / Vice Chair
- Frank Leonard, Mayor, District of Saanich / former Chair

BC Transit

- Manual Achadina, President and CEO
- Erinn Pinkerton, Director of Strategic Planning
- Mike Davis, Chief Operating Officer

Ministry of Transportation and Infrastructure (MOTI)

- Derek Drummond, Assistant Regional Director
- Renee Mounteney, District Manager
- Kevin Volk, Sr. Manager, Transit Projects, Transit Branch, Partnerships Department
- John Schnablegger, Regional Manager Programming, Partnerships and Planning

CRD Staff

- Robert Lapham, General Manager, Planning and Protective Services
- Marg Misek-Evans, Senior Manager, Planning and Protective Services, Regional Planning
- Malcolm MacPhail, Sr. Transportation Planner, Planning and Protective Services, Regional Planning

Appendix C

Current Transportation and Land Use Governance in the Capital Regional District

(Derived from Appendix 4 of CRD Staff Report, June 15, 2011)

The exhibit below summarizes the governance arrangements for transportation and land use in the capital regional district. For convenience, roles are categorized as: primary (most influential, often through outright authority); cooperative (influential through collaboration and funding contributions); and consultative (least influential, reliant on indirect authorities and goodwill).

	MOTI	CRD	BC Transit	Municipalities
Provincial Highways	Primary Role Planning, design, standards & priority setting Operation/Maintenance Regulation, Oversight & Funding	Consultative Role Principally through planning initiatives to achieve sustainable transportation goals for the region	Cooperative Role For transit operating on provincial highways e.g., coordinate planning, transit priority measures and cost sharing	Cooperative Role For arterial intersections and interchanges
Regional Arterial Roads	Cooperative Role Planning for integration of highway network with local road networks	Consultative / Cooperative Role Principally through strategic planning initiatives e.g., corridor study, RGS, RSS, Pedestrian and Cycling plans	Cooperative Role For transit operating on municipal arterial roads	Primary Role Planning, design, standards & priority setting Operation/Maintenance Regulation, Oversight & Funding (tax base, dc's & government grants)
Regional Transit Network	Cooperative Role For transit operating on provincial highways Contribution of capital and operating funds	Consultative / Cooperative Role Principally through strategic planning initiatives e.g., RGS, RSS, Pedestrian and Cycling plans	Primary Role Planning, design, standards & priority setting Operation/Maintenance Regulation/Oversight Set budgets, service levels & fares	Cooperative Role Principally through transit route planning initiatives, maintenance of bus stops and shelters & property tax contributions to transit operating
Regional Multi-Use Trails	Cooperative Role Leases Galloping Goose right of way to CRD	Primary Role Planning, design, operation, maintenance, regulation, oversight and funding of trail system (Galloping Goose, E & N Trail, and parts of the Lochside Trail)	Cooperative Role Makes use of trails for rapid transit (e.g., Galloping Goose) and commuter rail services (e.g., E & N Trail)	Cooperative Role Principally through Community and Local Area Planning, and by maintaining trail sections on municipal roads
Land Use Adjacent to Regional Corridors & Network Nodes	Consultative Role Principally through policy guidelines and approvals of development applications adjacent to highway corridors	Primary Role Principally through land use and transportation policy planning, comment / approval of development applications, and property tax requisitions	Consultative Role Principally through transit supporting land use policies recommended in transit plans	Primary Role Principally through approval authorities set out in Official Community Plans, zoning bylaws, municipal property taxes & development contributions

Appendix D

Transit Responsibilities to be Transferred from VRTC

(Extracted from Appendix 6 of CRD Staff Report, June 15, 2011)

Authorities Requiring Legislative Change to the BC Transit Act

- Develop and recommend to BC Transit annual and capital budgets for the Victoria Regional Transit System
- Approve strategic plans, approve service plans, set fares, service levels and performance standards for the Victoria Regional Transit System
- Negotiate with the province regarding provincial and local contributions for the Victoria Regional Transit System's annual operating and capital budgets
- Establish transit property tax rates for the Victoria Regional Transit System service area
- Endorse, recommend and negotiate with the province changes to the transit fuel tax levy for the Victoria Regional Transit System service area
- Develop investment plans for major regional transit projects, priorities and initiatives and negotiate with the province regarding the provincial share

Other Authorities Requiring Legislative Change Outside the BC Transit Act

- Allocate resources from provincial and federal government transportation infrastructure grant programs and Gas Tax funds to regional transit priorities, projects and programs
- Approve RCS of Municipal Official Community Plans and endorse, Local Area Plans and Transportation Master Plans to ensure consistency with Board approved strategic directions for the regional transit system
- Approve and apply development cost charges and amenity provisions in negotiations with developers, the province and municipalities, for developments within 400 metres from the frequent and rapid transit networks, and within 400 metres from transit exchanges and rapid transit stations, to support transit network and service development
- Evaluate BC Transit strategic transit plans, for consistency with direction provided by the RGS/RSS, TravelChoices and the CRD Transportation Corridor Plan
- Develop 10 year transit capital plans and budgets with recommended sources of funding which will include provincial and federal government transportation infrastructure grant programs, Gas Tax allocations and regular sources of revenue (fares, property tax and fuel tax)
- Evaluate BC Transit annual service plans and operating budgets to ensure consistency with strategic transit plans and the TravelChoices transit sub-strategy
- Evaluate, and negotiate BC Transit requests for changes to transit fares and local taxes
- Negotiate with developers, provincial and municipal staff, and BC Transit for setting appropriate regional development cost charges and amenity provisions for developments 400 metres from

frequent and rapid transit networks and 400 metres from transit exchanges and rapid transit stations

- Review and evaluate municipal Official Community Plans, Local Area Plans and Transportation Master Plans in terms of consistency with strategic directions for transit as stated in the RGS/RSS, TravelChoices, Transportation Corridor Plan and CRD strategic transit plans
- Apply the regional transportation model and other simulation techniques to evaluate major transit projects and the impacts on public transit of major regional transportation and development projects
- Establish and chair a Regional Transportation and Transit Technical Advisory Committee consisting of staff from member municipalities, BC Transit and the Ministry of Transportation and Infrastructure that will meet regularly and of which one of the purposes will be to review the regional transit system

Appendix E

Regional Transportation Responsibilities to be Assumed by CRD

(Extracted from Appendix 7 of CRD Staff Report, June 15, 2011)

- Implement CRD Transportation Corridor Plan, regulate and oversee municipal and BC Transit compliance to binding corridor standards and priorities. Establish and apply consistent engineering design and functional standards compatible with those defined in the CRD Transportation Corridor Plan, Pedestrian and Cycling Master Plan and Transit Future
- Develop and manage a process to identify priority transportation projects and funding requirements.
- Oversee, monitor and evaluate priority transportation corridor projects and expenditures.
- Implement transportation and land-use policies of the Regional Sustainability Strategy, oversee compliance of municipal Official Community Plans, Local Area Plans and Transportation Master Plans to these policies.
- Implement the Pedestrian and Cycling Master Plan, regulate and oversee municipal compliance to binding standards and priorities in the Plan. These standards and priorities also follow from the Transportation Corridor Plan. Oversee the Primary Inter-Community Cycling Network.
- Implement other approved CRD strategic transportation initiatives such as the Transportation Demand Management Strategy.
- Endorse Municipal Official Community Plans, Local Area Plans and Transportation Master Plans in terms of consistency with the Transportation Corridor Plan and other approved CRD transportation strategies.
- Review and endorse Ministry of Transportation and Infrastructure Corridor Strategies for provincial highways in the CRD
- Oversee planning, regulations and capital and maintenance plans for the Galloping Goose, Lochside and E&N multi-use trails.
- Review and respond to development and re-zoning 400 metres from the defined regional corridor network and 400 metres from rapid transit stations, and regional and village centres.
- Implementation in partnership with municipalities of development cost charges and amenity provision for pedestrians and cyclists 400 metres from the defined transportation corridor network, and 400 metres from rapid transit stations and regional and village centres.
- Raise revenues through setting user fees, taxes, tolls, vehicle charges, profits from sales of rental of land and other assets.
- Collect and allocate funds from provincial and federal government transportation infrastructure grant programs to regional transportation priorities.
- Collect and allocate 100% allocation of CRD Gas Tax funds to regional transportation priorities.
- Negotiate cost-sharing and revenue transfer agreements with the province.
- Borrow and incur debt

Appendix F

Committees and Commissions

(Extracted from CRD Bylaw No. 3828, November 2012, Part 4, Sections 26 to 34)

Board Standing Committees

- 26 (1) The Chair may establish a Board Standing Committee as a regular permanent committee whose mandate will be in relation to a CRD service or potential service.
- (2) The Chair shall appoint only Board Members to a Board Standing Committee unless the authorizing legislation or Letters Patent for the Board Standing Committee defines its membership.
- (3) The general duties of Board Standing Committees shall be as follows:
- (a) To consider and report to the Board from time to time or whenever desired by the Board and as often as the interest of the CRD may require, on all matters referred to them by the Chair of the Board, or coming within their purview, and to recommend such action by the Board in relation thereto as they, the Committee, deem necessary or expedient.
 - (b) To carry out the instructions of the Board expressed by resolution in regard to any matter referred by the Board to any Committee for immediate action thereon, but in such cases the instruction of the Board shall be specific and the Committee shall report its action in detail at the next regular or other meeting of the Board thereafter as specified in the instructions of the Board.

Advisory Committees

- 27 (1) The Board, or Board Standing Committees, may establish an Advisory Committee to provide advice and recommendations to the Board, or to a Board Standing Committee, on matters determined to be within approved terms of reference or within a specific resolution of the Board.
- (2) Members of an Advisory Committee shall be appointed by the Board, a Board Standing Committee, or the appointments may be delegated by the Board to the Chair.
- (3) Persons who are not Members may be appointed to an Advisory Committee but each Advisory Committee should include at least one (1) Member of the Board.
- (4) The term of any person who is appointed to an Advisory Committee who is not a Member of the Board shall not exceed three (3) years.

Select Committees

- 28 (1) The Board may establish a Select Committee to consider or inquire into any matter dealing with a specific subject or issue referred to it by the Board and report its findings, opinions and recommendations to the Board, following its consideration and inquiry. Select Committees must have terms of reference approved by the Board.
- (2) The Select Committee will cease to exist once it has reported its findings, opinions and recommendations to the Board.

(3) The Board may delegate to the Chair the establishment of a Select Committee and the appointment of its Members.

Commissions

29 (1) The Board may establish a Commission regarding a CRD service within the authorities delegated to it and as mandated by the Board by bylaw.

Attendance at Committee Meetings

30. Members of the Board who are not Members of a Committee may attend meetings of that Committee and may take part in any discussion or debate by permission of a majority of the Committee Members present but may not vote.

Committee Reports

31. A Standing or Select Committee of the Board may report to the Board at any regular meeting or shall report as required by the Board.

Quorum

32. The quorum in a Standing or Select Committee shall be a majority of the persons appointed to the Committee.

Voting at Meetings

33 (1) On a vote in a Committee each person shall have only one (1) vote.

(2) (a) The Chair shall be a Member of all Committees and entitled to vote on all matters.

(b) Despite section 33(2)(a) the Chair, when in attendance, may be counted as one Member for the purpose of constituting a quorum.

Operation

34. No Committee or Commission will operate outside of its express mandate or terms of reference without prior approval of the Board.