

**REPORT TO THE TRANSPORTATION SELECT COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 27, 2013**

SUBJECT TRANSIT GOVERNANCE REVIEW REPORT

PURPOSE

Report back to Committee with recommendations regarding transit and transportation governance.

BACKGROUND

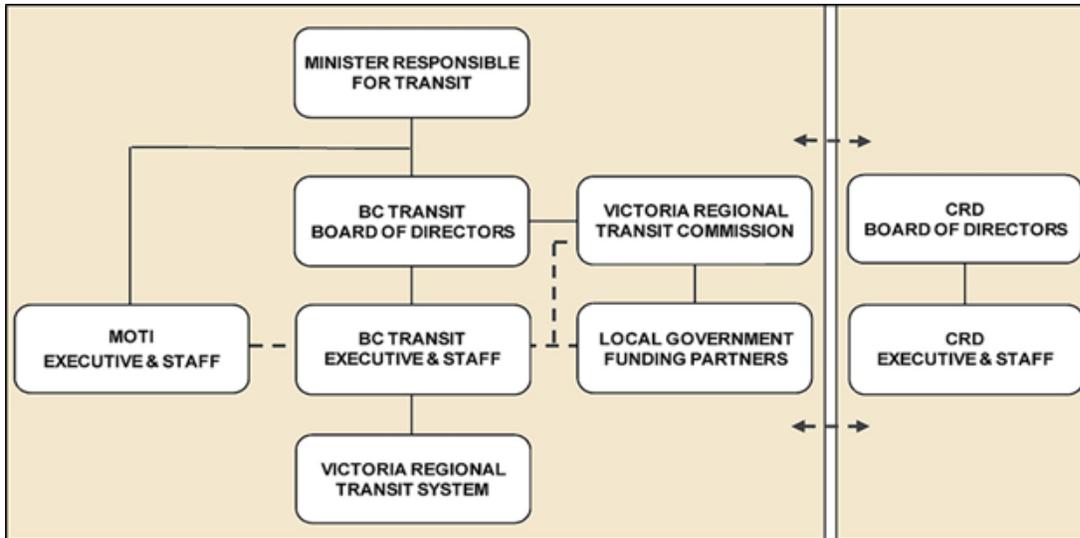
At the November 21, 2012 meeting, the Transportation Select Committee postponed a motion for the Board to re-consider assuming the role of the Victoria Regional Transit Commission (VRTC) in order to build support for the motion. Committee directed staff to provide information and graphics on current transit governance, illustration of governance options for the Capital Regional District (CRD) Board as the transit authority and implications in terms of operations.

IBI Group was retained to assist with this work as an extension to the work done over the last year to develop a transportation plan for the region, which includes elements related to governance and implementation. IBI has relied on previous staff reports, studies and panel recommendations and interviews with the previous Chair and current co-Chairs of the CRD Transportation Select Committee as well as with senior staff from the CRD, BC Transit and the Ministry of Transportation and Infrastructure (MoTI). A summary of the governance options is contained in Attachment 1 and the final report is contained in Attachment 2.

For Committee’s information, members of the Planning, Transportation and Protective Services Committee have been invited to attend the February 27 meeting of the Transportation Select Committee to hear the consultant’s presentation and associated discussions.

CURRENT GOVERNANCE MODEL:

The current governance model for transit in the CRD is depicted below in Exhibit 3.1 from Attachment 2:



In this governance framework, the CRD functions largely as a community stakeholder and is consulted from time to time on transit matters. The VRTC prepares plans, sets fares and determines service and performance standards in consultation with local municipalities. VRTC also provides

direction to BC Transit regarding the annual operating and capital budgets and raises the local share of annual operating costs through taxation. In accordance with the *BC Transit Act*, BC Transit sets the annual operating and capital budgets for the transit service upon consultation with VRTC and the local municipalities. VRTC relies exclusively on BC Transit staff support for these functions. Greater detail of the VRTC role is provided on pp. 6-7 of Attachment 2.

ALTERNATIVES

1. That the Transportation Select Committee receive Report No. PPS/RP 2013-03 titled Transit Governance Review Report and refer the governance models for transit to the VRTC and the Minister's office of the MoTI for review and comment, with follow-up to Committee.
2. That the Transportation Select Committee receive Report No. PPS/RP 2013-03 titled Transit Governance Review Report for information and provides direction to staff on next steps.

PROPOSED GOVERNANCE MODELS:

The final report presents three options for a new transit governance model for the CRD:

1. Transit governance and oversight now held by the Victoria Regional Transit Commission be assumed directly by the CRD Board.
2. Transit governance and oversight be assumed by the Board and delegated to a Transit Commission similar in structure to the existing CRD Regional Water Supply Commission.
3. Transit governance and oversight be assumed by a Board standing committee, i.e., Regional Transit Committee, which will review and make recommendations for Board approval on transit service, fares, funding and planning.

The intent of the three options is to enhance the role of the CRD and local governments in transit planning and investment decisions and better integrate these with regional and municipal planning and development objectives.

The final report evaluates the three options for transit governance based on five change objectives (described in Attachment 2, pp. 8-13):

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

Attachment 1 provides a flow diagram of each option and describes the functionality and strengths and weaknesses associated with each option (Exhibits 5.1 to 5.4 excerpted from Attachment 2, pp. 15-19). Attachment 1 also contains Exhibits 5.5 and 5.6 providing an assessment summary relative to the above-stated objectives. Based on this assessment, the preferred governance model is Option 3.

ROLES OF BC TRANSIT AND CRD:

Under all three options, BC Transit and CRD would have consistent roles (see p. 14 of Attachment 2). BC Transit would:

- Function as a Crown Agency, accountable to the Minister;
- Serve as the delivery agent/operator of the transit service in the Victoria Region by:
 - delivering services according to performance standards, local/regional transit service plans and fares as set out in an annual tri-party operating agreement;
 - provide operational and capital improvement analysis and recommendations for independent

- review and evaluation by CRD in consultation with local governments and stakeholders;
- deliver day-to-day transit operations.

CRD, supported by in-house technical and professional resources, would assume the following responsibilities:

- Provide independent financial and managerial services, planning and evaluation, and advice relative to the regional transit service;
- Establish and annually review performance standards, local/regional transit service plans and fares in consultation with local governments, stakeholders and BC Transit;
- Formalize tri-party annual operating agreements;
- Independently review BC Transit's analysis of operational and capital improvement requirements;
- Raise the local share of annual cost of transit services;
- Assume leadership and authority for transit planning decisions, including set transit priorities, make transit investment decisions, manage transit funding and serve as an advocate to raise transit capital.

SUMMARY

IBI Group has undertaken an assessment of transit governance options for Committee's consideration. A summary of findings and final report are contained in attachments 1 and 2. Under all three options, the primary role of BC Transit would consistently be to act as service delivery agent. Similarly, under all three options, CRD would need capacity to provide independent financial and managerial services, planning and evaluation and advice for the regional transit service to support decision-making in consultation with local governments and BC Transit. Staff recommend Alternative 1 so that the options can be evaluated by key decision-makers prior to Committee's further deliberations on a preferred option and next steps.

RECOMMENDATION

That the Transportation Select Committee receive Report No. PPS/RP 2013-03 titled Transit Governance Review Report and refer the governance models for transit to the Victoria Regional Transit Commission and the Minister's office of the Ministry of Transportation and Infrastructure for review and comment, with follow-up to Committee.

****ORIGINAL SIGNED****

Malcolm MacPhail, MCIP, RPP
Transportation Planner

Marg Misek-Evans, MCIP, RPP
Acting General Manager
Planning and Protective Services
Concurrence

Robert Lapham, MCIP, RPP
Chief Administrative Officer
Concurrence

Attachments: 1 Transit Governance Options Summary
2 Transit Governance Review