



April 10, 2012

His Worship
Mayor Richard Walton, Chair
Mayors' Council on Regional Transportation
4720 Kingsway, Suite 1600
Burnaby BC V5H 4N2

Reference: 202595

Dear Mayor Walton:

Re: Mayors' Council on Regional Transportation March 7, 2012 Motions

Thank you for the opportunity to meet with the Mayors' Council on Regional Transportation on March 7, 2012. The purpose of this letter is to respond to the Motions passed by the Mayors' Council as conveyed to me in your March 15, 2012 letter. I am also taking the opportunity in this letter to provide you an update on the actions the Province intends to take to ensure effective fare evasion enforcement.

TransLink Governance

I have heard your message that the Mayors' Council requires adequate opportunity for input into TransLink's planning and priority-setting process. I have also heard a need for assurance that TransLink is spending its money efficiently and effectively before being provided any new revenue. To meet these objectives expressed by the Mayors' Council, I propose to table amendments to the South Coast British Columbia Transportation Authority Act to:

- Add seats on TransLink's Board for the chair and vice chair of the Mayors' Council, so they can provide direct input into all of TransLink's planning, budgeting, and decision-making to ensure the Mayor's perspectives are adequately considered;
- Extend the submission date for TransLink's base plans from August 1 to November 1 to allow for more consultation between TransLink and the Mayors' Council;
- Establish a requirement for periodic performance audits of TransLink; and
- Add the Director of Electoral Area "A" to the Mayors' Council to provide representation to the residents of this area and to address an earlier resolution by the Mayors' Council.

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Adding the Mayors' Council chair and vice chair to TransLink's Board will give the Mayors' Council greater input to all decision-making by TransLink's Board. As I have clearly stated previously, I believe the Mayors' Council's objectives can be met without fundamentally changing the TransLink governance structure. The changes I am proposing will strengthen the link, and facilitate communications, between the Mayors' Council and the TransLink Board.

Your Motion #4 indicates that the Mayors' Council wishes to explore governance models and practices from other jurisdictions. I will be interested to hear about the outcome of this work and there may be additional refinements for us to consider in the future; however, I feel compelled to reiterate the provincial perspective that TransLink should continue to be overseen by a professional board.

Finally, I recognize the need for the Mayors' Council to meet when required. However, I feel that increasing remuneration is out of step with taxpayers' expectations at this time, especially when the Mayors' Council and TransLink are looking for new funding sources.

TransLink Revenue Sources

I am sure you will agree funding has been our biggest challenge. As you are aware, some members of the Mayors' Council raised similar concerns and publicly called for an independent performance audit of TransLink before new funding sources are considered. As you note in your letter, the TransLink Commissioner is also completing a review of TransLink's proposed fare increase that includes an efficiency review of TransLink. I look forward to reviewing the Commissioner's report in detail and hope that his findings identify efficiency or fare based opportunities that will contribute to the funding challenges faced by the region.

Clearly there is a high degree of interest by the Commissioner, Mayors' Council, the public and the provincial government in ensuring that TransLink is operating as efficiently as possible before any new funding sources are considered. In addition, TransLink's Board of Directors has written in support of an audit of its organization and operations. As a result, I have determined that the best course of action is to have the Ministry of Finance's Internal Audit undertake an in-depth efficiency audit of TransLink before considering legislation to enable any new funding tools.

The audit will be similar to that undertaken for BC Hydro and currently underway for ICBC. The work will build from previous reviews of TransLink and specifically take into consideration the findings of the TransLink Commissioner's current efficiency review. The output of the audit will be a detailed action plan for TransLink to consider. The audit will be guided by an oversight committee of deputy ministers. I also propose to include two Chief Administrative Officers on the committee. We are working on the terms of reference and will provide you with a briefing at your earliest convenience.

I recognize that TransLink requires sustainable, long-term funding sources in order to expand services to meet public demands. The audit will put all of us in a better position to assess the size of the need, which will inform future consideration of any potential new funding tools. I also believe that any potential new funding sources should be fully informed by meaningful public engagement lead by the Mayors' Council. Having said that, I have a number of comments with regard to the specific requests from the Mayors' Council for new revenue sources:

- I have consistently stated that any new funding tools need to be regionally based. As a result, I am unwilling to consider any new funding tool for TransLink that involves the provincial carbon tax.
- I believe that taxpayers are at their limit for paying additional fuel taxes.
- My understanding is that the Mayors' Council view comprehensive road pricing as an intriguing concept. The complex aspect of this requires further investigation before any consideration of legislative amendment can be made. The Mayors' Council may wish to work further on this with TransLink.
- Tolling is often included in conversations on road pricing. I need to state again that the Province has no plans to change the provincial tolling policy.
- As we go forward, we need to acknowledge that some form of property taxes will continue to be an important source of funding for TransLink. To that end, I suggest the Mayors' Council explore mechanisms to capture the increase in land valuation that results from public transportation infrastructure.

Fare Evasion

As you are aware, I have publicly stated that the Province will be moving swiftly to create the appropriate mechanisms to ensure effective enforcement of fare evasion tickets. An important aspect of this is the collection of fines from those who unfortunately try to avoid payment. We are currently evaluating options, including legislative amendments, to address this matter. I remain committed to moving forward swiftly with solutions.

Conclusion

I would appreciate hearing from the Mayors' Council as soon as possible about the proposed governance amendments listed above to enable changes during this spring session of the legislature. Public transportation is important to families and our economy, and we must find a way to pay with full consideration of the financial burden on families and businesses. I remain committed to continuing our discussions to find solutions to these very complex issues.

Thank you again for taking the time to write.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Blair Lekstrom', with a stylized flourish extending to the right.

Blair Lekstrom
Minister