



BC Government Response to BC Transit Independent Review

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On March 15, 2012 the B.C. Government appointed a three-person Independent Review Panel to review BC Transit performance and operations. The review was in response to concerns from some local governments about aspects of BC Transit operations that affect their communities. The independent panel held 25 meetings with 40 local governments across the province, and received 30 submissions from local government and other key stakeholders. It delivered the report, including 18 recommendations, to the Minister of Transportation and Infrastructure on August 1, 2012.

The government immediately published the report online, giving local governments and the general public the opportunity to review the recommendations before issuing a response.

The report confirmed that BC Transit provides first-rate, efficient and cost-effective transit services to the people of British Columbia. While the delivery of transit services works well in British Columbia, there is always room for improvement. The report also highlighted the need for stronger partnership and better communication around transportation planning and delivery. Its key themes are governance, decision-making and accountability.

The Review Panel recommendations highlight the need to communicate effectively and to re-evaluate how the BC Transit Board operates. The government is excited at the prospect of working cooperatively with BC Transit and local governments to reach the vision articulated so clearly in the report, aptly named: Modernizing the Partnership.

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Partnerships are only as strong as the commitment to make them work. The Review Panel's report is a roadmap showing how to improve our public transit system, and a call to action to both provincial and local governments to revitalize our partnership.

Minister's Message



It has been just over a year since representatives from local governments voiced concern about their relationship with BC Transit. Our government took those concerns very seriously and appointed an independent panel to review BC Transit. I am impressed with the work of the independent panel

and believe the report and our response provide a comprehensive foundation to move forward and improve transit service for families and communities in British Columbia.

As the independent panel confirmed, we have an excellent transit system in British Columbia, particularly in terms of ridership, supply of service and efficiency of the services provided. Our province is well recognized for providing the highest per capita transit investment in Canada, making it possible to offer transit services in many smaller communities in addition to our larger cities.

The panel confirmed that BC Transit provides good value and efficient service; however there is always room for improvement. We intend to modernize the shared system so that local governments and BC Transit have the right tools to deliver service in each of the unique and diverse communities that they serve.

We recognize the need for an approach that suits the diverse needs of all B.C. families and communities. For example, the service needs in communities like Dawson Creek, are much different than in Nanaimo or Kelowna. Our aim in this response is to strengthen the partnership between local governments and BC Transit with better information sharing and a more open decision making process while recognizing that this partnership must be flexible enough to accommodate the unique needs of every community. We have an excellent transit system in British Columbia. By continuing to work together, we will ensure an even better transit service, one that continues to meet the diverse needs of all B.C. families and communities.

Joe Stanhope Regional District of Nanaimo Chairperson



I would like to take this opportunity to thank the Province and the members of the BC Transit Independent Review Panel for their hard work throughout this important process.

The Regional District of Nanaimo operates one of British Columbia's larger transit systems in partnership with BC Transit. While we appreciate the benefits of working with BC Transit, the RDN started having a number of concerns about the partnership and how it was working. We worked with other local governments across BC and brought those concerns to the Minister asking for an independent review. The Minister listened to our concerns about BC Transit and responded by setting up an independent review panel. I am hopeful the recommendations of the panel will give local government and BC Transit new ideas and tools that will improve the way we can work together, particularly in the areas of rising costs, funding, governance and communications.

This has been a very good process conducted by an excellent three-member panel. The independent panel worked hard to obtain meaningful feedback from local governments, and the resulting report will be very helpful as we move forward.

Thank you very much to the Minister of Transportation for the strong support for this independent review.

Heath Slee Union of British Columbia Municipalities, President



The approach taken by the Ministry of Transportation and Infrastructure on the BC Transit independent review has been consultative and helpful. The independent panel did a good job at engaging local governments to solicit meaningful feedback. The release of the report provided another step

forward and was well received. Now that the provincial government has provided an official response to the report, local governments will be able to judge for themselves whether the recommendations address the concerns raised during the consultation period. I encourage all communities that utilize BC Transit's service to provide feedback to the Minister.

- 1** *The Ministry of Transportation and Infrastructure should work with local governments and with public transit services to develop the Government Letter of Expectations to BC Transit. The Letter of Expectations should clearly establish the roles, responsibilities and accountabilities of the provincial government, local governments and BC Transit.*
 - ▶ **Lead Organizations:** Union of British Columbia Municipalities, Ministry of Transportation and Infrastructure
 - ▶ **Next Steps:** The Government of British Columbia will ask UBCM to develop a process that encourages local governments to provide timely and relevant input for the Minister of Transportation and Infrastructure to consider in the Government Letter of Expectation to BC Transit. The Minister will consider the local government perspective when defining expectations for BC Transit. The first cycle of this process must conclude by June 2013 to be considered for the next Government Letter of Expectation.

- 2** *The provincial government should increase the membership of the Board of Directors from seven to nine. While this recommendation requires legislative change, the following recommendation (Recommendation 3) can be implemented with either a seven or nine person Board.*
 - ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure
 - ▶ **Next Steps:** The B.C. Government supports strengthening the Board of Directors, and will assess the benefits, challenges and logistics of expanding the size of the board. In the meantime, government will proceed immediately with all elements of Recommendation 3.

- 3** *Recognize the partnership for the delivery of public transit at the BC Transit Board. Specifically:*
 - 3i.** *The Board of BC Transit should provide local governments with a Board skills matrix to guide the selection of nominees to the Board.*
 - ▶ **Lead Organizations:** BC Transit
 - ▶ **Next Steps:** All partners in the delivery of BC Transit services will benefit from a skilled, qualified and motivated Board of Directors. BC Transit is currently identifying the skills requirements to ensure that the most highly qualified candidates are considered and approached for board appointments.

 - 3ii.** *The provincial government should revise the appointment process for the Board of Directors to allow local government to directly appoint representatives to the Board. Prior to legislative change Cabinet should accept board nominations from local governments for appointment to the Board.*
 - ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure
 - ▶ **Next Steps:** An effective board of directors accurately reflects and articulates the interests of all partner-members. The B.C. Government invites UBCM to establish and administer a process for local governments to identify and recommend qualified individuals for the BC Transit Board and Transit Commissions. These names will be put forward for the consideration of the Minister.

 - 3iii.** *It is common practice that elected officials do not sit on the boards of crown agencies, since their responsibilities as Director may conflict with their accountabilities as an elected official. The Panel considered two options for the appointment of the local government representatives and did not reach a conclusion on a preferred approach.*
 - ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure
 - ▶ **Next Steps:** As above, an effective board of directors accurately reflects and articulates the interests of all partner-members. The Minister is satisfied that the current process of including elected officials on the Board of BC Transit works well, and expects no changes in the immediate future.

3iv. Provincial government and local government Board appointments should be made on the basis of staggered terms to allow for Board continuity.

- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit, local governments
- ▶ **Next Steps:** A board of directors that strikes a balance between refreshing turnover and stability among its membership will be able to develop and implement a long-term vision. Together, the Ministry and the BC Transit Board will develop a new appointment process to create staggered board terms to help ensure board continuity.

3v. The provincial government and local government should negotiate appointment guidelines to be consistent with standard board practices regarding appointments and terms. In order to implement these recommendations, local governments would need to determine the appropriate body to coordinate the appointment process.

- ▶ **Lead Organizations:** UBCM, Ministry of Transportation and Infrastructure
- ▶ **Next Steps:** As with Recommendation 3iv, the Ministry will begin consulting immediately with local government on the appointment process. These will continue to be consistent with legislation and government appointment policies, including Board Resourcing and Development Office requirements.

4 *The provincial government should amend the BC Transit Act to allow local government to appoint all members of a transit commission and allow the transit commission to hire its own clerical and technical staff. In the interim, Cabinet should accept nominations from local governments for appointment to transit commissions and BC Transit will continue to provide clerical and technical staff to transit commissions.*

- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, local government
- ▶ **Next Steps:** The Ministry will work with local governments for support in developing new, transparent and effective ways to nominate representatives for consideration to transit commissions. While nominations must continue to be consistent with legislation, there are opportunities to explore new processes that strengthen the board's effectiveness. The provincial government will continue to fund BC Transit activities as a shared service, and local governments can continue to hire additional clerical or technical staff if they choose.

5 *Local government and BC Transit decision making authority should rest with the partner that bears the consequences or benefits of any decision. Where a decision of one partner will have an impact on the other partner, consultation should occur:*

5i. The BC Transit Board should ensure that BC Transit decision making explicitly considers the impact on local governments and should ideally include a mechanism for local government sign off. For example, the BC Transit Board told the Panel that all decisions of the BC Transit Board that have capital cost implications for an individual transit system must have local government approval. BC Transit should ensure that all local governments are aware of this policy.

- ▶ **Lead Organizations:** BC Transit, UBCM
- ▶ **Next Steps:** Together, BC Transit and local governments will identify opportunities and appropriate processes to ensure local voices are heard by BC Transit, and that BC Transit keeps local governments current on issues that will directly affect them. In many cases, this can happen within existing mechanisms (e.g. Transit's Enterprise Investment Initiative and renegotiation of Annual Operating Agreements between BC Transit and local governments).

5ii. The BC Transit Board should ensure that any system wide capital spending decisions made by the BC Transit Board has input from an advisory panel consisting of local government representatives.

- ▶ **Lead Organizations:** BC Transit, local governments
- ▶ **Next Steps:** The BC Government agrees an advisory panel is an option worthy of consideration. The BC Government encourages local governments to provide their input to the BC Transit Board.

5iii. Local governments should provide sufficient notice to BC Transit on service adjustments so that the financial consequences of that decision are appropriately shared between the partners.

- ▶ **Lead Organizations:** UBCM, BC Transit
- ▶ **Next Steps:** The government encourages local government to carefully consider decisions that have financial consequences and to provide sufficient notice to BC Transit on service adjustments that have financial implications.

5iv. The Province should consult with local governments on provincial public transit policy.

- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure
- ▶ **Next Steps:** In partnership with BC Transit, the Ministry will consult with local government on appropriate public transit policy, including intercity transit policy (See Recommendation 18).

5v. BC Transit should ensure that it engages with and considers the input of local governments and transit operating companies in route planning and scheduling activities.

- ▶ **Lead Organizations:** BC Transit
- ▶ **Next Steps:** BC Transit will consult with local governments and operating companies to enhance agreements and clarify the roles and input of the parties into route planning and scheduling. Working together will ensure that local knowledge and expertise are part of the decision-making process.

6 *Local government should involve BC Transit in key planning issues and invite BC Transit to participate in official community planning processes. Local governments should provide BC Transit with information regarding decisions that may impact public transit including: Long term municipal transit budgets; Land use planning; and Transportation planning and zoning decisions that will result in developments that will require transit services, or impact the ability to deliver public transit. These requirements should be outlined in operating agreements between BC Transit and local governments.*

- ▶ **Lead Organizations:** UBCM, BC Transit
- ▶ **Next Steps:** The Ministry encourages local government to include BC Transit in key planning issues that may affect public transit. Working together will ensure that local knowledge and expertise are part of the decision-making process.

7 *BC Transit should develop a strategic communications plan that includes provincial government, BC Transit and local government strategic goals for transit and share the plan with local governments. The plan should outline key dates and timelines for provincial government, BC Transit and local government decision making processes.*

- ▶ **Lead Organizations:** BC Transit, Ministry of Transportation and Infrastructure, UBCM
- ▶ **Next Steps:** The Ministry will provide information and support to BC Transit as it develops a strategic communications plan. This includes budget building and approval processes, submission deadlines for project or operating budgets and other timely and relevant information.

8 *The Ministry of Transportation and Infrastructure should provide BC Transit with clear direction on its role in implementing the Provincial Transit Plan.*

- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit
- ▶ **Next Steps:** The Ministry will work with BC Transit staff to define BC Transit's role in implementing the Provincial Transit Plan through the Government's Letter of Expectation. Ministry staff will work with BC Transit to provide detail around the terms and deliverables in the Government's Letter of Expectation.

- 9** *BC Transit and local governments should enhance accountability in operating agreements. While some roles and responsibilities are contained in existing Master Operating Agreements and Annual Operating Agreements, accountabilities could be strengthened by:*
- 9i. Establishing information sharing requirements appropriate for all partners in operating agreements, including timelines and dates, performance measures (see recommendation 13) and local government planning (see recommendation 6).*
- ▶ **Lead Organizations:** BC Transit, local government
 - ▶ **Next Steps:** The Government of British Columbia supports this recommendation.
- 9ii. Establishing local government financial accountability for service decisions that result in costs that must be covered by BC Transit (see recommendation 5)*
- ▶ **Lead Organizations:** BC Transit, local government
 - ▶ **Next Steps:** The B.C. Government supports greater financial accountability from all partners, including local government.
- 9iii. Improving transparency by including the provincial share of debt servicing costs*
- ▶ **Lead Organizations:** BC Transit, local government
 - ▶ **Next Steps:** BC Transit will provide information about the provincial share of debt servicing costs to local governments.
- 9iv. Committing BC Transit to provide financial information to local governments based on the calendar year.*
- ▶ **Lead Organizations:** BC Transit, UBCM
 - ▶ **Next Steps:** BC Transit will consult with local governments to ensure that annual financial information is provided in a format that meets local governments' reporting needs.
- 10** *The provincial government should amend the BC Transit Act and Regulation to enable multi-year operating agreements.*
- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit
 - ▶ **Next Steps:** The Ministry and BC Transit will work together to determine what existing measures may allow for multi-year operating agreements.
- 11** *The provincial government should amend the BC Transit Act and Regulation to require only one agreement between local governments and BC Transit, and one operating agreement between BC Transit and a transit operating company for each transit service area.*
- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure
 - ▶ **Next Steps:** The Ministry and BC Transit will work together to determine what existing measures may allow BC Transit to enter into: one agreement with local government; and one agreement with the transit operating company, for each transit service area.
- 12** *BC Transit should work with local governments to set appropriate service standards for each transit system and provide annual data on system and route performance.*
- ▶ **Lead Organizations:** BC Transit, UBCM
 - ▶ **Next Steps:** BC Transit has already started to establish performance standards and will consult with local government on their expectations.
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- 13** *BC Transit should provide reports to Councils and Regional District Boards at least twice a year on: system ridership; cost per capita; passengers per capita; service hours per capita; cost per hour; cost per rider; and revenue cost ratio. BC Transit should also provide each local Council and Board comparisons with peers and performance over time for each of these measures.*
- ▶ **Lead Organizations:** BC Transit
 - ▶ **Next Steps:** BC Transit will amend its reporting schedule to provide this key information to local governments.
- 14** *BC Transit should develop, in partnership with local government staff, performance reporting templates which meet local government staff needs. The review panel offered templates as part of its review.*
- ▶ **Lead Organizations:** BC Transit, local governments
 - ▶ **Next Steps:** BC Transit will consult with local governments to implement templates that best meet the needs of local governments.
- 15** *BC Transit should report in detail annually to local government on its administration costs, its fleet management activities and the benefits it provides from centralized purchasing in comparison to other transit systems across Canada.*
- ▶ **Lead Organizations:** BC Transit
 - ▶ **Next Steps:** BC Transit will include this information in its Corporate Annual Report and other appropriate communications. The Ministry encourages BC Transit and local governments to work together proactively and share information.
- 16** *The provincial government should provide the Board of BC Transit with the authority to authorize commercial revenue activities within an established framework.*
- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit
 - ▶ **Next Steps:** The Ministry supports commercial ventures as a significant opportunity to generate transit revenue when specific requirements are met: there is no direct competition with the private sector or another local government, and revenues are used to offset public investment. As a first step, the Province will provide the BC Transit Board with policy guidelines, including how partners would share any resulting revenues.
- 17** *The provincial government should provide BC Transit its capital funding through the established service plan process with output targets.*
- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit
 - ▶ **Next Steps:** Together, the Ministry and BC Transit staff will determine what areas of the service plan process may need to be enhanced (e.g. capital planning) and will confirm service plan processes and output targets.
- 18** *The provincial government should develop a policy framework for intercity routes among multiple jurisdictions and if required amend the BC Transit Act and Regulation to provide for a stable mechanism to implement these routes*
- ▶ **Lead Organizations:** Ministry of Transportation and Infrastructure, BC Transit
 - ▶ **Next Steps:** An intercity transit policy to address commuter service to regional centers is in development. The Government of British Columbia will consult with local governments as this policy is developed.
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Victoria Regional Transit Commission

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.

For more information:

- ▶ BC Transit Review website: www.th.gov.bc.ca/BC_Transit_Review/index.html
- ▶ BC Transit website: www.bctransit.com/
- ▶ BC Ministry of Transportation and Infrastructure website: www.th.gov.bc.ca
- ▶ UBCM website: www.ubcm.ca
- ▶ Government Letter of Expectation to BC Transit: www.gov.bc.ca/caro/agencies/index.html

