

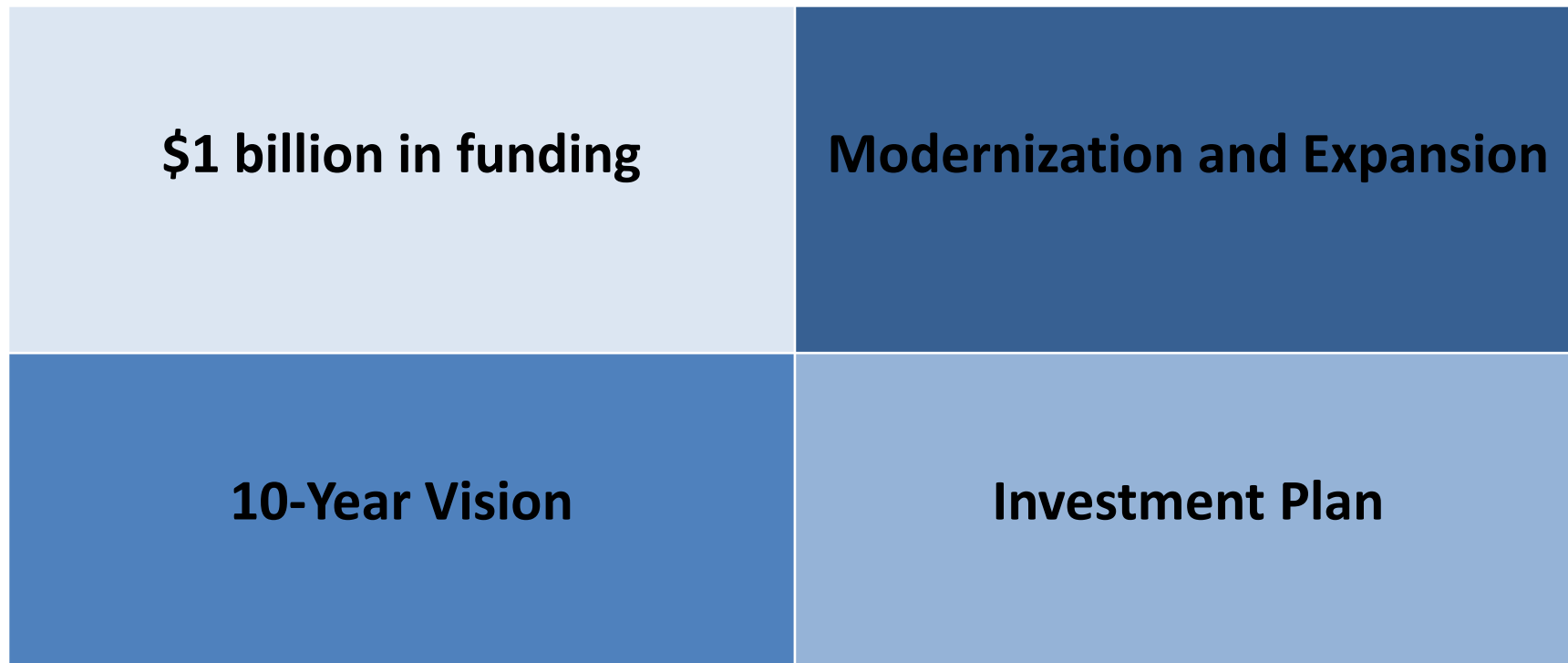


# Report on Federal Gas Tax Funding received from Greater Vancouver Regional Fund

Metro Vancouver Finance and Intergovernment Committee  
April 20, 2018

Kelly Lownsbrough, Director, Financial Planning and Analysis  
Jeevan Tiwana, Manager (Acting), Capital Assets & Government Funding

# TransLink- GVRF Funding



# Active Project Summary

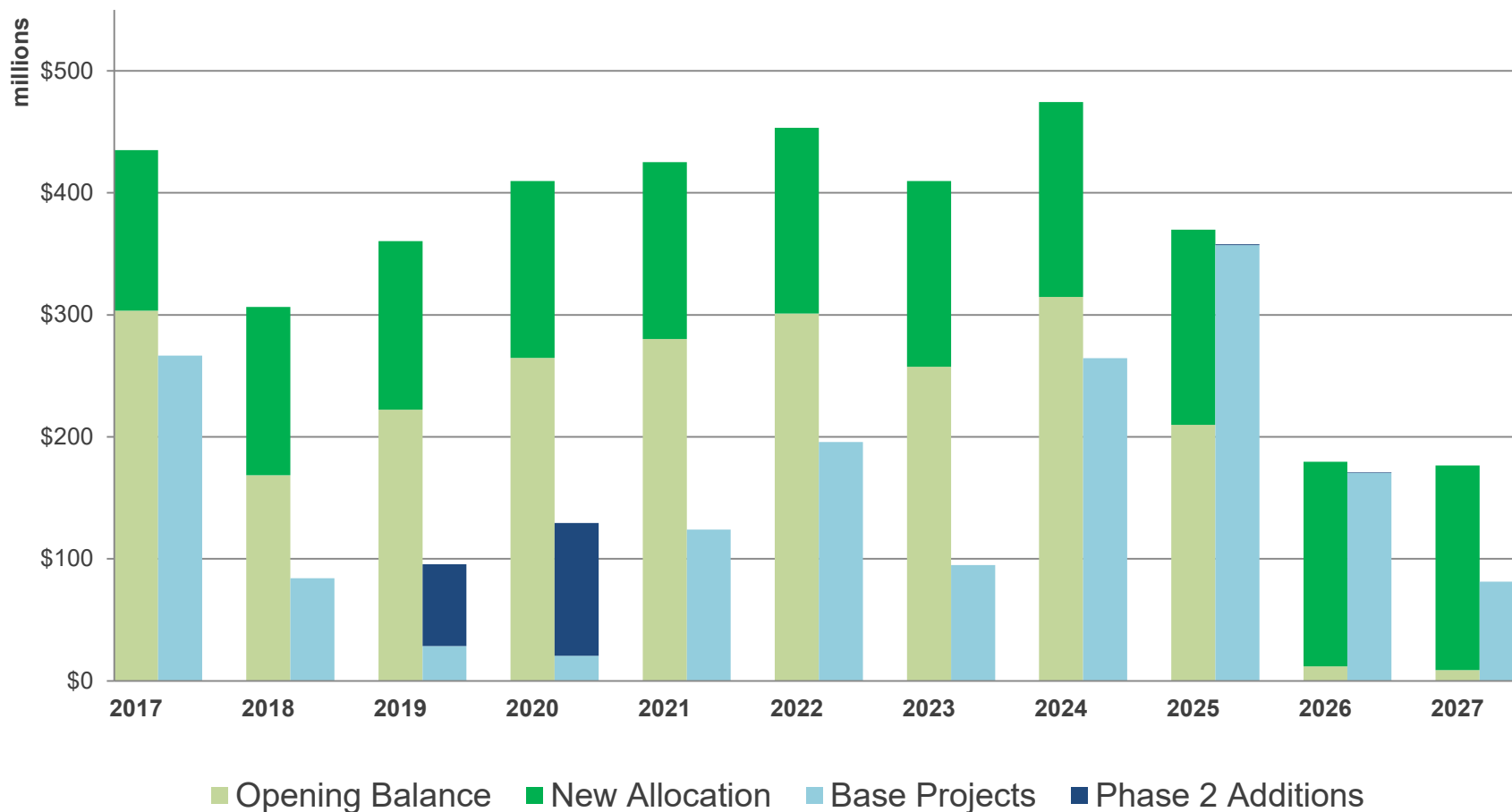
Report Date	Active Projects	Budget	Approved Funding
June 30, 2017	30	\$810.2 million	\$670.3 million
December 31, 2017	37	\$966.6 million	\$815.7 million

## Major Active Projects

- Procurement of buses, community shuttles and HandyDART vehicles
- Power upgrades to Expo Line and replacement of automatic train control equipment
- CNG facility at Surrey Transit Centre
- CUTRIC Electric Battery Bus – Pilot
- Hamilton Transit Centre
- SkyTrain Mark I refurbishment

# GVRF Funding and Usage

GVRF Additions, Uses and balances (continuous funding)



# Policy & Delivery

## Policy

- Alignment with Evaluation Criteria
- Expansion or replacements to existing public transit network
- Consistent with TransLink's corporate policies, such as sustainability, environmental and emissions policy

## Delivery

- Capital Management Committee and Executive Capital Oversight Group
- Project Management Office (PMO)
- Project Steering Committees

# Questions?



# OPERATING, STATUTORY AND DISCRETIONARY RESERVES POLICY

**Phil Trotzuk**

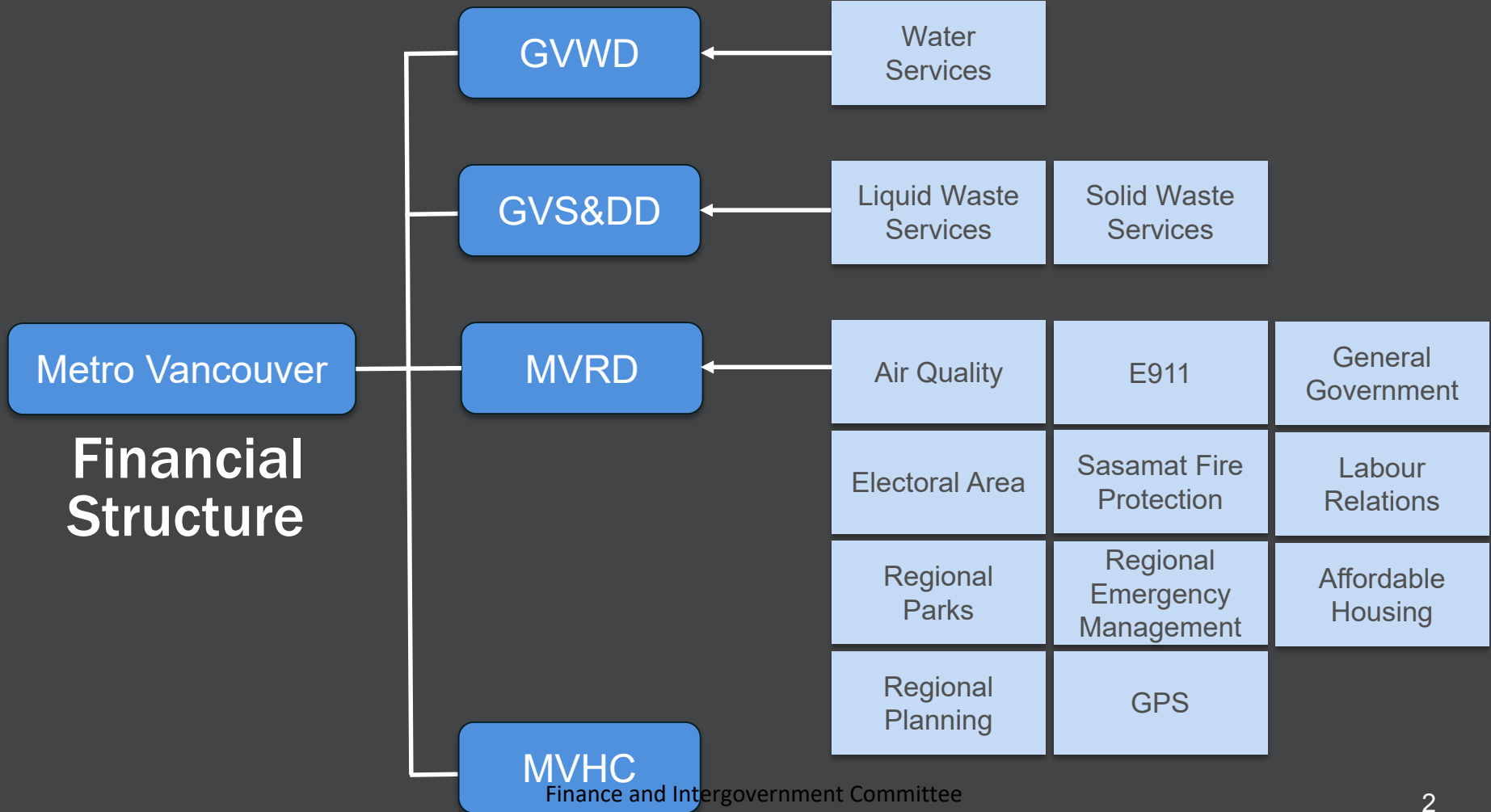
CHIEF FINANCIAL OFFICER

Finance and Intergovernment Committee Meeting – April 20, 2018  
Finance and Intergovernment Committee

25099900



**metrovancouver**  
SERVICES AND SOLUTIONS FOR A LIVABLE REGION





# METRO VANCOUVER RESERVES POLICY PRINCIPLES

---

## Policy Principles

- Financial stability, security and sustainability
- Consistent with long-term plans, Board and Corporate strategic goals
- In accordance with legal requirements

## Consistent with Best Practices of Other Local Governments

- Victoria, Burnaby, Regional District of Nanaimo, Fraser Valley Regional District, West Kelowna, Mission

## Types of Reserves

- Operating Reserves
- Statutory Reserves
- Discretionary Reserves

# METRO VANCOUVER OPERATING RESERVES

---

## **Financial Security Against an Unforeseen Financial Loss**

- Revenue shortfall or unexpected expenditure

## **Maintained by Each Legal Entity and Statutory Function**

## **Minimum Requirement**

- Percentage of net operating costs
- Business volume
- Inherent risk of volatility of business activities

# METRO VANCOUVER

## OPERATING RESERVES - MINIMUM REQUIREMENT

---

### WATER

- 15% Net Operating Costs

- Revenue Based on Consumption
- Expenditures Primarily Fixed

### SOLID WASTE

- 15% Net Operating Costs

- Revenue Based on Waste Volumes
- Many Expenditures Fixed

### LIQUID WASTE

- 10% Net Operating Costs

- Revenue – Levy from Members
- Some Uncertainty in System Operations

### HOUSING CORPORATION

- 10% Net Operating Costs

- Reliant on Tenant Rents
- Unforeseen Maintenance

### REGIONAL FUNCTIONS

- 5% Net Operating Costs

- Revenue – Requisitions from Members

# METRO VANCOUVER STATUTORY RESERVES

---

## **Legal Framework Governs the Composition and Application**

- Legal Statute
- Board Approved Bylaw
- Governing Agreement with Another Level of Government or Entity

## **Examples: Liquid Waste DCC's, Cultural Grants and Park Land Acquisition**

## **Contributions**

- Annual Budget Contributions
- Appropriation of Annual Surplus

## **Usage – Only as Outlined in Legal Framework**

# METRO VANCOUVER DISCRETIONARY RESERVES

---

## **Established by the Board by Legal Entity or Statutory Function**

- Known or Anticipated Future Obligation

**Examples: Landfill Closure, Biosolids or Fleet Vehicles**

**Contributions – Only through Appropriation of Annual Surplus**

**Usage – Board Discretion in Support of Metro Goals and Priorities**

- Usage based on established priority sequence

# **METRO VANCOUVER DISCRETIONARY RESERVES / ANNUAL SURPLUS PRIORITY SEQUENCE**

---

**Fund Capital Expenditures or Pay Down Existing Debt**

**Fund One-time Expenditures**

**Rate Stabilization for a Legal Entity or Statutory Function**

**Maintain as a Statutory or Discretionary Reserve for Future Usage**

# METRO VANCOUVER MANAGEMENT OF RESERVES

---

**Reserves are only used for the specific entity or function**

**Managed by Finance through the Financial Planning Process**

**Approved applications must be expended in year of approval or the following year**

**Reserves earn interest annually at the internal rate of return on investments**



**metrovancouver**  
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

Finance and Intergovernment Committee

# Discussion