

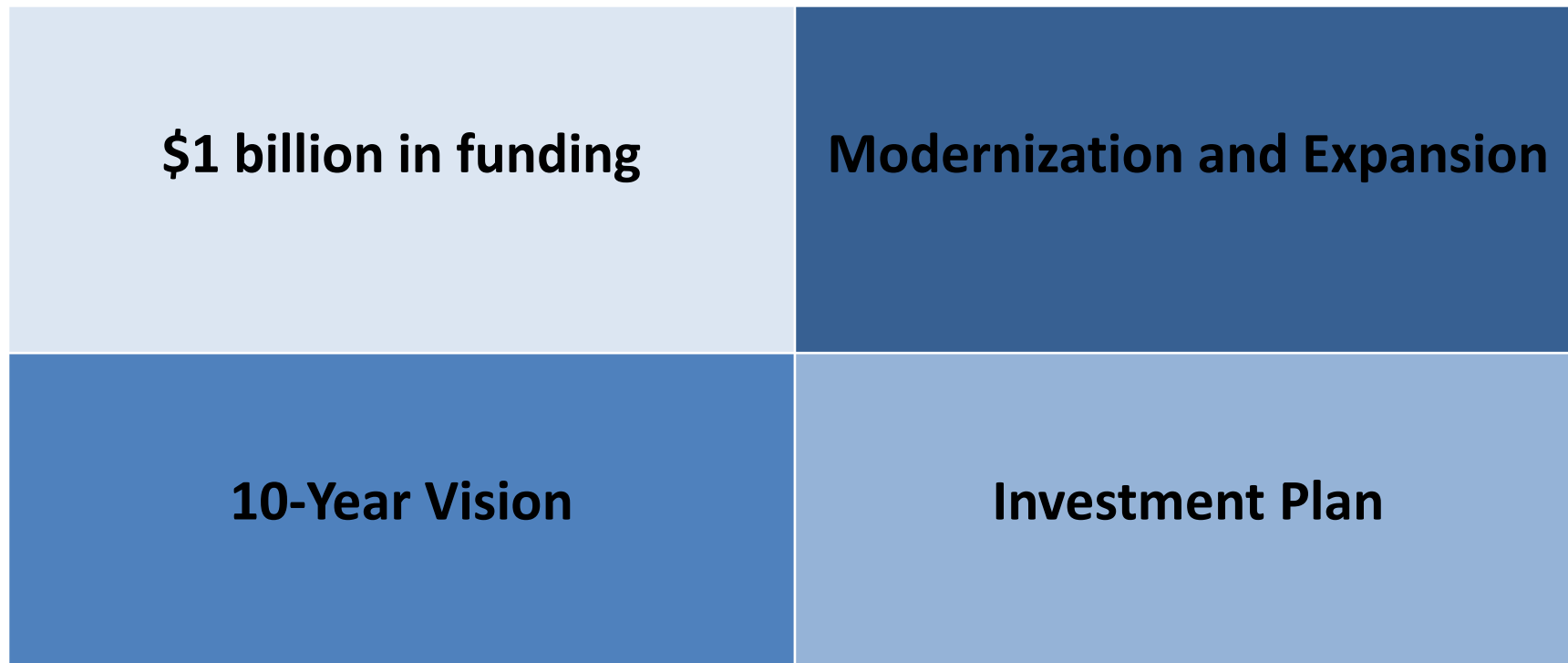


Report on Federal Gas Tax Funding received from Greater Vancouver Regional Fund

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

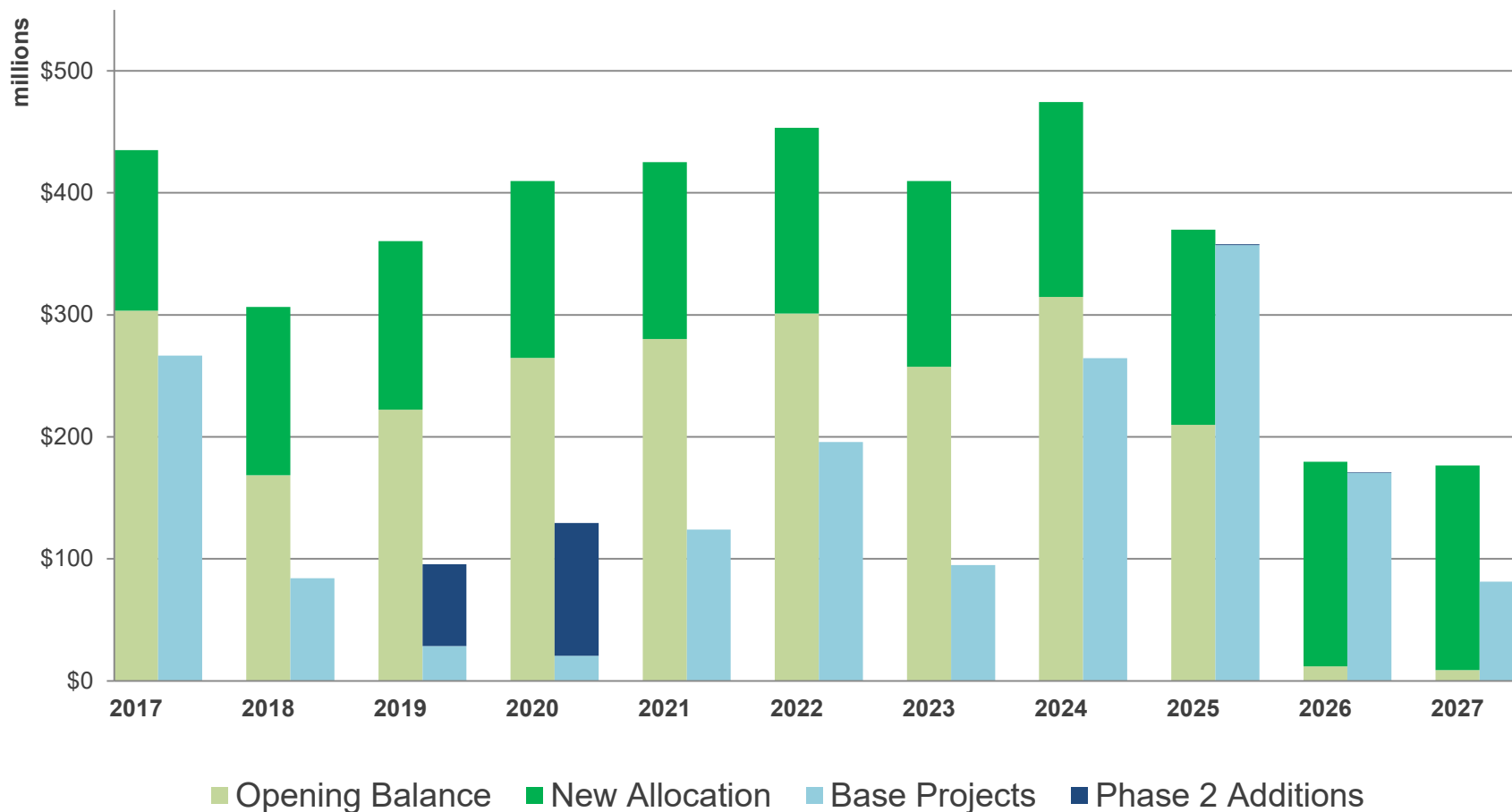
| Report Date | Active Projects | Budget | Approved Funding |
|-------------------|-----------------|-----------------|------------------|
| June 30, 2017 | 30 | \$810.2 million | \$670.3 million |
| December 31, 2017 | 37 | \$966.6 million | \$815.7 million |

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

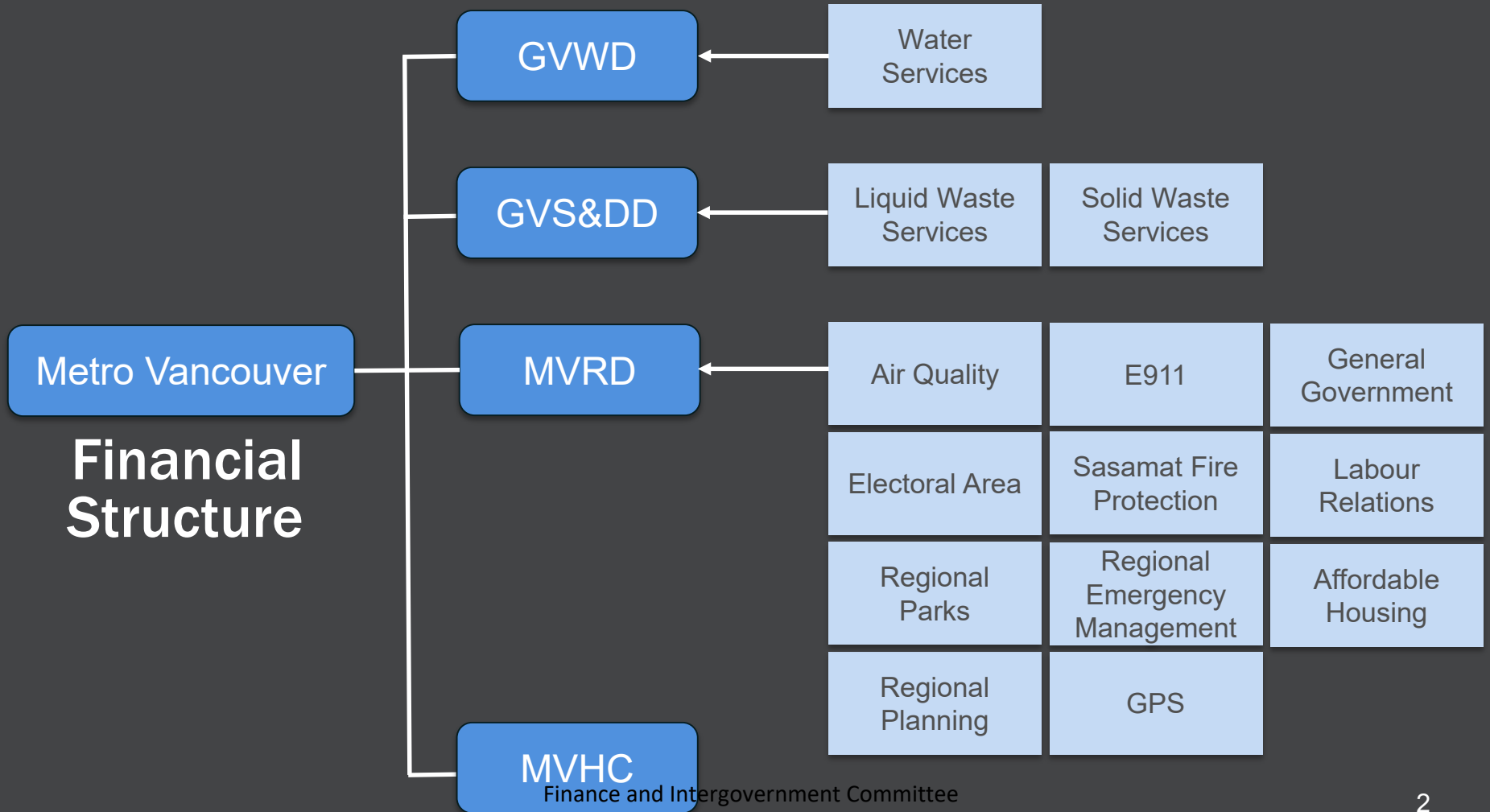
CHIEF FINANCIAL OFFICER

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

25099900



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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



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Finance and Intergovernment Committee

Discussion