

To: CAO for the Regional and Corporate Services Committee

Date: 2019-11-14

From: Mike Veenbaas, Director of Financial Services

File No:

Subject: Fraser Valley Express Transit System Establishment Amendment - Requisition

RECOMMENDATION

THAT the Fraser Valley Regional District Board consider giving three readings to *Fraser Valley Regional District Fraser Valley Express Sub-Regional Transit System Service Area Amendment Bylaw No. 1556, 2019*.

STRATEGIC AREA(S) OF FOCUS

Foster a Strong & Diverse Economy
Support Healthy & Sustainable Community
Support Environmental Stewardship
Provide Responsive & Effective Public Services

PRIORITIES

Priority #2 Air & Water Quality
Priority #4 Tourism

BACKGROUND

The Fraser Valley Express Transit System was established in 2014 with a maximum allowable requisition of \$922,000. The service is funded through a combination of transit fares/passes, provincial grants and property value taxes. While the annual tax requisition is set during the financial planning process, the maximum allowable requisition is noted in the establishing bylaw. Since the first operating budget in 2015, the actual tax requisition has been \$675,660 with the exception of the Board directed increase for new construction growth in 2019 to \$695,930.

DISCUSSION

At the May 2019 Board meeting, the Board confirmed support in principle for the 2020/2021 expansion initiative to extend the Fraser Valley Express service to Translink's Lougheed Sky Train station at an annual net cost of \$494,000. Support was also confirmed independently by Abbotsford and Chilliwack Councils. With the 2019 actual requisition of \$695,930 plus the estimated additional net municipal share of \$494,000, it is anticipated that the actual requisition could increase to approximately \$1,200,000 by 2023.

The current maximum requisition is set at \$922,000 and is proposed to be increased to \$1,250,000. In addition, Staff are proposing that the amendment bylaw reflect a rate per \$1,000 calculation as allowed

under LGA 339(1)(e) in order to provide the Board with flexibility in setting future tax requisition levels during the financial planning process. The 2019 revised roll net taxable value for the service area is \$54,216,684,141. The proposed rate of \$0.023 per \$1,000 would calculate a maximum tax requisition of \$1,246,983.74.

COST

Amendments to service area establishment bylaw requisition limits do not have a direct financial impact as the actual requisition level is set by the Board through the adoption of the annual financial plan bylaw.

CONCLUSION

To be proactive and provide for tax requisition growth to meet the FVX Transit System service expansion approved by the Board, Staff are proposing an amendment to the maximum requisition level that is included in the establishing bylaw.

COMMENTS BY:

Jennifer Kinneman, Acting Chief Administrative Officer: Reviewed and supported.