PURPOSE

The purpose of the Federal Gas Tax Fund Expenditures Policy is to identify the process through which the Metro Vancouver Regional District (MVRD) Board considers and approves expenditures from the Federal Gas Tax Fund – Greater Vancouver Regional Fund (GVRF) for regional transportation projects proposed by the South Coast British Columbia Transportation Authority (TransLink).

DEFINITIONS

“Eligible Regional Transportation Projects” means the following eligible project categories described in Schedule B of the Administrative Agreement on the Federal Gas Tax Fund in British Columbia and confirmed by the MVRD Board as follows:

- Local roads and bridges, including active transportation
- Public transit;

“Evaluation Criteria” means the performance measures that the MVRD Board uses to assess the merit of each project submitted by TransLink for GVRF funding, as described in the Federal Gas Tax Fund – Greater Vancouver Regional Fund Application Guide;

“Federal Gas Tax Fund” means the predictable, long-term, stable funding provided by the federal government as part of the New Building Canada Plan for Canadian municipalities to help them build and revitalize local public infrastructure;

“Greater Vancouver Regional Fund” means the 95% of the Metro Vancouver Regional District and its member municipalities’ per-capita allocation that is pooled for eligible expenditures of regional transportation projects; and

“Information Requirements” means the information that must be provided by TransLink in order to allow for efficient and effective review of proposals by the MVRD Board, as described in the Federal Gas Tax Fund – Greater Vancouver Regional Fund Application Guide.

POLICY

As part of the New Building Canada Plan, the Government of Canada transfers funds to Canadian municipalities through the Federal Gas Tax Fund as a source of predictable, long-term funding for building and revitalizing public infrastructure. A renewed ten-year gas tax agreement, the Administrative Agreement on Federal Gas Tax Fund in British Columbia (2014 Agreement), came into effect in April, 2014 and extends the Federal Gas Tax Fund to 2024. It provides the framework for the delivery of federal funding to BC municipalities to help build and revitalize public infrastructure.
One of the three programs identified in the 2014 Agreement is the Greater Vancouver Regional Fund (GVRF). The GVRF pools 95% of MVRD member jurisdictions’ per capita allocation of gas tax funds to support eligible regional transportation projects proposed and delivered by TransLink. The GVRF program aligns with the Metro Vancouver Board Strategic Plan by enabling the MVRD Board to play a key role in approving the use of these funds towards the advancement of the Mayors’ Council Vision. Under this Policy, evaluation criteria have been established that will allow the Board to consider applications for the use of federal gas tax funds within the context of Metro 2040: Shaping Our Future, the Regional Growth Strategy to ensure integration between transportation planning and regional land use planning.

The 2014 Agreement identifies how the funds are to be delivered and provides high-level criteria to identify eligible projects and expenditures. Under the 2014 Agreement the MVRD Board must approve all eligible projects proposed by TransLink for funding. UBCM may not transfer monies to TransLink for eligible projects until it has received an approved list from the MVRD Board.

In order to support MVRD Board decisions related to approving expenditures from the GVRF, a process has been defined to clarify the procedural steps through which TransLink is to propose regional transportation projects to the MVRD Board for funding from the GVRF. Information requirements, including evaluation criteria, have also been defined to support the evaluation of regional transportation projects. Proposals from TransLink for funding from the GVRF must follow the format and procedures set out in the Federal Gas Tax Fund – Greater Vancouver Regional Fund Application Guide (the Application Guide).

**Application Process**
The GVRF application review process will commence upon receipt of an application from TransLink staff. TransLink staff will strive to observe Metro Vancouver’s committee report deadlines and ensure applications are sent with sufficient lead time for Metro Vancouver staff to review and provide staff-to-staff comments prior to finalizing the staff report to committee and Board.

The designated standing committee with responsibility for considering applications will review the submitted projects as described using the Application Guide and will make recommendations to the MVRD Board. The standing committee may request TransLink staff to make presentations as appropriate.

The MVRD Board will strive to make determinations in a timely manner. The MVRD Board will notify the Union of British Columbia Municipalities of the projects that it has approved for funding within seven business days of the decision.

**Information Requirements**
In order for TransLink proposals to be considered by the MVRD Board, they must include all of the required information and follow the format as specified in the Application Guide.
Proposals must be accompanied by TransLink’s approved Capital Program listing all projects and funding sources, including any projects funded or anticipating funding from the GVRF. Proposals must demonstrate the consistency of projects with the approved Investment Plan. Proposals must also include a description of each project for which funding is requested as defined within the Project Description section, and must demonstrate compliance with evaluation criteria, both as defined within the Application Guide.

**Evaluation Criteria**

The Application Guide includes a set of evaluation criteria to allow for a detailed assessment of projects for which funding is requested. A description of how each proposed project achieves or works toward each criterion must be provided.

Two types of evaluation criteria are identified: Screening Criteria, which represent requirements that are mandatory for any project for which GVRF funding is requested; and Integrated Criteria, which allow for quantitative and qualitative assessments of proposed projects based on high priority objectives that reflect the intent of the Federal Gas Tax Fund, Metro Vancouver goals, and the Investment Plan.


The Application Guide may be reviewed and revised as necessary on an ongoing basis at the discretion of the MVRD Board. Metro Vancouver will consult with UBCM and TransLink.

**GVRF Funding**

TransLink will provide to the MVRD Board annual reports on projects that have received funding through the GVRF as of December 31st. Annual reports should be submitted no later than Q2 of the following year. At a minimum, the reports must include updates about variances in budgeted and actual costs, expenditures to date, project schedule, risk assessment, project progress, state of purchased assets, and alignment with the GVRF evaluation criteria.

TransLink need not request expenditure of all GVRF monies in any given year and may choose to apply the approved funding to a project over multiple years.

Following notification by the MVRD Board of projects approved for funding from the GVRF, UBCM will release funding for approved projects in a calendar year in one amount. The amount of funding released will be commensurate with the amount approved by the MVRD Board.

All proposals, MVRD Board decisions, and TransLink annual reports will be posted on a dedicated page on the Metro Vancouver website on an ongoing basis.

**Ownership of Assets**

The 2014 Agreement does not address the question of ownership of regional transportation assets purchased using GVRF funds. Typically, GVRF funds are combined with other sources of funding to
offset the cost of a package of improvements. When determining whether asset ownership is advisable, the following factors should be considered:

- Public Sector Accounting Principles do not allow ownership of a tangible capital asset to be divided among different parties. Ownership of the asset must rest with one body.
- Should the MVRD decide to become the owner of an asset purchased through GVRF funding, the MVRD will also have responsibility for the maintenance, replacement and disposal of those assets.
- Ownership of assets, including those acquired using GVRF funding, enable TransLink to borrow for its infrastructure needs in the open market. TransLink currently uses this borrowing power to access funds to operate and maintain the regional transit system.

At its discretion, the MVRD Board shall consider the ownership of a regional transportation asset on a case by case basis with consideration given to the above factors.

**Disposition of Assets**

The 2014 Agreement includes a provision that attaches conditions to the use of revenues generated from the sale, lease, encumbrance, or other form of disposal of gas tax-funded projects that are disposed of within five years of their completion. All such revenues must be invested by TransLink into eligible projects that have been approved by the MVRD Board.

For any assets purchased by TransLink using funds from the GVRF, TransLink will be required to report back annually on the state of the purchased asset in the annual report, including the disposition of any asset and the value of the gas tax funds returned to the GVRF based on the residual value of the disposed asset.

If and when revenues come available from assets that are disposed of by TransLink within five years of a project’s completion, the use of such revenues must be approved by the MVRD Board using the same process and Application Guide as for new GVRF funds.

**Scope Changes and Unspent Funds**

Expenditures from the GVRF for any specific project proposed by TransLink are associated solely with the project as described through the Application Guide, and approved by the MVRD Board. Should at any time, the project undergo changes or modifications, or should a project require greater funds from the GVRF than anticipated, a new project proposal must be submitted by TransLink to the MVRD using the same process as was undertaken for the original proposal.

Should any project approved by Metro Vancouver for expenditure from the GVRF result in unspent funds, these funds must be returned to the GVRF.