



Proposal for GTTA in supporting Smart Commute Initiative

Introduction

With partial financial support from Transport Canada's Urban Transportation Showcase Program (UTSP), the Greater Toronto Area and Hamilton (GTAH) regions and municipalities jointly implemented the Smart Commute Initiative in 2004. To establish regional and municipal partnership in supporting the Smart Commute Initiative, a Memorandum of Understanding (MOU) was prepared and signed by all participating regions and municipalities in the GTAH. (please see attachment 1 for a copy of the MOU)

Based on discussion at the September 18, 2007's meeting between the Greater Toronto Transportation Authority (GTTA) and Smart Commute Steering Committee, it is the Smart Commute Steering Committee's understanding that the GTTA is prepared to support the GTAH Smart Commute Initiative at least to the level that has been provided by the UTSP.

In order to assist the GTTA in estimating the budget requirement to support the Smart Commute Initiative, the GTAH Smart Commute Steering Committee has prepared this proposal to estimate the GTAH Smart Commute 2008 budget requirements for the GTTA.

Assumptions and current situation

The regional and municipal partners have been supporting this valuable initiative since inception, including providing sole support since federal funding subsidies ended in March 2007. The current MOU among municipalities/regions in the GTAH is ending on December 31, 2007. Therefore it is critical to determine a funding solution to continue the operation of the Smart Commute Initiative.

Due to the lack of Federal funding for this fiscal year, the 2007-08 Smart Commute Association (SCA) budget does not accurately reflect the resources that are generally required to operate the SCA and its programs/services. The SCA is operating at a "survival" mode. Therefore, in order to determine a more realistic budget estimate for 2008, it is recommended that the SCA's 2006-07 budget be used as the initial benchmark.

In 2006-07, Transport Canada provided approximately \$1.2 million through the UTSP to support the GTAH Smart Commute Initiative.

The SCA Offices received about \$555,000 in funding from Transport Canada in addition to support from other project partners through in-kind contributions, including office space and equipment from the City of Toronto. York Region continues to be the employer of record and administrator for the existing three SCA staff.

In 2006-07, Smart Commute Halton, Smart Commute Brampton-Caledon were just launched, Smart Commute Durham, Smart Commute Central York and Smart Commute Hamilton were not established. Therefore, the \$1.2 million federal funding supported the SCA and four full operating TMAs in 2006-07.

Funding to support the SCA from each region/municipality under the existing MOU is presently collected from all partnering regions/municipalities by York Region.

Since the fiscal year for the GTTA starts April 1st of each year and the SCA and TMAs' budget cycle start on January 1st of each year, in order to minimize disruption and to support the continued operation of the SCA and TMAs, it is also recommended that once the GTTA has determined the 2008 level of funding required to support the Smart Commute Initiative, the GTTA also allocate a proportional amount in their 2007 budget to bridge the gap between January 1 and March 31, 2008.

Proposed 2008 GTTA budget in supporting the Smart Commute Initiative

For the SCA:

The Smart Commute Steering Committee recommends that the cumbersome funding process initially developed to meet the requirements for federal funding be streamlined with the SCA offices and staff being fully assumed by the GTTA, and region/municipal partners focussing their funding support directly on the local TMA's. This will eliminate the need to transfer funds between the GTTA and the regions/municipalities. The 2006-07 SCA office budget can serve as a guideline but should be adjusted to reflect inflationary pressures and the overall success of the initiative.

In addition to assuming the staffing function of the SCA, the GTTA will also assume all services and programs provided by the SCA including the maintenance and contracts for CarpoolZone, the Smart Commute website and the Smart Commute marketing and promotional programs and materials. As well, the GTTA will take over all corporate functions from York Region with regard to the administration of the SCA.

With more employers and commuters becoming aware of the Smart Commute Initiative, the GTTA should consider the allocation of additional resources, above that which was provided by the UTSP, to strengthen and expand the operation of the SCA as part of the 2008 budget.

Using a modest 3% annual inflation factor, the GTTA should be prepared to provide for a 2008 operating budget of about \$589,000. However, the GTTA may wish to consider increasing the budget to \$650,000 to cover contingencies and further service growth. Accommodating other operational elements of the SCA offices previously provided through in-kind support such as administration and offices space should also be included as part of the SCA budget to be taken into account by the GTTA.

For local Smart Commutes (TMAs):

The Smart Commute Steering Committee recommends that the GTTA provide one to one matching funding to each TMA up to an established upset annual limit, based on the amount of funding received from other sources, which may include grants and funds from senior levels of government, region/municipalities and/or the private sector.

Since each TMA also needs to receive funds from other sources in order to be eligible for the matching funds from the GTTA, the TMAs will be expected to provide monitoring and accountability to each of their funders in terms of work plan and implementation effectiveness. This process provides a level of accountability for the GTTA in terms of value for money.

In 2006-07, being the largest TMA, Smart Commute 404-7 received \$123,000 from Transport Canada. Based on an annual 3% inflation rate, this would be approximately \$130,000 in 2008 prior to any service increases. Therefore, to be consistent with the level of previous financial support provided by Transport Canada and to be consistent with all the TMA's, it is recommended that the 2008 GTTA budget allocate \$130,000 for each TMA that would need to be matched. This will amount to about an upset limit of \$1,170,000.

Any new TMA that will be requesting for funding support will require to submit a business plan to the GTTA for review and approval.

Monitoring

Each TMA will provide indicators to the SCA and the GTTA to measure their level of success and effectiveness (please see attachment 2 for a draft list of indicators).

In order to receive funding from the GTTA, we suggest that the GTTA require each TMA to submit an annual workplan and budget starting in 2008. The budget proposal would include anticipated funding and in-kind contribution from municipal and private funding sources.

Further, it will be up to the GTTA to discuss and negotiate with the TMAs as to the frequency and depth of progress and monitoring reports and other details with regard to funding.

Administration and Governance

The future role of the GTAH Smart Commute Steering Committee and Technical Committee can be discussed further to see how these two committees can support the GTTA in furthering the Smart Commute Initiative.

Conclusion

At this time of the year, all regional/municipal government are in the process of finalizing their 2008 budget exercise. Therefore, all members of the Smart Commute Steering Committee are required to provide confirmation of our financial requirement on the Smart Commute project to our respective budget process for 2008. We therefore hope that the GTTA will agree to the above broad statements of support as the new lead agency for the Smart Commute Initiative.

The GTAH Smart Commute Steering Committee is ready and willing to meet with you quickly to discuss this proposal.