



**STAFF REPORT  
ACTION REQUIRED**

**Request for Authorization to Negotiate and Enter into  
Funding Agreements with Metrolinx**

<b>Date:</b>	August 25, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	Director, Toronto Environment Office
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2008\Cluster B\TEO\EX08011

**SUMMARY**

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This report seeks authorization for staff to enter into a funding agreement with Metrolinx to support the City of Toronto’s work in transportation demand management (“TDM”) and, specifically, the Smart Commute program.

This report seeks further authority for the Director to negotiate and execute future funding agreements with Metrolinx to continue to support the City’s TDM and the Smart Commute program.

**RECOMMENDATIONS**

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**The Director of the Toronto Environment Office recommends that:**

1. City Council authorize and direct the appropriate City officials to execute a funding agreement with the Greater Toronto Transportation Authority (“Metrolinx”) for 2008, substantially on terms and conditions contained in Appendix “A” attached, and otherwise on terms and conditions satisfactory to the Director and in a form satisfactory to the City Solicitor and Chief Financial Officer and Deputy City Manager, in order to receive funding to support the Smart Commute program; and
2. City Council grant to the appropriate City officials the standing authority to negotiate and execute future funding agreements with Metrolinx for funding related to the City’s TDM and the Smart Commute program, on terms and

conditions satisfactory to the Director of the Toronto Environment Office and in a form satisfactory to the City Solicitor and Chief Financial Officer and Deputy City Manager.

## **Financial Impact**

In its commitment to the region-wide Smart Commute Initiative, Metrolinx will match the City's funding allocation up to \$130,000 in any given provincial fiscal year. For the July 2008 to March 2009 timeframe, the City of Toronto will receive matching funds of \$80,000 for its Smart Commute program under the proposed agreement with Metrolinx, with \$50,000 funding to be utilized in 2008 and \$30,000 for the first quarter of 2009.

This funding level represents an overall \$50,000 reduction from an anticipated \$130,000 allocation but an \$80,000 reduction in the Toronto Environment Office's 2008 Operating Budget, given that it was expected that the matching funding could all be utilized in 2008. The reduced funding level will be accommodated by delaying hiring of vacant positions and deferring expenditures to 2009.

Future negotiations with Metrolinx on funding agreements will seek to secure an amount of \$130,000 per year for the City's transit demand management and Smart Commute programs.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

## **DECISION HISTORY**

In October 2007, Council directed staff through the Sustainable Transportation Initiatives report to negotiate with Metrolinx for funding of the City's Smart Commute program.  
<http://www.toronto.ca/legdocs/mmis/2007/pw/bgrd/backgroundfile-7193.pdf>

In May 2008 staff reported to Planning and Growth Management Committee that Metrolinx has committed to matching up to \$130,000 in funding to local transportation management associations/initiatives.  
(<http://www.toronto.ca/legdocs/mmis/2008/pg/bgrd/backgroundfile-13042.pdf>).

In May 2008, as part of the update on the Sustainable Transportation Initiatives project, staff reported to Council that funding negotiations with Metrolinx were successfully completed for the 2008 provincial fiscal year.  
<http://www.toronto.ca/legdocs/mmis/2008/pg/bgrd/backgroundfile-13095.pdf>

## **ISSUE BACKGROUND**

The Smart Commute Initiative is a region-wide (Greater Toronto and Hamilton Area) program that seeks to curb traffic congestion and reduce greenhouse gas emissions. Smart Commute promotes commuter options such as carpooling, transit, cycling and telework — an approach collectively known as transportation demand management.

In 2002, the City partnered with the Regional Municipality of York to submit an application to Transport Canada's Urban Transportation Showcase Program. This application was successful and the City of Toronto, as a partner in this initiative, allocated \$400,000 over three years to launch the Smart Commute Initiative. Transport Canada's contribution to the project ended in 2007 and was replaced by an ongoing commitment from Metrolinx.

Over the period 2004 – 2007, Smart Commute successfully took 10,000 cars off the road per day, avoiding 17,400 tonnes of greenhouse gas emissions per year.

## **COMMENTS**

As part of the Climate Change, Clean Air and Sustainable Energy Action Plan, City Council has committed to supporting the Smart Commute program over the term of the Plan. As part of its commitment to the region-wide Smart Commute Initiative, Metrolinx has agreed to match the City's funding allocation dollar-for-dollar and up to \$130,000 in any given provincial fiscal year.

The Toronto Environment Office and Metrolinx have been in negotiations for the funding agreement. Attached, as Appendix 1, is a list of the key terms and conditions that will be contained in the agreement. The funding agreement between Metrolinx and the City will be for the period of July 2008 to March 2009, in the amount of \$80,000.

Each year, Metrolinx will require the City to enter into a new funding agreement for continued funding of the Smart Commute Program. Therefore, the Director of the Toronto Environment Office is seeking standing authority to allow the appropriate City officials to negotiate and execute such agreements with Metrolinx on terms and

conditions satisfactory to the Director and in a form satisfactory to the City Solicitor and to the Chief Financial Officer and Deputy City Manager.

## **CONTACT**

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Lawson Oates  
Director  
Toronto Environment Office

## **ATTACHMENTS**

Appendix “A” – Summary of Key Terms in Draft Funding Agreement related to the Smart Commute Program between Metrolinx and Toronto.

## **Appendix “A” – Summary of Key Terms in Draft Funding Agreement Related to the Smart Commute Program between Metrolinx and the City of Toronto**

1. The term of the agreement is for July 1, 2008 to March 31, 2009.
2. Metrolinx shall provide funding to the City equal to one-half of the total eligible costs incurred by the City in delivery of the Smart Commute Program, provided that the amount won't exceed the total amount of \$97,500.00.
3. Based on eligible costs, Metrolinx will provide \$80,000.00 to the City. Eligible costs relate to the implementation of the Smart Commute Program and include but are not limited to: costs for administration of the program; costs associated with project design and implementation; materials and supplies; applications development, acquisition of equipment; and public outreach and communication costs.
4. To receive the funding, the City will have to prepare three quarterly reports and an annual report to Metrolinx setting out the eligible costs incurred with supporting evidence.
5. Metrolinx is entitled to impose additional reasonable terms or conditions on the use of the funding at any time and Metrolinx can impose reasonable terms and conditions on any granting of consent required during the term of the agreement.
6. The City will fully indemnify Metrolinx against all damages and/or costs incurred as a result of a claim arising from the implementation of the Smart Commute program.
7. Metrolinx will not be liable for any claims for:
  - a. punitive damages;
  - b. damages for loss of profits or revenue;
  - c. indirect, consequential or special damages;
  - d. contribution, indemnity or set-off in respect of third party claims against the City; and
  - e. damages relating to interruption, delays, errors or omissions.
8. Except only to the extent Metrolinx is negligent or acts with wilful misconduct in the performance of its duties, Metrolinx will not be liable for any loss suffered by the City or any other person as a result of any act or inaction by Metrolinx. Metrolinx's liability shall not exceed the amount of funding provided.
9. During the term and one year afterwards, the City will not sell, lease or dispose of any assets valued over \$1,000 that were purchased with funding without Metrolinx's written consent.

10. Metrolinx can terminate the agreement at any time with 15 days notice and cease all further funding payments.
11. Metrolinx can immediately terminate the agreement if the City breaches any term of the agreement, including for improper use of the funding. If the agreement is terminated in this way, Metrolinx can demand repayment for any funding the City has not spent.
12. Any funding not used at the end of the term shall belong to Metrolinx. Remaining funding shall be used for purposes agreed upon by Metrolinx or the funding shall be returned to Metrolinx at its request.