



STAFF REPORT ACTION REQUIRED

Request for Authorization to Negotiate and Enter into a New Smart Commute Agreement with Metrolinx

Date:	October 27, 2016
To:	Parks and Environment Committee
From:	Chief Corporate Officer
Wards:	All
Reference Number:	P:\2016\Internal Services\E&E\Pe16010e&e (AFS 23844)

SUMMARY

This purpose of this report is to seek Council approval for the Director, Environment & Energy to negotiate a new agreement with Metrolinx for the Smart Commute Workplace Program in order to update the organizational funding and administrative structure and obtain authorization to extend current funding agreements for existing service delivery organizations.

Coincident with our existing funding agreement with Metrolinx that expires at the end of 2016, Metrolinx has undertaken a program review of the Smart Commute Workplace Program. Based on the program review Metrolinx has decided to change the program governance from 13 Transportation Management Associations (TMAs) contracted by Metrolinx to a model where Metrolinx will directly fund six municipal partners across the GTHA to take over management of the TMAs and their service delivery organizations starting in 2017. The City of Toronto will be given authority to administer the Smart Commute Workplace Program through its choice of delivery models in order to increase flexibility and create greater alignment with City objectives. Metrolinx believes these changes will improve value for money and better demonstrate results through project-based reporting.

The City of Toronto recognizes changes to the built environment and efforts to reduce congestion and greenhouse gas emissions must include transportation demand management initiatives to build individual and organization's awareness and understanding of their travel options, shape their preferences and encourage them to try new ways of travelling.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the Director of the Environment and Energy Division to negotiate a service delivery agreement with Metrolinx in order to update the organizational funding and administrative structure for the Smart Commute Workplace Program on terms and conditions satisfactory to the Director of the Environment and Energy Division and in a form satisfactory to the City Solicitor.
2. City Council authorize the Director of the Environment and Energy Division to execute the service delivery agreement with Metrolinx and the funding agreements with the three Transportation Management Associations (Smart Commute Pearson Airport Area; Smart Commute Northeast Toronto; and Smart Commute North Toronto – Vaughan), together with any agreements and ancillary documents required for the delivery of the Smart Commute Workplace Program, in these geographic areas.
3. City Council authorize the Director of the Environment and Energy Division to negotiate and execute future service agreements with Metrolinx and funding agreements with Transportation Management Associations, together with any agreements and ancillary documents required for the delivery of the Smart Commute Workplace Program, on terms and conditions satisfactory to the Director of the Environment and Energy Division and in a form satisfactory to the City Solicitor.

Financial Impact

Metrolinx will increase the amount of annual funding to the City of Toronto from \$323,200 to \$520,580 plus a one-time transition payment of \$7,500 to the City for the Smart Commute Workplace Program.

Upon receiving the funding, an appropriate in-year budget adjustment will be made to the 2017 Operating Budget for Facilities Management, Real Estate, Environment & Energy (FREEE) to account for the incremental increase of \$204,880 gross and \$0 net, including the one-time transition payment, funded by Metrolinx. There will be no net increase to the City of Toronto's 2017 Operating Budget.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council on September 24 and 25, 2008,

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX23.28>

adopted the following motions:

1. City Council authorize the Director of the Toronto Environment Office 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 of the Toronto Environment Office and Chief Financial Officer and Deputy City Manager and in a form satisfactory to the City Solicitor, in order to receive funding to support the Smart Commute program.
2. City Council grant to the Director of the Toronto Environment Office standing authority to negotiate and execute funding agreements with Metrolinx for funding related to the City’s Transportation Demand Management and the Smart Commute program, on terms and conditions satisfactory to the Director of the Toronto Environment Office and Chief Financial Officer and Deputy City Manager and in a form satisfactory to the City Solicitor.

ISSUE BACKGROUND

Traffic congestion is one of the major concerns for the people of Toronto and the environmental, economic and social costs of traffic congestion are well documented and understood. Toronto has taken proactive steps towards reducing traffic congestion through investments in public transit and implementation of the Congestion Management Plan. Transportation Demand Management (TDM) is part of the solution in that it works to motivate and support people in shifting to more sustainable modes of transportation (e.g. walking, cycling, transit, carpooling, teleworking) instead of driving alone. The Smart Commute Workplace Program supports TDM by helping employers and commuters explore and try out smart travel options by providing tools, resources and campaigns to encourage more sustainable commuter habits. The Smart Commute Workplace Program is jointly funded by Metrolinx, the City of Toronto and client user fees.

The Smart Commute program was initiated in 2004 through an initiative of the City of Toronto, along with the Regions of Durham, Halton, York and Peel and the City of Hamilton, with funding from Transport Canada. In 2007 funding from Transport Canada ended and the Board of Directors for Metrolinx decided to assume the leadership role for the Smart Commute program and provide funding support of up to 50%.

Presently there are 6 TMAs in the City of Toronto working under three different delivery models. Three of TMAs see smart commute services delivered by Not for Profit organizations currently through an agreement with Metrolinx. All three receive funding from the City in the form of a grant from the Environment and Energy Division. The other three TMAs are delivered directly by the City with two being provided by a service provider contracted through a competitive RFQ process and one being provided directly by City Staff.

In total, there are over 80 workplace members, with over 296,000 employees in Toronto currently being supported by the Smart Commute program. Since 2008, the Smart Commute program in Toronto has helped to avoid more than 3,876,942 vehicle kilometres travelled and reduced 1,085,873 kg of greenhouse gas emissions.

A 2015 impact review by Metrolinx found a 6:1 return on investment for the Smart Commute Workplace Program. Key benefits of the Metrolinx impact review include reduced congestion and travel time, lower commuter operating costs, and improved health. The program takes an estimated 2.4 million annual car trips off the road, which is 1.7 per cent of all trips. This reduction is directly attributable to the Smart Commute Program.

COMMENTS

Since 2007, when Metrolinx assumed the Smart Commute program for the GTHA, it has helped facilitate the growth of the program to the point where it now covers the entire geographic area. There is approximately 340 members across the GTHA involved, representing over 730,000 commuters.

The program continues to evolve and change and Metrolinx in 2016 initiated a process to identify ways to improve and administer the program more effectively. City staff have been meeting with and engaged in discussions with Metrolinx staff and have confirmed Metrolinx's commitment to the Smart Commute program.

Metrolinx is proposing revisions to the program that will build on program successes and better focus on transportation behaviour change and results. Relationships with the TMAs are complex, with several delivery and funding models in existence. To ensure good and transparent governance, Metrolinx will no longer provide funds directly to non-municipal TMAs. Instead, Metrolinx will provide funds directly to the City of Toronto, as well as the Regions of Durham, Halton, York, and Peel and the City of Hamilton. The City of Toronto will have increased flexibility to administer the program through the delivery model of its choosing to increase flexibility and create greater alignment with City objectives, such as supporting new infrastructure.

Metrolinx has taken a collaborative approach to the Smart Commute Workplace Program review, consulting with staff from the City of Toronto as well as the Regions of Durham, Halton, York and Peel and City of Hamilton. Metrolinx has also sought and received feedback from TMAs and member businesses on Smart Commute's service offerings and behaviour change impacts.

Metrolinx is proposing to provide the funds it currently provides directly to the not for profit service delivery organizations to the City of Toronto. The City will then be responsible for administering the program and allocating the funding provided by Metrolinx as well as the City's funding, to the three TMAs operated in Toronto by not for profits. City staff are supportive in principle of this administrative change and new relationship and are in process of negotiating a new agreement with the Metrolinx. Authority is being asked of City Council to allow the Director of the Environment and Energy Division to finalize that agreement, in a form satisfactory to the City Solicitor.

In 2017, staff will look for opportunities to maximize the impact of the City of Toronto's investment in Smart Commute and the delivery of transportation demand management. Advances in technology will mean there are opportunities to explore alternate delivery models for Smart Commute in the future. Staff will undertake a review of this new delivery model in 2017 to evaluate opportunities to optimize investments in Smart Commute. The City will work with partners to review the service area boundaries of local Smart Commute organizations and investigate changes that could better match demands with the available resources.

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SIGNATURE

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