

November 23rd, 2012

From: Don Iveson, Chair
Regional Transit Committee

To: Regional Transit Committee

RE: Intermunicipal Transit Governance Study - Business Case – Funding Proposal

- The purpose of this memo is to provide committee members with a proposal for funding the next phase of work under the Governance Study and Implementation Plan.
- The next phase of work identified by the consultant and the committee is to complete a business case.
- The purpose of this business case is to quantify and qualify the costs, benefits and merits of a commission model of governance, to oversee the management and operations of intermunicipal transit services in the Capital Region.
- A planning budget of \$250,000 has been identified to complete the business case based on the terms of reference.
- The interim budget of CRB has \$60,000 identified towards this project.

Proposal

- Due to limited funds available from within the CRB's interim project budget for 2013, the committee chair is proposing the RTC submit a joint application for project funding under the Provincial Regional Collaboration Program.
- The joint application would be made by the existing members of the RTC- Edmonton, Strathcona, St. Albert, Sturgeon, Leduc County, Leduc, Spruce Grove, Fort Saskatchewan and Beaumont and identified as a regional project outside of the CRB.
- This project does meet the eligibility criteria identified for the program.
- Preliminary discussions with Municipal Affairs have identified support for this project in this year's budget.
- To avoid any conflict with the CRB's long term sustainability funding proposal, it is recommended that a participating municipality apply for the grant on behalf of this regional partnership.
- Discussions with the CRB CEO and the CAO's of the three transit operators have resulted in agreement that the project would be managed by the CRB Administration.
- Earlier discussions among the RTC members have indicated support for members to voluntarily contribute to the cost of this project.

- Following the 2/3, 1/3 funding model established under Green Trip, it is proposed that the committee ask the province for \$165,000, towards the cost of the project, with the remaining \$85,000 shared amongst the members wishing to contribute.
- One approach to determining the funding split would be to use the basis of the approved CRB Cost Sharing Model, which would result in the following share of funding :

Transit Cost Sharing Formula calculation for *Possible Voluntary Member Participation*

		Project Value* \$250,000.00	
		Option 1- Province pays 2/3 Regional Partners 1/3	
RTC Members	As per the Approved Transit Cost Sharing Formula March 2011	Adjusted based on possible sub regional membership* <i>For Discussion</i>	Project Value \$
			85,000.00
1 Edmonton	67%	70%	\$ 59,500.00
2 Strathcona	9.89%	11%	\$ 9,350.00
3 St. Albert	5.30%	6%	\$ 5,100.00
4 Sturgeon	2.11%	2%	\$ 1,700.00
5 Leduc County	2.04%	2.5%	\$ 2,125.00
6 Spruce Grove	1.99%	2.5%	\$ 2,125.00
7 Fort Saskatchewan	1.97%	2%	\$ 1,700.00
8 City of Leduc	1.93%	2.5%	\$ 2,125.00
9 Beaumont	1.10%	1%	\$ 850.00
10 Morinville	0.56%	0.5%	\$ 425.00
	94%	100%	\$ 85,000.00

Note: *the 6% from the core fee and non-members is spread across the members and rounded for simplicity.

- These funding amount are subject to further discussion by the RTC and are not to be interpreted as a commitment on behalf of a municipality. Municipalities are free to contribute to whatever level they are comfortable with or choose not to contribute anything at this time.

Project Overages

- Should the proposals to do this work exceed the planning budget of \$250,000, the proposal would be
 - First to add the \$60, 000, identified in the 2013 Interim CRB budget, to the project budget.
 - Second, Consult with Edmonton on making up the difference.
 - Third, re-evaluate the scope of work to fit the available budget.