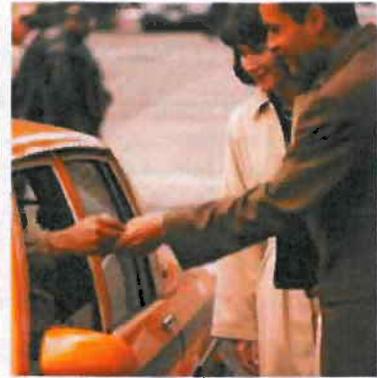
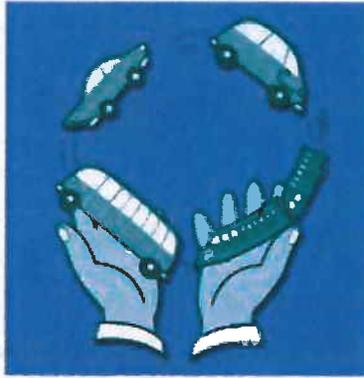


APPENDIX C:
“TMA HANDBOOK: A GUIDE TO SUCCESSFUL TRANSPORTATION MANAGEMENT
ASSOCIATIONS”

TMA Handbook



A Guide to Successful
Transportation Management Associations

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Contributors



It's going to work!

The development of the "TMA Handbook: A Guide to Successful Transportation Management Associations," was a collaborative process. It was written and designed by the National Center for Transit Research's (NCTR) National TDM and Telework Clearinghouse on behalf of and with the assistance of the Association for Commuter Transportation's TMA Council. The NCTR National TDM and Telework Clearinghouse is a project of the Center for Urban Transportation Research at the University of South Florida, College of Engineering, in Tampa, Florida.

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This updated TMA Handbook is based upon the previous work of those who produced earlier editions.

- The 1994 edition was produced by Commuter Transportation Services, Inc. Los Angeles, CA, with grants from the United States Department of Transportation, Federal Highway Administration and the Federal Transit Administration with the cooperation of the Los Angeles County Metropolitan Transportation Authority and the State of California, Department of Transportation. The TMA Handbook was prepared by: Lori

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- The 1989 edition, "*TMA Handbook: A Guide to Forming Transportation Management Associations*," was produced by Commuter Transportation Services, Inc., Los Angeles, CA, and the Southern California Association of Governments, with a grant from the United States Department of Transportation, Urban Mass Transportation Administration. The *Handbook* was prepared by Eric Schreffler, Harold Katz, and members of the Southern California TMA Handbook Advisory Committee.

You may order copies of the *TMA Handbook* by using the order form available on the ACT website at www.actweb.org and sending it with payment to:

Association for Commuter Transportation
P.O. Box 15542
Washington, D.C. 20003-0542



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Purpose and Use of the Handbook

Public-private partnerships that address localized transportation issues operate under a variety of organizational structures, depending upon the nature and duration of the problems addressed, the selected mission, the members involved and the sources of funding. These organizations can vary in legal formality, including ad hoc task forces, committees within other agencies and private nonprofit organizations. Sometimes an informal committee evolves into a private nonprofit organization.

This *TMA Handbook* discusses the formation, operation and ongoing development of formally structured TMAs—those that have incorporated as private nonprofit organizations. The reason for the emphasis upon private nonprofit TMAs is because the majority of TMAs that responded to the 1998 ACT TMA Council Operational Survey identified themselves as 501(c) organizations. The *TMA Handbook* strives to address the more complex organizational issues experienced by legally incorporated TMAs; however, the comprehensive information contained in this *Handbook* is also useful and relevant to TMAs of other organizational types.

In 1989, Commuter Transportation Services, Inc. (CTS) produced the first edition of the *TMA Handbook*, designed to provide information to assist groups that were considering forming, or had begun the process of creating a Transportation Management Association (TMA). The original handbook, targeting the development of new TMAs, was well received and widely distributed to TMAs throughout the nation.

The second version of the *TMA Handbook* was published in 1994 with the purpose of providing information needed at various stages in a TMA's life cycle, including exploring TMA feasibility, TMA formation and ongoing TMA operations. The second version was produced by Commuter Transportation Services, Inc. in coordination with many contributors.

This newest update of the *TMA Handbook* incorporates the recognition that in the future, more updates will follow, due to the continually changing environment in which TMAs operate. As a result, the three-ring binder format of the *Handbook* is intended to enable the reader to add updated notes and case studies. Specific data that describe current operational characteristics of TMAs, as gathered from the 1998 ACT Survey, have been placed in the Appendix for easy referral and later updates. The *TMA Handbook* preserves the practical "how-to" tone that was established in the previous editions.

Some transportation professionals seek a tidy definition of the term, "TMA," to determine funding eligibility and for other purposes. TMAs appear to defy such a neat definition but perhaps the most defining characteristics of TMAs are their diversity and flexibility. The updated *TMA Handbook* contains a discussion of TMAs, relative to differences in institutional organization, purpose, funding, membership and location, recognizing that all have equal legitimacy. It is argued that the value of TMAs partly stems from this degree of flexibility through which a public-private partnership is empowered to meet its particular needs.

As we wrestle with the definitional boundaries of a TMA, we argue that TMAs should *not* be defined as "TDM organizations" or "rideshare organizations." While TMAs have traditionally used transportation demand management strategies, including ridesharing assistance and promotion, this is unnecessarily limiting. It tempts TMAs to select a strategy even before it is determined what should be accomplished.

While the updated *TMA Handbook* adds a brief discussion of other "tools" available to TMAs, including Transportation Systems Management (TSM), this is not a guidebook on TDM or other techniques. It is recommended that the reader pursue the many excellent texts and publications on TDM, as well as TSM, that are available. The emphasis of the updated *TMA Handbook* is to provide guidance on how to accomplish transportation-related goals through a partnership; after all, a TMA is an organization of people working together.



New information was added to the *TMA Handbook*, particularly regarding financial management issues of TMAs and regarding monitoring and evaluation of TMA program performance. The issues involved in running a TMA are similar to, and as challenging as, running a small business. For example, the decisions that TMAs make regarding how they track and report their financial condition can have a direct bearing on the success of the TMA. The results of monitoring and evaluating a TMA may make the difference between winning a new operating grant and staying afloat, or losing grant funds and closing its doors. The no-nonsense discussions on these and other topics will help TMA staff and board members understand the complexity of the effort and the many decisions and trade-offs that must be made.

The *TMA Handbook* is divided into five sections:

- Section 1: About TMAs—Overview
- Section 2: The Possibilities—TMA Exploration and Feasibility
- Section 3: TMA Development—Building Relationships and Alliances
- Section 4: TMA Development—Planning and Evaluation
- Section 5: TMA Development—Financial Management and Service Delivery
- Section 6: Appendix

Section 1 introduces the TMA as an organization, describes the roles TMAs can play in transportation and air quality management, presents a brief history of development and gives an overview of TMAs today.

Section 2 presents a process to explore the need and potential for creating a TMA, and to develop support for its formation.

Section 3 provides information on options for selecting a legal organizational framework, establishing a professional staff, developing a board of directors and building organization membership.

Section 4 addresses how the TMA lays the groundwork for accomplishing its mission. These tasks include determining goals and objectives, establishing a means for carrying out program monitoring and evaluation and developing a strategic work plan.

Section 5 discusses issues relating to funding sources, budgeting, financial management and TMA service delivery.

Section 6 is an Appendix that provides references and resources useful to TMAs throughout their development.

Throughout the *Handbook*, readers will find references to the “Sample TMA.” This is a fictitious TMA, created to provide illustrative examples.

About TMAs— An Overview

- The Problems that TMAs Address
- Defining Transportation Management Associations
- A Brief History of TMAs
- TMAs Today
- Three Stages of TMA Development

The Problems That TMAs Address

Many Americans rely heavily on their cars for personal travel. However, motor vehicle travel has brought problems as well as convenience and opportunities. Traffic congestion in some areas has reached crippling levels. Driving alone, especially during commuting hours when travel speeds are stop-and-go, greatly contributes to traffic congestion and air pollution. Vehicle-related air pollution threatens both the environment and health of community members. In more than 100 urban areas nationwide, levels of pollutants, caused mainly by motor vehicle emissions, exceed federal clean air quality standards. Poor access to centers of commerce impedes employee recruitment and hurts business. Lack of public transit service, bicycle facilities, sidewalks and other transportation facilities severely limit the mobility of citizens who do not drive. Poorly managed parking supply in a downtown can waste valuable real estate, discourage use of transportation alternatives and hinder commercial revitalization.

The growth in TMAs over the past 20 years stems from the knowledge that business influence and resources can be more effective when collectively applied. The development of a properly-conceived, efficiently-operated and adequately-funded TMA can be an important component of an area's efforts to address a wide variety of transportation-related problems.

Defining

A review of the literature finds a wide range of definitions for transportation management associations. In California, the South Coast Air Quality Management District (SCAQMD) emphasizes the formal nature of many TMAs as well as an implied purpose. SCAQMD defines a TMA as:

“...a private/nonprofit association that has a financial dues structure joined together in a legal agreement for the purpose of achieving mobility and air quality goals and objectives within a designated area.”¹

In Florida, the geographical service area is also included in the definition. TMAs are:

“...public/private partnerships formed so that employers, developers, building owners, and government entities can work collectively to establish policies, programs and services to address local transportation problems. TMAs realize their potential in addressing traffic congestion, air quality, and occasionally, employment issues through TDM strategies. TMAs are established within a limited geographical area to address the transportation management needs of their members. TMAs are expected to obtain private sector financing in addition to public funding.”²

These are two of the many definitions of TMAs. For some definitions, the term “transportation management association” is often used interchangeably with “business nonprofit organization.” Yet there are several varieties of TMAs, including those serving residential areas, which are not commonly considered TMAs. As discussed throughout the *Handbook*, TMAs serve a variety of roles and markets, and thus seem to defy a single definition. TMAs need not be based upon ridesharing programs. In fact, some experts think that the opportunity for continual public and business community involvement in transportation issues may supplant the ridesharing services that many TMAs were formed to provide.

Why does it matter what definition we use? For individuals looking to form a TMA, recognizing and appreciating the differences may help select the model that deals with the problems that the proposed TMA is intended to address. Some definitions may be overly prescriptive in the types of services offered by TMAs. These prescribed services may not be the best solution or even appropriate for problems in your service area. For those who

¹ <http://www.aqmd.gov/trans/doc/ercp/ecrp07.html>

² Florida Dept. of Transportation, Commuter Assistance Program

manage an existing TMA as a staff member or board member, understanding the differences may help improve its performance.

In reality, TMAs function as a “family,” with each member having its own mix of characteristics. For example, TMAs encompass many types of institutional structures, including both ad hoc groups and formal, independent nonprofit corporations. TMAs may be composed of different mixes of public and private sector representatives. The service areas may be as small as a major activity center or as large as a countywide program. Funding may come from private sources, such as developer fees and member dues, or grants from the public sector. TMAs may serve as an advocacy channel for all types of transportation improvements or be a service provider for a particular market, such as mid-day shuttles for hospital employees.

As a means of defining TMAs, some may choose to classify TMAs along a continuum that demonstrates one or more characteristics to a greater or lesser degree. If this method is used, it should not be inferred, that movement along the continuum (for example, from an ad hoc group to an independent, nonprofit corporation) is necessarily desirable, inevitable or should be a long-range goal. One set of TMA characteristics is not necessarily better than another.

The following table illustrates the various characteristics of TMAs and how there may be different mixes of these characteristics. For example, a TMA may be an independent business league, serving a particular corridor with mixed sources of funding that provides TDM and Transportation Systems Management (TSM) services. Or, it might be a subsidiary of a business league operating under private leadership, serving a major activity center with private funding that advocates a particular transportation solution. In effect, there is a myriad of possible combinations.

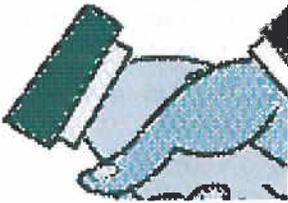
Perhaps part of the difficulty in defining a TMA is the changing nomenclature that may reflect

Characteristics of TMAs

Institutional	Tax status/Purpose	Leadership	Area	Funding	Services
Independent	Charitable education	Private majority	Activity Center	Private	TDM only
Subsidiary	Social welfare	Public majority	County/City/Regional	Public	TDM, TSM
Ad hoc	Business league Unincorporated	Private only Public only	Corridor	Mix	Advocacy Other

changing times and/or the degree of institutional permanence that the TMA is expected to have. In some parts of the country, Transportation Management Initiatives (TMIs) were formed as a means of distinguishing between a formal program and one that may be either a short-term project (akin to a task force) or simply a branch office of a regional commuter assistance program that has its own advisory committee of businesses. In effect, the TMI concept is simply a subset of the TMA family.

TMAs also are sometimes called Transportation Management Organizations (TMOs). Generally, most people think the terms TMO and TMA are the same. It is widely believed that the TMO acronym was adopted by the industry as a reaction to the co-opting of the “TMA” acronym. The Intermodal Surface Transportation Efficiency Act (ISTEA) assigned the TMA acronym to “Transportation Management Areas.” These TMAs mean an urbanized area with a population over 200,000. For the purposes of this *Handbook*, TMOs and TMAs will be considered to mean the same thing, and the term TMA will be used hereafter.



Recommended Definition

Defining TMA by recognizing the differences may help a new TMA clarify its role and help an existing TMA plan its future. For example, the issue of institutional permanence of the TMA is critical to understanding how TMAs can be designed. In effect, planned obsolescence is a viable option for some and almost a foregone conclusion for others, if funding disappears.

Some TMAs dissolve or quickly de-activate when energies are focused on raising funds. The departure of key staff near the end of the funding cycle also contributes to failure. Even though it is widely conceded that self-supported TMAs will ultimately be the least-adopted form, many public-driven TMAs are required to evolve from government seed funding to fully or substantially private funding.

The definition of a TMA should be general enough to encompass the family of TMAs because it is important to recognize the legitimacy of the variety in existence. The structure of the phrase, Transportation Management Association, suggests three questions to ask:

- Transportation (meaning the business of transporting passengers, goods, materials or the like): is the organization's focus on moving people and goods?
- Management (meaning the act, manner or practice of managing, handling, or controlling something): is the emphasis on taking control of the existing methods or approaches for handling transportation problems?
- Association (meaning an organized body of people who have some common interest, activity or purpose in common): Is there an organized group involved?

Using these questions as a guide, a recommended definition could be expressed this way:

A Transportation Management Association (TMA) is an organized group applying carefully selected approaches to facilitating the movement of people and goods within an area. TMAs are often legally constituted and frequently led by the private sector in partnership with the public sector to solve transportation problems.

One pertinent observation on the above definition is that, strictly speaking, TMAs need not have a focus on Transportation Demand Management (TDM). Rather than one necessarily implying the other, they both simply come from common semantic roots. Thus, an organization promoting carpooling can be a TMA just as surely as a group that advocates traffic signal coordination. In practice, of course, it is most likely that TDM will be a key tool for managing the system. Indeed, well-planned TMAs stress the importance of managing demand as well as supply of the transportation system. Requiring TDM activities to take place before calling a particular organization a "TMA" seems to be unnecessarily restrictive.

The concept of management *is* central to TMAs, TDM and TSM. Satisfactorily answering the question, "How will I know TMAs are really working?" is undoubtedly the biggest obstacle to the widespread acceptance of TMAs by employers and funding agencies alike. The comfort level with TMAs may be increased as other common forms of transportation management strategies, (such as TSM), can be shown to meet the needs of businesses.

Understanding that any one TMA is part of a family of many types, readers will observe that the *TMA Handbook* appears to apply only to the more formal, incorporated type. The *TMA Handbook* emphasizes issues experienced by TMAs of a more complex organizational type; however, aspects of each section of the *Handbook* apply to all. For example, information on how to recruit board members can also apply to recruiting volunteers for an ad

A Brief History of TMAs

Early Programs

hoc advisory type of TMA.

The first TMAs created in the early 1980s, such as the Greater Princeton TMA in New Jersey, were initiated by groups of employers that banded together to advocate local transportation issues. Others, like The Rideshare Company in Connecticut, were formed to save money through cooperative delivery of transportation services. Some, like the Bishop Ranch Transportation Association in California, were started by developers who were required to mitigate trips as a condition of a development agreement with a local government planning agency.

As the 1980s progressed, government agencies began looking to these early TMAs as models of cooperative business arrangements. Thus, they started supporting the development of TMAs with public grants. In the mid 1980s, the Urban Mass Transportation Administration (UMTA), now the Federal Transit Administration (FTA), began funding TDM implementation partnerships.

Grants were awarded to help fund the start-up or early operation of the Baltimore-Washington International Airport (BWI) TMA, the Greater Princeton TMA in New Jersey, and The Rideshare Company in Connecticut. Seattle METRO also received grants in 1986-87 for development and support of the Bellevue TMA, one of the nation's first TMAs. The Suburban Mobility Initiatives (SMI) program, designed to provide grants for TDM implementation projects, awarded TMA formation grants to nearly 20 groups between 1988 and 1990.

Many early TMAs in the 1980's started to implement required TDM strategies through negotiated trip-reduction agreements between a city and a developer or landowner. Some of these agreements also required future employer tenants to participate in TDM programs, but because cities generally have been reluctant to regulate employers, most did not assure their participation through binding agreements. TMAs became mechanisms for ensuring the ongoing participation of tenants in the TDM programs.

Although UMTA's funding encouraged TMA development, the number of TMAs grew substantially when other public agencies also began to offer funding. The states of Massachusetts, California, and New Jersey initiated funding in 1987 and 1988, and had funded 46 TMAs by 1991. Florida, Pennsylvania, and New York also funded TMA development. Numerous city and county governments in Maryland, New Jersey, Pennsylvania, and California also provided grants to new TMAs, often matching federal or state money.

Continued Government Support

The federal Clean Air Act Amendments (CAAA) of 1990 adopted TDM as an instrument of areawide pollution control. Pursuant to CAAA, the Employee Commute Options (ECO) mandate, promulgated in 1991 by the U.S. Environmental Protection Agency, required all businesses employing more than 100 workers in ten severe non-attainment areas for ozone to implement trip reduction programs designed to reduce the employees' average vehicle passenger occupancy by 25 percent. The requirement was modeled after Southern California's Regulation XV, enacted in 1987. Providing technical assistance in meeting these requirements became the heart of many TMA programs.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 changed the way all metropolitan areas in the United States look at transportation issues, embracing TDM as a tool of regional congestion management. ISTEA required that congestion management systems examine all possible alternatives to increasing capacity before the decision is made to build new roads. Alternative mode features were required to be incorporated into the planning and design of new roads.



TMA Today

Where TMA's Are Located

The missions of transportation management associations were bolstered by ISTEA and regulatory requirements because it gave reasons for employers and local governments to want to participate in TMAs, as well as providing a market for the services of TMAs. ISTEA also provided funding opportunities, especially through the Surface Transportation Program, the Transportation Enhancement Activities Program and the Congestion Mitigation and Air Quality Program to initiate projects, including the start-up of TMAs.

Strong opposition to the federal ECO requirement developed and in December 1995, the U.S. Congress repealed the federal ECO mandate. At the same time, the Southern California Air Quality Management District adopted Rule 2202, replacing Regulation XV. The new rule no longer required employers to reduce employees' vehicle trips but only emissions resulting from work trips. As a result, some TMAs folded.

Employers in California are now given a menu of options with which to satisfy the requirement, such as scrapping old, polluting vehicles, and purchase of clean fuel vehicles. While employer trip reduction programs remain a valid method of fulfilling the requirement, they are optional and voluntary instead of mandatory.

During the 1990's, three federal legislative acts have enabled employers to offer their employees a range of commute benefits that provide incentives to reduce drive-alone commuting. These are the Energy Policy Act of 1992, the Taxpayer Relief Act of 1997 and the Transportation Equity Act for the 21st Century (TEA-21), passed in 1998. These actions gave TMAs more tools and services to provide to the commuter market, as well as a need for TMAs to provide information and technical assistance. In 1999, Vice President Al Gore announced the kick-off of the federal government's Commuter Choice Initiative, in which employers implement programs that provide incentives for employees to exercise choice in selecting their commute mode. This is providing a strong direction for TMA programs and services.

Most of the earliest TMAs—those initiated by private businesses—have remained active and productive. Others, generally those that resulted from the “push” of a public agency grant rather than the “pull” of the demand of the business community, have struggled or ceased to exist. As the number and experience of TMAs have increased, both private groups initiating TMAs and the public agencies that help support them have learned a great deal about the factors necessary for success.

TMAs today share many characteristics, but can differ because of geography, goals, management practices, products and services and specific markets. We will explore both the similarities and differences throughout this *Handbook*.

TMAs are located throughout the nation where transportation problems have become hazardous to the environment or lifestyle. The ACT TMA Council Operational Survey contains information regarding the location of survey respondents. While the survey does not provide a complete picture of the total number of TMAs in the United States and their locations (not all TMAs are members of ACT) the latest survey information does indicate that TMAs exist throughout the nation. States represented by five or more TMA survey respondents include California, Massachusetts, Florida, New Jersey and Colorado.

TMA activities and roles may differ due to the type of development or land use in their service areas. However, most TMAs are formed in one of three geographic settings:

- Suburban (existing or new)
- Central Business District (CBD)

■ Other areas

Suburban

TMA's in suburban areas serve non-CBD activity centers with solutions to transportation problems. Most were formed primarily to provide centralized, coordinated services to current employers, to assist employers in developing and implementing in-house TDM programs and to address localized transportation problems.

Some TMA's are formed in new suburban areas. A few serve residential areas, but most are primarily emerging in commercial developments. Developers are sometimes the catalysts in their formation. In new suburban areas, TMA formation is generally seen as a mechanism to mitigate traffic or air quality impacts of planned development. In some cases, agreements with local government agencies require developers to mitigate trips to a new site or surrounding area. A TMA might be initiated to assist in this effort.

Central Business District (CBD)

Many TMA's are located in CBDs or downtown areas. In addition to working with employers and employees, these TMA's often work with managers of multi-tenant buildings and with retail merchants concerned with customer access. CBD TMA's often focus more on transit promotion and parking management than do suburban TMA's, because there is usually better transit access and more constraints on employee parking in the CBD than in suburban areas.

Other Areas

A few TMA's serve developments located in areas other than typical suburban or CBD settings. Regional or countywide TMA's sometimes play a significant role in area-wide transportation planning and advocacy, and a lesser role in local service delivery. Corridor TMA's tend to focus on accommodating transportation needs of members along a highway corridor or mitigating impacts of highway reconstruction. Industry TMA's serve a single type of employer (such as hospitals or airports) within a region or area, and develop services and programs unique to employers and employees in that industry.

Most TMA goals include reducing traffic congestion and increasing mobility. Public sector representatives in a TMA particularly favor the goal of reducing motor vehicle trips. Some TMA's also adopt goals relating to the enhancement of transportation facilities, land use planning and economic development. While some goals are more common than others, there are no "right" or "wrong" goals. More importantly, each board and membership should adopt goals that they can embrace as beneficial and pertinent to the issues of the TMA service area and worthy of their efforts to achieve.

TMA's can fulfill many roles according to the needs and interests of their members, and the availability of funding.

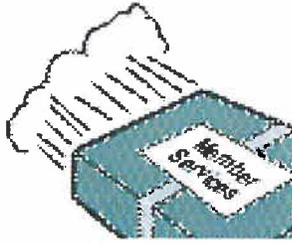
Broker or Provider of Services

Many TMA's are brokers, coordinating delivery of services to customers through employers, developers, or local governments. Other TMA's are direct providers of services to



TMA Goals

TMA Roles



selected markets.

Consultant

Many TMAs act as consultants to provide transportation advice and technical support for programs that can be implemented collectively or by individual businesses.

Watchdog

TMAs fulfill the role of observer and monitor of conditions relating to transportation, access, business climate and other topics of interest to the membership.

Information Clearinghouse

Nearly all TMAs effectively serve as providers of information to businesses on important transportation issues and options for engaging in the dialogue. TMAs also provide information regarding local requirements and regulations, as well as the availability of services.

Forum for Consensus Building

Through its membership, the TMA serves the role of a forum for consensus building regarding the nature of the problem and steps to address it. This consensus building role empowers the TMA membership to act effectively and as one voice.

Advocate

Many TMAs fulfill the advocacy role on behalf of the goals of the TMA for addressing transportation issues, within various venues, such as participation in local transportation planning and economic development processes. Many TMAs have developed credibility with local planning agencies, enabling TMAs to promote better long-term transportation and land use planning. TMAs that have made this a priority are often a persuasive voice in local planning, resulting in improvements in local transportation services and facilities.

Educator

TMAs can serve the role of educator to benefit a broad audience of employers, developers, public agencies and customers about the nature of transportation problems that exist in the service area, and the range of solutions and strategies that can be employed to address them. As educator, the TMA is in a good position to focus attention on the links between transportation and land use, air quality, work force accessibility and related topics.

Regulatory Monitor

Today and in the future, more cities may employ negotiated agreements or adopt trip-reduction ordinances that require employers, developers or landowners to implement TDM programs. TMAs can serve the role of monitoring ongoing participation of tenants in TDM programs.

Enforcing developer programs can be difficult, and some speculative developers do not continue their support after the building or complex is fully leased. A speculative developer might quickly sell the project to a third party or put it under the control of a management firm that is not involved in the original agreement. Likewise, economic conditions can affect a developer's willingness to continue support of transportation programs and services provided by a TMA. In these situations, it is beneficial to form established relationships with the network of building and leasing agents in the area.

TMA Services

The National TDM and Telework Clearinghouse at the Center for Urban Transportation Research at the University of South Florida, hosts a web site that contains a national trip reduction ordinance database. To locate this resource, go to www.nctr.usf.edu/clearinghouse.

Most TMAs start with minimal resources. Many directors said financial constraints plagued their programs for years. For this reason, the services (although not necessarily the goals) are relatively modest, especially in the early years.

The ACT TMA Council Operational Survey provides information regarding the kinds of services provided by TMAs across the nation. The latest Survey results are summarized in the Appendix.

The list below provides examples of the most common types of services that TMAs provide. Although most of these services are focused on members, some TMAs also provide services for non-members, based upon nonprofit status.

- Vanpool subsidy program
- Discounted transit passes
- Rideshare and transit promotion
- Promotional events
- Promotional materials development and distribution
- Regional and local advocacy
- Guaranteed ride home program
- Rideshare matching
- Employee transportation coordinator training
- Trip reduction planning
- Vanpool services
- Site design
- Shuttle services
- Parking pricing and management

Services that are successful are those that are:

- Responsive to a particular problem of a selected market
- Developed for the purpose of achieving the TMA's goals and objectives
- Properly administered
- Tailored to customer needs through careful market research

Transportation Demand Management

Most TMAs emphasize use of Transportation Demand Management (TDM) strategies as part of their program of services. As the name implies, the purpose of TDM is to manage the *demand* for motor vehicle travel, rather than the more expensive alternative of increasing the *supply* of transportation services (typically road building). The TDM emphasis of TMAs may have originally resulted from UMTA's grant funding of TMAs as TDM implementation programs in the mid 1980s.



TDM efforts reduce motor vehicle trips by:

- Accommodating the same number of people in fewer motor vehicles (e.g. transit, carpooling/vanpooling, and cycling/walking)
- Eliminating trips entirely (e.g. working at home)
- Shifting the timing of trips from the most congested periods to less busy times (e.g. flextime)

TDM strategies easily lend themselves to reduce, eliminate or alter daily trips to and from a place of employment by employees, referred to as commuters. The commute trip is usually targeted by TDM strategies because it is the largest proportion of the total trips taking place during the peak periods of traffic congestion (ordinarily defined as 7-9 a.m. and 4-6 p.m. or some variation thereof). The commute trip is also characterized by the same set of commuters traveling along a fixed route from the same origin (home) to the same destination (work or school) every day. The habitual characteristics of the commute trip make it an effective target for the application of TDM strategies, such as vanpool formation among employees. As a result, employers are traditional TMA members and their employees are traditional users of TMA services.

The interest in TMAs by employers stems from the realization that transportation problems, such as traffic congestion, negatively affect business. Employers understand that corporate decisions about location, parking, work hours and employee benefits influence their employees' commute behavior, and that they can act collectively with other employers, through the TMA, to improve conditions. While TDM strategies can be applied successfully to a single work site, such as an office building, TMAs apply TDM strategies to a carefully defined service area that can be:

- A city, county or region
- A highway corridor
- A small local area, such as an employment center, hospital complex or university campus

It is important to note that while TDM strategies are usually applied to commuters at employment sites within the TMA service area, it is essential that the TMA take a close look at the transportation problems of concern to their membership. The problems might not involve employees commuting to and from work but instead, for example, large numbers of students driving to and from a university campus. As one class period ends and another begins, severe traffic congestion can erupt.

Another example might be tourist traffic circulating throughout the downtown, causing traffic congestion. A TMA service area might not have a traffic congestion problem at all, but rather a parking and access problem that might involve a retail shopping development or a courthouse complex to where large numbers of citizens are reporting for jury duty. In summary, TDM programs are not "one size fits all." Each TMA must select and tailor the appropriate tools to address an accurately defined problem. Some of these tools may be from the TDM toolbox.

The TDM toolbox includes strategies that encourage use of alternatives to driving alone. Alternatives include:

- Carpools and vanpools
- Public and private transit

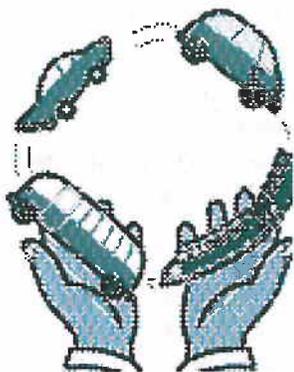
- Bicycling and walking
- Alternative work arrangements

Alternative work arrangements are programs that reduce the number of commuting days or that shift commute travel to non-peak hours. Alternative work arrangements include:

- Compressed work week, in which employees work a full work week in fewer than five days
- Telecommuting, in which employees work one or more days at home or at a satellite work center closer to their homes
- Flexible work schedules, in which employees shift their work start and end times to less congested times of day

TDM strategies also include improvements in transportation services, financial incentives, information dissemination and marketing activities that heighten travelers' awareness and/or interest in using alternatives. They also include support services that make the use of alternatives more convenient or that remove psychological impediments to using alternatives. Some examples of TDM strategies are:

- Transportation service improvements, such as shuttle buses and vanpool programs
- Financial incentives, transportation allowances or subsidies for transit riders
- Congestion pricing
- Tax incentives for employers
- Parking management programs, including parking pricing and supply reduction
- Priority treatment for ridesharers, such as preferential parking, high occupancy vehicle (HOV) lanes and freeway ramps
- Information and marketing of transit schedules, ridematching, and other options
- Support services, such as guaranteed ride home programs
- On-site amenities, including automated teller machines (ATM), covered, secure bicycle storage, clothes lockers and showers, and quality child care
- Land use planning-related activities



Trip Reduction

A goal of many TMA's is to reduce motor vehicle trips. A few TMA's have documented measurable trip reduction in their areas using TDM strategies. These reductions have generally been about two to five percent. It is important to note that a reduction of this seemingly minor magnitude can have the impact of noticeable traffic congestion alleviation, particularly if the reductions occur during peak periods of travel.

It is important to keep in mind that overall trip reduction in the area depends on what programs and services are implemented, and the number of employers and commuters that participate in them. Trip reduction tends to be higher in regulated environments than in non-regulated environments, because more employers participate in TDM programs.

TMA's with successful trip reduction also tend to have greater financial resources, and use the funds to implement TDM programs that provide tangible commute alternatives and incentives, such as vanpool and express bus services, and carpool and transit subsidies.

Three Stages of TMA Development

Most successful TMAs also conduct extensive market research on travel needs of local commuters and market their programs in a targeted, cost-effective manner.

Transportation Systems Management

Transportation Systems Management (TSM) is the use of low cost improvements through construction, operational, and institutional actions, to improve operational efficiency and make the most productive and cost-effective use of existing transportation facilities, services and modes. TSM actions include traffic engineering improvements, traffic control improvements, freeway management strategies, priority treatment for high-occupancy vehicles, parking management, and transit service improvements.

Traffic engineering improvements include channelization, left or right turn lanes, one-way streets, reversible traffic lanes, intersection widening, bus turnout bays, and improved signing and pavement marking. Traffic control improvements are designed to reduce travel delay and stops, while also improving average speeds on arterial roadways and freeways.

These strategies include coordination of traffic signals, continuous optimization of timing plans, use of bus priority signal control systems, and implementation of computer-based traffic control and freeway traffic management.

While TMAs do not implement traffic engineering improvements, they can play a decisive role in advocating the kinds of improvements that optimize operational efficiency of the system. An effective TMA is aware of specific transportation problems in its service area. These problems may be site specific rather than system wide. An example of this might be poor sight distance at a particular approach to an intersection, which is causing traffic delays due to frequent accidents. The TMA can bring transportation problems in its service area to the attention of the municipality. A well-informed TMA membership understands the advantages of the use of TSM under the right circumstances and can support a transportation engineering department's desire to employ these solutions in the midst of general public outcry for higher cost road widening.

Effective TMAs also have the wisdom of understanding that there are trade-offs in the use of various strategies. For example, the use of a TSM strategy in a downtown, such as creating one way streets or optimizing traffic signals, may speed up automobile traffic, but also have the unintended effect of making downtown streets less safe for pedestrians to cross.

Each TMA develops at a rate and in a way that is unique to the conditions that precipitate its development. Some TMAs, primarily those in areas with severe transportation-related problems and strong support from private businesses, form spontaneously and grow rapidly. For others, growth is much slower. Regardless of how quickly they grow, all TMAs pass through three stages of organizational development as they move from initiation to maturity:

- Exploration
- Formation
- Operation

Although described here as three distinct stages, the lines between the stages can be vague, with some overlap in activities. For example, a TMA in the formation stage could be completing some exploration tasks while starting some operation tasks. Development is most accurately viewed as a continuum.

Exploration

Exploration is the stage at which the timing and need for a TMA is studied. Is a TMA the ideal organizational approach for accomplishing the mission? Under what conditions is it feasible to create and sustain a TMA?

For example, the group that is considering forming a TMA must develop a core group of supporters and begin to define problems and solutions. In some cases, the group might also pursue formation tasks, such as drafting bylaws and developing a work plan, but the focus is on deciding whether or not a TMA makes sense. In general, operating funds have not been secured and it is not certain whether a TMA will form.

Several tasks must be accomplished during the exploration stage:

- Identifying and developing consensus on the nature of the problem(s)
- Understanding area travel patterns and needs of identified markets
- Defining a geographic scope as it relates to the problem, markets and travel patterns
- Establishing a clear organizational mission
- Determining if a public-private partnership can address the problem(s)
- Gauging level of support for the development of a TMA
- Identifying possible funding sources

These tasks are basic to a TMA's success because they deal with the "why" and "how" of the TMA's formation. Identifying specific, tangible problems and developing consensus on the problems are especially important during this stage of development. Many TMAs flounder during their first year because problems haven't been adequately defined to render solutions.

Formation

Formation begins after the initial exploration indicates the need for a TMA. This stage answers the question, "Now that we want a TMA, what will it look like and what will it do?", and proceeds to make that vision a reality. During this stage (lasting between 12 and 18 months), the core group expands support, plans services and sets up the organizational structure.

TMAs in the formation stage usually focus on the following activities:

- Establishing a core membership and steering committee
- Obtaining initial funding commitments
- Establishing legal and organizational structure
- Initiating marketing and membership development
- Identifying and developing member services
- Generating awareness and interest among targeted markets
- Fostering public-private relationships

Operation

The operation stage includes two categories of activities: administration and service delivery. Administration refers to the ongoing efforts needed to maintain membership and funding, running the office and serving the board of directors. Service delivery refers to providing services to members and other selected markets. Operation is characterized by a maturation of the organization, development of stable, ongoing, private funding from membership sources, and a track record of service delivery.

The primary activities of an operational TMA are:

- Developing and delivering member services
- Maintaining and expanding membership
- Maintaining office functions
- Monitoring and evaluating program and service progress

An important but often overlooked activity for operational TMAs is monitoring and evaluating its effectiveness. Many TMAs monitor what they do, but few document how they are doing. This is important, as it provides information needed to refine services and sell service benefits to potential members.

The primary challenges of TMAs at this point are promoting member interest, promoting TMA services, documenting the TMA's effectiveness, maintaining stable, ongoing funding and maintaining and developing services.

The Possibilities— TMA Exploration and Feasibility

- Section Overview
- TMAs Offer Unique Capabilities
- Reasons for Incorporating the TMA
- TMA Exploration—Conditions that Indicate TMA Feasibility
- Conducting a TMA Feasibility Study
- TMA Formation—Building Commitment and Consensus for Solutions and Services

Section Overview

TMAs Offer Unique Capabilities

Now that you have background information on the development of TMAs, it's time for the first stage of development—TMA exploration.

The exploration phase is designed to answer two fundamental questions. Is a TMA the ideal organizational approach for accomplishing your mission? Under what conditions is it feasible to create and sustain a TMA?

TMA development could more accurately be called the first stage of partnership development, because your investigation may suggest a group other than a TMA should be formed, at least initially.

It is important to know when the formal TMA structure is not suited to carrying out the solutions to transportation problems in your activity center. You might consider forming instead another type of organization that facilitates private sector cooperation. This could be an informal networking group or a transportation committee of a chamber of commerce or some other business association that enjoys widespread name recognition and respect. This could more effectively convey your TMA program of services to a new market, composed of the existing membership of the host organization. There may be programmatic and financial benefits to locating the TMA within an existing organization. These kinds of initiatives can evolve into an independent TMA. The nature of the transportation problem and the solutions that the TMA wants to implement may suggest a particular organizational structure and degree of formality.

During exploration, you identify conditions that are conducive and challenging to TMA development. If the study shows it is feasible to form a TMA now, you can develop a preliminary plan to begin building consensus among key stakeholders, and gain initial commitments to support the emerging TMA. The areas of exploration, conditions, feasibility studies, and early commitments are discussed below.

Is a TMA the ideal organizational approach for accomplishing your mission? This question cannot be answered without having first developed a strong sense of what must be done to address an issue or problem.

Understanding the problem and identifying solutions require gleaning interpretations of the problem and the solutions from different perspectives. From the government point of view, the problem may be traffic congestion and violations of air quality standards. From the private business point of view, there may be no concern whatsoever about traffic congestion but great concern regarding employee tardiness and the difficulty of recruiting entry-level employees. While both these private business concerns may have their roots in traffic congestion, the solution, from that business owner's point of view, must meet the needs of particular employees.

As a result, an understanding of the problem and an identification of potential solutions should come from not just the conduct of transportation studies (which will frame the problem and solutions in global terms), but also from interviews with area business owners and with representatives of local commerce or other groups that represent those affected by the problem, such as community groups, employees, residents and others.

By knowing what TMAs potentially have to offer, it is possible to determine if a TMA can play a role in addressing transportation issues. Generally, if the problems to be solved require unique organizational capabilities, custom tailored services for specific groups or consensus building activities, then the creation of a TMA may be the right choice.

Unique Organizational Capabilities

The membership and the board of directors represent a unique set of financial resources, professional skills, talent and influence that can be brought to bear on the problem. Organizationally, TMA's also combine the strengths of both the private and public sectors acting cooperatively to achieve specific objectives.

The membership has the power to act collectively. The membership represents a market needing particular services. That market is highly concentrated in a particular area. TMA's have the organizational capability to implement TDM strategies, based upon their unique membership characteristics.

If the nature of the transportation problem can be defined within a particular area, affecting a particular segment of people and requiring a collective effort to solve, then the TMA may be able to offer solutions.

Custom Tailored Services That No Other Organization Provides

TMA's have the capability of providing services that are custom tailored to their particular market, such as shuttles for office park employees or vanpools for second and third shift workers.

TMA's can save members money by pooling the efforts of employers, developers and other businesses in support of a transportation service.

Information, Dialogue and Consensus Building Capabilities

TMA's are in a good position to monitor and communicate relevant current affairs. Businesses have a need for timely information on transportation issues that affect their businesses, presented in laymen's terms. The public sector also has a need to be sensitized to private sector concerns. TMA's can provide a bridge for understanding the private sector point of view.

TMA's are venues for bringing parties together to engage in dialogue. Where there is a need for collective action, TMA's provide a forum for consensus building.

Advocacy Capabilities

In a regulatory environment, the private sector may need to exercise a collective voice on their behalf when interacting with a regulatory agency. The TMA can provide such advocacy.

The private sector may also desire advocacy on behalf of transportation improvements to their area. In particular, TMA's can be effective in advocating for Transportation Systems Management (TSM) strategies to improve traffic circulation and transportation service to an area. Examples of TSM improvements might be bus turnout bays, signal coordination, computer-based traffic control, reversible traffic lanes and intersection reconfiguring.

Mechanism for Regulatory Enforcement

From the public sector point of view, TMA's are favored as a means to assist enforcement of trip reduction agreements. Where negotiated agreements between a city and a developer or landowner require the participation of future employer tenants in TDM programs, the city may view the TMA as a mechanism for monitoring and ensuring such participation.

TMA's have the knowledge to provide low-cost technical support to businesses, especially in a regulated environment. For example, trip reduction regulations placed upon employers generate the need for transportation studies, information and guidance for satisfying requirements.

Reasons for Incorporating the TMA

TMA Exploration—Conditions that Indicate TMA Feasibility

A Well-Defined Problem

Solutions and Sufficient Resources to Carry Them Out

Private and Public Sector Support

Going the extra mile to formally incorporate as a legally recognized nonprofit organization has its benefits, if the funding and expertise to successfully maintain such an organization exist.

- A private nonprofit corporation has greater autonomy in defining and carrying out its mission than a committee within another organization.
- A stand-alone organization that functions well has the potential to enjoy greater visibility of its actions and legitimacy of its position on transportation issues. An informal network or a committee within some other organization that is not created with the primary function of addressing transportation may not have the same visibility or legitimacy.
- By formally incorporating, the members of the board are one step removed from personal liability.
- The nonprofit tax status may open doors for receiving funds that could not be obtained any other way. For example, it may be necessary to be a nonprofit corporation in order to apply for various grant funding opportunities. Corporations can give to recognized nonprofit organizations as a tax deductible expense.

Under what conditions is it feasible to create and sustain a TMA? The experiences of many groups in establishing TMAs suggest that certain elements are characteristic of success in TMA development. The primary elements are:

- A well-defined problem
- Solutions and sufficient resources to carry them out
- Private and public sector support
- Sufficient target market(s)

To enlist the support of people in a position to influence change in travel behavior, make sure there is a reason for their involvement. Does a transportation-related problem, especially one that is ongoing, exist in your area? Be sure to clearly identify the problem, e.g., lack of transportation options, poor access, congestion, air pollution, a regulation, growth management issues that impact individuals or businesses, access to labor or customers, and so on. Is the business community aware of the impact that the problem has on their businesses? It is also important that potential markets for services experience the problem. These potential markets could be some subset of employees, students, tourists, or any group of travelers that is involved with the identified problem.

Would a TMA in your area offer viable solutions to problems and have the financial and political ability to implement or influence others to implement those solutions? A TMA is not a strategy; it is only as effective as the programs made available through it.

Is there support from both the private and public sectors? Successful TMAs are generally initiated through the “pull” of the private sector, rather than the “push” of the public sector. To enlist support, you must offer fairly priced products and services that fulfill the needs of customers and appeal to the self-interest of markets in your service area.

Sufficient Target Market(s)

Most successful TMAs begin with a private sector “champion” who believes in the need for a TMA and who can exert positive peer pressure to expand its membership. Not only is a champion important, but also an initial committee or board who works together to get the TMA started. The champion cannot do all the work alone.

Next, is there one or more markets—a customer population large enough and located in sufficient density within your service area that needs and can adequately support a particular program provided by your TMA? Also, is there an adequate member base? For example, customers might be employees who want to use a ride matching service. The member base might be employers that identify with the activity center and are willing to financially support the TMA.

Existing Legal or Regulatory Transportation Requirements

While not essential, conditions are often favorable to TMA development where legal or regulatory requirements exist. Are employers and/or developers in the service area required to implement work site TDM programs? For example, these requirements could be made through local trip reduction ordinances, parking ordinances, and negotiated development orders. If so, the requirements can offer additional opportunities and broaden the market for membership.

Effective TMAs can offer substantial benefits to members, area commuters, other defined markets and the public sector; ineffective TMAs can do more harm than good. An unfortunate consequence of ineffective TMAs is that Transportation Demand Management, Transportation Systems Management and other strategies, as well as the power of public-private partnerships, could lose credibility in the eyes of the business community or public. This could make it more difficult to implement future programs and lessen the possibility of cooperative transportation activities.

Conducting a TMA Feasibility Study

Some early TMAs fell into traps that led to their dissolution or ineffectiveness. Some were formed before the private sector embraced its role in both the problem and the solution. Others folded because real and immediate problems were not clearly defined and/or feasible solutions not identified, or they lacked a solid consensus and support of the board and membership.

If stakeholders cannot agree on the nature and extent of the problem, it will be hard to agree on solution strategies. TMAs have been formed and dissolved after several years with stakeholders still wondering what the problems were or who was supposed to benefit from a solution.

Groups considering forming TMAs can save the frustration of a failed attempt if they thoroughly and honestly examine their situations and build an early consensus on what they can, and want to accomplish. These steps are the focus of a TMA feasibility study.

The feasibility study should identify the existing conditions under which a TMA would be formed, assess the applicability of the TMA concept to local conditions, and perform some preliminary organizational, service, and financial planning. With this information, proponents of the TMA will more successfully enlist the commitment of potential members and build early consensus for solutions.

There is no single approach for preparing a study, but the questions posed here should be answered and a consensus on the problems and solutions should be developed. As a guide, the following elements of a feasibility study are suggested. The Appendix also contains an example of a feasibility study format.

Typical Components of a TMA Feasibility Study

To conduct a thorough feasibility study, form a TMA steering committee for the following activities:

- Collect and analyze preliminary data on area development conditions and transportation problems from the local transportation planning department, as well as the problems perceived by those who experience transportation problems, such as employees, employers, business leaders and other groups.
- Clearly define transportation-related problems that the business community could participate in solving.
- Identify a core group of key businesses and public agencies with the greatest probability of involvement.
- Educate other business leaders about the problems and begin to build a broad consensus for solutions.
- Investigate services and products a TMA could provide which are not currently being provided or not being provided cost effectively.
- Develop a preliminary work plan of TMA services, activities and benefits.
- Develop a preliminary financial plan, i.e., funding sources, budget and cash flow projections.
- Develop preliminary private sector funding for operations.
- Develop a preliminary plan for monitoring and evaluation.

Answering the following questions will provide a more complete picture of the feasibility of TMA formation.

What are the existing conditions in the area?

Document the following conditions for the proposed service area:

- Travel patterns that are characterized by problems, the groups of travelers that experience those problems, and the time of day the problems exist.
- Trip-reduction ordinances or other regulations affecting employers in the area
- Local and regional traffic and growth patterns
- Public and private parking conditions
- Existing transportation services and facilities available within your service area

What is the proposed TMA service area?

It is important to define the geographic scope of the proposed TMA. This helps public funding agencies and service providers gauge the relationship of the TMA to other businesses. Typically, a TMA service area is an activity center that features a concentrated population of employees and businesses. Less typically, if your TMA is to be trip origin-based, the service area might include densely developed residential areas.

Defining the geographic scope requires some professional judgment on your part to study the locations and proximity of activity centers relative to each other. Businesses contained within the service area boundaries should feel as though they can identify with being a member of the activity center due to sharing common problems or unique locational characteristics.

Including businesses that do not identify themselves as part of an activity center will not



result in their participation in the TMA because they may neither suffer from a traffic-related problem nor share an interest in the solutions for which the TMA will require their support in implementing. The service area should be focused enough so that everyone agrees on the problem definition, but large enough to include everyone with a stake in the solution.

What transportation-related problems do people in the area experience?

It is important to understand the nature, urgency, and specificity of the transportation problem(s), perceived by prospective members, to gain their initial and ongoing support as well as to identify solutions. The problem(s) should be defined in exact terms. For example, "Second and third shift hospital and service employees of companies located along ABC Boulevard have no transportation alternatives if they do not own private automobiles," or "Twenty percent of retail merchants located at XYZ Shopping Mall say they cannot recruit entry level employees because public transit does not serve the Mall." Do not use general terms, such as "lack of mobility."

Which of these problems can the TMA address and in what ways?

How would the local situation have to change before the business community would consider the problems solved or at least controlled? Then, how could the change happen and what is the business role in such solutions? A TMA will not be able to solve all transportation problems alone, but by working with other local public agencies, it may be able to address some of them.

What TDM, TSM and other strategies should be implemented?

Identify the alternative strategies a TMA could use to address the problems. If possible, quantify the impact that each strategy would have in alleviating the problem. Also, if possible, prioritize the strategies based on effectiveness and cost. Some TMAs provide a "laundry list" of services and build unrealistic expectations that they cannot deliver.

How much would the business community be willing to pay?

The TMA must be able to support both day-to-day operations and delivery of services. Obtain funding commitments from the business community and from other sources. It is important to document direct funding such as member dues and grants, the value of loaned staff, and in-kind services and materials. Also, draft a game plan for long-term funding support, beyond the formation phase.

Is a TMA the most appropriate response or organization?

If answers to the previous questions seem unrealistic, consider alternative options—such as a new or strengthened Employee Transportation Coordinator network—that might respond to the problems in a less formal way. Develop pros and cons of each option and choose the best course. If TMA formation is warranted, begin to develop the following elements that are described later in this *Handbook*:

- Description of the specific organizational structure
- Strategic work plan
- Schedule for implementing services and mobility improvement strategies
- Financial plan and cash flow projection
- Evaluation and monitoring plan

While the feasibility study can provide a solid foundation for gaining commitments from

TMA Formation— Building Commitment and Consensus for Solutions and Services

Establish a Core Membership and Steering Committee

Obtain Initial Funding Commitments

TMA proponents and prospective members, once a decision has been made to proceed with forming the TMA, seven main activities will guide the process:

- Establish a core membership and steering committee.
- Obtain initial funding commitments.
- Establish legal and organizational structures.
- Initiate marketing and membership development.
- Identify and develop member services.
- Generate awareness and interest among targeted markets.
- Foster public-private relationships.

The early “buy-in” of a core group is crucial to assure the formation process stays on track and that commitments and consensus are solidified. Prior to beginning the formation tasks, establish a steering committee to guide the TMA’s development. This steering committee might be assembled from a core group of members from businesses and the sponsoring organization (if there is one) that oversees or conducts the feasibility study.

Alternatively, a newly recruited core of TMA members could be assembled to guide the formation process. The need for this core group should not be underestimated, since staff rarely has been hired at this point, and any consultant used for a feasibility study or initial planning may be finished with its work. Even if staff has been hired, be cautious about delegating responsibility to new staff or a consultant.

Develop your core private membership base and public sector support so it gives a financial base to support activities during the first two to three years. Examine various possibilities for membership dues, service fees and public sector grants.

If the public sector is not an active participant or funder of the feasibility study, the steering committee might approach the appropriate state, regional and local agencies for support.

Research the availability of public sector grants very early in the exploration stage. Some states offer formation grant funding, and some local agencies provide funding for formation or initial service delivery. Many regions can designate state and federal funds for any use to meet the region’s mobility demands.

Political support is also necessary to assure the TMA has “clout” in the area’s policy-making arenas. Consider offering “ex officio” or full memberships to any key public agencies in the TMA. Some TMAs invite staff of key elected officials to serve on the board, while others maintain close contacts through their executive directors. Obtaining political support can assist your efforts to secure discretionary funding.

Section 5, under “TMA Budgets and Funding,” provides a discussion of the elements of a budget and the various sources of funding available to a TMA. Section 5, under “Financial Management Issues of TMAs,” provides example statements of functional expenses, balance sheets, and cash flow statements.

Establish Legal and Organizational Structure

There are a number of options for the organizational structure of a TMA. If the mission to be accomplished does not require the organizational formality of a private, nonprofit organization, the steering committee may elect to organize an ad hoc group or create a committee within another established organization, such as a chamber of commerce. If the steering committee decides to legally incorporate, there will be decisions to make regarding the type of 501(c) status that will best serve the mission of the organization.

If formal incorporation is desired, then articles of incorporation and bylaws must be drawn up. A board of directors must be established for which a statement of duties should be devised.

Office procedures should also be developed. Examples of articles of incorporation, bylaws, and office procedures are included in the Appendix.

The roles and responsibilities of the board of directors and staff must be clearly delineated. These determinations provide the guidance for the bylaws, the office procedures and the job descriptions of a new staff. Typically, a TMA has at least a full-time executive director or manager and a full-time or part-time administrative assistant. An advertising and hiring process must be undertaken to establish the staff. TMAs also often have standing committees and volunteer assistance, for which written guidance on duties and work expectations are helpful. The Appendix also contains job descriptions and duty statements for paid staff, committees and volunteers.

The steering committee will also have to establish an office and set up an accounting system.

These tasks are discussed in detail throughout the remainder of this *Handbook*, but especially at the beginning of Section 3, under “Defining an Organizational Structure,” “Articles of Incorporation and Bylaws,” and “Establishing an Administrative Structure.”

Section 3 also includes an activity for helping define the roles and responsibilities of the board of directors and staff, for which an “answer” key is included in the Appendix.

Setting up an accounting system is discussed in detail in Section 5, under “Financial Management Issues for TMAs.”

Initiate Marketing and Membership Development

Initial marketing activities of a TMA focus upon understanding the needs and the nature of the potential membership and its customers, such as employers, commuters and other groups. Prior to TMA formation, the earlier feasibility study has provided enough information to identify the existence of one or more problems that a TMA can address.

Now, the new TMA should verify and refine its understanding of the problems through market research focused upon identified selected markets. This data collection, or background scan of existing conditions often includes surveys, such as focus groups, mail or telephone surveys and personal interviews. It also constitutes the baseline conditions against which progress can be measured, after the implementation of member services. This is a good point in time for staff to have been hired to guide the conduct of this stage in the formation process of the TMA. These activities are discussed in detail in Section 4, under “Initial Work Plan Development Considerations—Data Collection.”

With the assistance of the board, staff will also concentrate attention upon recruiting members. This involves communicating benefits and services that the TMA has to offer to those who potentially can provide funding and other resources to the TMA in return. Membership development includes knowing potential members’ concerns and needs, translating those

Identify and Develop Member Services

concerns and needs into services and solutions, and promoting those services and solutions to a carefully developed list of potential members. These activities are discussed in detail in Section 3 under “Developing and Building TMA Membership.”

The identification and development of member services starts with defining the TMA’s mission and establishing goals for the organization. Member services goals might include assisting members with solving site-specific transportation problems, providing transportation services or helping members comply with mandated travel-reduction requirements through a transportation management program. A determination of how the goals will be accomplished is made by drafting one or more objectives for each goal and selecting measures of performance for each objective. The staff is now ready to devise a work plan after objectives and performance measures are established.

The work plan details the actual activities that will take place over a specified period of time, usually a year, to accomplish the objectives. These activities include specific member services such as providing transportation services, providing information, advocacy and consulting. The work plan includes the assignment of responsibilities and a timeline for accomplishing the tasks. A detailed discussion about identifying and developing member services is found in Section 4, under “Developing a Strategic Work Plan” and in Section 5 under “Delivering TMA Services.”

Generate Awareness and Interest Among Targeted Markets

Generating awareness among potential members and customers requires an advertising strategy to reach the identified market and persuade them to “buy” the TMA’s services. Service advertising might include devising an initial information campaign, offering introductory incentives and hosting promotional events.

Information on how to develop promotional materials is found in Section 3, under “Developing and Building TMA Membership.” A discussion about service advertising is found in Section 5, under “Delivering TMA Services.”

Foster Public-Private Relationships

The development of sound public-private working relationships is crucial to the TMA’s ability to execute its mission, and must be accomplished internally as part of the effective functioning of the board of directors, and externally in the formation of alliances with organizations and agencies.

Staff can set the stage for the development of these working relationships by highlighting the commonalities of interests and concerns among the private and public sector representatives brought to the TMA table. Section 3 contains a discussion, “Creating an Effective Board of Directors,” which provides useful information for fostering a successful team. Section 3 also contains a discussion, “Establishing External Relationships,” which concerns developing partnerships among other groups, potentially benefitting the TMA.

TMA Development—Building Relationships and Alliances

- Section Overview
- Defining an Organizational Structure
- Articles of Incorporation and Bylaws
- Establishing an Administrative Structure
- Creating an Effective Board of Directors
- Developing and Building TMA Membership
- Establishing External Relationships

Section Overview

Defining an Organizational Structure

This section concerns building the human “infrastructure” needed to support a TMA. This includes finding the right people and setting up the organizational policies and procedures that enable people to work successfully together. People participate in a TMA in a number of ways—staff, members, board members, and those cooperating through allied organizations.

In the early months of a new TMA, a primary objective of the core members and initial staff will be establishing a sound organizational structure and membership base. TMA formation does not occur overnight. You may be anxious to begin the “real work,” but allow adequate time to accomplish these necessary formative tasks. Remember to recognize and accommodate what these tasks will demand from the TMA staff. As participants develop sound working relationships, more time can be devoted to service implementation.

For mature TMAs, there is the recognition that membership development, board recruitment, organizational networking and the recruitment and professional development of TMA staff are all continual efforts.

A primary characteristic that distinguishes TMAs from other transportation partnerships is their organizational formality. TMAs have a structured governance, an organized membership, and many have a recognized legal status.

TMAs may evolve from an ad hoc public-private transportation effort, but one of the earliest tasks of forming a TMA is the creation of a formal infrastructure.

Some TMAs are part of another, multi-purpose organization—generally a chamber of commerce or other business group. Such TMAs do not typically have an independent corporate status. Others are independent partnerships with an independent corporate status. Both options have advantages that should be considered.

Developing a TMA within an existing organization might be appropriate if the membership desires and has the ability to assume transportation management activities. The benefit of developing a TMA within an existing organization is that many elements are already established, including the decision-making structure, existing membership base, budgets and financial controls and working relationships with other organizations. In addition, the TMA can often be housed in and use the services of the parent organization.

Existing groups that could be a candidate “host” or “parent” include private business associations, such as chambers of commerce and developer or business park associations. This option may present potential problems; however, because the parent organization’s roles and relationships might conflict with the TMA’s mission, constrict its efforts and activities, or detract from members’ goals.

If a new organization is formed, the TMA may have a more refined mission, committed membership, and dedicated staff. The downside, however, is that the activities of forming the new organization will absorb time and resources that could be devoted to problem solving and service development.

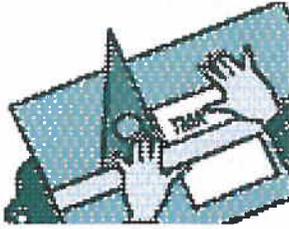
If the TMA will be part of an existing organization, then its legal status will be pre-defined. If you are choosing a legal status for an independent TMA, explore all options and select wisely, because the legal status can be difficult to change later.

The IRS code covering nonprofit corporations designates three types of organizations that could apply: 501(c)(3), 501(c)(4), and 501(c)(6).

Certain nonprofit designations prohibit a TMA from undertaking lobbying activities and soliciting non-taxable contributions. Organizations with 501(c)(3) status can accept tax-

Characteristics of 501(c) Organizations

	501 (c) (3)	501 (c) (4)	501 (c) (6)
Type of Organization	Corporation, community chest, fund, or foundation	Civic league or social welfare organization	Business league, association, etc.
Purpose(s)	Charitable, educational, scientific, literary, religious, or testing for public safety	Charitable, educational, or recreational	Must promote common business interests, advance industry or community interests
Profit / nonprofit	Nonprofit	Nonprofit	Nonprofit
Service	Must be open to the public: Beneficial to the public interest welfare (bring about civic	Must be open to the public: Promote common good and common business interests betterment & social improvements)	Closed to members: Association of those with social
Membership status	No	Yes, public	Yes, private
Allowed to collect dues	No	Yes	Yes
Contributions tax deductible?	Yes	No May be deductible as a trade or business expense	No May be deductible as a trade or business expense
Fundraising	If the donor receives goods, services, or other benefits of value in return for a donation, the cost is not tax-deductible May establish separate fund for donations		Primarily supported by membership dues Other income from activities related to exempt purpose
Political activity	Not allowed to lobby or participate in political activity / campaigns May be allowed to conduct certain voter education activities or public forums	May be allowed to participate in some political activities (lobby) Not allowed to participate in political campaigns	May lobby to influence legislation May contribute to political campaign in favor of, or opposed to, any candidate May try to influence general public May try to influence executive officials May encourage grassroots lobbying by members
Indirect lobbying efforts (allowed)	No more than 5% of expenditures Make available study/research results Provide technical assistance Communicate with non-legislative officials Appear before legislature when pending decision affects existence of organization		
Other	Must conform to Articles of Organization (IRS 557) Assets must be permanently dedicated to exempt purpose A state or municipal organization may qualify if it is organized as a separate entity from the government unit that created it If the organization possesses governmental powers, it does not qualify		Required to notify members of the amount of their dues that is non-deductible because of lobbying expenditures, or pay a 35% proxy tax



Articles of Incorporation and Bylaws

deductible contributions from members and non-members, but are expected to provide services to the general public. This status may encourage the participation of groups and individuals who cannot deduct business expenses, but the status is not easy to obtain and commute management efforts must serve all commuters who wish to utilize the TMA's services. Lobbying efforts are also strictly limited with a charitable status. The 1998 ACT Survey found that 48 percent of all respondents identified themselves as 501(c)(3) organizations.

Other nonprofit corporate statuses for TMAs include the 501(c)(4) civic organization, (23 percent of the TMAs responding) or 501(c)(6), business league (21% percent of TMAs responding). These types of organizations serve only members, and dues are considered a business expense. Chambers of commerce are generally designated as 501(c)(6).

The appropriate status will likely depend on the decision whether to serve only member employees or the general commuting population. Most TMAs focus on business members. These members' contributions to the TMA are deductible as business expenses on corporate income taxes.

Therefore, the decision of whom to serve will likely outweigh the consideration of charitable donations by business members. For more information on non-profit statuses, consult the federal government publication, IRS No. 557, referenced in the Appendix. Similar information for your state may be available through your state tax office.

If a TMA chooses to incorporate, then articles of incorporation are drafted. This document is brief and is the chief organizing document to which all others must conform. It must be filed with your state Department of Corporations and generally contains the official name of the TMA, the purpose of the TMA, a clause stating what happens to assets if the TMA dissolves, the address of the principal office and the names and addresses of the board of directors. Any changes to information in the articles of incorporation must be filed with the Department of Corporations.

The bylaws are subordinate to the articles of incorporation, but they are the primary governing document of most TMAs because they contain the operational detail. They define the rules and procedures under which the TMA, its officers, and members will operate. Bylaws describe who will govern the TMA (board of directors, officers, and committees), their duties, terms, powers, how they are to be selected, and when elections are to be held.

Bylaws may also define categories of membership, dues and other fees assessed on each category, and rights and powers of members. Other bylaw elements may include: financial procedural requirements (such as recordkeeping procedures and annual audits), staff posi-

Organizational Development Tips

- Seek professional legal advice on the appropriate organizational structure and legal status, and consult with the IRS for clarifications on non-profit status.
- Assess short and long term advantages and disadvantages of independent status versus associating with an existing organization.
- Keep decision-makers apprised of activities and progress.
- Encourage members to choose a respected upper-level decision maker within their organization as the TMA representative.

Establishing an Administrative Structure

Executive Director or Manager

tions authorized by the TMA, procedures for calling and conducting regular and special meetings of the board and/or membership, the identification of standing committees and the procedures for amending the bylaws. Examples of articles of incorporation and bylaws are provided in the Appendix.

Sometimes a TMA will also draft standing rules. Standing rules are subordinate to the articles of incorporation and bylaws, and outline procedures for how committees will conduct business, achieve resolutions, document attendance and other procedures. They are adopted by a vote of the board, documented in the minutes and stand until rescinded.

The keeping of meeting minutes is a necessary part of operating a 501(c) organization. Minutes record attendance and state whether a quorum exists. A quorum must be reached in order for the board to conduct official business. The minutes record motions made, accepted and voted upon. Minutes also record elections and votes on bylaw and standing rule changes. Minutes contain a brief summary of standing and ad hoc committee reports.

Forming and operating a TMA is labor-intensive and requires personal attention to members and their constituencies. Therefore, the staff is the center of the organization and must be carefully selected.

The TMA staff is generally headed by an executive director or manager who is responsible for overseeing and conducting daily activities. In many start-up TMAs, the executive director is the only staff member and wears many hats. Duties of a director may include:

- Maintaining daily office functions
- Preparing a business plan (service plan, marketing plan, and financial plan)
- Securing funding agreements
- Soliciting new members
- Monitoring transportation policy and program initiatives
- Providing support to member companies' transportation coordinators
- Designing, producing, and distributing marketing materials
- Coordinating surveys
- Helping employers develop and implement work site TDM programs
- Monitoring the TMA's progress against the business plan
- Coordinating and supporting the board of directors and committees
- Attending meetings of key public and private task forces and organizations
- Interacting and fielding inquiries from other TMAs and organizations

Because the director position demands a broad set of skills, most directors bring a variety of work and educational backgrounds to their positions, including transportation, marketing, public relations, public service, planning, sales, nonprofit management, finance and others.

Paid Staff

Many TMAs employ at least one full-time staff member in addition to the director. In most cases this is an assistant, but some also employ rideshare or transportation coordinators, marketing and membership coordinators, and project managers who work on a full or part-time basis. Sometimes administrative staff is contracted, borrowed from a member or public agency, or hired from a temporary employment service. TMAs that are housed within another organization may share administrative staff on an informal basis.

Volunteer and Contract Staff

A strong network of volunteer staff who might be employees of member companies or interns from nearby universities, can greatly assist in the day-to-day activities. Public agency staff may also volunteer time on a project basis or as staff advisors.

Establishing an office and day-to-day management procedures are important tasks. If the TMA will be part of another organization these tasks will probably be unnecessary. To set up the office:

- Arrange for office space, telephone service, and other utilities.
- Obtain furniture (purchased, leased, or donated in-kind).
- Acquire a copier, fax, computers, printers, modems, and other equipment and software, including training if necessary.
- Select property and liability insurance.
- Purchase start-up office supplies.

To establish internal office management systems and policies:

- Establish an employer information database.
- Set-up a filing system.
- Arrange for an accounting system or utilize bookkeeping or accounting services.
- Develop staff policies and procedures (sick leave and vacation policies, staff evaluation schedule).

It is not necessary to postpone all other TMA formation tasks until your office and procedures are completely in order. Even though it may take time to set up your office, choose equipment that will best meet your long-term needs. Perhaps the first investment is a computer and appropriate software.

If you do not have expertise in computers, office equipment, insurance, accounting systems and staff policies, ask for guidance from a member or professional. Members can also be sources of in-kind donations for much of the office supplies and equipment, including furniture, computers, telephones, and office supplies.

Office Set-Up Tips

- Recognize that office start-up is an important task and will absorb time, especially during the first few months.
- Explore opportunities for in-kind donations of equipment, furniture, and supplies from members.
- Ask for advice on insurance, computer equipment, and other office needs that require special knowledge or expertise.

Employee Transportation Coordinators

A common strategy of many TMAs is the formal development of a network of Employee Transportation Coordinators (ETC) or liaisons who promote the services of the TMA. Traditionally, an employee is appointed by a company to serve as an ETC to develop, implement, or administer an employee transportation program. Sometimes this person's job includes ETC duties, while others are considered to be volunteers. Duties might include registering employees for a guaranteed ride home program, coordinating the formation of ridesharing arrangements, promoting the use of public transit, and tracking employee participation in an employee transportation program.

The advantage of having ETCs is that they are positioned to successfully do all the promotional work within the company that they know so well. If they are committed to achieving the goals of the TMA, enthusiastic and articulate communicators, and believe in the value of the service they are promoting, they can successfully sell services to fellow employees, to a degree far beyond what the TMA staff would ever have time or influence to do. A good ETC can use to full advantage one of the best promotional tools—word of mouth positive testimonials from satisfied customers within a peer group.

There are a few considerations regarding ETC networks. Ideally, the network would consist of an “army” of knowledgeable and enthusiastic promoters of services. In reality, finding such persons is not that easy. Persons who have been appointed or “volunteered” to serve as ETCs within their companies may not have their hearts in it. If they represent services to a large organization, their lack of interest may do more harm than good. If possible, suggest to the CEO or top manager that it would be best to have volunteers or identify persons who might truly enjoy promoting the service. For example, such a person might work in some department other than human resources but have a strong leaning toward environmental interests. He or she might already be commuting to work by bicycle and become a star promoter of a guaranteed ride home program (especially if bicyclists are eligible to use the service). Such a person would also be easiest to train regarding details of the service.

Networks of ETCs take considerable time to develop and maintain. ETCs need ongoing training and education regarding the TMA's underlying goals, the details of services and how to promote them successfully. ETCs must be kept supplied with all the materials they need. You or your staff need to be available to answer questions and troubleshoot problems that arise. Employee turnover makes it a challenge to keep a good ETC, requiring continual development of the network.

Depending upon the target market and type of service offered, the development of an ETC network might nevertheless be worth the effort, especially if the market consists of large employment sites. ETCs can disseminate information by:

- Distributing flyers and brochures to all employees.
- Posting colorful notices on company bulletin boards, in lobbies of area buildings, cafeterias, and other public locations.
- Publishing articles in company newsletters.
- Sending notices via e-mail and other in-house message systems.
- Making announcements at staff meetings and other company gatherings.

Creating an Effective Board of Directors

Roles and Responsibilities of Board and Staff

Staffing Tips

- Carefully recruit and hire staff with expertise in both transportation management and organization development.
- Clearly delineate staff responsibilities and board member responsibilities, and give staff the authority to carry out their responsibilities.
- Supplement paid staff with in-kind staff support from members, public agencies, and other volunteers.
- Utilize committees to augment board and staff resources.

The typical TMA is governed by a board of directors. TMA boards can range in size from four to 20 board members. Officers (chair or president, vice chair, secretary, and treasurer) may be elected by the membership or board. Boards are generally required to meet at least once per year, but in order to accomplish business, boards may need to meet either quarterly or monthly. A rule of thumb for board meetings is to only convene them when an action of the board is required or if discussion of complex issues is needed for decision making purposes. Principles of effective meetings are discussed later in this section.

Most TMA boards are representative of the membership, including key stakeholders, such as large and small employers. Some boards include local government representatives, but most often local government representatives serve as ex-officio (non-voting) members. The general responsibilities of the board are defined in the bylaws but may be further defined by the board and staff.

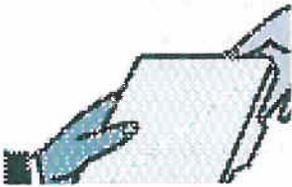
Effective TMA programs require active board involvement to establish direction for the TMA and support its growth and development. They also must be able to set aside individual agendas to work with other members for the benefit of all. Board members should be knowledgeable or willing to learn about current TMA issues and activities. New board members should understand that their role demands a commitment of time, interest, and support.

The board is supported by a staff, including an executive director (or manager) and one or more paid or volunteer staff members. Staff supports the board by managing the TMA, implementing policies adopted by the board, developing services that foster its goals, and guiding its day-to-day operation in an effective, responsible manner.

It is instructive to compare and draw a distinction between the roles and responsibilities of board members and that of staff.

Major board roles include the following:

- Visionaries—Shaping the mission of the organization for the benefit of members
- Governors—Ensuring sound management
- Sponsors—Supporting the TMA's development, both financially and through their encouragement of other members
- Ambassadors—Carrying the message to others
- Advisors—Providing information, guidance, and expertise
- Boosters—Actively participating in membership development



“Our Board Does Too Much”

Traditional staff roles include:

- Service Developer—Translating goals and objectives into an action plan of service delivery
- Program Implementor—Implementing the action plan
- Financial Manager—Preparing, implementing, and monitoring the financial plan
- Business Manager—Overseeing daily operation of the TMA and its staff
- Marketing Director—Preparing and implementing a plan of increasing awareness, promoting a positive image and promoting membership growth in the TMA
- TMA Representative—Representing the TMA’s positions and its members to public agencies, other private groups, and to the community
- Communications Director—Managing the information flow for effective internal and external communication

With the exception of establishing the TMA’s mission, goals and policies, the board may delegate other roles to staff. However, task completion requires time and resources. Staff will continuously be frustrated if given directives to “just make it happen,” without being given the financial resources and political or legal authority to speak for the TMA.

The key to delegation is to select competent staff and identify the tasks for which they are responsible. In defining the division of responsibility, the board should ask:

- In what stage of development is the TMA?
- How much time do board members realistically have to devote to TMA matters?
- How much control is the board willing to relinquish?
- What staff resources are available?
- How experienced is the staff?

The division of responsibilities between the board and staff depends on the unique characteristics of the TMA: size, expertise and capabilities of staff; staff and board time commitments; individual board members’ commitment to the organization; and individual management styles of board and staff members.

Some TMA directors complain when the board strays from its policymaking role and becomes involved in day-to-day operations, such as expecting to review and approve program designs and materials, preparing budgets, and handling staff complaints.

In this case, the board may be composed of the same people who founded the TMA. By virtue of their current and past involvement, they have proven their commitment and gained intimate knowledge of operations. Some of these individuals may have even run the organization while the TMA director was being recruited.

This situation could be improved if the roles and responsibilities of the board and its director are established and well understood. This role definition is best accomplished concurrent with the selection process of the director. This can help determine the type of individual for whom the Board is searching.

The hiring of a full-time director is a key turning point for the TMA. He or she becomes the TMA’s expert in all areas of transportation, operations, administration, finance, and personnel. Once the director is hired, the board should begin to transition its focus from day-to-day operations to setting policy.

“Our Board Never Does Anything”

For other directors, the board seems ineffectual in leading the organization. It explicitly or implicitly rests all authority with the director. This creates the opportunity for abuse and can foster future problems if the director oversteps his or her bounds of authority in the minds of the board.

Common mistakes made by directors that foster leadership voids include holding meetings when no board action is required, swamping the board with reams of confusing information, and not clearly explaining the actions being requested by the board. At the same time, the director must respect the roles of the board and not seek to co-opt them to expedite a decision. Such actions can alienate the same individuals who helped pull the TMA together in the first place, or cause some board members to quit because they feel they have not made a contribution. Once again these problems could be avoided if the roles of the director and the board are well-defined.

The policy role of the board and the operational role of the staff can be illustrated by the following examples. The board is responsible for fashioning the TMA’s strategic plan, but the director makes recommendations and implements the plan once it has been adopted. The director writes the grant proposal but must seek prior board approval to submit the grant. The board approves the budget, formulates policies for financial management and internal control systems, and hires legal counsel and the auditor. The director drafts the budget, assures adherence to financial management policies and systems, and obtains bids for legal and auditing services.

The major board responsibilities include hiring the director, developing a strategic plan that reflects the TMA’s mission, monitoring and evaluating the performance of the organization, the director and the finances, and serving as a goodwill ambassador for the TMA. A board member must pay particular attention to financial management processes, financial statements, audit findings, and minutes to fully understand the issues before making decisions.

An effective way for viewing the management and operation of the TMA from a board perspective is to treat the director as the sole employee of the board of directors. The responsibility for hiring, training, managing, evaluating, and disciplining other employees rests solely with the director. Usurping the director’s responsibilities will only serve to set a precedent that breeds distrust, diminishes accountability, and wastes a board’s best resource—the director.

Guiding Principles for Board-Only Decisions

Suggested principles for the board might include:

- The board shall govern, not manage.
- The board shall act on all items required by law or regulation.
- Unless requested by the director, the board shall restrict its policies to those that affect the whole organization.
- The board shall maintain the financial integrity of the TMA.



One useful method for clarifying the roles and responsibilities of the board and the director would begin by listing general types of decisions and collectively deciding which party has the decision making authority, which items require prior approval and which decisions made by the director require notice after the fact.

The exercise below¹ provides a good starting point for discussion between staff and the board regarding appropriate division of responsibilities and communications style. The effective functioning of a TMA, like any non-profit corporation, depends upon an explicit understanding between board and staff regarding the role that each plays. This activity helps define the style of communication that works best for each organization.

Provide a copy of this exercise to each board member to fill out. Independently, have individual staff members fill out the same form. Staff and board members may also want to add some additional scenario items that reflect circumstances that the TMA has already or will have to deal with. Later, compare answers to see where agreement and disagreement exist. The goal is to discuss the areas where there is disagreement and come to some resolution regarding the policy of the TMA for handling similar circumstances.

It will be clear that some of the items, especially in cases of articulating policy, are clearly the responsibility of the board. If staff were to usurp the role of the board in policy setting, the TMA would no longer be benefiting from the expertise of the board members, and there would no longer be a reason for the board members to participate.

Other items, such as procedural matters, are clearly the responsibility of staff. If the board were to usurp the appropriate role of the staff, this would result in micromanagement, an inefficient use of board members' time, and undermining of trust between staff and the board.

Other items represent gray areas where there must be adequate reporting and communication. The Appendix contains a key of recommended answers to this exercise that applies equally well to most non-profit organizations. While these are recommended answers, they are not necessarily the "right" answers that suitably describe an effective working style of a board and staff. It is okay if the board and staff come up with different answers, as long as the board and staff understand and agree.

¹ The exercise was adapted from the 1993 Board Member Manual, Aspen Publishers, Frederick, Maryland, pp. 31-32.

Defining Responsibilities of Board and Staff

ACTIVITY

As a board/administrator team, review the items on the list below and decide how you would assign the responsibility for each decision. Label each item with one of the following:

B = only the **board** may make the decision

A = **administrator** (director) has complete authority to make the decision

I = administrator has authority to act and then **inform** the board

P = administrator must seek **prior approval** from the board to act

- 1 _____ Write a grant proposal
- 2 _____ Submit a grant proposal to a funding source
- 3 _____ Change board meeting times or frequencies
- 4 _____ Decide the administrator will represent your organization at a business function
- 5 _____ Initiate a total ban on smoking in agency offices
- 6 _____ Set minimum salary for new staff
- 7 _____ Hire a consultant for a project
- 8 _____ Purchase a new telephone system with budgeted funds
- 9 _____ Send an office secretary to a three-day leadership conference at the organization's expense
- 10 _____ Plan a board/staff retreat to revise the long range plan
- 11 _____ Select a firm to audit your organization's finances
- 12 _____ Hold a press conference to announce a new program
- 13 _____ Have the administrator's office redecorated and refurnished
- 14 _____ Decide the administrator can go to a weeklong seminar
- 15 _____ Hire an employee for an unbudgeted position
- 16 _____ Approach citizens about serving on an advisory committee
- 17 _____ Communicate information to another board
- 18 _____ Notify contractors of bidding results
- 19 _____ Decide in which bank(s) to deposit organization funds
- 20 _____ Decide how to invest \$20,000 of surplus funds
- 21 _____ Decide which items or services to cut to meet budget demands
- 22 _____ Change office records to a computerized system
- 23 _____ Give recognition awards to community members for their contributions
- 24 _____ Lay off a staff member to meet budget
- 25 _____ Develop the agenda for board meetings
- 26 _____ Award contracts to vendors
- 27 _____ Establish guidelines for evaluation of employees
- 28 _____ Change the administrator evaluation form
- 29 _____ Determine the type and number of clerical positions for the office
- 30 _____ Retain legal counsel for the agency
- 31 _____ Select a person for an administrative assistant position
- 32 _____ Establish a flexible work schedule for the administrator
- 33 _____ Fire a popular, long-time employee for poor job performance

Exercise adapted from 1993 Board Member Manual, Aspen Publishers, Frederick, Maryland, pp.31-32.

Communication Between Board and Staff

Establish mechanisms for regular communication between staff and the board (or a subset of the board, such as an executive committee). The director should also have easy access to the president, treasurer, and one or more members of the board to handle emergency situations.

Present periodic written reports to the board in a monthly or quarterly budget, regular updates on annual work and marketing plans, status of recent accomplishments, and a monthly calendar of upcoming events. Where there are detailed reports, always provide brief summaries.

Communication also includes feedback from the board to staff regarding their expectations and assessment of performance. The director reports to the board, and the board, as "supervisor," should conduct a formal evaluation of the director on a semi-annual or annual basis.

More frequent feedback to the director also might be desirable, especially for a new director or board, to ensure both are comfortable with their roles and progress. Many directors work independently and see the board or executive committee only monthly or quarterly. Regular communication, such as bi-weekly phone calls to a designated board member and a monthly status report, can be useful to ensure constructive feedback.

Board Recruitment

In most non-profit organizations, it is a group of private sector individuals that usually provides the impetus to incorporate. They also serve as board members and hire staff. However, many TMAs and other public-private partnerships that address transportation issues are initiated by government seed funding. The source of the grant funds can strongly influence the initial direction of the organization. The staff exists before the board is created and it is the staff's job to set in motion the recruitment process for board members.

Recruiting board members is less challenging if your organization is already prestigious or well known. TMAs just starting must contend with the fact that traffic congestion, especially future traffic congestion, is a community problem that does not rate in the same league as child welfare, hunger or emergency issues. They are considered universally urgent, and other organizations have already secured commitments from many community leaders to serve on their boards.

To address the challenge of recruiting board members, it is suggested that the TMA director emphasize the benefits of board participation to the recruit, to the constituencies that he or she represents and to the community at large.

Some of the benefits include:

- Personal satisfaction
- Opportunities to develop professional contacts
- Individual or "team" recognition for accomplishments
- Leadership and managerial development
- Professional knowledge or experience

Emphasize that board members play a key role in shaping programs and services that can provide direct benefits to his or her constituencies and business. Also emphasize the negative impacts of the existing or future problem that the TMA was created to address. Back up your case with facts. Emphasize the importance of proactivity and savings to the community by reducing or avoiding the problem altogether, instead of dealing with its effects later.

Board Composition

In the strategic development of a board, it is important that the board represents as many constituent groups as possible, by organization or employment type and by geography within the service area. The board should also represent skill areas needed by the organization, such as accounting, law, financial planning, marketing, public relations, advertising, computer technology, and insurance.

Places to find new board members include affiliated companies that are happy with the TMA's services, professional organizations, the sign-in list at public forums, those who previously served on other boards, ex-elected officials, retirees, those who have given in-kind contributions or other financial support and good committee members.

Don't wait for volunteers. Instead, focus on individuals with unique strengths to offer the TMA who are well-suited to the responsibilities, and ask them to participate in board membership.

The checklist below illustrates how you can think strategically about the unique resources you need on a board in order to accomplish the TMA's mission.

It is important to strive for the ideal board composition; however, the reality may be very different regarding the group of individuals actually willing to serve on the TMA board.

Checklist for Assessing Board Makeup²

Skills and Experience	Purpose
CEOs of large companies	Decision makers Visibility in the community Elevation in social circles Better access to corporate dollars Financial resources
Entrepreneurs	Decision makers Creative solutions Financial resources
Professionals: such as doctors, attorneys, accountants, bankers, real estate agents, management consultants	Visibility in the community Networks/contacts Technical and professional expertise Financial resources Pro-bono services
Public relations/marketing representatives	Technical expertise Contacts for in-kind services/media
Restaurant/hotel managers	Social/business connections In-kind services Financial resources
Executives with access to large dollar-value donors	Donor connections Visibility in the community Events expertise Financial resources

² Adapted from "Setting Criteria for Board Qualifications and Commitment," by Scott Hughes, published in *Management Issues*, KPMG Peat Marwick, January 1990.

Manager of volunteers	Expertise in running volunteer organizations
Professionals in the transportation field	Understanding of organization's mission and programs
Community outreach/education administrators	Community involvement Audience/supporter development Visibility in the community Networks/contacts
Foundation/fund-raising organization executives	Functional expertise Networks/contacts Visibility in the community Financial resources

Demographic Representation

Ethnic/Cultural	Audience/supporter development Board enrichment/diversity Program development Financial resources
Male/Female	Board enrichment/diversity Access to broader experience/knowledge
Geographic	Board enrichment/diversity Audience development Financial resources

Maximizing Board Effectiveness

Perhaps the board doesn't represent all the right professional expertise and recognized community leaders, but it may still have the most valuable asset: people wanting to participate and do something worthwhile for the community.

In maximizing board effectiveness, the TMA director has the capability to create an organizational environment for board members, so that their best talents are put to use, their accomplishments are recognized and board members receive feedback that encourages them to continue their efforts.

TMA directors may observe different personality styles of board members that may translate into strengths under the right circumstances. TMA managers can influence or orchestrate these circumstances to bring out the best in board members. It is also a consideration to develop a board composition with a complement of personality styles to compose a strong team, in which each member contributes something special.

For example, persons who are openly competitive, daring and direct may have what it takes to lead the effort to get a tough job done. They may be able to successfully take charge in challenging situations and may have the leadership potential to chair the board.

Other persons may prefer to work as part of a team on tasks that are well defined. Such persons may rather participate than direct. These persons may be very effective in accomplishing the behind-the-scenes tasks of a membership drive or other important activities where there are nuts-and-bolts tasks to be completed. Such persons may make excellent secretaries or treasurers of the board.

Extroverted persons may have the contacts and the charisma to attract new members and recruit new board members. These also may be the best people to handle promotions and public relations matters of the TMA.

Some people may pay close attention to matters of quality and detail. These persons may be effective in the tasks of drafting and amending by-laws and other documents. They may also be good observers and astute regarding changing conditions. These persons may show particular strengths in strategic planning.

The rationale for taking the time to consider the personalities of members, board members and potential members, can be explained by the work of the originator of the Personal Profile System of understanding dimensions of behavior (Dr. John G. Geier, University of Minnesota). This system asserts that all people are motivated to do things for reasons of their own. You cannot motivate a person, but you can create an environment in which people motivate themselves to be successful and productive.

Appeal To Their Values

Applying this idea to the work of the TMA board, a TMA director can learn to approach individuals in ways that most appeal to their values and make them more willing to participate. For example, the competitive and daring individual needs to be offered challenging tasks as well as recognition for his or her accomplishments. The methodical team player will get the job done, provided that a solid work program and procedures are in place. The extrovert may present the best image of the TMA in an interview with the press. Devising operational policy might be just the right task for the detail-oriented person.

Sensitivity to board personality strengths and weaknesses can enable a considered approach to organizing committees and building teams. The examples above illustrate how to make the most of the board's talent. The same can be true of downplaying limitations by pairing individuals in teams to minimize one person's weaknesses with another's strengths. Armed with such knowledge, the director can also adapt his or her own behavior to bring out the best in board members.