

TRANSPORTATION COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: EMPLOYEE TRANSIT PASS PROGRAM

RECOMMENDATIONS:

1. THAT Council approve changes to the City's Transit Pass Program as outlined in this report, which would combine the City's program with TransLink's Employer Pass Program to offer employees the ability to purchase 12-month transit passes at a 40% discount through payroll deduction.
2. THAT this new program be made available to all full-time employees and those part-time / auxiliary employees who have worked an average of at least three shifts per week over the last six months prior to their purchase of the pass, with the six-month requirement reduced to a minimum of one month for newly-hired employees.

REPORT

The Transportation Committee, at its meeting held on 2005 June 22, received and adopted the *attached* report to recommend changes to the City's Transit Pass Program, which provides financial support for employee transit passes.

Respectfully submitted,

Councillor Volkow
Chair

Councillor Evans
Vice Chair

Councillor Rankin
Member

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Attachment

Copied to:	City Manager City Clerk Director Finance Director Engineering Director Planning and Building
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TO: CHAIR AND MEMBERS
TRANSPORTATION COMMITTEE **DATE:** 2005 June 09

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** PL 90100 - 01

SUBJECT: EMPLOYEE TRANSIT PASS PROGRAM

PURPOSE: To recommend changes to the City's Transit Pass Program, which provides financial support for employee transit passes.

RECOMMENDATIONS:

1. **THAT** Council approve changes to the City's Transit Pass Program as outlined in this report, which would combine the City's program with TransLink's Employer Pass Program to offer employees the ability to purchase 12-month transit passes at a 40% discount through payroll deduction.
2. **THAT** this new program be made available to all full-time employees and those part-time / auxiliary employees who have worked an average of at least three shifts per week over the last six months prior to their purchase of the pass, with the six-month requirement reduced to a minimum of one month for newly-hired employees.

REPORT**1.0 BACKGROUND**

The City of Burnaby has a long history of implementing Transportation Demand Management measures for its workforce. Examples include car-pool matching services, car-pool preferred parking, end-of-trip facilities for cyclists, and incentives to purchase transit passes. For ten years, the City has provided a 25% incentive to employees purchasing monthly transit passes (FareCards). This report provides a review of that program, and recommends some modifications.

2.0 CURRENT TRANSIT PASS PROGRAM

The City's current Transit Pass Program continues to grow in popularity. Usage of this program has doubled in the past five years. We now sell about 100 passes monthly. The monthly cost to the City of this program is about \$1,800, paid through the Clerk's Office. The transit incentive is meant to offset the subsidy that the City provides to car users for their mode, in the form of free parking which the City constructs and maintains. Taking the Metrotown area as an example, this parking subsidy has a market value of

approximately \$57 per month per person. In contrast, our current transit incentive is about \$19.

As originally conceived, the 25% incentive was intended to promote transit use for *commuting to a City job*, rather than having the passes used primarily for recreational, educational, or other purposes. It was, therefore expected that the passes would be used primarily by full-time employees, or part-time employees who work many shifts.

A review was conducted of current usage patterns. In a one-month sample period:

- 44% were full-time staff;
- 25% were part-time staff working four or more shifts per week;
- 9% were part-time staff working three shifts per week; and
- 21% were part-time staff working two or fewer shifts per week.

While a person working three or four shifts per week might be using the pass primarily for commuting to a City job, it seems likely that a person working two or fewer shifts per week is buying the pass primarily for other purposes. This could be other trips that they are taking, or they may be sharing their pass with others (as there is no identification required).

3.0 PROPOSED TRANSIT PASS PROGRAM

In 2003, TransLink introduced the Employer Pass Program (EPP), which provides a 15% discount on transit passes, subject to certain requirements:

- The user must sign up for at least 12 months. They cannot stop and re-start from month to month, the way City personnel can today. However, they can quit the program if their circumstances (home or work location) change. They must also leave the program if they are no longer employed by the City.
- The user would be issued a photo identification card when joining. Initial photographs would be taken at City Hall by TransLink. People joining subsequently would rely on TransLink's periodic photo sessions at Burrard SkyTrain Station.
- Payment would be easier for the user, as it would be done automatically through payroll deduction, spread throughout the year.
- The user would still have the flexibility to change pass "sizes" (e.g., from one-zone to two-zone, or add West Coast Express) on a month-by-month basis.

- The user would pay a one-time \$15 fee to begin, and a \$50 replacement fee if their pass is lost or stolen.
- The City must have at least 25 employees participating in the program, which should be achievable.

It is recommended that the City's existing Transit Pass Program be combined with TransLink's EPP to create a 40% incentive for transit pass users. Such a new program would need to operate under the requirements of TransLink's EPP. As with our existing program, the City's 25% share of the plan would constitute a taxable benefit for employees.

To evaluate the likely impact of the proposed change, a short survey was sent out to a sample of full-time employees that currently use the Transit Pass Program. Of the respondents, 56% prefer the proposed new plan, based on greater financial savings and greater ease of use (payroll deduction). Conversely, 44% prefer the existing plan because they share their pass with others and/or like to be able to stop/start each month. However, when asked if they would use the proposed plan if it was the only one available, the 56% rose to 69%.

Part-timers who have many shifts, or use transit heavily for other purposes, would likely welcome the proposed plan. Those who share their passes extensively would prefer the existing plan. In addition, the requirement to make a 12-month commitment may deter some part-timers. In general, the 12-month requirement and the inability to share the passes are expected to lead to a decline in purchases by part-timers. Since the program is intended primarily for trips to City jobs, it is proposed that sale of the passes be restricted to those people averaging a minimum of three shifts per week.

For administrative reasons, it is undesirable to have both the existing and proposed programs operating simultaneously (i.e., each person choosing between the existing and new programs). Aside from the additional overhead cost, the criteria of working three shifts per week is easier to enforce on an annual basis, rather than monthly.

4.0 RECOMMENDATIONS

It is recommended that the City combine its existing Transit Pass Program with TransLink's EPP to offer a total discount of 40%. This has several advantages over the City's existing program:

- Regular transit commuters will receive a greater benefit, and employees currently travelling by car will have a greater incentive to switch to transit.
- With photo identification, the program will be more targeted to people who use the passes themselves, rather than derive the benefit by sharing the passes.

To: Transportation Committee
From: Director Planning and Building
Re: Employee Transit Pass Program
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- The current program favours employees of City Hall and Bob Prittie Metrotown Branch, as these are the only two locations where passes can now be purchased. The new program will be easier for all City employees, regardless of work site, as it eliminates the monthly need to visit one of the purchase sites.
- The total cost to the City will likely decline, as those who share their passes extensively and part-timers with few shifts are expected to drop out of the program. This reduction will be partially off-set by current car drivers who are attracted by the 40% incentive.
- Administrative costs to the City are also likely to decline, based on processing each employee once per year instead of 12 times.

Regarding the minimum number of shifts, it is recommended that the specific criteria be “worked an average of at least three shifts per week over the last six months prior to the purchase of the pass, with the six-month requirement reduced to a minimum of one month for newly-hired employees”.

5.0 CONCLUSION

This report has reviewed the City’s existing Transit Pass Program, and recommended that it be combined with TransLink’s EPP to provide City employees with a 40% transit incentive, available through payroll deduction. This is in keeping with long-standing City initiatives to promote alternatives to the automobile for employee travel.


for J.S. Belhouse, Director
PLANNING AND BUILDING

SR/jc

cc: City Manager
City Clerk
Director Finance
Director Engineering

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