Agenda - Executive Policy Committee - December 4, 2002

Report - Standing Policy Committee on Public Works - November 19, 2002

1. EcoPass - Employer Sponsored Bus Pass Program
File TT-2 (Vol. 12)

STANDING COMMITTEE RECOMMENDATION:

On November 19, 2002, the Standing Policy Committee on Public Works recommended:

1. That the City continue its participation in the EcoPass Program through to December 31, 2003.

2. That the Chief Administrative Officer be delegated authority to continue or discontinue participation of City employees in the EcoPass Program beyond December 31, 2003 based on results of the program during 2003 and in future years.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Re: EcoPass – Employer Sponsored Bus Pass Program

For submission to: **Standing Policy Committee on Public Works**

Original Report Signed by: **R. L. Borland, Director of Transit**

Report date: **November 12, 2002**

In camera item: **No**

Recommendation(s):

1. That the City continue its participation in the EcoPass Program through to December 31, 2003.

2. That the CAO be delegated authority to continue or discontinue participation of City employees in the EcoPass Program beyond December 31, 2003 based on results of the program during 2003 and in future years.

Report Summary

Key Issues:

- City Council approved the City's participation in a six month (June 1 to November 30/02) pilot project of the EcoPass Program with 13 other private and public sector organizations.

- All organizations in the pilot project have tentatively agreed to continue the program but have asked if the City will also continue. The City's participation is considered critical in having these firms continue in the program.

- Based on initial surveys carried out in April with five major participants and actual sales results for five months (June to October) the Transit Department has seen a 12 fold increase in the number of monthly bus passes sold from approximately 30 per month to 372 per month in these organizations.

- Based on a follow up (October) survey with MTS, transit usage has increased 20% and revenues have increased 42% ($6,900) per month from MTS employees. While follow up surveys have not been carried out with other firms at this point in time, it is reasonable to expect that comparable ridership and revenue increases have been generated at these firms.

- An additional appropriation of $125,000 was approved to accommodate the participation of City employees in the six-month pilot project. The actual cost to year-end is projected to be $30,000.

- Because there was no opportunity for Council during October and November to consider any recommendations regarding extension of City employee participation in the EcoPass Program, and the fact that surplus funds were available from the additional appropriation, the pilot project involving City employees was extended to include December, 2002.

- The estimated funding required to accommodate the involvement of City employees in the EcoPass Program for 2003 is $90,000. The Department optimistically assumes a sufficient number of new transit users from the City will be obtained to offset this City cost. Failing that, the Department may have to request additional funding for this City program later in 2003.

Implications of the Recommendation(s):

General Implications

None

X For the organization overall and/or for other departments

X For the community and/or organizations external to the City of Winnipeg

Involves a multi-year contract

Comment: The program will offer adult monthly passes at discounted rates to employers in the City including the City of Winnipeg

Policy implications

X No

Yes

Financial Implications

X Within approved current and/or capital budget

Current and/or capital budget adjustment required

Comment: The estimated additional funding required to accommodate the involvement of City employees in the EcoPass Program for 2003 is $90,000. The Transit Department has allocated $5,000 from its existing budget to cover promotional, printing and mail costs. The Department has optimistically assumed that sufficient new Transit users from the City can

be obtained to offset this City cost of $90,000. Failing that, the Department may have to request additional funding for this City program later in 2003.

Report

Recommendation(s):

1. That the City continue its participation in the EcoPass Program through to December 31, 2003.

2. That the CAO be delegated authority to continue or discontinue participation of City employees in the EcoPass Program beyond December 31, 2003 based on results of the program during 2003 and in future years.

Reason for the report:

- The Standing Policy Committee on Public Works (April 2/02) and City Council (April 24/02) directed *"That the Employer Sponsored Bus Pass Program be reviewed in six months for report back to the Standing Policy Committee on Public Works".*

- Approval is required to extend the involvement of City employees in the EcoPass Program, and to delegate authority to the CAO to continue or discontinue the involvement of City employees in the EcoPass Program.

History:

- On April 24, 2002, City Council approved a revised cost sharing formula for the EcoPass Program.

- On May 22, 2002, City Council approved the participation of City employees in the EcoPass Program based on a six-month pilot project.

Discussion:

In June 2002, Winnipeg Transit began a pilot project with the following fourteen organizations to assess the impact of the EcoPass program.

- Manitoba Telecom Services
- Cargill Limited
- CanWest Global Communications
- The Forks North Portage Partnership
- The Downtown BIZ
- Assiniboine Credit Union

- The Winnipeg Airports Authority
- Resource Conservation Manitoba
- Decibel Credit Union
- The International Institute for Sustainable Development
- AAA Alarms
- Scoot-Around Ltd.
- OnLine Business Systems
- The City of Winnipeg

As a preliminary step to beginning this pilot project, the Transit Department carried out surveys with five major organizations to assess potential sales and impact of the EcoPass program. Surveys were carried out with: OnLine Business Systems, Cargill Limited, CanWest Global Communications, Manitoba Telecom Services and The Winnipeg Airports Authority.

Based on the original survey results compared to actual sales from June to October, Transit has seen a 12-fold increase in the number of monthly bus passes sold to these organizations. The number of monthly bus passes has increased from approximately 30 per month to 372 per month.

In addition, Winnipeg Transit recently completed a follow up/second survey of MTS employees. Based on these survey results, the Transit Department estimates that:

- Transit usage has increased approximately 20% amongst MTS employees and
- Net revenues from MTS employees using transit services have increased $6,887 from approximately $16,234 to $23,121 per month. This represents a 42% increase.

While follow up surveys have not been carried out with all organizations, based on actual sales results Transit has seen substantial monthly bus pass sales in all organizations. The number of monthly bus passes sold to all organizations is approximately 750. It's reasonable to assume that the ridership and revenue increases are in the same order as those experienced at MTS.

All of the existing participants have experienced positive employee reaction and would like to further test the program over the winter/spring months to June/03. However, while all the participating organizations have indicated their desire to continue, they have specifically asked if the City will also continue as a sign of its commitment to the program. It is considered critical for the City to continue its participation in the program in order to have the private sector also continue.

In May, the Transit Department estimated that the costs for City employees to participate in the EcoPass Program would be $125,000. The Transit Department had based its projections on the assumption that Winnipeg Hydro, Police, and Fire/Paramedic would be active participants in the program. Winnipeg Hydro only

participated for two months before being taken over by Manitoba Hydro. Similarly, monthly pass sales within the Police and Fire/Paramedic Departments have been limited. Uniform staff in these Departments are provided free bus transportation service as a result of a long-standing City by-law.

As a result, the cost for the City to participate in the program has been far less than originally anticipated. Through to the end of December, 2002, the Transit Department estimates the City's costs at approximately $30,000.

Anticipating greater use of this program in 2003, it is estimated that funding needed to accommodate the involvement of City employees in the EcoPass Program for 2003 is $90,000. The Department optimistically assumes a sufficient number of new Transit users from the City will be obtained to offset this City cost. Failing that, the Department may have to request additional funding for this City program later in 2003.

Because there was no opportunity during October and November for Council to consider any recommendations regarding extension of City employee participation in the EcoPass Program, and the fact that surplus funds were available from the additional appropriation, the pilot project involving City employees was extended to include December, 2002.

CONCLUSION:

Based on the success of the program, the willingness of participants to continue in the program, the desire of participants to see the City continue its participation, and the lower than expected cost for the City's participation, the Transit Department is recommending that the City continue its participation in the program. The Transit Department is also recommending that the CAO be delegated authority to continue or discontinue the involvement of City employees in the program based on results of the program during 2003.

This Report Submitted By: R. L. Borland, Director

Department:	Transit
Division:	Marketing and Customer Services
Prepared by:	Nick Iafolla
File No.	

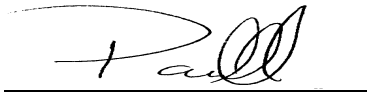
Financial Impact Statement:

Project Name: EcoPass (Employer Sponsored Bus Pass) Program

Date: November 12, 2002 First Year of Program **2003**

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	
Less: Existing Budgeted Costs	-	-	-	-	
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 95,000		$ -	$ -	$ -
Less: Incremental Revenue/Recovery	90,000	-	-	-	-
Net Cost/(Benefit)	$ 5,000		$ -	$ -	$ -
Less: Existing Budget Amounts	5,000		-	-	
Net Budget Adjustment Required	$ -		$ -	$ -	$ -

Additional Comments: The estimated additional funding required to accommodate the involvement of City employees in the EcoPass Program for 2003 is $90,000. The Department has optimistically assumed that sufficient new Transit users from the City can be obtained to offset this City cost of $90,000. Failing that, the Department may have to request funding for this City program later in 2003. The Transit Department has allocated $5,000 from its existing budget to cover promotional, printing and mail costs.



Manager of Finance & Administration