## REPORTS

2. From the Director, Transit Department
Report 2002/04/23

**Ecopass - Employer Sponsored Bus Pass Program**

**File TT-2 (Vol. 12)**

Recommending that:

1. That the City of Winnipeg participate with a group of other employers in a 6 month pilot project of the EcoPass beginning June 1st, 2002.

2. That an additional appropriation in the amount of $125,000 be approved and allocated to a Corporate account (Tax Supported Fund) to fund the cost of the involvement of City staff in the pilot project.

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

**Re:** ECOPASS - EMPLOYER SPONSORED BUS PASS PROGRAM

**For submission to:** EXECUTIVE POLICY COMMITTEE

**Original Report Signed by:** R. L. BORLAND, DIRECTOR, WINNIPEG TRANSIT

**Report date: April 23, 2002**

**In camera item: No**

**Recommendation(s):**

1. That the City of Winnipeg participate with a group of other employers in a 6 month pilot project of the EcoPass beginning June 1st, 2002.

2. That an additional appropriation in the amount of $125,000 be approved and allocated to a Corporate account (Tax Supported Fund) to fund the cost of the involvement of City staff in the pilot project.

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

## Report Summary

Key Issues:

- Any new unbudgeted staff programs not approved as part of the Council approved current budget, require the approval of the Executive Policy Committee.

- Any additional appropriations require the approval of the Fiscal Issues Policy Committee.

- On March 14, the Transit Department submitted a report regarding the EcoPass Program that recommended a new cost sharing formula for organizations participating in a 6 month pilot project of the EcoPass Program. It was approved by the Standing Policy Committee on Public Works (April 2, 2002) and Executive Policy Committee (April17, 2002), and referred to Council for approval at its April 24, 2002 meeting.

- The EcoPass program is expected to be revenue neutral at minimum, and has the potential to significantly increase Transit ridership. Any direct promotional and development costs for the pilot project would be within the existing Transit budget.

- The Transit Department is now in the process of formalizing a commitment from 10 organizations to participate in the program effective June 1st, 2002. These organizations are:

  Manitoba Telecom Services
  CanWest Global Services
  Assiniboine Credit Union
  Winnipeg Airports Authority
  Decibel Credit Union
  Cargill Grain Limited
  The Forks- North Portage Partnership
  Mountain Equipment Co-op
  Resource Conservation Manitoba
  International Institute for Sustainable Development

- Each of these organizations has agreed to participate in the program and has expressed the strong desire to have the City also participate as a sign of its commitment to the EcoPass program.

**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 as an organization/employer.

**Policy implications**

No

X Yes

Comment: Executive Policy Committee approval is required for new unbudgeted staff programs, and Fiscal Issues Policy Committee approval is required for additional appropriations.

**Financial Implications**

Within approved current and/or capital budget

X Current and/or capital budget adjustment required

Comment: Participation by the City in the six month pilot project will require an additional appropriation of $125,000 to a Corporate account.

## Report

**Recommendation(s):**

1. That the City of Winnipeg participate with a group of other employers in a 6 month pilot project of the EcoPass beginning June 1st, 2002.

2. That an additional appropriation in the amount of $125,000 be approved and allocated to a Corporate account (Tax Supported Fund) to fund the cost of the involvement of City staff in the pilot project.

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

**Reason for the report:**

Any changes to new unbudgeted staff programs require Executive Policy Committee approval, and additional appropriations require Fiscal Policy Committee approval.

**History:**

- As part of its 1996 capital budget, the Transit Department included in the Innovative Transit Program, a project to investigate alternative forms of employer sponsored transit programs.

- On December 13, 2000 City Council granted the Transit Department authority to negotiate and commit to EcoPass (Employer Sponsored Bus Pass) agreements based on a 5:1 cost sharing ratio between the employer and Transit ( for every 5% an employer reduced the price of a monthly pass to employees, Transit would rebate 1% to the employer)

- Based on the December 13, 2000 authority granted by Council, in February 2001 Transit began what was to be a six month pilot project with Manitoba Public Insurance. They agreed to provide a 50% discount to employees and Transit would rebate 10% to MPI. Unfortunately, at the time the program began, there was considerable negative media concerning bonuses for Y2K (Year 2000) changeovers paid to senior MPI staff. The EcoPass Program became associated with this negative publicity and the Minister responsible for MPI made a decision that the EcoPass Program would be curtailed after three months at MPI. Based on the three month trial at MPI, the results were very positive in increasing Transit usage amongst MPI employees.

- On March 14, 2002 the Transit Department submitted a report regarding the EcoPass Program that recommended a new cost sharing formula for organizations participating in a 6 month pilot project of the EcoPass Program. The report was approved by the Standing Policy Committee on Public Works (April 2, 2002) and Executive Policy Committee (April17, 2002), and referred to Council for approval at its April 24, 2002 meeting.

**Discussion:**

Over the last few months the Transit Department has actively pursued a number of organizations seeking their participation in a six month pilot project for the EcoPass Program. As a result of these contacts, Transit is now in the process of formalizing a commitment from ten (10) organizations to participate in a joint pilot project effective June 1st, 2002. These organizations include:

Manitoba Telecom Services
Cargill Grain Limited
CanWest Global Services
The Forks- North Portage Partnership
Assiniboine Credit Union
Mountain Equipment Co-op
Winnipeg Airports Authority
Resource Conservation Manitoba
Decibel Credit Union
International Institute for Sustainable Development

Each of these organizations has agreed to participate in the EcoPass program on a pilot project basis and have specifically asked/urged that the City participate by offering the EcoPass to City employees as a sign of its commitment to the program.

The pilot project would include the following key elements:

- It would be a 6-month pilot project beginning June 1st, 2002**.** The pilot project would be coordinated with Environment Week/Clean Air Day/Commuter Challenge initiatives and it would be strongly positioned as a commitment by all of these organizations to protecting our environment by reducing auto congestion and air pollution.

- The employers would offer monthly bus passes to employees at a 30% discount and Transit would rebate 10% to the employer.

By undertaking this program on a "pilot project" basis, it allows Transit and the participating organizations to assess the benefits, costs, and operational considerations. Assuming both parties are satisfied with the results of the pilot project, a longer term agreement would be signed with flexibility to discontinue the program should circumstances change.

## FINANCIAL IMPACT

The program direct costs for development and promotion are covered in the existing Transit budget. It is conservatively expected to be revenue neutral at minimum, and has the potential to substantially increase transit ridership.

However, there would be an additional cost of $125,000 to the City for the involvement of City staff in the six month pilot project This cost estimate is based on an estimate developed by the Transit Department and would provide for the EcoPass Program to be offered to all City employees except Transit employees who receive a transit pass as a result of a clause in their collective agreement.

## CONCLUSION:

The Employer Sponsored Bus Pass Program has the potential to provide significant benefits for employers, employees, the Transit Department and our environment. At this time, ten (10) organizations have given their verbal commitment to participating in the EcoPass Program on a pilot project basis. All of these organizations have asked/urged that the City also participate as a sign of its commitment to the program.

For this reason, it is recommended that the EcoPass Program be offered to City employees and that an additional appropriation of $125,000 be approved to fund the cost of the City's involvement in the program.

**Financial Impact Statement:**

Project Name: EcoPass (Employer Sponsored Bus Pass) Program

Date: April 23, 2002 First Year of Program **2002**

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|
| **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 | $ 135,000 | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ 135,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | 10,000 | - | - | - | |
| Net Budget Adjustment Required | $ 125,000 | $ - | $ - | $ - | $ - |

**Additional Comments: The direct costs for this program include printing and promotion ($10,000) and are covered in the existing Transit budget. It has been conservatively estimated that this program is expected to be revenue neutral at minimum, and will potentially generate additional funds through increased Transit ridership. However, there is an additional cost of $125,000 for the City to participate in this program. The results of the pilot project will provide further information for decisions regarding the ongoing appropriateness of the program.**

Manager of Finance & Administration

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

Department: Transit
Division: Marketing and Customer Services
Prepared by: Nick Iafolla
April 23, 2002