**Report of the Executive Policy Committee dated May 15, 2002**

**Ecopass – Employer Sponsored Pass Program**

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

1. The Executive Policy Committee has been advised that 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.

City Council, on December 13, 2000, 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 five (5%) per cent an employer reduced the price of a monthly pass to employees, Transit would rebate one (1%) to the employer). In February, 2001, Transit began what was to be a six month pilot project with Manitoba Public Insurance (MPI). They agreed to provide a fifty (50%) per cent discount to employees and Transit would rebate ten (10%) per cent 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 April 24, 2002, Council adopted Clause 2 of the Report of the Standing Policy Committee on Public Works dated April 2, 2002, approving a recommendation from the Transit Department for a new cost sharing formula for organizations participating in a six (6) month pilot project of the EcoPass Program.

Over the last few months the Transit Department has actively pursued a number of organizations seeking their participation in a six (6) 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 1, 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 six (6) month pilot project beginning June 1, 2002, would be coordinated with Environment Week/Clean Air Day/Commuter Challenge initiatives, and would be strongly positioned as a commitment by all of the organizations to protect our environment by reducing auto congestion and air pollution.

- The employers would offer monthly bus passes to employees at a thirty (30%) per cent discount and Transit would rebate ten (10%) per cent 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.

The direct costs for development and promotion of the program 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 $125,000.00 to the City for the involvement of City staff in the six (6) 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.

The Employer Sponsored Bus Pass Program has the potential to provide significant benefits for employers, employees, the Transit Department and the 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.

The Executive Policy Committee recommends:

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

II. That an additional appropriation in the amount of $125,000.00 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.

III. 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.

Attachment "A" referred to in Clause 1 of the Report of the Executive Policy Committee dated May 15, 2002

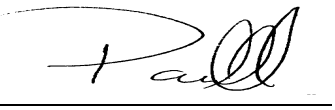
**Financial Impact Statement:**

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