

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2015 November 18

FROM: DIRECTOR FINANCE

FILE: 8150-20

SUBJECT: EMPLOYEE TRANSIT INCENTIVE PROGRAM

PURPOSE: To provide City employees with an opportunity to participate in a transit subsidy program.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council authorize staff to implement an Employee Transit Incentive Program effective 2016 January 01 as outlined in this report.

REPORT

The Financial Management Committee on 2015 October 22 requested staff to explore a transit subsidy program for City employees, similar to the previous Employee Transit Incentive Program.

1.0 BACKGROUND

In 1991 October, the City introduced an Employee Transit Incentive Program to encourage staff to use public transit to reduce the impact on the environment from vehicle emissions, and to free-up needed parking spaces at the City Hall.

Initially a 25% Employee Transit Incentive Program was provided to promote transit use for commuting to work. The program was for full-time employees or part-time employees who work several shifts. It was administered by the Human Resources Department.

In 2005, the City combined the Employee Transit Incentive Program with a TransLink Employer Incentive Program which provided an additional 15% discount to employees (bringing the total discount to 40%) for those who agreed to purchase a 12-month transit pass.

Details of the TransLink Employer Incentive Program were as follows:

- The City was required to have at least 25 employees willing to participate in the program.
- The program was available to full-time staff who worked a minimum of three shifts per week.
- Staff had to sign up for at least 12 months.
- Translink issued a photo identification card with the 12-month transit pass.
- Staff could not stop and re-start from month to month, however, staff could quit the program if their home or work circumstances changed. Staff were required to leave the program if they were no longer employed by the City.
- TransLink invoiced the City for the 12-month pass for each staff member participating in the program, less 15%. Staff paid for their transit pass through payroll deduction, spread throughout the year.
- The 25% incentive was a taxable benefit to the employee.

On 2014 January 01, TransLink discontinued the Employer Incentive Program.

1.1 Interim Measure:

The City continued its commitment to encourage staff to use public transit through an interim strategy while awaiting further information from TransLink. Those employees who participated in the City's Employee Transit Incentive Program on 2013 December 31 were 'grandfathered' and provided the opportunity to continue to receive a 25% incentive for the purchase of a monthly transit pass until a new program was announced. At 2013 December 31, there were approximately 91 City employees who were participating in the City's Employee Transit Incentive Program. As of the date of this report, there are 23 staff still participating in the program.

2.0 NEW TRANSLINK COMPASS CARD PROGRAM

TransLink has recently released their new Compass Card Program which allows users to load the fare product of their choice including Monthly Passes (FareCard), DayPasses, and Stored Values for pay-as-you go trips. New Compass Cards cost \$6 each (the amount is refundable, if the card is returned). FareCards are not prorated when purchased at different times during the month.

A 12-month transit pass is no longer available.

The following reflects the current cost to purchase an adult Monthly FareCard.

1 Zone	2 Zone	3 Zone
\$91.00	\$124.00	\$170.00

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With the introduction of TransLink's Compass Card Program it is feasible to again offer a 25% Employee Transit Incentive Program, effective 2016 January 01 for all eligible employees.

The City's Employee Transit Incentive Program would be based on the following guidelines:

- Full-time and part-time staff who work a minimum of three shifts per week would be eligible to participate in the program.
- A 25% incentive would only be applicable to the purchase of a Monthly FareCard.
- Staff would agree not to transfer the Monthly FareCard to a third party for use. (Previously, Translink issued a photo identification card to be used in conjunction with the 12-month transit pass. This effectively restricted the use of the pass to the card holder. A photo identification card is no longer provided.)
- Proof of purchase of a Monthly FareCard by the employee would be provided to Human Resources; only one pass would be discounted for each month.
- Human Resources would provide a list of those staff who have purchased the Monthly FareCard to Payroll; this would include the amount paid for the FareCard and the applicable discount.
- Payroll would add a 25% incentive amount to the staff member's bi-weekly cheque as reimbursement; (the 25% discount would result in a taxable benefit to the employee).

3.0 FUNDING FOR THE EMPLOYEE TRANSIT INCENTIVE PROGRAM

The City Manager's Office has a budget provision of \$38,000 for the Employee Transit Incentive Program. The following reflects the costs related to the program over the past four years.

2012 Budget	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015 Budget	2015 October	2016 Provisional Budget
\$38,000	\$25,803	\$38,000	\$26,886*	\$38,000	\$9,513	\$38,000	\$9,271*	\$38,000

** Includes the purchase of TransLink faresaver tickets of \$1,575 and \$1,625 respectively for 2012 and 2015 available to City staff who choose to use transit rather than a pool car to conduct City business.*

The cost of the program in 2012 and 2013 reflects the 25% to 40% incentive paid to staff who participated in the combined City Employee Transit Incentive Program and TransLink's Employer Incentive Program. The decrease in the cost of the program in 2014 to \$9,513 reflects the 25% incentive paid to the grandfathered staff who continued to purchase a monthly transit pass.

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4.0 RECOMMENDATION

The introduction of TransLink's Compass Card Program provides an opportunity for the City to again offer an Employee Transit Incentive Program. It is recommended that Finance Management Committee recommend Council authorize an Employee Transit Incentive Program effective 2016 January 01 as outlined in this report.



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DIRECTOR FINANCE

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Copied to: City Manager