

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: EMPLOYEE TRANSIT INCENTIVE PROGRAM

RECOMMENDATION:

THAT staff be authorized to revise the Employee Transit Incentive Program effective January 1, 2024, as outlined in section 4.0 of the report titled “Employee Transit Incentive Program” dated October 17, 2023; and

THAT a copy of the report be forwarded to the Environment Committee.

REPORT

The Financial Management Committee, at its meeting held on October 17, 2023, received and adopted the attached report seeking Council approval to revise the Employee Transit Program.

On behalf of the Financial Management
Committee,

Councillor S. Dhaliwal
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: CHIEF HUMAN RESOURCES OFFICER
SUBJECT: **EMPLOYEE TRANSIT INCENTIVE PROGRAM**
PURPOSE: To propose revisions to the Employee Transit Incentive Program

RECOMMENDATION

THAT staff be authorized to revise the Employee Transit Incentive Program effective January 1, 2024, as outlined in section 4.0 of the report titled “Employee Transit Incentive Program” dated October 17, 2023; and

THAT a copy of the report be forwarded to the Environment Committee.

1.0 POLICY SECTION

The Employee Transit Incentive Program aligns with the City’s Climate Action Framework (2020), declaration of a Climate Emergency (2019), Environmental Sustainability Strategy (2016), Corporate Strategic Plan and the Burnaby Promise (2022).

2.0 BACKGROUND

In 1991 October, the City introduced an Employee Transit Incentive Program to encourage employees to use public transit and encourage Healthy Active Living, reduce the impact on the environment from vehicle emissions and assist in addressing parking space congestion at the City Hall. The eligibility criteria and amount of this incentive have changed several times over the last thirty-two years.

Progressive Council-endorsed changes in eligibility (2016, 2018, 2020) in the Employee Transit Incentive Program saw an increase in value of incentives paid through the program, year-over-year, of between 18-32% from 2017 through 2019. In 2019, the City declared a climate emergency and set ambitious targets to reduce corporate and city-wide greenhouse gas emissions in the coming decades, ultimately to reach carbon neutrality.

In late 2022, CUPE 23 requested that the City of Burnaby increase the Employee Transit Incentive. This report provides an update on Incentive Program enrollment and cost and recommends an increase in the size of the Employee Transit Incentive from 25% to 40% for monthly passes.

The purpose of this report is to propose a revision in the Employee Transit Incentive Program from 25% to 40%, as described in section 4.0 of this October 16, 2023.

The global COVID-19 pandemic and increases in employees working from home in 2020 significantly decreased both regional transit ridership and the value of incentives paid through the City's Incentive Program. There have been slow but steady increases in regional transit ridership and in the City's Employee Transit Incentive Program in 2021 and 2022. The proposed increase to the Employee Transit Incentive Program from 25% to 40% is intended to increase ridership and support the City of Burnaby's Policies and Strategies.

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|----------|----------|----------|----------|----------|
| Incentive Paid | \$18,108 | \$23,876 | \$13,738 | \$13,812 | \$15,186 |
| Incentive Paid Increase | +20% | +32% | -42% | +0.5% | +10% |

*Substantial decrease due to COVID-19 global pandemic.

**This incentive paid value reflects the current incentives paid to-date, for 11 of 12 months of 2022.

3.0 GENERAL INFORMATION

3.1. City of Burnaby Employee Transit Incentive Program

The current Employee Transit Incentive Program is based on the following criteria:

Scope: Full-time and part-time employees.

Eligibility Threshold: Staff working an average of 10 hours per week over the last month prior to the purchase of the monthly pass.

Incentive Amount: A 25% incentive is applicable to the purchase of a Monthly TransLink Pass:

- Payroll adds the 25% incentive amount to the employees bi-weekly payroll cheque as reimbursement as this is a taxable benefit to the employee;
- Proof of purchase of a Monthly TransLink Pass is provided to Payroll by the employee (only one pass per employee is discounted each month); and,
- Employees agree not to transfer the Monthly TransLink Pass to a third party for use.

The Chief Administrative Officer's Office has an annual budget provision of \$38,000 within the People & Culture Department for the Employee Transit Incentive Program. The following table reflects the costs related to the program over the past four years.

As previously noted, there was a marked decline (42% between 2019 and 2020) in the costs related to the program between 2019 and 2020, primarily due to the COVID-19 global pandemic. The pandemic both decreased the frequency with which employees were commuting into the office in the first place, and decreased use of public transit as a primary mode of transportation in the region.

3.2 Metro Vancouver Municipal Transit Incentives

Based on the Eligibility Requirements for the City of Burnaby Employee Transit Incentive Program of a minimum of 10 hours worked per week in the past month, the City had the following eligible employees and employee enrollment for this program:

| | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------------------------------------------------------------------|------|------|------|------|
| Employees Eligible for the Incentive (working ≥ 10 hours per week in the previous month) | 2727 | 2700 | 2746 | 2867 |
| Employee participation (actual) | 136 | 110 | 82 | 99 |
| Employee participation (%) | 5% | 4% | 3% | 3% |

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not applicable.

5.0 FINANCIAL CONSIDERATIONS

The Chief Administrative Officer's Office has a budget provision of \$38,000 for the Employee Transit Incentive Program in 2023, which will sustain the recommended increase.

Respectfully submitted,

Anita Bhandari, Chief Human Resources Officer

ATTACHMENTS

Attachment 1 – Comparison of commuting emissions
Attachment 2 – Comparison of Municipal Transit Incentives

REPORT CONTRIBUTORS

This report was prepared by Erica Lay, Manager, Climate Action & Energy and Sergio Picco Senior Manager, Occupational Health & Safety, and reviewed by Anita Bhandari, Chief Human Resources Officer.