SUBJECT: Employer Commuter Pass Program (PW08133) - (City Wide)

RECOMMENDATION:

(a) That the General Manager, Public Works be authorized and directed to expand the Employer Commuter Pass Program for City of Hamilton employees to include full-time contract employees and interns on work terms greater than or equal to one year;

(b) That the General Manager, Public Works be authorized and directed to expand the Employer Commuter Pass Program for City of Hamilton employees to include 50% reimbursement of Burlington Transit and GO Transit passes for eligible employees who live outside of the City of Hamilton;

(c) That the General Manager, Public Works be authorized and directed to offer a pilot Employer Commuter Pass Program to other employers within the City of Hamilton as outlined in this report, funded on a one-time basis to a maximum of $40,000 from Ontario Provincial Gas Tax Reserve, and to report back within nine months on the uptake and financial impacts of the pilot program.
(d) That the General Manager, Public Works be authorized and directed to increase promotion of the Employer Commuter Pass Program.

Scott Stewart, C.E.T.
General Manager
Public Works

**EXECUTIVE SUMMARY:**

On July 8, 2008, Report PW08082 - Free Ridership Deep Discount Fare Policy and Other Strategies Employed to Create a High Ridership Transit System was presented to Public Works Committee. The recommendations from this report which were approved by Council on July 10, 2008 included the following:

“That staff undertake an expansion of the Employer Commuter Pass Program for the City of Hamilton and introduction of the Employer Commuter Pass for Hamilton employers in 2009 in accordance with the prior recommendation of the Transit Steering Committee and subsequent endorsement by Council.”

To implement the recommendation approved on July 10, 2008, it is proposed to expand the Employer Commuter Pass for City of Hamilton employees to full-time contract employees and interns with work terms greater than or equal to twelve months, and to include employees who commute to work using GO Transit or Burlington Transit. The expansion of the program would also include a pilot Employer Commuter Pass program for other Hamilton employers, which includes a discount of up to 20% of the cost of annual transit passes. Other Hamilton employers would be required to meet the following conditions in order to qualify for this pilot program:

- Match the HSR discount so that their employees receive their annual passes at a cost of 100% - 2 x (HSR discount).
- Participate for a minimum of one year.
- Participate through provision of passes which require their employees to have their photo on them, so that the benefit of the discounted pass is non-transferable.
- Post and/or distribute information to their employees about City of Hamilton-led or supported Transportation Demand Management programs such as Commuter Challenge, Bike to Work day, Carpool Week and CarpoolZone.ca.

The expanded and pilot Employer Commuter Pass programs will allow us to target additional employees, and to continue to implement our goals of improving air quality, promoting sustainable transportation options and reducing traffic in downtown Hamilton.

Increased promotion of the EC Pass program will also increase uptake of this opportunity to reduce single automobile use.
SUBJECT: Employer Commuter Pass Program
(PW08133) - (City Wide) - Page 3 of 6

BACKGROUND:
The information/recommendations contained within this report have City wide implications.

On July 8, 2008, Report PW08082 - Free Ridership Deep Discount Fare Policy and Other Strategies Employed to Create a High Ridership Transit System was presented to Public Works Committee. The recommendations from this report which were approved by Council on July 10, 2008, included the following:

“That staff undertake an expansion of the Employer Commuter Pass Program for the City of Hamilton and introduction of the Employer Commuter Pass for Hamilton employers in 2009 in accordance with the prior recommendation of the Transit Steering Committee and subsequent endorsement by Council.”

Employer Commuter Pass for City of Hamilton Employees
The Employer Commuter Pass (EC Pass) program has been designed to make it easy for employees to help the City achieve several important goals. Among these are improving air quality, promoting sustainable transportation options and reducing traffic in downtown Hamilton. The program puts the City in a leadership role among local employers for its efforts to assist employees shift to more sustainable travel behaviour.

The EC Pass can be used for more than just commuting to and from work - it is valid during regular HSR operating hours, including weekends.

The EC Pass is available to full-time employees that do not have employer-paid parking in the following Departments: Corporate Services, Community Services, Planning and Economic Development, Public Health Services and Public Works, as well as employees of HECFI and the Hamilton Public Library. The participating employee pays 50% of the cost of the pass and the home department pays the remaining 50%.

The cost of the pass for the average worker is about $12 a week (plus taxable benefit charges), paid through payroll deduction.

The EC Pass program was originally required a yearly commitment from employees, but has since been revised to allow employees more flexibility. The current six month program makes the EC Pass more appealing for those who wish to try the program but do not wish to commit to purchasing a yearly pass, as well as to those who bike or walk to work in the Spring and Summer but wish to take the bus during the Fall and Winter.

Employer Commuter Pass for Other Hamilton Employers
In January 2008, HSR and Hamilton Health Sciences (HHS) began a program in which HHS contracted for up to 250 discounted transit passes for HHS to distribute to its employees. Hamilton Health Sciences offered 50% of these passes to employees who turned in their parking passes, and the remaining discounted passes were offered to employees who already commuted to work by bus. This program will end in January 2009, as HHS has indicated that it does not have the resources to continue the pilot.

ANALYSIS/RATIONALE:
The Hamilton Transportation Master Plan, the Transit Ridership Growth Plan and Vision 2020 all set the target of doubling transit Ridership per capita by 2031 (over 2001 numbers). To do so, transit needs to be an attractive and viable alternative to the
private automobile. One way to achieve this, is to provide incentives to people to encourage them to travel in a more sustainable fashion.

**Employer Commuter Pass for City of Hamilton Employees**

The Employer Commuter Pass (EC Pass) program helps employees reduce their dependency on single occupancy vehicle use and provides a benefit (in the form of reduced transit passes) to those employees who had already decided to commute by transit. The reduction in the length of commitment required, from one year to six months, has improved the attractiveness of this program to seasonal transit users and those who wish to try the program but are hesitant to commit to a full year.

A current limitation of the program is that only permanent, full-time employees who take the HSR (as opposed to other transit services) are eligible. It is proposed to expand the program to include full-time contract employees and interns with work terms greater than or equal to twelve months, and to offer the program to City of Hamilton employees who live outside of the City of Hamilton and take Burlington Transit or GO Transit to get to work. This will allow us to target additional employees, and to continue to implement our goals of improving air quality, promoting sustainable transportation options and reducing traffic in downtown Hamilton.

Increased promotion of the EC Pass program will also increase uptake of this opportunity to reduce single automobile use.

**Employer Commuter Pass for Other Hamilton Employers**

As directed by Council on July 10, 2008, staff is also proposing an expansion of the EC Pass Program for other Hamilton employers. A discount of up to 20% of the cost of annual transit passes will be offered to employers who commit to:

- Matching the HSR discount so that their employees receive their annual passes at a cost of 100% - 2 x (HSR discount).
- Participating for a minimum of one year.
- Participate through provision of passes which require their employees to have their photo on them, so that the benefit of the discounted pass is non-transferable.
- Posting and/or distributing information to their employees about City of Hamilton-led or supported Transportation Demand Management programs such as Commuter Challenge, Bike to Work day, Carpool Week and CarpoolZone.ca.

This program would operate as a one year pilot program and would be re-evaluated prior to submission of the 2010 Capital Budget.

**Alternatives for Consideration:**

**Alternative 1 - Employer Commuter Pass for City of Hamilton Employees - Reduce Required Commitment from Six Months to Three Months**

While this alternative could make this program more attractive, it also requires a significantly increased amount of administration. Rather than reducing the required commitment at this time, it is recommended that the benefits of increasing the number of employees who are eligible be evaluated in 2009. Reducing the time commitment would be re-evaluated at a later date.
Alternative 2 - Employer Commuter Pass for City of Hamilton Employees - Maintain Status Quo
This alternative is not recommended because it is contrary to the goals of increasing transit Ridership, improving air quality and reducing single occupancy vehicle use.

Alternative 3 - Employer Commuter Pass for City of Hamilton Employees - Cancel Employer Commuter Pass Program
This alternative is not recommended because it is contrary to the goals of increasing transit Ridership, improving air quality and reducing single occupancy vehicle use. This alternative would also take a step backwards in terms of Hamilton being seen as an employer of choice.

Alternative 4 - Employer Commuter Pass for Other Hamilton Employers - Offer a 10% Discount for Employers Who Purchase Passes in Bulk
This alternative is not recommended for two reasons. Firstly, the City could lose oversight and control of the passes once the employer purchases them. Possible consequences include passes being resold at a profit to the employer. Secondly, this program is to be viewed as a partnership with both the City and the employer contributing to offer incentives to employees to try transit. This alternative commits only the City to offering a discount and does not require the employer to match the discount and pass those savings on to their employees.

Alternative 5 - Employer Commuter Pass for Other Hamilton Employers - Do Not Offer an EC Pass Program for Other Employers
This alternative is not recommended because it is contrary to the goals of increasing transit Ridership, improving air quality and reducing single occupancy vehicle use.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications:
Employer Commuter Pass for City of Hamilton Employees
Eligible employees would be responsible for 50% of the cost of their EC Pass, and the home department would be responsible for the remaining 50%, whether the employees use HSR, GO Transit or Burlington Transit. This is unchanged from the current program. Home departments may see an increase in uptake of this program as a result of increased eligibility and will need to budget accordingly, but it is expected that the impacts on Departmental budgets will be negligible.

Employer Commuter Pass for Other Hamilton Employers
Funding for this program, as a one-year pilot, to a maximum of $40,000 will come from the Ontario Provincial Gas Tax Reserve. Should this program become so popular in 2009 that costs exceed $40,000, additional funds will come from the Transportation Demand Management budget until such time as staff can report back to Committee for further direction.

Staffing Implications:
There are no staffing implications associated with the recommendations of this report. Should the program for external employers grow beyond current projections, additional resources will be required to manage the program. This will be reviewed as part of evaluation of the success of the pilot program, prior to the 2010 Capital Budget submission.
Legal Implications:
There are no legal implications associated with the recommendations of this report.

POLICIES AFFECTING PROPOSAL:

Hamilton has numerous policies and plans in place that support increasing transit Ridership, including:

1. Transportation Master Plan (TMP)
2. Vision 2020
3. Hamilton Transit Ridership Growth Plan

The Public Works Strategic Plan includes the goal of being a leader in greening our community. By providing sustainable transportation options that reduce dependency on single occupancy vehicles, this goal is achieved.

RELEVANT CONSULTATION:

This report has been prepared jointly by the Transit Division and Capital Planning and Implementation and, as such, its recommendations are aligned with the policies and plans (outlined above) that guide transit planning and transportation demand management programs. Consultation has also taken place with the Operations and Maintenance Division (Alternative Transportation) and Strategic Services and Special Projects (Sustainability/Vision 2020) in the Planning and Economic Development Department.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Community well-being is enhanced through the support of increased use of transit and other sustainable modes of transportation. Public health is improved through a reduction in emissions and an increase in active transportation.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
A sustainable transportation network provides many options for the movement of people; single-occupancy vehicle-dependency is reduced.

Economic Well-Being is enhanced. ☑ Yes ☐ No

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No