


**Transportation Standing Committee  
July 5, 2012**

**TO:** Chair and Members of Transportation Standing Committee

**SUBMITTED BY:**   
Peter Stickings, Acting Director, Planning & Infrastructure

**DATE:** May 30, 2012

**SUBJECT:** SmartTrip E-Pass – 2013-14 Fiscal Year

**ORIGIN**

The HRM SmartTrip Program was endorsed by Regional Council on July 5, 2011(item 11.5.1). At its meeting of November 15, 2011, a motion was passed to “approve a new employer-based annual transit pass fare medium called SmartTrip E-Pass pilot project in the 2012/2013 fiscal year.”

**RECOMMENDATION**

It is recommended that the Transportation Standing Committee recommend to Halifax Regional Council the extension of the SmartTrip E-Pass to the 2013/14 fiscal year.

## **BACKGROUND**

As part of the implementation of the Transportation Demand Management Functional Plan, HRM Strategic Transportation Planning has been working with employers through the SmartTrip Program to provide education, incentives and information that help increase employee use of transit, cycling, carpooling, walking and tele-work. This is to support Regional Plan objectives to increase the modal share of sustainable transportation options, particularly for peak hour commuter trips. An Employee Transit Pass was a recommendation of both the Metro Transit Five-year Strategic Operations Plan and the Transportation Demand Management Functional Plan. Highlights of the proposed SmartTrip E-Pass pilot are summarized in Attachment One.

The pilot program will roll out on January 1, 2013, for the calendar year requiring Council Approval of the program through 2013/14 fiscal.

## **DISCUSSION**

When the November 15, 2011, staff report was presented to Regional Council, Dalhousie University had positioned itself to sell SmartTrip E-Passes to a portion of its faculty and staff with a start date of either January 1 or February 1, 2012. The motion by Regional Council to defer consideration of the SmartTrip E-Pass to budget discussions for 2012/2013, meant that an implementation date of May 1 or June 1 would be necessary.

Dalhousie expressed concern regarding those implementation dates as they fall at the end of their academic year when promotion of the passes is more difficult. Equally important, discussion with Metro Transit staff has indicated that creating passes that are effective for a full calendar year (i.e. beginning January 1) are better comprehended and are more easily enforced by drivers. For this reason, January 1, 2013, is the most practical date for rollout of the pilot program. The approval of Regional Council to extend this initial project to the 2013/14 operating budget is needed so that passes for the pilot can be issued for the full 2013 calendar year.

For the 2012/13 operating budget, a new cost centre was created for the SmartTrip program. An amount was budgeted for expected revenue from SmartTrip E-Pass sales with an equal amount reduced from expected Metro Transit revenue. The basis for this is that the SmartTrip E-Pass will be revenue-neutral, an assumption that is explained in the previous staff report and which will be validated in the first few months of the pilot. If verification of revenue assumptions during the pilot suggests a change to the funding formula is needed, that recommendation will be presented to Regional Council for the 2014 calendar year, along with their consideration of making the SmartTrip E-Pass permanent.

## **BUDGET IMPLICATIONS**

The budget implications, as discussed in the previous staff report, are assumed to be zero. That is, the revenue from SmartTrip E-Pass sales will be equal to what those clients would have

otherwise paid through monthly passes and the transit fare box. If data collection through the 2013 pilot shows otherwise, adjustments can be made prior to approval of the 2013/14 budget or consideration of making SmartTrip E-Pass permanent.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

### **COMMUNITY ENGAGEMENT**

Although no community engagement specific to the SmartTrip E-Pass has been undertaken, consultation was a key part of the Metro Transit Five-year Strategic Operating Plan. Stakeholder consultation specific to the SmartTrip E-Pass has taken place with current SmartTrip workplace partners and through a focus group session arranged by the Halifax Chamber of Commerce.

### **ENVIRONMENTAL IMPLICATIONS**

This project is expected to result in more environmentally sustainable commuting choices.

### **ALTERNATIVES**

Regional Council may choose to offer the SmartTrip E-Pass for only the first three months of 2013 as a pilot. This is not recommended, as a large part of the attraction to an E-Pass is that only one pass is needed for a full year of transit. Also, the rationale for offering a discount is that over the period of a full year, most clients will have some period of time where they are not using transit service.

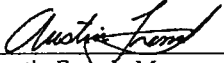
### **ATTACHMENTS**


Attachment One: Highlights of SmartTrip E-Pass.

Attachment Two: Promotional Material for SmartTrip E-Pass

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: David McCusker, P.Eng., Manager, Strategic Transportation Planning, 490-6696

Report Approved by:   
Austin Frehen, Manager, Planning, 490-6717

Report Approved by:   
Eddie Robar, Director of Metro Transit, 490-6720

Financial Approval by:   
For Greg Keefe, Director of Finance & ICT/CFO, 490-6308

---

## Highlights of SmartTrip E-Pass

- Annual and non-transferable with photo-ID
- Administered through the workplace and available only to workplaces that are registered members of the SmartTrip program
- Available for regular service and MetroLink
- Cost to employer is 10.5 times the cost of a monthly pass
- Employer must offer to employees for no more than 9 times the cost of a monthly pass
- Employers are encouraged to have employees pay through payroll deduction
- The employer discount is a taxable employment benefit that is more than offset by the transit pass tax credit
- Initial “pilot” offering is capped at 750 passes – initial participants are Dalhousie University, Admiral Insurance and McInnes Cooper



Need a Ticket to Ride?  
Save with the SmartTrip EPass



## What is the SmartTrip EPass?

The SmartTrip EPass allows employers to qualify for a matching discount when they invest in public transit for their staff. If the employer is a member of SmartTrip and participating in the Discount Transit Pass Program, employees can save up to \$17.50/month on a MetroTransit Monthly Pass. That's over 25% less than the regular \$70 monthly cost!

It is a discounted, non-transferable, yearly personalized MetroTransit pass available to employees through a payroll deduction program from registered SmartTrip employers. This pass offers an annual 12 month pass at the discount rate of 9 months compared to the cost of purchasing a standard monthly pass.

This one-piece photo ID card is valid until the renewal dated for as long as the employee continues to make payroll deductions. Monthly pass vouchers are not required if using the SmartTrip Pass. SmartTrip EPass allows unlimited access on all MetroTransit conventional buses and ferries. SmartTrip LinkPass allows unlimited access on all MetroTransit Link buses and conventional ferries. User must pay extra fare when using MetroX Premium services.

## SmartTrip EPass Includes:

- Unlimited travel 365 days per year on MetroTransit services – (SmartTrip EPass allows unlimited access on all MetroTransit conventional buses and ferries. SmartTrip LinkPass allows unlimited access on all MetroTransit Link buses and conventional ferries. EPass holder must pay extra fare when using MetroLink & Metro X premium services).
- Passes are personalized and therefore not transferable.
- Pass holders are automatically registered in SmartTrip's Guaranteed Ride Home program

\*The SmartTrip EPass/Link Pass does not include complementary parking at Dartmouth Sportsplex, Woodside Ferry Terminal or Alderney Gate Park & Ride locations.

## What are the costs and savings of this program?

Metro Transit Fare Media	SmartTrip Annual Pass Incentive	Employer Contribution	Monthly	Employee Cost Yearly	Annual Savings with ST Pass
<b>Adult Cash Fare - \$2.25</b>	none	none	<b>\$90.00</b>	<b>\$1080</b>	\$450!!
<b>Monthly Metro Pass</b>	none	none	<b>\$70.00</b>	<b>\$840.00</b>	\$210!!
<b>SmartTrip EPass</b>	-\$105.00 (1.5 months)	-\$105.00 (1.5 months)	<b>\$52.50</b>	\$630*	
<b>SmartTrip LinkPass</b>	-\$127.50 (1.5 months)	-\$127.50 (1.5 months)	<b>\$63.72</b>	\$765	

*\*Annual savings of up to \$450.00 over purchasing individual bus \*\*All Fares are subject to change*

## Average cost of travel in Metro Halifax

	Fixed Costs	Variable Costs	Total Costs
<b>Car (2010 Cobalt LT)</b>	\$6,256	\$2,268	\$8,524
<b>Cycling</b>	\$80	\$200	\$280
<b>Walking</b>	nil	\$360	\$360
<b>Transit (pass) Regular</b>	\$720	nil	\$720
<b>SmartTrip EPass</b>	\$630	nil	\$630

In the table above, the car costs are derived from CAA's data for a 2010 Chevrolet Cobalt LT driving 18,000km per year. The cycling mode assumes a \$800 bicycle with 20% depreciation. Walking costs assumes the cost of good footwear.

## SmartTrip EPass Advantages:

### Save Money

Do you really need your vehicle for work? According to the Canadian Automobile Association, an average commute of 16km to work can cost as much as \$24 a day, when you factor in fuel, depreciation, insurance and car payments. By comparison, getting to work every day with the SmartTrip E Pass costs a little over \$2 a day!

### Save the Hassle

MetroTransit commuters often experience less stress during their commute. Relieved of the burden of staying alert and fighting traffic, MetroTransit commuters find the time to read, get organized for the day, conduct business or simply relax. Plus, when you purchase a SmartTrip E Pass via payroll deduction, you eliminate the hassle of having to remember each month to purchase your next month's pass.

### Help Save the Environment

Help reduce greenhouse gas emissions and air pollution. One city bus can take 40 vehicles off the road, saving 70,000 litres of fuel and keeping 168 tonnes of pollutants out of the atmosphere each year.



## Who is eligible for the SmartTrip EPass discount program?

Any HRM Employer can register for SmartTrip provided that they agree to the terms outlined in the SmartTrip Memorandum of Understanding. Includes: Public & Private Companies, Government Agencies, Non-Profit Organizations.

## Program Details:

- Employer and employee must be willing to commit to the program for at least one consecutive year. (12 month commitment period is required)
- Full time employees – The program should not be offered to casual employees, contract employees, or employees who have not completed their probationary period with a company.
- Program administered through payroll deduction – employee pays employer – employer pays MetroTransit.
- Opportunity for Employer to offer additional subsidy to their Employee ( minimum is additional 1.5 month discount), there is flexibility - employer can chose their level of subsidy (this subsidy is often less than providing free/subsidized parking)
- Valid 365 days a year
- Non-transferable pass, spouses and dependants are not eligible for HRM's SmartTrip EPass
- Replacement fee of \$50 for lost or stolen passes
- Requires completion of an Employee Enrolment Application

## Cost to Employers:

\$840.00	Yearly Cost of 12 Month Transit Pass
\$105.00	Less: SmartTrip Annual Pass Incentive
<b>\$735.00</b>	<b>Cost per pass to Employers</b>
\$105.00	Less: Matching Employer subsidy (minimum required)
<b>\$630.00</b>	<b>Amount charged to Employee by Employer for SmartTrip EPass</b>

(LinkPass based on \$ 127.50 Incentive)

For more information please contact:

Julie Wynn 902-490-4160  
wynnju@halifax.ca  
halifax.ca/SmartTrip