



Request for City Council Committee Action from the Department of Human Resources

Date: August 22, 2006
To: Ways & Means/Budget Committee
Referral to: City Council

Subject: Receive and File – MetroPass Program update

Recommendation: Receive and file an update on an approved reduction in fare for employees who participate in the MetroPass program. A summary is provided under section *Background Information*.

Previous Directives:

Approval on July 11, 2006 for Human Resources to enter into a three (3) year contract with MetroTransit, from August 2, 2006 through July 31, 2009; to maintain the MetroPass reserve account in the self-insurance fund; and, to adjust appropriations should a deficit occur in the MetroPass reserve account.

Approval on June 18, 2005 to adopt the City of Minneapolis Voluntary Employee's MetroPass Program and to execute a contract with the Metropolitan Council.

Approval on May 24, 2004 to research the development and implementation requirements of the MetroTransit MetroPass Program.

Prepared by: Ilena A. Lonetti; Director Enterprise Services, Human Resources

Approved by: Pamela French, Director Human Resources _____

Steven Bosacker, City Coordinator _____

Presenters in Committee: Joyce Traver, Benefits Manager and Ilena Lonetti, Director Enterprise Services

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- No financial impact X
- Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification
- City Goals
 - The MetroPass program promotes One Minneapolis as it makes it more affordable to commute. Additionally, the program promotes an Enriched Environment as more employees use mass transit.
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information

After receiving Council approval for renewing the City's contract with MetroTransit on July 11, 2006, the Human Resources and Finance Departments considered how best to balance the City's contractual liability while also encouraging participation in the MetroPass program. Effective October 1, 2006, the City will implement a \$5.00 (five dollar) monthly decrease in pre-tax contributions for Metropass program participants.

The contribution reduction will be offset by the self-insurance fund reserve for the upcoming plan year. The Human Resources and Finance departments will monitor program participation and the reserve account balance on an ongoing basis and will make any future adjustments, as needed.

We thank the Council for continued support of the City's benefit programs!