



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

Date: September 25, 2007

To: Ways & Means/Budget Committee

Subject: Receive and File – Metropass Employee Contributions

Recommendation:

Receive and file a decision by the City's human resources and finance departments to implement a \$14.00 per month decrease in pre-tax contributions for Metropass program participants. The new contribution amount will be reflected in employee paychecks dated October 26.

Previous Directives:

Approval on July 21, 2006 for Human Resources to enter into a three-year contract with MetroTransit (from August 1, 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.

Prepared by:	Joyce Traver	
Approved by:	_____	_____
	Pamela French Director, Human Resources	Steven Bosacker City Coordinator
Presenters in Committee:	Joyce Traver	

Review

Permanent Review Committee (PRC): Approval N/A Date _____

Policy Review Group (PRG): Approval N/A Date _____

Financial Impact

No financial impact – contribution subsidy will be funded by surplus in Metropass reserve account. At the current participation level, it would be anticipated that the reserve would be depleted in 36 months. At such time, the employee contribution would return to the monthly program cost (currently \$69). To the degree that additional participants are added, the reserve would be depleted more slowly.

Community Impact

By encouraging more City employees to use mass transit, the further decrease in the Metropass contribution rate supports City goals including one Minneapolis, connected communities and enriched environment. Obviously, increased use of mass transit will also help to alleviate traffic congestion caused by the 35W bridge collapse.

Supporting Information

The Metropass Program was implemented effective August 1, 2004. The program provides unlimited rides on metro-area buses and the light rail system for a set monthly fee. The program has been popular with City employees (over the past three years, participation has risen from 4% to 13% of eligible employee). As a result of favorable contract terms and program participation rates, a reserve has been established in the Metropass reserve account. The reserve allows the City to encourage additional participation by subsidizing program users.

Human resources and finance will continue to monitor program participation and the reserve account balance on an ongoing basis and will make future adjustments as necessary.