



Legislation Text

File #: 01227, Version: 1

**Fiscal Note**

See below.

**Title**

Amending Section 3.38(30) of the Madison General Ordinances to provide unlimited ride bus passes to employees under the City's Unlimited Ride Pass Program.

**Body**

DRAFTER'S ANALYSIS: This amendment substitutes the unlimited ride bus pass for the "bus pass subsidy" in the event the City implements an Unlimited Ride Bus Pass Program for City Employees.

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The Common Council of the City of Madison do hereby ordain as follows:

Subsection (30) entitled "Bus Pass Subsidy" of Section 3.38 entitled "Compensation Plan" of the Madison General Ordinances is amended to read as follows:

"(30) Bus Pass Subsidy. For the exclusive use of employees in Compensation Groups 17, and 18, 19, 43, and 44 who purchase one of the bus passes specified below and who utilize such pass for their mode of transportation to and from work, the employer shall provide a subsidy for such employees toward the cost of such bus passes as provided in the following schedule:

<u>Madison Metro Passes</u>	<u>Bus Subsidy</u>
Commuter Pass	\$15.75
Monthly Pass	\$15.75
Convenience Ticket Books (Paratransit)	\$15.75
Adult QUIK-TIX Tickets	\$ 7.90
Convenience Ticket Books (Disabled)	\$ 7.90

Such employees may purchase bus passes on a pre-tax basis at such time as the program is established. In the event that and for so long as the City implements and maintains an Unlimited Ride Pass Program on Madison Metro for City employees, current employees shall be eligible to obtain such pass at no charge. While the Unlimited Ride Pass Program remains in effect, subsidized bus passes will not be available for City employees."

Fiscal Note

The City's current ordinances pertaining to non-represented employees and employee labor agreements with represented employees already provide for some measure of subsidies for employee transit fares. In 2003, the City cost for such subsidies totaled \$48,914; in 2004, the City cost totaled \$51,831. The 2005 City Operating Budget includes \$75,000 for the employee transit fare subsidies in anticipation of the transition to a full employee bus pass program.

If the Metro Unlimited Ride Pass Program is implemented August 1<sup>st</sup>, as is currently the goal, total 2005 costs for both subsidies and the new pass should be something less than the \$75,000 that is budgeted. If we assume that the full annualized cost in 2005 for the current subsidies might range from \$50,000 to \$55,000, then estimated 2005 costs for the subsidies and passes may total an estimated \$54,000 to \$65,000, as detailed below:

	Low Range	High Range
Current Subsidy (Jan 1 - July 31):	\$29,167	\$32,083
Unlimited Ride Pass Program (Aug 1 - Dec 31):	<u>\$25,589</u>	<u>\$32,569</u>
Total Estimated 2005 Cost	\$54,756	\$64,652

If the Unlimited Ride Pass Program had been in place for all of 2005, City costs would have ranged from a minimum of \$61,414 to a maximum of \$78,166. These costs are derived from Metro's estimate of all City employee-associated annual fare revenues on the low end to an upper-range estimate based on projected ridership from survey and other data multiplied by Metro's current benchmark fare rate of \$0.825 per ride, plus an additional allowance for paratransit rides. (The pricing model is similar to Metro's current fare contracts with the University of Wisconsin, MATC, and other non-City entities.)

There may also be some nominal costs associated with administration of the program, as Revenue/Treasurer and Human Resources assume some additional administrative burden including the re-issuance of some employee ID cards.

In order to continue this Program into 2006 and beyond, the Council will need to annually appropriate funding as part of the budget process. Since little actual employee ridership data will be available for use in the 2006 budget preparation period, the 2006 Unlimited Ride Pass Program will be based on current data and the cost for the program in 2006 will not exceed \$78,200. Metro will have actual employee ridership data collected during the latter part of 2005 and several months in 2006 for use in projecting 2007 ridership and related costs. If the program and related ordinance are adopted by the Council, the Unlimited Ride Pass Program will be offered to non-represented employees via the ordinance and to represented employees via the collective bargaining process.

The actual City cost will vary depending on the number of employees who participate in the program.