



Joint Labor-Management Committee Commute Options & Parking **COMMITTEE REPORT 24-06**

Date: February 27, 2024
To: JLMC-COP
From: Staff
Subject: Successor MOU Pilot Programs Update

JLMC-COP Members	
Management	
Paula Dayes, Personnel, Chair	
Jay Kim, LADOT, Second Prov. Chair	
Patricia Huber, CAO	
Emily Mayeda, GSD	
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Esteban Lizardo, LIUNA	
Employee Organization Secondary Members	
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RECOMMENDATION:

That the JLMC-COP (a) approve a one-year Metro E-Pass pilot program for up to 300 participants contingent upon ratification of the Special Parking MOU by the City Council and resolution of outstanding questions about the tax treatment of such benefit; and (b) authorize staff to implement the Monday/Friday parking permit pilot program at additional locations in addition to City Hall East, as feasible.

DISCUSSION:

A. Metro E-Pass Program

The Metro Employer Pass Program (E-Pass) is a Los Angeles County program whereby employers purchase Metro transit cards that can be issued to employees for use with Metro and other regional transit systems. With this pass, employees are provided with unlimited access to covered systems. The covered systems include Ride Metro bus and rail, Metro Micro (three-year pilot program), Culver CityBus, Foothill Transit (Local Service only), LADOT DASH, Montebello Transit, Norwalk Transit, Pasadena Transit, Gardena Transit, Santa Monica Big Blue Bus, and Torrance Transit. The employer cost of each pass is \$80, however, the employer receives a credit if the employee does not use the full amount.

The COMMUTEwell Program already offers public transit incentives through the Transit Subsidy Reimbursement and Transit Spending Account programs, but issuing an E-Pass to an employee who commutes via public transit may provide a better customer experience by not requiring the employee to keep receipts, submit forms, or wait for a reimbursement. This ease of use, coupled with the successor Special MOU’s flexibility of employees using multiple programs, may also help to encourage new employees to use public transit.

At its meeting on January 11, 2024, the Joint Labor-Management Committee on Commute Options and Parking (JLMC-COP) requested that staff further research Metro E-Pass as a possible pilot program and provide a report back to the JLMC-COP of its findings. This report details staff's findings and provides a recommendation to implement a pilot program.

Since the Committee's January meeting, staff and consultants from Steer met with LA Metro and two participating agencies, Los Angeles World Airports (LAWA) and the City of Santa Monica, to further understand the program.

LA Metro provided specifics on how the program would be administered and managed by City staff. City staff would order E-Pass cards from LA Metro and would be responsible for assigning and distributing passes to employees, retrieving passes from separated employees, and deactivating lost or stolen passes. The City would have the option of using dedicated E-Pass cards or E-Pass radio frequency identification (RFID) equipped stickers that would be affixed to employees' City-issued identification badges, or a combination of the two. E-Pass stickers would likely be preferable because they would be more clearly associated with the assigned employee, and there would be a diminished risk of the card being transferred to another person. However, the City would first need to test the stickers to ensure that the chip in the sticker does not interfere with the chip in the City badge. Additionally, Firefighters and Police Officers often do not carry City badges, so these personnel would instead be issued traditional E-Pass cards.

LA Metro staff clarified that the E-Pass cannot be used for commuter buses as the pass is intended for local transit options. LA Metro offers an alternative program called the Annual Pass Plus (A-Pass) that includes additional transit agencies, including commuter bus lines. This pass type is more expensive and requires an annual commitment. This may be an item for future Committee consideration if the E-Pass implementation is successful. LA Metro also clarified that the Metro Bikeshare program is currently not included in the E-Pass program.

The discussions with LAWA and the City of Santa Monica were useful in gathering feedback from program participants. Both agencies provided very positive feedback and enthusiastically endorsed the program. Neither agency found the program's administration overly burdensome. In fact, they noted that issuing E-Passes was easier than the traditional method of collecting transit forms and processing reimbursements.

The proposed parameters of the E-Pass Pilot Program are as follows:

- Invite current transit incentive program participants (approximately 1,100 employees) to apply for the program.
- Cap the number of participants at up to 300 and strongly encourage that employees only participate if their commute plans can be entirely served by the E-Pass.
- Participants must not hold a City-issued parking permit.

- Survey permit holders quarterly to gather feedback about the effectiveness of the program.
- Participants can opt out of the pilot at any time and revert to the traditional transit incentive processes.
- Continue the pilot program for at least one year. COMMUTEwell staff will provide regular updates to the JLMC-COP and the Committee can elect to continue or expand the pilot.
- After COMMUTEwell staff determines who will participate in the pilot program, staff will order E-Pass media from LA Metro and facilitate distribution and activation.
- Prior to implementation, COMMUTEwell will gain clarification about how this program might impact tax reporting for the City or participating employees.

If the maximum number of employees participated in this pilot program, the initial quarterly invoice will be \$72,000 (300 participants x \$80 per month x 3 three months). Each quarter, the City will be credited the unused amount below the \$80 per participant maximum. Based on feedback from LAWA and the City of Santa Monica, their employees use well below the maximum amount, which results in significant ongoing credits each quarter. COMMUTEwell staff anticipates the same for our population.

B. Monday/Friday Parking Permits

At its meeting on January 11, 2024, the JLMC-COP approved a Monday/Friday parking permit pilot program at City Hall East. Since then, staff have noted interest in additional employee lots where the program may also be feasible. Rather than seeking additional approval from the JLMC-COP for each additional location, staff believe it will be prudent for the JLMC-COP to authorize staff to include additional locations, where feasible. The additional locations would be subject to the same rules and parameters that were approved by the JLMC-COP at the January 11, 2024, meeting.

C. Conclusion

The recommendations in this report are contingent upon City Council ratification of the successor Special Parking MOU, which provides the Committee with authority to administer pilot programs. With these contingencies, staff recommends that the JLMC-COP (a) approve a one-year Metro E-Pass pilot program for up to 300 participants contingent upon ratification of the Special Parking MOU by the City Council and resolution of outstanding questions about the tax treatment of such benefit; and (b) authorize staff to implement the Monday/Friday parking permit pilot program at additional locations in addition to City Hall East, as feasible.

Submitted by: Daniel Powell, Senior Personnel Analyst II

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