



SONOMA COUNTY

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

Summary Report

Agenda Date: 3/19/2019

To: Sonoma County Board of Supervisors

Department or Agency Name(s): County Administrator, Human Resources, Auditor-Controller-Treasurer-Tax-Collector, General Services, Sonoma County Transportation Authority (SCTA)

Staff Name and Phone Number: Katherine DiPasqua, 565-3776; Marcia Chadbourne, 565-2793; Cheryl Thibault, 565-3033; Cheryl Enold, 565-6162; Caroline Judy, 565-8058; Dana Turrey (SCTA), 565-5376

Vote Requirement: Majority

Supervisory District(s): All

Title:

Clean Commute Pilot Program

Recommended Actions:

Approve a pre-tax Clean Commute Pilot Program for SMART Eco-Passes and Commute with Enterprise Vanpools in order to encourage employees to use alternate forms of transportation.

Executive Summary:

Currently the County of Sonoma offers free rides on Sonoma County Transit and free monthly passes for Santa Rosa CityBus to all employees. In light of recent construction activities and reduced availability of parking on the County campus, staff is recommending implementation of a pre-tax commuter benefit program using My Commuter Check that would allow employees to purchase highly discounted SMART Eco-Passes and/or participate in the Commute with Enterprise Vanpool program. Sonoma County Transportation Authority (SCTA) is partnering with County staff to administer the program and will be conducting an outreach campaign to inform employees about pre-tax transit benefits and commute alternatives available to them.

Discussion:

Background

The Bay Area Air Quality Management District (Air District) requires that all Bay Area employers with more than 50 full-time employees offer commuter benefits to their employees. Employers can select one or more of the following program options to comply:

1. Allow employees to exclude their transit or vanpool costs from taxable income, to the maximum amount, as allowed by the IRS (currently \$265/month).
2. Employer-provided transit or vanpool subsidy, up to \$75/month.
3. Employer-provided free or low cost bus, shuttle or vanpool service operated by or for the employer.
4. An alternative employer-provided benefit that is effective in reducing single occupant vehicles.

In order to comply with Air District regulations, the County currently provides employees free, unlimited rides on Sonoma County Transit buses and access to free transit passes on Santa Rosa City Bus. In 2018, there were approximately 4,445 Sonoma County employee rides on Sonoma County Transit and 74 Santa Rosa CityBus monthly passes distributed. In addition, the County offers priority parking for carpool participants.

In 2016, in anticipation of the launch of passenger service on Sonoma-Marín Area Rail Transit (SMART), a team

of County staff, including the County Administrator, General Services, Auditor-Controller-Treasurer-Tax Collector (ACTTC), Human Resources, and Transportation and Public Works, surveyed employees and evaluated a subsidized Clean Commute Program that would include SMART passes. However, given the uncertainty around SMART pricing, train schedules, and funding availability, the program was not presented to the Board for adoption.

In light of the impending parking changes due to the State Courthouse construction on the county campus, staff are recommending the Board consider expanding the County's Clean Commute program. County staff have worked in coordination with Sonoma County Transportation Authority (SCTA) to develop a comprehensive plan for County employees to help alleviate parking demand on campus and to reduce greenhouse gas emissions in the area.

Pre-Tax Transit Benefit and SMART Eco-Pass

SMART successfully launched passenger service in August 2017 and employers in both Marin and Sonoma counties have implemented commuter benefit programs that include pre-tax transit benefits and SMART Eco-Passes. The SMART Eco-Pass is a deeply discounted universal pass loaded onto a Clipper card that is good for unlimited rides on SMART. Unlike other Clipper products that can be purchased at ticket vending machines or through Clipper, Eco-Passes must be purchased through an employer or institution.

In response to feedback from employers in both counties about the price of passes, SMART worked with the County of Marin and the Marin County Office of Education to develop a new Eco-Pass program that allows government and educational institution employees to purchase discounted SMART Eco-Passes using pre-tax income. County staff and SCTA have been working with SMART to implement the same pre-tax transit benefit program for County employees.

SMART works exclusively with Commuter Benefit Solutions - Edenred (CBS), a commuter benefit third party administrator, to sell its Eco-Passes. Employers participating in the Eco-Pass program are required to contract directly with CBS to administer the pre-tax benefit program, also referred to as My Commuter Check, to its employees.

Employees will have access to the My Commuter Check online portal and will be able to load eCash on Clipper cards or purchase SMART Eco-Passes at the rate of \$155/month. Employees enroll on a monthly basis, with an option for reoccurring orders, with no long-term commitments. Employees will have until the 10th of each month to enroll for the upcoming benefit month, and will be charged a \$3/month fee, which is also pre-tax, to participate in the program.

Pre-tax transit benefit programs allow employees to save hundreds of dollars each year. For example, an employee who spends \$200 per month on transit will save \$60 per month, or \$720 per year, in taxes (at 30% tax rate). In addition, because the value of the benefit paid to employees is considered a tax-free transportation fringe benefit and not wage or salary compensation, payroll taxes do not apply. The County could save up to 7.5% in payroll taxes on the amount employees set aside.

First Mile/Last Mile SMART Connections

Currently Sonoma County Transit (SCT) provides free shuttle service for employees from SMART's Santa Rosa North Station and Airport Stations. Route 57 connects the Santa Rosa North Station on Guerneville Road to the County campus, along with Kaiser and Santa Rosa Junior College. During the morning commute period, two trips meet northbound trains arriving at 7:29 and 7:59 am. In the afternoon, two trips meet southbound train departures at 5:26 and 5:56 pm. Route 55 connects the Airport Station to most work locations within the Airport Business Park. During the morning commute period, one trip meets the northbound train arriving at 8:06 am. In the afternoon, two trips meet southbound trains departing at 5:19 and 6:19 pm.

Another program currently available to all employees in Sonoma County is SCTA's Emergency Ride Home (ERH) Program. Individuals are eligible to be reimbursed for an emergency ride home if they work in Sonoma County and take an alternative mode of transportation to get to work (carpool, bus, train, etc.). In the event of an

emergency (child is sick, bike was stolen, carpool partner unexpectedly left early, unscheduled mandatory overtime, etc.), SCTA will reimburse the cost of a taxi, Uber, Lyft, car share or rental. Individuals can submit up to four (4) reimbursement requests per year. This program is available to County employees at no cost.

Commute with Enterprise Vanpool Program

In addition to the pre-tax SMART Eco-Pass program, staff is recommending the implementation of a vanpool program using Commute with Enterprise. Several organizations in the Bay Area have partnered with Enterprise to offer vanpool solutions to their employees, including San Mateo County, University of California, San Francisco, California State University, East Bay, and Medtronic in Santa Rosa. Enterprise provides recent-model, low mileage SUVs and vans, comprehensive insurance, maintenance and repairs, and roadside assistance. In coordination with County staff, Enterprise will perform a cluster and route analysis to help group employees together who are interested in vanpooling.

Vanpool pricing is dependent on the size of the vehicle, number of participants, fuel cost, and length of commute. Each vanpool, regardless of employer, is eligible for a subsidy from the Metropolitan Transportation Commission (MTC) as long as the trips begin or end in one of the nine Bay Area counties, vanpools maintain a 50% occupancy rate, and participants agree to submit daily ridership data via a mobile phone app. Employees will have the option to use pre-tax income, using My Commuter Check, to pay for monthly vanpool costs. As with the SMART Eco-Pass program, there is a \$3/month fee to participate in the pre-tax vanpool program.

County staff evaluated the costs to operate a similar vanpool program using county-owned fleet vehicles and it was determined that the Enterprise program is more affordable for employees. Below is a breakdown of estimated costs:

Commute with Enterprise Cost for a 7 Passenger Van

Round Trip Miles	Monthly Rate	Rate w/ MTC Subsidy	Monthly Rate per Rider	Monthly Fuel Cost*	Fuel Cost per Rider	Estimated Monthly Cost per Rider
55	\$1,050	\$700	\$100	\$182	\$26	\$126
75	\$1,100	\$750	\$107	\$249	\$36	\$143
100	\$1,150	\$800	\$114	\$332	\$47	\$162

* Estimated fuel cost of \$3.16/gallon, 20 mpg for 7-passenger van

SCTA Cooperative Agreement

The Clean Commute Pilot Program will be implemented by the Sonoma County Transportation Authority (SCTA), in partnership with the County of Sonoma. SCTA will hold the agreements SMART and Enterprise to administer the pre-tax commuter benefit program to County employees.

Similar to the SMART Eco-Pass pools managed by the County of Marin and Marin County Office of Education, SCTA will develop and maintain a Memorandum of Understanding (MOU) with SMART for the Eco-Pass program. The MOU will serve as a Master Agreement to enable other eligible municipal employers in Sonoma County to participate in the SMART Eco-Pass program, through the CBS platform. Participating municipal employers will be required to agree to all terms and conditions set forth in the Master Agreement between SCTA and SMART. Participating employees will purchase Eco-Passes directly from CBS using pre-tax payroll deductions. CBS will be responsible for distributing Clipper cards to participating employees, and replacing all lost, damaged or stolen cards.

SCTA will also develop and maintain an agreement with Enterprise to implement the Commute with Enterprise vanpool program for County and SCTA employees. Participating employees will pay for Enterprise vanpool costs through the CBS online portal using pre-tax payroll deductions.

In addition, SCTA will contract with a marketing firm to develop a Commuter Benefits Program marketing

package that includes promotional and enrollment materials so that participating municipal employers can easily implement and market the program. The marketing package will include employee communication templates, enrollment information and materials, instructions on adjusting pre-tax payroll deductions, bus route information for Sonoma County Transit, Santa Rosa CityBus and Petaluma Transit, and complementary ADA paratransit information.

Implementation

Staff from the County Administrator, Human Resources, and ACTTC have been working with CBS representatives to ensure that My Commuter Check reporting functionality meets the needs of County staff and payroll transfers can be handled within the required timeframes for both the SMART Eco-Pass and Enterprise Vanpool programs.

It is expected to take 2-3 months to finalize the agreements with SCTA, CBS, SMART and Enterprise, develop educational materials and conduct employee outreach, and perform meet and confers needed to implement a new pre-tax benefit. Staff anticipate to launch the program on June 1st 2019 for a July 1st 2019 implementation in order to coincide with the start of parking changes on campus due to the State Courthouse construction.

Prior Board Actions:

February 26, 2019 - Campus Parking Changes and Replacement Parking Improvements

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses	\$31,285	\$10,426	
Additional Appropriation Requested			
Total Expenditures	\$31,285	\$10,426	
Funding Sources			
General Fund/WA GF	\$31,285	\$10,426	
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$31,285	\$10,426	

Narrative Explanation of Fiscal Impacts:

The professional service agreement between the County and SCTA to launch the Clean Commute Pilot program will span fiscal years and is expected to cost \$31,258 in FY 18-19 and \$10,426 in FY 19-20, for a total contract not-to-exceed amount of \$41,711. There are sufficient appropriations in the FY 18-19 transportation benefit account to cover the program implementation costs.

Employees will pay for all Clipper purchases, including the SMART Eco-Pass, vanpool costs, and any applicable My Commuter Check enrollment fees. SCTA and County staff will be evaluating ridership data from SMART and Enterprise to determine employee interest in the program. Should any additional funding become

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available in the coming fiscal year, staff will consider options to provide monthly subsidies to employees to further incentivize use of public transit and vanpools.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

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Related Items “On File” with the Clerk of the Board:

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