



Department: Human Resources
Cost Center: 3001
For Agenda of: 10/15/2024
Placement: Consent
Estimated Time: N/A

FROM: Nickole Domini, Human Resources Director
Prepared By: Kate Auslen, Risk and Benefits Manager

SUBJECT: UPDATE TO TRIP REDUCTION INCENTIVE PROGRAM

RECOMMENDATION

Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, amending the Trip Reduction Incentive Program," effective January 1, 2025.

POLICY CONTEXT

The Trip Reduction Incentive Program (TRIP) encourages City employees to use sustainable transportation by providing an incentive in the form of increased time off for participation, as well as resources and options to consider in reducing the number of commute trips, such as compressed work schedules and a guaranteed ride home. The TRIP was approved by the City Council in 2002, and is consistent with the City's Conservation and Open Space Element of the General Plan (Policy 2.2.5), Land Use Element (Policy 9.4), Circulation Element (2.2.2), Climate Action Plan, Lead by Example Plan, and Active Transportation Plan (Policy 6.7). This update clarifies past practices in administration of the program, institutes new requirements for commute tracking to support the City's sustainability efforts, and revises elements of the program to simplify administration of the increased time off incentive.

DISCUSSION

Previous Council or Advisory Body Action

A pilot Trip Reduction Incentive Program (TRIP) was implemented in [1997](#) to reduce commutes by individual employees utilizing single occupancy vehicles. After an update in [1999](#) and demonstrated success of the program, the City Council approved it on an ongoing basis in [2002](#). After more than twenty years, the City's Human Resources and Sustainability teams are proposing modifications to bring the program up to date (Attachment A).

The proposed TRIP policy update incorporates changes that support a series of policies adopted by City Council related to climate action.

- April 2014 – Council adopted the [Conservation and Open Space Element of the General Plan](#), which included:

Item 5c

- Policy 2.2.1 (Atmospheric Change) -- City actions shall seek to minimize undesirable climate changes and deterioration of the atmosphere's protective functions that result from the release of carbon dioxide and other substances.
- Policy 2.2.5 (Model City) -- the City will be a model of pollution control efforts. It will manage its own operations to be as pollution free as possible. The City will work with other agencies and organizations to help educate citizens in ways to prevent air pollution.
- December 2014 – Council adopted an update to the [Circulation Element of the General Plan](#), which included:
 - Policy 1.6.1.8 -- Reduce the need for travel by private vehicle through land use strategies, telecommuting, creative transportation demand management, and compact work weeks.
 - Policy 1.7.1.1 -- Increase the use of alternative forms of transportation and depend less on the single-occupant use of vehicles including mode split objectives of 50% by motor vehicle, 12% by transit, 20% by bike, and 18% by walking, carpool, and other forms of transportation.
 - Policy 2.1.3 -- The City shall encourage employers within the City limits and work with the county to work with employers outside of the City limits to participate in trip reduction programs.
 - Policy 2.1.4 -- Within the Downtown the City shall establish and promote programs aimed at reducing congestion in a way that supports the long-term economic viability of the downtown.
 - Policy 2.2.2 -- The City shall maintain and where cost effective improve a trip reduction plan for City employees.
 - Policy 7.1.1 -- The City shall cooperate with County and State government to institute programs that reduce the levels of peak-hour and daily vehicle traffic.
- August 2020 – Council adopted [Resolution 11159 \(2020 Series\)](#), which approved the **Climate Action Plan for Community Recovery** with the goal of community carbon neutrality by 2035 and a sub-goal of carbon neutral municipal operations by 2030.
- February 2021 – Council adopted the [Active Transportation Plan](#), which is the City's first comprehensive plan for bicycling and walking and provides a blueprint for creating a safe, connected, and efficient citywide active transportation network. The Plan included the following policy:
 - Policy 6.7 -- The City should continue providing incentives for employees to commute to work by walking and bicycling and encourage local businesses to do the same.
- July 2021 – Council adopted [Resolution 11263 \(2021 Series\)](#), which approved the **Lead by Example Plan** with a goal of carbon neutral municipal operations by 2030 and specifically having the City's employee commute substantially exceed the General Plan Mode Split Objectives by 2030, reducing single-occupancy commute miles 25% by 2025 and 50% by 2030, and of the remaining single occupancy commute miles achieving 25% via electric vehicles by 2025 and 50% via electric vehicle by 2030. Employee Commute action 1.2 directs staff to “*Update TRIP*

program to reflect current Council priorities and contemporary issues such as work from home, DEI, and electric vehicles.”

- December 2022 – Council adopted [Resolution No. 11381 \(2022 Series\)](#), which reaffirmed the City’s climate action goals and created a work program for fiscal years 2023-27, including Leadership 1.1.A, which directs staff to, “Implement the 2023-25 actions in the Lead by Example municipal carbon neutrality.”

Current Employee Commute Trends

The 2024 City of San Luis Obispo (SLO) Employee Commute Survey found that 77% of respondents drive alone to their workplace. City employees commuting to and from work generate the third largest source of inventoried municipal emissions (15%). Between 2019 and 2022, it is estimated that employee vehicle miles traveled rose substantially (65%). This is in large part due to a growing work force with employees commuting from the broader region including from Atascadero, Arroyo Grande, Los Osos, and Paso Robles. The 65% increase in employee vehicle miles traveled is a step backward from Council’s adopted goal to decrease single-occupancy commute miles by 25% by 2025 and by 50% by 2030.

As the TRIP Program is the only existing City-operated program that aims to influence employee commutes, it is an important lever to getting back on track. The 2024 City of SLO Employee Commute Survey revealed that employees see financial incentives or prize drawings as the most impactful action to encourage them to use alternative transportation to get to work. The proposed TRIP update is responsive to employee feedback.

Recommended Program Updates

Commuter Club

In the current program, employees are asked to provide a calendar noting the days they used sustainable transportation along with their request for increased time off. There was no specific format specified. The proposed TRIP update would require participating City employees to track their trips using San Luis Obispo Council of Governments (SLOCOG’s) Commuter Club program to qualify for the Increased Time Off incentive. This will replace the previous requirement. The City requires certain businesses within the City limits to establish a transportation plan and utilize the Commuter Club to track commute patterns. Therefore, to lead by example, City employees who participate in TRIP will be required to use the same program. Utilizing this program will provide employees an easy and consistent way to track the frequency and method of alternative transportation they are using. As an added benefit, the Commuter Club has its own incentives, not provided by City, that employees will be able to take advantage of (e.g. drawing prizes, finding a carpool match, reimbursement for emergency rides home, etc). This program will also allow City representatives access to reporting capabilities such as how many trips or miles are being saved each year which will help provide more accurate numbers to Council when reporting on the City’s Climate Action Plan.

Eligibility Expanded to Include Limited-Term, Contract Employees

Historically, the TRIP policy was only available to full- and part-time regular employees. The recommended update to the program expands eligibility to limited-term, contract employees¹, which increases the number of employees eligible for the program and its potential ability to reduce employee commute vehicle trips and reduce climate pollution.

Active Employment Required for Increased Time Off Incentive

The current program does not address proration for employees leaving employment prior to the end of the program year and/or processing of the increased time off incentive. The proposed update clarifies and documents past practice. For employees who participate and submit the required documents to earn increased time off, the earned vacation hours will be provided on the last paycheck in January following the program year. Employees must still be actively employed by the City when hours are provided to their leave banks. If an employee's termination date is prior to the issuance of the last paycheck in January, they will not receive the additional vacation hours.

Regional Use of Electric Vehicles Added as a Qualifying Mode of Sustainable Transportation

In alignment with the City's climate goals, the City would like to incentivize regional use of fully electric vehicles (EV's) to commute. Accordingly, the updated TRIP policy will enable employees who live outside of the City of San Luis Obispo to log EV trips part of the TRIP program. This qualifying mode of sustainable transportation is proposed to be newly added as a pilot for one year, and after analyzing the data from employee trip logs, will be re-evaluated. Use of hybrid vehicles will not be eligible, because a plug-in hybrid could be driven exclusively in fuel-only mode, which does not meet the standard of sustainable transportation. It is recommended that EV trips from within City of San Luis Obispo limits not be eligible because employees living in City limits are able to walk, bike, or use SLO Transit, without cost, to commute. Employees living outside the City limits have fewer options for sustainable transportation.

Compressed Work Schedule Guidelines

Compressed work schedules allow employees to work the same number of hours in a fewer number of days per pay period, thereby reducing the number of commutes between home and work (e.g. working 4 x 10-hour days rather than 5 x 8-hour days). While related to the goals of TRIP, employee work schedules have broader implications on employment. Therefore, the detailed guidelines have been relocated to a separate document and future updates to the guidelines will be approved by the City Manager. The option for compressed work schedules is still briefly mentioned in the TRIP policy.

Delegation of Authority to City Manager

Since this is an employee-oriented program, it is recommended that the Council delegate authority to the City Manager to make future administrative updates to the program, including, but not limited to, changes to eligibility or qualifying modes of sustainable

¹ Limited-term, contract employees are hired into positions that are needed for more than six months but generally less than two years.

transportation. Any changes to the programs that trigger the City's obligation to meet and confer with represented employee groups will be satisfied prior to obtaining City Manager approval.

CONCURRENCE

Human Resources staff consulted with the Office of Sustainability and the Mobility Services Division when developing the update. They concur with the recommended changes. In addition, staff fulfilled meet and confer obligations with all represented employee groups over the proposed changes to the TRIP policy.

ENVIRONMENTAL REVIEW

The TRIP consists of an administrative program that encourages City employee use of sustainable transportation. The continued application of TRIP and its proposed updates are intended to result in benefits to the environment because of decreased commuter trips by City employees, increased participation in carpooling, and use of EV's, for example. Therefore, the proposed program is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(3) because there is no possibility that the actions anticipated to occur as a result of TRIP and its proposed updates may have a significant effect on the environment, and these activities are covered by the common sense exemption that the California Environmental Quality Act applies only to projects that have the potential for causing a significant effect on the environment.

FISCAL IMPACT

Budgeted: No

Budget Year: 2024-25

Funding Identified: N/A

There is no direct fiscal impact to this request. However, employees who receive the increased time off incentive may choose to cash out their vacation time in accordance with their applicable Memorandum of Understanding or Resolution. Therefore, there is a potential indirect cost associated with the incentive. Over the last three program years, an average of 61 employees qualified for the incentive and received vacation hours valued at \$35,377 per year, which was paid out of department staffing budgets. The proposed updates to this program expand eligibility and add eligible modes of transportation. Therefore, the indirect cost of the program may increase.

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
Total	\$0	\$0	\$0	\$0

ALTERNATIVES

Council could decide not to approve the updated program. This action is not recommended by staff because the updates to this program support the City’s major city goal of Climate Action, Open Space & Sustainable Transportation.

Council could request amendments to the program prior to the effective date. If Council approves the TRIP pending Council amendments, those changes will be incorporated into the policy prior to the January 1, 2025 effective date of the program, with final approval delegated to the City Manager.

ATTACHMENTS

- A - Draft Resolution Amending the Trip Reduction Incentive Program
- B - Exhibit 1 - Draft TRIP Reduction Incentive Program