HOW EMPLOYEE TRANSPORTATION AFFECTS OUR FINANCIAL SITUATION

Introduction

My name is Jill Davis. I am the human resources manager at Charles River Printing. I just became aware that one of the many local ordinances in the City of Cambridge is one called “Parking and Transportation Demand Management” (PTDM\(^1\)). This ordinance represents part of the Cambridge Municipal code that seeks to reduce vehicle trips and traffic congestion within the City. It requires PTDM plans for our business location because of its size. There is even a PTDM Division\(^2\) (Cambridge Community Development Department) established in Cambridge to approve these plans.

I just downloaded several forms from the PTDM web site:

**Interdepartmental Parking Facility Registration Form:**\(^3\) Used to register any and all parking spaces in the City of Cambridge, including commercial, non-commercial, and residential parking spaces. The form must be submitted to either to the Department of Traffic, Parking, and Transportation or the Inspectional Services Department.

**PTDM Employee Transportation Coordinator Designation Form:**\(^4\) Used to designate an Employee Transportation Coordinator (ETC), for projects that have committed to have one.

**PTDM Plan Property Transfer Form:**\(^5\) Must be completed when ownership of a property subject to the PTDM Ordinance is transferred. This is required since we are seeking to purchase our building from a landlord and make some leasehold improvements.

As anyone who has tried to drive into Cambridge, whether it is to get to class or just to go into Harvard Square to do some shopping, knows that the traffic can be difficult. The City’s “Common Transportation Management Plan”\(^6\)” is an effort to reduce the use of

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\(^1\) City of Cambridge PTDM Ordinance, [http://bpc.iserver.net/codes/cbridge/ DATA/Title_10/18/index.html](http://bpc.iserver.net/codes/cbridge/ DATA/Title_10/18/index.html)
\(^3\) Interdepartmental Parking Facility Registration Form, [http://www.cambridgema.gov/~CDD/et/tdm/forms/ptdm_fm_inter.pdf](http://www.cambridgema.gov/~CDD/et/tdm/forms/ptdm_fm_inter.pdf)
single occupant vehicles. Employer sponsored TDMP’s may use a variety of strategies, which customized to fit the needs of the employer, employees and work site location. Most plans include at least a few of the following transportation programs:

- Transit and vanpool subsidies
- Pre-tax deduction of transit and vanpool fares
- Carpool and vanpool matching service
- Shower and locker facilities for bicyclists and walkers
- Bicycle parking
- Carpool and vanpool parking
- Employee shuttle
- Emergency Ride Home (ERH) program
- Commuter information center (bulletin board, web page, brochure table)
- Employee Transportation Coordinator (ETC)
- Flexible or alternative work hours
- Telecommuting program.

I started to talk to a consultant that has great familiarity with these planning elements. This consultant has worked on a number of other projects in the City of Cambridge. I learned that the Cambridge Community Development Department has had several programs to help everyone to conform to this ordinance.

Yet even with this assistance I am wondering how Charles River Printing can respond to this initiative? The consultant told me about a joint program between the US Environmental Protection Agency and the US Department of Transportation called “Best Workplaces for Communities”. Some of our suppliers and colleagues in the Cambridge Chamber of Commerce are already in the program! Our consultant let me know that there are some special tools available through the web site, like the “Business Benefits Calculator.” There is also a “members only” section for those companies that join the program.

The consultant has been trying to convince the City of Cambridge to join the “It all adds up to cleaner air” program to increase the incentives to companies that participate in these programs. There is also another US EPA program known as “Commuter Choice.” This program has been looking into making the program attractive from the employee’s perspective as well. This is why I am involved in all of this. Our employees are very concerned about how they will get to work when the company is brought into the PTDM program!

I asked the consultant to arrange a meeting for Nancy and Charlie to meet with the TDMP staff. They told the company that there was a Harvard University class that was

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8 Best Workplaces for Communities, http://www.bestworkplacesforcommuters.gov/  
10 It All Adds to Cleaner Air Program, http://www.italladdsup.gov/index.html  
11 Commuter Choice Program, http://www.epa.gov/Arkansas/6xa/alt_commuter_choice.htm
looking at this program. That’s great! Maybe they can help answer some questions that need to be addressed in order to make the business case for better understanding the TDMP program and determining what it will do to the budget for the establishment of this regional office:

- How will this program affect us financially if we hire more people in this office?
- How does the program look at more intangible “livability” issues that will allow us to attract some people in the company to want to relocate to Cambridge, Massachusetts?
- What will the project do to the cost of private parking in Cambridge by creating more demand for these parking spaces?
- What burden will be asking the employees to assume with this program? How can we make it attractive to them from a financial or environmental perspective?

**Our Economic Agenda**

Charles River Printing is a family operated employee-owned business. We are doing fine financially. The employee ownership is a new program here at Charles River Printing. Our accountant is working with our employees to make the financial information on the company available to everyone that works here. Just last month, Charlie and Nancy gave every employee a copy of a book by Jack Stack entitled, “The Great Game of Business”12.” A trainer is coming in to teach the employees how to read financial statements and to ask questions regarding our financial position. We were given a second book entitled, “The Ten Day MBA” by Steven Silbiger. It explains how a MBA would think about the company while it explains in simple terms all about finance, accounting, economics and quantitative analysis. It has some simple small company examples.

So we do not have all the financial information to provide to make these decisions with respect to the TDMP issue. However, we do know that if we lose employees they will have to be replaced as a high cost. I think we want to look at options we may have and discuss these with our fellow employee owners. We should be in a position to crunch some numbers later on. It might even be good to see how other companies dealt with these or similar programs and even turned it into an advantage.

Many companies have had to innovate in order to deal with the realities of regulation. It is the innovation that can add value to the company. I have personally been very interested in telecommuting to work when my presence is not absolutely required here in the office. Maybe the many readings that the consultant provided will provide some ideas that will help us meet our economic responsibilities as presented in the narrative.

**Questions to Address**

- The employees have many questions at the present time. If you were going to be an employee of Charles River Printing, what would you think about not being

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able to commute to work in the manner that you choose to commute? Are the managers going to be the only people with parking spaces? What do you feel your time is worth to you if you have to spend more time on public transportation than you would spend commuting to work in your own vehicle? What benefits to the local residents gain if you commute using public transportation? How does the equity of these perspectives get resolved in a financial manner? Given these questions (and perhaps more), what information is going to be needed to address their concerns?

• By participating in the program, what economic benefits may Charles River Printing obtain by making a significant contribution to the reduction of greenhouse gas emissions within the Cambridge Climate Protection Program? What is the practical value of having goodwill with the community government?

• What specific economic responsibility issues are involved on the part of the company?

• What recommendations can this class make to the company about the economics of the Cambridge TDMP as it relates to Charles River Printing?