

ROBERT BAER: Thank you for having me today. I am really honored to be here. I have been with the hospital five years and my job at the hospital entails taking care of parking and transportation for a lot of people. We have one main base campus in the uptown area, which is in the University of Cincinnati area. It is about six miles from downtown. In that campus area we have approximately fifteen buildings. In addition to that main area we have thirteen neighborhood locations that span the entire region, some in Kentucky, some in Indiana, and as close as fifteen minutes from Dayton, Ohio. That is Butler County which is one of the fastest growing counties in the state of Ohio right now. Children's Hospital is a landlocked urban hospital. That is the picture of it right there. We started to spread across the street, taking down houses and building other things, but we don't have much space for growth so we have to find other ways to take care of our employees when they get there. We're a research and training center, so we have about 150 residents a year that come through and multiple students coming through every year. There are 12,000 employees. When you add in students, vendors, and contractors, it takes us up to about 18,000 employees. So, as the parking guy, you either love me or you hate me. About half of them love me and half of them hate me.

One of the things we decided we needed to do was come up with other options for parking and this really got started in 2008, so I have spent a lot of time looking around and coming up with my own ideas. One idea I came up with was let's lease parking spaces from some of the malls on the main arteries coming into the city and we will do our own coach commuter service. That turned out to be pretty expensive and I will talk about that a little bit more in a minute. But we decided to at least implement this, and it is Smart Commuter Program. It is commonly referred to as the Parking or Commuter Plan. It is regulated by the Internal Revenue Service. It allows you to take upwards of \$230 a month and dedicate it to parking or mass transit. It is an employee sponsored benefit plan and employees voluntarily convert part of their compensation into tax-free benefits. Then they use it for reimbursement of commuter parking expenses or mass transit expenses. At Children's Hospital, those who are paying for parking, their deductions are already being deducted pre-tax, so if you're a Children's employee and you get on the Smart Commuter Program, you really can only use it for mass transit.

Our partners in the Smart Commuter Program are Chard Snyder. Chard Snyder is actually the owner of this. It is a company that is based out of Cincinnati, Ohio, and they have the Smart Commuter Program. They act as our administrator. In addition to them we have RideShare, which is an organization that is part of this SORTA, Southern Ohio Regional Transit

Authority. RideShare is the ones that help develop carpools and van shares that I have heard some people talk about today.

Along with Cincinnati Metro, Metro is the main transit operator in Cincinnati. It is a city operation, though, it is not a regional operation. Then the Transit Authority of Northern Kentucky is the one that serves south of the river. TANK is allowed to cross over the river and drop passengers off at the downtown Cincinnati transit hub.

Each one of these come to a monthly Lunch and Learn with me where we do a presentation of the program. We also do a demonstration to show employees how they can get on and make their declarations. We hold those twice a month. We generally have a dozen people or so show up for those, but what I like about it is after each and every Lunch and Learn, a number of people sign up for the program. So, it is growing each month for me. I have only had this in place since April.

The administration of the program, and this is just kind of how it works. Our HR Department set up a very extensive site on our Internet site. It allows employees to go to that, access registration, and make their declarations for their tax free deductions. It also has links for all the different websites of TANK and Metro and Ride Share. It has a link to a user's guide. It also has a link to a tax savings calculator so they can go in and say, "Well, I spend this much a month, how will it affect me?" HR compensation then deducts the pre-tax declaration. Once an employee has gone in and made their declaration, HR goes in once a month, they take those out, and then HR Benefits downloads the file, completes a wire transfer to Chard Snyder, who gets and manages the money in the different accounts. Chard Snyder will set up the employee accounts, the employee purchases the bus passes and submits the receipt to Chard Snyder. And it is pretty easy from there. Chard Snyder cuts a check from the employee's account for reimbursement and the employee has that money back in less than a week.

Why the Smart Commuter Program? Well, the cost of doing our Coach Commuter Service was about 2.3 million dollars a year, and although I had over a thousand people that said they would be willing to do it, it was really cost prohibitive and the Board of Directors said, "Test the waters another way, Bob, and see if you can find something else and we'll keep this in our pockets." So, I have a footprint together for how I can run a Coach Commuter Service, I just need to find the money and get the backing.

But we went with the Smart Commuter Program for two reasons, well for multiple reasons, I am sorry. Cincinnati Metro and TANK are somewhat limited in what they can do for us. They are like anyone else out

there right now, they are struggling to find money and they are raising rates and cutting back service. What I really want them to do is increase service. I want better service provided to the hospital, so I thought the best way for me to do this was to come up with a way that I could get employees to take the bus more. So, this was my first thought. Also, we do regular town halls at the hospital and it kept coming up – what can we do for commuters, what can we do for commuters. So, after hearing it for a while we said we need to act on that.

In 2008 gasoline hit \$4.00 a gallon in Cincinnati. Actually, it was up to almost \$4.50 a gallon and my phone did not stop ringing. What are you doing for commuters? What are you doing for commuters? So, we kept pushing it. At the same time the hospital was doing the go green initiatives. We have the recycle bins everywhere, we have plastic cups that employees can buy. I installed bike racks. We got showers set up for employees that want to ride bikes, and there's a lot of other go green initiatives going on that I am not aware of in the hospital. But I also started converting my shuttle system to diesel. So, after we went through the town hall and that \$4.00 a gallon gas, we did an employee survey that was specific to commuters and what we found in that survey was that there were well over a thousand employees that wanted options for getting to work other than driving their cars and spending over \$4.00 a gallon for gasoline.

At the same time the hospital is nonstop growing. There has not been one month that I have been there, in the five years that I have been there, where we have not grown by 50 to 80 employees a month. That is after terminations. So, yes, there were about 8,000 people when I started there five years ago, now we are well over 12,000. In addition to that, you see that big huge parking garage there. Well, on the right side of that garage is a little sliver of an office, so construction—parking construction was taking the lead role and we have also spent \$50 million building parking garages in the last three years. Those parking garages are going to be full in another year and a half to two years. I don't think they want to spend any more money on garages. I don't mind because I love parking, but.

And then the administration cost. For Chard Snyder to run this program for us, it really equals the cost of building one parking spot, so if you are to take a parking garage and build, I don't know, 100 spaces it is going to cost you anywhere from \$12,000 to \$14,000 to build each parking spot. In theory, if we have one person sign up for the program it pays for itself. That doesn't take into account the tax savings that the employer has from reduced employee payroll.

One thing that I knew that we had to have for this program to work was our own shuttle from the transit hub to the hospital, because employees were telling me through their surveys that, "If I ride the bus I got to go all the way downtown, I pass the hospital on the way." I mean they don't directly pass the hospital, but they go beyond the hospital, transfer to a bus downtown and they have to come back to the hospital. And that was really hindering a lot of people. So, at the same time we introduced the Smart Commuter Program, we took resources from one of the other off-site lots that we closed because we have \$50 million in parking garages, and we said, "Instead of laying off these employees and reducing our cost, let's maintain this and let's just shift the route downtown so that we have an option for our employees to ride the bus and then take a direct route back to the hospital or an express route." So, we have a shuttle that runs downtown, starts at 5:30 in the morning, runs every twenty minutes and last departure is at 7:00 p.m. That was just what we implemented to begin with. We monitor the rider numbers and we make adjustments as necessary to the schedule. So that means if we have to run the shuttles until 11:00 or 12:00 at night we will because I do have other shuttles running that long. It is available to all employees and families who are staying downtown. Children's Hospital serves a lot of out-of-town people and sometimes there are families that stay in the hotels downtown. So now they can ride our downtown shuttle. We also do faculty recruitment. Those recruits stay downtown and they can hop on the shuttle and get to the hospital very easily. It has been very good. This alone, without the Smart Commuter Program, has helped a lot. I had one employee contact me right after we got it implemented and she was so happy because it saved her 50% on her commuting costs and that's without the Smart Commuter Program. The shuttle is funded completely by the hospital and that is one shuttle, in addition to... all the other shuttles I have run between buildings and are mainly employees, but this one we started expanding on that.

We also have an organization inside the hospital called Project Search. Project Search provides educational and employment opportunities to individuals with significant barriers to that employment. There are 70 of those individuals employed by the hospital right now and 90% of those employees use public transportation, so this group can really benefit from the Smart Commuter Program and the downtown shuttle. The issue with it is that they are not going out on their own to find it, so what we do besides all the marketing and communication we do is we will do special field trips with this group. We will take one of their sponsors from the department, we'll all hop on a shuttle bus, we will go downtown, we will give them a tour of the transit hub, we show them where our shuttle picks up, and then, in addition to that, we come back to their department and we do special Lunch and Learns for that group too so we can explain to them in more detail and give them a little bit more time how to learn about the program. Like I said, it's only been going since April.

I have well over a hundred people riding the shuttle downtown right now. That is not enough. My goal is to have a thousand people riding that. And the Smart Commuter Program is growing on a monthly basis. So one of the key things that I found, and I filled up my car before I left for the airport the other day, it was only \$2.40 a gallon. My surveys tell me that employees are not going to jump on this until gas hits \$3.00 a gallon. So \$2.40, and I saw it was pretty low here, \$2.15, they are not going to jump on it. But we have this in place, gas is going to go up again, I am sure of it, and when it does I expect to have a flood of people coming in. In the meantime, I will be happy with getting a few every month to join on the program. The person who does faculty recruitment went crazy over this. She set up a contract with the hotel right next to our stop, that's where our faculty is. So this has been very positive. It is going to continue to grow, I hope, and we are going to keep pushing it. I think that is it. Thank you.