

RESOLUTION NO. 2017-16

CUMBERLAND COUNTY BOARD OF COMMISSIONERS

***Don't Take the Road to Fiscal Irresponsibility:
Resolution Urging Rejection of CAT's Proposed 2017-18 Budget***

Whereas, the Cumberland County Board of Commissioners (BoC) strongly supports PennDOT's plan for regional transit consolidation for the significant service improvements and cost savings it can deliver to the commuters and taxpayers of Central Pennsylvania;

Whereas, the BoC has made its ongoing provision of local match funding for Capital Area Transit (CAT) conditional on progress by CAT towards regional consolidation, along with greater cost efficiency and transparency;

Whereas, the interim management of CAT is proposing a budget for fiscal 2017-18 that:

- Calls for an overall increase in spending of 5%;
- Unrealistically projects revenues at levels unsupportable by declining ridership;
- Provides for a 21.5% increase in administrative/support positions that should be frozen in deference to impending regional consolidation;
- Provides for a 5% increase in salaries and wages in a year that labor contract increases total 2%, indicating a focus on increasing already bloated management compensation;
- Provides an average increase of 13% for executive compensation without substantiation based on performance, productivity or even cost of living;
- Seeks to pay for the increase in expenses with an 8% reduction in services (likely more if revenue projections don't materialize);
- Increases CAT's operating deficit by 9%;
- Holds reserves flat despite of an increase of \$1 million next year in state transit operating subsidy, ensuring that additional service cuts will be needed going forward;
- Does nothing to address the underlying causes of CAT's uniquely high cost structure – namely rampant absenteeism and no-shows, and instead doubles the budget for overtime and increases the total number of positions;
- Calls for capital spending for items that will be redundant with the same items attainable far more cost effectively through regional transit consolidation;
- Transfers funds from all funding partner contributions for fixed route service to subsidize shared ride services provided to only some funding partners;

Whereas, the most significant shortcoming of the proposed budget is that it reflects no economies of scale, local subsidy abatement or administrative savings that would come from PennDOT's plan for regional transit consolidation;

The BoC hereby resolves the following:

- To reject the proposed budget overall and in all of its specifics;
- To call on all CAT funding partners and their representatives to the CAT Board to reject the proposed budget;
- To call for a freeze in all executive salaries;
- To call for a freeze in filling existing vacancies and holding overtime at 2016 budget levels until such time as CAT management can demonstrate results in addressing absenteeism;
- To call for a freeze in creating and filling any new positions;
- To continue to withhold its portion of local share funding until the CAT Board takes decisive steps towards regional transit consolidation per PennDOT proposed plan;
- To share this resolution with all CAT Board members, funding partners, and regional transit stakeholders, inviting them to redouble efforts to move towards regional transit consolidation.

ADOPTED THIS 3rd DAY OF MAY, 2017

ATTEST:



Lawrence Thomas, Chief Clerk

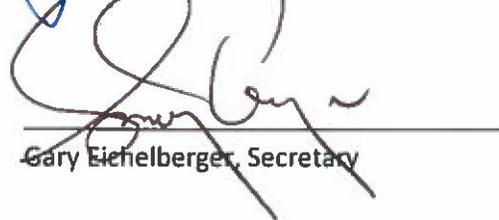
BOARD OF COMMISSIONERS:



Vincent T. DiFilippo, Chairman



Jim Hertzler, Vice-Chairman



Gary Eichelberger, Secretary

(SEAL)