

**FINANCE MEETING  
COMMISSIONERS' HEARING ROOM  
Wednesday, December 16, 2015, 1:30 pm**

**Present:** Commissioners Jim Hertzler and Gary Eichelberger; Larry Thomas, Chief Clerk; Kirk Stoner, Planning; Mike Clapsadl, Controllers; Toby Fauver, PennDOT Deputy Secretary of Transportation, Bob Shea, PennDOT Public Transportation, Jake Austin, The Sentinel.

Chief Clerk Thomas welcomed everyone to the Finance meeting. The topic for discussion:

**Phase II Transit Regionalization Update** (see attached)

Chief Clerk Thomas welcomed everyone and provided an update to the Board regarding Transit Regionalization.

Toby Fauver introduced Bob Shea from PennDOT. Toby mentioned that the next Critical Issues meeting is December 22, 2015. He provided an overview of the critical issues study and stated that he has been meetings with County Elected Officials. Three major critical issues were identified as Governance, Local Match and Service. The target is January or February of 2016 for the counties to make a decision on consolidation. Governance focuses on a consolidated Board. Organization chart shows that there would be a Regional Transit Policy Board, a Regional Transit Administration, and a new Municipal Authority. The existing Authorities would approve labor contracts that currently exist. Administration would do the negotiating of the labor contracts. The new Regional Organization would be the funding source with local match.

Commissioner Cross asked if there would be a change to CAT and would that be impacted under a specific category. Toby stated yes, there would be restructuring.

The Policy Board would determine the Board appointments and number of members. Determined by how much local match was contributed from a specific county. \$100,000 – \$150,000 – one Board member. \$150,000 – 300,000 - two Board Members. The current Boards are based on who currently contributes.

The new Municipal Authority would consist of: Adams – 1 seat, Berks – 3 seats, Cumberland – 2 seats, Dauphin – 3 seats, Franklin – 0 seats but could have an Ex-Officio seat, City of Hbg – 2 seats, Lebanon – 1 seat. Berks has already achieved their local match, leaving no incentive to merge. They may consider merging in the future when there is a financial incentive.

Berks and Lancaster are splitting the local match consolidation 50/50.

Commissioner Cross mentioned that due to the geography, this makes sense. Toby mentioned that Berks County mentioned that they would like to be a part of the regional discussion.

**Local Match / Savings Achieved**

Calculations were confirmed with the Critical Issues members. \$2.1 million would be the consolidated savings over a five (5) year period and the local match savings. Ten (10) years shows what the local match is to consolidate. \$1.4 million is estimated for Cumberland County savings. Total savings over ten (10) years is \$1.9 million. Mike Clapsadl clarified it is a savings of approximately \$100,000/year. Toby mentioned that this savings would be money that would have been given to CAT. Chief Clerk Thomas mentioned that this is all predicated on the targeted

savings. He also asked, with keeping the current Authorities, are there resources they command and how are they funded over the five (5) year period? Toby stated the Regional Authority provides resources to the smaller Authorities (pg3). The Boards of the existing Authorities would meet approximately one time /year.

Commissioner Cross asked about grant dollars and if this would run through the Authority. Toby stated on the Federal funding side, counties receive funds calculated based on statistics and metropolitan planning organization. The process is basically the same as a block grant.

Commissioner Hertzler asked about how this would work for Perry County. Toby stated it is the same as now.

### **Service**

All Counties want improved service with no loss of service.

Toby provided an update from a meeting with Transportation Managers Rich Farr, Rabbit Transit; Bill Jones, CAT; Terry from Lebanon; and Dave Kilmer from Red Rose, stating that there were no major concern addressed and they were encouraging the consolidation.

This information is being circulated to all participating counties, how will a vote take place. Toby stated if there are no issues at the December 22, 2015 meeting, their intent is to send letters to the Counties and Harrisburg City explaining the next steps. Maybe everyone will want to get together. Chief Clerk Thomas stated the timing is of the essence. Toby stated in January we should hold each other accountable to make a decision by the end of January. New elected officials may need to be briefed which will waylay it into February. Work will need done to set the framework for the Authority. This would be on a state fiscal year basis – July 1.

Commissioner Hertzler questioned the flow chart regarding the Shared Ride Authority and if this is a separate unit. Toby stated all Shared Ride would be named by the Regional Authority. There has been a decision made in Union, Snyder, Montour, Columbia, Northumberland, and Adams Counties. Franklin County is interested in learning more. Shared Ride is mainly geared around medical trips and senior services. Chief Clerk Thomas asked about rabbittransit Authority and how it would be affected. Toby stated that a manager would have control those counties.

Commissioner Hertzler questioned the Authority Boards not being based on county population and how was the formula created. Toby stated that most transportation systems are structured this way with funding contributions being the factor in how much representation comes from the funding county.

Commissioner Cross asked what happens when a fleet is aging and is there a capital fee? Toby explained the Federal funding is 80% and the remaining 20% is paid from State funds. Mike stated the remaining that we would pay is approximately 2/3 of 1%. Matching funds should be for replacing vehicles. They are in the process of issuing an RFP for natural gas, which will affect fleet purchases in the future.

Chief Clerk Thomas asked if any part of the Transit Authorities are carrying any debt and what happens to the debt under consolidation. Toby stated no, none that he is aware of. Commissioner Eichelberger stated the current authority would keep their debt.

Mike Clapsadl asked about the Board seats. Toby explained it would be one Board seat per county. Mike asked is this all or nothing with all the counties involved. Toby stated no.

Commissioner Hertzler asked about consolidating to one administrative body, but the service providers stays the same. Example, what if we wanted to expand service here, would we be able to expand with CAT? Toby stated that CAT would own the labor contract. Determining how to add service would be geared around cost, not cost/benefits from employees. Regional Board would make those decisions on the services. Commissioner Cross asked what if they wanted rabbitransit to provide all the service? That would depend on the existing contracts and the Municipal Authorities Act. Toby mentioned they have been talking with rabbitransit and has suggested to routinely doing a five (5) year Transit Development Work Plan. Kirk mentioned that the regional agency would do the service planning, but that would be a decision from the Board.

Mike discussed the service regarding the \$12.5 million five (5) year savings, what happens once everyone starts contributing again. Toby explained that the \$2.1 million/year is excess funds that the Authority did not need for administration that could be put back into service. Mike mentioned it could be used for fare stabilization, technology, and service expansion.

Commissioner Hertzler asked about status of meeting with remaining counties. Toby stated that they have met with Franklin and Perry Counties, Dauphin County next week and are still working with Lebanon and York Counties. Commissioner Hertzler asked that they be informed when the meetings are complete.

Commissioner Eichelberger questioned if the Shared Ride it had any connections to the consolidated Board. Toby explained the Shared Ride Advisory Committee would be appointed by the counties. Commissioner Eichelberger asked about all the entities and the existing Authorities and if this is administrative consolidation only. Toby stated operationally no, but administratively yes. Commissioner Eichelberger asked about the efficiency of the fixed route side. Toby stated that could be achieved through a service plan. Commissioner Eichelberger asked about various entities involved a competition for real savings, but it doesn't really allow for competition. Toby stated he is unsure and how far to go with that and Labor contracts would create challenges.

The meeting adjourned at 2:42.

Jennifer Crum,  
Administrative Specialist