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***CUMBERLAND COUNTY OFFICIALS SLAM GENEROUS CAT
PENSION PRACTICES AMID FAILING SERVICE
Information Requests Uncover Questionable Payouts; Secrecy in Transit Operations***

Cumberland County, PA - News of the resignation of Capital Area Transit's (CAT) General Manager William Jones took place against a backdrop of questionable practices at the agency. Documents obtained recently via a Right to Know (RTK) request by Cumberland County representatives to the CAT Board of Directors raise serious questions about a long standing practice shrouded in mystery. The key issue is whether a very small number of the most senior managers at CAT should receive two publicly funded pensions.

In January 2017, the Cumberland County Commissioners were briefed on CAT's executive pension plan and the participation in both pensions by only the most senior members of CAT's management team. This disclosure followed a November 2016 RTK request to the CAT Board.

The RTK request was made as a last resort after a series of unsuccessful requests for information on the senior executive pension by Cumberland's representative on the CAT board. CAT management's response was that no documentation existed. Concerns were heightened when officials learned that some members of CAT's then current senior management team might be participants in both of CAT's defined benefit pension plans.

The RTK revealed that CAT's top executives are in fact provided two pensions. They participate in the general pension plan for all CAT staff and all levels of management – union and non-union alike. On top of that, a handful of senior executives participate in a second pension plan. The second executive pension is particularly generous, and costly, with higher benefits that do not require any contributions from the executives. CAT's second pension for senior executives is a benefit far out of line with retirement benefits for most working taxpayers; as well as rank and file drivers, mechanics and low to mid-level managers in CAT. Questions have been raised by more than one party close to the situation as to whether this practice should continue going forward.

Concerns about such largesse come in light of CAT's poor service and dismal performance. CAT spends approximately \$5 million more annually, or approximately 50% more, to provide fixed route service than the other transit authorities in this region who serve a similar population.

Worse still, CAT's administration has consistently failed to meet most of its performance measures during the past three years; at most times meeting one or none of its four legislated performance metrics based on ridership, hours of service, revenue and spending. Evidently, if you're a top senior manager at CAT, no wrong will goes unrewarded.

In recent years, CAT has experienced unusually high declines in ridership for this region, further increases in CAT's already exceptionally high costs, and poor service. CAT even lost their eligibility for U.S. Federal Transit Administration funding for an extended period of time recently due to non-compliance with standard filing and procurement requirements. Much of the decline has taken place over the last 5 years under the Board Chairmanship of Eric Bugaile. Aside from being a staunch defender of CAT's management and their compensation, he is a leading voice against transit regionalization in spite of the opportunities it presents for taxpayer savings and commuter service improvements. The senior executives at CAT who receive the dual public pensions are some of the very individuals who have been standing in the way of lower cost regionalized transit opportunities. Part of their motive may be self-interest as the savings in PennDOT's plan comes from a reduction in redundant administrative/management staff.

So why isn't everyone champing at the bit of regionalization? One thing that causes many people to scratch their heads is that a far more cost effective solution exists next door in the form of York based rabbittransit. Through the Central Pennsylvania Transit Authority, rabbittransit currently provides fixed route services to York and Adams; and shared ride services to 7 counties, including Cumberland.

Regionalization would bring significant savings through economies of scale in all of PennDOT's scenarios for the regionalization of public transit in South Central Pennsylvania. For example, approximately \$6.5 million of local (county and City of Harrisburg) subsidy would be saved just in the first five years in a regionalization arrangement between CAT and rabbittransit.

Rabbittransit was proposed by PennDOT consultants to be the lead agency for a regionally consolidated transit authority in its proposal; in large part because of the quality and attentive service that it provides to the counties that it serves, its success at assimilating existing transit operations into its organization, and its existing cost efficient economies of scale. And rabbittransit senior executives do not receive two pensions.

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