



Legislation Details (With Text)

File #: Res 0833-2003 **Version:** * **Name:** Preventing the MTA from authorizing any future fare increase until the Comptroller of the NYS reviews its financial plan.

Type: Resolution **Status:** Adopted

In control: Committee on Transportation

On agenda: 4/30/2003

Enactment date: **Enactment #:**

Title: Resolution urging the legislature and the Governor of the State of New York to enact legislation preventing the Metropolitan Transportation Authority from authorizing any future fare increase until the Comptroller of the State of New York reviews its financial plan to determine whether a fare increase is reasonable or necessary.

Sponsors: John C. Liu, Joseph P. Addabbo, Jr., Tony Avella, Charles Barron, Gale A. Brewer, Yvette D. Clarke, Leroy G. Comrie, Jr., James E. Davis, Lewis A. Fidler, James F. Gennaro, Alan J. Gerson, Robert Jackson, Melinda R. Katz, G. Oliver Koppell, Margarita Lopez, Miguel Martinez, Michael E. McMahon, Michael C. Nelson, Bill Perkins, Christine C. Quinn, Diana Reyna, Joel Rivera, James Sanders, Jr., Larry B. Seabrook, Helen Sears, Jose M. Serrano, Kendall Stewart, Albert Vann, David I. Weprin, Sara M. Gonzalez

Indexes:

Attachments: 1. Committee Report, 2. Hearing Transcript, 3. Hearing Transcript - Stated Meeting 5/14

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------------|-----------------------------|--------|
| 4/30/2003 | * | City Council | Introduced by Council | |
| 4/30/2003 | * | City Council | Referred to Comm by Council | |
| 5/1/2003 | * | Committee on Transportation | Hearing Held by Committee | |
| 5/1/2003 | * | Committee on Transportation | Approved by Committee | Pass |
| 5/5/2003 | * | City Council | Laid Over by Council | |
| 5/14/2003 | * | City Council | Approved, by Council | Pass |

Res. No. 833

Resolution urging the legislature and the Governor of the State of New York to enact legislation preventing the Metropolitan Transportation Authority from authorizing any future fare increase until the Comptroller of the State of New York reviews its financial plan to determine whether a fare increase is reasonable or necessary.

By Council Members Liu, Addabbo, Avella, Barron, Brewer, Clarke, Comrie, Davis, Fidler, Gennaro, Gerson, Jackson, Katz, Koppell, Lopez, Martinez, McMahon, Nelson, Perkins, Quinn, Reyna, Rivera, Sanders, Seabrook, Sears, Serrano, Stewart, Vann, Weprin and Gonzalez

Whereas, Article X, Section 5 of the Constitution of the State of New York charges the New York State Comptroller (the Comptroller) with the responsibility to "supervise the accounts" of certain public corporations; and

Whereas, As a public authority, the Metropolitan Transportation Authority (MTA) qualifies as a public corporation; and

Whereas, Therefore, the Comptroller has the ability to prescribe the presentation format for a public authority's financial plan as well as to require the maintenance of documentation supporting budget assumptions and forecasts; and

Whereas, The Comptroller completed an audit of the MTA on April 23, 2003 and reported that the agency is lacking clear, comprehensive and open disclosure of its finances; and

Whereas, The Comptroller's audit found that the MTA's internal documents "revealed previously undisclosed transactions that moved resources off budget and from one year to another" wherein an undisclosed surplus of \$512.5 million was split and used to fill budget deficits in 2003 and 2004; and

Whereas, These transactions had the effect of grossly reducing the projected size of the 2002 surplus to a mere 24.6 million in 2002; and

Whereas, According to audit of such undisclosed surplus, "\$248 million was transferred to 2003 and \$264 million was transferred to 2004," thereby creating the appearance of a larger deficit and allowing the MTA to make the unjustified argument to the public that a fare

increase was immediately necessary; and

Whereas, As an exercise of his constitutional authority, the Comptroller has indicated his intent to promulgate regulations that require the MTA to submit its budget in manner that is transparent, reasonable and timely; and

Whereas, The Comptroller has also indicated that he will request that the State Legislature and the Governor pass legislation that prevents the MTA from taking action on any future fare and toll increase until he reviews the MTA's financial plan; and

Whereas, The Comptroller's findings have substantiated the criticism by elected officials and the riding public that the MTA has been neither forthcoming about its finances, nor accountable to its ridership and funding source: the taxpayers; and

Whereas, the New York City Council supports the Comptroller's efforts, but has concern that his authority may not, at present, extend far enough to prevent future fare or toll increases that are unjustified, now, therefore, be it

Resolved, That the New York City Council urges the legislature and the Governor of the State of New York to enact legislation preventing the Metropolitan Transportation Authority from authorizing any future fare increase until the Comptroller of the State of New York reviews its financial plan to determine whether a fare increase is reasonable or necessary.

APB
LS# 2357