Spending the MTA’s surplus

Transit agency approves budget for next year before reaching pact with transit workers

by patrick arden / metro new york

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MIDTOWN — Before the Metropolitan Transportation Authority voted to approve a $9.3 billion budget for next year, the board’s sole nonvoting union representative pleaded for more time yesterday. His point of contention was the board’s plan to spend this year’s $1 billion surplus.

A few blocks east, officials for the Transport Workers Union Local 100 had been trying to hammer out a new contract with the MTA, but the two sides remained far apart. If a deal isn’t reached by 12:01 a.m. on Friday, 33,700 subway and bus workers have threatened to walk off their jobs.

“The Transport Workers Union is asking, what’s the rush for this budget?” said Ed Watt, Local 100’s secretary treasurer. “You have some 15 days left in the month — you can certainly reconvene and pass a budget after the contract deadline to show good faith to the workers and the riders.”

Once his speech ended, the budget passed unanimously.

In the hallway, Watt called the vote “disturbing.”

“We think it’s an insult to transit workers that they would go out and spend the money before they talk to the union,” he said.

Slicing the pie

MTA Executive Director Katherine Lapp had already laid out plans to spend $700 million of the surplus. That money, she said, was a one-time boon, attributed to property transfer taxes “generated by the real estate boom in the city and in the region.”

The MTA is projecting a $220 million surplus for next year, but then, Lapp said, it will face ballooning deficits of $152 million in 2007, “almost $800 million” in 2008, and “almost a billion dollars” in 2009. These figures include two increases in fares and tolls.

Another $400 million?

“We seriously question their figures,” said TWU Local 100 president Roger Toussaint. “They moved from projecting a deficit a year ago of $500 million to a $1.04 billion surplus.”

In the frigid morning before the meeting, Toussaint stood on the street waving a copy of a new report by the city’s Independent Budget Office, which showed revenue from real estate transfer taxes have continued to exceed all expectations. While the report addressed the impact on the city, the MTA’s surplus has largely been attributed to these same taxes, and the city has revised its revenue forecasts at a much higher level than the MTA.

MTA spokesman Tom Kelly dismissed the Independent Budget Office’s report, saying the forecasts for the city “are not applicable” to the MTA. But James Parrott, the chief economist for the nonprofit Fiscal Policy Institute, has already looked into the issue. “I think from these two taxes the MTA will get $100 million to $200 million more than it has forecast in 2005 and 2006 — together, that’s $200 million to $400 million.”

Worker study

City subway and bus workers face job stress, health and safety hazards, and verbal and physical threats, according to a new study of 780 TWU members by Cornell University.
While some of the figures were “fairly consistent” with other blue-collar occupations, “there are real serious issues in the workplace,” said Samuel B. Bacharach, director of the university’s Institute for Workplace Studies. “These aren’t people who hate their jobs — they’re complaining about specific conditions,” such as exposure to air pollution from dust, smoke and gas. “Very few of them turn to a supervisor for assistance — they feel helpless and excluded by management. Most of these things could be resolved through cooperation between management and labor. I hope the data will focus the dialogue and make them work together.”

MTA’s surplus spending

• $100 million would pay for “security needs”
• $100 million would be set aside to offer holiday fare discounts this year and next.
• $50 million would go to “service improvements”
• and $450 million would pay down the MTA’s $2 billion in pension debt.

Raises factored in?

• According to its 2006-2009 financial plan released yesterday, the MTA has already factored in an average 2.9 percent annual increase in payrolls over the next four years. Spokesman Tom Kelly said these were “cost-of-living increases” and are not part of the MTA’s contract offers.

Contingency plan

Mayor Michael Bloomberg unveiled the city’s contingency plan to keep New Yorkers moving during a potential strike tomorrow by subway and bus workers.

• No vehicle with fewer than four passengers will be allowed to enter Manhattan south of 96th Street from 5 a.m. to 11 a.m., Monday-Friday, and on roads that feed into Manhattan bridges. Emergency vehicles, buses, commuter vans with passengers, paratransit, and motorcycles are exempt.

• Taxis are encouraged to take more than one passenger.

• Certain streets in Manhattan will be reserved for emergency vehicles, buses, commuter vans with passengers, motorcycles and paratransit only from 5 a.m. to 8 p.m., Monday-Friday.

• To reduce congestion, residents should consider transportation alternatives, especially during rush hours. The city encourages residents to walk or bike, carpool, or use unaffected transportation providers such as taxis, livery and other for-hire vehicles, commuter vans, ferries, trains and commuter buses.

• For more information, the mayor recommends New Yorkers visit the city’s strike contingency plan Web site: http://www.nyc.gov/transitstrike