

December 13, 2004

MOTION BY DIRECTORS BURKE AND YAROSLAVSKY

Earlier this year, the MTA Board and Board staff spent several months working with MTA staff to develop a balanced budget that reduced expenditures throughout the agency. Through these efforts, the MTA Board adopted a budget for FY 2005, that reduced expenditures by over \$150 million. However, when the final budget book was published in August, expenditures had increased by almost \$100 million with no Board action or notification. While much of this increase was due to carryover of capital project funds, the Board should have been notified of this increase and should have approved a reconciliation of the proposed and adopted budget numbers.

In order to control costs and improve accountability for every department and every project, these department and project budget changes should be submitted to the Board for ratification and approval before a final budget is released.

WE THEREFORE MOVE that a final reconciliation budget be annually presented to the MTA Board for approval before the final budget book is published.