

INTRO 2-2

EOLES JAN24'12 10:11 AM

**RESOLUTION TO BE SUBMITTED
BY LEGISLATORS GRANT, MAZUR, HOGUES,
LOUGHRAN & McCracken**

RE: Requesting that Niagara County Share a Portion of its County Sales Tax with the Niagara Frontier Transportation Authority (NFTA)

WHEREAS, New York State Transit Operating Assistance to the NFTA has been reduced six separate times from 2009 to 2011, and this reduction in state subsidy now totals \$4.3 million; and

WHEREAS, the NFTA also has experienced delays in receipt of its state transit operating assistance, further compounding a difficult financial situation; and

WHEREAS, an additional pool of state funds supporting critical safety projects and the Metro Light Rail Rapid Transit Railcar Rebuild has not been released since fiscal year 2008, and the cumulative total of these funds is \$11 million through fiscal year 2011; and

WHEREAS, annual Federal Transit Administration assistance has remained nearly flat since 2009, despite the NFTA's rising costs of maintaining an aging transit system; and

WHEREAS, both Erie and Niagara Counties provide 18B funding to the NFTA, and this funding is matched by New York State; and

WHEREAS, Erie and Niagara Counties provide the NFTA with another source of revenue – the Mortgage Recording Tax; and

WHEREAS, from Erie County alone, this source of revenue for the NFTA has decreased by \$2.1 million, and by a comparable percentage from Niagara County, since the nation's economic downturn in 2008; and

WHEREAS, on the expense side of the NFTA's budget equation, there have been increases of 35% in workers compensation, 16% in health insurance and 12% in maintenance and repair costs; and

WHEREAS, in addition to the streams of revenue cited above, Erie County also distributes a 1/8 of 1% share of its county sales tax to the NFTA for operating costs; and

WHEREAS, the fiscal dilemma facing the NFTA has occasioned numerous cost containment measures, including administrative streamlining that has saved \$20 million, fuel hedging that has saved over \$3 million, energy audits that have saved over \$900,000, utility and telecommunications audits that have saved over \$216,000, new internal control guidelines that fully comply with the federal Sarbanes-Oxley Act of 2002, and enterprise resource planning that has resulted in increased efficiency and automatic scheduling of preventative maintenance, as well as other cost-containment initiatives; and

WHEREAS, the NFTA has taken every possible cost-saving step to limit any negative impact on the customers of Metro Rail and Bus, yet deep service cuts and fare increases are on the horizon; and

WHEREAS, the NFTA's financial challenges call for a robust regional response, including the exploration of additional revenue from previously untapped sources; and

WHEREAS, one such source lies in Niagara County directing a share of its sales tax to the NFTA.

NOW, THEREFORE, BE IT

RESOLVED, that this Honorable Body request the Honorable Members of the Niagara County Legislature to step forward and assist our region's transportation system by distributing a portion of its sales tax to the Niagara Frontier Transportation Authority; and be it further

RESOLVED, that copies of this resolution be conveyed to the Clerk of the Niagara County Legislature, to the County Manager of Niagara County, to the Executive Director of the Niagara Frontier Transportation Authority, and to the Erie County Executive.

FISCAL IMPACT: Positive for the Niagara Frontier Transportation Authority.