

**Minutes of the  
Metropolitan Transportation Authority  
Finance Committee Meeting  
2 Broadway, 20th Floor Board Room  
New York, NY 10004  
Wednesday November 29, 2023  
12:45 p.m.**

The following Finance Committee Members were present:

Hon. Neal Zuckerman, Chair  
Hon. Andrew Albert  
Hon. Jamey Barbas  
Hon. Norman E. Brown  
Hon. Samuel Chu  
Hon. David R. Jones  
Hon. Blanca P. López\*  
Hon. Haeda B. Mihaltses  
Hon. Lisa Sorin

The following Finance Committee Members were absent:

Hon. John Samuelsen  
Hon. Vincent Tessitore, Jr.

The following Board Members was also present:

Chair Janno Lieber  
Hon. Midori Valdivia

The following staff members attended:

Kevin Willens, Chief Financial Officer  
Lisette Camilo, Chief Administrative Officer  
Olga Chernat, Deputy Chief, Financial Services  
Richard Davey, President, New York City Transit  
David Florio, Chief Real Estate Transactions and Operations Officer  
Robert Free, President, Long Island Rail Road  
Paige Graves, General Counsel  
Jon Kaufman, Chief, Strategic Initiatives  
David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis  
Jaibala Patel, Deputy Chief Financial Officer  
Catherine Rinaldi, President, Metro-North Railroad  
Steve Weiss, Acting Co-Deputy Chief, Management & Budget, Agency Analysis

*\*Attended remotely via Zoom.*

**To hear the content of public comments, details of Committee presentations, and Committee Members' comments and questions as well as any part of the Finance Committee meeting, please refer to the video recording of the meeting produced by the MTA, available and maintained on the MTA website:**

<https://new.mta.info/transparency/board-and-committee-meetings/november-2023>

## **1. SUMMARY OF ACTIONS**

Chair Zuckerman called to order the meeting of the Finance Committee.

## **2. PUBLIC COMMENTS**

There were three public speakers (\*attended remotely):

Kara Gurl, Permanent Citizens Advisory Committee to the MTA

Matthew Buchys Hyland\*

Jason Anthony, Amazon Labor Union

## **3. APPROVAL OF MINUTES**

The minutes of the meeting held on October 23, 2023, were approved.

## **4. COMMITTEE WORK PLAN**

There were no changes to the work plan.

## **5. BUDGETS/CAPITAL FINANCE**

### **November Financial Plan**

Kevin Willens, Chief Financial Officer presented highlights of the November Financial Plan. Mr. Willens discussed the 2023 year-to-date results are modestly better than MTA budget projections. The November Plan 2024-2027 revenue and expense projections are in-line with the July Financial Plan, as new State and City funding sources are coming in as expected and existing dedicated taxes and subsidies continue to grow. There is \$427 million of operating savings identified for 2024, which is ahead of the \$400 million target. In addition, MTA will pay-off a \$2.9 billion COVID-era deficit note (issued under the Federal Reserve Municipal Liquidity Facility program) on December 15, 2023. Mr. Willens explained the proposed 2024 budget is \$19.3 billion, and the July Plan forecast remains on target in the November Plan, as MTA revenues, including farebox, toll and state and local dedicated taxes and subsidies continue to recover. While State and local taxes and subsidies fund a larger portion of operation than before the COVID pandemic, farebox revenues are tracking the mid-point forecast and toll revenues have been strong. However, paid ridership has recently fallen below the mid-point forecast particularly for NYCT bus ridership. Paid ridership at the railroads has been above forecast. Expense growth has been constrained to below the rate of inflation. With the November Plan, MTA has balanced budgets through 2027. Mr. Willens concluded by outlining five risks to the financial plan:

1. Continued paid ridership recovery - lower growth than the projected 80% pre-pandemic ridership (versus the current 70%) could cost MTA \$325 per year for 5% lower recovery.
2. Dedicated tax receipts - a slower economy and/or softer real estate market could cost the MTA \$250-\$750 million per year.
3. Casino revenue timing - could be slower than anticipated, currently assumed at \$500 per year in 2026 and 2027.
4. Operating efficiencies - if less than full implementation could cost \$400-\$500 million per year.
5. Capital program remains funded – if the New Jersey litigation delays congestion pricing, assumes \$100-\$200 million per year in higher MTA debt service costs.

### **Operating Efficiencies**

Richard Davey, President, New York City Transit, Catherine Rinaldi, President Metro North

Railroad and Rob Free, President Long Island Rail Road presented an update on their mandate to achieve operating efficiencies. MTA is committed to saving \$500 million in recurring operating costs, starting with \$100 million in 2023, \$400 million in 2024, growing to \$500 million in 2025. \$427 million in savings has been identified across operating agencies and incorporated into the proposed budget. MTA identified these operating efficiency initiatives through detailed analysis and benchmarking. Initiatives are focused on harnessing technology and data, developing common standards, sharpening management focus on cost drivers, and investing in capital. Mr. Davey outlined NYCT initiatives and Ms. Rinaldi and Mr. Free outlined railroad initiatives. Mr. Willens concluded the presentation by stating continual measurement and monitoring will ensure savings are achieved. MTA will measure budgeted versus actual costs across agencies and departments and MTA will monitor initiative implementation and underlying practice changes to ensure interdependencies enable agency savings and the creation of an “early warning system” if initiatives fall off track and savings are at risk.

### **Finance Watch**

Olga Chernat, Deputy Chief, Financial Services, presented Finance Watch and reported on October 25, 2023, Fitch Ratings upgraded its ratings on the Transportation Revenue Bonds to A from A- and revised its outlook from Negative to Stable. Based on that upgrade and the credit quality of the banks providing the letter of credit support, on October 27, 2023, and November 8, 2023, the long-term enhanced ratings on existing subseries of Transportation Revenue Variable Rate Bonds were also upgraded.

## **6. MTA HEADQUARTERS AND ALL-AGENCY ITEMS**

### **I. Information Items**

Chair Zuckerman noted two information items for MTAHQ, the 2023 Semi-Annual Investment Summary and the Finance Committee Charter. Both items were available in the Committee Exhibit Book and on the MTA website.

### **II. Procurements**

Lisette Camilo, Chief Administrative Officer, reported one procurement action for MTAHQ for \$12.8 million. This was a request for approval for the award of an estimated quantity purchase contract for the as-needed supply and delivery of office supplies and copy paper to Staples Contract & Commercial LLC. The contract period will be three years with two 12-month Options to be exercised at the MTA’s discretion for a total duration of five years. Through negotiations, Procurement was able to net additional discounts to many Market Basket items as well as increases to the Non-Market Basket Subcategory Discounts. The negotiated Market Basket pricing is, on average, 19 percent less than the unit pricing for the same items under the current contract. The negotiated Non-Market Basket Discounts are, on average, 8 percent higher than the average Non-Market Subcategory discount under the current contract.

The Committee voted to recommend the procurement item before the Board for approval.

## **7. METRO-NORTH RAILROAD/LIRR**

There were no items for Metro-North Railroad or LIRR.

## **8. NYCT/MTA BUS OPERATIONS**

There were no items for NYCT/MTA Bus operations.

## **9. BRIDGES AND TUNNELS**

There was one information item for Bridges and Tunnels, which was approved by its respective committee, requesting the Board approve an award to three competitively solicited personal service contracts to Atkins, P.A. P.C.; Gannett Fleming Engineers and Architects, P.C.; and Henningson, Durham & Richardson Architecture and Engineering, P.C. for miscellaneous toll collection consultant support services on an as-needed basis.

## **10. FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY (FMTAC)**

There were no items for FMTAC.

## **11. MTA CONSOLIDATED REPORTS**

Chair Zuckerman stated MTA Consolidated Financial and Operational Reports for October could be found in the Committee Book.

## **12. REAL ESTATE AGENDA**

David Florio, Chief Real Estate Transactions and Operations Officer, reported six action items and two information items.

### **I. Action Items**

#### **All Agency**

1. All-Agency modification to the existing policy covering license transactions for non-revenue generating uses on MTA agency property.
- #### **NYCT**
2. An acquisition of temporary and permanent easements from the New York City Department of Parks and Recreation in support of accessibility improvements at Broadway Junction Station in Brooklyn.
  3. A lease with Generation Next Realty, Inc. for the relocation of the NYCT Atlantic Cable Shop to 2016 Pitkin Avenue in Brooklyn.
  4. A license amendment with Winfield Street 2nd Avenue LLC for a retail unit at the 96th Street Station on the Second Avenue Subway.

#### **Bridges & Tunnels**

5. A license with the City of New York for the reconstruction and maintenance of the Vincent F. Albano Playground in Manhattan.

#### **Metro-North**

6. The acquisition of 4 Fisher Lane from 4 Fisher Lane Realty Co., LLC in support of the Automotive Fueling Station project in North White Plains, NY.

### **II. Information Items**

#### **Metro-North**

1. A short-term parking permit between MNR and Storm King Art Center for the use of parking spaces at Salisbury-Mills Cornwall Station, Cornwall, NY.

#### **Real Estate Department**

2. A report on agreements entered into directly by the MTA Real Estate Department pursuant to Board policy.

## **13. ADJOURNMENT**

Upon motion duly made and seconded the Committee voted to adjourn the meeting.

Respectfully submitted,

Joanne S. Feld, Deputy Director, Finance