

**Minutes of the  
Metropolitan Transportation Authority  
Finance Committee Meeting  
2 Broadway, 20th Floor Board Room  
New York, NY 10004  
Monday February 26, 2024  
2:00 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 Jones\*  
Hon. Blanca P. López  
Hon. Haeda B. Mihaltses

The following Finance Committee Members were absent:

Hon. Gerard Bringmann  
Hon. Michael Fleischer  
Hon. John Samuelsen  
Hon. Lisa Sorin  
Hon. Vincent Tessitore, Jr.

The following staff members attended:

Kevin Willens, Chief Financial Officer  
Olga Chernat, Deputy Chief, Financial Services  
David Florio, Chief Real Estate Transactions and Operations Officer  
Paige Graves, General Counsel  
David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis  
Louis Montanti, Deputy Chief, Procurement  
James McGovern, Acting Deputy Chief, Controller's Office  
Jaibala Patel, Deputy Chief Financial Officer  
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/february-2024>

**1. CALL TO ORDER**

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

## 2. PUBLIC COMMENTS

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

Jason Anthony

Charlton D'Souza, Passengers United

Matthew Buchys Hyland\*

## 3. FINANCIAL PERFORMANCE REPORT

Highlights of the Financial Performance Report were presented.

### Finance Summary

David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis presented the Budget portion. Mr. Keller reported January 2024 preliminary results compared with the Adopted Budget were favorable by \$15 million or 2%.

**Operating Revenues** were \$18 million, or 3%, unfavorable, with passenger revenue unfavorable by \$18 million (or 5%), toll revenue favorable by \$4 million (or 2%) and other operating revenue unfavorable by \$5 million (or 7%). The unfavorable passenger revenue variance primarily reflected unfavorable paid ridership for NYCT Bus, with NYCT Subway and Staten Island Railway also unfavorable due to lower than anticipated paid ridership. Mr. Keller reminded the committee the Adopted Budget includes - below-the-line - a Farebox Revenue Loss Provision of \$100 million for 2024 to offset unfavorable farebox revenue results. Toll revenue was \$4 million (2%) favorable for January. The 2024 Adopted Budget for farebox revenue was based on the midpoint between the McKinsey "high case" and "low case" scenarios. In January, passenger revenues were slightly below the midpoint, 70.8% vs. 71.7%, when compared with January 2019. Passenger revenues were \$125 million (26%) below farebox revenue in January 2019, while toll revenue exceeded January 2019 toll revenue by \$10 million (7%). These changes from 2019 were adjusted to account for rate changes in fares and tolls during this period.

**Operating Subsidies** were \$19 million, or 6%, favorable in January, primarily reflecting favorable Petroleum Business Tax (PBT) of \$36 million due to December 2023 receipts not transferred to the MTA until early January. Unfavorable results were recorded for Urban Tax of \$14 million, Mortgage Recording Tax (MRT) of \$14 million and City Subsidy for MTA Bus of \$2 million. Capital Subsidies for January, from the Real Property Transfer Tax Surcharge and the Internet Marketplace Tax, were on target with the Adopted Budget.

**Operating Expenses** were favorable by \$13 million (1%). Underruns were at all agencies except NYCT and FMTAC. Preliminary analysis indicates the favorable results are mostly timing related.

**Debt Service Expense** was \$1 million (<1%) favorable, reflecting timing of accruals related to certain refundings and interest payments, and to timing of an actual bond issuance in January versus assumed timing in the Adopted Budget.

Chief Financial Officer Kevin Willens spoke briefly on ridership and farebox revenues to date.

### Capital Financing

Olga Chernat, Deputy Chief, Financial Services, reported on one new money transaction and three upcoming transactions.

On February 8, 2024, MTA issued \$1,650.295 million of Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2024A (TBTA Capital Lockbox - City Sales Tax). The transaction more than doubled in size due to very favorable market conditions. Proceeds from the transaction will be used to finance approved 2020-2024 Capital Program transit and commuter projects and to finance a portion of the capital costs of the Central Business District Tolling Program.

In March MTA expects to issue approximately \$500 million MTA Payroll Mobility Tax Bond Anticipation Notes, Series 2024A (Federally Taxable) and approximately \$300 million TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2024B. Proceeds from the Series 2024A transaction will be used to address seasonal liquidity needs. These notes are expected to mature and be repaid in this current fiscal year. Proceeds from the Series 2024B transaction will be used to finance approved 2020-2024 Capital Program transit and commuter. Both BANs transactions will be sold competitively.

In April 2024, MTA expects to issue approximately \$1 billion fixed rate tax-exempt Transportation Revenue Refunding Green Bonds, Series 2024A. Proceeds from the transaction will be used to refund for savings certain outstanding Transportation Revenue Bonds and TBTA Payroll Mobility Tax Senior Lien Bonds. Additionally, this transaction is expected to generate savings by paying off tendered taxable Transportation Revenue Green Bonds, Subseries 2020C-2. The transaction will be led by book-running senior manager Jefferies LLC together with special co-senior managers: Drexel Hamilton LLC (SDVOB); Rice Financial Products Company (MBE); and Stern Brothers & Co. (WBE).

Mr. Willens spoke briefly on the Central Business District Tolling Program and its impact on MTA finances.

#### **4. ADMINISTRATIVE ITEMS**

The minutes of the meeting held on January 29, 2024, were approved.

*Secretary's note: Mr. Zuckerman had the committee approve the minutes after the public comment period, earlier than called for on the agenda.*

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

##### **Action Item**

Mr. Keller presented an action item to obtain MTA Board approval of resolutions to (1) certify and transfer \$1.289 billion of TBTA operating surplus to the MTA and NYCT pursuant to Section 1219-a(2)(b) of the Public Authorities Law; (2) transfer \$12.4 million representing 2023 investment income to the MTA pursuant to Section 569-c of the Public Authorities Law; and (3) advance the 2024 TBTA Surplus.

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

#### **6. INFORMATION ITEMS**

##### **I. February Financial Plan**

Deputy Chief Financial Officer Jai Patel reported on the 2024 February Financial Plan. The February Financial Plan contains the 2023 Final Estimate, the 2024 Adopted Budget and the Financial Plan for 2024-2027. The 2024 Adopted Budget remains at \$19.3 billion, is balanced

annually through 2027, and is the same as was presented in November 2023 and adopted in December 2023. Included in the February Financial Plan are a handful of technical adjustments that have no financial impact on the financial plan. The February Financial Plan includes schedules detailing each agency's monthly allocation of financials, along with headcount, ridership and farebox revenue, based on the 2024 Adopted Budget. This allows for reporting monthly on actuals vs. budgeted for the variances which are reported. The July Plan 2024 will have an update on the 2024 budget and upcoming budget for 2025.

## **II. MRT-2 escalator payments**

Mr. Keller informed the Finance Committee and MTA Board about the statutorily required MRT-2 escalator payments, as stipulated in Section 1270-a(4)(c) of the Public Authorities Law, to Dutchess, Orange and Rockland Counties totaling \$6.424 million, which are expected to be made in March 2024. These escalator payments are in addition to the quarterly required payments, also as stipulated in Section 1270-a(4)(c) of the Public Authorities Law.

## **III. Procurements**

Louis Montanti, Deputy Chief Procurements reported two procurement information items. The first was a request to the Board to approve the award of a 10-year Original Equipment Manufacturer purchase agreement for M7 Propulsion System Equipment Upgrade Overhaul and Bench Test Equipment to Mitsubishi Electric Power Products, Inc. The second item, also to Mitsubishi, was a request the Board approve a five-year contract for HVAC and propulsion replacement parts utilized on LIRR's M-7 electric railcars and Metro-North's M-7 and M-8 electric railcars. This will also include NYC Transit's subway car needs.

## **7. MTA CONSOLIDATED REPORTS**

The Monthly Consolidated Reports were available in the Committee Book.

## **8. REAL ESTATE AGENDA**

David Florio, Chief Real Estate Transactions and Operations Officer reported four transactional action items for consideration and approval and four information items.

### **Action Items– Transactional**

#### **MTA**

1. A license renewal with Communications Leasing Inc. for an MTA Police Department antenna at 1 Fairchild Court in Plainview.
2. A license with Web Food Products, Inc. for the MTA Police Department vehicle parking at 143-19 94th Avenue in Jamaica.

#### **NYC Transit**

3. A lease with Birrialandia Corp. for the operation of a restaurant at the Coney Island – Stillwell Avenue subway station in Brooklyn.

#### **Metro-North Railroad**

4. A license renewal with Jin CT LLC for employee vehicle parking at 120 Viaduct Road, Stamford, Connecticut.

## **Information Items**

### **NYC Transit**

1. A temporary access agreement with Queens Ballpark Company for access to property adjacent to the Corona Substation in connection with the Substation Hardening project in Queens.
2. A license with ChaShaMa Inc. for the installation, maintenance, and display of artwork in three NYCT stations.
3. A license with NYC DOT for signage removal, installation, operation, and maintenance at the St. George Ferry Terminal in Staten Island.

### **Long Island Rail Road**

4. A permanent easement agreement with MD Hossain & Suraya Hossain to facilitate the installation of an aerial platform above property adjacent to the LIRR right-of-way in connection with the Jamaica Capacity Improvement Phase II project in Queens.

## 9. **ADJOURNMENT**

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

Respectfully submitted,

Joanne S. Feld,  
Deputy Director, Finance