

**Minutes of the  
Metropolitan Transportation Authority  
Finance Committee Meeting  
2 Broadway, 20th Floor Board Room  
New York, NY 10004  
Monday April 29, 2024  
12:45 p.m.**

The following Finance Committee Members were present:

Hon. Andrew Albert  
Hon. Jamey Barbas  
Hon. Norman E. Brown  
Hon. Samuel Chu  
Hon. Marc Herbst  
Hon. David R. Jones  
Hon. Meera Joshi  
Hon. Lisa Sorin

The following Finance Committee Members were absent:

Hon. Haeda B. Mihaltses  
Hon. John Samuelsen  
Hon. Vincent Tessitore, Jr.  
Hon. Neal Zuckerman, Chair

The following staff members attended:

Kevin Willens, Chief Financial Officer  
Lisette Camilo, Chief Administrative Officer  
Olga Chernat, Deputy Chief, Financial Services  
David Florio, Chief Real Estate Transactions and Operations Officer  
Paige Graves, General Counsel  
Jaibala Patel, Deputy Chief Financial Officer  
Steve Weiss, Acting Co-Deputy Chief, Management & Budget, Agency Analysis

**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/april-2024>

**1. CALL TO ORDER**

Hon. Samuel Chu acted as chair and called to order the meeting of the Finance Committee.

**2. PUBLIC COMMENTS**

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

Charlton D'Souza, Passengers United\*  
Matthew Buchys Hyland\*  
Jason Anthony, LIRR ADA task force

### 3. MINUTES

The minutes of the meeting held on March 25, 2024, were approved.

### 4. FINANCIAL PERFORMANCE REPORT

Highlights of the Financial Performance Report were presented.

#### Finance Summary

Steve Weiss, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis, presented the Budget portion. Mr. Weiss reported YTD March 2024 preliminary results, compared with the Adopted Budget, were unfavorable by \$14 million, or 1%, while the month of March was unfavorable by \$8 million, or 6%. However, reported operating expenses were significantly impacted by a positive accounting adjustment of \$43 million in March that reverses accruals of 2023 Headquarters expenses. Without this one-time adjustment, unfavorable net preliminary operating results would have been worse: the YTD March deficit would have been \$57 million and the deficit for the month of March would have been \$51 million.

**Operating Revenues** on a YTD basis were \$3 million favorable, less than 1%. While passenger revenues were \$38 million unfavorable, this was offset by favorable toll revenue of \$24 million and favorable other operating revenue of \$17 million. As a reminder, the Adopted Budget includes, below-the-line, a Farebox Revenue Loss Provision of \$100 million for 2024 to offset unfavorable passenger revenue results. For March, operating revenues were \$3 million unfavorable, less than 1%. Passenger revenues were \$12 million unfavorable, while toll revenue was \$3 million favorable and other operating revenue was \$6 million favorable. Passenger revenues through March remain \$398 million (28%) below passenger revenue in 2019, while toll revenue exceeded 2019 toll revenue by \$44 million (10%). These changes from 2019 are adjusted to account for rate changes in fares and tolls during this period.

**Operating Subsidies** on a YTD basis were \$57 million, or 3%, unfavorable. This reflects unfavorable Mortgage Recording Tax (MRT) of \$40 million (35%), Urban Tax of \$33 million (26%), Payroll Mobility Tax (PMT) of \$20 million (3%), MTA Aid of \$13 million (18%) and For-Hire Vehicle Surcharge of \$8 million (9%). Partially offsetting these results was favorable Petroleum Business Tax (PBT) of \$38 million (27%), of which \$36 million was due to December 2023 receipts not transferred to the MTA until early January. Additionally, Investment Income was favorable by \$11 million, CDOT Subsidy was favorable by \$4 million and Automated Camera Enforcement was favorable by \$3 million. For March, operating subsidies were \$63 million, or 8% unfavorable. Capital Subsidies YTD through March were \$2 million favorable due to receipts from the Real Property Transfer Tax Surcharge

**Operating Expenses** YTD March were favorable by \$27 million (1%) and March expenses were \$53 million (4%) favorable. However, this result is significantly impacted by an accounting adjustment of \$43 million in March that reversed accruals of 2023 Headquarters non-labor expenses, primarily in the IT and Real Estate departments. Adjusting for this impact, YTD March operating expenses would be unfavorable by \$16 million (0.4%) and the month of March would be favorable by \$10 million (1%).

**Debt Service Expense** was \$13 million (2%) favorable YTD March, and was \$5 million (2%) favorable for March, both primarily due to the timing of debt service accruals.

### **Action Item**

Jai Patel, Deputy Chief Financial Officer presented one action item, regarding a Temporary Fare Pilot Program on the Railroads.

MTA is seeking Board approval to launch a temporary fare pilot promotion pertaining to travel on MTA Railroads within New York City. The implementation of Congestion Pricing presents an opportunity to attract riders to transit with additional options for travel into the Congestion Relief Zone that are affordable, fast, and convenient. As such, the MTA is proposing a temporary fare pilot promotion for railroad customers for a discount up to 10% on monthly passes within the city zones. This fare pilot promotion will start with the sale of monthly passes for July 2024. The duration of this fare pilot promotion will be at least 12 months and may continue until the next permanent fare change, provided continued funding from the Outer Borough Transportation Account. The MTA estimates the cost of the 10% discount to monthly tickets will be \$4 million per year out of this Account.

### **Information Items**

Ms. Patel and Lisette Camilo, Chief Administrative Officer presented two information items.

1. With the passage of the 2025 New York State Budget, a new law improves the pension benefits of Tier 6 members. The monthly pension benefit will now be based on the average of the three highest consecutive years of earnings (previously five years), the same as members of Tiers 3, 4 and 5. MTA estimates this will increase its required contribution by \$30 million annually which could grow by 5% given MTA's pension liability. In addition, the new law also extends the two-year exclusion of overtime earnings when determining a Tier 6 member's contribution rate to their pension benefit.

Ms. Camilo explained an administrative issue with Tier 6 contribution rates. A review of the pension system indicated contribution rates were not being consistently applied. MTA utilized an actuarial consultant and determined certain employees over contributed to their pensions which will require them to get a refund of the over contribution, and a smaller number of employees under contributed to their pension which will require a payment. In order to make the pension fund whole, any under contribution requires the payment and an interest component. The MTA will make the payment for the interest component for any under contribution on behalf of the employee. MTA employee communications will be notifying employees in the next few weeks.

2. Open Data was launched last week and is live for finance materials. Finance information on Open Data includes MTA Financial Plans, tables by agency, budgets by financial plan, revenues, actuals and headcount data on a monthly basis.

### **Capital Financing**

Olga Chernat, Deputy Chief, Financial Services, reported on two upcoming transactions. In May 2024, MTA expects to issue approximately \$1 billion of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2024B. Proceeds from the transaction will be used to retire outstanding TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2022A and refund certain outstanding Transportation Revenue bonds. The transaction will be led by book-running senior manager BofA Securities together with special co-

senior managers: Blaylock Van, LLC (MBE); Mischler Financial Group, Inc. (SDVOB); and Stern Brothers & Co. (WBE).

Also in May 2024, MTA expects to issue approximately \$600 million TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2024C. Proceeds from the transaction will be used to finance approved 2020-2024 Capital Program transit and commuter projects. The Series 2024C BANs will be sold competitively.

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

### **Action Items**

Mr. Weiss presented an action item. Capital Funding Management is seeking Board approval to file for, and accept, Federal grants for Federal Fiscal Year 2024. In conformance with past practices, the resolution would authorize the Chairman or any of his designees to make required certifications and assurances and to authorize the filing and acceptance of grant applications for Federal Fiscal Year 2024 Federal appropriations.

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

## **6. INFORMATION ITEMS**

### **I. Annual Variable Rate Report**

Ms. Chernat presented the MTA's Annual Variable Rate Report. Most of the debt MTA issues is fixed rate with the interest rate locked in until maturity. A modest piece of MTA's outstanding debt portfolio is variable rate; 6% of the total outstanding debt portfolio. Variable rate debt has the interest rate reset periodically, typically reset daily or weekly and the interest rate fluctuates with prevailing short term market rates. Most of the debt in the variable rate portfolio is hedged which reduces MTA exposure to interest rate fluctuations and comprises approximately 70% of the variable rate portfolio. The unhedged portion of the variable rate portfolio is 2% of total outstanding debt which is within MTA policy for variable rate debt which allows for up to 25% of total outstanding debt. Importantly, relative to budget, for 2023, variable rate bonds came in slightly under budget. The size of the variable rate debt portfolio has remained largely unchanged recently given the market dynamics favoring issuance of fixed rate debt.

### **II. Procurements**

Lisette Camilo, Chief Administrative Officer reported one information item for NYC Transit this month, approved by its respective committee, requesting the Board to approve the ratification of an Immediate Operating Need for contracts with Hayden AI and Seon USA Corp for the purchase, installation, operation, and maintenance of Automated Bus Lane Enforcement systems. Hayden will provide up to 1,023 systems and Seon, up to 1,000.

Ms. Camillo reported one information item for Long Island Rail Road and Metro-North Railroad, approved by their respective committee, requesting the Board to approve the award of a five-year contract for Rail Flaw Testing and Joint Bar Inspection Services to Sperry Rail, Inc.

Finally, Ms. Camillo reported one information item for Bridges and Tunnels, requesting the Board to approve the award of three 5-year estimated quantity contracts for the provision of electronic transponders and related equipment and services for the E-ZPass Electronic Toll Collection System to Neology, Inc.; Transcore LP; and Star System America, LLC. The Bridges & Tunnel

Committee considered the item; however, a quorum was not present. This item was to be presented to the full Board the following day.

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 two action items for consideration and approval and four information items.

**Action Items– Transactional**

**MTA Metro-North Railroad**

1. A license extension with City Winery to facilitate an assignment of its license for a restaurant in Grand Central Terminal.

**MTA**

2. A letter agreement for the Second Avenue Subway Phase II field office lease at 159 East 125th Street.

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

**Information Items**

**NYC Transit**

1. A license agreement between NYCT and the Department of Environmental Protection for the construction of a signal tower in Queens.

**MTA Bridges and Tunnels**

2. An entry permit between B&T and 300 East 40th St. Condominium for the placement of a shed and scaffolding on the sidewalk adjacent to 300 East 40th Street in connection with its local law work.

**MTA Metro-North Railroad**

3. A report on agreements entered into directly by the Real Estate Department pursuant to board policy.
4. Grand Central Terminal Vanderbilt Hall Events.

9. **ADJOURNMENT**

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

Respectfully submitted,

Joanne S. Feld,  
Deputy Director, Finance