

**Minutes of the  
Metropolitan Transportation Authority  
Finance Committee Meeting  
2 Broadway, 20th Floor Board Room  
New York, NY 10004  
Monday May 20, 2024  
1:15 p.m.**

The following Finance Committee Members were present:

Hon. Andrew Albert  
Hon. Jamey Barbas  
Hon. Samuel Chu  
Hon. Marc Herbst  
Hon. David R. Jones  
Hon. Haeda B. Mihaltses  
Hon. Lisa Sorin

The following Finance Committee Members were absent:

Hon. Norman E. Brown  
Hon. Meera Joshi  
Hon. John Samuelsen  
Hon. Vincent Tessitore, Jr.  
Hon. Neal Zuckerman, Chair

The following Board Members were also present (\*attended remotely):

Hon. Blanca López\*

The following staff members attended:

Kevin Willens, Chief Financial Officer  
Lisette Camilo, Chief Administrative Officer  
Andrew Buder, Director, Government and Community Relations  
Evan Eisland, Executive Vice President and General Counsel, Construction and Development  
Joanne Feld, Deputy Director, Finance  
David Florio, Chief Real Estate Transactions and Operations Officer  
Paige Graves, General Counsel  
David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis  
Jessica Mathew, Senior Advisor, Special Projects and Initiatives  
Jaibala Patel, Deputy Chief Financial Officer  
Laudwin Pemberton, Deputy Director of Risk and Insurance Management  
Claudia Reuben, Deputy Director, Risk Assessment and Claims Management  
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/may-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 seven public speakers (\*attended remotely):

David Kupferberg, Passengers United

Jason Anthony

Brian Fritsch, PCAC

Cameron Best

Charlton D'Souza, Passengers United\*

Matty Buchys Hyland\*

Aleta Dupree, Team Folds\*

3. **MINUTES**

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

4. **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 YTD April 2024 preliminary results, compared with the Adopted Budget, were unfavorable by \$86 million, or 7%, while the month of April was unfavorable by \$72 million, or 27%. 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 April deficit would have been \$128 million.

**Operating Revenues** on a YTD basis were \$10 million favorable, less than 1%. While passenger revenues were \$57 million unfavorable, this was offset by favorable toll revenue of \$38 million and favorable other operating revenue of \$29 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 April, operating revenues were \$5 million, or 1%, favorable. Passenger revenues were \$20 million unfavorable, while toll revenue was \$13 million favorable and other operating revenue was \$11 million favorable. Passenger revenues through April were \$539 million (28%) below passenger revenue in 2019, while toll revenue exceeded 2019 toll revenue by \$52 million (8%). 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 \$112 million, or 5%, unfavorable. This reflects unfavorable Mortgage Recording Tax (MRT) of \$51 million (34%), Urban Tax of \$49 million (29%), Payroll Mobility Tax (PMT) of \$47 million (5%), MTA Aid of \$13 million (18%), For-Hire Vehicle Surcharge of \$8 million (6%), and Automated Camera Enforcement of \$8 million (72%). Partially offsetting these results was favorable Petroleum Business Tax (PBT) of \$39 million (19%), of which \$36 million was due to December 2023 receipts not transferred to the MTA until early January. Additionally, Investment Income was favorable by \$18 million and CDOT Subsidy was favorable by \$5 million. For April, operating subsidies were \$54 million, or

10% unfavorable. Capital Subsidies YTD through April were \$22 million unfavorable reflecting unfavorable receipts from the Real Property Transfer Tax Surcharge and the timing of the transfer of receipts from the State component of the Internet Marketplace Tax.

**Operating Expenses** YTD April were favorable by \$14 million (less than 1%) favorable and April expenses were \$11 million (1%) unfavorable. However, as noted earlier, this result is significantly impacted by an accounting adjustment of \$43 million in March that reverses accruals of 2023 Headquarters non-labor expenses, primarily in the IT and Real Estate departments. Adjusting for this impact, YTD April operating expenses would be unfavorable by \$28 million (1%).

**Debt Service Expense** was \$2 million (less than 1%) favorable YTD April, and was \$11 million (5%) favorable for April, reflecting the timing of debt service accruals.

### **Capital Financing**

Joanne Feld, Deputy Director, Finance, reported on the results of the sale of \$591.785 million of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024B, which priced on May 8, 2024. Proceeds from the transaction were used to retire \$525.685 million of TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2022A and to refund \$115.000 million of certain Transportation Revenue Bonds. This transaction is closed this morning, May 20, 2024.

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

### **Action Items**

Mr. Keller presented three action items. The first item requests Board approval to award to George S. Hall, Inc. a publicly advertised and competitively solicited contract for the operation and maintenance of the new Grand Central Madison Terminal and related facility assets in Manhattan and Queens. The Contract is in the amount of \$420,588,215.48 for a duration of five years. The Contract includes two 3-year extension options for an additional sum to be established in accordance with the Contract terms, which can be exercised in GCMC's sole discretion.

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

Ms. Jessica Mathew, Senior Advisor, Special Projects and Initiatives, presented the second action item. Ms. Mathew explained the Office of the Chief Financial Officer is seeking MTA Board approval to launch several temporary fare pilot promotions to encourage customers from Orange and Rockland Counties to use East of Hudson Metro-North service. First, MTA is proposing a temporary fare pilot promotion for railroad customers for a discount up to 10% (due to rounding) of the total combined fare of certain monthly bus and ferry Uniticket products that connect riders that live in Orange and Rockland Counties with Metro-North Railroad service on the Harlem and Hudson Lines. This mirrors the pilot announced last month for monthly fares for travel within New York City.

Second, Metro-North Railroad will be piloting summer weekend service on the Haverstraw-Ossining Ferry. Currently, this service is only available during peak hours on weekdays. The pilot is intended to encourage more discretionary ridership on weekends during the summer months. Metro-North will also be offering Orange and Rockland County residents a 25 percent discount on monthly parking in the Metro-North-owned North White Plains parking lot which has sufficient capacity to absorb additional customers.

Finally, on both Long Island Rail Road and Metro-North Railroad, the MTA is launching an additional pilot program known as “Summer Saturdays” designed to promote weekend travel on the railroads. This program, which will run on Saturdays in the months of July allows monthly pass holders, to travel to any destination on the railroad that issued their monthly pass, with up to two additional people, for \$1 per person.

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

Mr. Keller presented the third action item; MTA Finance Department is seeking MTA and TBTA Board approval for the refunding of outstanding taxable Build America Bonds with tax-exempt debt if refunding such bonds is determined to be in the MTA’s interest by the MTA Chief Financial Officer.

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

Mr. Keller presented the final item, the 2023 Annual Investment Report which, pursuant to the requirements of Section 2925 of the Public Authorities Law, provides the MTA Board with information on the MTA portfolio’s investment performance for 2023. We are requesting Board approval of: (1) the MTA 2023 Annual Investment Report; and (2) the revised MTA All Agency Investment Guidelines.

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

Lisette Camilo, Chief Administrative Officer reported two information items for LIRR and MNR, approved by a Joint committee this month. The first is a request that the Board approve the award of a 7-year noncompetitive miscellaneous service contract to continue administering the Mobile Ticketing Program for Long Island Rail Road and Metro-North Railroad to Masabi, LLC. Included in the contract is one 5-year Option.

The second item is a request that the Board approve the award of a 5.5-year noncompetitive miscellaneous service contract to replace and upgrade the fare collection solution for Long Island Railroad and Metro-North Railroad to Scheidt & Bachmann USA. Included in the contract are two 5-year Options.

## **6. INFORMATION ITEMS**

Mr. Keller presented three information items. The first item is to advise the Board of the submission of station maintenance billings to New York City and the counties for maintenance of LIRR and MNR stations for the April 1, 2023 through March 31, 2024 period. These bills are based on a statutorily established formula adjusted annually by the regional CPI-W. The net increase in the CPI factor for the twelve month period ending March 31, 2024 was 3.673%, which results in a \$7,279,852 increase over the prior year’s billed amount.

The second item is the Annual Review of MTA Sponsored Pension and Retirement Funds, which can be found in the Committee materials.

The third item is the MTA Financial Statements for the Years Ending December 31, 2023 and December 31, 2022.

Claudia Reuben, Acting Director of Risk and Insurance Management as well as President of First Mutual Transportation Assurance Company (FMTAC) provided a presentation on FMTAC's 2023 activities and operations. FMTAC had a successful year in 2023 and its balance sheet grew the financial strength of the captive. FMTAC's total assets are in excess of \$1.2 billion. The FMTAC Property Program, which renewed on May 1, 2024, is one of FMTAC's master insurance programs. FMTAC was able to secure \$230 million of capacity which represents a decrease from \$353 million in 2023. Ms. Reuben stated that while reinsurers had record profitability in 2023, which has stabilized the property marketplace during Q1 2024, risk classes such as infrastructure/rail and loss driven accounts remain difficult to insure. On a more positive side, FMTAC received favorable feedback on the measures MTA has put in place to protect its assets, as well as the steps the MTA is taking in anticipating future climate risks. Thus, markets that remain in the program quoted either flat or with small increases.

Laudwin Pemberton, Deputy Director of Risk and Insurance Management and Contract Manager, FMTAC Investments, provided a presentation on FMTAC's aggregate portfolio performance for 2023. Mr. Pemberton explained that FMTAC is an insurance captive with assets invested in high-quality fixed income securities. The Net Asset Value for the portfolio is approximately \$880 million comprised of eight investment trusts. In aggregate, the largest allocations are to U.S. Treasuries at 43% and Mortgage-Backed-Securities at 21%. Approximately 85% of the bonds are rated AA or better with an average duration of 4.5 years. For the 1-year period ending 12/31/2023, the fund returned 5.52% as compared to the Bloomberg Intermediate Aggregate benchmarks return of 5.18%. The portfolio also has outperformed the benchmark over the trailing 3- and 5-year periods.

## **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 one administrative and three transactional action items for consideration and approval.

### **Action Item - Administrative**

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

1. An Eminent Domain Procedure Law Determination and Findings related to the acquisition of property interest for the Metro-North Claremont Substation Project in the Bronx.

### **Action Items- Transactional**

#### **MTA**

2. A lease agreement with Gotham Market Bites Corporation for retail space in 2 Broadway.
3. An amendment to license agreements with Compass Group to install vending machines throughout the MTA system.

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

4. A permanent easement with the Tarrytown Municipal Housing Authority for vehicle parking adjacent to MNR's Tarrytown Station.

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

## **Information Items**

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

1. A short-term parking permit between MNR and the Town of Ossining for use of parking lots at the Ossining Station.

### **MTA**

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

Commissioner Sorin inquired about the status of the MNR eminent domain item in the Bronx. Mr. Florio replied that the eminent domain action, previously approved by Board resolution, had been undertaken in parallel with the prospect of a negotiated settlement, but the latter prospect does not appear a possibility. Real Estate is therefore moving forward with eminent domain.

## 9. **ADJOURNMENT**

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

Respectfully submitted,

Joanne S. Feld,  
Deputy Director, Finance