

**Minutes of the
Metropolitan Transportation Authority
Finance Committee Meeting
2 Broadway, 20th Floor Conference Room 2
New York, NY 10004
Monday October 28, 2024
1:15 p.m.**

The following Finance Committee Members were present (*attended remotely):

Hon. Neal Zuckerman, Chair
Hon. Andrew Albert
Hon. Samuel Chu*
Hon. Marc Herbst
Hon. David R. Jones
Hon. Haeda B. Mihaltses

The following Finance Committee Members were absent:

Hon. Norman Brown
Hon. Meera Joshi
Hon. John Samuelson
Hon. Lisa Sorin
Hon. Vincent Tessitore, Jr.

The following Board Members were also present:

Hon. Gerard Bringmann

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
David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis
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/october-2024>

1. CALL TO ORDER

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

2. PUBLIC COMMENTS

There were three public speakers (*attended remotely):

Jason Anthony, LIRR ADA Task Force
Kara Gurl, PCAC
Matty Buchys Hyland*

3. MINUTES

The minutes of the meeting held on September 23, 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 reported YTD results through September 2024, against the Mid-Year Forecast. Mr. Keller stated that YTD September 2024 preliminary results were favorable by \$236 million, with favorable results for operating expenses, commuter rail farebox revenue, operating subsidies, debt service expense and investment income more than offsetting shortfalls for subway and bus farebox revenue and B&T toll revenue.

Operating Revenues on a YTD basis were \$79 million (1%), unfavorable. Passenger revenues were \$86 million unfavorable and toll revenue was \$6 million unfavorable.

Subway farebox revenue was \$54 million (3%) unfavorable and Bus farebox revenue was \$69 million (13%) unfavorable, for a combined \$123 million unfavorable year-to-date. As a reminder, the Mid-Year Forecast includes a remaining reserve of \$167 million for 2024 to offset the unfavorable subway and bus revenue results.

Farebox revenue for the commuter rails were each 4% favorable, with the LIRR \$20 million favorable and MNR \$19 million favorable.

Operating Subsidies YTD were \$55 million (1%) favorable. Excluding Investment Income, subsidies directed to the operating budget were favorable by \$36 million, primarily driven by favorable results for the real estate related taxes – the Urban Tax and the Mortgage Recording Tax – which were a combined \$49 million favorable year-to-date. Capital Subsidies YTD through September were \$7 million favorable.

Operating Expenses were favorable by \$248 million (2%) YTD, mostly due to timing-related favorable results at Transit, LIRR, MTA Bus, HQ and C&D. In addition to timing of expenses, Transit's variance reflects favorable payroll due to vacancies (which is more than offset by unfavorable overtime), unfavorable paratransit expenses reflecting higher trip volume and support costs (and mostly offset by higher City reimbursement for paratransit expenses), and favorable electric power expense. The underrun at the LIRR mainly reflects lower average pay rates due to the mix of employee pay grades, higher project reimbursements, and favorable electric power. MNR's unfavorable variance was primarily due to increased payroll in connection with lower reimbursable activities, training and associated expenses related to new employees, overtime, and an increase in claims expenses.

Overtime YTD through September across the MTA was \$194 million (31%) unfavorable while payroll was \$139 million (3%) favorable.

Debt Service Expense was \$12 million (or 1%) favorable YTD through September.

Chair Zuckerman commented on the New York State Comptroller's report about the MTA's finances. He further commented on the positive trends in mitigating fare evasion on the subways and buses, and in receiving subsidies from real estate taxes.

Mr. Willens also commented on the same and highlighted the upcoming November Plan.

Hon. Albert asked about the arrival of new turnstiles into the system.

Capital Financing

Olga Chernat, Deputy Chief, Financial Services, provided an update on the bond market and its effects on new money bond issuance costs and refunding savings.

Afterward, Mr. Willens and Ms. Chernat addressed a question from Hon. Jones about the rating agencies' reaction to the Congestion Pricing pause.

Ms. Chernat reported that two refunding transactions were completed in October 2024 with very healthy savings levels despite the bond market's disruptions.

5. MTA HEADQUARTERS AND ALL-AGENCY ITEMS

Action Items

Lisette Camilo, Chief Administrative Officer reported one action item for MTA Headquarters for an estimated amount of \$500,000. The action was found in the October 2024 Finance Committee Book.

The item was the exercise of Option 2 of the Disability and Medicare Coordination Services contract awarded to SSDC Services Corporation ("SSDC") to continue providing services to facilitate the enrollment of eligible disabled retirees under the age of 65 into Medicare Parts A and B for an additional year (through December 31, 2025), making Medicare the retiree's primary coverage, thereby reducing NYC Transit's medical costs. To date, NYC Transit has realized approximately \$4.1 million in savings through the use of the services provided under this contract.

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

6. INFORMATION ITEMS

Ms. Chernat presented the Annual Review of MTA's Fuel Hedge Portfolio.

Chair Zuckerman stated that MTA staff was available to take questions on the 2024 Semi-Annual Investment Performance Report and the MTA Consolidated Financial Statements for the six months ending June 2024. The Committee had no questions for the staff on those items.

Ms. Camilo reported one information item for the NYC Transit Committee and one information item for the Metro-North Railroad Committee.

The one information item for the NYC Transit Committee, was as follows:

The item was a request that the Board ratify the declaration of an Immediate Operating Need and approve the award of three modifications to a contract with Corporate Transportation Group Ltd, and awards of three new contracts to OAS, Inc.; WAYE LLC; and Unified Dispatch LLC for the procurement of all technology and related services necessary for continuity of service pursuant to

the January 2023 termination for cause of the contract to provide Real-Time Scheduling and Computer-Aided Dispatch systems, as well as hardware and software for Automatic Vehicle Location Monitoring and Interactive Voice Response systems for Paratransit's Access-A-Ride operations.

The one information item for the Metro-North Railroad Committee, was as follows:

The item was a request from Metro-North Railroad on behalf of itself and Long Island Rail Road for the Board to approve the award of an estimated quantity contract to GE Grid Solutions, LLC. for the supply and delivery of Positive Train Control Data Radios.

There were no information items for Long Island Railroad or Bridges and Tunnels procurements.

7. REAL ESTATE AGENDA

David Florio, Chief Real Estate Transactions and Operations Officer stated that there were no action items for this month, but there were six information items.

The first two information items were for MTA Long Island Rail Road and included: a permit agreement with the Kew Gardens Flea and Craft Market, Inc. for the use of parking spaces at Kew Gardens Station in Queens, and an acquisition of permanent easements from the Town of Islip in support of the LIRR's Babylon Interlocking Signal system and Upgrade Project.

The next item was for MTA Bridges and Tunnels and was a permit agreement with the September 11 Memorial and Museum at the World Trade Center for the use of parking spaces at the Battery Parking Garage.

Two information items were for MTA Metro-North Railroad and included: a permit agreement with the Town of Cortlandt for the use of commuter parking at the Cortlandt Station, for a one-day community event, and the report on events in Grand Central Terminal.

The last item was the MTA-wide report on retail agreements entered into directly by the Real Estate Department pursuant to MTA Board policy.

8. ADJOURNMENT

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

Respectfully submitted,

Patrick Isom,
Senior Manager, Finance and Debt Management