

**Minutes of the
Metropolitan Transportation Authority
Finance Committee Meeting
2 Broadway, 20th Floor Board Room
New York, NY 10004
Monday March 24, 2025
12:45 p.m.**

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

Hon. Neal Zuckerman, Chair
Hon. Andrew Albert
Hon. Norman Brown
Hon. David R. Jones
Hon. Haeda Mihaltses

The following Finance Committee Members were absent:

Hon. Samuel Chu
Hon. Marc Herbst
Hon. Meera Joshi
Hon. Lisa Sorin
Hon. John Samuelsen
Hon. Vincent Tessitore, Jr.

The following staff members attended:

Kevin Willens, Chief Financial Officer
Jaibala Patel, Deputy Chief Financial Officer
Lisette Camilo, Chief Administrative Officer
Olga Chernat, Deputy Chief, Financial Services
David Florio, Chief Real Estate Transactions and Operations Officer*
David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis
Evan Eisland, EVP, General Counsel & Secretary, C&D
Steve Weiss, Acting Co-Deputy Chief, Management & Budget, Agency Analysis

Secretary's note 4/14/2025: At the time of vote for this month's meeting there was no quorum.

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://www.mta.info/transparency/board-and-committee-meetings/march-2025>

1. CALL TO ORDER

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

2. PUBLIC COMMENTS

There were 5 public speakers:

Matty Buchys Hyland*
Jason Anthony, LIRR ADA task force
Christopher D. Greif, NYCTRC & ACTA LIRR Metro North ASA
Lisa Daglian, Executive Director Permanent Citizens Advisory Committee (PCAC)
Aleta Dupree, Team Folds

3. **MINUTES**

The minutes of the meeting held on February 24, 2025, 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 that Year-to-date operating results through February, which are preliminary and will be revised as financial results continue to be reviewed and audited, are compared with the Adopted Budget. Overall, February operating results were \$174 million favorable, about 45 percent due to favorable operating subsidy results. Operating subsidies were \$76 million favorable, with just over half timing related. Paid Ridership for all Agencies was favorable, but B&T traffic was unfavorable to budget. Farebox revenue was \$17 million favorable, but toll revenue was \$2 million unfavorable. Operating expense spending was favorable by \$61 million, or 2.2%. Debt service Expense was \$2 million unfavorable. Capital Subsidies were \$25 million favorable.

Operating Subsidies were \$76 million favorable. Just over half of this is due to favorable timing-related Local Operating Assistance reflecting payments that had been expected by the end of 2024. Results for the Mortgage Recording Tax the Urban Tax, and Automated Camera Enforcement primarily comprise the remainder of the favorable operating subsidies result.

Paid Ridership for all Agencies was favorable across the board, while B&T Traffic was unfavorable. Subway and Bus fare evasion estimates are provided quarterly and are not updated this month. Fares Not Collected on LIRR was 2.3% in February, improved from 4.3% in January and from 6.6% last February. Fares Not Collected on MNR was 2.2% in February, improved from 3.4% in January and down from 2.9% last February.

Farebox Revenue was \$17 million favorable, but toll revenue was \$2 million unfavorable. Subway farebox revenue was \$9 million favorable, while combined NYCT Bus and MTA Bus farebox revenue was unfavorable by \$2 million due to lower average yield per passenger. LIRR was \$7 million favorable and MNR was \$2 million favorable.

Operating Expense spending was favorable by \$61 million, or 2%. Labor expenses were \$7 million unfavorable; outside of timing-related impacts, Payroll was favorable by \$29 million while Overtime was unfavorable by \$45 million, primarily due to vacancies but also reflecting necessary response to weather-related conditions in February. Non-Labor expenses were \$56 million favorable; Paratransit Service Contracts were \$18 million unfavorable due to higher trip volume,

Electric Power and Fuel costs were a combined \$3 million favorable due to lower rates and usage, and variances for other categories primarily timing related.

Debt Service Expense was \$2 million unfavorable, primarily due to the reversal of a prior favorable timing variance.

Acting Co-Deputy Chief Keller noted that further detail is available in this month's Financial Performance Report.

Hon. Neal Zuckerman noticed a moderate increase in MRT and asked if this may be due to an emerging trend related to real estate?

Acting Co-Deputy Chief Keller stated that thus far the data varies from month to month and that what he has seen in terms of cash received in March which was generated from February's activity was flat with budget. Therefore, we are not seeing the same increase as the last couple of months in MRT but we can note that we are not seeing a decline in MRT for the current month of March.

Capital Financing

Olga Chernat, Deputy Chief, Financial Services, reported details of two transactions that the MTA has priced since the last meeting and an \$800 million bond anticipation note sale to finance transit and commuter projects planned for early April. Deputy Chief of Financial Services Chernat noted that the first two weeks of March saw substantial borrowing rate increases in the Treasury market as well as the Municipal market. The bond market was impacted primarily by uncertainty caused by the on-again, off-again tariffs and tension that the tariffs could be both inflationary and can slow down economic growth. The market showed some signs of stability when the MTA priced its refunding bonds last week but have ended up executing a smaller bond deal than it had originally planned. But while the MTA couldn't achieve everything we had hoped, it still delivered almost \$30 million of NPV savings.

Congestion Pricing Summary

Jaibala Patel, Deputy Chief Financial Officer, provided an overview from the February results of Congestion Pricing. For the month of February, the estimated Revenue is \$51.9 million, representing 27 days of collections.

Of the \$51.9 million in Revenue, 66% was from passenger vehicles, 24% from for-hire vehicles and taxis, and 1% from buses and motorcycles. Similar to January results, 95% of the Revenue is during peak hours and 5% is from off-peak hours.

There was \$9.5 million of Operating Expenses plus \$2 million for mitigation accrual, bringing total expenses to \$11.5 million, with Net Operating Revenues of \$40.4 million. February's Net Operating Revenues provides ample evidence that the MTA is on track to deliver \$500 million of Net Operating Revenue from Congestion Pricing.

Hon. David asked if the revenue discussed has been collected or if it is expected revenue.

Deputy Chief Financial Officer Patel noted that most of the revenue is collected via EZPass while tolls collected by mail consists of a smaller percentage of total revenue. Toll collection by mail revenues come at the end of the month and takes between 30 to 60 days for collection and are therefore not reflected in current figures. Accrual is based on expectations of collections.

5. MTA HEADQUARTERS AND ALL-AGENCY ITEMS

Action Items

David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis, introduced the first action on item that requests the Board's authorization to file with the State of New York the annual MTA All-Agency Procurement report for 2024 as required under Section 2879 of the Public Authorities Law. The report provides information on contracts which were awarded, active, and/or received payments in 2024, by Agency.

Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis Keller noted that James McBride from MTA Procurement was present if there were any questions.

Upon motion duly made and seconded, the Committee voted to approve of the first action item.

6. INFORMATION ITEMS

David Keller, Acting Co-Deputy Chief, Management & Budget, Consolidated Analysis went through the first information item.

The MTA Prompt Payment Annual Report for 2024 was presented to the Board to comply with the New York State Prompt Payment legislation, which required the MTA to issue an annual report within 90 days after each fiscal year ends, and to file that report with the State Comptroller, the State Director of the Budget, and the Chairs of the Senate Finance and Assembly Ways and Means Committees. Interest payments amounting to \$226,541.16 has or will be made for the January to December 2024 period.

Lisette Camilo, Chief Administrative Officer provided two Agency Procurement information items.

The first was a request that the Board approve the award of a competitive RFP to Etech Simulation Corp. for the purchase, installation, and maintenance of four Bus Operator Simulator systems for a term of six years plus two, 2-year options for continued maintenance.

The second item was a request that the Board approve the exercise of an option to extend a personal service contract awarded to Trillium CNG for the operation and maintenance of compressed natural gas fueling facilities for the Department of Buses and MTA Bus Company for a period of three years.

There was no procurement information items for Metro-North Railroad, Long Island Rail Road and Bridges and Tunnels this month.

7. MTA CONSOLIDATED REPORTS

Chair Zuckerman stated that the Monthly consolidated reports can be found in the Committee book.

8. REAL ESTATE AGENDA

David Florio, Chief Real Estate Transactions and Operations Officer reported one administrative, and two transactional action items for consideration and approval.

Administrative Items

The administrative action item was the MTA's All-Agency Real Property Disposition Guidelines and All-Agency Personal Property Disposition Guidelines required by Public Authorities Law Sections 2895-28.

Transactional Items

The first transactional item was for MTA New York City Transit and is a lease with Raina II, LLC for parking and storage material in support of NYCT's Central Electronic Shop in Queens.

The second and final transactional action item for MTA Metro-North Railroad was a license with Monsey Developers and Builders Inc. for parking and access to their adjacent property along Commerce Street in Spring Valley.

There was one information item, which was the report on agreements entered into directly by the Real Estate Department pursuant to board policy. That report includes the renewal of the Vanderbilt Tennis Club in Hall D of GCT; and a lease with Penn Concepts for two food and beverage retail uses on the mezzanine of the 34th/Herald Square Station.

Upon motion duly made and seconded, the Committee voted to approve of the real estate action item.

ADJOURNMENT

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

Respectfully submitted,

Christina Cheung,
Deputy Director, Finance and Investor Relations