

**Minutes of the  
Metropolitan Transportation Authority  
Finance Committee Meeting  
2 Broadway, 20th Floor Board Room  
New York, NY 10004  
Monday April 28, 2025  
12:30 p.m.**

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

Hon. Neal Zuckerman, Chair  
Hon. Andrew Albert  
Hon. Marc Herbst  
Hon. Meera Joshi  
Hon. Christopher Leathers  
Hon. Haeda Mihaltses  
Hon. Lisa Sorin

**The following Finance Committee Members were absent:**

Hon. Norman Brown  
Hon. Samuel Chu  
Hon. David R. Jones  
Hon. John Samuelsen  
Hon. Vincent Tessitore, Jr.

**The following Board Members were also present:**

Hon. Blanca P. Lopez

**The following staff members attended:**

Jaibala Patel, Co-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  
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://www.mta.info/transparency/board-and-committee-meetings/april-2025>

**1. CALL TO ORDER**

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

**2. PUBLIC COMMENTS**

There were 5 public speakers(\*attended remotely):

Lisa Daglian, Executive Director Permanent Citizens Advisory Committee (PCAC)  
Bruce Hain, Rail NYC Access

Jason Anthony, LIRR ADA task force  
Christopher D. Greif, NYCTRC & ACTA LIRR Metro North ASA  
Charlton D'Souza, Passengers United\*

### 3. **MINUTES**

The minutes of the meeting held on March 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 March, which are preliminary and will be revised as financial results continue to be reviewed and audited, are compared with the Adopted Budget. Overall, March operating results were \$232 million favorable, about 41 percent due to favorable operating subsidy results. Operating subsidies were \$96 million favorable, with just over one-third timing related. Paid Ridership for all Agencies was favorable, but B&T traffic was unfavorable to budget. Farebox revenue was \$32 million favorable, while toll revenue was on target. Operating expense spending was favorable by \$61 million, or 1.5%. Debt service Expense was \$6 million favorable. Capital Subsidies were \$30 million favorable.

**Operating Subsidies** reflect favorable results for the Payroll Mobility Tax, the Urban Tax, and the Mortgage Recording Tax as well as a \$96 million timing-related favorable variance for Local Operating Assistance.

**Paid Ridership for all Agencies** was favorable across the board, up 3.7% MTA-wide, while B&T traffic was unfavorable to budget by 1.1%. Ridership was favorable by 3.2% for Subway, 3.9% for Bus, 8.9% for LIRR and 4.1% for MNR.

**Farebox Revenue** was \$32 million favorable, while toll revenue was on target. Subway farebox revenue was \$17 million favorable, while combined NYCT Bus and MTA Bus farebox revenue was favorable by \$2 million. LIRR was \$9 million favorable and MNR was \$2 million favorable.

**Operating Expense** spending was favorable by \$61 million, or 1.5%. Labor expenses were \$17 million favorable. Payroll was favorable by \$34 million while Overtime was unfavorable by \$74 million, primarily due to absentee coverage requirements at NYCT and necessary response to weather-related conditions in February, with the remainder primarily timing related. Non-Labor expenses were \$35 million favorable. Paratransit Service Contracts were \$26 million unfavorable due to higher trip volume, Electric Power and Fuel costs were a combined \$2 million unfavorable, with the remaining categories primarily timing related.

**Debt Service Expense** was \$6 million favorable, primarily due to variable rate savings and the payment of certain debt service from the Capital Lockbox, which was partially offset by the reversal of a prior positive timing variance.

Mr. Keller noted that further details are available in this month's Financial Performance Report.

Chair Zuckerman asked about trends related to farebox revenue, MRT and Urban Taxes as they all had favorable March 2025 performance results.

Mr. Keller stated that the reported favorable performance numbers are year-to-date and that month-to-month performance can vary due to different economic factors. However, the year-to-date performance at the end of each month in 2025 has been better than in 2024 for the same month.

Jaibala Patel, Co-Chief Financial Officer, commented on the positive farebox revenue performance in 2025 compared to 2024 and the growth in paratransit services.

Ms. Patel commented on fare evasion in response to Hon. Albert's question about farebox revenue and ridership.

### **Capital Financing**

Olga Chernat, Deputy Chief, Financial Services, reported that April's Capital Financing report includes details on a sale of \$800 million of TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2025B, which closed in April 2025. Proceeds from the transaction will be used to finance existing approved 2020-2024 Capital Program transit and commuter projects and fund capitalized interest payments through November 15, 2027. The Series 2025B Notes were priced through a competitive method of sale, with an arbitrage yield of 2.99%.

### **Congestion Pricing Summary**

Ms. Patel provided an overview of the March Congestion Pricing results. For March, \$58.4 million in Total Revenue was collected. Total Expenses for the same period were \$13.3 million, reflecting higher legal costs. Net Operating Revenue for the month was \$45.1 million.

Of the \$58.4 million in Total Revenue, 68% was from passenger vehicles, 22% from for-hire vehicles and taxis, and 10% from trucks and buses. Additionally, 94% of the Total Revenue was during peak hours, and 6% was from off-peak hours.

Total Revenue collected for the first quarter of 2025 was \$159 million. Total Expenses for the same period were \$36 million. Net Operating Revenue for the first quarter of 2025 was \$123 million. Based on this information, the MTA is on track to meet the \$500 million of Net Operating Revenue projected for 2025.

Hon. Sorin, Ms. Patel, and Hon. Joshi discussed the effects of the new sanitation truck laws on the total revenue derived from trucks.

Chair Zuckerman and Hon. Mihaltses commented on the overall reporting of congestion pricing revenue.

Ms. Patel commented that traffic congestion has changed in response to Hon. Sorin's question about car traffic.

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

### **Action Items**

Lisette Camilo, Chief Administrative Officer, stated that there are three MTA Headquarters items this month for Finance Committee approval in the estimated amount of \$24.1 million. These actions could be found in the April 2025 Finance Committee Book.

The first item is a request to extend 15 competitively negotiated all-agency personal service contracts for the provision of Management Consultant Services awarded to various vendors for 12 months (May 31, 2025–May 31, 2026) and to increase the aggregate amount of these contracts by an amount not to exceed \$10.3 million.

These backdrop panel contracts are established to ensure that the MTA has access to a pool of vendors and experts qualified to provide the MTA with professional advice and guidance gained from market intelligence to bolster ambitious MTA-wide initiatives. Utilization of the contracts awarded to the various vendors in the pool has demonstrated operational efficiencies, delivery of better service, and has achieved cost savings for the MTA.

The Strategic Initiatives department closely manages the use of these contracts to ensure that it provides the MTA with technical experts and industry leaders as needed, to supplement critical projects at the direction of senior leadership. These contracts are used to supplement turbo charging efforts to save money and time. All the work gets assigned through mini RFPs. Both the extension and additional funding are important to continue the provision of critical analyses and implementation support for initiatives that will ensure the MTA continues to optimize its management and operations.

The extension will also allow time to solicit and award new multiagency management consulting contracts through a competitive Request for Proposals.

The second item is a request for a five-year extension of a competitively negotiated miscellaneous service contract (May 1, 2025–May 31, 2030) awarded to Ernst & Young LLC for MTAs Governance, Risk, and Compliance (“GRC”) systems. Under this extension, Ernst & Young will provide continuous software as a service for \$4.4 million in licensing fees, and routine and emergency technical support services, including firmware updates and patches for \$4.5 million, totaling \$8.9 million.

The GRC systems (1) establish and maintain internal control programs for the MTA Corporate Compliance Department; (2) provide automated internal review processes; (3) facilitate

identification of internal control weaknesses, identify corrective actions to address program weaknesses, monitor the implementation of corrective actions; and (4) assess the adequacy of MTA's ongoing internal controls.

Ernst & Young provided an 84 percent discount below the current market rate for software-as-a-service subscriptions based on MTA's volume, and a 16.5 percent discount below the market rate for technical support and enhancement services.

The MTA project team plans to update its business requirements and survey the market for a new competitive RFP prior to the expiration of this contract. This five-year extension will provide sufficient time to transition to an alternate GRC solution.

The third item is a modification to the Cubic Transportation Systems contract to add funding for the purchase of Onboard Validation Device Enhancements in the total amount of \$4.9M.

As a result of learnings from a pilot using the onboard validation devices on buses as a fare enforcement tool in a fare collection initiative, the MTA seeks to obtain software and hardware enhancements to improve fare validation and to purchase an additional 405 devices to expand the program to other bus routes. \$3.9M is attributable to the enhancements and additional devices and approximately \$1M is attributable to two, 5-year options for continued technical support, exercisable at MTA's sole discretion.

Chair Zuckerman recused himself from the vote on the 15 competitively negotiated all-agency personal service contracts for the provision of Management Consultant Services.

Ms. Camilo commented that the procurement team negotiates discounts and pricing in response to Hon. Mihaltzes question about Ernst & Young providing an 84 percent discount to the MTA.

Upon motion duly made and seconded, the Committee voted to approve all of the action items.

## **6. INFORMATION ITEMS**

### **Annual Report on Hedged and Unhedged Variable Rate Debt**

Ms. Chernat presented the Annual Report on MTA's Hedged and Unhedged Variable Rate Debt, which could be found in the Finance Committee Book.

Ms. Chernat commented that variable-rate debt continues to be a small portion of MTA's overall debt portfolio, accounting for a modest 5% of MTA's outstanding debt. The remaining debt in MTA's debt portfolio is fixed-rate debt.

Ms. Chernat further commented that despite other large debt issuers having substantially higher amounts of variable-rate debt, the MTA is not looking to expand its variable-rate debt portfolio at this time because, over the last couple of years, issuing variable-rate debt has shown less benefit relative to fixed-rate debt.

Ms. Chernat concluded that the MTA's \$2.6 billion variable-rate portfolio continues to have a weighted average interest rate just below MTA's budgeted 4%, is diversified across different types

of variable-rate bonds, letter of credit providers, and remarketing agents, and is performing as intended.

### **Procurement**

Ms. Camilo reported that there was one information item for NYC Transit.

This item is a request that the Board formally ratify the declaration of an Immediate Operating Need and approve the award of a three-month miscellaneous service contract to Sovereign Hydroseal East Inc. for the injection of cementitious grout into the tunnel subbase underneath the track bed at Essex St. station.

There were no procurement 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 two administrative, and two transactional action items for consideration and approval.

### **Administrative Items**

The first administrative action item for New York City Transit is an authorization to acquire property interests by negotiated agreement or eminent domain for Phase 2 of the Second Avenue Subway.

The second administrative action item is also for New York City Transit and is an authorization to acquire property interests by negotiated agreement or eminent domain for the Marble Hill Substation Project in the Bronx.

### **Transactional Items**

The third item is transactional for MTA Long Island Rail Road and is a conditional designation of Gotham Organization to construct and operate a Transit Oriented Development on the former commuter parking lot at the Westbury Station.

The fourth and final transactional action item for MTA Metro-North Railroad is a license extension with LAZ Parking for the operation of commuter parking facilities at various Metro-North stations.

Miriam Harris, head of MTA's Transit Oriented Development group, was present to answer questions regarding the first administrative action item concerning Second Avenue Subway and the third action item concerning MTA LIRR.

Ms. Harris also provided an update on a recently closed transaction concerning the sale of Metro North property in the vicinity of Webster Avenue in the Bronx. The sale generated \$3.9 million for the MTA and will facilitate the construction of 550 affordable housing units. The transaction was approved by the MTA Board in February 2023 and January 2024.

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

**9. In Memoriam**

Ms. Chernat announced the passing of Marcia Tannian, Director, Finance and Investor Relations, on April 26, 2025.

**ADJOURNMENT**

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

Respectfully submitted,

Patrick Isom,  
Senior Manager, Finance and Debt Management