



May 2026

MTA Board Action Items



MTA Board Meeting

2 Broadway
20th Floor Boardroom
New York, NY 10004

Wednesday, 5/20/2026
9:00 AM - 12:00 PM ET

1. PUBLIC COMMENT PERIOD

2. PRESENTATION

3. COMMITTEE ON NYCT & BUS

a. Procurements

NYCT Board Procurement Package - Page 3

4. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAILROAD

a. Action Items

Acquisition of property along Bruckner Blvd in support of PSA project - Page 13

5. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS

6. COMMITTEE ON CAPITAL PROGRAM

a. Procurements

CPC Summary of Committee Actions - Page 14

CPC Procurements Package - Page 15

Mets Willets Staff Summary - Page 26

7. COMMITTEE ON FINANCE

a. Procurements

MTAHQ Procurement Report - Page 28

NYCT Procurements - Page 32

MTAHQ Competitive Procurement - Page 42

b. Real Estate Items

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Real Estate Action Items - Page 49

8. FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY (FMTAC)

FMTAC Annual Meeting Staff Summary (Annual Meeting Book Available in the Exhibit Book) - Page 59

2026 FMTAC Annual Board Meeting Book - Page 60

a. Action Items

FMTAC Cyber Certification - Page 145

9. COMMITTEE ON CORPORATE GOVERNANCE

a. Action Items

Staff Summary Procurement Guidelines - Page 147

10. COMMITTEE ON AUDIT

a. Action Items

i. 2025 Audited Financial Statements - Materials Distributed in Committee Book

ii. Approval of the Investment Compliance Report

11. EXECUTIVE SESSION

12. APPROVAL OF MINUTES

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New York City Transit Procurements

Sergio Paneque, Chief Procurement Officer

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$120.8M.

Staff Summary

Item Number 1			
Department, Department Head Name: Chief Procurement Officer, Sergio Paneque <i>Sergio Paneque</i>			
Internal Approvals			
Order	Approval	Order	Approval
1 X	Procurement		
2 X	Law		
3 X	Subways		
4 X	SVP OPS		
5 X	President		

SUMMARY INFORMATION	
Vendor Name N/A	Contract No. R34268
Description Expedited Change Order Procedure for the R34268 Train Procurement	
Total Amount:	
Contract Term (including Options, if any)	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To obtain authorization from the Board to use the expedited change order procedure developed pursuant to the All-Agency General Contract Procurement Guidelines (“Guidelines”) for the R34268 Train Procurement with Kawasaki Rail Car, Inc. (“Kawasaki”). This change order procedure will be the same as those previously authorized by the Board for the R34142 and all subsequent train procurements.

Discussion

The R34268 Train Procurement is for a quantity of 378 cars to replace NYC Transit’s R68 and R68A subway car fleets. As work progresses on the contract, changes may be required for legal, safety, design, or maintenance concerns or requirements. The need for these changes can be raised by either NYC Transit or the contractor. Once the need for the change is recognized, it is critical that an additional work order (“AWO”) be finalized and issued as quickly as possible. Delivery of these cars to NYC Transit is paramount, and due to the rapid rate of production of modern subway cars, any delay in the issuance of AWOs will result in additional costs associated with retrofit of already-manufactured equipment. The greater the delay in issuance of AWOs, the greater likelihood of increased costs and potential service delays due to insufficient cars available for revenue service. Cars already in service would need to be taken out of service for AWOs to be implemented.

A specific expedited change order procedure was developed, approved by the Board, and subsequently utilized for each of the R34142, R34142A, R34143 R34160, R34188, R34179, and R34211 train procurements. In July 1997, the Board first authorized the use of the expedited change order procedure as developed pursuant to the Guidelines for the R142 and R142A train procurements, and most recently in October 2018, the R34211 train procurement. The same rationale that applied to the aforementioned train procurements also applies to the R34268 train procurement.

Under normal AWO procedures, all change orders exceeding \$1 million that do not meet the Guidelines’ expedited approval requirements must be submitted to the Board through its regular processing cycle. As the R34268 order quantity is 378 cars, each R34268 change order for as little as \$2,646 per car would require Board action, potentially causing a lengthier approval process. As time is of the essence with regard to delivery of the R34268 cars, any delay in issuance of a change order could result in additional costs and delay in delivery of the cars. The Guidelines permit the Authorized Officer to enter into AWOs without Board action if there exists the risk of substantial increase in cost or delay if prompt action is not taken.

The expedited change-order procedure will enable Procurement leadership to oversee and monitor all contract changes, regardless of whether the change order is below or exceeds \$1 million. The procedure establishes specific consistent approval thresholds based on the dollar value of the change order. For all change orders with a total value of \$50,000 or more (or credits of \$50,000 or more), approval is required from the Deputy Chief Procurement Officer (“DCPO”) prior to issuance. Change orders of less than \$50,000 (or credits of less than \$50,000) can be approved by the Assistant Deputy Chief Procurement Officer (“ADCPO”). Under Procurement approval procedures, only change orders exceeding \$750,000 require approval from the DCPO, and only change orders exceeding \$500,000 require approval from the ADCPO.

Proper fiscal controls over the issuance of AWOs exist in the form of the already-established 1.5 percent budgetary contingency for R34268 AWOs. Capital Budget approval would be necessary to exceed this contingency amount. Maximum hourly personnel rates for AWO work performed by the contractor are set forth in the R34268 contract, and each AWO will comply with the rules for conducting cost/price analyses. Cost estimates related to each proposed AWO will be provided by NYC Transit’s independent engineering consultant who has extensive experience in estimating cost of materials and labor hours for railcar manufacturing and NYC Transit train procurements.

Whenever possible, an AWO’s lump-sum price will be negotiated prior to its issuance. When advance negotiations cannot be concluded, NYC Transit will issue a Change Order Directive, which obligates the contractor to commence the work. Negotiations would continue to be conducted with the goal of reaching an agreed-upon price prior to completion of work under the AWO.

Use of this expedited change order procedure will also standardize the AWO process by keeping the existing administrative process and will avoid confusion of having separate administrative AWO programs for all train procurements. The Board will be apprised of the status of the R34268 Train Procurement in regular presentations to the Capital Program Committee by the MTA, NYC Transit, and the MTA consultant as was the case for the R34142, R34142A, R34143, R34160, and R34188 train procurements, and is currently performed for the R34179 and R34211 train procurements.

Impact on Funding

No impact on funding.

Recommendation

It is recommended that the Board adopt the attached resolution to authorize the use of the expedited change order procedure developed pursuant to the Guidelines for all change orders under the R34268 Train Procurement with Kawasaki.

RESOLUTION


WHEREAS, in a Staff Summary dated May 12, 2026, the Chief Procurement Officer has recommended that the Authority be authorized to use the expedited change order process developed pursuant to the All-Agency General Contract Procurement Guidelines for the R268 Train Procurement; and

WHEREAS, the expedited process is the same as that authorized by the Board for each of the R142, R142A, R143, R160, R188, R179 and R211 Train Procurements. In July 1997, the Board first authorized the use of the expedited change order procedure for the R142 and R142A train procurements, and then most recently in October 2018 for the R211 train procurement; and

WHEREAS, as time is of the essence with regard to delivery of the R268 cars, and any delay in the issuance of a change order could result in additional costs and delay delivery of the cars, the Authority has determined that it is in the public interest to authorize the expedited process for the R268 Train Procurement as recommended in the said Staff Summary;

NOW, THEREFORE, BE IT RESOLVED, effective immediately, that the Authority is authorized to use the expedited change order process developed pursuant to the All-Agency General Contract Procurement Guidelines for all change orders under the R268 Train Procurement.

Subject Request for Authorization to Award Various Procurements					
Department MTA Procurement					
Department Head Name Sergio Paneque					
Department Head Signature <i>Sergio Paneque</i>					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	05/20/26			
2	Board	05/20/26			

May 12, 2026			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	SVP Buses
X	CFO	X	Subways
X	Law	X	Diversity/Civil Rights

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE
To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.

DISCUSSION
NYC Transit proposes to award Noncompetitive Procurements in the following categories:
Procurements Requiring Two-Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 120.8 M

NYC Transit proposes to award Competitive procurements in the following categories: None
NYC Transit proposes to award Ratifications in the following categories: None

TOTAL	1	\$ 120.8 M
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COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

WHEREAS, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

WHEREAS, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract Procurement Guidelines the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number:

Vendor Name (Location) Motor Coach Industries, Inc. (Pembina, North Dakota)	Contract Number B40721	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Furnish and Deliver 92 Clean Diesel Over-the-Road Express Buses	Total Amount: \$120,821,133 (estimated amount)	
Contract Term (including Options, if any) 100 months from Notice of Award	Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Requesting Department: Department of Buses, Frank Farrell	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source		

Discussion:

NYC Transit requests that the Board waive formal competitive bidding and approve the purchase of 92 over-the-road express clean diesel buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training from Motor Coach Industries, Inc. (“MCI”) in the total estimated amount of \$120,821,133.

The buses under this contract will replace existing aging buses that have reached the end of their 12-year service and will operate out of NYC Transit depots in Staten Island. A sole-/single-/unique-source notification was publicly advertised pursuant to Public Authorities Law, Section 1209, subdivision 9(b) for this procurement in the *New York State Contract Reporter* and the *Daily News*. No other firm responded to NYC Transit indicating that it could provide the requirements as advertised.

MCI submitted a proposal in February 2025. Negotiations, centering on cybersecurity, pricing, delivery, alternate proposals, exceptions/deviations/clarifications to the technical specifications as well as terms and conditions, were conducted between December 2025 and March 2026. MCI’s Best and Final Offer (“BAFO”) was received on March 27, 2026.

Delivery of the production buses will start in Q4 2028 and be completed in Q4 2029.

The total contract award of \$120,821,133 will consist of \$117,400,194 for the 92 clean diesel buses (\$1,276,089/bus) \$2,229,132 for manuals, diagnostic tools, and testing; \$988,975 for an estimated quantity of training; and \$202,832 for capital spares. These buses will be outfitted with new features including driver enclosure, Collision Avoidance System with Intelligent Pedestrian Turn Warning, OMNY, and Automated Camera Enforcement. The final price has been deemed fair and reasonable by the Cost Price Analysis Unit with assistance from MTA Audit Services.

There is reasonable assurance that MCI is financially qualified to perform the work required under this contract.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. MCI has not committed to all of the MTA’s cybersecurity requirements but has agreed to review its cybersecurity framework to continuously improve its cybersecurity protections throughout the term of the contract.

MCI has certified that pursuant to Executive Order No. 16, it is not doing business in Russia.

This contract is subject to review and approval of the Office of the New York State Comptroller (“OSC”) and award will not be made prior to OSC approval.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established zero percent MWBE and zero percent SDVOB goals on this contract as, historically, there has been limited M/WBE/SDVOB attainment due to lack of subcontracting availability.

Impact on Funding

The contract will be funded with 100 percent MTA funds. Funds for this project have been approved in the MTA 2020–2024 and 2025–2029 Capital Programs. No award shall be made until a WAR certificate has been secured.

Alternatives

There are no alternatives.

Recommendation

To request that the Board waive formal competitive bidding and approve the purchase of 92 over-the-road express buses from MCI in the total estimated amount of \$120,821,133.

Staff Summary

Subject ACQUISITION OF PROPERTY ALONG BRUCKNER BOULEVARD IN THE BRONX IN SUPPORT OF THE PENN STATION ACCESS PROJECT
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ANGELA SZU

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Committee	05/20/26		X	
2	Finance Committee	05/20/26	X		
3	Board	05/20/26	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority ("MTA")
SELLER: New York State Department of Transportation ("NYSDOT")
LOCATION: A portion of the Bruckner Boulevard right-of-way between Southern Boulevard and East 144th Street, Bronx, NY
PREMISES: 8,544± square feet of property consisting of a portion of NYSDOT's Map 29, Parcel 71 to be conveyed as Map 74-C, Parcel 118
USE: Construction, operation and maintenance of an electric power substation
ACTION REQUESTED: Authorization to acquire the Premises
COMPENSATION: \$1,200,000

COMMENTS:

The MTA, acting through MTA Construction and Development ("MTAC&D"), is undertaking to bring MNR service from the Bronx to Penn Station (the "Project"). As part of the Project, MTA C&D is modernizing portions of Amtrak's railroad infrastructure on its Hell Gate Line by realigning tracks, optimizing overhead catenary systems, building electrical power systems inclusive of substations, replacing and installing signal equipment along the Hell Gate Line, and constructing four (4) new MNR passenger stations along said line.

An upgrade to the power systems will be needed at various sites along the corridor to provide adequate power for the expected increase in train traffic. At the Location, a new electric substation is needed to support the additional AC power demands on the railroad right-of-way.

NYSDOT has determined the compensation for the Property to be \$1,200,000, which is less than MTA's appraisal.

Based on the foregoing, MTA Real Estate requests authorization for the MTA to enter into a sales agreement with NYSDOT and to acquire the Property on the above-described terms and conditions.

**CONSTRUCTION & DEVELOPMENT
COMMITTEE ACTIONS
SUMMARY for MAY 2026**

Responsible Department	Vendor Name	Total Amount	Summary of Action
Contracts	RCC/GCCOM A Joint Venture LLC	\$36,589,000	Approval to award a publicly advertised and competitively solicited contract for design-build services for the replacement of three bridges on Long Island Rail Road's Montauk Branch.
Contracts	In House Group, Inc.	\$75,000	Ratification of a modification for the replacement of additional sidewalk and the construction of additional retaining wall.
Contracts	Turner & Townsend, Inc.	\$2,406,313	Ratification of a modification to continue to support the development of processes, policies, procedures and manuals for the delivery of the MTA's Capital Program through February 26, 2027.
Contracts	S&P Construction Management, Inc.	\$582,550	Ratification of a modification for various civil, mechanical and electrical work at the RFK Fleet Garage and to extend the Substantial Completion date by 12 months to April 22, 2027.
Contracts/TOD	Queens Future, LLC	\$1,810,621	Approval to enter into a Design Agreement for state of good repair inspection and design services for the Mets-Willets Point Station.

Contracts Department

Evan Eisland, Executive Vice President and General Counsel

**PROCUREMENT PACKAGE
MAY 2026**

PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed expenditure of \$ 39.7 M.

Staff Summary

Subject Request Authorization for Several Procurement Actions					
Contracts Department Evan Eisland, Executive Vice President and General Counsel					
Board Action					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	5/20/26	X		
2	Board	5/20/26	X		

Date: May 15, 2026			
Internal Approvals			
	Approval		Approval
X	Deputy Chief Development Officer, Delivery	X	President
X	Deputy Chief Development Officer, Development	X	Executive Vice President & General Counsel

Purpose

To obtain the approval of the Board to award several procurement actions and to inform the Capital Program Committee of these procurement actions.

Discussion

MTA Construction & Development proposes to award Competitive Procurements in the following categories:

<u>Schedules Requiring Two-Thirds Vote</u>	<u># of Actions</u>	<u>\$</u>	<u>Amount</u>
C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)	1	\$	36,589,000
SUBTOTAL	1	\$	36,589,000

MTA Construction & Development proposes to ratify awards in the following category:

<u>Schedules Requiring Majority Vote</u>	<u># of Actions</u>	<u>\$</u>	<u>Amount</u>
K. Ratification of Completed Procurement Actions	3	\$	3,063,863
SUBTOTAL	3	\$	3,063,863
TOTAL	4	\$	39,652,863

Budget Impact

The approval of these procurement actions will obligate capital and operating funds in the amounts listed. Funds are available in the capital program and operating budgets for this purpose.

Recommendation

That the procurement actions be approved as proposed. (The items are included in the resolution of approval at the beginning of the Procurement Section.)

MTA Construction & Development

BOARD RESOLUTION

WHEREAS, in accordance with Sections 559, 2879, 1209 and 1265-a of the Public Authorities Law and the All Agency General Contract Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Service Contract Procurement Guidelines and the All Agency General Contract Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts set forth in Schedule C for which a recommendation is made to award the contract), the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

MAY 2026

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

Schedule C. Competitive Requests for Proposals (Award of Purchase and Public Work Contracts)

(Staff Summaries required for all items requiring Board approval.)

- | | | | |
|----|--|---------------------|--------------------------------------|
| 1. | RCC/GCCOM A Joint Venture LCC
Contract No. 6532 | \$36,589,000 | <u>Staff Summary Attached</u> |
|----|--|---------------------|--------------------------------------|

MTA Construction and Development requests Board approval to award a publicly advertised and competitively solicited contract for design-build services for the replacement of three bridges on Long Island Rail Road's Montauk Branch.

Staff Summary

Schedule C: Competitive Requests for Proposals (Award of Purchase and Public Works Contracts)

Item Number 1					
Department, Department Head Name: Delivery, LIRR, Daniel Romeo, Vice President					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	5/20/26	X		
2	Board	5/20/26	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		

SUMMARY INFORMATION	
Vendor Name	Contract Number
RCC/GCCOM A Joint Venture LCC	6532
Description	
Design-Build Services for Replacement of East End Bridges	
Total Amount	
1. Design Build Contract	\$36,589,000
2. Stipend	\$300,000
Contract Term (including Options, if any)	
721 Calendar Days	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type	
<input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type	
<input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source	
<input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

ACTION REQUESTED

MTA Construction & Development (“C&D”) requests Board approval to award a publicly advertised and competitively solicited contract for design-build services for the replacement of three bridges on the Long Island Rail Road (“LIRR”) Montauk Branch (the “Contract”) to RCC/GCCOM A Joint Venture LLC (“RGJV”), a joint venture between Railroad Construction Company, Inc. and GCCOM Construction Company, Inc. The Contract is in the amount of \$36,589,000 and for a duration of 721 Calendar Days. In accordance with MTA policy regarding the use of design-build contracts, and to enhance competition and defray proposal costs, this solicitation includes a stipend of \$100,000 to be paid to each of the three unsuccessful proposers for a total amount of \$300,000.

DISCUSSION

This Contract is to replace three existing roadway bridges over LIRR’s Montauk Branch, the River Avenue and Sagg Road bridges in the town of Southampton and the Cranberry Hole Road bridge in the town of East Hampton, New York. The three bridges are all over 100 years old with significant deterioration. The River Avenue and Cranberry Hole Road bridges are currently closed to vehicular traffic and the Sagg Road bridge is currently restricted to loads under five tons. The work consists of demolishing the existing roadway bridges and designing and constructing new roadway bridges. Additionally, the work includes roadway approach work to accommodate the new bridge structures and construction of a drainage system at each of the three locations.

A two-step procurement process was conducted for this Contract. In Step 1, a Request for Qualifications was advertised resulting in the submission of nine Statements of Qualifications, which were then evaluated against pre-established Threshold Criteria (addressing completeness, timeliness, capacity, responsibility, and financial capability) and Substantive Evaluation Criteria (addressing team, key personnel and organization, project approach, prior experience, past performance and diversity compliance). Based on these criteria, the following four firms were selected to receive a Request for Proposal (“RFP”) in Step 2:

- RGJV,
- Civetta-Northeast JV (“Civetta-Northeast”), a Joint Venture between John Civetta & Sons, Inc. and Northeast Structural Steel, Inc.,
- H&L Contracting LLC (“H&L”), and
- Posillico Civil, Inc. (“Posillico”).

In response to the RFP, Civetta-Northeast, H&L, Posillico, and RGJV all submitted technical and price proposals. The selection committee, consisting of representatives from C&D Delivery, Development, and Contracts, reviewed the technical proposals and attended the oral presentations of each of the four teams. The selection committee evaluated the technical proposals using the following preestablished selection criteria: design and construction, schedule, management plan, experience, record of performance, safety and quality, diversity practices, and other relevant matters. After evaluating technical proposals, the selection committee opened the price proposals which were as follows: Civetta-Northeast: \$43,417,500; H&L: \$49,996,000; Posillico: \$40,118,819; and RGJV: \$36,589,000.

After reviewing the price proposals, the selection committee invited Posillico and RGJV for negotiations. Civetta-Northeast and H&L were not invited as their proposals were outside of the competitive range. Following negotiations, Posillico submitted a Best and Final Offer (“BAFO”) in the amount of \$39,923,619, while RGJV confirmed its initial Price Proposal of \$36,589,000.

The selection committee unanimously recommended RGJV for award of the Contract. In addition to providing the lowest price, the selection committee determined that RGJV’s proposal offered the best value to the MTA in light of the quality of its technical proposal. RGJV’s proposal included adjusted roadway profiles that reduced utility relocation work. Additionally, its proposal reduced Railroad-supplied services needed for the project, including a proposed track barrier implementation plan that will reduce flagging needs and a technical approach to demolish and install the bridges without the need for track outages. RGJV’s BAFO of \$36,589,000 is deemed to be fair and reasonable.

In connection with the review of RGJV and its joint venture partners’, Railroad Construction Company, Inc. and GCCOM Construction Company, Inc., responsibility pursuant to the All-Agency Responsibility Guidelines, no significant adverse information was discovered and RGJV and its joint venture partners are determined to be responsible vendors.

DBE/MBE/WBE/SDVOB/Local Hiring Information

The MTA Department of Diversity and Civil Rights has established an MBE goal of 15%, WBE goal of 15%, and SDVOB goal of 6% for the Contract. RGJV is committed to meeting the goals requirements. RGJV has not recently completed any MTA contracts with goals; therefore, no assessment of the performance is available at this time.

IMPACT ON FUNDING

Funding for the Contract and the stipend for the unsuccessful proposer is included in the MTA’s 2020-2024 Capital Programs.

ALTERNATIVES

None recommended. MTA lacks available in-house technical personnel to perform the scope of work associated with this Contract.

MAY 2026

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule K. Ratification of Completed Procurement Actions (Involving Schedule E – J)

(Staff Summaries required for all items requiring Board approval)

- | | | | |
|-----------|---|-----------------|--------------------------------------|
| 2. | In House Group, Inc.
Contract No. 1000197600 | \$75,000 | <u>Staff Summary Attached</u> |
|-----------|---|-----------------|--------------------------------------|

MTA Construction and Development requests Board ratification of a modification for the replacement of additional sidewalk and the construction of additional retaining wall.

- | | | | |
|-----------|--|--------------------|--------------------------------------|
| 3. | Turner & Townsend, Inc.
Contract No. CS00017C | \$2,406,313 | <u>Staff Summary Attached</u> |
|-----------|--|--------------------|--------------------------------------|

MTA Construction and Development requests Board ratification of a modification to continue to support the development of processes, policies, procedures and manuals for the delivery of the MTA's Capital Program through February 26, 2027.

- | | | | |
|-----------|--|------------------|--------------------------------------|
| 4. | S&P Construction Management, Inc.
Contract No. RKC-2302 | \$582,550 | <u>Staff Summary Attached</u> |
|-----------|--|------------------|--------------------------------------|

MTA Construction and Development requests Board ratification of a modification for various civil, mechanical and electrical work at the RFK Fleet Garage and to extend the Substantial Completion date by 12 months to April 22, 2027.

Staff Summary

Schedule K: Ratification of Completed Procurement Action

Item Number: **2**

Vendor Name (& Location) In House Group, Inc.
Description Installation of Bike Racks at 14 Metro North Stations and Sidewalk Reconstruction at Hastings-0n-Hudson Station
Contract Term (including Options, if any) April 3, 2025 to February 3, 2026
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Dept/Div & Dept/Div Head Name: Delivery, Mark Roche, Deputy Chief Development Officer

Contract Number 1000197600	AWO/Modification # 01
Original Amount:	\$ 679,075
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 679,075
This Request:	\$ 75,000
% of This Request to Current Amount:	11%
% of Modifications (including This Request) to Original Amount:	11%

DISCUSSION:

This Contract, awarded under the MTA’s Small Business Mentoring Program, provides for the installation of bicycle racks and related work at 14 Metro-North Stations on the Harlem, Hudson, Pascack Valley, and Port Jervis Lines. MTA Construction and Development (“C&D”) requests that the Board approve Modification No. 01 for the replacement of additional sidewalk and construction of additional retaining wall.

At the Hastings-on-the-Hudson Station, in addition to the installation of bicycle racks, the work includes sidewalk and retaining wall reconstruction. Due to recurring flooding events that occurred in late August 2021, additional sections of the retaining wall collapsed, causing the subgrade to washout, compromising additional areas of the sidewalk. Field surveys confirmed that both the north and south ends of the project area exhibited deterioration and loss of subgrade support that extends beyond the Contract limits.

To address this deterioration, C&D’s project management recommended replacing approximately 22 linear feet of additional sidewalk and 12 linear feet of additional retaining wall. To mitigate any further delays and eliminate additional costs for remobilization to the area, authorization was obtained from the President of C&D, to allow the contractor to commence work up to a not-to-exceed amount of \$33,000.

The Contractor submitted a cost proposal in the amount of \$194,143.40. Negotiations resulted in agreement on a lump sum price of \$75,000, which is considered fair and reasonable. This modification is being presented to the Board pursuant to Article 8 of the All-Agency General Contract Procurement Guidelines because it increases the total contract price by more than ten percent of the original value.

Staff Summary

Schedule K: Ratification of Completed Procurement Actions

Item Number: **3**

Vendor Name (& Location) Turner & Townsend, Inc.	
Description MTA C&D Delivery Program and Project Controls Consultant	
Contract Term (including Options, if any) January 22, 2024, to April 28, 2026	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Delivery, Mark Roche, Deputy Chief Development Officer	

Contract Number CS00017C	AWO/Modification # 4
Original Amount:	\$ 5,415,670
Prior Modifications:	\$ 462,745
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 5,878,415
This Request:	\$ 2,406,313
% of This Request to Current Amount:	40.9%
% of Modifications (including This Request) to Original Amount:	48.8%

Discussion:

This Contract, which was awarded to Turner & Townsend, Inc. (“T&T”) on January 22, 2024, provides for the development of processes, policies, procedures and manuals in support of the delivery of the MTA’s Capital Program. MTA Construction and Development (“C&D”) requests Board ratification of a modification, in the not-to-exceed amount of \$2,406,313, to supplement and continue providing these services through February 26, 2027.

Pursuant to this Modification, T&T will provide technical training on the new Project Controls manual, provide support in implementing the manual, and develop additional standards and procedures for project management activities to be incorporated into the manual. These efforts will support C&D’s objective to standardize processes, improve project controls, and enhance interdepartmental coordination.

T&T submitted its cost proposal in the amount of \$2,558,079. Negotiations yielded a final price of \$2,406,313, which is considered fair and reasonable. To prevent any interruptions in service, authorization was obtained from the President of C&D in the not-to-exceed amount of \$500,000 for the Consultant to commence the work under this Contract extension while this modification is being processed.

Staff Summary

Schedule K: Ratification of Completed Procurement Action

Item Number: **4**

Vendor Name (& Location) S&P Construction Management, Inc.	
Description RFK Fleet Garage Exit Corridor Repairs, Randall's Island	
Contract Term (including Options, if any) January 24, 2025 – April 26, 2026	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Delivery, Mark Roche, Deputy Chief Development Officer	

Contract Number RKC-2302	AWO/Modification # 01
Original Amount:	\$ 2,725,000
Prior Modifications:	\$ 0
Prior Budgetary Increases:	\$ 0
Current Amount:	\$ 2,275,000
This Request:	\$ 582,550
% of This Request to Current Amount:	21%
% of Modifications (including This Request) to Original Amount:	21%

DISCUSSION:

The Contract, awarded under the MTA's Small Business Mentoring Program, provides for the rehabilitation and repair of exit corridors and miscellaneous spaces in MTA Bridges and Tunnels' RFK Fleet Garage at Randall's Island. MTA Construction and Development ("C&D") requests Board ratification of a modification for various civil, mechanical and electrical work at the RFK Fleet Garage and to extend the Substantial Completion date by 12 months to April 22, 2027.

Post-award surveys conducted by the Contractor identified differing site conditions and other discrepancies between the Contract drawings and actual field conditions. A joint survey with C&D's project management and the contractor confirmed these issues and C&D issue revised Contract drawings to provide for, among other things: (1) new sloped base slabs with additional floor drains and a new sump pump to maintain proper drainage; and (2) replacement of the fuel canopy roof due to excessive deterioration of the existing roof and underpinning to support the new canopy roof. Additionally, certain elements of the work were deleted from the scope of the project because, in light of the differing site conditions, they were not feasible to include. In particular, a new door and stair was removed from the scope of the Contract as was the installation of a steel canopy structure over the north corridor and three drywells. These changes appear to be the result of in-house design errors or omissions. C&D's Delivery Service Office is evaluating the cause of these issues in order to prevent similar issues from recurring.

This modification will address both the added work and the deleted work and also compensate the contractor for 12 months of delay caused by the need to redesign the elements of work affected by the site conditions.

The Contractor submitted cost proposals totaling \$324,447.49 for the additional work and \$328,543.35 for impact costs totaling \$652,990.84. Negotiations resulted in agreement on a lump sum price of \$582,550, comprised of \$273,461 for the additional work and \$309,089 for impact costs associated with the delay, which is considered fair and reasonable. This modification also includes an extension of the date of Substantial Completion by 12 months from April 26, 2026 to April 22, 2027. This modification is being presented to the Board pursuant to Article 8 of the All-Agency General Contract Procurement Guidelines because it increases the total contract price by more than ten percent of the original value.

Staff Summary

Subject METS-WILLETTS POINT STATION STATE OF GOOD REPAIR DESIGN SERVICES
Department CONSTRUCTION & DEVELOPMENT
Department Head Name JAMIE TORRES-SPRINGER
Department Head Signature
Project Manager Name WILLIAM MONTANILE

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	3/20/26	X		
2	Board	3/20/26	X		
3	Finance	3/20/26		X	

Internal Approvals			
Order	Approval	Order	Approval
X	Legal		
X	Chief Development Officer		
X	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority (“MTA”), MTA Construction and Development (“C&D”)

AWARDEE/GRANTEE: Queens Future, LLC (“Queens Future” or the “Developer”)

LOCATION: Mets-Willets Point Station on the IRT Flushing Line (“Station”)

ACTION REQUESTED: Approval to enter into a Design Agreement for State of Good Repair Inspection and Design Services

AMOUNT: \$1,810,621

COMMENTS:

In December 2025, Queens Future, a joint venture consisting of Hard Rock Casino and Steve Cohen, owner of the New York Mets, was awarded one of three downstate gaming licenses by the New York State Gaming Commission. The proposed project will include a casino gaming facility, hotel, live music venue, public park, food hall and multiple garages. The majority of the project will be located on the parking lots located north of Roosevelt Avenue and some facilities, including a parking garage and recreational fields will be located on the parking lots south of Roosevelt Avenue. In connection with that gaming license, Queens Future has committed to pay for and construct improvements to make the Mets-Willets Point Subway Station fully ADA-accessible along with other Station improvements, including a major renovation to the Station mezzanine level and the replacement of windscreens, lighting, and painting of the mezzanine, platforms and canopies and to complete those improvements prior to the issuance of a temporary or other certificate of occupancy for any portion of the project, including the opening of gaming operations. The Developer and its consultants are currently working with MTA on advancing the design of the station improvements.

In 2023, MTA retained the engineering firm STV, Inc. (“STV”) to inspect the Station and to generate an inspection report. A state of good repair report for the Station was subsequently prepared from that information. This report summarizes architectural and structural deficiencies at the Station and include STV’s recommendations to remedy the various

CAPITAL PROGRAM COMMITTEE MEETING

Mets-Willets Point Station State of Good Repair Design Services

deficiencies observed. In order to advance the work to remedy these deficiencies, further detailed inspections and a design are required.

Queens Future has also retained STV as the designer for its project and for the Station improvements that it is obligated to perform as a condition of its gaming license. Given the timing of that project, and the need to look at the entire station comprehensively in developing a design that will address both the work that Queens Future is obligated to perform and the state of good repair work that MTA needs performed, Queens Future has agreed to include the detailed inspection and design services for the MTA's state of good repair work in its contract with STV for its project. Procuring these design services under a single contract will allow for them to be analyzed in a coordinated, expeditious and cost-efficient manner.

C&D requested that Queens Future provide a proposal for STV to perform MTA's state of good repair inspection and design services. The deliverables will include an updated inspection report, conceptual design, 60% design and 100% design documents. In response, Queens Future provided a proposal for STV to provide those services in the amount of \$1,862,647. Negotiations resulted in a negotiated price of \$1,810,621 and confirmed STV's technical approach and deliverables. MTA C&D has determined this amount to be fair and reasonable.

RECOMMENDATION:

Based on the foregoing, C&D recommends and requests that the Board approve entering into a Design Agreement with Queens Future which will allow for STV to provide the design services for MTA's state of good repair work at the Station.



MTA Headquarters Procurements

Sergio Paneque, Chief Procurement Officer

PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$11.0M.

Subject	Request for Authorization to Award Various Procurements				
Department	MTA Procurement				
Department Head Name	Sergio Paneque				
Department Head Signature	<i>Sergio Paneque</i>				
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	05/20/26			
2	Board	05/20/26			

May 15, 2026			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	CAO		
	Legal		
	CFO		

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE

To obtain approval of the Board to award various contracts and purchase orders, and to inform the MTA Headquarters Committee of these procurement actions.

DISCUSSION

MTA Headquarters proposes to award Noncompetitive procurements in the following categories: None

MTA Headquarters proposes to award Competitive procurements in the following categories:

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule F: Personal Service Contracts	1	\$ 11.0 M

MTA Headquarters proposes to award Ratifications in the following categories: None

TOTAL	\$ 11.0 M
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COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

WHEREAS, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

WHEREAS, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract Procurement Guidelines the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

New York City Transit Procurements

Sergio Paneque, Chief Procurement Officer

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$120.8M.

Staff Summary

Item Number 1			
Department, Department Head Name: Chief Procurement Officer, Sergio Paneque <i>Sergio Paneque</i>			
Internal Approvals			
Order	Approval	Order	Approval
1 X	Procurement		
2 X	Law		
3 X	Subways		
4 X	SVP OPS		
5 X	President		

SUMMARY INFORMATION	
Vendor Name N/A	Contract No. R34268
Description Expedited Change Order Procedure for the R34268 Train Procurement	
Total Amount:	
Contract Term (including Options, if any)	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

To obtain authorization from the Board to use the expedited change order procedure developed pursuant to the All-Agency General Contract Procurement Guidelines (“Guidelines”) for the R34268 Train Procurement with Kawasaki Rail Car, Inc. (“Kawasaki”). This change order procedure will be the same as those previously authorized by the Board for the R34142 and all subsequent train procurements.

Discussion

The R34268 Train Procurement is for a quantity of 378 cars to replace NYC Transit’s R68 and R68A subway car fleets. As work progresses on the contract, changes may be required for legal, safety, design, or maintenance concerns or requirements. The need for these changes can be raised by either NYC Transit or the contractor. Once the need for the change is recognized, it is critical that an additional work order (“AWO”) be finalized and issued as quickly as possible. Delivery of these cars to NYC Transit is paramount, and due to the rapid rate of production of modern subway cars, any delay in the issuance of AWOs will result in additional costs associated with retrofit of already-manufactured equipment. The greater the delay in issuance of AWOs, the greater likelihood of increased costs and potential service delays due to insufficient cars available for revenue service. Cars already in service would need to be taken out of service for AWOs to be implemented.

A specific expedited change order procedure was developed, approved by the Board, and subsequently utilized for each of the R34142, R34142A, R34143 R34160, R34188, R34179, and R34211 train procurements. In July 1997, the Board first authorized the use of the expedited change order procedure as developed pursuant to the Guidelines for the R142 and R142A train procurements, and most recently in October 2018, the R34211 train procurement. The same rationale that applied to the aforementioned train procurements also applies to the R34268 train procurement.

Under normal AWO procedures, all change orders exceeding \$1 million that do not meet the Guidelines’ expedited approval requirements must be submitted to the Board through its regular processing cycle. As the R34268 order quantity is 378 cars, each R34268 change order for as little as \$2,646 per car would require Board action, potentially causing a lengthier approval process. As time is of the essence with regard to delivery of the R34268 cars, any delay in issuance of a change order could result in additional costs and delay in delivery of the cars. The Guidelines permit the Authorized Officer to enter into AWOs without Board action if there exists the risk of substantial increase in cost or delay if prompt action is not taken.

The expedited change-order procedure will enable Procurement leadership to oversee and monitor all contract changes, regardless of whether the change order is below or exceeds \$1 million. The procedure establishes specific consistent approval thresholds based on the dollar value of the change order. For all change orders with a total value of \$50,000 or more (or credits of \$50,000 or more), approval is required from the Deputy Chief Procurement Officer (“DCPO”) prior to issuance. Change orders of less than \$50,000 (or credits of less than \$50,000) can be approved by the Assistant Deputy Chief Procurement Officer (“ADCPO”). Under Procurement approval procedures, only change orders exceeding \$750,000 require approval from the DCPO, and only change orders exceeding \$500,000 require approval from the ADCPO.

Proper fiscal controls over the issuance of AWOs exist in the form of the already-established 1.5 percent budgetary contingency for R34268 AWOs. Capital Budget approval would be necessary to exceed this contingency amount. Maximum hourly personnel rates for AWO work performed by the contractor are set forth in the R34268 contract, and each AWO will comply with the rules for conducting cost/price analyses. Cost estimates related to each proposed AWO will be provided by NYC Transit’s independent engineering consultant who has extensive experience in estimating cost of materials and labor hours for railcar manufacturing and NYC Transit train procurements.

Whenever possible, an AWO’s lump-sum price will be negotiated prior to its issuance. When advance negotiations cannot be concluded, NYC Transit will issue a Change Order Directive, which obligates the contractor to commence the work. Negotiations would continue to be conducted with the goal of reaching an agreed-upon price prior to completion of work under the AWO.

Use of this expedited change order procedure will also standardize the AWO process by keeping the existing administrative process and will avoid confusion of having separate administrative AWO programs for all train procurements. The Board will be apprised of the status of the R34268 Train Procurement in regular presentations to the Capital Program Committee by the MTA, NYC Transit, and the MTA consultant as was the case for the R34142, R34142A, R34143, R34160, and R34188 train procurements, and is currently performed for the R34179 and R34211 train procurements.

Impact on Funding

No impact on funding.

Recommendation

It is recommended that the Board adopt the attached resolution to authorize the use of the expedited change order procedure developed pursuant to the Guidelines for all change orders under the R34268 Train Procurement with Kawasaki.

RESOLUTION


WHEREAS, in a Staff Summary dated May 12, 2026, the Chief Procurement Officer has recommended that the Authority be authorized to use the expedited change order process developed pursuant to the All-Agency General Contract Procurement Guidelines for the R268 Train Procurement; and

WHEREAS, the expedited process is the same as that authorized by the Board for each of the R142, R142A, R143, R160, R188, R179 and R211 Train Procurements. In July 1997, the Board first authorized the use of the expedited change order procedure for the R142 and R142A train procurements, and then most recently in October 2018 for the R211 train procurement; and

WHEREAS, as time is of the essence with regard to delivery of the R268 cars, and any delay in the issuance of a change order could result in additional costs and delay delivery of the cars, the Authority has determined that it is in the public interest to authorize the expedited process for the R268 Train Procurement as recommended in the said Staff Summary;

NOW, THEREFORE, BE IT RESOLVED, effective immediately, that the Authority is authorized to use the expedited change order process developed pursuant to the All-Agency General Contract Procurement Guidelines for all change orders under the R268 Train Procurement.

Subject Request for Authorization to Award Various Procurements					
Department MTA Procurement					
Department Head Name Sergio Paneque					
Department Head Signature <i>Sergio Paneque</i>					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	05/20/26			
2	Board	05/20/26			

May 12, 2026			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	SVP Buses
X	CFO	X	Subways
X	Law	X	Diversity/Civil Rights

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE
To obtain approval of the Board to award various contracts and purchase orders, and to inform the NYC Transit Committee of these procurement actions.

DISCUSSION
NYC Transit proposes to award Noncompetitive Procurements in the following categories:
Procurements Requiring Two-Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 120.8 M

NYC Transit proposes to award Competitive procurements in the following categories: None
NYC Transit proposes to award Ratifications in the following categories: None

TOTAL	1	\$ 120.8 M
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COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

WHEREAS, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

WHEREAS, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract Procurement Guidelines the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number:

Vendor Name (Location) Motor Coach Industries, Inc. (Pembina, North Dakota)	Contract Number B40721	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Furnish and Deliver 92 Clean Diesel Over-the-Road Express Buses	Total Amount: \$120,821,133 (estimated amount)	
Contract Term (including Options, if any) 100 months from Notice of Award	Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Requesting Department: Department of Buses, Frank Farrell	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive		
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source		

Discussion:

NYC Transit requests that the Board waive formal competitive bidding and approve the purchase of 92 over-the-road express clean diesel buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training from Motor Coach Industries, Inc. (“MCI”) in the total estimated amount of \$120,821,133.

The buses under this contract will replace existing aging buses that have reached the end of their 12-year service and will operate out of NYC Transit depots in Staten Island. A sole-/single-/unique-source notification was publicly advertised pursuant to Public Authorities Law, Section 1209, subdivision 9(b) for this procurement in the *New York State Contract Reporter* and the *Daily News*. No other firm responded to NYC Transit indicating that it could provide the requirements as advertised.

MCI submitted a proposal in February 2025. Negotiations, centering on cybersecurity, pricing, delivery, alternate proposals, exceptions/deviations/clarifications to the technical specifications as well as terms and conditions, were conducted between December 2025 and March 2026. MCI’s Best and Final Offer (“BAFO”) was received on March 27, 2026.

Delivery of the production buses will start in Q4 2028 and be completed in Q4 2029.

The total contract award of \$120,821,133 will consist of \$117,400,194 for the 92 clean diesel buses (\$1,276,089/bus) \$2,229,132 for manuals, diagnostic tools, and testing; \$988,975 for an estimated quantity of training; and \$202,832 for capital spares. These buses will be outfitted with new features including driver enclosure, Collision Avoidance System with Intelligent Pedestrian Turn Warning, OMNY, and Automated Camera Enforcement. The final price has been deemed fair and reasonable by the Cost Price Analysis Unit with assistance from MTA Audit Services.

There is reasonable assurance that MCI is financially qualified to perform the work required under this contract.

The contract resulting from this procurement has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. MCI has not committed to all of the MTA’s cybersecurity requirements but has agreed to review its cybersecurity framework to continuously improve its cybersecurity protections throughout the term of the contract.

MCI has certified that pursuant to Executive Order No. 16, it is not doing business in Russia.

This contract is subject to review and approval of the Office of the New York State Comptroller (“OSC”) and award will not be made prior to OSC approval.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established zero percent MWBE and zero percent SDVOB goals on this contract as, historically, there has been limited M/WBE/SDVOB attainment due to lack of subcontracting availability.

Impact on Funding

The contract will be funded with 100 percent MTA funds. Funds for this project have been approved in the MTA 2020–2024 and 2025–2029 Capital Programs. No award shall be made until a WAR certificate has been secured.

Alternatives

There are no alternatives.

Recommendation

To request that the Board waive formal competitive bidding and approve the purchase of 92 over-the-road express buses from MCI in the total estimated amount of \$120,821,133.

Item Number			
Department, Department Head Name:			
Acting Chief Safety Officer, Lisette Camilo			
Internal Approvals			
Order	Approval	Order	Approval
1	Procurement	6	
2	CFO		
3	Legal		
4	DDCR		
5	CAO		

SUMMARY INFORMATION	
Vendor Name ABC Engineering of NY, P.C. d/b/a Benesch Engineering	Contract No. 16153-0100
Description Engineering Assessment of MTA Railway-Highway Grade Crossings	
Total Amount: \$10,981,057 (not to exceed) \$7,483,119 (Base) \$3,497,938 (Option years)	
Contract Term (including Options, if any) Three years + two 1-year options	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

Purpose

Board approval is sought to award a competitively negotiated personal service contract to ABC Engineering of NY, P.C. d/b/a Benesch Engineering (“Benesch” or “Benesch Engineering”) to provide independent multidisciplinary engineering assessments of MTA railway-highway grade crossings on an as-needed basis for a period of three years with two 1-year options (June 1, 2026–May 31, 2031) for a maximum not-to-exceed amount of \$10,981,057. It is also requested that the Board authorize the MTA Assistant Deputy Chief Procurement Officer to approve the exercise of the two 1-year options, pending availability of funding.

Discussion

The safety of the public and customers is central to the MTA’s mission. Long Island Rail Road (“LIRR”) and Metro-North Railroad (“MNR”) operate approximately 440 public grade crossings across the region. These locations represent critical interfaces between rail and roadway systems and require ongoing evaluation to reduce the risk of train-vehicle incidents, injuries, and fatalities.

To support this effort, the MTA engages an independent engineering consultant to perform systemwide, multidisciplinary crossing assessments. These assessments evaluate roadway geometry, traffic conditions, train operations, signal and warning systems, and surrounding land use to identify safety risks and develop targeted improvement recommendations. The work also supports coordination with state and local roadway authorities responsible for traffic control devices, roadway design, and adjacent infrastructure.

This contract serves as a foundational element of MTA’s grade crossing safety strategy. It provides the technical analysis and diagnostics necessary to:

- Identify and prioritize high-risk crossings,
- Develop improvement concepts and safety treatments, and
- Support capital project development and competitive grant applications.

The MTA has maintained a contract with the incumbent, Benesch, since 2021. Performance under the current contract has been satisfactory, with approximately 110 crossings assessed to date. Benesch has consistently delivered work on time and within budget, demonstrating strong technical expertise, responsiveness to MTA direction, and familiarity with the operating environments of both commuter railroads.

Although a portion of crossings have been assessed, all crossings remain within the scope of this contract. Periodic reassessment is required due to evolving safety standards, changes in traffic patterns, advancements in warning and signal technology, and new regulatory requirements. This ensures that safety recommendations remain current, effective, and aligned with industry best practices.

To continue these services, a competitive Request for Proposal (“RFP”) was publicly advertised and issued. Fourteen firms registered, and proposals were received from three firms: Colliers Engineering and Design (“Colliers”), Benesch, and Gannett Fleming Engineers and Architects, P.C. The firms were evaluated based on approach from a technical and regulatory perspective, relevant experience assessing similar-grade-crossing programs, program management, past experience supporting transportation authorities/rail agencies in connection with federal or state funding opportunities, and cost. The Selection Committee (“SC”), consisting of representatives focusing on safety from MTA Headquarters, MNR, and LIRR evaluated all proposals. Following technical evaluations and oral presentations, the SC shortlisted Colliers and Benesch. After multiple rounds of clarification to align scope and cost assumptions, Best and Final Offers (“BAFOs”) were received. Based on the evaluation of the technical and final cost proposals of the two proposers, the SC unanimously selected Benesch for award based on their superior technical approach, demonstrated experience with complex commuter rail environments, and overall cost efficiency.

The contract will be executed on an as-needed basis, providing flexibility to align engineering efforts with emerging safety priorities, capital planning needs, and grant funding opportunities. The cost structure includes both hourly rates (approximately 87 percent) and unit costs per assessment (approximately 13 percent), all of which are fixed for the duration of the contract, including option years. Payment will be made monthly, subject to MTA acceptance of deliverables.

Due to varying assumptions by proposers, initial cost proposals ranged from \$7.4 to \$14.9 million and were not comparable. Following their respective oral presentations and multiple rounds of clarifications requested by MTA project management to align technical and cost assumptions, BAFOs were received from Benesch and Colliers. Benesch’s BAFO provided the lowest price, valuing the work at \$10,981,057 for the five-year contract term. By comparison, Colliers’ total proposed cost of \$13,720,772 for the five-year contract is 25 percent higher than Benesch’s, considering both as-needed services billed at hourly rates and the fixed cost per assessment. Based on the foregoing, Benesch’s final price of \$10,981,057 is considered fair and reasonable.

This contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, have been included in the contract terms and conditions.

Benesch has certified that pursuant to EO 16 it is not doing business in Russia.

Negotiation of commercial terms and conditions has been substantially completed except for a few remaining items that the parties are currently working to finalize. However, there does not appear to be any remaining terms and conditions to be negotiated that would impact Benesch’s proposed price.

M/W/DBE Information

The Department of Diversity and Civil Rights (DDCR) confirmed that pursuant to Interim Final Rule published October 3, 2025, which implemented changes to the Disadvantaged Business Enterprise (“DBE”) Program regulations found at 49 C.F.R. Part 26, this contract’s utilization plan submission will not be evaluated for DBE goals compliance.

Impact on Funding

This contract is eligible to be partially funded via reimbursement by grants from the Federal Railway Agency and the Federal Highway Administration (Section 130) grant funds. Both sources of federal grants are administered by the New York State Department of Transportation for the elimination of hazards at railway-highway crossings. In addition, the MTA Safety Management budget will fund inspections and other safety improvements.

Alternatives

1. Do not approve award of this contract. This is not practical. This contract will enhance the MTA’s understanding of the causes and prevention of railroad crossing incidents, and it will further the interaction and cooperation of the MTA railroads with the roadway authorities that have responsibilities for pavement markings, highway signage, and traffic control devices at and near MTA crossings.
2. Perform services in-house. This alternative is not feasible, as performing this specialized project in-house would require full- and part-time employees, including associated overhead costs, which would not be cost effective. This project is managed best by an independent outside firm monitored closely by MTA staff. The MTA does not have staff with specialized expertise for these services.

Recommendation

It is recommended that the Board approve the award of a personal services contract to Benesch for the provision of independent multidisciplinary engineering assessments of MTA railway-highway grade crossings on an as-needed basis.

INFORMATION ITEMS

**REPORT ON AGREEMENTS ENTERED INTO DIRECTLY BY THE REAL ESTATE DEPARTMENT PURSUANT TO BOARD POLICIES
May 2026**

Agency	Agreement Type/ Counterparty	Location/Premises	Use	Term	Compensation	RFP Proposals	Transaction Manager
LIRR	<u>License Agreement</u> Kew Gardens Flea and Craft Market, Inc.	LIRR's Kew Gardens's Station, North Parking Lot, Kew Gardens, Queens, New York	Use of 20 parking spaces for flea market events	7 days	\$800.80	N/A	Selina Storz
MNR GCT	<u>Short Term Retail License</u> Licensee: Legends Global Merchandise, LLC	Grand Central Terminal / 42nd Street - B-54	Retail sale of FIFA World Cup on behalf of US Soccer to sell official US Soccer Merchandise including clothing, accessories, and hats.	6 Weeks	\$100,000	N/A	Kim Trevisan
MNR GCT	<u>First Ammendment To License Agreement</u> Licensee: Shoe Service Plus, Inc. d/b/a Leather Spa	Grand Central Terminal / Dining Concourse K-07	License agreement for shoe repair, care needs and leather accessories	1 Year	<u>Year Rent</u> 1 \$63,000.00 2 \$66,150.00	N/A	Danielle M. Gaudio

Staff Summary

Subject METS-WILLETTS POINT STATION STATE OF GOOD REPAIR DESIGN SERVICES
Department CONSTRUCTION & DEVELOPMENT
Department Head Name JAMIE TORRES-SPRINGER
Department Head Signature
Project Manager Name WILLIAM MONTANILE

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Capital Program Committee	3/20/26	X		
2	Board	3/20/26	X		
3	Finance	3/20/26		X	

Internal Approvals			
Order	Approval	Order	Approval
X	Legal		
X	Chief Development Officer		
X	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority (“MTA”), MTA Construction and Development (“C&D”)

AWARDEE/GRANTEE: Queens Future, LLC (“Queens Future” or the “Developer”)

LOCATION: Mets-Willets Point Station on the IRT Flushing Line (“Station”)

ACTION REQUESTED: Approval to enter into a Design Agreement for State of Good Repair Inspection and Design Services

AMOUNT: \$1,810,621

COMMENTS:

In December 2025, Queens Future, a joint venture consisting of Hard Rock Casino and Steve Cohen, owner of the New York Mets, was awarded one of three downstate gaming licenses by the New York State Gaming Commission. The proposed project will include a casino gaming facility, hotel, live music venue, public park, food hall and multiple garages. The majority of the project will be located on the parking lots located north of Roosevelt Avenue and some facilities, including a parking garage and recreational fields will be located on the parking lots south of Roosevelt Avenue. In connection with that gaming license, Queens Future has committed to pay for and construct improvements to make the Mets-Willets Point Subway Station fully ADA-accessible along with other Station improvements, including a major renovation to the Station mezzanine level and the replacement of windscreens, lighting, and painting of the mezzanine, platforms and canopies and to complete those improvements prior to the issuance of a temporary or other certificate of occupancy for any portion of the project, including the opening of gaming operations. The Developer and its consultants are currently working with MTA on advancing the design of the station improvements.

In 2023, MTA retained the engineering firm STV, Inc. (“STV”) to inspect the Station and to generate an inspection report. A state of good repair report for the Station was subsequently prepared from that information. This report summarizes architectural and structural deficiencies at the Station and include STV’s recommendations to remedy the various

CAPITAL PROGRAM COMMITTEE MEETING

Mets-Willets Point Station State of Good Repair Design Services

deficiencies observed. In order to advance the work to remedy these deficiencies, further detailed inspections and a design are required.

Queens Future has also retained STV as the designer for its project and for the Station improvements that it is obligated to perform as a condition of its gaming license. Given the timing of that project, and the need to look at the entire station comprehensively in developing a design that will address both the work that Queens Future is obligated to perform and the state of good repair work that MTA needs performed, Queens Future has agreed to include the detailed inspection and design services for the MTA's state of good repair work in its contract with STV for its project. Procuring these design services under a single contract will allow for them to be analyzed in a coordinated, expeditious and cost-efficient manner.

C&D requested that Queens Future provide a proposal for STV to perform MTA's state of good repair inspection and design services. The deliverables will include an updated inspection report, conceptual design, 60% design and 100% design documents. In response, Queens Future provided a proposal for STV to provide those services in the amount of \$1,862,647. Negotiations resulted in a negotiated price of \$1,810,621 and confirmed STV's technical approach and deliverables. MTA C&D has determined this amount to be fair and reasonable.

RECOMMENDATION:

Based on the foregoing, C&D recommends and requests that the Board approve entering into a Design Agreement with Queens Future which will allow for STV to provide the design services for MTA's state of good repair work at the Station.

MAY 2026

MTA REAL ESTATE

FINANCE COMMITTEE AGENDA ITEMS

1. ADMINISTRATIVE ACTION ITEMS

MTA New York City Transit

- a. Eminent Domain Procedure Law Determinations and Findings related to the acquisition of property interests for the NYCT Nostrand Avenue ADA Project in Brooklyn

2. TRANSACTIONAL ACTION ITEMS

MTA New York City Transit

- b. Lease with Mohamed Almerdaie for retail space at 1498 Sheepshead Bay Road, Brooklyn, NY

MTA Metro-North Railroad

- c. Acquisition of property along Bruckner Boulevard in the Bronx in support of the Penn Station Access Project

3. INFORMATION ITEMS

- a. Report on agreements entered into directly by the Real Estate Department pursuant to board policy
- b. Mets-Willets Point Station state of good repair design services

<u>Legal Name</u>	<u>Popular Name</u>	<u>Abbreviation</u>
<u>New York City Transit Authority</u>	<u>MTA New York City Transit</u>	<u>NYC Transit</u>
<u>The Long Island Rail Road Company</u>	<u>MTA Long Island Rail Road</u>	<u>LIRR</u>
<u>Metro-North Commuter Railroad Company</u>	<u>MTA Metro-North Railroad</u>	<u>MNR</u>
<u>Triborough Bridge and Tunnel Authority</u>	<u>MTA Bridges and Tunnels</u>	<u>MTA B&T</u>
<u>MTA Construction and Development Company</u>	<u>MTA Construction and Development</u>	<u>MTA C&D</u>
<u>MTA Bus Company</u>	<u>MTA Bus Company</u>	<u>MTA Bus</u>
<u>MTA Grand Central Madison Operating Company</u>	<u>Grand Central Madison</u>	<u>GCMC</u>

Staten Island Rapid Transit Operating Authority is a subsidiary of the Metropolitan Transportation Authority. Its popular name is MTA Staten Island Railway (abbreviated as SIR).

Manhattan and Bronx Surface Transit Operating Authority is a subsidiary of the New York City Transit Authority (abbreviated as MaBSTOA).

MTA NEW YORK CITY TRANSIT

Staff Summary

Subject EMINENT DOMAIN PROCEDURE LAW DETERMINATIONS AND FINDINGS RELATED TO THE ACQUISITION OF PROPERTY INTERESTS FOR THE NYCT NOSTRAND AVENUE ADA PROJECT IN BROOKLYN
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name RAYMOND SMYTH

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	05/20/26	X		
2	Board	05/20/26	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: MTA New York City Transit (“NYCT”)
OWNER: 1242 Fulton Associates
LOCATION: 1242 Fulton Street, Brooklyn, NY (Block 1860, Lot 37)
PREMISES: 5,000 square foot tax lot containing a one-story commercial building
USE: Demolition of existing building, and construction of an ADA elevator at Nostrand Avenue Station
ACTION REQUESTED: Approval of Determination and Findings under the New York Eminent Domain Procedure Law (“EDPL”)

COMMENTS:

NYCT is proceeding with the acquisition of the above referenced Premises required for the Nostrand Avenue ADA elevator project (the “Project”). Once acquired, the MTA will demolish the existing building and utilize the lot to construct a new ADA elevator servicing customers at Nostrand Avenue station. In September 2025, the MTA Board authorized MTA Real Estate to proceed with acquisition of the Premises by negotiated agreement or condemnation (Staff Summary attached).

On April 13, 2026, the MTA held an EDPL public hearing to describe the public use, benefit and purpose of the Project, as well as its general impact on the environment. Notices of this public hearing were published in newspapers, as required under the EDPL. The Owner and other interested parties were also given advance notice of the hearing by mail. Representatives of the MTA attended this hearing.

Following a presentation by the MTA’s hearing officer, public speakers made statements about the Project and/or the proposed property acquisitions. In addition, written comments about the Project and/or the proposed property acquisitions were received by the MTA prior to the end of the written submission period at the close of business on April 24, 2026. A summary of the statements and written comments is attached.

After due consideration of all statements and comments received during and after the EDPL public hearing on April 13, 2026, the MTA recommended Board approval of the acquisition, by eminent domain, if necessary, of the property interest described in the attached Determinations and Findings. Moreover, the MTA, MTA C&D, and project staff will continue to

**FINANCE COMMITTEE MEETING
EMINENT DOMAIN PROCEDURE LAW DETERMINATIONS AND FINDINGS RELATED TO THE
ACQUISITION OF PROPERTY INTERESTS FOR THE NYCT NOSTRAND AVENUE ADA PROJECT IN
BROOKLYN (cont'd)**

Page 2 of 2

engage the Owner and other potentially affected parties as the Project moves forward to mitigate project-related impacts as much as possible.

STATEMENTS, WRITTEN COMMENTS AND RESPONSES THERETO:

A summary of the statements and written comments made at the public hearing and during the written submission period following the hearing and the responses thereto is attached for the Board's consideration.

DETERMINATION AND FINDINGS:

Copies of the Determinations and Findings under the EDPL are attached for the Board's consideration and approval.

MTA Real Estate hereby requests Board approval of the attached Determinations and Findings, and authorization for MTA staff and Counsel to pursue proceedings to acquire the required property interests by eminent domain, if necessary.

Staff Summary

Subject AUTHORIZATION TO ACQUIRE PROPERTY INTERESTS BY NEGOTIATED SETTLEMENT OR EMINENT DOMAIN FOR THE NYCT NOSTRAND AVENUE ADA PROJECT IN BROOKLYN, NY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name RAYMOND SMYTH

Date SEPTEMBER 30, 2025
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	09/29/25	X		
2	Board	09/30/25	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: MTA New York City Transit ("NYCT")
SELLER: 1242 Fulton Associates
LOCATION: 1242 Fulton Street, Brooklyn, NY
ACTIVITY: Fee acquisition of property to facilitate construction of an ADA elevator at the Nostrand Avenue subway station
ACTION REQUESTED: Authorization to acquire property through negotiated agreement or eminent domain
COMPENSATION: To be determined via negotiation or condemnation

COMMENTS:

In connection with the Nostrand Avenue station ADA project, the MTA Real Estate is seeking to acquire a property located at 1242 Fulton Street, Brooklyn, NY (the "Property"). The Property is approximately 5,000 square feet in size and currently contains a one-story retail building. Once acquired, the MTA will demolish the existing building and utilize the lot to construct a new ADA elevator servicing customers at Nostrand Avenue station. After a review of alternative properties in the vicinity of Nostrand Avenue station, it was determined that the Property is the only viable location that satisfies the location and size requirements for the construction of the elevator.

The MTA will endeavor to acquire the Property through a negotiated agreement. However, the MTA Real Estate may not be able to reach agreement with the Seller and may be compelled to acquire the Property by eminent domain as no viable alternative sites have been identified. Thus, MTA Board approval is being sought for the MTA Real Estate to begin taking steps to satisfy the requirements of Eminent Domain Procedure Law in order to preserve the MTA's rights and lessen the potential for future delays to the Project and ensure the timely acquisition of the Property. If a negotiated agreement to acquire the Property is reached prior to the filing of condemnation papers with the court, the terms of any such agreement will be presented to the Finance Committee and MTA Board for further approval.

Based on the foregoing, MTA Real Estate requests authorization to proceed with the acquisition, by negotiated agreement or condemnation on the above-described terms and conditions.

Staff Summary

FINANCE COMMITTEE MEETING

AUTHORIZATION TO ACQUIRE PROPERTY INTERESTS BY NEGOTIATED SETTLEMENT OR EMINENT DOMAIN FOR THE NYCT NOSTRAND AVENUE ADA PROJECT IN BROOKLYN, NY (Cont'd.)

BOARD RESOLUTION

WHEREAS, the MTA is undertaking the construction ADA improvements at Nostrand Avenue Station (the "Project").

WHEREAS, in connection with the Project the 1242 Fulton Street, Brooklyn, NY is required for improvements (including elevators, stairways, and Americans with Disabilities Act compliance).

WHEREAS, the MTA will endeavor to acquire the real property interests through negotiated voluntary agreements with the affected property owner, in order to preserve the MTA's rights and lessen the potential for future delays to the project if agreements cannot be negotiated in a timely manner, the MTA must take preliminary steps under the Eminent Domain Procedure Law to secure the property interest needed for the Project.

WHEREAS, if a negotiated agreement to acquire the property interests is reached prior to the filing of condemnation papers with the court, the terms of any such agreements will be presented to the Finance Committee and the MTA Board for further approval.

NOW THEREFORE, BE IT RESOLVED that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the MTA is authorized to proceed with the acquisition of real property interests in the Property described above by negotiated agreements or eminent domain and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with this acquisition.

BE IT FURTHER RESOLVED that the proposed acquisitions will be subject to prior, satisfactory completion of any required environmental reviews and that the terms of any negotiated agreements will be presented to the Finance Committee and the MTA Board for further approval.

This resolution shall take effect immediately upon its adoption.

DETERMINATION AND FINDINGS PURSUANT TO ARTICLE 2 OF THE NEW YORK EMINENT DOMAIN PROCEDURE LAW

ADA ACCESSIBILITY UPDATES AT THE NOSTRAND AVENUE STATION ON THE IND FULTON STREET LINE PROJECT

On May 20, 2026 the Board of the Metropolitan Transportation Authority ("MTA") approved the acquisition of property interests described below by eminent domain or otherwise. In accordance with Section 204 of the New York Eminent Domain Procedure Law ("EDPL"), the MTA Board made its Determination and Findings for the ADA Accessibility Updates at the Nostrand Avenue Station on the IND Fulton Street Line Project ("Project") by adopting the following statutory findings:

1. EDPL Public Hearing. On April 13, 2026 MTA held an EDPL public hearing to inform the public and to receive the public's comments on proposed property acquisitions for the Project. All oral comments received at the hearing and all written comments received by the end of the written submission period following the hearing have been reviewed, made part of the record, and given due consideration.

2. Location of Property Required for the Project. The location and nature of the property interests required for the Project, and hereby approved for acquisition, are as described on the chart below.

At the April 13, 2026 public hearing and in letters and maps mailed to property owners and interested parties prior to the public hearing, MTA provided more detailed descriptions of the required property interests and estimated time frame when the property interests would be needed for the Project, currently estimated as Q1 2027.

MTA reserves the right to acquire a lesser interest in any of the properties described below, or to refrain from acquiring any of such property interests, as dictated by the needs of the Project.

3. Public Use, Purpose and Benefits and Reasons for Selecting the Project Locations: The Project represents a major commitment by MTA Construction & Development to modernize and improve accessibility across the New York City Transit system. This Project will provide Americans with Disabilities Act (ADA) compliant, barrier-free paths of travel at the Nostrand Avenue Station (IND Fulton Street Line). The scope of work involves the installation of three new elevators, the reconfiguration of the station layout to support new vertical circulation, the construction of new fare control areas, and critical state-of-good-repair work on station platforms, including platform edges, which together will ensure safety, functionality, and compliance with applicable standards.

4. General Effect of the Project on the Environment and Residents of the Locality. The Project is exempt, pursuant to New York State Public Authorities Law 1266 (11), from the requirements of New York State Environmental Conservation Law Article 8, also known as the State Environmental Quality Review Act ("SEQRA"), for the following reasons:

- the affected property ("Property") is contiguous to land currently being used for a transportation purpose,
- the Property is less than ten acres in area, and
- the acquisition of the Property will not change in a material respect the general character of the prior transportation use of the contiguous property.

To help minimize potential impacts, MTA will make every reasonable effort to maintain access; control dust, noise, and vibration; screen construction activities; control rodents and pests; and minimize other disruptions, where practicable. MTA's goal is to create an active program of construction security and quality of life controls to ensure community safety.

COMMENTS

At the public hearing, oral comments were received from the public, and it was stated that written comments would be accepted until the close of business on April 24, 2026.

The following summarizes the comments received: Support for the Project at Nostrand Avenue as well as other stations in Brooklyn receiving ADA improvements under the same contract, particularly Neptune Avenue; and emphasis on Braille signage as part of the Project improvements.

All comments have been given careful, extensive, and due consideration by MTA.

DETERMINATION

Based on due consideration of the record and the foregoing findings, it was determined that the MTA should exercise its power of eminent domain to acquire the property interests set forth in the chart below in order to promote and permit the purposes of the Project to be achieved.

Copies of this Determination and Findings are available and will be forwarded without cost and upon request, by writing to:

Joseph O'Donnell, Director of Public Affairs
MTA Construction & Development, 2 Broadway, D8135, New York, N.Y. 10004

ANYONE SEEKING JUDICIAL REVIEW OF THE ABOVE DETERMINATION AND FINDINGS MUST COMMENCE A LEGAL PROCEEDING IN ACCORDANCE WITH EDPL § 207 NO LATER THAN 30 DAYS AFTER MTA COMPLETES ITS TWO-DAY PUBLICATION OF THIS DOCUMENT, OR A SYNOPSIS THEREOF. UNDER EDPL § 207 AND § 208, THE EXCLUSIVE VENUE FOR SUCH PROCEEDING IS THE APPELLATE DIVISION, SECOND JUDICIAL DEPARTMENT, 45 MONROE PLACE, BROOKLYN, NEW YORK 11201.

Acquisition of permanent property interests for the ADA Accessibility Updates and the Nostrand Avenue Station on the IND Fulton Street Line Project:

Borough	Block	Lot	Property Address	Type of Interest
Brooklyn	1860	37	1242 Fulton Street	Full Fee Taking



Staff Summary

Subject LEASE AGREEMENT WITH MOHAMED ALMERDAIE AT 1498 SHEEPSHEAD BAY ROAD BROOKLYN, NY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ARTURO ESPINOZA

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	05/20/26	X		
2	Board	05/20/26	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: MTA New York City Transit (“NYCT”)

LESSEE: Mohamed Almerdaie (or corporation to be formed in which Mohamed Almerdaie is the majority owner)

LOCATION: 1498 Sheepshead Bay Road, Brooklyn, NY

PREMISES: Street-level retail space (approximately 180 square feet)

USE: Operation of a convenience store

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: Ten (10) years

COMPENSATION: Year 1: \$12,000 with annual increases of 3% and 5% of gross sales up to \$20,000 per annum

COMMENTS:

MTA Real Estate issued a Request for Proposals (“RFP”) dated June 25, 2025. One (1) proposal was received by the closing date of August 20, 2025 and the sole proposal is summarized below:

The proposal from Mohamed Almerdaie, with a net present value of \$99,825, offers a starting annual Year 1 base rent of \$12,000 (equivalent to \$66.67 per square foot), plus 5% of gross sales up to a maximum \$20,000 per annum. Mr. Almerdaie is anticipating \$200,000 in estimated sales in the first year. He also proposes investing \$20,000 in initial improvements.

Mr. Almerdaie is a tenant at 1818 Caton Avenue, in Brooklyn, NY, and is considered a tenant in good standing and has demonstrated experience successfully operating NYCT retail locations. A credit and background check indicated Mr. Almerdaie has good credit and sufficient financial resources undertake the initial improvements, operate the Premises and meet rent obligations.

The proposed Compensation exceeds a lease appraisal of the Premises provided by MTA’s independent appraiser which estimated an annual rent of \$8,100 per annum.

Based on the foregoing, MTA requests authorization to enter into a lease agreement with Mohamed Almerdaie (or corporation to be formed) at the aforementioned terms and conditions

MTA METRO-NORTH RAILROAD

Staff Summary

Subject ACQUISITION OF PROPERTY ALONG BRUCKNER BOULEVARD IN THE BRONX IN SUPPORT OF THE PENN STATION ACCESS PROJECT
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ANGELA SZU

Date MAY 20, 2026
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Committee	05/20/26		X	
2	Finance Committee	05/20/26	X		
3	Board	05/20/26	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority ("MTA")
SELLER: New York State Department of Transportation ("NYSDOT")
LOCATION: A portion of the Bruckner Boulevard right-of-way between Southern Boulevard and East 144th Street, Bronx, NY
PREMISES: 8,544± square feet of property consisting of a portion of NYSDOT's Map 29, Parcel 71 to be conveyed as Map 74-C, Parcel 118
USE: Construction, operation and maintenance of an electric power substation
ACTION REQUESTED: Authorization to acquire the Premises
COMPENSATION: \$1,200,000

COMMENTS:

The MTA, acting through MTA Construction and Development ("MTAC&D"), is undertaking to bring MNR service from the Bronx to Penn Station (the "Project"). As part of the Project, MTA C&D is modernizing portions of Amtrak's railroad infrastructure on its Hell Gate Line by realigning tracks, optimizing overhead catenary systems, building electrical power systems inclusive of substations, replacing and installing signal equipment along the Hell Gate Line, and constructing four (4) new MNR passenger stations along said line.

An upgrade to the power systems will be needed at various sites along the corridor to provide adequate power for the expected increase in train traffic. At the Location, a new electric substation is needed to support the additional AC power demands on the railroad right-of-way.

NYSDOT has determined the compensation for the Property to be \$1,200,000, which is less than MTA's appraisal.

Based on the foregoing, MTA Real Estate requests authorization for the MTA to enter into a sales agreement with NYSDOT and to acquire the Property on the above-described terms and conditions.

Staff Summary

Subject FMTAC Annual Meeting
Department Finance
Department Head Name Jaibala Patel, Chief Financial Officer
Department Head Signature
Project Manager/Division Head Claudia Reuben, Deputy Chief, Risk & Insurance Management

Date May 20, 2026
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	5/20/26		X	
2	Board	5/20/26		X	

Internal Approvals			
Order	Approval	Order	Approval
1	Chief Financial Officer		
2	Legal		

Purpose:

To provide information concerning the First Mutual Transportation Assurance Company's (FMTAC's) 2025 activities and operations to board members in connection with the May 20, 2026, annual FMTAC Board meeting.

Discussion and Background:

The monthly MTA board meeting of May 20, 2026 will also be the annual board meeting of MTA's captive insurer, the First Mutual Transportation Assurance Company. For informational purposes, the FMTAC Board Book is being distributed to board members in advance of the meeting.

The FMTAC Board Book contains the Annual Meeting Program and Executive Summary (Tab 1), which provides a summary update on the activities of FMTAC for the year ended December 31, 2025; historical comparative balance sheet and income statement summaries (Tab 2); a draft of the FMTAC Audited Financial Statements for the years ended December 31, 2024 and 2025 (Tab 3); and the Statement of Actuarial Opinion prepared by Oliver Wyman setting forth the independent actuary's determination that the reserves recorded by FMTAC for the year ended December 31, 2025 meet the requirements of the captive insurance laws of the State of New York and make reasonable provision for unpaid loss and loss adjustment expense obligations of FMTAC (Tab 4).

Also included in the FMTAC Board Book is the regulatory compliance checklist for 2025 (Tab 5), a Report on Investments (Tab 6), materials describing the captive manager advisers (Amethyst Captive Insurance Solutions, Inc.) and actuaries (Oliver Wyman) (Tab 7), and a Glossary of Insurance Terms (Tab 9) for reference.

A separate Staff Summary will be provided for the Annual Cybersecurity Certification (Tab 8).

First Mutual Transportation Assurance Company

2026 Annual Board Meeting

May 20, 2026 | MTA Corporate Office | 2 Broadway, 20th Floor, New York, NY

New York State Insurance Captive of



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NOTICE:

The 2026 Board of Directors of First Mutual Transportation Assurance Company (“FMTAC”) will be held at 2 Broadway, 20th Floor, New York, NY on May 20, 2026.

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Glossary of Insurance Terms.....	TAB 9



FMTAC Program Summary & Executive Summary

New York State Insurance
Captive of



PROGRAM SUMMARY



COUNCIL OF ADVISORS

CAPTIVE OFFICE:

2 Broadway, 16th Floor
New York, New York 10004

COMPANY BACKGROUND: The First Mutual Assurance Company (“FMTAC” or the “Company”) is a wholly-owned captive insurance company licensed by the NYS Department of Financial Services “NYSDFS”). FMTAC is approved to insure and reinsure the risk of the Metropolitan Transportation Authority (“MTA”) and its family of agencies.

Incorporation Date: December 5, 1997 Captive Type: Pure- wholly-owned
Commenced Business: December 15, 1997 Fiscal Year-End: Dec. 31st
NAIC Company Code #: 11787

OFFICERS (no changes since 2025 meeting)

Claudia Reuben President
Robin Cooper Secretary/Vice President
Laudwin Pemberton Sr. Vice President
Janno Lieber Chairman & CEO

EQUITY STRUCTURE: FMTAC is a mutual captive insurance company capitalized with an initial surplus contribution of \$3 million. MTA is 100% beneficial owner of the Company. Equity position as of December 31, 2025 summarized below:

Contributed Surplus	Additional Paid-In Capital	Retained Earnings	Total Equity
\$ 3,000,000	\$ 77,668,919	\$ 150,509,234	\$231,178,153

INSURANCE COVERAGES: FMTAC provides the following coverages to MTA and its affiliated agencies:

Stations & Force Liability: LIRR & MNR Auto Liability: Paratransit & Non-Revenue
All Agency Protective Liability Builder’s Risk
Property & Terrorism MTA Headquarters Premises
Excess Loss Fund (“ELF”) General Liability
Owner Controlled Insurance Programs (“OCIP”)

REGULATORY & GOVERNANCE:

Last Exam Date: December 31, 2020 Comments: NONE
Next Exam Date: December 31, 2025 Status: TBD (waiting on notification from NYDFS)

Statutory Filings: April 15, 2026 NYDFS Cyber Certificate of Compliance for 12.31.2025
May 15, 2026 Treasury Terrorism Risk Insurance Act – Data Call
June 30, 2026 Disaster Preparedness and Response Reporting

*NOTE: FMTAC is excluded from state premium tax and assessments levied by NYSDFS

PLAN AMENDMENTS:

	<u>STATUS DATE</u>
✘ Effective 10.31.2025: FMTAC to take on additional layer of \$17M xs \$375M layer for All Agency Excess Liability coverage. All other terms and conditions remain unchanged.	Approved 01.16.2026
✘ Effective 09.01.2024: FMTAC issued Excess Flood coverage (following form of underlying Starr Surplus Lines Insurance Company Builders Risk Policy) for Penn Station Access with limits of \$25M xs \$50M	Approved 06.11.2025

RISK & FINANCE:

Claudia Reuben claudia.reuben@mtahq.org
Laudwin Pembert lpembert@mtahq.org
Tracy Hsu thsu@mtahq.org
Robin Cooper rocooper@mtahq.org
Wilma Acevedo wacevedo@mtahq.org

ACTUARY FIRM:

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1166 Ave of Americas, 38th FL,
New York, NY 10036
Steven G. McKinnon 631.577.0555
steven.mckinnon@oliverwyman.com

AUDIT FIRM:

Deloitte & Touche LLP
30 Rockefeller Plaza, New York, NY 10112
Audit Lead:
Victoria Kaufmann 813.619.4815
vikaufmann@deloitte.com

BROKERAGE FIRM:

Alliant Insurance Services
Casualty | Mini RFP | OCIP
Lauren Gregory 631.235.1590
lauren.gregory@alliant.com

Willis Towers Watson: Property (pre 2024)
Marsh : Property (post 2024)

CAPTIVE MANAGER:

Amethyst Captive Insurance Solutions
126 College Street, Suite 300
Burlington, VT 05401
James Girardin 802.735.1677
jgirardin@amethystcaptive.com
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Kevin L. Coté, CPA 802.735.1692
kcote@amethystcaptive.com

INSURANCE DEPARTMENT:

NYS Department of Financial Services
One State Street, 4th Floor
New York, NY 10004
12.480.2757

New York State Insurance Captive of



YEAR-END HIGHLIGHTS: December 31, 2025

- FMTAC finished 2025 with \$250.6M in Gross Premium Earned, up 19.6% from 2024. All lines of business experienced modest growth, apart from ELF and OCIP which accounted for 71% of the total increase over prior year.
- OCIP had a \$16.6M increase in earned premium as the Mini OCIP 2 Phase 1 reported 100% project cost of completion and Mini RFP finished the year with 72% project cost of completion, an increase over prior year of 85% and 18%, respectively. Increase in ELF earnings of \$12.6M is a result of adverse loss experience driving premium costs up in most recent years. ELF writings has grown \$17.5M (35%) since 2023.
- Net incurred losses of \$206.5M is a reduction of \$39.8M or 16.2% from 2024. Overall, current actuarial estimated ultimate loss is 3.9% higher than prior year driven by unfavorable loss emergence and upward trends in claim severity across most lines. WC & Builder's Risk reported favorable loss trends as several claims closed for significantly less than originally anticipated. 2024 results include an additional \$50M IBNR loss reserve provision driving up incurred costs in prior year.

VARIANCE ANALYSIS: \$ (omit 000)

Year-Ended	AUDITED		
	2025	2024	% chge
Gross premium earned	250,582	209,451	19.6%
Ceded reinsurance expense	(73,225)	(68,243)	-7.3%
Net earned premiums	177,357	141,208	25.6%
Underwriting expenses	1,855	(1,550)	-219.7%
Net incurred losses	(206,532)	(246,367)	-16.2%
Underwriting result	(27,320)	(106,709)	-74.4%
Net operating expenses	(4,874)	(5,923)	-17.7%
Investment income	71,368	29,871	138.9%
Net (loss) income	39,174	(82,761)	-147.3%

- During 2025, FMTAC experienced improvement in market valuation growing \$30.57M or 3.4% of prior year end portfolio balance. Overall, 2025 can be described as a stable, positive return environment, supporting incremental growth in invested assets. Investment markets in 2024 were more challenging, marked by heightened volatility, elevated interest rates, and persistent inflation and geopolitical concerns.

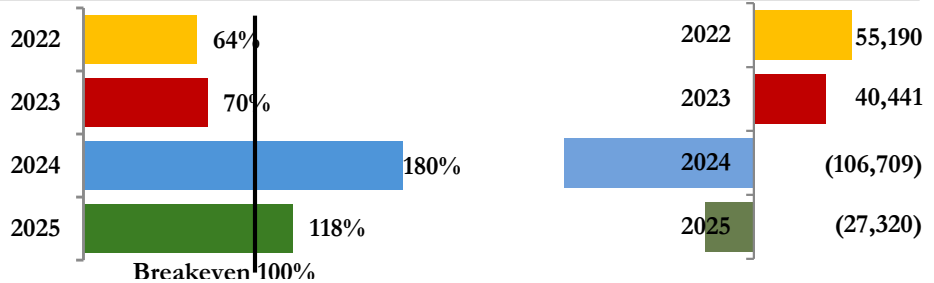
GROSS WRITTEN PREMIUM
\$(omit 000)

COMBINED RATIO
%

NET UW INCOME (LOSS)
\$(omit 000)

Current year premium reduction of \$27.16M (11.7%) driven by OCIP line. FMTAC recognized \$74.2M of writings for Part 2 of Mini OCIP 2 Phase 1 during prior year. There were no OCIP writings during 2025.

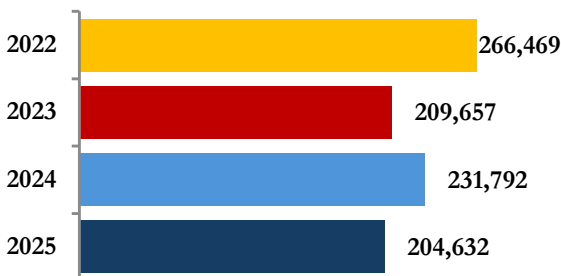
Offsetting the decline, property writings grew \$21.1M as All Risk Property renewed with a 39% increase and Paratransit renewed with a 17-month term and 10% increase (\$17.4M) driven by claim severity and average claim costs.



The combined ratio measures the % of written premium spent on claims and operating expenses. Under 100% indicates profitable underwriting.

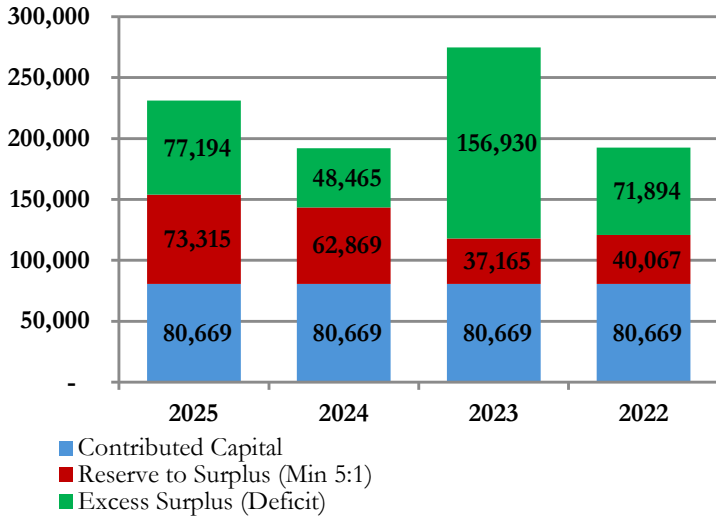
Current year 118% combined ratio reflects continued adverse development on ELF losses as significant case reserve increases across several agencies impact the amount of losses expected to reach FMTAC's excess layers. This resulted in an increase to the ultimate incurred loss values of \$80.4M or 3.9% since prior year.

Most other lines also reported unfavorable claim development except for WC, Bridge & Builder's Risk which experienced positive incurred results as several claims developed less than initially anticipated.



EQUITY & SURPLUS REVIEW:

➤ Continued underwriting losses compounded by increased reserve levels (shrinking green and increase in red bars per below graph) have absorbed surplus growth held by FMTAC in 2023. Current year’s reserve to surplus ratio improved to 3.3:1 from prior year 4:1, as net investment return of \$71.4M drove equity increase of 20.4% as reserves continue to grow: 7.3% growth in 2025 | 21.8% growth in 2024.



BALANCE SHEET HIGHLIGHTS: \$(omit 000)

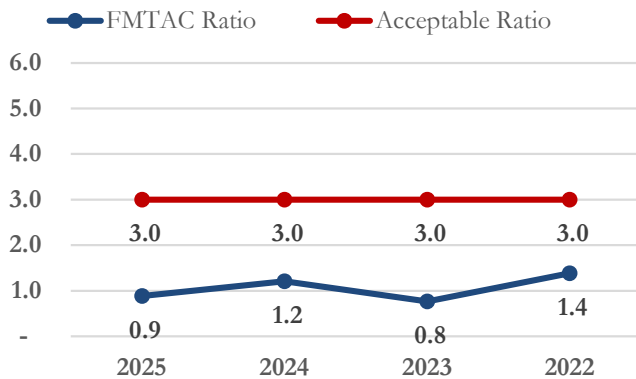
As of December 31 st	AUDITED		
	2025	2024	% chge
Cash & Investments	1,142,967	1,048,160	9.0%
Loss Escrow	28,616	20,202	41.6%
Premium Receivables	54,559	145,037	-62.4%
Other Assets	9,262	7,950	16.5%
Total Assets	1,235,404	1,221,349	1.2%
Insurance Reserves	769,918	717,690	7.3%
Unearned Premium	201,773	250,698	-19.5%
Losses Payable	24,162	50,481	-52.1%
Other Liabilities	8,373	10,477	-20.1%
Total Liabilities	1,004,226	1,029,346	-2.4%
Equity	231,178	192,003	20.4%
Total Liab & Equity	1,235,404	1,221,349	1.2%

COMPLIANCE HIGHLIGHTS:

FMTAC submitted the annual NY Cybersecurity Certification and US Treasury TRIA data call this month.

Certificate of Compliance will be filed later this month as part of the NY DFS annual July 1st license renewal process.

PREMIUM TO SURPLUS RATIO

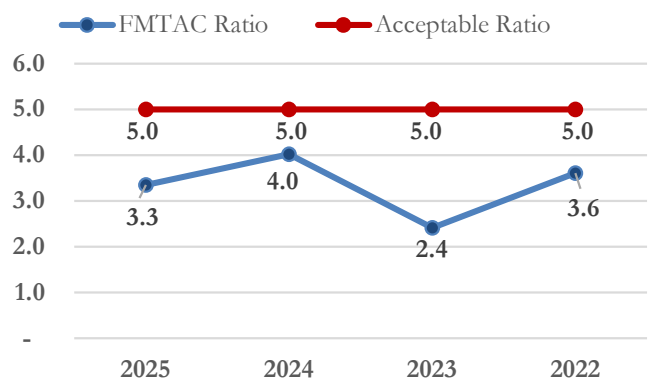


Premium-to-Surplus Ratio is a measure of an insurer’s financial strength and future solvency. Measuring adequacy of an insurer’s surplus, relative to its operating exposure. A 3:1 ratio or lower is suggested for an insurer with lines of business having long claims payout schedules (tails). Lower ratios indicate greater surplus to support future premium written.

Calculation: Premium Written divided by Total Equity.

Conclusion: FMTAC, with a 2025 Premium-to Surplus ratio of 0.9:1, is operating well within the industry recommended accepted range of 3:1.

RESERVE TO SURPLUS RATIO



Reserves-to-Surplus Ratio measures how much the insurer’s surplus and capital may be impaired if loss reserves are undervalued. A 5:1 ratio or lower is an acceptable with long-tail exposure. A low ratio indicates there is surplus to support future negative fluctuations in loss reserves.

Calculation: Total Insurance Reserves divided by Total Equity.

Conclusion: FMTAC, with a 2025 Reserve-to-Surplus ratio of 3.3:1, remains within the industry recommended accepted range of 5:1 or lower.



Multi Year Comparative Financial Statements: 2022 - 2025

**FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(A NEW YORK STATE WHOLLY OWNED INSURANCE SUBSIDIARY OF MTA)**

COMPARATIVE BALANCE SHEET

AS OF DECEMBER 31, 2025 TO DECEMBER 31, 2022

	(Unaudited) <u>Dec 31, 2025</u>	(Audited) <u>Dec 31, 2024</u>	(Audited) <u>Dec 31, 2023</u>	(Audited) <u>Dec 31, 2022</u>
ASSETS				
Cash & Cash Equivalents	\$ 146,073,420	\$ 155,066,403	\$ 81,484,119	\$ 65,465,916
Investments & Security Trusts	996,893,502	893,093,592	853,964,205	824,159,974
Premium Receivable	54,559,029	145,036,505	176,556,249	120,313,449
Reinsurance Premium Deposit - MetroCat	1,517,361	1,517,361	1,517,361	1,472,813
Reinsurance Recoverable Reserves	3,678,349	53,995,183	73,765,664	91,530,318
Escrow Paid Loss Deposit Funds	28,616,093	20,202,293	24,896,327	5,558,399
Interest Income Receivable	6,974,621	5,802,408	4,902,417	3,799,100
Deferred Losses Receivable - RCAMP	769,725	630,737	468,763	483,387
Intercompany Receivable - MTA	-	-	-	-
Deferred Policy Acquisition Costs	-	-	4,719	5,843
TOTAL ASSETS	\$ <u>1,239,082,100</u>	\$ <u>1,275,344,482</u>	\$ <u>1,217,559,824</u>	\$ <u>1,112,789,199</u>
LIABILITIES				
IBNR Loss Reserves	\$ 456,723,086	\$ 355,288,868	\$ 259,543,111	\$ 279,202,451
Case Loss Reserves	316,873,308	367,014,114	333,394,990	324,477,840
Reserves - Deemed Recoverable	-	49,381,705	70,000,060	91,530,318
Losses & LAE Payable	24,161,812	50,481,044	37,184,814	2,950,979
Unearned Premium Reserve (net of Deferred Reinsurance Premium)	201,772,550	250,697,897	217,580,184	210,712,303
Other Due	1,271,632	2,768,650	6,972,795	8,903,964
Ceded Premium Payable	7,101,560	7,708,447	18,119,420	1,716,856
Intercompany Payable - MTA	-	-	-	664,988
TOTAL LIABILITIES	<u>1,007,903,948</u>	<u>1,083,340,725</u>	<u>942,795,374</u>	<u>920,159,699</u>
STOCKHOLDER'S EQUITY				
Contributed Surplus - Cash	3,000,000	3,000,000	3,000,000	3,000,000
Additional Policyholder Surplus	77,668,919	77,668,919	77,668,919	77,668,919
Retained Earnings	111,334,838	194,095,525	111,960,580	143,940,506
Net Income / Net Loss)	39,174,395	(82,760,687)	82,134,951	(31,979,925)
TOTAL STOCKHOLDER'S EQUITY	<u>231,178,152</u>	<u>192,003,757</u>	<u>274,764,450</u>	<u>192,629,500</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ <u>1,239,082,100</u>	\$ <u>1,275,344,482</u>	\$ <u>1,217,559,824</u>	\$ <u>1,112,789,199</u>

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(A NEW YORK STATE WHOLLY OWNED INSURANCE SUBSIDIARY OF MTA)
COMPARATIVE INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 TO DECEMBER 31, 2022

	(Unaudited) <u>Dec 31, 2025</u>	(Audited) <u>Dec 31, 2024</u>	(Audited) <u>Dec 31, 2023</u>	(Audited) <u>Dec 31, 2022</u>
UNDERWRITING INCOME:				
Gross Written Premiums				
Direct	\$ 204,631,981	\$ 231,792,033	\$ 209,025,803	\$ 265,811,857
Assumed	-	-	631,396	657,147
Total Written Premium	<u>204,631,981</u>	<u>231,792,033</u>	<u>209,657,199</u>	<u>266,469,004</u>
Premium Ceded	(76,771,256)	(57,034,234)	(90,532,983)	(54,112,597)
Net Retained Premium	<u>127,860,725</u>	<u>174,757,799</u>	<u>119,124,216</u>	<u>212,356,407</u>
Change in Unearned Premium - Net	49,496,129	(33,550,044)	(6,128,231)	(83,566,098)
Net Earned Premium	<u>177,356,854</u>	<u>141,207,755</u>	<u>112,995,985</u>	<u>128,790,309</u>
LOSS & LOSS ADJUSTMENT EXPENSES:				
Paid Losses & LAE	154,303,408	117,849,557	84,979,421	88,726,200
Change in Case Reserves	(49,205,676)	32,771,248	7,386,831	16,554,468
Change in IBNR Reserves	101,434,219	95,745,757	(21,894,627)	(32,495,053)
Total Incurred Losses & LAE	<u>206,531,951</u>	<u>246,366,562</u>	<u>70,471,625</u>	<u>72,785,615</u>
UNDERWRITING EXPENSES:				
Safety & Loss Control	(482,920)	3,660,985	3,924,570	2,494,982
Commissions Expense / (Income)	(1,372,395)	(2,115,403)	(1,872,935)	(1,714,025)
Change in Deferred Acquisition Costs	-	4,719	30,900	34,079
Total Underwriting Expenses	<u>(1,855,315)</u>	<u>1,550,301</u>	<u>2,082,535</u>	<u>815,036</u>
NET UNDERWRITING INCOME / (LOSS)	<u>(27,319,782)</u>	<u>(106,709,108)</u>	<u>40,441,825</u>	<u>55,189,658</u>
OTHER EXPENSES:				
Risk Management Fees	4,262,482	5,521,156	5,817,566	8,296,977
Other Misc. Charges	611,263	401,530	450,871	440,713
Total Other Expenses	<u>4,873,745</u>	<u>5,922,686</u>	<u>6,268,437</u>	<u>8,737,690</u>
INCOME / (LOSS) BEFORE INVESTMENT INCOME	<u>(32,193,527)</u>	<u>(112,631,794)</u>	<u>34,173,388</u>	<u>46,451,968</u>
INVESTMENT INCOME:				
Investment Income	71,367,922	29,871,107	47,961,563	(78,431,893)
Total Investment Income	<u>71,367,922</u>	<u>29,871,107</u>	<u>47,961,563</u>	<u>(78,431,893)</u>
NET INCOME / (NET LOSS)	<u>\$ 39,174,395</u>	<u>\$ (82,760,687)</u>	<u>\$ 82,134,951</u>	<u>\$ (31,979,925)</u>



DRAFT Audited Financial Statements: December 31, 2025

First Mutual Transportation Assurance Company

(Component Unit of the Metropolitan
Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2025 and 2024,
and Independent Auditor's Report

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—The following is a narrative overview and analysis of the financial activities of the First Mutual Transportation Assurance Company (the “Company” or “FMTAC”) as of and for the years ended December 31, 2025 and 2024. This discussion and analysis are intended to serve as an introduction to the Company’s financial statements which have the following components: (1) Management’s Discussion and Analysis (“MD&A”), (2) Financial Statements and (3) Notes to the Financial Statements.

Management’s Discussion and Analysis—This MD&A provides an assessment of how the Company’s position has improved or deteriorated and identifies the factors that, in management’s view, significantly affected the Company’s overall financial position. It may contain opinions, assumptions or conclusions by the Company’s management that should not be considered a replacement for, and must be read in conjunction with, the financial statements.

The Financial Statements Include—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that FMTAC presently controls (assets), consumption of net assets by FMTAC that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that FMTAC has little or no discretion to avoid (liabilities), and acquisition of net assets by FMTAC that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how the Company’s net position changed during each year and accounts for all of the revenues and expenses, measures the success of the Company’s operations from an accounting perspective over the past year, and can be used to determine how the Company has funded its costs.

The Statements of Cash Flows provide information about the Company’s cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements—The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

FINANCIAL REPORTING ENTITY

On December 5, 1997, the Metropolitan Transportation Authority (“MTA”) began its operation of its newly incorporated captive insurance company, FMTAC. FMTAC was created by the MTA to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 Subdivision 5 of the Public Authorities Law of the State of New York.

FMTAC’s mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. The MTA is a component unit of the State of New York.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the Company’s financial position as of December 31, 2025 and 2024. Additionally, examinations of major economic factors that have contributed to these changes are provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Company’s financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

(In thousands)	As of December 31,			Increase/(Decrease)	
	2025	2024	2023	2025–2024	2024–2023
ASSETS:					
Current assets	\$ 291,626	\$ 448,075	\$ 360,091	\$ (156,449)	\$ 87,984
Noncurrent assets	<u>947,456</u>	<u>827,268</u>	<u>857,470</u>	<u>120,188</u>	<u>(30,202)</u>
Total assets	<u>\$1,239,082</u>	<u>\$1,275,343</u>	<u>\$1,217,561</u>	<u>\$ (36,261)</u>	<u>\$ 57,782</u>

Significant Changes in Assets

December 31, 2025 versus December 31, 2024

Total assets decreased by \$36,261 or 2.8%, from December 31, 2024 to December 31, 2025. The fluctuation in the total assets of FMTAC was the result of decreases in premium receivables and reinsurance recoverable which was partially offset by increases in cash and cash equivalents and investments. Cash and cash equivalents increased due to timing of receipts. The increase in investments was due to market fluctuations along with reinvestment of interest and dividend income received during the year. Premium receivable decreased due to timing of the collection of OCIP premiums receipts and reinsurance recoverable decreased due to the receipt of recoverable balances due to the Company, from the reinsurance carriers.

December 31, 2024 versus December 31, 2023

Total assets increased by \$57,782 or 4.7%, from December 31, 2023 to December 31, 2024. The fluctuation in the total assets of FMTAC was the result of increases in cash and cash equivalents and investments, which was partially offset by decreases in premium receivables and reinsurance recoverable. Cash and cash equivalents increased due to timing of receipts. The increase in investments was due to market fluctuations. Premium receivable decreased due to timing of the collection of excess loss fund (“ELF”) premiums receipts and reinsurance recoverable decreased due to the receipt of recoverable balances due to the Company, from the reinsurance carriers.

(In thousands)	As of December 31,			Increase/(Decrease)	
	2025	2024	2023	2025-2024	2024-2023
Liabilities and restricted net position:					
Current liabilities	\$ 347,656	\$ 467,663	\$ 340,460	\$ (120,007)	\$ 127,203
Noncurrent liabilities	<u>660,248</u>	<u>615,677</u>	<u>602,337</u>	<u>44,571</u>	<u>13,340</u>
Total liabilities	1,007,904	1,083,340	942,797	(75,436)	140,543
Restricted net position	<u>231,178</u>	<u>192,003</u>	<u>274,764</u>	<u>39,175</u>	<u>(82,761)</u>
Total liabilities and net position	<u>\$1,239,082</u>	<u>\$1,275,343</u>	<u>\$1,217,561</u>	<u>\$ (36,261)</u>	<u>\$ 57,782</u>

Significant Changes in Liabilities

December 31, 2025 versus December 31, 2024

Total liabilities from December 31, 2024 to December 31, 2025 decreased by \$75,436 or 7.0%. The decrease in liabilities is due to a decrease in unearned premiums and losses payable, which was partially offset by an increase in loss and loss adjustment expense reserves. The decrease in unearned premiums was primarily due to the earning of the OCIP premium with no new OCIP premiums written in 2025 and the increase in loss and loss adjustment expense reserves was primarily due to increase in reserves on the ELF program.

December 31, 2024 versus December 31, 2023

Total liabilities from December 31, 2023 to December 31, 2024 increased by \$140,543 or 14.9%. The increase in liabilities is due to an increase in unearned premiums and loss and loss adjustment expense reserves, which was partially offset by a decrease in ceded premiums payable. The increase in unearned premiums was primarily due to additional premium written for OCIP and to the increase in loss and loss adjustment expense reserves was primarily due to increase in reserves on the ELF program. The decrease in ceded premiums payable was due to installments paid on multi-year property program.

Significant Changes in Net Position

December 31, 2025 versus December 31, 2024

In 2025, the restricted net position increase of \$39,175 is comprised of operating revenues of \$177,358 plus non-operating revenue of \$71,368 less operating expenses of \$209,551.

December 31, 2024 versus December 31, 2023

In 2024, the restricted net position decrease of \$82,761 is comprised of operating revenues of \$141,208 plus non-operating revenue of \$29,871 less operating expenses of \$253,840.

Condensed Statements of Revenues, Expenses and Changes in Net Position

(In thousands)	2025	2024	2023	Increase/(Decrease)	
				2025–2024	2024–2023
Operating revenues	\$177,358	\$141,208	\$112,996	\$ 36,150	\$ 28,212
Operating expenses	<u>209,551</u>	<u>253,840</u>	<u>78,823</u>	<u>(44,289)</u>	<u>175,017</u>
Operating (loss) income	(32,193)	(112,632)	34,173	80,439	(146,805)
Non-operating income (loss)	<u>71,368</u>	<u>29,871</u>	<u>47,962</u>	<u>41,497</u>	<u>(18,091)</u>
Change in net position	39,175	(82,761)	82,135	121,936	(164,896)
Restricted net position— Beginning of year	<u>192,003</u>	<u>274,764</u>	<u>192,629</u>	<u>(82,761)</u>	<u>82,135</u>
Restricted net position— End of year	<u>\$231,178</u>	<u>\$192,003</u>	<u>\$274,764</u>	<u>\$ 39,175</u>	<u>\$ (82,761)</u>

Operating Revenues—Operating revenues between 2024 and 2025 increased by \$36,150 or 25.6%. The increase is primarily due to an increase in earned premium for the ELF, Non-Revenue, and OCIP casualty programs. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating revenues between 2023 and 2024 increased by \$28,212 or 25.0%. The increase is primarily due to an increase in earned premium for the ELF and OCIP casualty programs. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating Expenses—Operating expenses between 2024 and 2025 decreased by 17.4%, or \$44,289. The decrease was primarily due to a decrease in losses incurred related to the ELF program as compared to 2024.

Operating expenses between 2023 and 2024 increased substantially by 222.0%, or \$175,017. The increase was primarily due to an increase in losses incurred related to the ELF program.

Non-Operating Income—Non-operating income between 2024 and 2025 increased by 138.9%, or \$41,497. This is a result of an increase in interest and realized gain income along with unrealized gains on investments held by FMTAC.

Non-operating income between 2023 and 2024 decreased by 37.7%, or \$18,091. This is a result of an increase in interest and realized gain income, which was partially offset by unrealized losses on investments held by FMTAC.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations—Operating as a pure captive insurance company domiciled in the State of New York requires that all business plans and changes to said plans be reviewed and approved by the New York Insurance Department. As of December 31, 2025 and 2024, all programs administered by FMTAC have been reviewed and approved.

As of December 31, 2025 and 2024, FMTAC received its annual loss reserve certification. The actuary determined that reserves recorded by FMTAC were adequate and no adjustments were deemed necessary.

U.S. Insurance Market—The United States Property/Casualty industry recorded a \$60.9 billion net underwriting gain in 2025, almost tripling the \$22.1 billion gain posted in the previous year, according to a new AM Best report, as 6.0% growth in net earned premiums while incurred losses and loss adjustment expenses declined, due in part to muted catastrophe losses during 2025. Based on data from companies whose 2025 annual statutory statements were received as of March 9, 2026, the industry's combined ratio improved by 3.0 percentage points to 92.2%, with an estimated catastrophe loss impact of 7.6 points on the 2025 combined ratio, down from an estimated 8.8 points in 2024. With earned net investment income increasing 9.0% from the prior-year period, driving a pre-tax operating income increase of 43.0% to \$153.1 billion. A 72.0% reduction in net realized capital gains (driven primarily by a combined \$60.0 billion decline at three Berkshire Hathaway companies) in 2025 contributed to the industry's net income declining nearly 10% from the prior year to \$150.9 billion.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

MTA Long Island Rail Road— On October 8, 2016, work being performed on the LIRR track in the vicinity of **New Hyde Park Station** resulted in a train derailment. Numerous passengers and several employees were injured. There has been a total of 72 claims related to this accident 57 passenger injuries, 8 employee injuries and the remaining are property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. To date, 33 lawsuits have been filed against LIRR, of which 29 have been resolved. MTA LIRR has paid out the entire \$11 million FMTAC Force Account retention limit in expenses and settlements and \$11 million has impacted the ELF program. The current outstanding reserves are \$7.9 million and there are 4 open lawsuits.

MTA Long Island Rail Road—On January 4, 2017, an LIRR Far Rockaway Line train struck a bumper block at the **Atlantic Terminal–Brooklyn Station**, resulting in 173 injury claims, including 11 employee FELA claims. All claims have now been resolved and paid except for one. LIRR has paid out the entire \$11 million and \$19.7 million has impacted the ELF program. The court must sign the Infant Compromise Order for the one remaining claim before the settlement payment can be issued. The current outstanding reserve is \$200 thousand.

NYCTA Bicycle Case— On April 10, 2016, at approximately 3pm, the 23-years old Robert Liciaga, rode his bicycle through a cordoned-off constructions site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated "drop zone." Plaintiff sustained severe and permanent injuries and is confined to a long-term facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff \$110 million. The trial judge reduced the pain and suffering award after post-trial motions were made thereby reducing the total award to \$69 million. Settlement was reached for \$65 million. FMTAC has contributed \$31 million toward the settlement.

Terrorism Risk Insurance Act—Effective November 26, 2002, the Terrorism Risk Insurance Act (“TRIA”) was signed in to law. Effective December 22, 2006, TRIA was extended through December 31, 2007. On December 31, 2007, the U.S. Treasury Department issued Interim Guidance Concerning the Terrorism Risk Insurance Program Reauthorization Act of 2007 (“TRIPRA”) which has been extended through December 31, 2014. On January 12, 2015, TRIA was extended through December 31, 2021. In December 2020, TRIA was extended through December 31, 2027. For additional information, please refer to the property section under Note 5.

This financial report is designed to provide our customers and other interested parties with a general overview of FMTAC’s finances and to demonstrate FMTAC’s accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller’s Office, 2 Broadway, New York, NY 10004.

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2025 AND 2024
(In thousands)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 3)	\$ 169,538	\$ 168,369
Investments (Note 4)	58,194	71,069
Funds held by reinsurer (Note 5)	6,656	8,418
Premiums receivable due from affiliates (Note 7)	50,264	145,036
Reinsurance recoverable	-	49,381
Interest income receivable (Note 4)	6,974	5,802
	<u>291,626</u>	<u>448,075</u>
Total current assets		
NONCURRENT ASSETS:		
Investments (Note 4)	938,713	822,025
Premiums receivable due from affiliates (Note 7)	4,295	-
Reinsurance recoverable	3,678	4,613
Owner Controlled Insurance Programs asset	770	630
	<u>947,456</u>	<u>827,268</u>
Total noncurrent assets		
TOTAL ASSETS	<u>\$1,239,082</u>	<u>\$1,275,343</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Unearned premiums	\$ 201,772	\$ 250,698
Ceded premium payable	4,411	5,989
Loss and loss adjustment expense liability (Note 6)	116,039	108,346
Reinsurance recoverable liability (Note 6)	-	49,381
Losses payable	24,162	50,481
Due to affiliates	969	2,126
Accrued expenses	303	642
	<u>347,656</u>	<u>467,663</u>
Total current liabilities		
NONCURRENT LIABILITIES:		
Loss and loss adjustment expense liability (Note 6)	653,879	609,344
Reinsurance recoverable liability (Note 6)	3,678	4,613
Ceded premium payable	2,691	1,720
	<u>660,248</u>	<u>615,677</u>
Total noncurrent liabilities		
Total liabilities	1,007,904	1,083,340
RESTRICTED NET POSITION	<u>231,178</u>	<u>192,003</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$1,239,082</u>	<u>\$1,275,343</u>

See notes to financial statements.

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands)

	2025	2024
OPERATING REVENUES:		
Gross premiums written	\$ 204,632	\$ 231,792
Premiums ceded	(76,771)	(57,034)
Change in unearned premiums	<u>49,497</u>	<u>(33,550)</u>
Total operating revenues	<u>177,358</u>	<u>141,208</u>
OPERATING EXPENSES:		
Loss and loss adjustment	206,532	246,367
Underwriting	(1,855)	1,550
General and administrative	<u>4,874</u>	<u>5,923</u>
Total operating expenses	<u>209,551</u>	<u>253,840</u>
OPERATING LOSS	<u>(32,193)</u>	<u>(112,632)</u>
NON-OPERATING INCOME—Net investment income	<u>71,368</u>	<u>29,871</u>
Total non-operating income	<u>71,368</u>	<u>29,871</u>
CHANGE IN NET POSITION	39,175	(82,761)
RESTRICTED NET POSITION—Beginning of year	<u>192,003</u>	<u>274,764</u>
RESTRICTED NET POSITION—End of year	<u>\$ 231,178</u>	<u>\$ 192,003</u>

See notes to financial statements.

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums and other receipts	\$ 217,331	\$ 199,408
Payments for claims and other operating expenses	<u>(182,544)</u>	<u>(120,597)</u>
Net cash provided by operating activities	<u>34,787</u>	<u>78,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(674,728)	(682,750)
Sales and maturities of investments	599,875	637,556
Proceeds from earnings on investments	<u>41,235</u>	<u>35,035</u>
Net cash used in investing activities	<u>(33,618)</u>	<u>(10,159)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,169	68,652
CASH AND CASH EQUIVALENTS—Beginning of year	<u>168,369</u>	<u>99,717</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 169,538</u>	<u>\$ 168,369</u>
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (32,193)	\$(112,632)
Adjustments to reconcile to net cash provided by operating activities:		
Net (decrease)/increase in accounts payable, accrued expenses		
and other liabilities	(74,278)	140,543
Net decrease in receivables	<u>141,258</u>	<u>50,900</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 34,787</u>	<u>\$ 78,811</u>

See notes to financial statements.

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

(Component Unit of the Metropolitan Transportation Authority)

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—First Mutual Transportation Assurance Company (the “Company”), a component unit of the Metropolitan Transportation Authority (“MTA”), was incorporated under the laws of the State of New York (the “State”) as a pure captive insurance company on December 5, 1997, and commenced operations on that date. The Company was established to maximize the flexibility and effectiveness of the MTA’s insurance program and is governed by a Board of Directors consisting of members of the MTA. The Company’s financial position and results of operations are included in the MTA’s Annual Comprehensive Financial Report. The MTA is a component unit of the State of New York and is included in the State of New York’s Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation.

FMTAC is operationally and legally independent of the MTA. FMTAC enjoys certain rights typically associated with separate legal status. However, FMTAC is included in the MTA’s consolidated financial statements as a blended component unit because of the MTA’s financial accountability, and FMTAC is under the direction of the MTA Board (a reference to “MTA Board” means the board of MTA and/or the boards of the FMTAC and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include FMTAC in its consolidated financial statements.

The New York captive insurance statute requires a \$250 minimum unimpaired paid-in-capital and surplus be maintained by a pure captive insurance company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FMTAC applies Governmental Accounting Standards Board (“GASB”) Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”) Section P80, *Proprietary Accounting and Financial Reporting*.

Use of Management’s Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents—Includes highly liquid investments with a maturity of three months or less when purchased such as money market funds. Money market funds are stated at amortized cost, which approximates fair value.

Investments—Investments are recorded on the statement of net position at fair value, which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in the fair value of investments, is reported as revenue (as either net investment income or unrealized gain (loss) on investments) on the statement of revenues, expenses, and changes in net position.

Restricted Net Position—Net position is restricted for activities related to the payment of insurance claims.

Operating Revenues

Premiums—Earned premiums are determined over the term of their related policies, which approximates one year, or for certain Owner Controlled Insurance Programs (“OCIP”), as a percent of completed construction costs. Accordingly, an unearned premium liability is established for the portion of premiums written applicable to the unexpired period of policies in force or uncompleted construction projects. The Company does not directly pay premium taxes in accordance with its relationship with New York State.

Premiums Ceded—Premiums ceded is where the Company is the named insured, and the insurer is an unrelated third-party re-insurance company. The ceded premiums are expensed over the term of the related policies. This arrangement is explained further in Note 5.

Operating Expenses

Loss and Loss Adjustment Expenses—Loss and loss adjustment expenses are established for amounts estimated to settle incurred losses on individual cases and estimates for losses incurred but not reported.

Loss and loss adjustment expenses are based on loss estimates for individual claims and actuarial estimates and, therefore, the ultimate liabilities may vary from such estimates. Any adjustments to these estimates, which could be significant, will be reflected in income in the period in which the estimates are changed or payments are made.

Non-Operating Revenues and Expenses—Investment income and unrealized gain (loss) on investments account for FMTAC’s non-operating revenues and expenses.

Income Taxes—The Company is not subject to income taxes arising on profits since it is a component unit of the MTA. The MTA and its subsidiaries are exempt from income taxes.

3. CASH AND CASH EQUIVALENTS

On December 31, 2025, and 2024, cash and cash equivalents consisted of (in thousands):

	<u>2025</u>		<u>2024</u>	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	\$ 250	\$ 250	\$ 250	\$ 250
Loss escrows	30,133	30,133	21,720	21,720
Uninsured deposits	<u>139,155</u>	<u>139,155</u>	<u>146,399</u>	<u>146,399</u>
	<u>\$ 169,538</u>	<u>\$ 169,538</u>	<u>\$ 168,369</u>	<u>\$ 168,369</u>

The Company is required to set aside funds in escrow accounts that are used to settle claims on behalf of the Company. The account balances of the loss escrow are \$30,133 and \$21,720 as of December 31, 2025, and 2024, respectively.

The Company invested additional funds as described in Note 4.

4. INVESTMENTS

The fair value and cost basis of investments consist of the following at December 31, 2025 and 2024 (in thousands):

	<u>2025</u>		<u>2024</u>	
	Fair Value	Cost	Fair Value	Cost
Funds for claim payments	\$ 638,611	\$ 650,309	\$ 542,352	\$ 575,574
Security trust funds	<u>358,296</u>	<u>356,303</u>	<u>350,742</u>	<u>361,584</u>
	<u>\$ 996,907</u>	<u>\$1,006,612</u>	<u>\$893,094</u>	<u>\$937,158</u>

All investments are registered and held by the Company or its agent in the Company's name.

The Company makes funds available to claims processors to allow for adequate funding for submitted claims. The funds, in the above table, are invested primarily in fixed income investments such as U.S. Government Bonds. All investments outlined above are to be used to pay claims or pay administration expenses of the Company or as collateral for letter of credit obligations.

All funds not held as cash and cash equivalents are invested by the Company in accordance with the Company's investment guidelines. Investments may be further limited by individual security trust agreements. The Company's investment policies comply with the New York State Comptroller's guidelines for such policies. Those policies permit investments in fixed income securities that are investment grade or higher and the policy also allows for the investment in equities.

All investments are recorded on the Statements of Net Position at fair value and all investment income, including changes in the fair value of investments, is reported as revenue/(expense) on the Statements of Revenues, Expenses and Changes in Net Position. Fair values have been determined using quoted market values as of December 31, 2025 and 2024.

The yield to maturity rate was 4.06% for the year ended December 31, 2025, and 4.78% for the year ended December 31, 2024. For the year ended December 31, 2025, the Company had realized gains of

\$34,623 and had unrealized gains of \$30,567. For the year ended December 31, 2024, the Company had realized gains of \$28,237 and had unrealized losses of \$2,282. Additional investment income was earned from the RCAMP investments and the money market fund. Income from these sources were \$6,178 and \$3,916 for the years ended December 31, 2025, and 2024, respectively.

Interest Rate Risk and Investments at Fair Value—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of a bond price’s sensitivity to one hundred basis point change in interest rates. Duration is expressed as number of years.

The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the Company’s investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Listed below are the recurring fair value measurements as of December 31, 2025, and 2024. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for those securities.

(In thousands)	2025			2025		
	Fair Value	Duration (Years)	Total	Fair Value Measurements		
Investment Type				Level 1	Level 2	Level 3
Treasury ⁽¹⁾	\$ 460,946	4.73	\$ 460,946	\$ -	\$ 460,946	\$ -
Agency ⁽²⁾	130,713	4.62	130,713	-	130,713	-
Asset backed securities	69,251	2.73	69,251	-	69,251	-
Commercial mortgage backed Securities	181,737	4.43	181,737	-	181,737	-
Foreign bonds	18,843	5.20	18,843	18,843	-	-
Corporate bonds	<u>142,377</u>	5.61	<u>142,377</u>	<u>142,377</u>	-	-
Total	1,003,867		1,003,867	<u>\$ 161,220</u>	<u>\$ 842,647</u>	<u>\$ -</u>
Less accrued interest	<u>(6,960)</u>		<u>(6,960)</u>			
Total investments	<u>\$ 996,907</u>		<u>\$ 996,907</u>			

Including but not limited to:

(1) U.S. Treasury Notes

(2) Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

(In thousands)	2024		2024			
	Fair Value	Duration (Years)	Total	Fair Value Measurements		
Investment Type				Level 1	Level 2	Level 3
Treasury ⁽¹⁾	\$ 400,911	4.34	\$ 400,911	\$ -	\$ 400,911	\$ -
Agency ⁽²⁾	126,220	5.57	126,220	-	126,220	-
Asset backed securities	61,094	2.77	61,094	-	61,094	-
Commercial mortgage backed securities	183,954	4.70	183,954	-	183,954	-
Foreign bonds	10,183	6.51	10,183	10,183	-	-
Corporate bonds	<u>116,534</u>	5.49	<u>116,534</u>	<u>116,534</u>	-	-
Total	898,896		898,896	<u>\$ 126,717</u>	<u>\$ 772,179</u>	<u>\$ -</u>
Less accrued interest	<u>(5,802)</u>		<u>(5,802)</u>			
Total investments	<u>\$ 893,094</u>		<u>\$ 893,094</u>			

Including but not limited to:

⁽¹⁾ U.S. Treasury Notes

⁽²⁾ Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

Credit Risk—At December 31, 2025, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	\$ 113,313	11.3 %
AA	224,574	22.4
A	96,761	9.6
BBB	46,395	4.6
Not rated	<u>50,724</u>	<u>5.1</u>
Credit risk debt securities	531,767	53.0
U.S. Government Notes	<u>472,100</u>	<u>47.0</u>
Total fixed income securities	1,003,867	<u>100.0 %</u>
Less accrued interest	<u>(6,960)</u>	
Total investments	<u>\$ 996,907</u>	

Credit Risk—At December 31, 2024, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	\$ 315,262	35.1 %
AA	19,920	2.2
A	74,718	8.3
BBB	45,096	5.0
Not rated	<u>46,832</u>	<u>5.2</u>
Credit risk debt securities	501,828	55.8
U.S. Government Notes	<u>397,068</u>	<u>44.2</u>
Total fixed income securities	898,896	<u>100.0 %</u>
Less accrued interest	<u>(5,802)</u>	
Total investments	<u>\$ 893,094</u>	

5. INSURANCE PROGRAMS

Property Program—Effective May 1, 2025, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, FMTAC directly insures property damage claims of the other MTA Group entities in excess of a \$25,000 per occurrence deductible, subject to an annual \$75,000 aggregate as well as certain exceptions summarized below. The total program is \$500,000 per occurrence covering property of the related entities collectively through self-insured and reinsured in the domestic and offshore marketplaces. Losses occurring after the annual aggregate is exceeded are subject to a deductible of \$7,500 per occurrence. The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage. FMTAC’s property insurance program has been expanded to include a further layer of \$100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An additional \$25,000 of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The program is a Catastrophic Bond reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based storm surge reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

Terrorism Program—Effective May 1, 2025, FMTAC renewed the terrorism program. Commencing May 1, FMTAC directly insures certified terrorism claims of the other MTA Group entities in excess of a \$25,000 per occurrence self-insured retention, subject to an annual \$75,000 aggregate as well as certain exceptions summarized below. The total program is \$1,075,000 per occurrence covering property of the related entities collectively. FMTAC is reinsured in the domestic, London, and European marketplaces for this coverage. Losses occurring after the retention aggregate is exceeded are subject to a deductible of \$7,500 per occurrence. The direct and reinsurance policies are effective from May 1, 2025 to May 1, 2028.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of “certified” losses in 2025, as covered by the Terrorism Risk Insurance Act (“TRIA”) of 2019 (originally introduced in 2002). Under the 2020 extension, terrorism acts sponsored by both foreign and domestic organizations are covered. The remaining 20% of MTA Group losses arising from an act of terrorism would be covered under the additional terrorism policy described below. Additionally, no federal compensation will be paid unless the aggregate industry insured losses exceed \$200,000 (“trigger”) for 2025. There were no certified losses by the United States Government in 2025 that exceeded the trigger. In December 2020, the United States government’s reinsurance of TRIA was extended until December 31, 2027.

To supplement the reinsurance to FMTAC through the 2019 Terrorism Risk Insurance Program Reauthorization Act (“TRIPRA”) program, FMTAC obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any “certified” act of terrorism in 2024 and 2025—up to a maximum recovery of \$215,000 for any one occurrence and in the annual aggregate, (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the 20% “certified” acts of terrorism insurance in 2024 and 2025 or (3) 100% of any “certified” terrorism loss which exceeds \$5,000 and less than the \$200,000 TRIPRA trigger—up to a maximum recovery of \$200,000 for any occurrence and in the annual aggregate.

Excess Loss Fund (“ELF”)—On October 31, 2003, the Company assumed the existing ELF program on both a retrospective and prospective basis. The retrospective portion contains the same insurance agreements, participant retentions and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. The coverage limit will remain \$50,000 per occurrence or the proceeds of the program whichever is less. On a prospective basis, effective October 31, 2003, the Company issued insurance policies indemnifying the MTA, its subsidiaries and affiliates above their specifically assigned Self-Insured Retention with a limit of \$50,000 per occurrence with \$50,000 annual aggregate. Effective October 31, 2024, the Company issued insurance policies indemnifying the New York City Transit Authority with a limit of \$10,000 excess of \$50,000 per occurrence with \$10,000 annual aggregate which is in excess of their specifically assigned Self-Insured Retention. The balance of the ELF, \$77,000 was transferred to and invested by the Company in order to secure any claims assumed from the ELF, as well as to capitalize the prospective programs and insure current and future claims. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. Effective October 31, 2025, FMTAC directly provides an All-Agency Excess Liability Policy to the MTA and its subsidiaries and affiliates. With the exception of one carrier, the limits are fully reinsured in the domestic, London, European and Bermuda marketplaces. The limits include claims arising from acts of terrorism.

Stations and Force Liability—Effective December 15, 2025, the Company renewed its direct insurance for the first \$11,000 per occurrence losses for Long Island Rail Road Company (“LIRR”) and Metro-North Commuter Railroad Company (“MNCR”) with no aggregate stop loss protection.

All Agency Protective Liability—The Company issued a policy to cover MTA’s All Agency Protective Liability Program (“AAPL”), which is designed to protect the MTA and its agencies against the potential liability arising from independent contractors working on capital and noncapital projects. Effective June 1, 2025, the net retention to the Company is \$2,000 per occurrence. The Company also issued a policy for \$9,000 excess of \$2,000 per occurrence with an \$18,000 annual aggregate.

Paratransit—Effective March 1, 2025, the Company renewed with the MTA, a self-insured retention reimbursement policy for the auto liability on the New York City Transit (“NYCT”) Paratransit operations. The Company is responsible for the first \$3,000 per occurrence. Effective March 1, 2026, the Company renewed with the MTA, a self-insured retention reimbursement policy for the New York City Transit (“NYCT”) Paratransit operations. The Company is responsible for \$3,000 per occurrence.

Non-Revenue—Effective March 1, 2025, the Company restructured its non-revenue auto liability policy with the MTA’s non-revenue fleet program. The Company is responsible for \$9,000 per occurrence of every claim excess of the \$1,000 per occurrence of the commercial insurance program. The commercial insurance program is excess of the MTA’s \$1,000 self-insured funding program. Effective March 1, 2026, the Company renewed with the MTA, the non-revenue auto liability policy with the MTA’s non-revenue fleet program. The Company is responsible for \$9,000 per occurrence of every claim excess of the \$1,000 per occurrence of the commercial insurance program. The commercial insurance program is excess of the MTA’s \$1,000 self-insured funding program.

Owner-Controlled Insurance Programs (OCIP)—The MTA purchases Owner Controlled Insurance Programs under which coverage is provided on a group basis for certain agency projects. The Company provides the collateral required by the OCIP insurers to cover deductible amounts. The Company records in the OCIP liability account the amount of principal paid by the MTA to the program. The interest earned is not recognized in the Statements of Revenues, Expenses, and Changes in Net Position. Rather, the amounts are recorded as owner-controlled insurance program asset as the Company may have to make payments to contractors with favorable loss experience.

OCIP (asset)/liability consists of the following on December 31, 2025 and 2024 (in thousands):

	2025	2024
NYCT structures lines	\$ 532	\$ 532
LIRR/MNCR 2000–2004 Capital Improvement Program	(2,461)	(2,461)
NYCT 2000–2004 line structures/shops, yards and depots Capital Improvements Program	(2,126)	(2,082)
NYCT 2000–2004 stations and escalators/elevators Capital Improvements Program	(797)	(782)
LIRR/MNR 2005–2009 Capital Improvement Program	(21)	(21)
CCC Second Ave. Subway	<u>4,103</u>	<u>4,184</u>
OCIP (asset)	<u>\$ (770)</u>	<u>\$ (630)</u>

The activity of all funds held by the OCIP reinsurer consists of the following for 2025 and 2024 (in thousands):

	2025	2024
Funds held by OCIP insurers—beginning of year	\$ 8,418	\$ 8,181
Interest income	346	398
Security releases	1,969	-
Claims payments	<u>139</u>	<u>161</u>
Funds held by OCIP reinsurer	<u>\$ 6,656</u>	<u>\$ 8,418</u>

OCIPs Covering 2000–2004 Capital Program—The Company entered into three agreements with AIG covering portions of the 2000–2004 MTA Capital Program effective October 1, 2000: (1) LIRR/MNCR 2000–2004 capital improvement program; (2) NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program; and (3) NYCT 2000–2004 stations and escalators/elevators capital improvement program. The combined collateral requirements are \$86,094, which consists of \$10,385 for the LIRR/MNCR OCIP, \$52,709 for the NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program and \$23,000 for the NYCT 2000–2004 stations and escalators/elevators capital improvement program. The collateral posted by the Company to secure its reimbursement of the insurer’s payments is invested by the insurer with interest returning to the Company at a guaranteed annual rate of return. The Company earned \$53 and \$72 during the years ended December 31, 2025 and 2024, respectively. The interest earned will be used to make the Contractor Safety Incentive program payments to contractors with favorable loss experience. Any monies not used to pay losses or utilized for the Contractor Safety Incentive Program will be returned to the agencies at the end of the OCIPs. There were claim payments of \$58 and \$87 and withdrawals of \$469 and \$0 during the years ended December 31, 2025 and 2024, respectively.

OCIP-LIRR/MNCR 2005–2009 Capital Improvement Projects—Effective June 1, 2006, the Company entered into a new OCIP insurance program for LIRR/MNCR for capital projects in the 2005–2009 MTA Capital Program. Like the other programs, the interest income generated from the funds being held will be used to pay Contractor Safety Incentive program payments. The Company has earned \$17 and \$18 in interest income during the years ended December 31, 2025 and 2024, respectively. There were no withdrawals from the Company during the years ended December 31, 2025 and 2024, respectively.

Second Avenue Subway Project—Effective January 31, 2007, the Company entered into an OCIP program for the \$2,500,000 Second Avenue Subway Project. This is a multi-year agreement with AIG covering Workers’ Compensation and General Liability for the Third-Party contractors, MTA and all its subsidiaries up to \$500,000. This OCIP, like the others, requires the Company to post collateral for all losses related to workers’ injuries. In 2025 and 2024, \$5,324 and \$6,629 has been set aside to cover this exposure, respectively. During 2025 and 2024, the Company earned \$276 and \$308 in interest, respectively, with receipts (withdrawals) of \$(1,580) and \$75 in 2025 and 2024, respectively.

East Side Access Project (“ESA”)—Effective April 1, 1999, the Company entered into an OCIP program for the East Side Access Project. It was a multi-year agreement with Liberty Mutual, the insurer, to insure third party contractors and the MTA and all its subsidiaries up to \$300,000 for Workers’ Compensation and General Liability. The insurer required the Company to hold the collateral and loss funding for the first \$500 per occurrence. On April 1, 2016, this coverage was renewed to April 1, 2021 and then in 2021 further extended to April 1, 2023. The program ended as of April 1, 2023. The Company will now hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and

the first \$1,900 from General Liability.

East Side Access Project—Excess General Liability—Effective August 1, 2018, the company entered into program to insure \$10,000 per occurrence and aggregate of General Liability coverage in excess of \$2,000 for claims related to the East Side Access Project. In 2021, this coverage was extended to April 1, 2023. The program ended as of April 1, 2023.

NYCT 2005–2009 Capital Improvements Projects—Effective August 1, 2006, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first \$500 per occurrence resulting from Workers’ Compensation and General Liability losses during the NYCT’s 2005–2009 Capital Improvement Projects.

MTA 2012–2014 Combined Capital Construction Program—Effective October 1, 2012, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA whereby the Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$1,500 from General Liability losses during the MTA 2012–2014 Combined Capital Construction Program.

MTA 2015–2019 Combined Capital Construction Program—Effective June 30, 2017, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$1,500 from General Liability losses during the MTA 2015–2019 Combined Capital Construction Program.

MTA 2021–2025 Combined Capital Construction Program Bridge Program—Effective June 30, 2021, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$1,500 from General Liability losses during the MTA 2021–2025 Combined Capital Construction Bridge Program. On February 9, 2022, this coverage was extended to June 30, 2027.

MTA LIRR 3rd Track Program—Effective January 1, 2018, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$1,500 from General Liability losses until January 1, 2024.

MTA 2022–2028 Mini RFP Program—Effective June 30, 2022, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$2,500 from General Liability losses until June 30, 2028.

MTA 2023–2029 Mini RFP Program #2 —Effective September 30, 2023, the Company entered into a multi-year agreement with Liberty Mutual Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first \$750 per occurrence resulting from Workers’ Compensation and the first \$3,000 from General Liability losses until September 30, 2029.

Builder's Risk—Effective October 1, 2001, the Company renegotiated the terms and conditions of the reinsurance coverage it purchased from Zurich for the Builder's Risk Insurance Program ("BR") provided to cover the following 2000–2004 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program
2. NYCT's Lines Structures/Shops, Yards & Depots Capital Improvement Program, and
3. NYCT's Stations & Elevators Capital Improvement Program

The Company's policy and reinsurance agreements provide the capital projects listed above with limits of \$50,000 in the aggregate. In consideration of \$950 in net retained premium, the Company issues a deductible reimbursement policy with limits of \$75 excess of \$25 contractor deductible.

Similar to the above BR program, effective July 31, 2006, the Company entered into a new BR program for the following 2005–2009 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program and
2. NYCT's 2005–2009 Capital Improvement Program

The Company's policy and reinsurance agreements from Zurich provide the capital projects listed above with limits of \$50,000 in the aggregate. In consideration of \$7,500 in net retained premium, the Company issues a deductible reimbursement policy with limits of \$475 excess of \$25 contractor deductible.

In 2005, the Company received approval to expand its Builder's Risk Insurance Program to directly insure the MTA and its agencies for property claims while various capital improvement projects are under construction. The policy will cover selected capital improvement projects and was bound June 1, 2005, with limits of \$300,000 per occurrence subject to the \$100,000 self-insured retention. In consideration of a ceded premium of \$12,750, the Company purchased reinsurance for the East Side Access Project from Zurich limiting its exposure to the \$100,000 per occurrence self-insured retention. In 2007, this limit was bought down to \$50,000 for an additional premium of \$5,053. In 2014, this coverage was extended to May 31, 2021, for an additional ceded premium of \$18,106 and then further extended to December 31, 2022, for an additional ceded premium of \$7,202. The Company also purchased reinsurance for the Second Avenue Subway Project. In consideration of ceded premium of \$13,362, reinsurance covering losses up to \$500,000 excess of \$50,000 was purchased from Zurich. The reinsurance purchased by the Company will include an aggregate stop loss provision, whereby the Company will limit its total liability to \$125,000 in the aggregate.

Similar to the above BR programs, effective November 1, 2012, the Company entered into a new BR program for various MTA 2012–2014 combined capital program OCIPs. The Company issues a BR policy, to the MTA, with limits of \$50,000 per occurrence with a \$25 contractor deductible. The Company also purchased reinsurance from ACE with limits of \$50,000 per occurrence with at \$250 deductible.

Effective June 30, 2017, the Company wrote a builders risk deductible reimbursement policy with the MTA for the 2015-2019 Combined Capital Construction Program with limits of \$250 per occurrence, \$1,000 per occurrence for peril of Flood with a \$25 contractor deductible per claim. The policy expired on June 30, 2023. Effective June 1, 2021, the policy was extended from June 30, 2023 to June 30, 2025 for an additional premium of \$480.

On January 1, 2018, the Company wrote a builders risk deductible reimbursement policy with the MTA for the LIRR 3rd Track project with limits of \$250 per occurrence with a \$25 contractor deductible per claim. The policy expired on January 1, 2024.

On June 30, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini RFP #1 project with limits of \$250 per occurrence with a \$25 contractor deductible per claim. The policy will expire on June 30, 2028.

On September 26, 2022, the Company wrote a builders risk liability policy with the MTA for the Metro-North Penn Station Access project with limits of \$1,400 per occurrence and in aggregate. The policy was written for 60 days.

On December 31, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Metro-North Penn Station Access project with limits of \$500 per occurrence. The policy will expire on July 29, 2027.

On September 30, 2023, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini OCIP #2 project with limits of \$250 per occurrence with a \$50 contractor deductible per claim. The policy will expire on October 1, 2029.

On September 1, 2024, the Company wrote a builders risk excess flood policy with the MTA for the Penn Station Access Project with limits of \$25,000 per occurrence and in aggregate excess of the \$50,000 underlying builders risk coverage. The policy will expire on July 29, 2027.

6. LOSS AND LOSS ADJUSTMENT EXPENSES AND REINSURANCE

The following schedule presents changes in the loss and loss adjustment expense liabilities during 2025 and 2024 (in thousands):

	2025	2024
Loss and loss adjustment expense liability at January 1	\$ 771,684	\$ 662,939
Reinsurance recoverable at January 1	<u>(53,994)</u>	<u>(73,766)</u>
Net balance – beginning of year	717,690	589,173
Loss and loss adjustment expenses	206,532	246,367
Payments attributable to insured events of both the current and prior years	<u>(154,304)</u>	<u>(117,850)</u>
Net balance – end of year	769,918	717,690
Plus reinsurance recoverable	<u>3,678</u>	<u>53,994</u>
Loss and loss adjustment expense liability – end of year	773,596	771,684
Less current portion	<u>116,039</u>	<u>157,727</u>
Long-term liability	<u>\$ 657,557</u>	<u>\$ 613,957</u>

7. RELATED PARTY TRANSACTIONS

The Company provides insurance coverage for the MTA and its component units. The premium revenue from related parties during the period and receivable for the years ended December 31, 2025 and 2024, was as follows (in thousands):

	2025		2024	
	Receivable	Earned	Receivable	Earned
LIRR	\$ 18,836	\$ 23,182	\$ 16,651	\$ 18,869
MNCR	2,835	3,399	2,920	2,915
MTA	<u>32,888</u>	<u>150,777</u>	<u>125,465</u>	<u>119,424</u>
	<u>\$ 54,559</u>	<u>\$ 177,358</u>	<u>\$ 145,036</u>	<u>\$ 141,208</u>

Included in General and Administrative expenses for the years ended December 31, 2025 and 2024, respectively, are amounts the MTA charged of \$4,262 and \$5,521, respectively, to FMTAC for risk management services provided to the Company of which \$968 and \$2,126 remain as a liability at December 31, 2025 and 2024, respectively.

8. NYCTA BICYCLE CASE

NYCTA Bicycle Case— On April 10, 2016, at approximately 3pm, the 23-years old Robert Liciaga, rode his bicycle through a cordoned-off constructions site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated “drop zone.” Plaintiff sustained severe and permanent injuries and is confined to a long-term facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff \$110 million. The trial judge reduced the pain and suffering award after post-trial motions were made thereby reducing the total award to \$69 million. Settlement was reached for \$65 million. FMTAC has contributed \$31 million toward the settlement.

9. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through [REDACTED], to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2025. As of [REDACTED], there were no subsequent events that required recognition or disclosure.

* * * * *



Statement of Actuarial Opinion (Certification): December 31, 2025

**First Mutual Transportation Assurance Company
State of New York**

**Statement of Actuarial Opinion
as of December 31, 2025**

IDENTIFICATION

I, Steven G. McKinnon, am a Senior Principal of the firm of Oliver Wyman Actuarial Consulting, Inc. I was appointed by the Board of Directors of First Mutual Transportation Assurance Company (hereinafter referred to as "FMTAC" or "the Company") on August 1, 2017 to render an opinion on the Company's December 31, 2025 loss and loss adjustment expense reserves as filed with the Department of Financial Services of the State of New York. I am a member of the American Academy of Actuaries and meet the definition of a Qualified Actuary per the NAIC Annual Statement Instructions – Property and Casualty, Actuarial Opinion. I am a member in good standing and a Fellow of the Casualty Actuarial Society.

SCOPE

These reserves, as included in the Financial Statement as of December 31, 2025 of the Company, are summarized in the attached Exhibit A and reflect the loss reserve disclosures detailed in Exhibit B.

The intended purpose of this actuarial opinion is to satisfy the requirement for an annual actuarial certification of loss and loss adjustment expense reserves. The loss and loss adjustment expense reserves are the responsibility of the Company's management; my responsibility is to express an opinion on these loss and loss adjustment expense reserves based on my review. My review included such tests and examinations of the actuarial assumptions, methods and calculations used in determining the reserves listed in Exhibit A as I considered necessary in the circumstances.

In forming my opinion, I have relied on data evaluated as of September 30, 2025¹ for Builders Risk and December 31, 2025 for all other coverages. I reviewed the information provided to me by the Company through February 27, 2026 (review date). This information was provided by Ms. Claudia Reuben (Deputy Chief, MTA Risk and Insurance Management and President of FMTAC), Mr. Laudwin Pemberton (Deputy Director, MTA Risk and Insurance Management and Vice President of FMTAC), Ms. Robin Cooper (Deputy Director, MTA Risk and Insurance Management and Vice President and Secretary of FMTAC), and their designees. I have performed no verification as to the accuracy of this data; however, I have evaluated the data for reasonableness and consistency. My evaluation did not reveal any data issues materially impacting the results of my analysis.

My review was limited to the items included in Exhibit A and did not include a review of other balance sheet or any income statement items. Data underlying the loss and loss adjustment expense reserves is compiled on a basis net of salvage and subrogation received. Reserves developed using this data implicitly anticipate future salvage and subrogation recoveries. I have not separately reviewed the anticipated salvage and subrogation or any recoverable other than reinsurance recoverables.

¹ Additional Builders Risk claim information was provided to us on February 27, 2026, and we determined that this information would not have a material impact on the reserves presented in the actuarial report.

OPINION

In my opinion, giving consideration to the Relevant Comments herein, the Company's December 31, 2025 reserves carried in Exhibit A on account of the items identified above:

- A. Meet the relevant requirements of the insurance laws of New York;
- B. Are consistent with reserves computed in accordance with accepted loss reserving standards; and
- C. Make a reasonable provision, in the aggregate, for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its policies and agreements.

RELEVANT COMMENTS

A. Risk of Material Adverse Deviation

There are several factors that may result in actual net future loss and loss adjustment expense payments that are greater than the Company's net carried reserves. I have identified the major risk factors as the long-tailed nature of the liability exposures covered by the Company and the potential for catastrophic claims to trigger a large claim under the Excess Loss Program. The absence of other risk factors does not imply that additional risk factors will not be identified as being major risk factors in the future.

- Nature of Coverages Written – The Company has historically written workers compensation and general liability coverages. The ultimate value of these claims is subject to considerable variability and uncertainty due to their long-tailed nature. There may be significant time lag from the accident date to the date a claim is filed, as well as additional time lag from the date the claim is reported to the date the claim is settled and paid.
- Potential for Large Claim(s) in Excess Loss Program – Under the Excess Loss Program, the Company provides \$50 million of coverage, on a per occurrence basis and in the aggregate annually, to MTA agencies above a self-insured retention. The self-insured retentions of the agencies vary by program and year and are as high as \$11 million per occurrence. The Company also participates in certain layers, along with the excess carriers, above the \$50 Excess Loss Program layer. Similar structures, with various attachment points and limits, existed during prior years.

As the appointed actuary for the Company's unpaid liabilities, I am required to provide a materiality standard for determining the risk of material adverse deviation. I have selected a materiality standard of 15% of the Company's total capital and surplus, or \$27,910,707. This materiality standard considers the purpose of this opinion, my review of the Company's historical claim data, and coverages written by the Company. Other measures of materiality may be used for reserves that are being evaluated in a different context.

In my opinion, there is a significant risk of material adverse deviation from the carried net reserve amounts. I have considered the materiality standard listed above, as well as the major risk factors discussed above, in making this determination.

B. Reinsurance

The actuarial report prepared in support of this opinion includes a summary of the Company's ceded reinsurance that is, or could be, material to the Company's ceded loss and loss adjustment expense reserves as of December 31, 2025. This information was provided by the Company and is assumed to be materially accurate and complete. An assessment as to whether or not the reinsurance contracts meet the requirements for reinsurance accounting is a management and accounting decision, and I express no opinion in this regard.

Based on representations made by the Company and the Company's description of its ceded and assumed reinsurance agreements, I am not aware of any reinsurance contract having a material effect on the loss and loss adjustment expense reserves that either has been or should have been accounted for as retroactive reinsurance or as financial reinsurance.

The Company has represented that it knows of no uncollectible reinsurance cessions within the last two years. The Company has represented that it is not currently involved in any reinsurance disputes, and I have relied on the Company's assessment of the potential for uncollectible reinsurance.

C. Reserve Development

The Company's reserves produce exceptional values for NAIC IRIS Test 11: One-Year Reserve Development to Policyholders Surplus and NAIC IRIS Test 12: Two-Year Reserve Development to Policyholders Surplus.

NAIC IRIS Test 11

NAIC IRIS Test 11 has a value of approximately 32.4%, while the usual range is less than 20%. This is the result of a large reserve increase for claims associated with the Excess Loss Fund.

NAIC IRIS Test 12

NAIC IRIS Test 12 has a value of approximately 51.9%, while the usual range is less than 20%. This is the result of a large reserve increase for claims associated with the Excess Loss Fund.

Our understanding is that the Company has made adjustments to its claim reporting practices to avoid large reserve increases in the future. Additionally, similar to the practice used in our actuarial study as of December 31, 2024, we have included additional reserves for the Excess Loss Fund to provide for potential additional future reserve growth in our actuarial study as of December 31, 2025.

The company's reserves produce a value that is within the usual range for NAIC IRIS Test 13: Estimated Current Reserve Deficiency to Policyholders Surplus.

NAIC IRIS Test 13

NAIC IRIS Test 13 has a value of approximately 12.7%, which is within the usual range of less than 25%.

D. Other Disclosures

Accounting Standard

The Company has represented that the reserves on which I am expressing an opinion were prepared in accordance with the United States Generally Accepted Accounting Principles.

Salvage and Subrogation

Data underlying the loss and loss adjustment expense reserves is compiled on a basis net of salvage and subrogation received. Reserves developed using this data implicitly anticipate future salvage and subrogation recoveries. I have not separately reviewed the anticipated salvage and subrogation recoverable.

Discount

Reserves are provided on an undiscounted basis and do not consider the time value of money.

Underwriting Pools and Associations

The Company has represented that it does not participate in pools and associations.

Asbestos and Environmental Exposure

I have reviewed the Company's exposure to asbestos and environmental claims. In my opinion, there is a remote possibility of material liability since the Company has represented that its policies have exclusions for asbestos and environmental exposure and there have been no reported asbestos or environmental claims reported to date.

Risk Margin

The carried reserves do not include an explicit risk margin.

E. Additional Comments

Unpaid loss and loss adjustment expense liabilities are subject to inherent uncertainty due to the variability of fortuitous outcomes of contingent events which may affect loss and loss adjustment expense costs. In evaluating whether the reserves make a reasonable provision for unpaid losses and loss adjustment expenses, it is necessary to project future loss and loss adjustment expense emergence and payments. It is virtually certain that actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. No warranty is expressed or implied that this will not occur.

In my evaluation, I considered uncertainties related to the COVID-19 pandemic, including but not limited to:

- uncertainty related to regulatory, legislative and judicial decisions;
- impacts to claim frequency and claim severity;
- the potential slowdown in claim notification, quantification and settlement processes; and
- the potential impact on future loss development patterns and settlement amounts.

I have neither examined the assets of the Company nor formed any opinion as to the value or validity of the assets. My review was limited to the items noted in the scope paragraph and did not include an analysis of any income statement or other balance sheet items. My opinion that the reserves make a reasonable provision in the aggregate for the unpaid loss and loss adjustment expense

obligations of the Company presumes that these reserves are backed by valid assets and that these assets reflect suitably scheduled maturities and/or sufficient liquidity to meet cash flow requirements.

Supporting Documents and Usage

This statement of opinion is intended solely for the use of, and only to be relied upon by, the Company and the State of New York.

An actuarial report and underlying work papers supporting the findings expressed in this Statement of Actuarial Opinion are being provided to the Company to be retained for a period of seven years at its administrative offices and are available for regulatory examination.



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March 2, 2026

Exhibit A – SCOPE

<u>Loss Reserves:</u>	<u>Amount</u>
1. Gross Reserve for Unpaid Losses (Page 2, Line 17)	\$743,861,774
2. Gross Reserve for Unpaid Loss Adjustment Expenses (Page 2, Line 18)	\$29,734,620
3. Gross Reserve for Unpaid Losses and Loss Adjustment Expenses [= (1) + (2)]	\$773,596,394
4. Reinsurance Recoverable on Unpaid Losses and Loss Adjustment Expenses (Page 2, Line 9)	\$3,678,349
5. Reserve for Unpaid Losses and Loss Adjustment Expenses [= (3) - (4)]	\$769,918,045

Exhibit B – DISCLOSURES

1. Name of the Appointed Actuary:
- | <u>Last Name</u> | <u>First Name</u> | <u>Middle</u> |
|------------------|-------------------|---------------|
| McKinnon | Steven | G |
2. The Appointed Actuary's Relationship to the Company. C
E if an Employee
C if a Consultant
3. The Appointed Actuary is Qualified Actuary based upon F
Enter F, A, M, or O based upon the following:
F if a Fellow of the Casualty Actuarial Society (FCAS)
A if an Associate of the Casualty Actuarial Society (ACAS)
M if not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter.
O for Other
4. Type of Opinion, as Identified in the OPINION paragraph. R
R if Reasonable
I if Inadequate or Deficient Provision
E if Excessive or Redundant Provision
Q if Qualified. Use Q when part of the OPINION is Qualified
N if No Opinion
5. Materiality Standard expressed in \$US \$27,910,707
6. Is there a Significant Risk of Material Adverse Deviation?
Yes No Not Applicable
7. Statutory Surplus \$186,071,382



Regulatory Compliance Report

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

New York Regulatory Compliance Report As of May 20, 2026

DESCRIPTION	REQUIREMENT/ DUE DATE	COMMENTS/ DATE COMPLETED
Financial Reports & Examinations		
File Annual Report with NYSDFS	Within 60 days of fiscal year end	March 2, 2026
File Actuarial Certification of Loss Reserves.	Within 60 days of fiscal year end	March 2, 2026
File Audited Financial Statements with NYSDFS	July 1	In Progress
File Parent Company Annual Report with NYSDFS	Annually	In Progress
Examination by NYSDFS	Every 5 years	Last exam as of 12.31.2020
Taxes & Fees		
File Premium Tax (Franchise Tax) Return with NYS Tax Dept	Within 3 ½ months after reporting period (April 15 for December YE)	FMTAC is exempt from NYS taxes
Pay Premium Tax to NYS Tax Dept.	12/15	FMTAC is exempt from NYS taxes
NYS Department of Financial Services Examination Fees	Due at the end of an exam, based on time incurred.	Will be paid as invoiced
Pay Assessment Surcharge per Section 206 of NYSDFS Law	Due quarterly when invoiced by NYSDFS	FMTAC is exempt from NYSDFS Assessments
Underwriting		
Changes in Insurance Programs (coverage, limits, reinsurers)	Approval is required for business plan changes	In Compliance
Insurance Policies & Reinsurance Agreements	Insurance documentation must be on file in principal office in New York	In Compliance
Investments		
Maintain Minimum required capital and surplus in prescribed form [Cash, LOC, or investment type as described in section 7004, section (b)(2)]	\$250,000 of Total Surplus (\$100,000 shall represent Paid-in Capital)	In Compliance
Intercompany loans	Prior approval from NYSDFS is required.	In Compliance

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

New York Regulatory Compliance Report (Continued)

As of May 20, 2026

DESCRIPTION	REQUIREMENT/ DUE DATE	COMMENTS/ DATE COMPLETED
Corporate Governance		
Notify changes of Directors & Officers to NYSDFS	Notify within 30 days and submit biographical affidavits for any new individuals	Biographical affidavits not applicable. Notice of appointments of new MTA/FMTAC directors (made by Governor following background checks and Senate confirmation process) are made to NYSDFS within 30 days. NYSDFS fingerprinting requirement has been waived
File Certificate of Compliance for License Renewal with NYSDFS	Annually by June 30	In progress
Certificate of Designation	Information needs to remain current	In Compliance
NYS Resident Directors	Minimum of two NY resident directors	In Compliance
Hold Annual Meeting of Directors	Must be held annually in NYS	In Compliance – May 18, 2026
Other Filings		
NY Cyber Regulation	Sec 500.17b written statement by FMTAC that the captive is in compliance is due April 15, 2025	In Compliance – April 14, 2026
Annual Terrorism Risk Insurance Act (“TRIA”) data reporting	Annually, May 15	In Compliance – May 11, 2026



Investment Report

BlackRock

FMTAC Board Presentation

BlackRock managed portfolios for First Mutual Transportation Assurance Company include:

- FMTAC Ace American Trust
- FMTAC Discovery Re Trust
- FMTAC Excess Loss Fund
- FMTAC General Operating Account
- FMTAC Liberty Trust East Side Access
- FMTAC Liberty Trust '06 NY Transit Authority
- FMTAC Master Builders' Risk
- FMTAC Star Indemnity

PREPARED FOR FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY - NOT FOR PUBLIC DISTRIBUTION

FMTAC Aggregate Portfolio

FMTAC-AGG

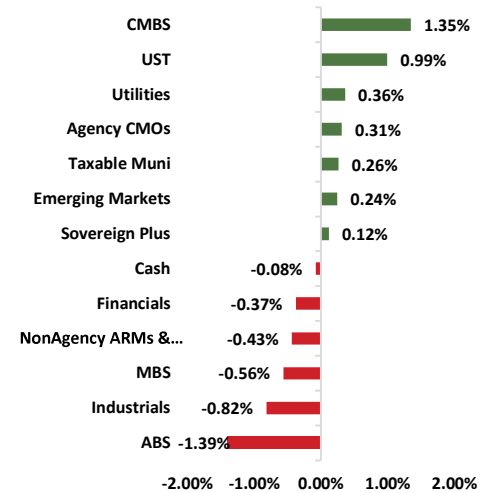
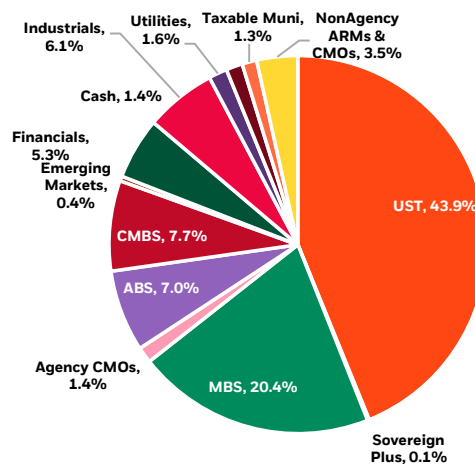
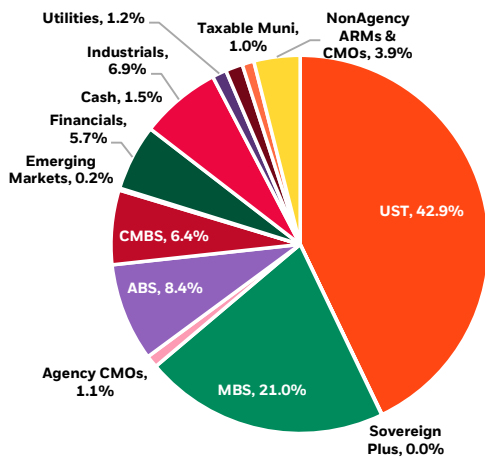
Total Portfolio: Sector Positioning & Characteristics

Portfolio Change

As of December 31, 2023

As of December 31, 2024

Portfolio Change 12/31/2023 vs. 12/31/2024



	Portfolio
Duration	4.52
Avg. Moody's/S&P Rating	Aa1/AA
Market Yield	4.65
Book Yield (excl. Cash)	3.59
YTD Interest Income (\$000)	24,031
Net Asset Value (\$000)	880,337

	Portfolio
Duration	4.43
Avg. Moody's/S&P Rating	Aa1/AA
Market Yield	4.86
Book Yield (excl. Cash)	4.01
YTD Interest Income (\$000)	30,513
Net Asset Value (\$000)	909,103

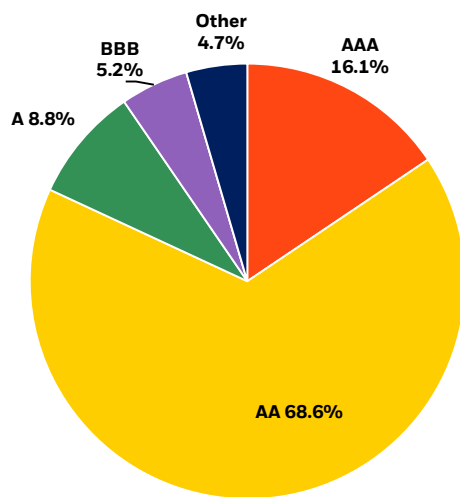
	Portfolio Change 12/31/2023 vs. 12/31/2024
Chg. in Active Duration	-9 bps
Avg. Moody's/S&P Rating	No Change
Active Market Yield	+21 bps
Book Yield (excl. cash)	+42 bps
Net Assets Value(\$000)	28,766
Unrealised G/L(\$000)	-3,826

Note: MBS above consists of 30YR & 15 YR passthroughs, agency ARM's & CMO's. Other credit includes HY, EM, and sovereign plus
 Benchmark: No Benchmark

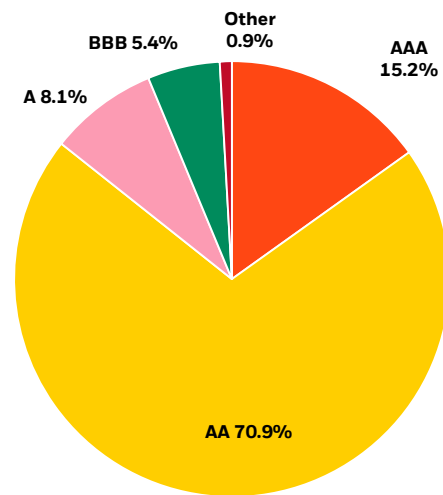
Total Portfolio: Ratings & Key Rate Duration

Portfolio Change

As of December 31, 2023



As of December 31, 2024



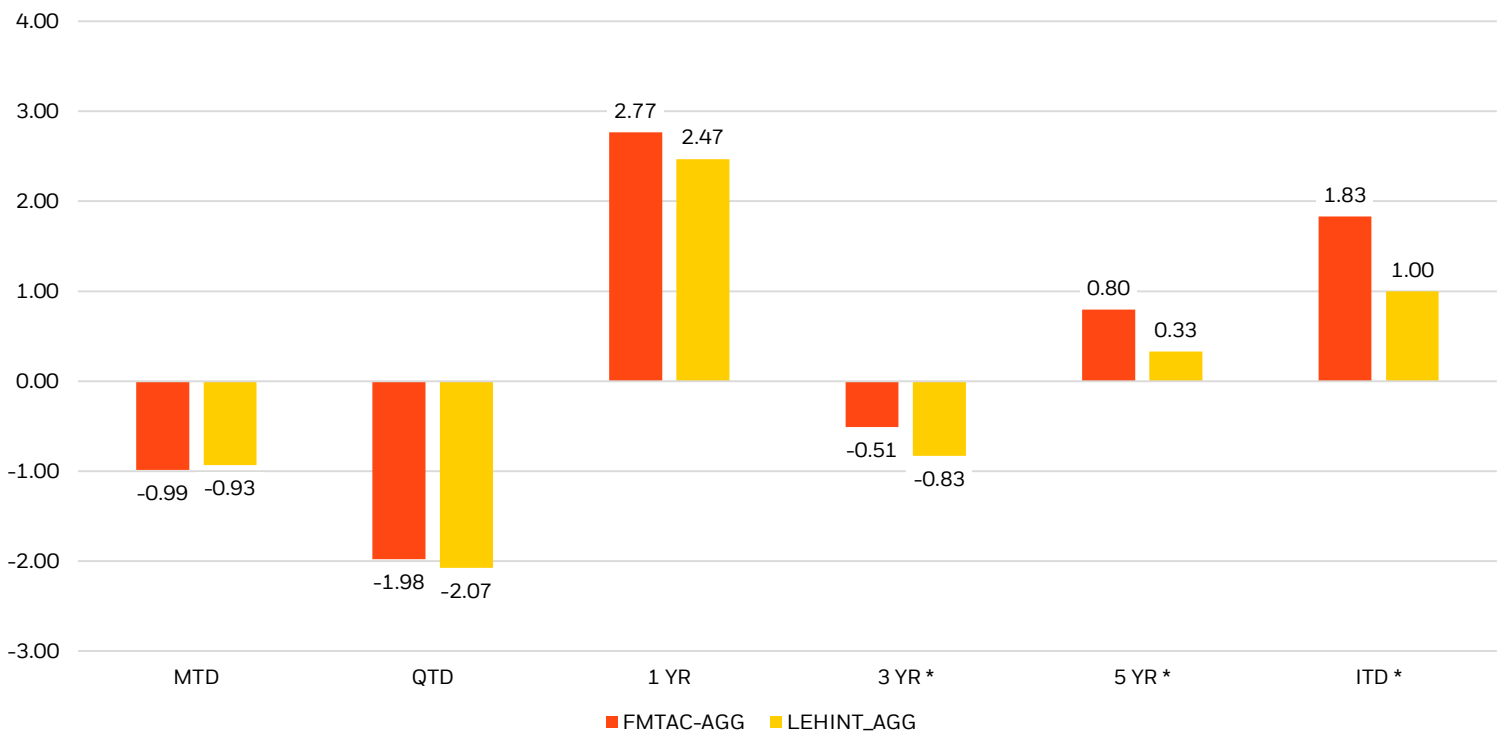
Effective Durations Buckets as of December 31, 2024

	Total	<1Y	1Y-5Y	5Y-10Y	10Y-20Y	20Y+
Duration	4.43	0.40	3.19	6.15	14.41	-
Market Value%	100%	12.40%	48.80%	33.50%	5.30%	-

Standard Barclays Rating
Benchmark: No Benchmark

Aggregate Portfolio Performance (%)

As of December 31, 2024

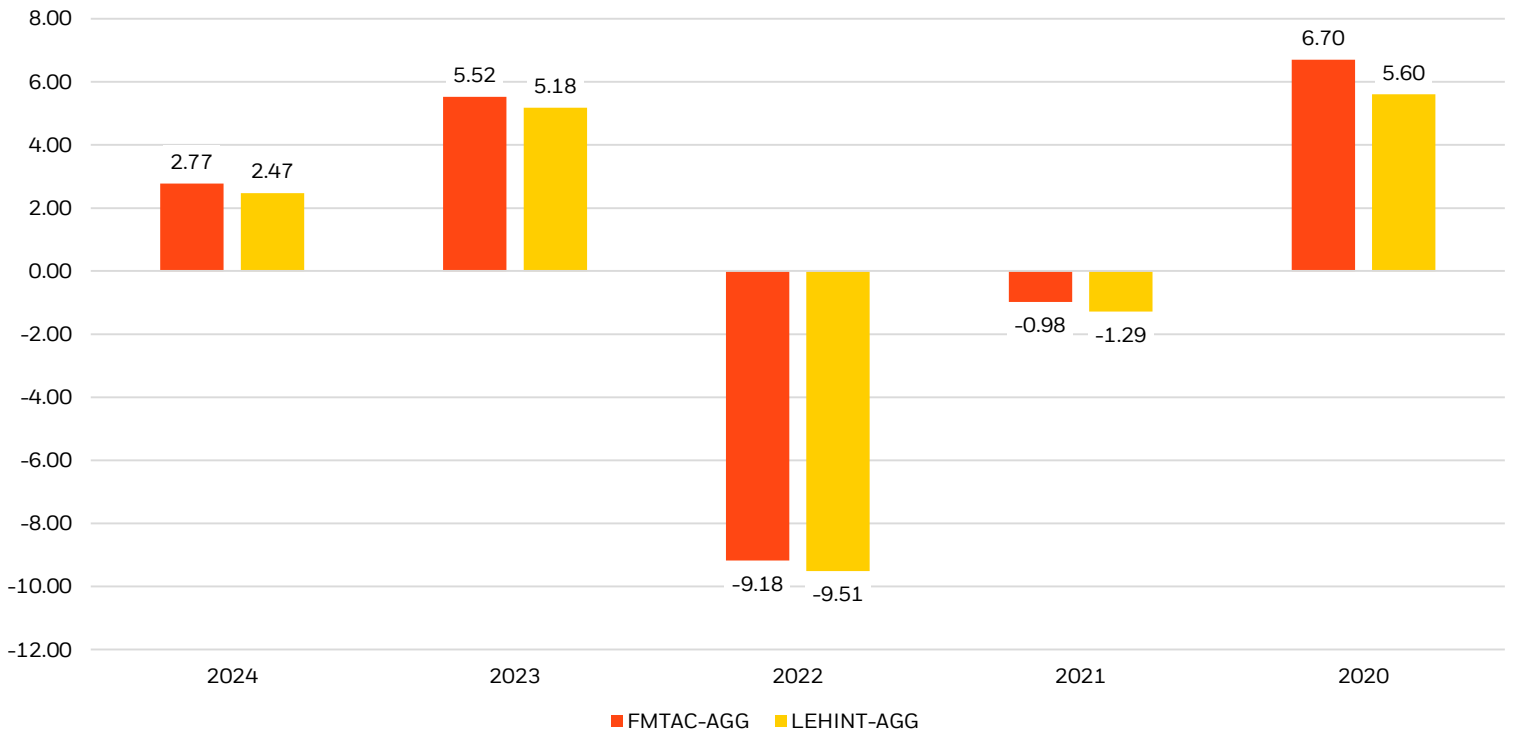


*Annualized Performance

- LEHINT_AGG = BBG Intermediate Aggregate Index
- The Aggregate Portfolio is not managed to an official benchmark
- The listed index is for illustrative purposes at the request of FMTAC but is not an official contracted benchmark to the Aggregate Portfolio. This index was selected as it has comparable asset classes and duration to the Aggregate Portfolio.
- Official performance is measured at the individual portfolio level

Aggregate Portfolio Performance (%)

Annual Performance 2020-2024



*Annualized Performance

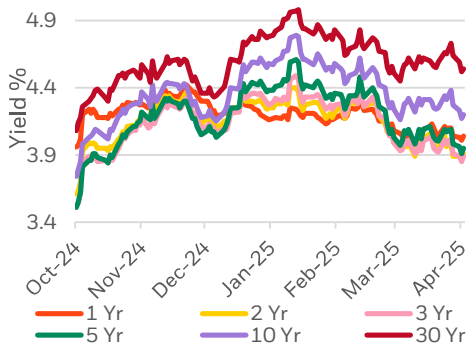
- LEHINT_AGG = BBG Intermediate Aggregate Index
- The Aggregate Portfolio is not managed to an official benchmark
- The listed index is for illustrative purposes at the request of FMTAC but is not an official contracted benchmark to the Aggregate Portfolio. This index was selected as it has comparable asset classes and duration to the Aggregate Portfolio.
- Official performance is measured at the individual portfolio level as displayed on slide 35

Macro Outlook

Current Market Environment

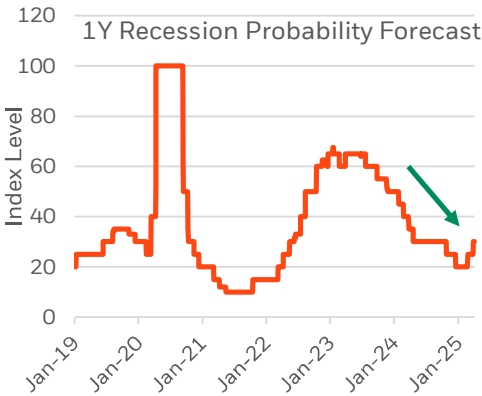
March 2025: Q1 Closes on the Brink of Tariff Announcements

Rates were rangebound, reacting to persistent themes of economic data, tariffs, and the Fed



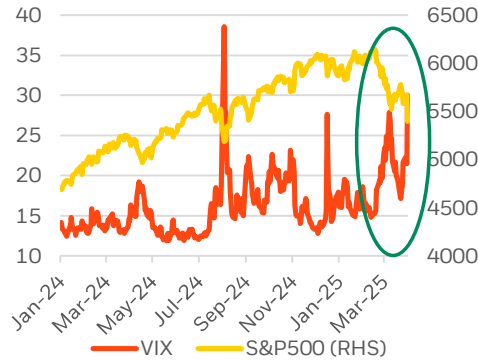
Source: The US Treasury. Data as of April 3, 2025.

Expectations for a US Recession within a year have increased due to slowing growth worries



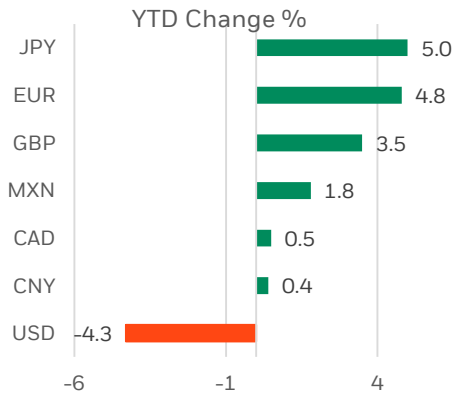
Source: Bloomberg. Data as of April 2, 2025. Forecasts are based on estimates and assumptions, there is no guarantee that they will come to pass. It is not possible to invest directly in an index.

Volatility increased and equities suffered as evolving trade policy damped economic outlook



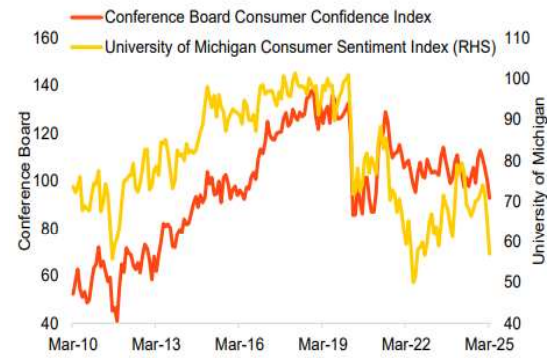
Source: Bloomberg. April 3, 2025. It is not possible to invest directly in an index.

The USD has suffered vs major world currencies as tariffs could be detrimental for the USA



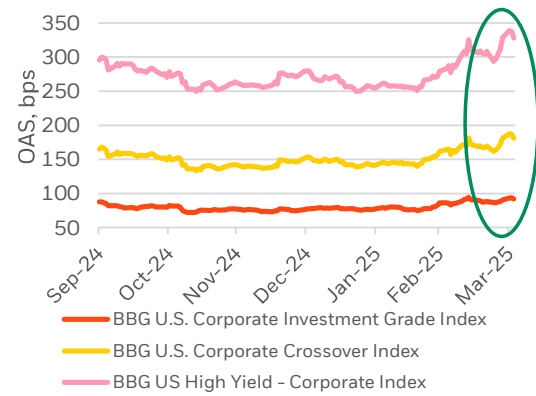
Source: Bloomberg. Data as of April 3, 2025.

US Consumers (responsible for 2/3 of GDP) showed increasing concern of a challenging growth climate



Source: Conference Board, University of Michigan, Bloomberg, BlackRock. As of March 31, 2025

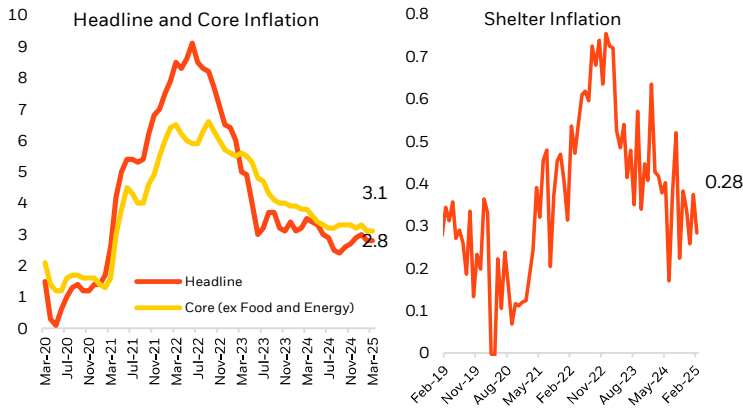
Credit spreads widened as tariff and consumer sentiment worries continued to persist



Source: Bloomberg. Data as of April 2, 2025. It is not possible to invest directly in an index.

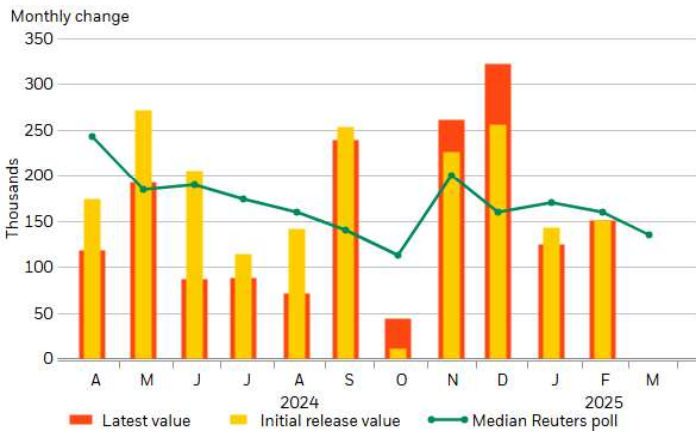
US Macro Overview

U.S. disinflation slows, but shelter inflation remains a bright spot



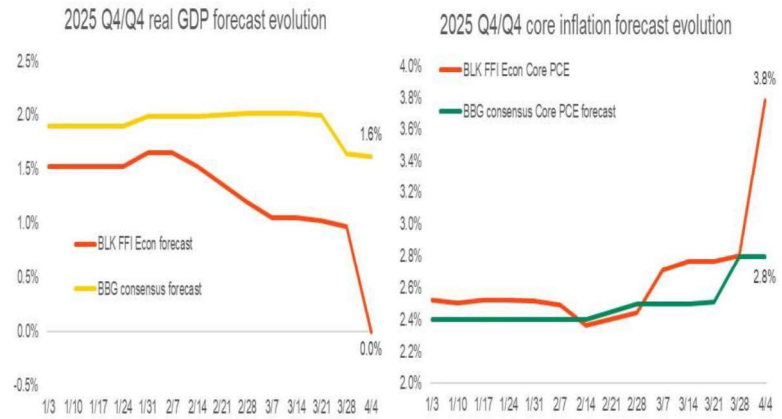
Source: Bloomberg. Data as of March 31, 2025.

March non-farm payrolls added 228k jobs vs. 140k expected, while unemployment edged up slightly to 4.2%



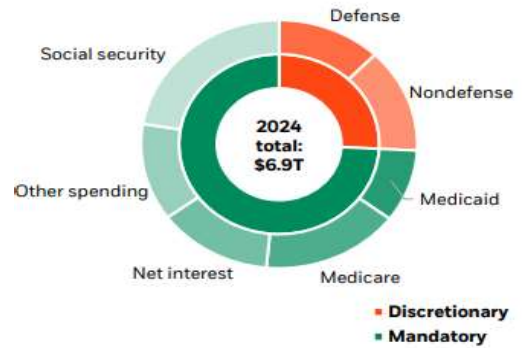
Source: Bureau of Labor Statistics and Haver Analytics. Data as of April 3, 2025.

GDP was revised sharply lower amid weakening data and rising trade war uncertainty, while tariff-driven inflation raises stagflation concerns



Source: BlackRock. Data as of April 4, 2025.

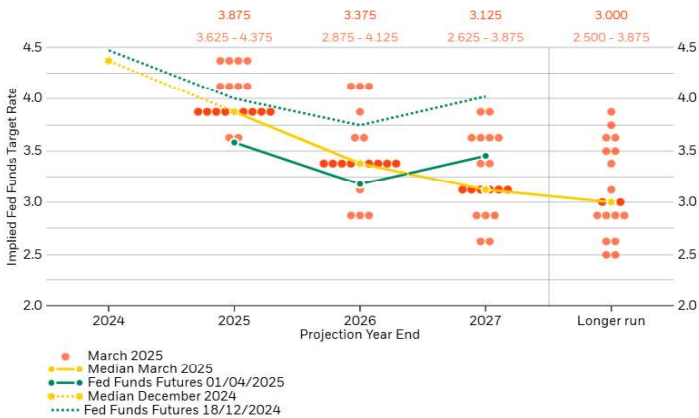
Meaningful deficit reduction will demand difficult cuts across core spending areas



Source: BlackRock Investment Institute, CBO, data as of March 2025. Notes: Discretionary spending is set annually by Congress through the appropriations process (defense, education). Non-discretionary (mandatory) spending is required by law and occurs automatically (e.g. social security, Medicare). Mandatory spending is projected to rise further by 2030, mainly due to population aging.

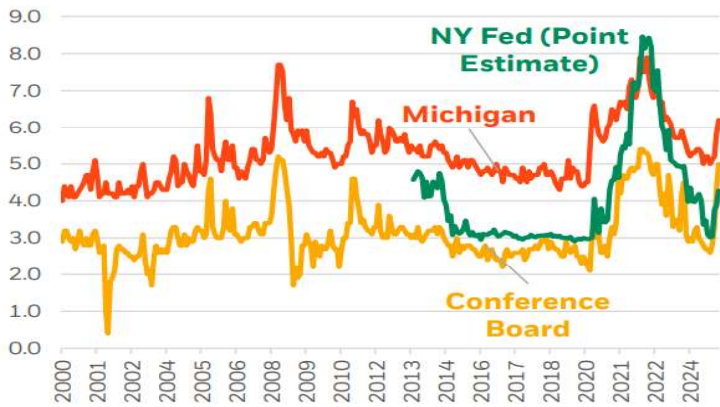
Fed and US Rates Overview

The updated dot plot reflects median FOMC projection of the fed funds rate to fall 50 basis points in 2025 and 50 basis points in 2026



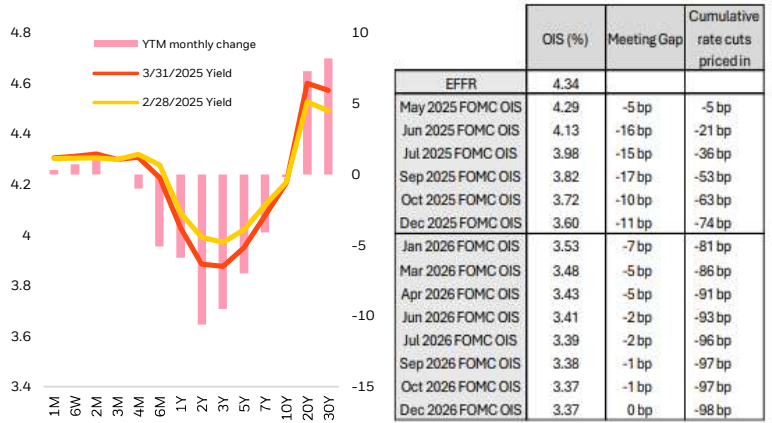
Source: BlackRock. Data as of April 2, 2025.

Consumer inflation expectations surveys have surged higher amid ongoing policy uncertainty...



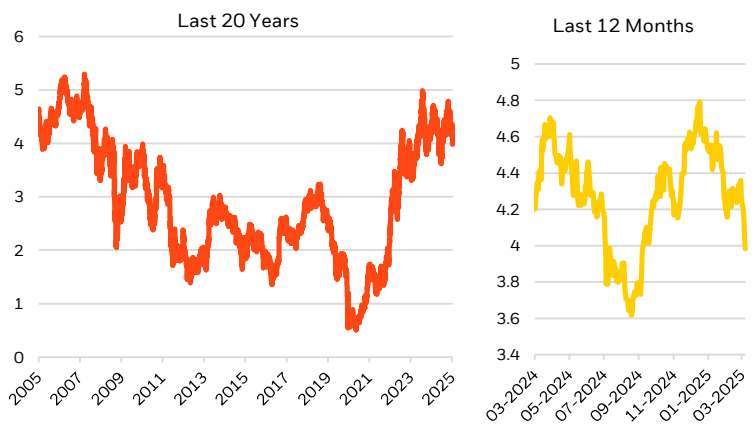
Source: BlackRock Investment Institute. Data as of April 1, 2025.

The rate trajectory reflects a market recalibration of Fed cut expectations amid growing recession risks



Source: BLS and BBG, data as of April 1, 2025.

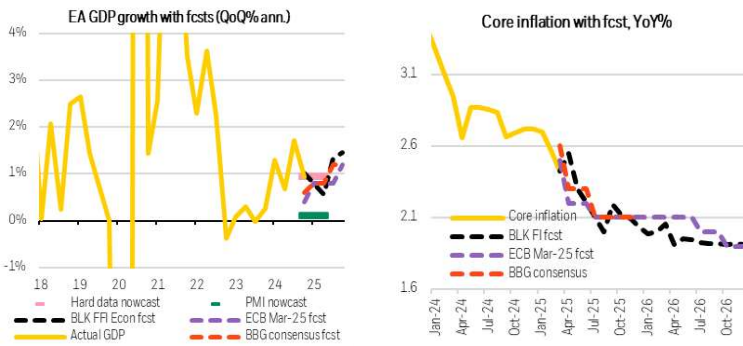
The 10-year government bond yield curves drops recently due to market volatility, tariff, and policy uncertainty



Source: BBG, BlackRock Investment Institute. Data as of April 4, 2025.

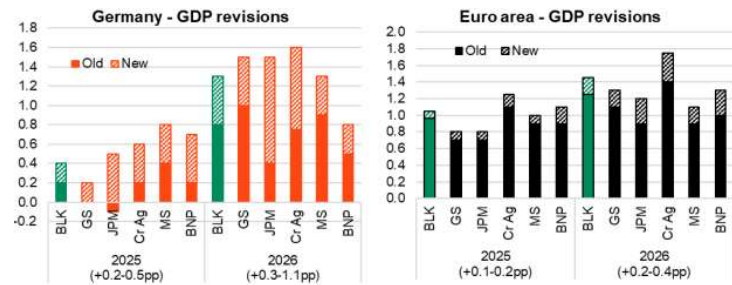
Global Macro Overview

Prior to the recent tariff announcement, Euro area (EA) growth was expected to trend higher, while inflation continued to moderate



Source: BlackRock. Data as of March 31, 2025.

Germany and EU commission announced major defense spending which may boost economic activity in the region



Source: BlackRock. Data as of March 31, 2025.

President Trump looks to add a 10% baseline tax on all US imports and additional tariffs on trading partners with large trade deficits

Country	Tariffs Charged to the U.S. (as of 3/31/25)	U.S. Discontinued Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Tiwan	48%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

Country	Tariffs Charged to the U.S. (as of 3/31/25)	U.S. Discontinued Reciprocal Tariffs
Bhru	10%	10%
Nicaragua	36%	18%
Norway	30%	15%
Costa Rica	17%	10%
Jordan	40%	20%
Dominican Republic	10%	10%
United Arab Emirates	10%	10%
New Zealand	20%	10%
Argentina	10%	10%
Ecuador	12%	10%
Guatemala	10%	10%
Honduras	10%	10%
Malagascar	93%	47%
Mexico (Mexico)	88%	44%
Tunisia	55%	28%
Kazakhstan	54%	27%
Serbia	74%	37%
Egypt	10%	10%
Saudi Arabia	10%	10%
El Salvador	10%	10%
Cote d'Ivoire	41%	21%
Laos	95%	48%
Botswana	74%	37%
Trinidad and Tobago	12%	10%
Morocco	10%	10%

Source: White House as of April 2, 2025.

Yields in Europe sold off bringing investment grade credit to attractive levels, paired with strong growth in the region may drive spreads lower



Source: BlackRock. Data as of March 31, 2025.

Fixed Income Sector Reviews

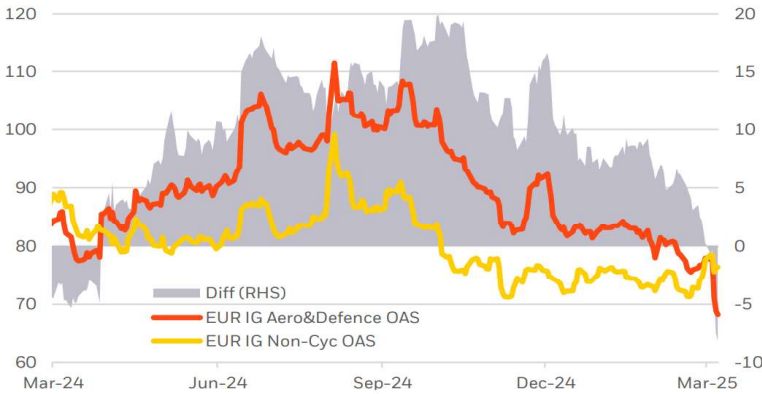
Global Investment Grade Credit

Throughout Q1, US IG returns have provided stability over equities, indicating IG's potential resilience from tariff-related vol



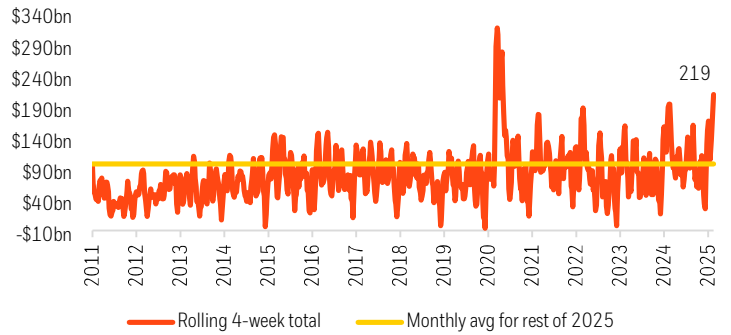
Left Source: JPM, BlackRock. Data as of March 20, 2025

Amidst increased defense spending across the EU, and specifically Germany, EUR IG Aerospace and Defense names have outperformed



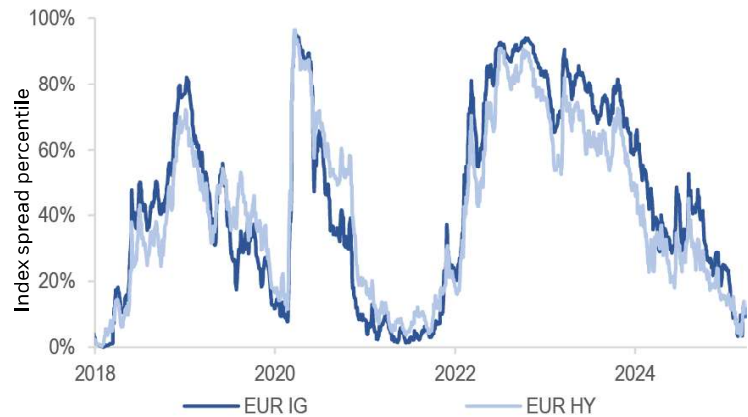
Source: Bloomberg, BlackRock. Data as of March 11, 2025

Due to current rate levels, US IG monthly supply reached its highest levels since COVID; however, issuance is expected to moderate



Source: BlackRock. Data as of March 18, 2025. Any opinions, forecasts represent an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results.

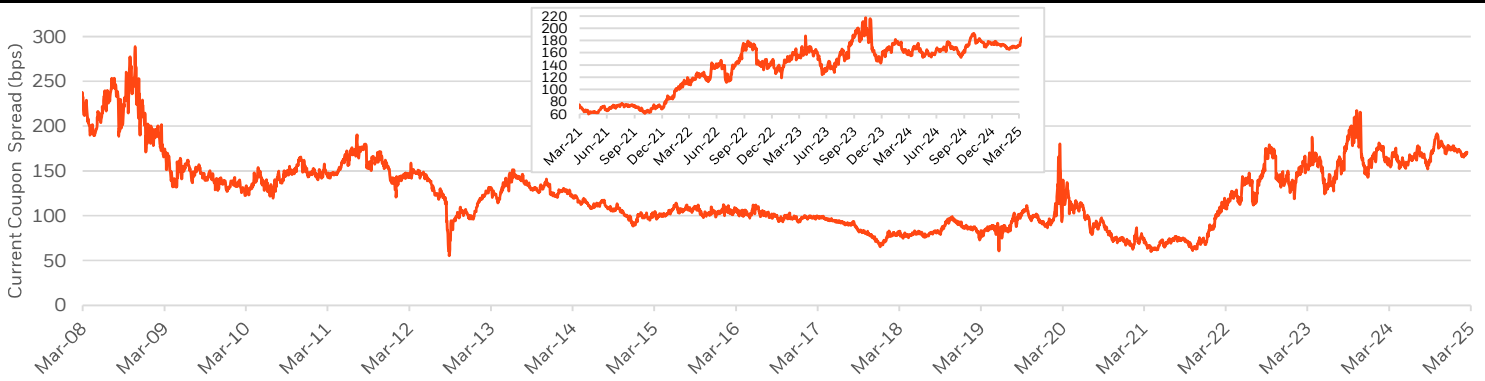
Despite EUR IG continuing to trade at tight levels amidst geopolitical uncertainty and tariff policy, all-in yields remain attractive



Source: JPM. Data as of March 28, 2025

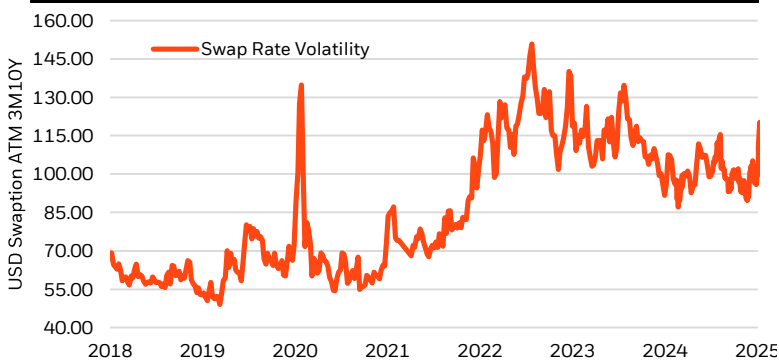
Agency MBS

Current coupon mortgage spread



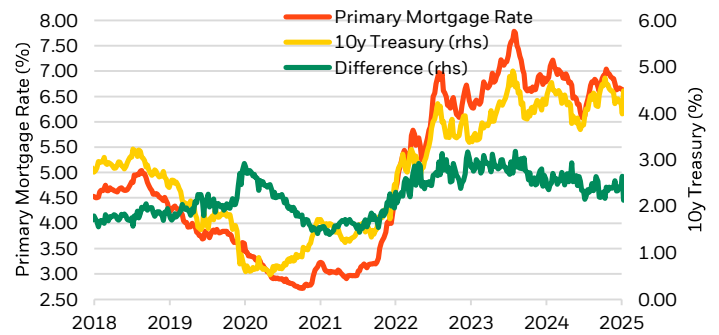
Source: Credit Suisse FN30 Current Coupon Agency MBS, Bloomberg as of March 31, 2025

Implied interest rate volatility



Source: Bloomberg as of March 31, 2025

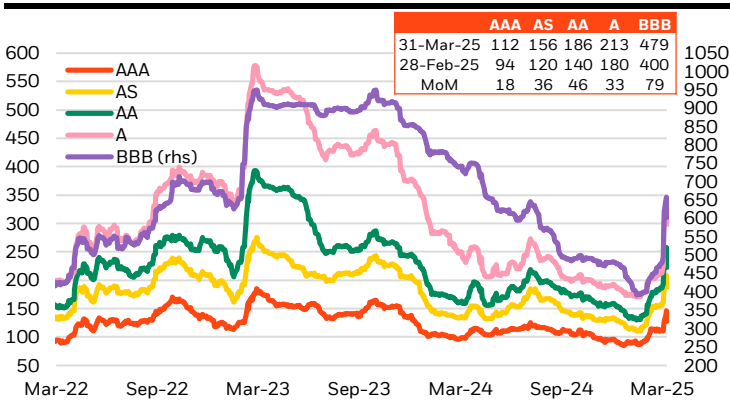
Primary mortgage rate



Source: Morgan Stanley, Freddie Mac as of March 31, 2025

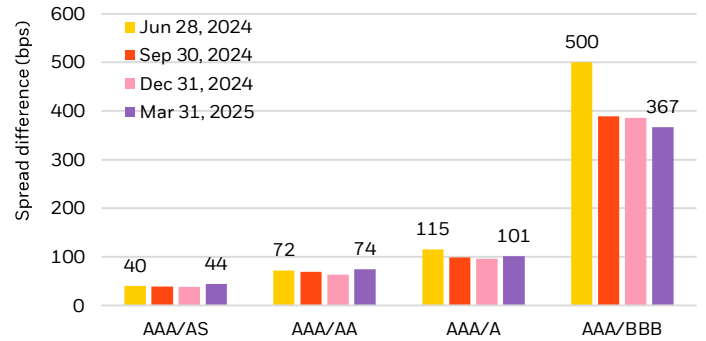
CMBS

CMBS conduit index spread by rating



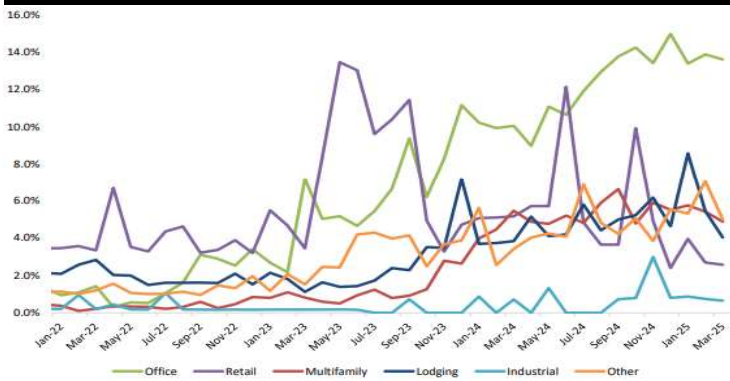
Source: JP Morgan as of March 31, 2025. JP Morgan CMBS Index

CMBS conduit index credit curve



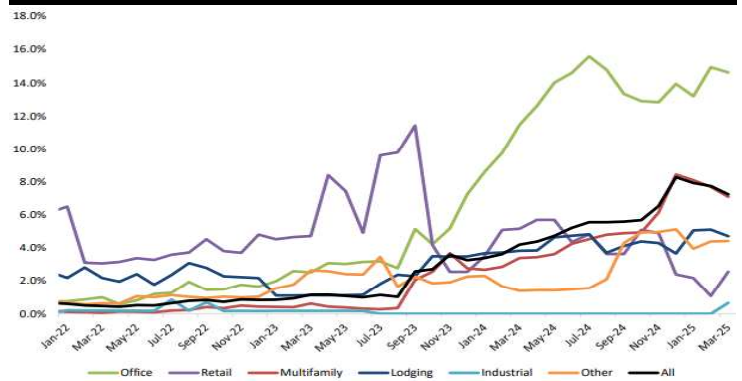
Source: JP Morgan as of March 31, 2025. JP Morgan CMBS Index

March remittance: 30-day+ delinquency rate



Source: Trepp, Morgan Stanley Research as of April 11, 2025

March remittance: special servicing



Source: Trepp, Morgan Stanley Research as of April 11, 2025

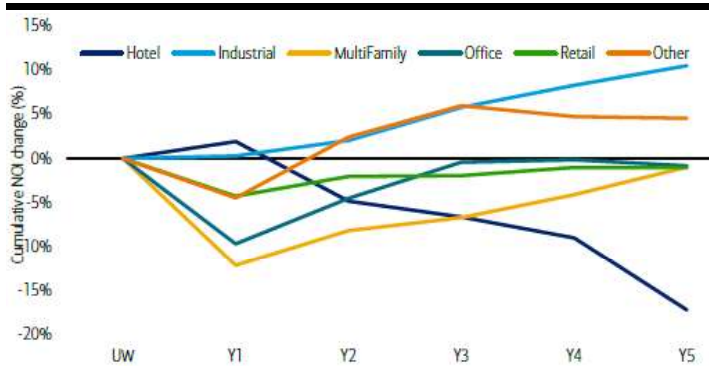
Commercial Real Estate (CRE) Fundamentals

CRE transaction volume



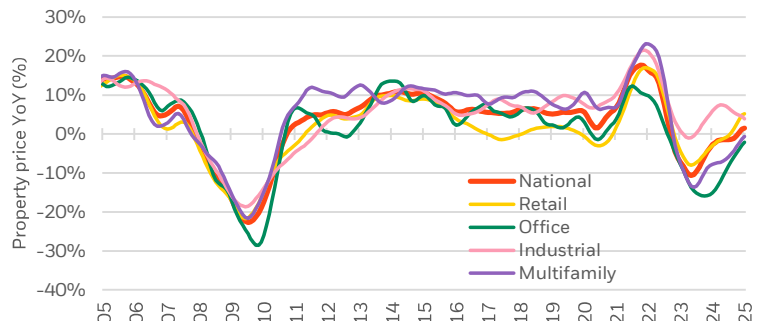
Source: RCA, BofA Global Research as of April 04, 2025

Y-o-Y change in NOI between underwriting and the end of the fifth year



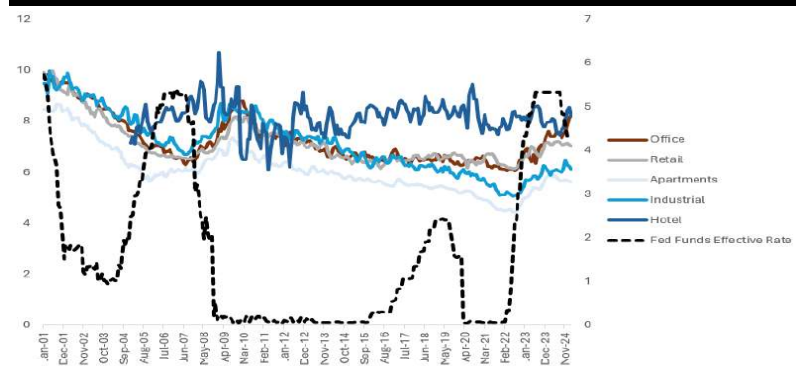
Source: Intex, BofA Global Research as of April 04, 2025

National CRE property prices modestly rose in January



Source: Real Capital Analytics, Bloomberg as of March 31, 2025

National cap rates by property type vs effective fed funds rate



Source: Real Capital Analytics, Bloomberg, Federal Reserve Bank, Goldman Sachs Research as of April 11, 2025

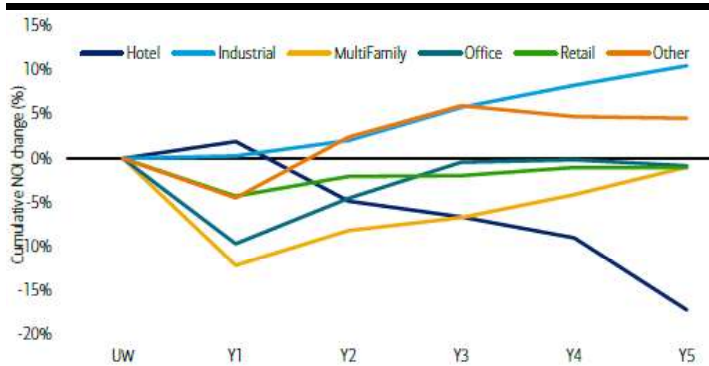
Commercial Real Estate (CRE) Fundamentals

CRE transaction volume



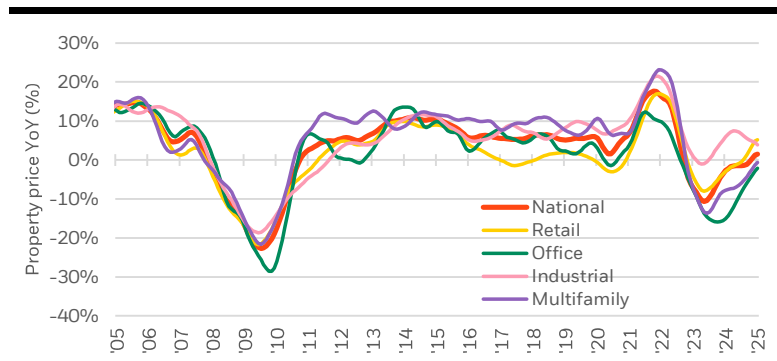
Source: RCA, BofA Global Research as of April 04, 2025

Y-o-Y change in NOI between underwriting and the end of the fifth year



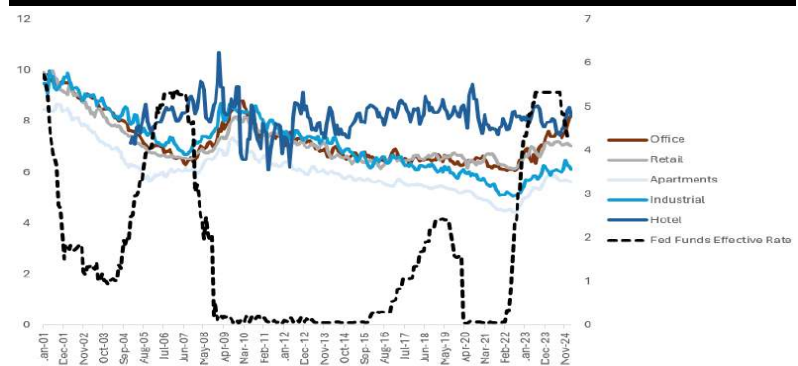
Source: Intex, BofA Global Research as of April 04, 2025

National CRE property prices modestly rose in January



Source: Real Capital Analytics, Bloomberg as of March 31, 2025

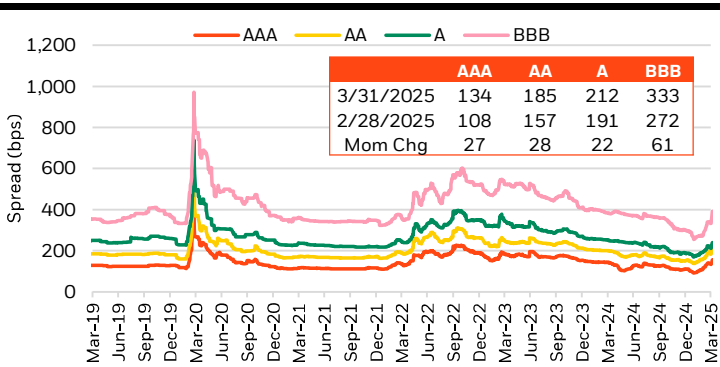
National cap rates by property type vs effective fed funds rate



Source: Real Capital Analytics, Bloomberg, Federal Reserve Bank, Goldman Sachs Research as of April 11, 2025

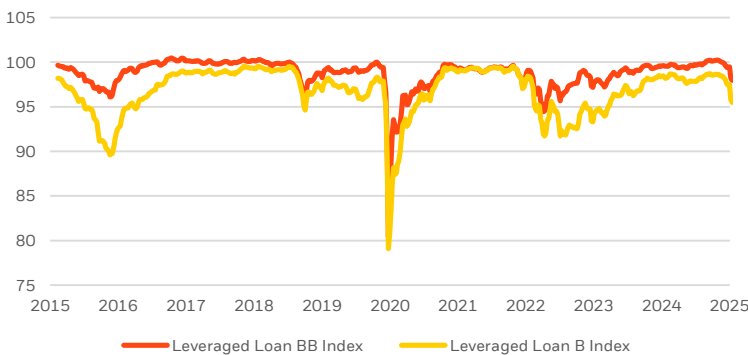
CLO

CLO index spreads by rating



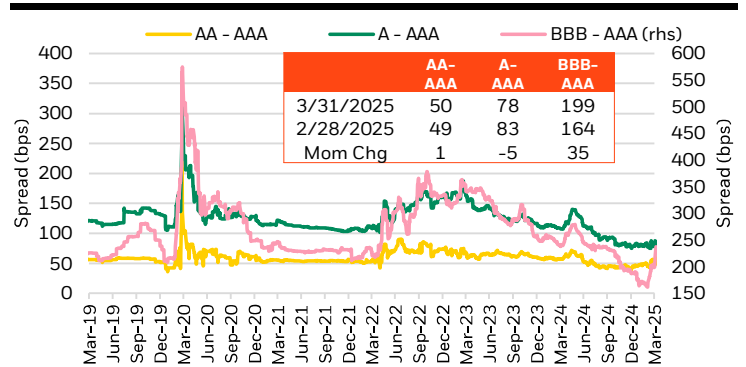
Source: Bloomberg as of March 31, 2025. JPM CLOIE Index

BB vs B bank loan prices



Source: Bloomberg as of March 31, 2025
S&P/LSTA Leveraged BB Loan Index, S&P/LSTA Leveraged B Loan Index

CLO credit curve



Source: Bloomberg as of March 31, 2025. JPM CLOIE Index

Relative Value: CLO vs Corporates



Source: BofA Global Research, Bloomberg, LCD as of April 11, 2025

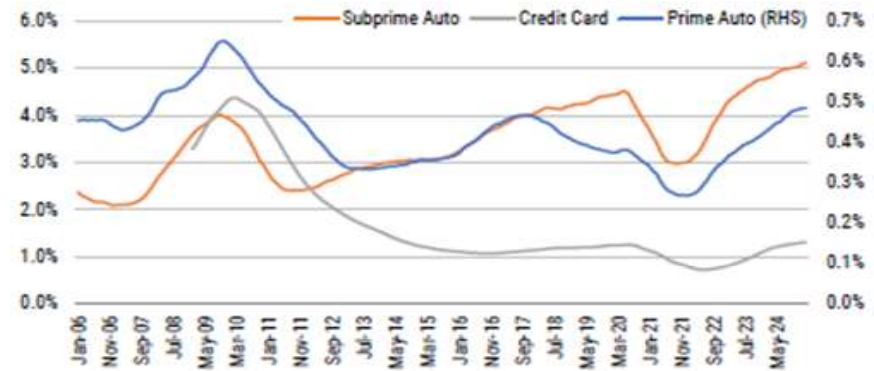
ABS

ABS Supply

\$bn	2021	2022	2023	2024	2024 YTD	2025 YTD
Credit Cards	17	32	23	19	6.4	3.7
Bank/Charge	17	30	21	17	5.6	2.9
Retail	0	2	2	3	0.8	0.8
Autos	132	110	146	163	53.4	49.2
Prime Loan	50	50	73	77	25.6	22.3
Non-prime Loan	43	33	34	40	11.5	14.0
Lease	27	16	23	30	11.7	9.1
Fleet & other	13	11	16	16	4.6	3.9
Student Loans	26	7	7	8	2.1	1.6
FFELP	8	0	0	1	0.0	0.0
Private Credit	18	7	7	8	2.1	1.6
Equipment	19	22	21	26	7.2	8.6
Floorplan	1	1	4	8	2.9	1.1
Unsecured Consumer	17	16	14	20	4.2	7.4
MPL	8	9	8	7	2.1	3.9
Branch & other	9	7	7	13	2.1	3.5
Other	55	58	41	66	15.7	17.3
Total ABS	267	244	256	312	91.8	89.0
% 144A	61%	50%	56%	62%	61%	60%
% Floating-rate	5%	4%	7%	8%	9%	7%

Source: JP Morgan as of April 04, 2025

60+ delinquencies have been moving higher across consumer products, but at substantially different paces



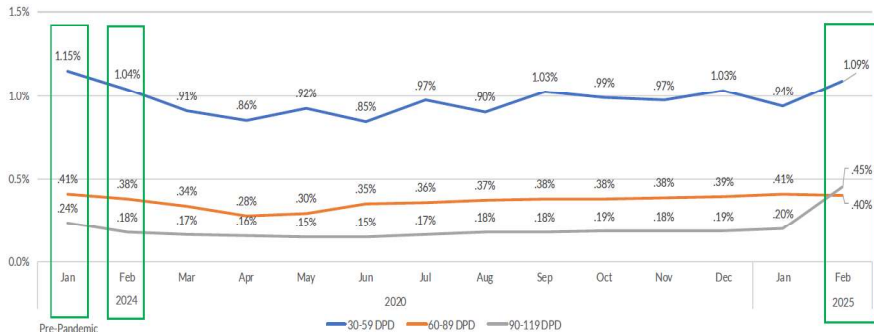
Source: Intex, Morgan Stanley Research as of March 31, 2025

Relative Value: ABS vs Corporates



Source: BofA Global Research, ICE Data Indices, LLC as of April 04, 2025

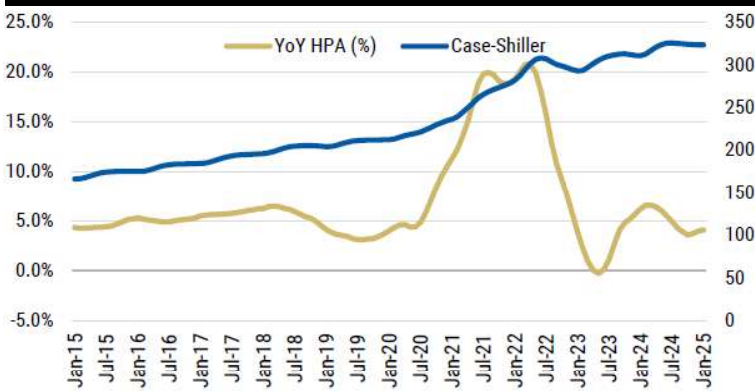
Student ABS: 90+ days delinquency rates rose sharply, driven mainly by resumption of the Federal student loan reporting



Source: Equifax, Experian, TransUnion, VantageScore as of March 31, 2025

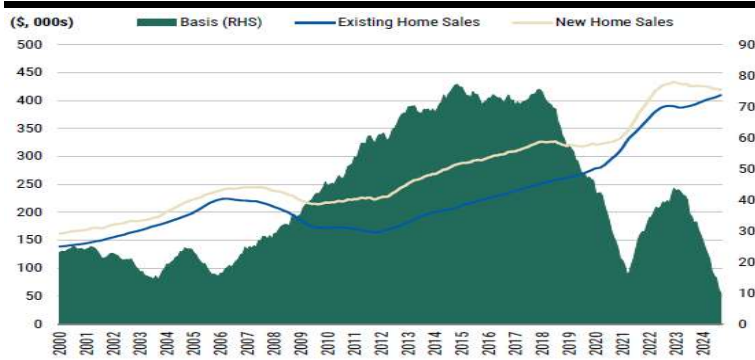
Non-Agency RMBS

Case-Shiller's national home price index



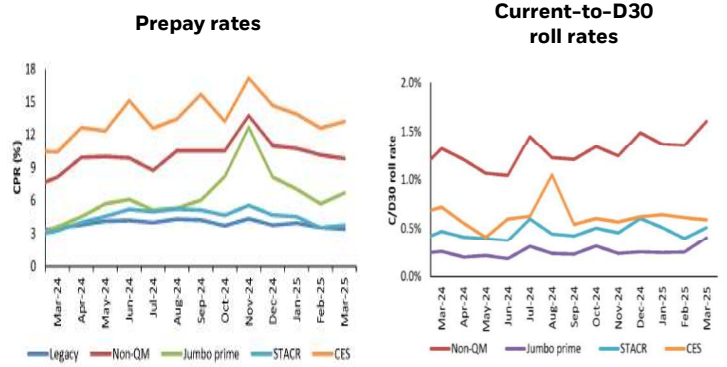
Source: Morgan Stanley Research, Case-Shiller as of April 03, 2025

Basis between new and existing home sales continues to close



Source: NAR, US Census Bureau, Morgan Stanley Research as of March 28, 2025

March remits across sectors



Source: CoreLogic, Freddie Mac, Nomura as of March 27, 2025

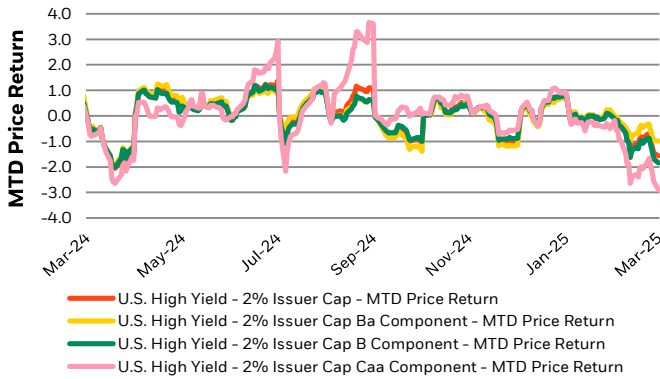
Non-QM AAA bonds are cheap vs IG based on historical spreads



Source: Bofa Global Research, Bloomberg as of April 04, 2025

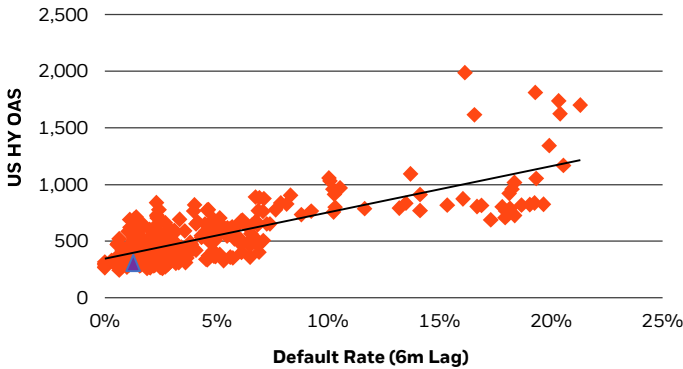
Global High Yield (HY) Credit

Though the US HY was down -1.10% as CCCs underperformed amidst rising growth concerns...



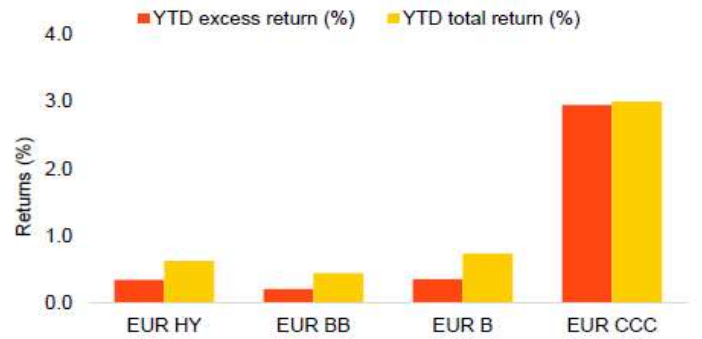
Source: Barclays Live. Data as of March 31, 2025. Past performance is not indicative of future results.

US HY spread levels have remained near all-time tights as overall defaults and distress remain at historical lows



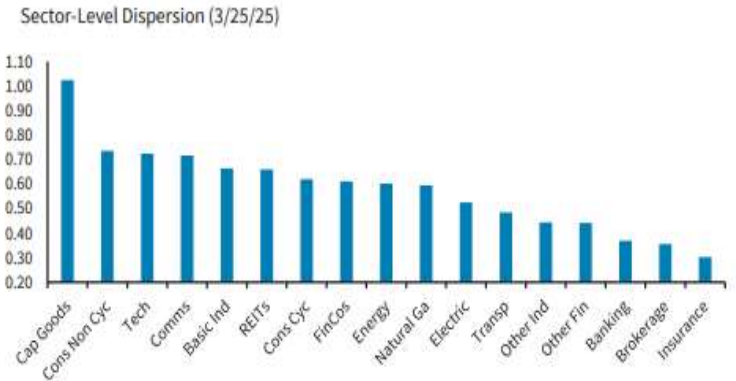
Source: BofA Global Research. Data as of January 31, 2025.

...EUR HY's has seen positive YTD performance, driven by lower quality areas given higher growth expectation has led to risk-on sentiment



Source: Bloomberg, BlackRock. Data as of April 2, 2025.

At the sector level, dispersion has remained elevated across as the risk of geopolitical trade uncertainty has risen

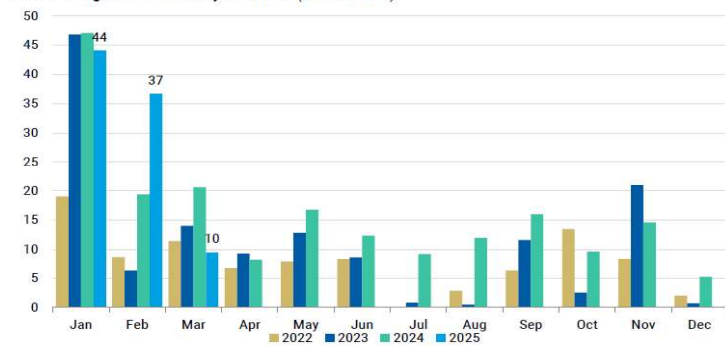


Source: Bloomberg, Barclays Research. Data as of March 25, 2025.

Emerging Market Debt

Large EM sovereign supply in Feb has been well-absorbed...

EM Sovereign credit monthly issuance (US\$ billions)



Source: Morgan Stanley Research, March 2025

EM local debt has becoming more tactically attractive as Central Banks might have more space to cut rates than markets are currently pricing...

	Market Pricing, % ¹					BNPP forecast, %		Difference, bp	
	Mar 25	Jun 25	Sep 25	Dec 25	Dec 26	2025	2026	2025	2026
Poland	5.82	5.67	5.27	4.89	4.33	4.00	3.50	-69	-63
Czech Rep	3.70	3.52	3.36	3.31	3.40	3.00	2.50	-31	-90
Hungary	6.51	6.57	6.52	6.30	6.13	5.75	4.50	-55	-163
South Africa	7.49	7.40	7.36	7.33	7.40	7.00	6.50	-33	-90
Türkiye	42.4	37.8	33.8	31.0	27.2	27.50	20.00	-352	-720
CEEMEA**								-62	-106
Brazil	14.02	15.50	14.97	15.10	14.08	15.00	13.50	-10	-68
Mexico	9.77	8.97	8.28	8.11	8.07	8.25	7.75	14	-32
Colombia	9.24	8.86	8.49	8.21	8.32	7.75	6.50	-46	-182
Chile	5.21	5.14	5.00	4.92	5.13	5.00	4.50	8	-63
LatAm								-9	-84
Thailand	1.99	1.85	1.70	1.61	1.58	1.75	1.75	14	17
S. Korea	2.85	2.68	2.54	2.50	2.41	2.50	2.50	0	9
India	6.45	5.99	5.85	5.77	5.72	5.75	5.75	-2	3
Malaysia	3.66	3.56	3.54	3.46	3.37	3.00	2.75	-46	-62
Asia								-9	-8

¹Calculated as the fwd key rate equals policy rate
Positive: BNPP forecast is higher
Negative: BNPP forecast is lower
****Excluding Türkiye**

Source: National Sources and J.P. Morgan, March 2025

...with strong interest in EM from crossover investors

Overall EM Credit Supply (US\$bn)	Total		Green		Social		Sustainable		Sustainability-linked	
	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD	WTD	YTD
EM sovereign supply	7.8	90.3	-	2.6	-	1.8	-	2.6	-	-
Asia	-	7.2	-	-	-	-	-	2.0	-	-
CEEMEA ex-MENA	5.6	33.4	-	1.0	-	-	-	0.5	-	-
MENA	2.2	28.0	-	1.6	-	-	-	-	-	-
LatAm	-	21.7	-	-	-	1.8	-	-	-	-
EM corporate supply	20.8	154.6	1.1	8.3	0.2	2.6	0.1	8.2	-	1.1
Asia	20.6	78.8	1.1	4.2	0.2	2.6	0.1	3.8	-	-
CEEMEA	-	42.9	-	2.9	-	-	-	2.0	-	0.3
LatAm	-	27.7	-	1.3	-	-	-	2.4	-	0.8
Total	28.6	244.9	1.1	10.9	0.2	4.4	0.1	10.8	-	1.1

Source: Morgan Stanley Research, March 2025

...and EM Local yield converted to USD is at historically attractive levels

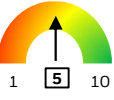
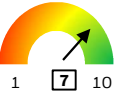
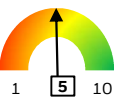
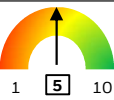
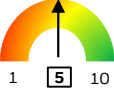
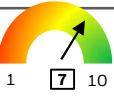


Source: J.P. Morgan, March 2025

Multi-Sector Positioning Overview

March 2025 FIG Multi-Sector Positioning Overview

Financial Institutions Group Unconstrained Positioning*

Sector	Current Position	Sector focus & trade activity
Rates/Curve		<ul style="list-style-type: none"> ➤ 2s10s was volatile over the month closing at approximately 32bps, 12bp higher than its February open. The 5s30s curve increased by approximately 13bps throughout the month, ending the period at 62bps as term premiums expanded steadily over the period. ➤ We held a neutral duration position in the backdrop of higher inflation expectations, slower growth and uncertainty in the FED policy rates. ➤ As the administration imposes more policies, we will await to see the impact of tariffs on inflation and growth, potential impacts of DOGE, treasury funding impacts, longer-term fiscal budget conversation
Agency Mortgages		<ul style="list-style-type: none"> ➤ We remain overweight to CMO's as they continue to look compelling in the current market environment. As a core position Agency PT's are favorable relative to other sectors but have found more value in 15's and CMOs. Additionally, the asset class provides a diversified return profile. ➤ The Bloomberg MBS Index underperformed similar duration Treasuries by 27bps in March. Higher mortgage rates paired with weaker purchase seasons typical of the start of the year have resulted in subdued prepayment activity.
CLO		<ul style="list-style-type: none"> ➤ We continue to maintain a neutral positioning for CLOs as the spreads have shown their resiliency in an otherwise spread widening environment. ➤ Credit curve was flat to wide month over month in March. We have been active in trading in the secondary market, mainly selling low spread AAA paper which is sensitive to gap risk. We have largely been staying away from generic BBs which continue to hover around record tight spread levels since the GFC, preferring select trades CLO equity and bespoke or private opportunities. We also have been optimizing our existing CLO equity control positions, monetizing more seasoned positions post-reset, and in redeploying into cleaner, higher cash-on-cash, and longer profiles in both new issue and secondary
ABS		<ul style="list-style-type: none"> ➤ We have seen robust issuance come to market to the market. Currently the market is choppy and is in price discovery mode. Spreads moved to wider levels with most sectors moving beyond 12-month minimums but not 36-month maximums. ➤ Delinquencies have inched higher, especially in subprime auto, moving closer to pre-pandemic levels.
CMBS		<ul style="list-style-type: none"> ➤ We maintain a neutral positioning for CMBS as conduit credit continued to steepen in March and spreads were wider. Both primary and secondary market participation remained muted, reflecting a cautious investor stance and a growing recognition that the bid/offer dynamic may deteriorate further in the event of prolonged volatility. ➤ The Bloomberg Barclays CMBS Index posted an excess return of -25bps vs duration-adjusted Treasuries with a total return of 26bps in March, bringing year to date excess return to -7bps and YTD total return to 257bps.
NA RMBS		<ul style="list-style-type: none"> ➤ Overall, volumes have normalized while demand remains strong. The relatively low housing supply still provides a fundamentally strong backdrop. ➤ The asset class has experienced a continued positive tone and is still offering attractive relative valuation among short dated assets.

* Please note, the sector strategies described above are shown for illustrative purposes only and are reflective of unconstrained mandates only and may not reflect the strategy employed in all portfolios. KR D refers to key rate durations. Green shaded area indicates an overweight, yellow shaded area indicates neutral, red shaded area indicates an underweight. Source: Bloomberg for market data and BlackRock for positioning as of March 31, 2025. Past performance is not indicative of future results. Forecasts are based on estimates and assumptions. There is no guarantee that they will be achieved.

March 2025 FIG Multi-Sector Positioning Overview

Financial Institutions Group Unconstrained Positioning*

Sector	Current Position	Sector focus & trade activity
EM / Sovereign		<ul style="list-style-type: none"> ➤ The reciprocal tariffs surprised the EM markets as well, particularly the Asia region. By contrast LatAm fared relatively better than expectation, particularly Mexico. China is obviously a key driver of EM growth dynamics, so the growing risk of a significant US-China confrontation is concerning. Slowing global growth expectations in the DM world have a pass thru to EM expectations as well. On the positive side, there is a chance that the tariff announcement marked the peak in USD strength, which has positive implications for EM and opens door for more monetary policy easing in EM in response to slower growth ➤ EM assets held in remarkably well through the first leg of the widening this year, but did ultimately sell off alongside broader risk markets in early April. That said, EM betas to DM are still significantly outperforming.
Corporates		<ul style="list-style-type: none"> ➤ The unexpected sharp weakening of the US Growth outlook on the back of the harsher than expected reciprocal tariffs has highlighted the asymmetric risk for spread assets when volatility and valuations are compressed. Risk of stagflation damaging corporate earnings, plus tying the hands of monetary policy authorities has led to a material repricing of credit risk. Even with the 90-day tariff pause, uncertainty remains extremely elevated, demanding greater risk premiums. While we do see scope for a tactical bounce in risk assets, we think that the damage has been done to both consumer and corporate confidence, which will deteriorate growth and lead to a likely shallow recession later in 2025. Despite the widening, credit spreads do not reflect this potential outcome. ➤ Supply has slowed to very low levels given the volatility in markets, but fund flows have turned negative, hurting liquidity and raising bid-offer. While the yield-based buying remains strong out the curve, the market remains on edge and liquidity is poor. IG valuations touched longer term medians ahead of the tariff pause but have already retraced about half the weakness since Liberation Day. At +115, we still think risk is asymmetrically skewed to the downside. While we have covered much of our underweight into the widening, we are looking for more attractive levels before adding any additional risk.
High Yield		<ul style="list-style-type: none"> ➤ Leverage is creeping higher off a low base as earnings decline. Interest Coverage ticked up but is still declining from the highest level in over a decade as the impact of higher rates starts to be felt. In March rising stars outpaced falling angels and upgrades exceeded downgrades in all rating cohorts except CCCs. Default rates appear to be troughing at levels that are low by historical standards at 1.3%. The environment is likely to get far more challenging looking forward. The trade war is likely to lead to a recessionary growth backdrop with inflation remaining elevated. This will challenge the earnings for HY and lead to weakening credit metrics and a likely rise in default rates as the year progresses. With the Fed likely constrained with how much they can cut rates; lower quality credits may encounter renewed pressure as yields potentially stay higher for longer. While spreads have significantly widened out since the tariff announcements, the HY market is still not sufficiently pricing in a recession. HY spreads continue to trade tight relative to IG spreads on a long run basis. During the recent volatility, BB spreads have widened to 287 and spread ratios to BBB spreads have widened to 2.15x. With the recent widening, this relationship remains on par to the 5-year historical spread ratio of 2.19x. With an uncertain outlook on US growth, we continue to approach the asset class cautiously. While HY can likely continue to earn attractive income, we are likely to see wider spreads and better entry points over time.
Municipals		<ul style="list-style-type: none"> ➤ The Bloomberg Taxable Municipal (U.S. Aggregate Eligible) Index returned -0.71% with -62 basis points of excess performance, bringing the year-to-date total return to 2.83% with -99 basis points of excess performance. Issuance totaled \$2.0 billion, a 24% decrease month-over-month. The Bloomberg Municipal Bond Index returned -1.69%, bringing the year-to-date total return to -0.22%. The front-end of the yield curve, high yield credits, prerefunded bonds, and the industrial development revenue and pollution control revenue (IDR/PCR) sector performed best. Supply-and-demand dynamics acted as a headwind. At the same time, issuance remained robust at \$43 billion, 9% above the five-year average, bringing the year-to-date total to \$120 billion, up 23% year-over-year.

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March 2025 FIG Multi-Sector Positioning Overview

Financial Institutions Group Unconstrained Positioning*

Sector	Current Position	Sector focus & trade activity
Private Structured		<ul style="list-style-type: none"> ➤ Structured Credit continues to provide an attractive source of relative value with deals offering spread premium to public comparables and strong structural protections. The ability to structure these deals additionally creates an opportunity to tailor them for insurers. ➤ We continue to see diversified opportunity set across Structured Finance. Asset Backed and Real Estate Backed sectors remain as sources of great relative value, supported by continued growth of the vertical strip securitization opportunity set within sub-sectors such as Consumer. Within Real Estate Backed - Commercial Mortgage Loans and Private CMBS sub-sectors offer attractive spread premiums. IG Structured Credit currently supports a wide range of tenors from 1yr to 30yrs and spreads between 150bps to 400bps.
Infrastructure Debt		<ul style="list-style-type: none"> ➤ Insurers continue to look to infrastructure debt as a growing part of their SAA, as both an ALM and total return play across IG and HY opportunities. Additionally, Higher all-in yields are likely to boost demand for infrastructure debt, particularly among insurers. Broadly issuance has been scarce. ➤ Infrastructure debt can provide macro risk diversification and 50-300 bps of income enhancement relative to comparable public corporates with limited liquidity give-up
IG Private Placements		<ul style="list-style-type: none"> ➤ The Private Placement ("PP") market continues to exhibit robust activity. The PP market has priced 105 transactions through Q2 for a total of \$51bn in transaction value. The quarter saw a consistent flow of deals, with the \$19bn of supply priced in June, the highest one-month total in over 42 months+. Issuers have stayed active through the summer as spreads continue to bounce around multi-year tights, and issuers look to take advantage of current market conditions before attention shifts to the US Presidential Election at the back end of the year. ➤ The Private Placement market continues to provide a steady stream of supply across a diverse set of tenors to satisfy a variety of liability investors ➤ While the spreads are currently unfavorable, there are some idiosyncratic opportunities that can be looked at.

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Appendix

Important Notes

This document contains general information only and does not take into account an individual's financial circumstances. An assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a professional adviser before making an investment decision.

This material is provided for educational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy.

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FMTAC Partners: Service Provider Reports



Service Proposition

Amethyst professionals provide premier captive insurance management services. Policyholder and financial services are tailored to each client's unique needs. With an emphasis on comprehensive business analytics, benchmarking and planning tools your risk management and captive insurance finance goals are our priority. Amethyst's turnkey management solutions emphasize a strong internal control environment and are offered in any combination as follows:

CORPORATE & REGULATORY

- Captive formation/business plan creation coordinated with legal & regulator(s)
- Corporate and business plan administration and regulatory submissions
- Resident director services or referrals on request
- Board & committee preparation, coordination and participation
- NAIC, state and local filings including premium tax
- Outside expert coordination: Brokerage, Actuarial, Legal, Audit, Tax, Asset Mgmt., Claims, RM consultant(s), more...
- **Approved captive manager in various domiciles.** Principal with historic authorization in most major US and oversight responsibility in many major offshore domiciles.

INSURANCE

- Advice on direct writing and reinsurance program structures
- Preparation and issuance of policy documentation and reinsurance agreements (in coordination with client resources)
- Liaison with risk managers, brokers and loss adjusters
- Claims recording and reinsurance recovery tracking

ACCOUNTING & MANAGEMENT

- Comprehensive accounting support and financial statement preparation
- Dynamic modeling and trend analysis embedded into regular reporting outputs
- Banking, accounts payable and collection services
- Accident year performance reporting by line of business
- Tailored benchmarking & reporting for management and board decision making
- 24/7 secure online client login and data exchange services

SIMPLY FOCUSED = EXTRAORDINARY OUTCOMES

We keep it simple by doing the day-to-day tasks on-time, accurately, and without excuses. Our fee proposition is tied to value and performance targets. If we don't deliver we don't get paid.



Since inception in 2011, Amethyst is a high-quality independent captive insurance management and consulting firm with a national focus. Our team is comprised of recognized quality leaders in the captive industry that have spent their careers developing, forming, and managing captive business plans and recommending structural changes in-line with changes in captive owner operations and changes in market conditions.

Amethyst understands the importance of forming long term partnerships with clients. Our consultative and adaptive approach to captive management goes beyond the day-to-day administrative & financial requirement. The Amethyst team is, in many respects, a logical extension of the client's resource team.

Our expert services are focused on helping clients realize their long-term goals of reducing cost of risk, stabilizing outcomes and gaining control over their risk and insurance finance programs.

Captives Under Management	
Premiums	\$2.4 Bn
Assets	\$6.1 Bn
Capital	\$2.5 Bn

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- Oliver Wyman Group (financial and insurance consulting)
- Marsh (risk and brokerage services firm)
- Mercer (human resource consulting, outsourcing and investment services firm)
- Guy Carpenter (reinsurance intermediary)

Oliver Wyman Actuarial Consulting, Inc. employs over 300 credentialed actuaries in our 550+ colleague staff, making it one of the largest actuarial practices in the United States. Over 180 of our credentialed members have earned the designation “Fellow of the Casualty Actuarial Society” or “Fellow of the Society of Actuaries”, reflective of the completion of an exhaustive examination process. Oliver Wyman Actuarial Consulting, Inc. specializes in evaluating the long-term financial consequences of property, casualty, life, and health insurance risks.

The Melville, NY office of Oliver Wyman Actuarial Consulting, Inc. provides actuarial consulting services to the MTA and FMTAC. The Melville office employs thirteen individuals, including four Fellows and one Associate of the Casualty Actuarial Society. The project team that serves the MTA and FMTAC includes Steven G. McKinnon, FCAS, MAAA, FCA and James D. Coyle, FCAS, MAAA. Mr. McKinnon and Mr. Coyle are senior members of Oliver Wyman Actuarial Consulting, Inc. and have over 35 years of combined experience in the insurance and risk management industry. Mr. McKinnon is a Senior Principal and manages the Melville office. He is the primary consultant for a large number of clients with New York State workers compensation exposure and has extensive experience with the complexities of dealing with the changing New York State workers compensation environment. Mr. McKinnon has two decades of experience with unique workers compensation exposures, including the Jones Act, FELA, the United States Longshore and Harbor Workers Act, the Federal Black Lung Act, and numerous state jurisdictions.

Mr. McKinnon serves as the primary actuarial consultant to FMTAC, having day-to-day client management responsibilities for all aspects of Oliver Wyman’s engagement to provide actuarial consulting services to FMTAC. Mr. Coyle assists with project management and peer review of the actuarial work prepared by Mr. McKinnon for FMTAC.



FMTAC Cybersecurity Certification: Report to Board of Directors

From: noreply@dfs.ny.gov
To: [Kevin Cote](#)
Subject: NYS Department of Financial Services Cybersecurity Certification of Material Compliance Receipt
Date: Tuesday, April 14, 2026 3:08:40 PM

Kevin Cote submitted a Certification of Material Compliance for First Mutual Transportation Assurance Company to the NYS Department of Financial Services. This is the only receipt and confirmation of this submission that you will receive. Please keep a copy of the below receipt number for your records.

Receipt number: C-2026-808913

Covered Entities are required to maintain all documents that support this submission for 5 years pursuant to Section 500.17(b)(3).

For support regarding the submission of your Cybersecurity documents and filings, please contact: CyberRegSupport@dfs.ny.gov



Certify Material Compliance

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Success

You have successfully submitted a Certification of Material Compliance for First Mutual Transportation Assurance Company .

Receipt number: **C-2026-808913**

Claudia C. Reuben and **Tariq Habib** certify that:

- (1) First Mutual Transportation Assurance Company qualifies for the following limited exemption(s)
 - Section 500.19(d)
- (2) they have reviewed data and documentation sufficient to accurately determine and demonstrate First Mutual Transportation Assurance Company 's material compliance with Part 500; and
- (3) after such review, they have determined that First Mutual Transportation Assurance Company materially complied with the requirements in Part 500 applicable to First Mutual Transportation Assurance Company during the prior calendar year.

Signed by Claudia C. Reuben
 Signed by Tariq Habib
 Submitted by Kevin Cote
 Date 04/14/2026

Please note: Covered Entities are required to maintain all documents that support this submission for 5 years pursuant to Section 500.17(b)(3).

Who We Supervise

Institutions That We Supervise

The Department of Financial Services supervises many different types of institutions. Supervision by DFS may entail chartering, licensing, registration requirements, examination, and more.

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Glossary of Insurance Terms

Glossary of Captive Insurance Terms

Actuarial Report - An analysis intended to project ultimate loss costs using probability theory and other methods of statistical analysis. Used to determine the adequacy of a property and casualty insurer's statutory loss reserves and life insurer's unearned premium (technical) reserves.

Adjuster - A person who settles claims for insurers or self-insurance pools who may be either an employee of the insurance company or an independent contractor engaged by the insurer or self-insured.

Admitted Company - A company licensed or authorized to sell insurance to the general public. In the U.S., admitted companies are licensed on a state-by-state basis and differentiated from surplus lines insurers, which are authorized to sell insurance in a state on a non-admitted basis,

Affiliated Risk - The risks of the owners of the captive or their affiliates or of the participant in a captive cell when describing risks insured in a captive,

Aggregate - The greatest amount recoverable under a policy or reinsurance agreement from a single loss or all losses incurred during the contract period (can be multiyear or annual).

Aggregate Excess - Short for aggregate excess of loss. A method by which an insurer may recover excess losses after a policy or reinsurance aggregate or underlying deductible has been exhausted.

Broker - An intermediary who represents the insured in the purchase of insurance or reinsurance. Therefore, the broker's compensation should be from the insured, not the insurer, to prevent conflicts of interest.

Captive - An insurance company that has as its primary purpose the financing of the risks of its owners or participants. Typically licensed under special purpose insurer laws and operated under a different regulatory system than commercial insurers. The intention of such special purpose licensing laws and regulations is that the captive provides insurance to sophisticated insureds that require less policyholder protection than the general public.

Case Reserves - Loss reserves set up for an identified claim, with each claim assigned a case number.

Claims-made Insurance - Insurance that provides coverage for claims made against an insured within the policy period, regardless of when the action or accident giving rise to the claim occurred. The insured must have been notified of the claim after the retroactive date and must report it to the insurer before the expiration of the policy or any extended reporting period.

Deductible - An amount that an insured agrees to pay, per occurrence or on a per-policy basis, toward the total amount of the insured loss or losses. Insurance is written on this basis at reduced rates since the insured is responsible for the deductible payments as losses occur.

Deferred Acquisitions Cost - The amount of an insurer's acquisition costs incurred as premium is written but earned and expensed over the term of the policy. The deferred portion is capitalized and recognized as an asset on the insurer's balance sheet.

Deferred Tax Asset - The amount of loss reserves or unearned premium that is not deducted from an insurer's income when calculating income taxes. The deferral in the tax deduction arises because of the requirement to discount loss and unearned premium reserves. The insurer records an asset equal to the expected future amount of the tax deduction,

Earned Premium - The amount of premium covering the period a policy has been in force. Usually property, casualty, and health premium is earned in equal proportion to the amount of time elapsed since policy inception, i.e., 1/12 per month, but life insurance and some property and casualty policies insuring seasonal risks may earn in proportion to the amount of exposure.

Gross Written Premium (GWP) - The total premium written and assumed by an insurer before deductions for reinsurance and ceding commissions.

Incurred but not reported (IBNR) - The loss reserve value established by insurance and reinsurance companies in recognition of their liability for future payments on losses that have occurred but that have not yet been reported to them.

Incurred Loss - Total amount of a loss, including amounts paid and reserves for future payments.

Insured - Person or organization covered by an insurance policy, including the "named insured" and any additional insureds for-whom protection is provided under the policy term.

Liability Limits - The stipulated sum or sums beyond which an insurance company is not liable for payments due to a third party. The insured remains legally liable above the limits.

Limitation of Risk - The maximum amount an insurer or reinsurer must pay in any one loss event.

Loss - The destruction, reduction, or disappearance of value of tangible or intangible property; bodily or emotional injury; or reduction in income

Loss Adjustment Expense (LAE) - The expense incurred by the insurer in the investigation, defense, and settlement of claims under its policies.

Occurrence - An accident or incident, including continuous or repeated exposure to conditions that result in a loss neither expected nor intended from the standpoint of the insured, or an act or related series of acts that result in the same.

Premium - The sum paid for an insurance policy or consideration in the insurance contract. As income to the insurer, it is therefore the basis for taxes on the insurer.

Pure Premium - The amount of premium calculated for the risk to be insured, net of policy expenses. The amount of premium available to pay losses and allocated loss adjustment expenses (ALAEs).

Sponsor - The legal entity that contributes statutory capital to from a sponsored or association captive.

Standard Premium - Premium established by using rates believed by underwriters to reflect the standard or average risk for the class, before application of retrospective rating formulas. When debits and credits based on the insureds loss history or exposure are applied, the standard premium equals the pure premium.

Underwriting Expenses - 1. The cost incurred by an insurer when deciding whether to accept or decline a risk; may include meetings with the insureds or brokers, actuarial review of loss history, or physical inspections of exposures. 2. Expenses deducted from insurance company revenues (including incurred losses and acquisition costs) to determine underwriting profit.

Underwriting Profit- Insurer profit before investment income and income taxes.

Underwriting Risk - Uncertainty about whether or when a loss will occur and its amount.

Unearned Premium (UEP) - In property and casualty insurance, the fraction of written premium corresponding to the unexpired paid-up portion of the policy. If a policy has cancellation provisions, this is reserved on either a gross or short-rate basis (both discounted for income tax calculations).

Yellow Book - The annual reporting form for property and casualty insurers in the U.S.

Staff Summary

Subject NYS Department of Financial Services Cybersecurity Certification of Material Compliance for First Mutual Transportation Assurance Company
Department Finance
Department Head Name Jaibala Patel, Chief Financial Officer
Department Head Signature
Project Manager Name Claudia Reuben, Deputy Director, Risk & Insurance Management

Date May 20, 2026
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	5/20/2026	X		
2	Board	5/20/2026	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief of Staff		
3	CFO		

Purpose:

To obtain Board approval of the Annual Cybersecurity Certification of Material Compliance filed with the NYS Department of Financial Services on April 14, 2026 for First Mutual Transportation Assurance Company (FMTAC), the MTA’s captive insurance company.

Discussion:

On March 1, 2017, the New York State Department of Financial Services (NYDFS) enacted a regulation establishing cybersecurity requirements for financial services companies, 23 NYCRR Part 500 (“the Cybersecurity Regulations”) which requires development and maintenance of a cybersecurity program at the company level. The regulation mandates that affected organizations implement measures to ensure their systems and private data remain secure, unaltered, and accessible. FMTAC developed a cybersecurity plan and test criteria to meet the requirements under the NY Cybersecurity Regulations including qualification for limited exemptive relief provided by the captive exemption under 500.19(d) of the law.

The final phase of Section 500.13 became effective November 1, 2025. Requiring maintenance by FMTAC of an IT systems asset inventory, including assessment of third-party service providers (“TPSP”), and will be supported by written policies and procedures. The existing FMTAC and MTA written policies are already designed and functioning to effectively meet the minimal requirements under 500.13 without a recommended policy update.

On an annual basis, FMTAC is required to file a Certification of Material Compliance with NYDFS. The Certification, plan, and assessment results are in the exhibit book for your review.

The TPSP survey was updated in 2026 to better assist management in reaching a more informed risk assessment and have been updated to reflect updates to the Cyber Security Regulations.

Alternative:

Not to adopt the 2026 Cybersecurity Certification of Material Compliance.

This alternative is not recommended because the certification is required by the NYDFS to meet NY Cyber Security Regulations.

Recommendation:

It is recommended that the Board adopt the Annual Cybersecurity Certification.

Staff Summary

Subject All Agency Procurement Guidelines
Department MTA Office of the General Counsel
Department Head Name Paige Graves
Department Head Signature
Project Manager Name Paige Graves

Date May 20, 2026
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
	Corporate Governance	05/20/26			
	Board	05/20/26			

Internal Approvals			
Order	Approval	Order	Approval
1	Chief Compliance Officer		
2	Legal		
3	Chief Procurement Officer		

Purpose:

To obtain Board approval of the MTA’s All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines.

Discussion:

Public Authorities Law Section 2879 requires the MTA to annually review and approve its All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines. The All-Agency General Contract Procurement Guidelines and the All-Agency Service Contract Procurement Guidelines were last approved by the Board on May 28, 2025.

The staff is not recommending changes to the All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines.

Recommendation:

It is recommended that the MTA Board approve the annexed All Agency General Contract Procurement Guidelines and All Agency Service Contract Procurement Guidelines.

Joint Minutes of the Metropolitan Transportation Authority, the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority, the Metropolitan Suburban Bus Authority, the Triborough Bridge and Tunnel Authority, the Long Island Rail Road Company, Metro-North Commuter Railroad Company, MTA Construction and Development Company, the MTA Bus Company, Grand Central Madison Operating Company, and the First Mutual Transportation Assurance Company

Regular Board Meeting Minutes

Wednesday, April 29, 2026

9:00 AM

2 Broadway

New York, New York

The following Board Members were present:

Hon. Janno Lieber, Chair & CEO

Hon. Samuel Chu

Hon. Michael Fleischer

Hon. Daniel Garodnick

Hon. Marc Herbst

Hon. David Jones

Hon. Christopher Leathers

Hon. Blanca Lopez

Hon. Haeda B. Mihaltses

Hon. Melva M. Miller

Hon. James O'Donnell

Hon. Dr. John-Ross Rizzo

Hon. Edward Valente

Hon. Neal Zuckerman

The following alternate non-voting members were present:

Hon. Andrew Albert

Hon. Gerard Bringmann

Hon. Randolph Glucksman

The following Board Members were not present:

Hon. John Samuelsen

Hon. Lisa Sorin

Hon. David Mack

Paige Graves, General Counsel, John McCarthy, Chief of External Relations & Policy, Lisette Camilo, Chief Administrative Officer, Jai Patel, Chief Financial Officer, Anita Miller, Chief Labor and Employee Relations Officer, Justin Vonashek, Metro-North President, Robert Free,

LIRR President, Jamie Torres-Springer, MTA C&D President, Shanifah Rieara, Senior Advisor for Communications and Policy/Chief Customer Officer, Juliette Michaelson, Chief of Staff and Strategic Planning, Catherine Sheridan, TBTA President, Demetrius Crichlow, New York City Transit President also attended this meeting.

Chair Lieber called to order the April 2026 Board meeting.

A safety announcement was made.

1. PUBLIC SPEAKERS.

The following people spoke, either virtually or in-person. The moderator reminded public speakers of the rules of conduct and the two-minute speaking limit. The moderator advised that the public comment will be recorded, published to the MTA website, and available for MTA Board Members' review.

The following public speakers commented (*live virtual comments):

Jesse Figueroa, Veterans Affairs

Debra Greif, private citizen

Alan Kukafka, private citizen

David Kupferberg, Passengers United

Jason Anthony, LIRR ADA Task Force

Cheri Petrarca*, private citizen

Lauren Schandavel*, Jobs to Move America

Rick Horan*, QueensLink

Lisa Daglian, PCAC

Monica Bartley, Disabled in Action

Aleta Dupree, Team Folds

Gian Pedulla, NYC Public Schools

Jean Ryan, Disabled in Action

Sayed Hussain*, TWU Local 100

Andy Pollack*, Passengers United

Miriam Fisher*, In

Vittorio Bugatti*, Express Bus Advocacy Group

Yuki Endo*, Passengers United

Gilman Laing, LIRR Bargaining Coalition

Iris Kelly, Disabled in Action

Constance Lesold, Eastern Parkway Environmental Alliance

Christopher Greif, NYCTRC & ACTA LIRR ADA Task Force

Refer to the video recording of the meeting produced by the MTA and maintained in MTA

records for the details.

5. EXECUTIVE SESSION.

Upon motion duly made and seconded, the Board voted to convene an executive session in accordance with Section 105(1)(f) of the New York State Public Officers Law to discuss matters relating to labor agreements. Upon motion duly made and seconded during executive session, the Board voted affirmatively on two labor agreements between the MTA and two labor organizations. Thereafter, upon motion duly made and seconded, the Board voted to resume proceedings in public session.

2. CHAIR'S REMARKS.

Chair Lieber thanked members of the public who spoke.

General Counsel Paige Graves confirmed a quorum of members were present at the meeting.

Chair Lieber stated that in Executive Session, the Board voted affirmatively and approved two labor agreements between the MTA and two labor organizations.

Chair Lieber noted that all eyes turn to Albany at this time of year, when state budget negotiations are ongoing and the MTA always has a lot at stake in these sessions. However, he clarified that this year the MTA does not have a major financial risk or a financial ask of the legislature. He outlined key issues being debated that the MTA is invested in, including a package of toll enforcement powers that the MTA needs to upgrade our work to combat consistent toll violators. He also voiced support for Governor Hochul's auto insurance proposals.

Chair Lieber noted items that will shape the MTA's July Financial Plan: the still-to-be-finalized New York State Budget and ongoing labor negotiations. He introduced a special presentation that would follow and be presented by Jai Patel, Chief Financial Officer, and Shanifah Rieara, Senior Advisor for Communications and Policy/Chief Customer Officer. Their presentation would provide an update on the financial consequences of a potential strike to the MTA budget and to the public, and the contingency planning that is going on. Chair Lieber said this presentation is important for the MTA Board, who have fiduciary responsibility to the MTA.

Chair Lieber reported another funding-related update: restoration of funding for Second Avenue Subway Phase 2 by the federal government. He also shared that there was a Second Avenue Subway hiring fair that had high turnout with residents of East Harlem showing strong interest in jobs at the MTA and construction apprenticeship opportunities. He acknowledged the work of Jamie Torres-Springer, MTA C&D President.

Chair Lieber acknowledged the next phase of Interborough Express (IBX) outreach, which is advancing quickly with another six community workshops. Full details of those events are available on the MTA website.

Other topics Chair Lieber discussed included soliciting feedback in Jamaica to help guide the Governor’s proposed renovation of the Jamaica multi-modal terminal and the Customers Count spring survey, which is underway through the first week of May.

3. PRESENTATION ON REDUCED COLLISIONS ON BRIDGES & TUNNELS.

Cathy Sheridan, TBTA President, provided a special presentation on the reduction of collisions by more than 60 percent from a peak in 2019 using three key mechanisms: engineering, enforcement, and education.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for details and for Board members’ questions and comments.

4. PRESENTATION ON FINANCIAL CONSEQUENCES OF A POTENTIAL LIRR STRIKE AND CONTINGENCY PLANNING.

Jai Patel, MTA Chief Financial Officer, provided a special presentation on the financial consequences of a potential LIRR strike, specifically the financial implications on the MTA budget, as well as the state budget. Shanifah Rieara presented contingency plans in the event of a LIRR strike to provide alternative transportation options for customers from Long Island.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for details and for Board members’ questions and comments.

5. MINUTES.

Upon motion duly made and seconded, the Board approved the minutes of the regular Board meeting held on March 25, 2026, as distributed.

6. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY COMMITTEE.

Upon motion duly made and seconded, the Board approved the following item.

- a. M & J Engineering PC – Bridge Preservation at the Bronx Whitestone Bridge and Throgs Neck Bridge - Contract No. PSC-25-3079. Approved a competitively solicited personal service contract to M & J Engineering PC (“M&J”), a NYS certified minority-owned business, for construction management and inspection services for a bridge preservation project located at the Bronx Whitestone Bridge and the Throgs Neck Bridge, in the amount of \$4,262,875 and a duration of 52 months.

Refer to the staff summary and documentation filed with the records of this meeting, and the video recording of the meeting, produced by the MTA and maintained in MTA records for details on the approved item.

7. JOINT LONG ISLAND RAILROAD AND METRO-NORTH RAILROAD COMMITTEE.

a. Metro-North

Upon motion duly made and seconded, the Board approved the following item:

1. eLock Technologies LLC – Secure Bike Parking Pilot – Contract No. 80000000000241. Approved modification of the miscellaneous procurement contract awarded to eLock Technologies LLC “eLock” in order to add four suburban commuter rail stations.

b. Long Island Rail Road

Upon motion duly made and seconded, the Board approved the following item:

1. Xorail, Inc. – Positive Train Control Technical Agreement. Approved the award of a five-year noncompetitive purchases and public works contract for a Positive Train Control Technical Service Agreement to Xorail, Inc. in the estimated value of \$36,456,013.

Refer to the staff summary and documentation filed with the records of this meeting, and the video recording of the meeting, produced by the MTA and maintained in MTA records for details on the approved items.

8. NEW YORK CITY TRANSIT COMMITTEE.

The New York City Transit Committee did not have any items for Board approval.

9. CAPITAL PROGRAM COMMITTEE.

Board Member Garodnick reported that the Capital Program Committee recommends three procurement actions for a proposed expenditure of \$25.6 million dollars.

- a. EXP-Urbahn Joint Venture – Design Services for Three Line Bundles: Queens Boulevard, Grand Concourse, and Nostrand Avenue Lines – Contract No. D81760. Approved to award a publicly advertised and competitively solicited contract for preliminary design and engineering services. The Contract is in the not-to-exceed amount of \$21,502,283 for a duration of 23 months.
- b. East Harlem Community Collaborators JV – Continuation of Community Outreach Services in Support of Second Avenue Subway Phase 2 – Contract No. 16457-0100. Approved the modification, in the not-to-exceed amount of

\$2,399,281, to extend the Contract term by 14 months to October 31, 2026. The original contract was awarded on March 22, 2017, and it provides for community outreach services in support of the Second Avenue Subway (“SAS”) Phase II Project.

- c. Hitachi Rail GTS USA Inc. – R211 Carborne for the CBTC 8th Avenue Line – Contract No. S481013-2. Approved the ratification of a modification to implement several software upgrades to the carborne CBTC equipment for the R211 fleet so that it complies with the MTA’s updated CBTC Interoperability Interface Specification (“I2S”). Negotiations yielded a final lump sum cost of \$1,700,000.

Upon a motion duly made and seconded, the Board voted to approve all three items.

Refer to the staff summaries and documentation filed with the records of this meeting for the details of these items, and refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for Board members’ and C&D representatives’ comments.

10. COMMITTEE ON FINANCE.

- a. **Transactional Real Estate Items.** Upon motion duly made and seconded, the Board approved the following real estate items.

- i. **Metropolitan Transportation Authority**

- 1) License with Web Food Products, Inc. for MTA Police Department vehicle parking at 143-19 94TH Avenue, Jamaica, NY

- ii. **MTA Metro-North Railroad**

- 1) Acquisition of property interests along Erskine Place in the Bronx from the City of New York in support of the Penn Station Access Project
- 2) Amendment to the license with Dover Greens LLC for commuter parking at the Harlem Valley-Wingdale Station

- iii. **MTA Grand Central Madison**

- 1) Lease with Beer Table LLC for retail space in the Grand Central Madison Concourse

Refer to the staff summary and documentation filed with the records of this meeting, and the video recording of the meeting, produced by the MTA and maintained in MTA records for details on the approved items.

11. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at approximately 11:05 A.M.