



May 2024

MTA Board Action Items



MTA Board Meeting

**2 Broadway
20th Floor Board Room
New York, NY 10004**

**Wednesday, 5/22/2024
9:00 AM - 12:00 PM ET**

1. PUBLIC COMMENT PERIOD

2. PRESENTATIONS

3. APPROVAL OF MINUTES

MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes for April 30, 2024

MTA and MTA Agencies Regular Joint Committee and Board Meeting Minutes - April 30, 2024 - Page 4

4. BOARD ACTIONS

E-hail Program Phase 3 Staff Summary - Page 13

5. COMMITTEE ON CAPITAL PROGRAM

C&D Procurements

C&D Procurements - Page 16

6. COMMITTEE ON METRO-NORTH RAILROAD & LONG ISLAND RAIL ROAD

Procurements

Procurements - Page 23

7. COMMITTEE ON NYCT & BUS (no items)

8. COMMITTEE ON MTA BRIDGES & TUNNELS OPERATIONS (no items)

9. COMMITTEE ON FINANCE

Action Items

i. Grand Central Madison Passenger Facilities

Operations and Maintenance of Grand Central Madison Passenger Facilities - Page 33

ii. MTA 2024 Temporary Fare Promotions

MTA 2024 Temporary Fare Promotions: Metro-North Connecting Services and "Summer Saturdays" for both Railroads - Page 35

iii. Refunding of Build America Bonds

Authorization for Refunding of Build America Bonds - Page 37

iv. 2023 Annual Investment Report

Procurement Items (no items)

Information Item

i. Station Maintenance Billings

Station Maintenance Billings - Page 65

Real Estate Items

i. Real Estate Agenda and Staff Summaries

10. FIRST MUTUAL TRANSPORTATION ASSURANCE CO (FMTAC)

FMTAC Annual Meeting Staff Summary (Report available in the Exhibit Book and MTA.Info)

FMTAC Staff Summary - Page 70

**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 and
the First Mutual Transportation Assurance Company
Regular Board Meeting Minutes
Tuesday, April 30, 2024
9:00 a.m.
2 Broadway
New York, NY 10004**

The following Board Members were present (**Attended remotely*):

**Hon. Janno Lieber, Chair & CEO
Hon. Andrew Albert
Hon. Jamey Barbas
Hon. Samuel Chu
Hon. Michael Fleischer
Hon. Daniel Garodnick
Hon. Marc Herbst
Hon. David Jones
Hon. Meera Joshi
Hon. Blanca Lopez
Hon. David Mack
Hon. Haeda B. Mihaltses
Hon. Dr. John-Ross Rizzo
Hon. Lisa Sorin
Hon. Neal Zuckerman**

The following Board Members were absent:

**Hon. Norman Brown
Hon. John Samuelsen
Hon. Vincent Tessitore, Jr.
Hon. Isabel Midori Valdivia**

The following alternate non-voting members were present:

**Hon. Gerard Bringmann
Hon. Randolph Glucksman**

Paige Graves, General Counsel, Laura Wiles, Chief of Staff, John McCarthy, Chief External Relations & Policy, Juliette Michaelson, Deputy Chief External Relations & Policy, Lisette Camilo, Chief Administrative Officer, Kevin Willens, Chief Financial Officer, Carl Hamann, Acting Chief Safety Officer, Richard Davey, President, NYCTA, Demetrius Crichlow, Sr. Vice President Subways, NYCT, Frank Annicaro, Sr. Vice President, NYCT DOB /MTA Bus Company, Catherine Rinaldi, President, Metro-North Railroad, Rob Free, President, LIRR, Catherine Sheridan, President, TBTA, Jamie Torres-Springer, President, MTA C&D, Anita L. Miller, Chief Labor Relations, Quemuél Arroyo, Chief Accessibility Officer, Shanifah Rieara, Senior Advisor for Communications and Policy/Chief Customer Officer, Daniel Randell, Assistant Director, Government and Community Relations, also attended the meeting.

The Board of the Metropolitan Transportation Authority also met as the Boards of 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, the MTA Construction and Development Company, the MTA Bus Company, and the First Mutual Transportation Assurance Company.

Unless otherwise indicated, these minutes reflect items on the agenda of the Board 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, the MTA Construction and Development Company, and the First Mutual Transportation Assurance Company.

Chair Lieber called to order the April 2024 Board meeting.

A recorded audio public safety announcement was played.

1. PUBLIC SPEAKERS' SESSION.

The MTA Moderator announced that the following public speakers will speak either live virtually or in-person.

The MTA Moderator reminded public speakers of the rules of conduct and the two-minute speaking limit. The Moderator reminded speakers of the warning beep when 30 seconds remain to conclude their remarks. The Moderator advised that the public comments will be recorded, published to the MTA website, and available for MTA Board Members' review.

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

Jessica Murray, private citizen
Jack Nierenberg, V.P., Passengers United
Christopher Greif, private citizen
Michael Howard, private citizen
Matty Buchys Hyland, private citizen*

John Landers, private citizen
Jean Ryan, President, Disabled In Action (DIA)
Lisa Daglian, Executive Director, PCAC
Tasha Lerebours, Center for Independence of the Disabled, New York (CIDNY)
Aleta Dupree, private citizen*
Gian Pedulla, private citizen
Jennifer Van Dyck, private citizen
Theresa Rodriguez, private citizen
Jason Anthony, LIRR Accessibility Task Force
Andy Pollack, Passengers United*
Monique Johnson, private citizen
Sasha Blair Goldenson, private citizen
Giselle Martinez, private citizen
Debra Greif, private citizen
Bruce Miller, private citizen
Joe Rappaport, Executive Director, Brooklyn Center for Independence of the Disabled (BCID)
Latoya Christian, private citizen
Patrick Condren, BUS4NYC Coalition Inc.
Jessie Figueroa, private citizen
Gary Rosario, NYCTA Employee
Joseph Morales, private citizen
Michael Ring, Disabled In Action (DIA)
John Patafio, Union Vice President, Brooklyn Buses
Omar Vera, private citizen

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of speakers' statements.

Chair Lieber thanked all public speakers for their comments.

General Counsel Paige Graves confirmed a quorum of the Board Members in attendance.

2. **EXECUTIVE SESSION.**

Upon motion duly made and seconded, the Board voted to convene an Executive Session, in accordance with the Public Officers Law, Section 105(1)(e), to discuss collective bargaining matters.

Upon motion duly made and seconded, the Board voted to reconvene in public session.

3. **PUBLIC SESSION RESUMES.**

Chair Lieber announced that in Executive Session the Board discussed labor agreements.

Upon motion duly made and seconded, the Board approved:

- 1) A staff summary to implement a collective bargaining agreement between MTA Long Island Rail Road and the Sheet Metal and Rail Transportation Union – Sheet Metal Workers International Association (SMART-SMW).

4. CHAIR LIEBER'S REMARKS.

Chair Lieber thanked the public for their attendance and welcomed everyone to the April Board meeting.

Chair Lieber highlighted recent developments that included the planned start date of congestion pricing and the passage by the State Legislature of a budget that included significant support for the MTA.

Chair Lieber noted some major wins for the MTA:

- \$8 billion in operating support.
- Enhanced enforcement against fare and toll evasion.
- Funding for improving bus reliability and frequency.
- Investments in transit-oriented development projects.

Chair Lieber stated that because of initiatives led by Governor Hochul and Mayor Adams there has been a significant decrease in subway crime.

With the passage of the budget and the planned implementation of congestion pricing, the Chair stated that the agency can begin to focus more on the adoption of a new 2025-2029 Capital Plan, the MTA Climate Resiliency Roadmap intended to make the transit system more resilient against accelerating impacts of climate change, and efforts to transition to a zero-emissions bus fleet.

Chair Lieber noted that congestion pricing toll collection is planned to commence on June 30th at 12:00 a.m., so the first people to pay the toll will pay \$3.75, which is the deeply discounted overnight period rate. In preparation for day one, the congestion pricing application portals for discounts and exemptions plans have been opened, with detailed information on who qualifies and how to apply.

Chair Lieber stated that the portals and website are just one part of the comprehensive public education campaign that will be implemented over the next two months. There will be more advertisements and many more in-person community events, civic and business outreach, virtual webinars, and email campaigns. Chair Lieber commended Shanifah Rieara, Senior Advisor for Communications and Policy/Chief Customer Officer, and the Customer Communications team for their efforts, and the MTA's External Relations team led by John McCarthy, Chief of External Relations.

Chair Lieber expressed his confidence in the readiness for the implementation of congestion pricing, noting yesterday's announcement of additional and more frequent express bus service on routes in Brooklyn and Staten Island, and increases in frequency on subway lines. The

Chair commended President Rich Davey and Senior Vice President, Subways, Demetrius Crichlow for their efforts.

In addition, Chair Lieber noted that the commuter railroads are delivering a combined 97.5% on-time performance, with several days of 100% on Metro-North and 100% in the morning on LIRR in the last week or so.

Chair Lieber stated that another reason for confidence as we head toward congestion pricing implementation is the paratransit system. The Chair stated that since Chris Pangilinan took over, customer satisfaction with paratransit has surged to an unprecedented 80%. Chair Lieber congratulated Chris Pangilinan on now becoming the new head of Operations Planning at Transit.

Chair Lieber congratulated the Presidents of all the agencies, and everyone responsible for running both railroads, the subways and all the MTA systems, for providing great service improvements and great execution.

Chair Lieber also commended President Jamie Torres-Springer and the team at MTA Construction and Development, and he stated that the MTA's success in delivering excellent service on the subways and the commuter rails is partly attributable to all the capital work being done throughout the system.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records, for the details of Chair Lieber's remarks.

5. ZERO EMISSION BUS INITIATIVE.

Frank Annicaro, Senior Vice President, NYCT DOB / MTA Bus Company and Sunil Nair, Vice President, Bus Technology, NYCT DOB / MTA Bus Company, discussed the zero-emission bus initiatives.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the details of Frank Annicaro's and Sunil Nair's presentations, Chair Lieber's remarks and Board Members' questions and discussion.

6. TRANSIT ORIENTED DEVELOPMENT INITIATIVE.

President Jamie Torres-Springer introduced Robert Paley, Senior Director, Transit Oriented Development, who briefed the Board on the Transit Oriented Development initiatives.

Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the details of Robert Paley's presentation, President Jamie Torres-Springer's, and Chair Lieber's remarks and Board Members' questions and discussion.

7. APPROVAL OF MINUTES.

Upon motion duly made and seconded, the Board approved the Joint Minutes of the MTA and MTA Agencies Regular Board meeting held on March 27, 2024, as corrected.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

8. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY.

A. Procurement Items:

Commissioner Barbas stated that there is one (1) procurement action sought for Board approval to award three competitively solicited miscellaneous estimated quantity procurement contracts to: (1) Neology, Inc.; (2) Transcore, LP; and (3) Star Systems America, LLC, to provide electronic transponders and related equipment and services for the E-ZPass Electronic Toll Collection System in the aggregate not-to-exceed amount of \$25 million over a period of five years, as follows:

Miscellaneous Procurement Contracts

Neology, Inc. Contract No. 24-IAG-2988A Five Years with two 1-year options	TBTA is seeking Board approval to award three competitively solicited miscellaneous procurement Contracts -- one to Neology, Inc., the second to Transcore, LP and the third to Star Systems America, LLC -- to provide transponders and related services for the E-ZPass Electronic Toll Collection System.	\$25,000,000 (Aggregate A, B & C)
Transcore, LP Contract No. 24-IAG-2988B Five years with two 1-year options		
Star Systems America, LLC Contract No. 24-IAG-2988C Five years with two 1-year options		

Upon a motion duly made and seconded, the Board approved the competitive procurement action recommended to it by the Committee for MTA Bridges and Tunnels Operations.

Refer to the staff summary and documentation filed with the records of this meeting for the details on this item.

9. JOINT LONG ISLAND RAIL ROAD/METRO-NORTH RAILROAD COMMITTEE.

A. Long Island Rail Road/Metro-North Railroad Procurement Item.

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

- 1) Long Island Railroad, on behalf of itself and Metro-North Railroad, to award a five-year public works contract in the amount of \$41.3 million to Sperry Rail, Inc. for Rail Flaw Testing and Joint Bar Inspection services.

Refer to the staff summary and documentation filed with the records of this meeting for the details on these items.

10. NEW YORK CITY TRANSIT AND BUS COMMITTEE.

A. Procurement Items.

Board Member Haeda Mihaltses reported that New York City Transit has two ratification actions for Board approval totaling \$141.5 million. The New York City Transit Committee recommends these items.

Upon motion duly made and seconded, the Board approved the ratification items:

- 1) Ratify the awards of B62049 and modification #1 to Hayden AI for the purchase, installation, operation, and maintenance of up to 1,023 ABLE systems in the total estimated amount of \$83,133,058.
- 2) Ratify the award of B62063 and modification #1 to Seon Corp for the purchase, installation, operation, and maintenance of up to 1,000 ABLE systems in the total estimated amount of \$58,405,780.

Refer to the staff summary and New York City Transit Committee minutes filed with the records for the details of these items.

11. CAPITAL PROGRAM COMMITTEE.

Board Member Jamey Barbas reported that Construction and Development had four ratification actions for Board Approval totaling \$245.9 million dollars. The Capital Program Committee considered these items; however, quorum was not present for the vote and so the Capital Program Committee recommended these items be approved by the Board.

Upon a motion duly made and seconded, the Board approved these items. Refer to the staff summaries and Capital Program Committee minutes filed with the records of this meeting for the details on these items.

12. MTA COMMITTEE ON FINANCE.

A. Action Items.

Upon a motion duly made and seconded the Board approved the action items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

1. Resolution to File for and Accept Federal Grants. Resolution authorizing the filing and acceptance of federal assistance for FFY 2024.
2. MTA 2024 Temporary Fare Promotions: In-City Railroads Monthly Pass Fare Pilot. Approval to launch temporary fare pilot promotion pertaining to travel in MTA Railroads within New York City.

B. Real Estate Items.

Upon a motion duly made and seconded the Board approved the real estate items listed below. The specifics are set forth in the staff summaries and documentation filed with the meeting materials.

Transactional Action Items

Metro-North Railroad

1. License extension with City Winery, LLC to facilitate an assignment of its license for a restaurant and bar in Vanderbilt Hall West (spaces #MC-16, #MC-17, #MC-20B), Grand Central Terminal, New York, NY.

Metropolitan Transportation Authority

2. Letter agreement with BDG Gotham Plaza, LLC for field office space for the Second Avenue Subway Phase 2, located at 159 East 125th Street, New York, NY.

13. ADJOURNMENT.

Upon motion duly made and seconded, the Board voted to adjourn the meeting at 11:33 a.m.

Respectfully submitted,

Susan Sarch
Vice President,
General Counsel and Secretary
Metro-North Railroad

Haley Stein
Vice President,
General Counsel and Secretary
Long Island Rail Road Company

Mariel A. Thompson
Assistant Secretary
NYCT

Evan Eisland
General Counsel and Secretary
MTA C&D

Paul L. Friman
General Counsel
and Corporate Secretary
TBTA

Victoria Clement
Assistant Secretary
MTAHQ

Staff Summary

Subject Board Approval for E-hail program Phase 3	Date May 22, 2024
Department NYCT Paratransit	
Department Head Name Rachel Cohen, Acting VP Paratransit	
Department Head Signature	
Project Manager Simone Harvard, Command Center Officer	
Project Manager Signature	

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	To	Date	Approval
1	Board	5/22/24	x			1	President NYCT		
						2	General Counsel		
						3	CFO		

Purpose

To obtain the Board approval of phase 3 of the E-Hail pilot program. (“Phase 3 Implementation”).

Discussion

E-Hail is a premium service for people with disabilities eligible for the MTA’s Access-A-Ride paratransit program. It provides more flexibility than dedicated or non-dedicated (i.e. broker) Access-A-Ride service by enabling customers to book taxi or for-hire vehicle (FHV) rides directly. Customers in the E-Hail pilot program can book trips on-demand by either using a ride-share app or directly calling a taxi/FHV provider at the time of service.

The first phase of the E-Hail pilot ran from October, 2017 through August, 2023. It included 1,200 AAR customers and did not set any limitations on the number of rides or subsidy per ride that the MTA would provide for E-Hail trips. Based on the results from this stage of the pilot, in August, 2023 the MTA restructured the E-Hail program and began phase 2. In phase 2, the MTA set limits on the number of rides per customer that were subsidized on a monthly basis, and the subsidized amount of each ride. Customers in phase 2 were assigned to either a “Distance” option with up to 25 trips per month subsidized at up to \$40 per trip, or a “High-Volume” option with up to 40 trips per month subsidized at up to \$25 per trip. In both options, customers paid a \$4 initial trip cost before the MTA subsidy kicked in (so that the MTA covered up to \$29 or \$44 total in trip costs after the \$4 initial fee).

All customers in Phase 1 were invited to participate in Phase 2, and approximately 800 customers chose to do so. The MTA invited additional customers to Phase 2, who were randomly selected to reflect the diversity of the AAR customer base, and approximately 800 new customers chose to join the program. These customers were randomly assigned to either the Distance or High-Volume program. The usage patterns of customers in Phase 2 varied widely, with some continuing to use traditional AAR for all their trips, many putting some trips on E-Hail while continuing to book others on AAR, and some customers taking all of their trips on E-Hail. On average across the Distance and High Volume programs, E-Hail pilot customers take approximately 15 E-Hail trips per month. Customers who took 25+ AAR trips per month before joining the E-hail pilot showed net-zero trip growth in Phase 2; they transitioned some of their trips to E-Hail but took overall the same volume as

trips as prior to joining the pilot, when combining E-Hail and traditional AAR. Setting monthly trip and subsidy allocations reduced E-Hail costs by 80% per participant compared to Phase 1. Overall, customer satisfaction with the Phase 2 pilot was around 80% (based on a survey conducted in January, 2024). Thus, Phase 2 demonstrated that the MTA can provide beneficial E-Hail services, to more customers, while controlling program costs.

Based on the results of Phase 2, the MTA has further refined the E-Hail Program, as described herein, and is proposing to end Phase 2 and transition to Phase 3 starting July 1, 2024. Phase 3 will include two changes from phase 2: raising the per-trip subsidy cap on all E-Hail trips to \$60 (after the \$4 initial customer copay) and sorting customers into two groups based on demonstrated AAR usage, a group with up to 25 subsidized E-Hail trips per month, and a group with up to 40 subsidized E-hail trips per month. All currently enrolled E-Hail customers who are in compliance with AAR's Paratransit Conduct Policy will be eligible to continue to Phase 3, if they elect to do so. In Phase 3, customers will be able to allocate more of their trips to E-Hail based on past usage, and the higher subsidy per trip will allow participants to travel further on each trip. Both steps are responsive to feedback and learnings from phase 2 and will potentially allow customers to transition more trips from traditional AAR to E-Hail, yielding efficiencies as AAR demand continues to grow.

In August, the MTA will evaluate the budget impacts and customer response to the Phase 3 program. If customer experience is positive and the budget impacts are consistent with projections, the MTA will proceed to invite additional customers to fill up to 800 additional spots in the Phase 3 program. These customers would be assigned to either the 25 trip or 40 trip E-Hail program based on past AAR use.

This approach reflects best practices with respect to premium on-demand services for paratransit eligible customers with disabilities offered by other transportation providers, including San Francisco, Boston and Las Vegas.

Recommendation

Implement Phase 3 of the E-Hail program as described above.

Alternative

Continue Phase 2 of the E-Hail program without changes or discontinue the E-Hail pilot program.

Budget Impact

The annualized cost of Phase 2 of the E-Hail Program at the end of its first year, in August 2024, is expected to be \$4,500,00 for 1,600 enrollees. Phase 3 is projected to cost an additional \$2 million annually for up to 800 additional enrollees with the pricing structure described herein. The additional cost is expected to be partially offset by the likely substitution of some trips currently on AAR dedicated or broker service to the most cost effective E-Hail program.

Implementation Date

E-Hail Phase 3 will begin on July 1, 2024 with the transition of current Phase 2 customers to one of the two Phase 3 programs. New customers will begin to be added in September pending the above-referenced analysis.

Contracts Department

Evan Eisland, Executive Vice President and General Counsel

**PROCUREMENT PACKAGE
May 2024**

PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed credit of (\$36 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	5/20/24	X		
2	Board	5/22/24	X		

Date: May 16, 2024			
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 Majority Vote</u>	<u># of Actions</u>	<u>\$</u>	<u>Amount</u>
J. Modification to Miscellaneous Procurement Contract	1	\$	(36,388,937)
SUBTOTAL	1	\$	(36,388,937)
TOTAL	1	\$	(36,388,937)

Budget Impact

The approval of this procurement action will obligate capital and operating funds in the amounts listed. Funds are available in the capital program and operating budget for these purposes.

Recommendation

That the procurement action be approved as proposed. (The item is 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;

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 2024

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

Schedule J. Modification to Miscellaneous Procurement Contracts

(Approvals/Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed the monetary or durational threshold required for Board approval.)

- | | | | |
|-----------|------------------------------------------|-----------------------|--------------------------------------|
| 1. | Cubic Transportation Systems Inc. | (\$36,388,937) | <u>Staff Summary Attached</u> |
| | Contract No. A34024 | | |

MTA Construction & Development seeks Board approval to modify Contract A-34024 for a New Fare Payment System to: (i) remove the requirement to incorporate Long Island Rail Road and Metro-North Railroad into the new system, (ii) develop enhancements to the OMNY Business-to-Business Portal and mobile application and (iii) modify the Contract Milestones to reflect the schedule impacts experienced in the program, including the changes in this Modification, resulting in a 29 month extension of time for Substantial Completion.

Staff Summary

Schedule J: Modifications to Miscellaneous Procurement Contracts

Item Number: 1

Vendor Name (& Location) Cubic Transportation Systems Inc. (San Diego, CA 32123)	
Description New Fare Payment System	
Contract Term (including Options, if any) November 1, 2017 – July 31, 2024	
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 checked="" 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	A34024	AWO/Modification #	32
Original Amount:	\$	553,827,839	
Prior Modifications:	\$	85,033,895	
Prior Budgetary Increases:	\$		
Current Amount:	\$	638,861,734	
This Request:	\$	(36,388,937)	
% of This Request to Current Amount:			(5.7%)
% of Modifications (including This Request) to Original Amount:			8.8%

DISCUSSION:

MTA Construction & Development (“C&D”) seeks Board approval to modify Contract A-34024 for a New Fare Payment System (the “Contract”) to: (i) remove the requirement to incorporate Long Island Rail Road and Metro-North Railroad (collectively, “the Railroads”) into the new system, (ii) develop enhancements to the OMNY Business-to-Business Portal (“B2B Portal”) and mobile application and (iii) modify the Contract Milestones to reflect the schedule impacts experienced in the program, including the changes in this Modification, resulting in a 29 month extension of time for Substantial Completion. The negotiated price for this Modification, including the Impact Costs associated with the schedule adjustment, will result in a credit to MTA in the amount of \$36,388,937.

The Contract, which provides for both design-build services and operations services was, awarded to Cubic Transportation Systems (“Cubic”), on November 1, 2017, to provide the MTA with a state-of-the-art, integrated, reliable and convenient contactless fare payment system allowing customers to pay fares using mobile apps, digital wallets (e.g., Apple Pay, Google Pay, and Samsung Pay), contactless bank cards and MTA-issued contactless transit cards under the OMNY brand name. The Contract currently calls for the new fare payment system to replace the legacy payment systems in use by NYC Transit, MTA Bus, the Long Island Railroad and Metro-North Railroad. The Contract provides for installation of the system and for Cubic to service the system for a seven-year period (12-months during a warranty period which is paid for out of capital funds, and thereafter for a six year period to be paid for with operating funds).

The elements of the proposed Modification are as follow:

Removing the Railroads from the Cubic Contract:

Without this modification, the current schedule shows that the installation of the Cubic system on the Railroads will not be completed until 2027. The current fare collection systems in use by the Railroads were installed almost 25 years ago and are well-past their expected service life. These systems cannot be maintained in a state of good repair beyond 2025. Consequently, the Railroads have determined that it is more expedient and cost-effective to negotiate the full replacement of the fare collection system with its existing vendor. Additionally, the Railroad’s current TrainTime mobile ticketing system has been a widely adopted commercial success and the MTA will benefit from the retention of this system instead of replacing it with the new, different system to be developed by Cubic.

Consequently, the remaining Railroad Work (other than some minor work related to communications connectivity on MNR) will be deleted from the Contract at a negotiated credit of \$36,406,166 in capital costs. In addition there will a reduction operating costs of \$6,928,726. Were the Railroads to remain in the Contract, certain requirements and change orders to address unique Railroad requirements would have been required, representing an additional cost to the program of approximately \$35 million in capital costs and \$4 million per year in operating costs.

B2B Portal Enhancements:

The B2B Portal allows bulk purchasing and account management for third-party groups that will distribute OMNY cards, such as New York City Department of Education, City University of New York, and New York City Department of Social Services Fair Fares program, as well as private employers that will eventually utilize the system. The B2B Portal was designed, developed, and tested per MTA specifications in 2021 and 2022. Since that time, additional enhancements have been identified by MTA and the various user groups, that will allow greater monitoring and administration of their fare card programs to provide functionality consistent with the latest standards. The cost of this Work will be \$5,200,000 (\$4,957,593.19 in capital costs and \$242,406.81 in operating costs). In addition, the Contract provides for two further five-year options to extend the operating support, at \$246,515.40 for each option.

Mobile App Enhancements:

The mobile application enhancements included in this Modification will provide for greater integration of the Cubic installed system with other MTA and third-party mobile applications, including the mobile ticketing application that will be used by the Railroads for their fare collection systems. The enhancements will also provide for additional push notifications to customers, customer ability to configure their communication preferences within their OMNY account and enhanced customer messaging allowing customers to monitor their usage. The cost for this Work will be \$2,100,000 (\$1,900,000 in capital costs and \$200,000 in operating costs). In addition, the Contract provides for two further five-year options to extend the operating support, at \$203,389.80 for each option.

Modification of Contract Milestones and Rebaselined Schedule:

Based on a Time Impact Analysis, the MTA has determined that delays in the program were attributable in different degrees to both Cubic and to the MTA (primarily due to updating the capability and functionality of the system resulting from rapid advances in technology and developing the specifications for incorporation of the Railroads into the Cubic system). Covid related impacts also played a part. Regardless, without this Modification, as noted above, full implementation of the system would not be achievable before 2027. After incorporating into the analysis the removal of the Railroad Work from the Contract, which eliminated a substantial source of delay, and the addition of the system enhancements included in this Modification, Substantial Completion of the Contract can be achieved by December 2025, with better functionality and a substantial savings in delay costs.

A revised schedule for completion of the Milestones (each Milestone represents the placement of a defined component of the Cubic system in revenue service) and Substantial Completion of the Contract was negotiated. The liquidated damages in the Contract for each Milestone and Substantial Completion remain in force subject to the revised date. The new Milestone and Substantial Completion Dates are as follows:

Milestone	Date upon Contract Award	Re-baselined Date
Complete implementation in all Subway Stations and on all Buses	October 2020	August 2024
Complete implementation of network for sale and reloading of MTA contactless cards and ticketing application	January 2021	July 2025
Complete implementation of Vending Machines	February 2022	May 2025
Complete Revenue Service Acceptance Testing of full system	November 2022	October 2025
Substantial Completion	July 2023	December 2025

Cubic submitted a proposal for this Modification asserting that it was due \$28,586,186.01 in Impact Costs (extended overhead, etc.) associated with delays to the Contract and \$53,843,992.69 as a result of the delay in service contract payments, which were not due to begin until Substantial Completion. Through negotiations, including the deletion of the Railroad Work and re-baselining effort, Cubic's Impact Costs have been reduced to \$7,150,000. With respect to the service contract, as part of this Modification, the service payments will commence for each component of the system as the Milestones above are achieved. Combined with the deletion of the Railroad servicing work, these changes result in a negotiated credit of \$9,560,941.

In sum, this Modification will resolve all outstanding scheduling issues and provide for both the Cubic system and the Railroad fare collection systems to be upgraded and modernized on the fastest possible schedule, preventing the Railroad Work from substantially delaying the Substantial Completion of the Contract and avoiding the danger of a breakdown in the Railroads' fare collection systems before the upgrade to that system can be implemented. This Modification also provides for upgrades to the Cubic system that will ensure that the Cubic system can be integrated with other MTA systems, including the Railroads, and provide the customer with a full featured up to date user experience.



MTA Headquarters Procurements

Lisette Camilo, Chief Administrative Officer/Interim Chief Procurement Officer

PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$231.2M.

Subject Request for Authorization to Award Various Procurements					
Department MTA Procurement					
Department Head Name Lisette Camilo					
Department Head Signature <i>Lisette Camilo</i>					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	05/20/24			
2	Board	05/22/24			

May 18, 2024			
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:

<u>Schedules Requiring Majority Vote:</u>	<u># of Actions</u>	<u>\$ Amount</u>
Schedule G: Miscellaneous Service Contracts	2	\$ 231.2 M
	SUBTOTAL	2 \$ 231.2 M

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

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

TOTAL	2	\$ 231.2 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.

MAY 2024

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------|
| 1. Masabi LLC
7 years with one 5-year Option
Master Contract # 16022 | \$97,069,659 | <i>Staff Summary Attached</i> |
| Award of a contract to continue administering the Mobile Ticketing Program for Long Island Rail Road and Metro-North Railroad. | | |
| 2. Scheidt & Bachmann USA
5.5 years with two 5-year Options
Contract # 90000000004653 | \$134,134,782 | <i>Staff Summary Attached</i> |
| Award of a contract to replace and upgrade the fare collection solution for Long Island Railroad and Metro-North Railroad. | | |

Schedule G: Miscellaneous Service Contracts

Item Number: 1

Vendor Name (Location) Masabi, LLC (New York, New York)
Description: Mobile Ticketing Program for Long Island Rail Road and Metro-North Railroad
Contract Term (including Options, if any) Seven years with one 5-year Option
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
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

Contract Number Master Contract 16022	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount:	\$97,069,659 (estimated)
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Department: Timothy Hughes, LIRR Ticket Selling & Technology Anne Doyle, MNR Fare Collection Technology	

Discussions:

MTA Headquarters is seeking Board approval to award a noncompetitive miscellaneous service contract to Masabi, LLC (“Masabi”) to continue administering the Mobile Ticketing Program for Long Island Rail Road (“LIRR”) and Metro-North Railroad (“MNR”), collectively (“the Railroads”). This contract will provide continued MTA TrainTime enablement through Masabi’s Justride mobile software development kit (“SDK”) with new unified fares, improve TrainTime experience for railroad riders, and provide integration of railroad ticketing with MTA’s new One Metro New York (“OMNY”) program. This is a seven-year contract in the amount of \$59,744,659. Included is one 5-year Option in the estimated amount of \$37,325,000, for an overall estimated contract value of \$97,069,659. The Board is also requested to authorize the Presidents of LIRR and MNR or designee to approve the exercise of the five-year Option.

In April 2014, the MTA Board approved the award of a competitively negotiated miscellaneous service contract (15590) to Masabi for the development and implementation of a mobile ticketing program that enables railroad customers to purchase and download tickets on their mobile devices for conductors to scan and validate. In June 2016, e-Tix, now called TrainTime, was launched. The application provided tremendous growth and enhanced customer service with convenient ticket-purchasing options. The technology facilitates onboard train ticket inspection and validation to maximize revenue collection and minimize cash and ticket handling to encourage a more efficient and sanitary environment for both the conductors and the riders. Contract 15590, in the aggregate value of \$47,966,389, scheduled to expire in February 2026, will be subsumed by the award of this Contract 16022.

The New Fare Payment System approved by the Board in 2020 for the Railroads was targeted to replace the mobile ticketing program by mid-2025. The current schedule shows the installation of the New Fare Payment System from Cubic will not be completed until 2027. The lack of schedule certainty for mobile ticketing and cost estimates to preserve mobile ticketing in the interim period, combined with the organic adoption and success of TrainTime mobile ticketing, caused the critical need to find an alternative path forward for the benefit of the MTA and customers. In April 2024, the MTA Chief Administrative Officer, the LIRR President, and the MNR president approved the declaration of an Immediate Operating Need in accordance with the MTA All-Agency Procurement Guidelines to allow a new noncompetitive longer-term agreement for Masabi to continuously administer, maintain, and enhance the mobile ticketing program for the Railroads with integration to the new OMNY experience. Conducting a separate competitive procurement will cause extensive delays and a huge detriment to the MTA’s fare collection programs. Strategically contracting with an established incumbent vendor, Masabi will achieve desired updates and improvements while greatly mitigating risk of delivery and quality with MTA’s OMNY program. This presents a viable option to overcome critical delivery challenges and will expedite implementation, which aligns with MTA’s objectives of delivering cost-effective, customer-centric, and technically sound solutions within a favorable timeline. The Masabi mobile ticketing application is proprietary to Masabi and can only be maintained, supported, and enhanced by Masabi. Given the importance of mobile ticketing to the Railroad’s fare collection, the MTA has a critical need to eliminate risk from any changes to mobile ticketing, support continuity in operations, and maintain the mobile ticketing experience expected by the ridership.

Under this contract, Masabi will continue to provide (1) core platform services that are currently deployed and in use; (2) new platform capabilities that support OMNY fare media for payment; and (3) new platform capabilities that support the potential for joint (Railroad and NYC Transit) ticket sales. Additionally, Masabi will create an SDK that allows the MTA to (1) build a new onboard sales and validation device for inspection and tap-and-go onboard sales; (2) provide customer discounts based on ride history; and (3) provide one-MTA login (Single Sign-On) for customers.

Since the 2016 launch of mobile ticketing, Masabi's software has become critical to Railroad fare collection operations. Today, 70 percent of MNR and LIRR's revenue is generated from mobile ticketing. The Railroads expect that number to increase over the next two years. Customer reports show that MTA's commuter railroad mobile ticketing application powered by Masabi is one of the greatest drivers of customer satisfaction, rating a 4.9/5-star rating in the app store.

Years 1–2 of negotiated pricing with Masabi (2024–2026) covers the assumption of the remaining years from Contract 15590 and are at same level of estimated annual spend that was established under the previous contract. However, this new contract will now include a 0.55 percent transaction fee, reduced from 1.25 percent under the prior contract; a \$7.5 million annual fee for the platform license; a \$5.1 million one-time fee for up-front development costs, which include interoperability support with OMNY for ticket purchasing, fare validity services to support potential fare policy changes and backend data integration services; and a \$200,000 annual allocation for engineering services, which may be applied toward the one-time fee for up-front development costs to support OMNY integration, utilizing the same labor rates established in 2020.

For Years 3–7 (2026–2031), there is no transaction fee if the annual fare revenue is below \$800 million. A 1 percent fee applies only to the value of the sales that exceed the \$800 million threshold. Also included are \$4.8 million for the platform license fee for 2026 (a \$2.7 million reduction from the prior year), which increases by 2.5 percent annually for each outer year. The platform license fee and transaction fees are capped and will not exceed \$5.25 million, \$5.52 million, \$5.8 million, \$6.08 million, and \$6.365 million respectively in Years 3–7. Finally, the contract continues to allocate \$200,000 annually for as-needed engineering services utilizing the established labor rates with escalation provisions applied every two years starting in Year 3. The escalation rate shall be the lesser of the consumer price index or the Employment Cost Index as published by the US Bureau of Labor Statistics for that particular year. Due to these caps, the MTA is projected to save approximately \$13 million for Years 3–7, based on the Office of Management and Budget revenue estimates. By utilizing this newly negotiated contract rate, it is estimated that the MTA's cost for Masabi's services is reduced by \$35.6 million over the next seven years (compared to the previous contract rate). The projected total cost of the base is estimated at \$59,744,659.

For the five-year option (2031–2036), the pricing structure for Years 3–7 (base period) will continue to apply for option Years 8–12. The overall cost to the MTA will be capped between \$6.8 and \$8 million annually in the Option years. This yields a projected total estimated cost of the Option to be \$37,325,000.

Effective negotiations with Masabi resulted in higher discounts than previous contracts and annual "not-to-exceed" caps that resulted in annual costs of \$5.45–\$6.56 million, compared to the previous contract spend of approximately \$12 million per year. LIRR and MNR project leads, and MTA Procurement have deemed pricing provided by Masabi to be 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, will be included in the contract terms and conditions.

Masabi has certified pursuant to EO16 that it is not doing business in Russia.

M/W/DBE Information

Due to the lack of subcontracting opportunities and the emergency nature of this procurement, MBE/WBE/SDVOB goals were established at zero percent.

Impact on Funding

Funding is provided by both the MTACD Capital Budget and Operating Budgets from the Railroads; and will not exceed limits approved by the Board.

Schedule G: Miscellaneous Service Contracts

Item Number:

Vendor Name (Location) Scheidt & Bachmann USA (Lowell, Massachusetts)	Contract Number 900000000004653	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Fare Collection System for LIRR and MNR	Total Estimated Amount: \$134,134,782	
Contract Term (including Options, if any): May 30, 2024–December 31, 2039 5.5-year base + two 5-year Options	Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Department: Robert Free, President, LIRR Catherine Rinaldi, President, Metro-North	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive (Sole-Source)	Contract Manager: Danny Yong, MTAHQ Procurement	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Negotiation		

Discussion:

MTA Headquarters is seeking Board approval to award a noncompetitive miscellaneous service contract to Scheidt & Bachmann USA (“S&B”) in the estimated amount of \$70,664,492 for a base period of 5.5 years and \$63,470,290 for two 5-year Options to replace and upgrade the fare collection solution for Long Island Railroad (“LIRR”) and Metro-North Railroad (“MNR”), collectively (“the Railroads”). S&B will install new state-of-the-art Ticket Vending Machines/Ticket Office Machines (TVMs/TOMs), upgrade back-office software for device management and compliance to Payment Card Industry Data Security Standards (“PCI DSS”) and cybersecurity requirements, decommission and remove old machines, and provide life cycle maintenance. The Board is also requested to authorize the Agency Presidents for LIRR and MNR or designee to approve the exercise of the two 5-year Options.

The current fare collection TVMs/TOMs were first installed by S&B in year 2000. Over time, hardware components have been refurbished and upgraded multiple times to keep these obsolete ticketing machines operational and maintained in a state-of-good-repair. By year 2025, S&B will be unable to maintain the same level of support. The risk of service disruption will therefore increase as more critical replacement parts become no longer available. TVMs/TOMs represent 30 percent of the Railroads’ ticket sales with 99 percent availability. This disproportionately impacts customers without mobile devices, may increase on-board sales, slow down train crews, and potentially increase fare evasion.

Additionally, S&B TVMs/TOMs and fare collection system software can no longer be updated to comply with the newly mandated PCI DSS standards. Failure to comply with PCI DSS risks significant fines imposed by payment processors and credit card companies, and possibly prohibits the use of payment cards at the ticketing machines. PCI DSS is the standard security framework that includes a set of policies and procedures to optimize the security of credit, debit, and cash transactions, and protect cardholders against misuse of their personal information. Any disruption of credit card uses and transactions results in unsatisfactory customer service.

The New Fare Payment System approved by the Board in 2020 for the Railroads was targeted to replace the S&B fare collection system. The current schedule shows the installation of the New Fare Payment System from Cubic will not be completed until 2027. To avoid interruption, the New Fare Payment System would need to be fully installed by mid-2025. This schedule uncertainty created the critical and urgent need to find an alternative to the planned New Fare Payment System. An Immediate Operating Need, approved by both LIRR and MNR presidents on April 3, 2024, and by the MTA Chief Procurement Officer authorized urgent procurement actions to address a critical need to negotiate with S&B a full replacement of proprietary ticketing machines, related software license, and maintenance and support that can only be performed by S&B. S&B’s ticketing hardware and software has provided and supported the Railroads’ fare collection system to for over 24 years. S&B’s performance has demonstrated that it fully understands the Railroads’ ticketing operations and is uniquely qualified to deliver its next generation fare collection system within a timeline that meets the Railroads’ requirements for uninterrupted service. Conducting a separate competitive procurement for full replacement of TVMs/TOMs will cause detriment and extensive delays to the MTA’s fare collection systems. Strategically replacing hardware and software with an established incumbent vendor such as S&B will achieve desired updates and improvements while greatly mitigating risk of delivery. Contracting with current railroad fare collection vendors presents a viable option to overcome critical delivery challenges and will expedite implementation that aligns with the MTA’s objectives of delivering cost-effective, customer-centric, and technically sound solutions within a favorable timeline.

Schedule G: Miscellaneous Service Contracts

The S&B project timeline is to deliver 471 TVMs and 114 TOMs; installation will begin in 2025. The majority of the ticketing machines will be installed by the end of November 2025, and the balance by the first half of 2026. Removal of machines not being replaced will take place in 2026. This timeline critical path includes system design specification/review/approval, software development and integration, testing, acceptance, manufacturing, delivery, installation, maintenance, and removal.

The updated software to support MTA back-office operations will provide (1) an optimized and improved user interface; (2) streamlined distribution to user workstations; and (3) better and more configurable security features. The updated software for PCI DSS compliance will provide a mechanism for tokenizing credit and debit card numbers that will allow for integration to refund claims and chargeback systems without the overhead of PCI compliance risk.

The total negotiated price for the full contract term with Options is \$134,134,782. Negotiations yielded a 13.6 percent or about \$7 million price reduction in equipment and parts from 2023 pricing. S&B confirmed that because this is a modernization of the fare collection systems for the MTA and not a new implementation, S&B has afforded the MTA an additional reduction of 6 percent compared to their other government customers related to installation, design, testing, and manufacturing of equipment. S&B also held the same maintenance fees and 1.5 percent annual escalation fee as established in the previous contract, negotiated in 1998. This escalation rate remains fixed as long as the inflation/consumer price index rate remains at 2.5 percent or lower. If inflation is higher than 2.5 percent, the incremental amount (above 2.5 percent) in inflation will be added to the pricing from the previous year. If in the next year, inflation is below 2.5 percent, the annual escalation reverts to the 1.5 percent rate. This is a unique benefit to MTA as S&B's other customers apply actual inflation indexation changes each year without a threshold. S&B has confirmed that MTA has been provided with the best discounts offered compared to any of their other government customers. The optional years follow the same pricing structure.

Pricing is broken down as follows:

Purchase of Equipment and Parts (Delivery within years 2024–2026 and payable based on agreed-upon payment schedule)	
Ticket Vending Machines	\$ 26,847,000
Ticket Office Machines	\$ 1,881,000
Spare Parts	\$ 3,734,650
Installation	\$ 2,099,100
Software	\$ 3,277,802
Removals of 96 TVMs and 6 TOMs (without replacing new)	\$ 155,940
Management, support, and maintenance of dual back end (FareGo Data and P2PE related services)	\$ 1,000,000
Allocation for project management, design specification, documentation, training, hardware development, QA, SW Development, SW QA.	\$ 5,000,000
Performance Bond	\$ 253,500
	\$ 44,248,992
Maintenance and Support (2025–2029)	
HW Maintenance	\$ 15,485,970
SW Maintenance	\$ 4,662,040
P2PE Payment Gateway	\$ 2,353,320
Cybersecurity Related Maintenance & Services	\$ 2,892,560
Life Cycle Maintenance & Replacement	\$ 521,610
Allocation for Out-of-Scope Work	\$ 500,000
	\$ 26,415,500
Estimated 5.5-Year Contract Value	\$ 70,664,492
First 5 Year Options (2030–2034)	\$ 30,575,830
Second 5 Year Options (2035–2039)	\$ 32,894,460
Total Contract Value with Options	\$134,134,782

Schedule G: Miscellaneous Service Contracts

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

S&B has certified that pursuant to EO 16, it is not doing business in Russia.

Impact on Funding

Funding for this modification is provided by MTACD Capital budget and Operating budget from the Railroads.

Alternatives

None. The Railroads do not have the in-house expertise or resources to build, program, and maintain this complex system.

Staff Summary

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

Item Number 1					
Department, Department Head Name: Grand Central Madison Operating Company, Paul Grether, Acting Chief					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	Finance Committee	5/20/24	X		
2	Board	5/22/24	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	Deputy Chief, Development	X	Executive Vice President & General Counsel		
X	Deputy Chief, Delivery	X	President		
X	Sr. Advisor MTA Railroads	X	MTA CFO		

SUMMARY INFORMATION	
Vendor Name	Contract Number
George S. Hall, Inc.	MS21001
Description	
Operation and Maintenance of Infrastructure and Related Structures Supporting LIRR Access Into Grand Central Madison Terminal Passenger Facilities	
Total Amount	
\$420,588,215.48	
Contract Term (including Options, if any)	
Five years, plus 2 three-year options	
Option(s) included in Total Amount?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

ACTION REQUESTED

MTA Construction and Development (“C&D”), on behalf of the MTA Grand Central Madison Operating Company (“GCMC”), requests Board approval to award to George S. Hall (“GSH”) a publicly advertised and competitively solicited contract (the “Contract”) for the operation and maintenance of the new Grand Central Madison Terminal and related facility assets in Manhattan and Queens. The Contract is in the amount of \$420,588,215.48 for a duration of five years. The Contract includes two 3-year extension options for an additional sum to be established in accordance with the Contract terms, which can be exercised in GCMC’s sole discretion.

DISCUSSION

In October 2021, the Board approved the creation of GCMC to oversee the operation and maintenance of the 350,000 square foot Grand Central Madison Concourse (the “Concourse”) and related facilities (collectively, “Grand Central Madison”). At that time, the Board was advised that GCMC would be retaining a private sector facilities maintainer (“Facility Maintainer”) with the expertise and ability to operate and maintain these facilities with GCMC overseeing and managing the Facility Maintainer.

The Contract requires the selected Facility Maintainer to maintain Grand Central Madison Concourse, associated ventilation and power facilities, and certain communication rooms associated with the Concourse in Sunnyside Yards in Queens. The Facility Maintainer’s work will include (i) performing preventative maintenance for mechanical, electrical, plumbing, communications, fire protection, security and vertical transportation systems, (ii) operating the chiller and steam plant, the tunnel ventilation system, and the building management system; (iii) performing general housekeeping and janitorial services; and (iv) coordinating with the future retail master lessee and other vendors performing services within the facility.

GCMC, through C&D, engaged in a one-step request for proposal (“RFP”) process. Given the unique complexities associated with maintaining a facility of this size, C&D conducted extensive outreach. In addition to the traditional periodicals, advertisements were run in ten publications targeted at vendors who perform transportation-related maintenance and operations work. Letters were sent to over 50 companies that perform similar work. Numerous general

site visits were conducted, and a pre-proposal conference was held, followed by one-on-one meetings and personalized tours and question and answer sessions to help potential proposers better understand the nature and complexities of the facilities.

In response to the RFP, C&D received proposals from George S. Hall (“GSH”) and RailWorks Transit LLC (“Railworks”). Both GSH and a subsidiary of Railworks, LK Comstock have performed certain portions of the interim maintenance for the Concourse and other Grand Central Madison assets under separate C&D contracts. The Selection Committee, consisting of representatives from C&D’s Delivery and Contracts Departments, MTA Real Estate and GCMC, reviewed the technical proposals and heard oral presentations by each proposer. The Selection Committee evaluated the technical proposals using the following pre-established evaluation criteria to determine which proposal represents the best value to MTA to undertake and successfully complete the Contract work: technical approach, past experience and performance, preparedness for performing the facilities scope of work, and diversity practices. After evaluating technical proposals and finding both proposers to be technically qualified to perform the work, the Selection Committee opened the price proposals, which were as follows: GSH’s initial proposal was \$750,112,357.28; and Railworks’ initial proposal was \$1,168,452,000.

Both firms were then invited to negotiate with the Negotiation Committee. Following extensive cost discussions, MTA, together with its engineering consultant and representatives from GCMC and Long Island Rail Road, revised the scope of work to eliminate and/or reduce scope that was deemed excessive or unnecessary and revised the terms of the Contract to better allocate risks and to reflect comments received from the proposers. MTA issued an addendum reflecting those changes, requested revised proposals and again the Negotiation Committee met with both firms to discuss their proposals. At the conclusion of negotiations, MTA issued an addendum requesting best and final offers (“BAFO’s”), which were received on May 10, 2024. The offer received from GSH was substantially less than the offer received from Railworks. Following subsequent negotiations with GSH, GSH reduced its BAFO proposal to \$420,588,215.48.

Based upon its review of the technical and cost proposals, and discussions during the oral presentations, the Selection Committee unanimously recommended GSH for award of this Contract. It determined that the proposal submitted by GSH provides the best overall value to the MTA. In addition to offering the lowest price, the proposal exhibits a comprehensive understanding of all components of the scope of work as established in its technical approach.

The Contract includes incentives and disincentives for timely mobilization and also based upon certain established key performance indicators. Based on this program GSH could earn as much as \$21.4M if it were to meet all performance criteria, which sum is not included in the Contract amount. Conversely, the Contract amount would be decreased if GSH fails to meet the performance criteria.

Based on the foregoing, GSH’s revised BAFO of \$420,588,215.48 is deemed to be fair and reasonable.

DBE/MBE/WBE/SDVOB INFORMATION

The MTA Department of Diversity and Civil Rights has established an MBE goal of 15%, an WBE goal of 15% and SDVOB goal of 6% for this Contract. GSH is committed to meet the required goal requirements and their utilization plan is under review. GSH has achieved its DBE/MBE/WBE/SDVOB goals on recently completed MTA contracts.

IMPACT ON FUNDING

Funding for this Contract is included in GCMC’s operating budget.

ALTERNATIVES

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

STAFF SUMMARY

Subject MTA 2024 Temporary Fare Promotions: Connecting Services Railroads Monthly Pass Fare and “Summer Saturdays” Fare Pilot						Date May 20, 2024			
Department Office of the Chief Financial Officer									
Department Head Name Kevin Willens, Chief Financial Officer									
Department Head Signature									
Project Manager Name Jessica Mathew, Sr Advisor Policy & Special Projects									
Project Manager Signature									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Committee	5/20/2024	X			1	Chief Financial Officer		
2	Board	5/22/2024	X			2	Legal		
						3	Chief of Staff		

Purpose:

To obtain MTA Board approval to launch temporary fare pilot promotions (1) to encourage more customers from Orange and Rockland Counties to take Metro-North services on the Harlem and Hudson Lines and to encourage discretionary ridership to and from Orange and Rockland Counties on Saturdays over the summer; and (2) to launch a temporary fare pilot program to encourage more discretionary travel on Saturdays during the summer on Metro-North Railroad and Long Island Rail Road.

Discussion:

Congestion Pricing (formally known as the Central Business District Tolling Program) is planned to launch in June 2024. By charging vehicles a toll to enter the Congestion Relief Zone, defined as local streets and avenues in Manhattan at or below 60th Street, Congestion Pricing will encourage drivers to switch to transit (subways, buses, and railroads) into the Congestion Relief Zone and avoid the toll. The implementation of Congestion Pricing also presents an opportunity to attract riders to transit with additional options for travel into the Congestion Relief Zone that are affordable, fast, and convenient.

In order to encourage more customers from Orange and Rockland Counties to use Metro-North services on the Harlem and Hudson Lines, the MTA is launching several promotions. First, MTA is proposing a temporary fare pilot promotion for railroad customers for a discount up to 10% (due to rounding) of the total combined fare of certain UniTicket products that connect riders that live in Orange and Rockland Counties with Metro-North Railroad service on the Harlem and Hudson Lines. This mirrors the pilot launched for monthly fares for travel within New York City. The promotion is only available to customers who purchase a monthly ticket and the discount to the rider will be realized wholly on the connecting service portion of the fare. Discounts on the connecting service portion of the fare range from 50%-90%. The duration of this fare pilot would be at least 12 months and may continue until the next permanent fare change.

Second, Metro-North Railroad will be piloting summer weekend ferry service on the Haverstraw-Ossining Ferry. Currently, this service is only available during peak hours on weekdays. The pilot is intended to encourage more discretionary ridership on weekends during the summer months to destinations served by Metro-North's east of Hudson service, and is a service enhancement that has been sought by local communities for many years. Finally, Metro-North will be offering Orange and Rockland County residents a 25 percent discount on parking in the Metro-North-owned North White Plains parking lot, which is located across the street from Metro-North's North White Plains station on the Harlem Line and which has sufficient capacity to absorb additional customers.

Additionally, on both Long Island Rail Road and Metro-North Railroad, the MTA is launching an additional pilot program known as "Summer Saturdays" that is designed to promote weekend travel on the railroads. This program, which will run on Saturdays between July 6 and August 31, 2024, allows monthly pass holders, to travel to any destination on the railroad that issued their monthly pass, with up to two additional people, for \$1 per person.

Impact on Funding:

Funding has been identified from one-time favorable operating budget variances to cover the cost and revenue impacts from this pilot. The additional parking discount is anticipated to generate additional revenue by attracting new customers to this lot.

Budget Impact: \$1,009,000

- Weekend Ferry Pilot
- Bus UniTicket Discount Pilots
- Ferry UniTicket Discount Pilots
- Parking Discount
- Summer Saturdays

Recommendation:

It is recommended the MTA Board approve these temporary fare pilots.

Staff Summary

Subject Approval of the refunding of outstanding Build America Bonds	Date May 22, 2024
Department Finance	Vendor Name N/A
Department Head Name Kevin Willens, Chief Financial Officer	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name Olga Chernat, Deputy Chief, Financial Services	Table of Contents Ref #

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance Comm.	5/20	X			1	Legal		
2	Board	5/22	X			2	Chief of Staff		

PURPOSE:

The MTA Finance Department is seeking MTA and TBTA Board approval for the potential refunding of all or a portion of its outstanding Build America Bonds with tax-exempt debt if the MTA Chief Financial Officer (CFO) determines such refunding or refundings to be in the MTA’s financial interest. Due to the unique economics and risks of these outstanding Build America Bonds, Board approval for these refundings is sought because the net present value savings requirement of the MTA and TBTA Bond and Other Debt Obligations Refunding Policy (adopted December 2018) may not be met at the time of execution of the refundings. Staff has made no final decisions with respect to these potential refundings, which are partially dependent on market conditions acceptable to MTA at the time of sale.

DISCUSSION:

MTA and TBTA currently have \$3.73 billion of outstanding Build America Bonds (“BABs”). BABs were created by the American Recovery and Reinvestment Act of 2009 (“ARRA”) and issued between April 2009 and December 2010. Under the ARRA, MTA and TBTA were taxable bonds entitled to receive cash subsidy payments from the federal government equal to 35% of the interest payable on the BABs. However, the Budget Control Act of 2011 (“BCA”) became law in 2011 and required automatic reductions of certain federal government spending through “sequestration.” Consequently, the 35% cash subsidy payments on the BABs have been significantly reduced since 2013 through federal budget sequestration increasing the net effective interest cost of the taxable BABs. Under current law, BABs cash subsidy payments from the federal government remain subject to additional sequestration through federal fiscal year 2030.

Pursuant to the terms of the applicable bond resolutions, the BABs are subject to an extraordinary optional redemption in the event that an “extraordinary event” has occurred. Based on MTA staff review and outside legal advice, a material adverse change to certain sections of the Internal Revenue Code which resulted in the decrease in the cash subsidy payments to MTA and TBTA caused by sequestration constitutes an “extraordinary event.” Exercising the extraordinary optional redemption provision to redeem outstanding BABs allows MTA and TBTA to refund the BABs at a lower cost to MTA and TBTA than the non-extraordinary optional redemption alternative.

ALTERNATIVES:

The Board could determine that staff seek specific approval prior to each BABs refunding transaction in advance of undertaking each refunding. However, due to market volatility which would impact the economics of these refundings, this alternative is not advised. Delegating the timing and execution of the BABs refundings to staff would be consistent with standard Board authorization and delegation for regular refunding transactions.

RECOMMENDATION:

The MTA and TBTA Boards to authorize refunding of outstanding BABs with tax-exempt debt at the discretion of the CFO.

Staff Summary

Subject 2023 Annual Investment Report and MTA All Agency Investment Guidelines	Date May 22, 2024
Department CFO/Treasury	Vendor Name
Department Head Name Kevin Willens, Chief Financial Officer	Contract Number
Department Head Signature	Contract Manager Name
Project Manager/Division Head Scott Gerstner, Acting Director Cash and Investment Management/Olga Chernat, Deputy Chief, Financial Services	Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Comm.	5/20			
2	Board	5/22			

Internal Approvals			
Order	Approval	Order	Approval
1	Chief Financial Officer		
2	Legal		
3	Chief of Staff		

Purpose:

Pursuant to the requirements of Public Authorities Law Section 2925, provide the MTA Board information on the MTA portfolio’s investment performance for the period January 1, 2023 to December 31, 2023, obtain Board approval of the MTA 2023 Annual Investment Report and obtain Board approval of the revised MTA All Agency Investment Guidelines (“Investment Guidelines” or “Guidelines”).

Discussion:

Investment Performance Information

The summary of the investment performance information for the year ended on December 31, 2023 is presented on the next page in aggregate and by fund type.

Investment Guidelines Revision

The Investment Guidelines are revised to add to the list of related entities that are governed by the Guidelines MTA Grand Central Madison Concourse Operating Company, which became a subsidiary of the MTA in 2021.

MTA Annual Investment Report

The full 2023 MTA Annual Investment Report contains additional information, including the following:

- Investment Income Record
- Fees and Commissions Paid
- Investment Inventory
- Transaction Report
- Draft Investment Compliance Report for the Year Ending December 31, 2023 issued by MTA Independent Auditors (the Final Investment Compliance Report is expected to be issued after the Board meeting in May 2024)
- MTA All Agency Investment Guidelines as revised

Recommendation(s):

It is recommended that the MTA Board approve the MTA’s submission of the 2023 Annual Investment Report, and the revised Investment Guidelines.

Investment Performance by Type of Fund for the Year Ended December 31, 2023

(Note 1)

Type of Fund	Net Earnings this Period	Average Daily Portfolio Balance	Net Portfolio Yield %, 365-day Basis
All Agency Investments	\$128,933,414	\$3,291,841,879	4.05
MTA Special Assistance Fund	9,678,352	176,953,530	4.88
TBTA Investments	14,619,925	263,390,267	4.88
MTA Finance and PMT Funds	6,055,845	76,890,349	3.63
MTA Transportation Resolution Funds (see note 2)	142,608,583	3,181,301,829	4.74
MTA Hudson Rail Yards Fund	7,432,179	50,433,928	5.00
MTA Dedicated Tax Fund Resolution Funds	10,314,438	272,742,724	4.29
TBTA General Purpose Resolution Funds	21,335,374	446,346,108	4.92
TBTA Subordinate Resolution Funds	2,006,707	41,869,097	4.92
TBTA City Sales Tax	34,937,033	694,807,031	4.87
MTA Working Capital (see note 3)	112,556,563	2,723,294,595	3.70
TBTA PMT Funds	27,483,221	582,040,342	4.42
Other Restricted Funds (see note 4)	48,678,038	990,355,599	4.94
Other Non-Restricted Funds	2,278	45,555	4.99
Central Business District Tolling Program	1,662,689	33,154,299	4.98
	\$568,304,640	\$12,925,467,132	4.35%

Average Yield on 1-month Generic Treasury Bill (1/2/23 - 12/31/23)	4.86%
Average Yield on 3-month Generic Treasury Bill (1/2/23 - 12/31/23)	5.05%
Average Yield on 6-month Generic Treasury Bill (1/2/23 - 12/31/23)	5.12%
Average Yield on 12-month Generic Treasury Bill (1/2/23 - 12/31/23)	4.95%

Note 1: Table above includes information on funds actively managed by MTA Treasury. It does not include defeasance investments for tax benefit lease transactions, insurance set asides, or other funds not managed by MTA Treasury.

Note 2: MTA Transportation Resolution Funds include TRB Capitalized Interest, MTA TRB BAN (Tax-exempt), and RRIF Loan and RAN LOC.

Note 3: MTA Working Capital Funds were, for tax compliance purposes, invested into Demand Deposit State and Local Government Series (SLGS). SLGS carry interest rates below Treasury Bills or Notes.

Note 4: 'Other Restricted Funds' includes:	MTA Moynihan Train Hall Stab,	Hudson Yard
Fulton Street Maintenance,	Hudson Yard ERY/WRY - From Related,	Infra Corp.,
MTA Real Estate and Advertising Revenue,	Relocation from Madison Ave.,	SIRTOA-Capital.



Metropolitan Transportation Authority

2023 ANNUAL INVESTMENT REPORT

MTA Treasury Department



2023 ANNUAL INVESTMENT REPORT

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	Broker Activity Distribution for the Period 2023	3
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	Listing of Primary Government Securities Dealers with whom the MTA has signed a Master Repurchase Agreement	5
	Listing of Fees and Commissions Paid to Brokers, Agents, Dealers, Advisors and Asset Managers for the Period 2023	6
	Investment Inventory with Market Value as of 12/31/23	7
	Transaction Report Summary by Transaction Type for the Period 2023	8
2	Draft Investment Compliance Report issued by MTA Independent Auditors for the year ended December 31, 2023	
3	MTA All Agency Investment Guidelines, as Amended May 2024	

**Investment Performance by Type of Fund
for the Period 2023
(Note 1)**

Type of Fund	Net Earnings this Period	Average Daily Portfolio Balance	End of Period Portfolio Balance	Weighted Average Yield % at End of Period	Days to Maturity	Weighted Average Net Portfolio Yield % 365-day Basis
All Agency Investments	\$ 128,933,414	\$ 3,291,841,879	\$ 3,401,568,565	5.28	23	4.05
MTA Special Assistance Fund	9,678,352	176,953,530	6,188,432	5.31	37	4.88
TBTA Investments	14,619,925	263,390,267	307,110,445	5.25	23	4.88
MTA Finance and PMT Funds	6,055,845	76,890,349	4,999,267	5.31	37	3.63
MTA Transportation Resolution Funds (see note 2)	142,608,583	3,181,301,829	3,489,717,718	4.87	107	4.74
MTA Hudson Rail Yards Fund	7,432,179	150,433,928	164,549,784	5.05	5,774	5.00
MTA Dedicated Tax Fund Resolution Funds	10,314,438	272,742,724	178,784,139	4.09	522	4.29
TBTA General Purpose Resolution Funds	21,335,374	446,346,108	388,895,675	5.30	29	4.92
TBTA Subordinate Resolution Funds	2,006,707	41,869,097	2,336,462	4.98	136	4.92
TBTA City Sales Tax	34,937,033	694,807,031	68,978,533	5.17	55	4.87
MTA Working Capital (see note 3)	112,556,563	2,723,294,595	1,526,741	5.34	714	3.70
TBTA PMT Funds	27,483,221	582,040,342	495,177,829	4.68	301	4.42
Other Restricted Funds (see note 4)	48,678,038	990,355,599	1,094,312,965	5.33	15	4.94
Other Non-Restricted Funds	2,278	45,555	44,584	5.34	4	4.99
Central Business District Tolling Program	1,662,689	33,154,299	11,819,163	5.34	78	4.98
	\$ 568,304,640	\$ 12,925,467,132	\$ 9,616,010,302	5.08%	175	4.35%

Average Yield on 1-month Generic Treasury Bill (1/2/23 - 12/31/23) **4.86%**

Average Yield on 3-month Generic Treasury Bill (1/2/23 - 12/31/23) **5.05%**

Average Yield on 6-month Generic Treasury Bill (1/2/23 - 12/31/23) **5.12%**

Average Yield on 12-month Generic Treasury Bill (1/2/23 - 12/31/23) **4.95%**

Note 1: Table above includes information on funds actively managed by MTA Treasury. It does not include defeasance investments for tax benefit lease transactions, insurance set asides, or other funds not managed by MTA Treasury.

Note 2: MTA Transportation Resolution Funds include TRB Capitalized Interest, MTA TRB BAN (Tax-exempt), and RRIF Loan and RAN LOC.

Note 3: MTA Working Capital Funds were, for tax compliance purposes, invested into Demand Deposit State and Local Government Series (SLGS). SLGS carry interest rates below Treasury Bills or Notes.

Note 4: 'Other Restricted Funds' includes:

Fulton Street Maintenance,

MTA Real Estate and Advertising Revenue,

MTA Moynihan Train Hall Stab,

Hudson Yard ERY/WRY - From Related,

Relocation from Madison Ave.,

Hudson Yard Infra Corp.,

SIRTOA-Capital.

Portfolio Statistics by Instrument Type
As of: 12/31/2023

Instrument Type	Wtd Avg Yield	Wtd Avg Days to Mat	Scheduled Par Value	Scheduled Book Value *
Federal Home Loan Bank Notes	5.21%	2	\$ 175,000,000	\$ 174,873,368
Hudson Rail Yards Investment	5.00	8,355	\$ 113,385,000	\$ 113,385,000
Collateralized Repurchase Agreement	5.21	2	\$ 258,470,000	\$ 258,470,000
State & Local Govt Series (SLGS)	3.68	466	\$ 1,130,758,373	\$ 1,130,758,373
US Treasury Bills	5.30	21	\$ 7,608,074,000	\$ 7,548,454,070
US Treasury Notes	4.81	136	\$ 394,794,000	\$ 390,069,491
Grand Total	5.08%	175	\$ 9,680,481,373	\$ 9,616,010,302

* Includes purchase interest not yet received

Broker Activity Distribution for the Period 2023

Broker	Total Trans Count	Purchase of Securities	% Purchases	Sale of Securities	% Sales	REPOS	% REPOS	Total
Bank of New York Securities	3	\$ 84,417,669.58	0.2%	\$ -	0.0%	\$ -	0.0%	\$ 84,417,669.58
Daiwa Securities Co. Ltd.	2,072	37,407,375.309	42.9	2,520,975,287	18.8	55,036,747,000	75.4	94,965,097,596
Loop Capital Markets LLC	82	1,741,946,528	2.0	6,564,390	0.0	-	0.0	1,748,510,918
Merrill Lynch	12	399,887,833	0.5	199,838,611	1.5	-	0.0	599,726,444
Mizuho Securities	748	14,823,158,389	17.0	1,621,749,898	12.1	17,723,017,000	24.3	34,167,925,287
Various Brokers	88	7,609,918,106	8.7	7,364,910,430	54.8	191,194,000	0.3	15,166,022,536
Royal Bank of Canada	591	18,761,869,947	21.5	792,861,497	5.9	-	0.0	19,554,731,445
Wells Fargo	214	6,281,644,326	7.2	923,416,077	6.9	-	0.0	7,205,060,403
Total	3,807	\$ 87,110,218,108	100%	\$ 13,430,316,791	100%	\$ 72,950,958,000	100%	\$ 173,491,492,299

Investment Maturity Distribution

As of: 12/31/2023

Maturity Curve	From	To	Number of Securities	Scheduled Book Value*	%
One Day to 1 Month	1/2/2024	1/25/2024	165	\$ 5,838,269,734	60.71%
1 to 2 Months	2/1/2024	2/22/2024	68	\$ 2,375,296,436	24.70
2 to 4 Months	4/4/2024	4/4/2024	1	\$ 39,783,248	0.41
4 to 5 Months	5/15/2024	5/15/2024	25	\$ 532,278,913	5.54
5 to 12 Months	11/15/2024	11/15/2024	3	\$ 147,246,128	1.53
12 to 18 Months	5/15/2025	5/15/2025	3	\$ 115,256,661	1.20
18 to 24 Months	11/15/2025	11/15/2025	3	\$ 129,739,478	1.35
2+ Years	5/15/2026	11/15/2026	6	\$ 324,754,705	3.38
22+ Years	11/15/2046	11/15/2046	1	\$ 113,385,000	1.18
Grand Total	1/2/2024	11/15/2046	275	\$ 9,616,010,302	100.0%

* Includes purchase interest not yet received.

**LISTING OF PRIMARY GOVERNMENT SECURITIES DEALERS WITH
WHOM THE MTA HAS A SIGNED A MASTER REPURCHASE
AGREEMENT**

Broker Name	Capital Included in Tier Calculation *	Tier Level
Bank of America Securities	\$ 34,243,000,000	1
Citigroup Global Markets Inc.	\$ 27,757,000,000	1
JP Morgan Securities	\$ 38,454,000,000	1
Morgan Stanley & Company Inc.	\$ 17,621,000,000	1
BNP Parabis Securities Corp.	\$ 3,241,164,000	1
HSBC Securities (USA) Inc.	\$ 1,756,000,000	1
Mizuho Securities, USA Inc.	\$ 2,443,871,000	1
Daiwa Capital Markets America Inc.	\$ 1,466,176,000	1

* Based on the latest available audited financial statements.

Repurchase Limit for Tier 1	300,000,000	
Repurchase Limit for Tier 2	250,000,000	
Repurchase Limit for Tier 3	Amount of firm's capital	

Tier levels to determine dealer limits for repurchase agreements	
1st Tier	\$1,000.0 million or more in capital
2nd Tier	\$200.0 to \$999.9 million in capital
3rd Tier	Less tha \$200.0 million in capital

**Listing of Fees and Commission Paid to Brokers, Agents,
Dealers, Advisers and Asset Managers for Custody Accounts
For the Period 1/01/2023 to 12/31/2023**

Investment Administration and Support

Fees:

The Bank of New York:

* Safekeeping	\$ 497,158.00	
* Transactions	\$ 103,749.00	
* Cash	\$ 39,354.00	
* Other	\$ 61,330.00	
The Bank of New York (Note 1)		\$ 701,591.00

Bloomberg:

*Terminals, Communications and Data Licenses:	\$ 191,329.00	
* PeopleSoft MTM Pricing Data	\$ 24,000.00	
Bloomberg:		\$ 215,329.00

Total Fees:		\$ 916,920.00
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Total Commission:		\$ -
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Total 2023 Fees and Commission (Custody):		\$ 916,920.00
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(Note 1): This does not include Trustee Fees, just Custody Fees.

**Investment Inventory with Market Value
Sorted by Instrument**

As of: 12/31/2023

	Scheduled Par	Scheduled Book Value	Market Value*	Accrued Interest	Accrued (Prem)/Disc	Amortized Book Value	Unrealized Gain	Unrealized Loss	Fair Value Hierarchy Level FVHL
Federal Home Loan Bank Notes	\$ 175,000,000	\$ 174,873,368	\$ 174,894,300	\$ 101,306	\$ -	\$ 174,873,368	\$ 20,932	\$ -	2
Hudson Yards 2020A Bonds	113,385,000	113,385,000	113,385,000	724,404	-	113,385,000	-	-	2
Collateralized Repurchase Agreement	258,470,000	258,470,000	258,470,000	112,260	-	258,470,000	-	-	1
State & Local Govt Series (SLGS)	1,130,758,373	1,130,758,373	1,130,758,373	7,799,488	-	1,130,758,373	-	-	2
US Treasury Bills	7,608,074,000	7,548,454,070	7,586,880,512	37,604,376	-	7,548,454,070	38,426,442	-	1
US Treasury Notes	394,794,000	390,069,491	390,619,660	1,204,523	944,866	390,619,604	57,651	(57,595)	1
Grand Total	\$ 9,680,481,373	\$ 9,616,010,302	\$ 9,655,007,845	\$ 47,546,356	\$ 944,866	\$ 9,616,560,415	\$ 38,505,025	\$ (57,595)	

* If no Market Price, then Market Value = Book Value

Transaction Report Summary by Transaction Type for the Period 2023

Trans Type	No. of Trans.	Par	Book Value	Prem/(Disc)	(Interest)	Amort/(Accr)	(Gain) / Loss	Settlement
Amort/(Accr)	582	\$	\$ 38,882,874	\$	\$ -	\$ -	(38,882,874)	\$ -
Final Sale	152	(11,800,233,243)	(11,709,741,721)	90,491,522	(138,465,464)	-	21,970,711	11,826,238,235
Interest	62	-	13,474,704	-	(29,546,888)	(13,474,704)	-	29,546,888
Matured	3,360	(154,113,080,483)	(153,775,169,728)	1,285,858	(435,857,970)	-	-	154,211,027,699
Partial Sale	265	(1,589,519,200)	(1,572,050,437)	17,468,763	(12,964,994)	-	307,800	1,584,796,175
Purchased	3,393	160,453,115,299	160,061,176,108	(391,939,191)	-	-	-	(160,061,176,108)
Grand Total	7,814	\$ (7,049,717,627)	\$ (6,943,428,201)	\$ (282,693,048)	\$ (616,835,317)	\$ (52,357,578)	\$ 22,278,512	\$ 7,590,432,888

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Dear Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the business-type activities of the Metropolitan Transportation Authority (the "Authority"), a component unit of the State of New York, which comprise the statement of net position as of December 31, 2023, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2024, which expresses an unmodified opinion on those financial statements and includes emphasis-of-matter paragraphs regarding (1) the Authority requiring significant subsidies from other governmental entities and (2) regarding the Authority's adoption of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Guidelines, the New York State ("NYS") Comptroller's Investment Guidelines, Section 2925 of the NYS Public Authorities Law, or Section 201.3 of the NYS Public Authorities Law (collectively, the "Investment Guidelines"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Guidelines, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors and management of the Authority, and the Office of the New York State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

May 29, 2024

MTA ALL AGENCY
INVESTMENT GUIDELINES
Operating and Capital Program Funds

WHEREAS the Treasury Department of the Metropolitan Transportation Authority manages the investment of the operating and capital program funds of the Metropolitan Transportation Authority (MTA), The Long Island Rail Road Company (LIRR), the Metro-North Commuter Railroad Company (MN), the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Metropolitan Suburban Bus Authority (MSBA), the New York City Transit Authority (NYCTA), the Staten Island Rapid Transit Authority (SIRTOA), the Grand Central Madison Concourse Operating Company (GCMCO) and the Triborough Bridge and Tunnel Authority (TBTA) (collectively the related entities), and

WHEREAS the investment of funds are regulated by the New York State Public Authorities Law, the State Comptroller's Investment Guidelines for Public Authorities, and in accordance with the Bond Resolutions of the MTA and TBTA ,

BE IT RESOLVED, that the following investment guidelines be adopted by the related entities.

I. GENERAL GUIDELINES

1. The MTA Treasury Department (Treasury) shall be responsible for the execution and management of all operating and capital program investment activity for each of the related entities. The Treasury Department will report to the Director of Finance.
2. Federal Statutory Requirements, New York State Statutory Requirements, and Bond Resolutions of the related entities supercede these guidelines.
 - a. Federal Statutory requirements include compliance with any existing or future statute or administrative ruling that may affect the tax-exempt status of related entities' debt.
 - b. New York State statutory requirements include, but not limited, to the following sections:
 - i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (Transit Authority) and 553(21) (TBTA)
 - ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions
 - iii. State Finance Law Article 15 – EXCELSIOR LINKED DEPOSIT ACT
3. Authorized Investment Obligations will be limited to the following:
 - a. obligations of the state or the United States government,
 - b. obligations the principal and interest of which are guaranteed by the state or the United States government,
 - c. certificates of deposit of banks or trust companies in this state, secured, if the authority shall so require, by obligations of the United States or of the state of New York of a market value equal at all times to the amount of the deposit,
 - d. banker's acceptances with a maturity of ninety days or less which are eligible for purchase by the federal reserve banks and whose rating at the time of purchase is in the highest rating category of two nationally recognized independent rating agencies, provided, however, that the amount of banker's acceptances of any one bank shall not exceed two hundred fifty million dollars,
 - e. obligations of any bank or corporation created under the laws of either the United States or any state of the United States maturing within two hundred seventy days, provided that such obligations receive the highest rating of two nationally recognized independent rating agencies and, provided further, that no more than two hundred fifty million dollars may be invested in such obligations of any one bank or corporation,
 - f. as to any such moneys held in reserve and sinking funds, other securities in which the trustee or trustees of any public retirement system or pension fund has the power to invest the monies thereof pursuant to article four-a of the retirement and social security law, each such reserve and sinking fund being treated as a separate fund for the purposes of article four-a of the retirement and social security law,
 - g. notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States postal service, the federal

- national mortgage association, the federal home loan mortgage corporation, the student loan marketing association, the federal farm credit system, or any other United States government sponsored agency, provided that at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, provided, however, that no more than two hundred fifty million dollars or such greater amount as may be authorized for investment for the state comptroller by section ninety-three of the state finance law may be invested in the obligations of any one agency,
- h. general obligation bonds and notes of any state other than the state, provided that such bonds and notes receive the highest rating of at least one independent rating agency, and bonds and notes of any county, town, city, village, fire district or school district of the state, provided that such bonds and notes receive either of the two highest ratings of at least two independent rating agencies,
 - i. mutual funds registered with the United States securities and exchange commission whose investments are limited to obligations of the state described in paragraph (a) of this subdivision, obligations the principal and interest of which are guaranteed by the state described in paragraph (b) of this subdivision, and those securities described in paragraph (h) of this subdivision and that have received the highest rating of at least one independent rating agency, provided that the aggregate amount invested at any one time in all such mutual funds shall not exceed ten million dollars, and, provided further, that the authority shall not invest such funds, accounts or other monies in any mutual fund for longer than thirty days,
 - j. financial contracts in a foreign currency entered into for the purpose of minimizing the foreign currency exchange risk of the purchase price of a contract with a vendor chosen through competitive process for the acquisition of capital assets for the benefit of the capital program of the Triborough bridge and tunnel authority or either the transit or transportation capital programs, and
 - k. repurchase agreements with any dealer or bank, which agreement is secured by any one or more of the securities described in clauses (a), (b) or (g) above, which securities shall (A) at all times have a market value of not less than the full amount held or invested pursuant to the agreement and (B) be delivered to a Bank as defined in clause (i) or (ii) of the definition thereof, as custodian, that is independent from the dealer or bank with whom the repurchase agreement is executed.
4. Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provision of law, or domestic branch or agency of a foreign bank which branch or agency is fully licensed or authorized to do business under the laws of any state or territory of the United States of America.
 5. Trading Authorization – The board delegates to the Chairman and the Executive Director, acting individually, the power to authorize certain individuals to buy and sell securities and enter into investment agreements on behalf of the related entities. The trading authorization will take the form of attachment A to these guidelines.

6. Investment Limitations – All dollar limitations for investment will be based on the original cost of the investment including accrued interest purchased at the time of investment.

II. CUSTODIAN

1. All Investment Obligations and collateral is to be held by a custodian who is not a party to the Investment Obligation.
2. A custodian must meet either of the following three criteria:
 - a. A bank as the term is defined in either clauses (i) or (ii) in section I.4 of these guidelines, and which the MTA Board has adopted a resolution establishing the bank as a depository of the MTA or any of its related entities.
 - b. A bank appointed as a trustee under a specific MTA board resolution.
 - c. A bank designated as a trustee by an authorized officer who has been delegated the authority by the MTA Board to appoint a custodian as part of a specific transaction.
3. Each bank acting as a custodian, except for a custodian established for a specific transaction, must have the following capabilities;
 - a. Daily electronic reporting of all investment and cash activity,
 - b. Acceptance of electronic instructions to buy, sell, deliver or receive securities,
 - c. Acceptance of electronic instructions to transfer funds, and
 - d. Electronic Access to current Investment Inventory position statements.
4. The Treasury Department will maintain at least \$100 million of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity. Securities held in the separate emergency custodian bank are subject to the following conditions;
 - a. The securities will be included in the MTA portfolio, and
 - b. All security activity in the emergency custodian bank will be governed by these guidelines.

III. REPURCHASE AGREEMENTS

1. An executed Master Repurchase Agreement, approved as to form by the MTA General Counsel, must be executed between the dealer or bank and the MTA. The Director of Treasury is authorized to execute the agreement on behalf of the related entities.
 - a. A dealer must be listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York.
 - b. Agreements currently signed with firms meeting the requirements contained in the current Investment Guidelines will remain in effect.

2. The market value of the collateral must at all times be not less than the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement. MTA Treasury will use as its primary source its mark-to-market report based upon the prior day closing prices.
 - a. A mark- to- market of the collateral will be done each morning. The market value will include the accrued interest on the collateral securities.
 - b. For repurchase agreements having a term of more than 1 business day, if the market value of the collateral is less than 102%, rounded to the nearest 1%, additional collateral must be delivered to the MTA's custodian.
 - c. For the purpose of the mark- to- market calculation, the market value for all repurchase agreements with any one dealer, having a maturity of more than 1 business day, may be aggregated against the total collateral requirement for all of the repurchase agreements, having a maturity of more than 1 business day, with the one dealer.
 - d. The Treasury Department may waive the requirement for additional collateral if the amount of additional collateral is less than \$100,000.00 and the market value, as determined in the daily mark to market referred to in subsection (a) of this section, of the collateral held by the MTA's custodian is greater than the sum of the principal amount of the repurchase agreement plus the accrued interest of the repurchase agreement.
 - e. On the purchase date, which is the date on which the repurchase agreement is entered into, the Treasury Department will test a minimum of 20% of the repurchase agreements to ensure that the collateral being delivered is sufficient for the repurchase agreement.
 - f. For overnight, including weekends and holidays, repurchase agreements, the Treasury Department will be responsible for monitoring dealer performance and will take corrective action with regard to chronic problems. Such corrective action will consist of notifying in writing the dealer who has developed a pattern of not providing adequate collateral. If the problem persists, the Treasury Department will discontinue doing business with the dealer.
 - g. For repurchase agreements longer than overnight, including weekends and holidays, the Treasury Department will contact any under collateralized dealer and require additional collateral or the return of cash as required in the written repurchase agreement. Request for additional collateral should be made by 10:00AM.

- h. In the event of a dispute, a revised mark-to-market report may be used based upon current day pricing provided by a 3rd party, such as Bloomberg LLP. Documentation for such a revised report will consist of a screen pricing out of each collateral security at the current bid price plus the accrued interest on the collateral security.

Nothing in these guidelines prohibit entering into 3rd party repurchase agreements if the custodian meets the above criteria and all segregation requirements for the MTA funds are maintained.

- 3. Dealer limits for repurchase agreements are to be determined by a tier level based on a firm's capital.
 - a. The tier levels are:
 - 1st Tier - \$1,000.0 million or more in capital
 - 2nd Tier - \$200.0 to \$999.9 million in capital
 - 3rd Tier - Less than \$200.0 million in capital
 - b. Capital will be defined as the sum of the firm's equity plus subordinated long-term debt. If the dealer is a wholly owned subsidiary of another dealer, and is included in a consolidated balance sheet of the parent broker, the parent's capital will be the basis for determining the capitalization. If the parent organization is not primarily a dealer/broker type of firm, but does have a major portion of its revenues generated by other than security type transactions, the parent's capital will not be included. This would exclude firms owned by insurance companies, and other non-security investment institutions. Only audited financial statements will be used for determining the firm's capital.
 - i. Capital for a bank or dealer owned by a bank shall mean the bank's equity only.
 - ii. The capital of those holding companies which are foreign based cannot be applied for the purpose of determining capitalization except and unless the holding company has provided an unconditional guarantee in writing and any necessary supporting documents in a form acceptable to the MTA General Counsel against any losses incurred as a result of the domestic subsidiary being unable to fulfill its Contractual Obligations with the MTA.
 - iii. Only audited financial statements will be used for determining a firm's capital.
 - c. The total maximum exposure for repurchase agreements to any Dealer/Banks will be limited by Tier as follows for any one day:
 - 1st Tier - \$300.0 million
 - 2nd Tier - \$250.0 million
 - 3rd Tier - amount of firm's capital
- 4. Investment in repurchase agreements will be further governed by the following operational requirements:

- a. The Treasury Department will maintain a record of the results of its monitoring of overnight repurchase agreement collateral for each dealer.
- b. All repurchase agreements shall be in the form of cash versus delivery.
- c. The MTA Treasury Department will determine the final maturity of repurchase agreements based upon cash needs of the Authority.
- d. A minimum of three solicitations will be made prior to the awarding of any repurchase agreement. The award of the investment will be made in order of the highest yields, and in accordance with the exposure constraints established in Section III.3. A written record of the quotes received and awards made will be maintained by the Treasury Department.

IV. SECURITY PURCHASES AND SALES

1. The direct purchase of investment obligations securities covers the purchase of securities listed in sections I.3.a, b, d, e, g and h above.
2. All securities will be delivered to a designated MTA Custodian against cash payment. Delivery instructions will be sent to the MTA Custodian electronically or via telecopied letter signed by an authorized signer
3. A minimum of three (3) bids or offers will be solicited for direct purchases or sales of securities. The award will be based on lowest cost for purchases or highest price for sales. A written record of the quotes received will be maintained by the Treasury Department.
4. Nothing in this section prohibits the use of electronic trading screens, provided that the requirements of III.2 and III.3 are met.
5. The authority may participate directly in US Treasury government security auctions. This participation takes the form of placing an order through one of the dealers listed on the "LIST OF THE GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK", published by the Federal Reserve Bank of New York. The award of securities is determined by the results of the auction process, and is based on the rates received and the amount of securities offered for sale. The pricing results of the auction are published, and such published notices will be included in the record of the trade.

V. REPORTING REQUIREMENTS

1. The Treasury Department will prepare reports as scheduled by the Finance Committee's work plan, investment reports covering the investment activity of all MTA Treasury Department funds. These reports will contain a detailed listing of all broker activity for the period. A listing of dealers with whom the MTA does repurchase agreements including limits set for each broker, will also be included.
2. An annual investment report shall be submitted to the Finance Committee consisting of the following:
 - a. Investment Guidelines and amendments to those guidelines since the last report, and an explanation of the guidelines and amendments.
 - b. Investment income for the year.
 - c. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer, custodian bank and adviser rendering investment associated services to the MTA.

Following receipt of approval of the Board, copies of the annual report shall be submitted to:

1. State Division of the Budget
2. State Department of Audit and Control
3. State Senate Finance Committee
4. Assembly Ways and Means Committee

VI. PORTFOLIO MANAGERS

1. Due to the various portfolio requirements of the MTA, it may be advantageous to structure a specific portfolio and contract with outside portfolio managers for the management of these funds. The awarding of a portfolio management contract will be controlled by the MTA's procurement policy covering personal services contracts. The criteria for awarding these contracts will include, but not limited by, the following provisions:
 - a. Experience of the portfolio manager.
 - b. Concepts and ideas for the management of the funds, including the identification of an appropriate benchmark for the portfolio.
 - c. The ability to provide regular and timely reports, consistent with internal reporting requirements of the MTA All Agency Investment Guidelines.
 - d. Fees
 - e. Capitalization and financial strength of the firm.

2. Each portfolio manager will be required to operate within the structure of these guidelines except for the reporting requirement of competition with regards to the purchase and sale of securities. This exception is made because it would be impossible to monitor compliance. In addition, an outside manager would also have to comply with the following:
 - a. All transactions will be made from an MTA controlled Custody Account on a cash vs. delivery basis.
 - b. All Bank Statements and Broker advices will be mailed to the Comptroller for the MTA.
 - c. The MTA will designate to the custodian the representatives of the portfolio manager authorized to conduct business on behalf of the MTA.

VII. MISCELLANEOUS

The following guidelines will also be adhered to with regard to the investment of MTA Operating and Capital Program Funds.

1. AUTHORIZATION - The Chairman and the Executive Director, or any person or persons who may from time to time be designated in writing by either the Chairman or the Executive Director, may purchase or sell securities and/or enter into repurchase agreements for the MTA and its related entities.
2. BANK RECONCILIATIONS - All bank confirmations and statements will be addressed to the Comptroller. The Comptroller will be responsible for all investment custody account reconciliations.
3. INDEPENDENT AUDITOR - The MTA's independent auditor will include as part of its annual audit a statement on the compliance of the investment activity with these investment guidelines.
4. INVESTMENT DECISIONS - All investment decisions will also meet the following requirements:
 - a. Safeguard the Investment Principal.
 - b. Meet expected cash flow requirements.
 - c. Maximize yield.
5. CONFLICTS OF INTEREST - MTA's policy regarding conflicts of interest shall be followed regarding the investment of funds. Business may not be transacted with any institution or dealer of which an MTA Board Member, senior agency official, or any other officer or employee authorized to participate in the selection of such institution or dealer is an officer, a director or a substantial stockholder.
6. BROKER ADVICES - All broker advices will be mailed to the Treasury Department for safekeeping. All broker advices will be made available by the Treasury Department to the Comptroller and Audit Department as requested.
7. STOCK TRANSACTIONS - Due to the reorganization of mutual insurance firms into stock firms, the MTA and its related entities receive stock in reorganized corporations. The Chairman and the Executive Director, or any person or persons who may from time to time be designated in writing by either the Chairman or the Executive Director, may sell this stock for the MTA and its related entities.
 - a. If the corporation has a stock buy back plan that will purchase the stock, the stock will be sold using the plan.
 - b. If the corporation does not have a stock buy bank plan, the Treasury Department will solicit commission fee bids from at least 3 members of the MTA's senior underwriting management firms. The firm with the smallest commission will be

awarded the sale trade. In case of a tie, the trade may be divided among the firms with the same commission fee bid.

- c. Proceeds from the sale of the stock will be distributed back to the related entities in proportion to the shares of securities and/or enter into repurchase agreements originally owned by each of the related entities.

Staff Summary

Subject	2023 – 2024 Station Maintenance Billing	Date	May 3, 2024
Department	Chief Financial Officer	Vendor Name	
Department Head Name	Kevin Willens	Contract Number	
Department Head Signature		Contract Manager Name	
Project Manager Name	James McGovern	Table of Contents Ref #	

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance	5/20/24		x		1	Legal	2	CFO
2	Board	5/22/24		x					

Narrative

Purpose:
 To advise the Board of submission of the station maintenance billings to New York City and the counties for the period April 1, 2023 to March 31, 2024.

Discussion:
 The attached schedule provides the summary of the station maintenance use and operations billing to the counties and New York City for the period April 1, 2023 through March 31, 2024.

Current legislation provides that on or before June first of each year the MTA shall determine and certify to New York City and the counties the cost for station maintenance use and operations for the twelve month period ending the preceding March thirty-first for the stations within the municipality. The MTA bills New York City and the counties each fiscal year based on a statutorily established formula adjusted annually by the CPI-W for the New York, Northeastern New Jersey and Long Island Region. The net increase in the CPI factor for the twelve month period ending March 31, 2024 was 3.673% which results in a \$7,279,852 increase over the prior year's billed amount.

Metropolitan Transportation Authority Station Maintenance, Use and Operations March 31, 2024

COUNTY BILLED	AMOUNT BILLED 2022 - 2023	% CHANGE IN CPI	\$ INCREASE	AMOUNT BILLED 2023 - 2024
DUTCHESS	\$ 2,895,334	3.673%	\$ 106,332	\$ 3,001,666
NASSAU	35,141,991	3.673%	1,290,596	36,432,587
NEW YORK CITY	112,445,819	3.673%	4,129,592	116,575,411
ORANGE	598,963	3.673%	21,997	620,960
PUTNAM	1,132,264	3.673%	41,583	1,173,847
ROCKLAND	63,681	3.673%	2,339	66,020
SUFFOLK	21,660,077	3.673%	795,470	22,455,547
WESTCHESTER	24,286,977	3.673%	891,943	25,178,920
	<u>\$ 198,225,106</u>		<u>\$ 7,279,852</u>	<u>\$ 205,504,958</u>

**Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)
Original Data Value**

Series Id: CWJURS12ASA0,CWJUSS12ASA0

Not Seasonally Adjusted

Series Title: All items in New York-Newark-Jersey City, NY-NJ-PA,

Area: New York-Newark-Jersey City, NY-NJ-PA

Item: All items

Base Period: 1982-84=100

Years: 2014 to 2024

Master Board Meeting 5/22/2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014	255.477	254.782	255.933	255.937	257.145	257.147	257.309	256.691	256.945	256.022	254.638	253.224	255.938	256.070	255.805
2015	253.159	254.044	254.358	254.699	255.946	256.383	256.054	256.038	256.386	255.932	255.385	254.441	255.235	254.765	255.706
2016	254.968	255.246	256.012	257.289	257.721	258.269	258.065	258.374	259.059	258.995	259.348	259.789	257.761	256.584	258.938
2017	261.409	262.086	262.165	262.486	262.825	263.205	262.577	263.489	265.291	264.578	264.185	264.436	263.228	262.363	264.093
2018	265.660	267.153	267.077	267.945	268.986	269.348	269.123	269.304	270.298	269.879	269.154	268.369	268.525	267.695	269.355
2019	269.659	270.250	271.123	271.992	272.726	273.360	273.287	273.903	273.722	273.474	273.627	274.027	272.596	271.518	273.673
2020	276.077	276.412	275.913	274.876	276.413	276.529	277.944	277.920	278.916	278.297	277.747	278.844	277.157	276.037	278.278
2021	279.909	280.994	281.761	283.926	285.281	288.318	288.323	289.090	290.733	291.835	293.033	292.713	287.160	283.365	290.955
2022	296.213	297.028	300.890	303.153	305.161	309.606	308.491	308.969	308.477	308.763	309.647	309.872	305.523	302.009	309.037
2023	312.206	313.326	312.810	313.188	313.696	315.126	316.105	318.290	319.955	320.196	319.611	319.627	316.178	313.392	318.964
2024	322.823	323.061	324.298												

**STATION MAINTENANCE
FOR THE YEAR 04/01/2023 - 03/31/2024**

	BILLED AMOUNT 2022-2023	CHANGE IN CPI	INCREASED AMOUNT	BILL AMOUNT 2023-2024
DUTCHESS	2,895,334	0.03673	106,332	3,001,666
NASSAU	35,141,991	0.03673	1,290,596	36,432,587
NEW YORK CITY	112,445,819	0.03673	4,129,592	116,575,411
ORANGE	598,963	0.03673	21,997	620,960
PUTNAM	1,132,264	0.03673	41,583	1,173,847
ROCKLAND	63,681	0.03673	2,339	66,020
SUFFOLK	21,660,077	0.03673	795,470	22,455,547
WESTCHESTER	24,286,977	0.03673	891,943	25,178,920
GRAND TOTAL	\$ 198,225,106		\$ 7,279,852	\$ 205,504,958

MARCH 2023 CPI	312.810
MARCH 2024 CPI	324.298
CHANGE	11.488
	11.488/312.81
% INCREASE	0.0367251686

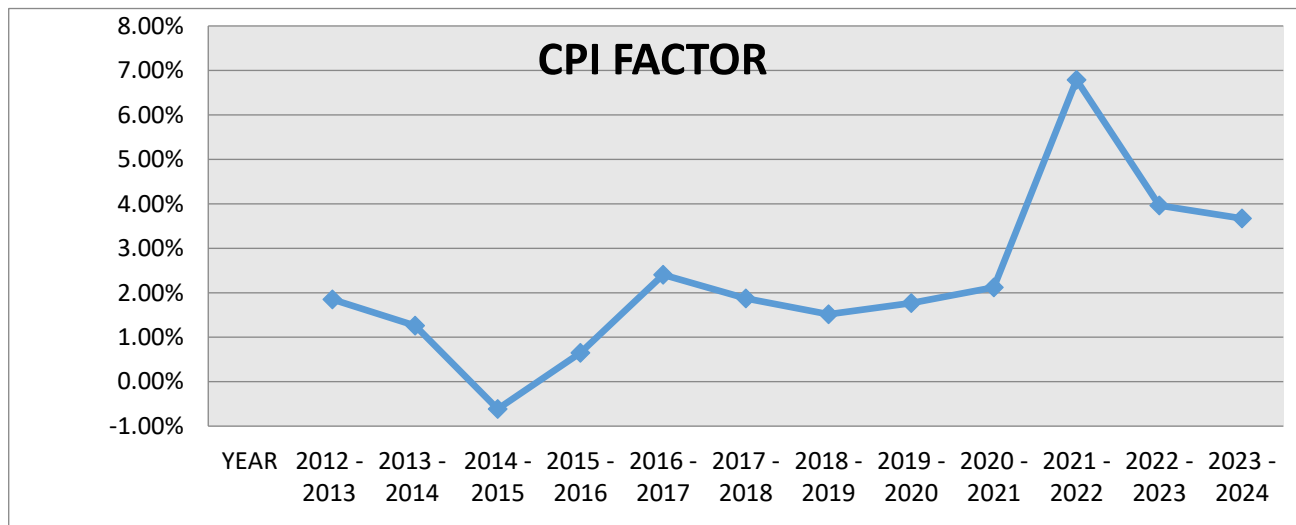
2023 – 2024 STATION MAINTENANCE

- CPI factor used is the Consumer Price Index for Wage Earners and Clerical Workers for the New York, Northeastern New Jersey for twelve month period
All monies due the MTA for 2022-2023 was received

- **CPI FACTOR**

YEAR	CPI FACTOR		YEAR	CPI FACTOR		YEAR	CPI FACTOR
2023 - 2024	3.67%	*	2019 - 2020	1.77%		2015 - 2016	0.65%
2022 - 2023	3.96%		2018 - 2019	1.51%		2014 - 2015	-0.62%
2021 - 2022	6.79%		2017 - 2018	1.87%		2013 - 2014	1.26%
2020 - 2021	2.12%		2016 - 2017	2.40%		2012 - 2013	1.85%

* Current Year



- **BILLING**

YEAR	TOTAL AMOUNT	ANNUAL INCREASE (DECREASE)		YEAR	TOTAL AMOUNT	ANNUAL INCREASE (DECREASE)
2023 - 2024	205,504,958	7,279,852	*	2017 - 2018	169,244,483	3,112,694
2022 - 2023	198,225,106	7,553,605		2016 - 2017	166,131,790	3,898,467
2021 - 2022	190,671,501	12,121,889		2015 - 2016	162,233,323	1,048,123
2020 - 2021	178,549,612	3,705,829		2014 - 2015	161,185,200	-998,076
2019 - 2020	174,843,783	3,035,383		2013 - 2014	162,183,274	2,081,081
2018 - 2019	171,808,400	2,563,917		2012 - 2013	160,165,193	2,909,352

* Current Year

- 1998 was the last year New York City was billed on actual cost for both the LIRR and Metro North
- Legislation was enacted in 1995, and renewed in 1999 and 2004, for station maintenance billing using the CPI factor and bringing NYC onboard with this method for the second time
- Station Maintenance is billed in June and payment is due by September 1st.

Staff Summary

Subject FMTAC Annual Meeting
Department Finance
Department Head Name Kevin Willens, Chief Financial Officer
Department Head Signature
Project Manager/Division Head Claudia Reuben, Acting Director

Date May 22, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance	5/22/24		X	
2	Board	5/22/24		X	

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

Purpose:

To provide information concerning the First Mutual Transportation Assurance Company’s (FMTAC’s) 2023 activities and operations to board members in connection with the May 22, 2024, annual FMTAC Board meeting.

Discussion and Background:

The monthly MTA board meeting of May 27, 2024 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 Newsletter (Section 1), which provides a summary update on the activities of FMTAC for the year ended December 31, 2023; historical comparative balance sheet and income statement summaries (Section 2); a draft of the FMTAC Audited Financial Statements for the years ended December 31, 2023 and 2022 (Section 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, 2023 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 (Section 4).

Also included in the FMTAC Board Book is the regulatory compliance checklist for 2024 (Section 5), a Report on Investments (Section 6), and materials describing the captive manager advisers (Davies Captive Management) and FMTAC’s investment managers (BlackRock Financial Management) and actuaries (Oliver Wyman) (Section 7).