

Central New York Regional Transportation Authority

Financial Plan & Budget Fiscal Year 2022-23



www.centro.org

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INTRODUCTION

Our Mission

Centro's mission is to be responsive to the transportation needs of the Central New York Community by providing services which are safe, convenient, reliable, and environmentally responsible with a goal of maximizing the taxpayers' return on investment.

About Centro

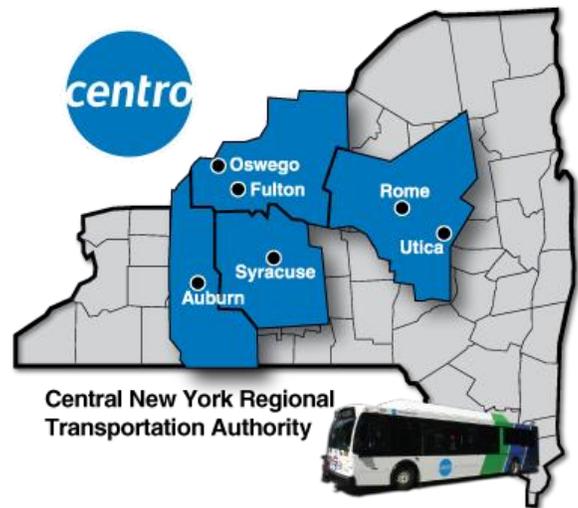
The Central New York Regional Transportation Authority (“CNYRTA” or “Authority”), through its various operating companies, is the public mass transportation provider in the Central New York region. CNYRTA deploys regular route, commuter, and paratransit service in Onondaga, Cayuga, Oswego, and Oneida counties with a population of nearly 902,000 people.

Our service features 3,200 bus stops, 155 passenger shelters, 3 transfer hubs, 3 surface parking areas, and a Regional Transportation Center. We operate a fleet of 238 revenue vehicles, from five maintenance facilities, with the largest being our full-service maintenance facility and administrative headquarters located in Onondaga County (Syracuse). CNYRTA operates service on 90 routes traveling more than 6.1m miles annually, providing approximately 2,500+ bus trips each weekday of regular service.

Our paratransit program provided approximately 158,140 trips last year for people who cannot use our regular route system. Until the onset of the COVID19 pandemic in March of 2020, we had seen consistent ridership increases. Although, ridership decreased in 2020, the number of runs provided has remained constant due to the requirement of social distancing on the paratransit and purchased transportation vehicles.

Since our formation in 1970, and the first day of publicly operated bus service in the Syracuse area on January 17, 1972, CNYRTA has made Central New York a better place in which to live and work. CNYRTA is a responsible citizen and a valued part of the public infrastructure of the region through its continuous efforts, which include:

- Providing paratransit services in full compliance with the Americans with Disabilities Act of 1990 (ADA).
- Providing specialized services to the New York State Fair, and to and on the campuses of Syracuse University, Oswego State University, Onondaga Community College, and Cayuga Community College.
- Participation in dozens of events, services, and educational programs held throughout the year.
- Committing to cleaner air via its extensive fleet of clean-fueled compressed natural gas buses and clean diesel buses.
- Partnering with local police, fire, emergency responders, and the local chapter of the American Red Cross in emergency situations.



BOARD OF MEMBERS

<u>Name</u>	<u>Office Held</u>	<u>Appointing Entity</u>
Nicholas F. Laino	Chairman	Oneida County
Robert F. Cuculich	Vice Chairman	Onondaga County
Darlene DeRosa Lattimore	Secretary	Cayuga County
Tina Fitzgerald	Treasurer	Onondaga County
Neil Milcarek-Burke		City of Syracuse
Anthony Q. Davis Sr.		City of Syracuse
Monte Flynn		Oswego County
Joseph A. Hardick		Onondaga County
Julius L. Lawrence		City of Syracuse
Louella Williams		Onondaga County
Open Seat (non-voting)		Bargaining Unit
Open Seat		Oneida County
Open Seat		Onondaga County

GOVERNANCE STRUCTURE

The Authority is governed by a Board of Members, currently made up of thirteen positions including one non-voting member representing the collective bargaining units. The current member breakdown is as follows: Onondaga County 5 seats, City of Syracuse 3 seats, Oswego, Cayuga, and Oneida Counties all have 1 seat each, the City of Rome and the Bargaining unit also have 1 seat each.

The Board of Members are appointed by the Governor and confirmed by the New York State Senate. Terms are for fixed but staggered seven-year periods, each beginning July 1, with members continuing to serve until their successors are appointed. Members may be reappointed for subsequent terms by the same process. The Board of Members elect Officers of the Board (Chairperson, Vice-Chairperson, Secretary, and Treasurer).

The Board of Members are not compensated but are entitled to reimbursement for necessary and actual expenses incurred in the performance of official duties.

The Board of Members schedule at least one meeting each month, generally on the 4th Friday, which is open to the public. All public meetings are recorded and streamed live for viewing on the Authority's website: www.Centro.org.

Committees

The Authority has six standing committees that assist in carrying out the duties of the Board of Members. Committees are established via a resolution or By-Law.

COMMITTEE	FREQUENCY	DESCRIPTION
Audit & Finance	Monthly	Established by the By-Laws to comply with Public Authorities Law. Includes independent audit discussion, financial statements, and related financial information.
Governance	Semi-Annually	Established by the By-Laws to comply with the Authorities Budget Office. Includes best governance practices, Internal Controls, and related governance items.
Pension	Quarterly	Established by Board Resolution to oversee and review items relating to management of the CNYRTA pension funds.
Personnel	As Needed	Established by Board Resolution to discuss items relating to personnel, including personnel work history and salary information. Typically held in executive session.
Legal	As Needed	Established by Board Resolution to discuss any legal items. Typically held in executive session.
Nominating	Annually	Established by Board Resolution to nominate Board of Members officers. Typically held in executive session.

RELATIONSHIP TO NEW YORK STATE

Background

The CNYRTA was created by the New York State Legislature at a time (1970) when economic, demographic and land use realities around the United States caused private bus companies offering public transit service to shut down or go bankrupt, being unable to sustain their operations and capital equipment replacements with fares which were considered reasonable at the time. As a result, public transportation authorities were created in the major cities across New York State and in most other urbanized areas across the country in the late 1960s and early 1970s.

Public transportation helps maintain local economic vitality in many ways. It creates mobility opportunities for people who choose not to drive or cannot drive; it helps reduce traffic congestion, oil consumption and air pollution; it provides opportunities for people by creating pathways to jobs. It provides an alternative means of getting to work, school, commercial enterprises, medical appointments and to social and entertainment venues. Like roads and bridges, public transit is a critical part of the country's surface transportation network.

Legal Status

The Central New York Regional Transportation Authority is a public authority and a public benefit corporation of New York State, created in 1970 by Title 11-D of Public Authorities Law. It can be thought of as an "agent" of the State, but not the State itself. Its legislated purpose is to continue, further develop, and improve transportation and related services in the Central New York Regional Transportation District. The legislation states that the Authority's mission is in all respects for the benefit of the people of the State of New York and that the CNYRTA shall be regarded as performing "an essential governmental function".

The Central New York Regional Transportation District originally included, by law, Onondaga County. The law also allowed participation in the Authority by the counties of Cayuga, Cortland, Jefferson, Madison, Oneida, and Oswego, by specific election of their respective legislative bodies. To date, Oswego, and Cayuga Counties (1972, 1973) and Oneida County (2005) have elected to join the required original participant Onondaga County (1970) as members of the district, and hence, are member counties of the CNYRTA.

As noted above, the CNYRTA and each of its operating subsidiaries are considered governmental entities created for the public benefit, providing "an essential governmental function" under state law. As such, the CNYRTA and each of its subsidiaries are tax exempt (sales, excise, property, income, etc.).

For financial reporting purposes, the CNYRTA is a Component Unit of the State of New York, and its independently audited financial statements, including the audited financial statements of its subsidiaries, are incorporated into the Comprehensive Annual Financial Report (CAFR) of the State of New York. The CNYRTA is a "specified" transit system in the annual appropriations contained in the New York State Budget.

Public Benefit Subsidiary Corporations

To fulfill its legislated purpose, the CNYRTA has created several public benefit subsidiary corporations over the past 50 years. The Authority provides extensive public transit services through its five “Centro” bus subsidiary operations in Onondaga, Oswego, Cayuga, and Oneida counties; three other smaller subsidiaries were created to perform special functions or operations:

CNY Centro, Inc. provides fixed route public transit services in Onondaga County utilizing approximately 147 heavy-duty transit vehicles, 131 of these are powered by compressed natural gas (“CNG”) and another 15 are diesel. CNY Centro is by far the largest Centro subsidiary, performing the broad spectrum of operational and support services for all subsidiaries, such as heavy vehicle maintenance, technical route planning, scheduling, training, accounting, procurement, grant administration, payroll, all human resources and benefits functions, management information systems, marketing, and other administrative and support functions.

Centro Call-a-Bus Inc. provides demand response paratransit services in Onondaga County, which complement CNY Centro's fixed route services, as required by the Americans with Disabilities Act (ADA) passed in 1990. Call-A-Bus was originally created by the CNYRTA in the mid-1970s and had already been in place for nearly two decades when the ADA mandated it for all transit operations in the country. Call-A-Bus provides service to its various clients using a combination of its own vehicles, CNY Centro fixed route vehicles, private van operators and private taxis. Its offices and approximately 28 buses, mostly small vehicles, are housed within the main CNY Centro facility in Syracuse.

Centro of Oneida Inc. provides fixed route public transit services and ADA mandated disabled services in Oneida County utilizing approximately 28 large and 9 small buses. The Utica division operates in the City of Utica and surrounding towns of Kirkland, New Hartford and Whitestown and leases a garage/office facility from Oneida County. The Rome division operates in the City of Rome. Prior to CNYRTA takeover in 2005, these failing municipal operations faced severe financial and operational challenges. The State of New York was a key financial partner in the successful regionalization of these operations by the CNYRTA through the Centro of Oneida subsidiary created to serve Oneida County.

Centro of Oswego Inc. provides fixed route public transit services and ADA mandated disabled services in Oswego utilizing approximately 16 large and 3 small buses. It provides extensive service to and within the SUNY Oswego Campus, service within the cities of Oswego and Fulton, service between Mexico, Fulton, and Oswego, and regional service to and from Syracuse and the CNYRTA's Regional Transportation Center (described below). Centro of Oswego operates out of a light maintenance/office facility in the City of Oswego, which it owns.

Centro of Cayuga Inc. provides fixed route public transit services and ADA mandated disabled services utilizing approximately 13 large vehicles and 1 small vehicle. It provides service within the City of Auburn and commuter services between Auburn, Weedsport, Port Byron, and Syracuse to the CNYRTA's Regional Transportation Center via several different routes. It also offers extensive service to the New York State Fair. It operates from a light maintenance/office facility located in the City of Auburn, which it owns.

Centro Parking Inc. was created by the CNYRTA in the 1970s to generate revenues to help offset the deficits of its public transit operations. This subsidiary leases under contract nearby surface lots to SUNY Upstate Hospital. Centro Parking also operates monthly permit parking lot located under Interstate Route 81 in the City of Syracuse, which are leased from the State of New York.

Intermodal Transportation Center, Inc. (ITC, Inc.) is a subsidiary created in 1995 to build, own and operate the William F. Walsh Regional Transportation Center (RTC) located near the Destiny USA shopping mall in the City of Syracuse. This intermodal transportation facility, opened in 1998, provides a direct link between Centro's local and regional transit services, intercity bus carriers (Greyhound and Megabus) and intercity passenger rail (Amtrak). Prior to the creation of this facility, there was no simple way for an intercity traveler to move between these modes of transportation, which had terminals in different and far-flung locations in the City of Syracuse area and suburbs. This facility operates on a 24/7 basis and has benefitted from several significant capital improvements made by the CNYRTA over the past 23 years.

FINANCIAL PLANNING

ANNUAL OPERATING BUDGET PROCESS

The CNYRTA uses a zero-based budget approach, starting at zero and building a budget based on need and cost versus a traditional incremental budget method. Zero-based budgeting can lower costs by avoiding blanket increases or decreases to a prior period's budget and forces the evaluation of costs and their relationship to the overall mission of CNYRTA. The budget process begins with a collaborative staff effort, evaluating departmental needs, and known factors, such as collective bargaining agreements, fuel lock-in, and other contractual commitments. Other elements that are considered are operational initiatives, such as revised transit services or necessary maintenance initiatives are also factored in. Several key operating and capital revenue sources are beyond the CNYRTA's direct control, namely transit operating assistance funding contained in the New York State budget, Federal formula and discretionary capital funding program, and the locally levied mortgage recording tax (MRT) dedicated to transit. Several important expense items are also, to a great degree, beyond the CNYRTA's direct control and present budgetary risks, such as health care costs, risk management and worker compensation insurance. The proposed budget is then evaluated comparing it to the current year's budget, current year fiscal year end projections, and prior year actuals, as well as other external economic factors and trends.

The draft proposed budget is reviewed with the Chief Executive Officer and Executive Team, assumptions regarding revenues, expenses, and possible operational initiatives are evaluated. The draft proposed budget is presented to the Board of Directors for adoption in November. Once adopted, the proposed budget is entered into the Public Authorities Reporting and Information System (PARIS) by December 31 in compliance with Section 2801 of Public Authorities Law.

The CNYRTA staff continuously examines the proposed budget, identifying updates that may be necessary because of the Governor's Proposed Executive Budget (generally released mid-January) as well as any other revised assumptions, known occurrences, and changes in circumstances will be incorporated into the final budget. The Board of Members formally review changes made to the proposed budget and vote for adoption of the final budget in March. The adopted budget becomes part of the Final Budget and Financial Plan required under Comptroller Regulation Part 203, which is posted on the CNYRTA website by March 31.

COVID19 BUDGET IMPACT

The COVID19 pandemic has continued to present unpredictable challenges in 2021-22 for the Authority. This global pandemic has brought disruptions in service, uncertainties in staffing, and unanticipated expense increases. Like many other industries, the Authority has not been immune to cost increases in materials, supplies and services as a result of various long lasting global economic impacts.

FINANCIAL AND PLANNING CHALLENGES

The Authority has experienced delays in the receipt of bus parts, computer equipment, and other supplies needed for operations caused by backlogs in the international transportation industry. These delays have forced the Authority to be even more strategic in its planning. Staffing shortages nationwide became a real concern in 2021, and that same concern was echoed within the Authority. Shortages among bus operators, operation supervisors, mechanics, cleaners, servicers, and certain administrative positions have made the recruitment a priority for the Authority's management.



Due to a shortage of bus operators in early September 2021, Centro was forced to temporarily reduce its service levels in the Syracuse area. This service level, an Enhanced Saturday Schedule, was similar to service provided during the initial stages of the COVID19 pandemic. After a couple of weeks, Centro began the process of restoring service. Service restorations began in mid-September and another round of service restorations were put into place in early November 2021 – which brought service levels to approximately 75% of full level service. During the service reductions, Centro maintained full-service levels on bus routes that transported local Syracuse City School District students to and from school. Centro is continuing to attract bus operators and intends to restore full-service levels in the upcoming fiscal year 2022-23.

Ridership continues to struggle to return to pre-pandemic resulting in reduced revenues for the Authority. Operating Revenues for the Authority continue to trend 30% under 2019-20 pre-pandemic levels. NYS Transportation Operating Assistance (STOA) which accounts for over 50% of the Authority's operating assistance was reduced 3% from the Enacted Executive Budget in 2021-22, while Local Operating Assistance was restored to the pre-pandemic level. The only revenue stream not affected by the pandemic is Mortgage Recording Tax revenue, a key funding source of the Authority, which continues to be higher than historical levels due to a favorable real estate market.

Emergency COVID Relief funds administered by the FTA have offset the reduced revenues and funded increased expenses, allowing the Authority to sustain operations. However, because the lasting effects of the pandemic continue, the Authority will continue to rely heavily on these funds into the 2022-23 and 2023-24 budget years. And until ridership and operating assistance appropriations are restored to pre-pandemic levels, the Authority will be relying on reserves to close future budget deficits.

FINANCIAL POLICIES

CASH MANAGEMENT

The Authority's cash management process and investment program are designed to maximize earnings, manage shortfalls, and ensure adequate cash is available to continue to fund Authority operations. Available cash balances are invested in accordance with the CNYRTA Investment Guidelines. The Authority and its subsidiaries' investment policies are governed by New York State. Permitted investments are subject to various conditions and include bank certificates, certificates of deposit, and obligations of the State of New York or the United States government, certain repurchase agreements and permitted bonds and notes.

RESERVES

A general fund balance, which the Authority had previously established, is a mechanism to buffer any year's budget against such inherent budgetary risks, protecting both service and fares from sudden adverse changes in revenue streams or expenses. With Board approval, Authority funds are transferred to reserves as needed to mitigate risk. Board Designated Reserves have been established by the Authority for certain large cost items as risk management, health care and insurance claims as, by their nature, are highly unpredictable from year to year. The Authority has an established Insurance Reserve for auto and general liability claims currently in the amount of \$4 million. In 2021, the Authority's Board of Directors authorized the establishment of a Health Insurance Reserve in the amount of \$1.5 million to mitigate healthcare costs in the future. In 2022, The Authority's Board of Directors authorized the establishment of a Capital Reserve Fund in the amount of \$5,000,000 for the required local matching contribution to Federally funded assets.

DEBT MANAGEMENT

There is no limit on the Authority's legal ability to issue debt, but it has never issued bonds in its 50-year history. Due to declining reserves and no means to replenish, commencing January 2018, the CNYRTA Board of Directors approved a Line of Credit with its bank. The need of the Line of Credit was evaluated in the first quarter of 2021-22, improved cash position and increased reserve balances allowed the Authority to close the Line of Credit in August 2021.

FUNDING PROFILE - OPERATING

UNSUBSIDIZED LOCALLY GENERATED REVENUE

Regular Line Passenger Revenues includes farebox revenues, sales of fare media, revenues accrued through a Purchased Transportation agreement, and NYS Fair Park and Ride revenues.

Special Line Revenues includes revenues from contracted service to local city schools, colleges, shopping centers, and NYS Fair.

Advertising and Other Revenue includes revenues generated through Transit Advertising on buses and shelters, Parking Revenue, and Regional Transportation Center Tenant Lease Revenues as well as parking revenue.

GOVERNMENTAL SUBSIDIZED REVENUE

FEDERAL SOURCES OF FUNDS FOR OPERATING COST

Section 5307 - CNYRTA has become reliant on the federally funded operating assistance through Capital Grant Program 5307. These funds are to aid with allowable preventive maintenance cost on buses and facilities for CNY Centro, Inc. In addition to the preventive maintenance operating assistance, CNYRTA receives specific Federal operating assistance only available to non-urban and small-urban areas through Program 5307 for Centro of Oneida, and Program 5311 for Oswego and Cayuga Counties, and the Tully service in Onondaga County.

STATE SOURCES OF FUNDS FOR OPERATING COST

Statewide Mass Transit Operating Assistance (STOA) – The majority of CNYRTA’s operating assistance is funded by New York State Department of Transportation (NYSDOT) under its Statewide Mass Transportation Operating Assistance program. The funding level of the STOA program are determined by the Commissioners, the Director, New York State Division of Budget (NYSDOB) and/or the State Legislature annually, with increases and/or decreases published in the New York State Executive Budget. The New York State Executive budget deadline is April 1st annually. Due to the unpredictability of future funding levels, it is CNYRTA’s budget practice to budget STOA flat annually until a final budget is provided by the New York State Division of Budget.

LOCAL SOURCES OF FUNDS FOR OPERATING COST

Local 18b Match to STOA - In addition to the operating assistance received by NYSDOT, CNYRTA is in receipt of state mandated 18b STOA match by participating counties. Onondaga, Cayuga, Oswego, and Oneida counties participate in the 18b match program. The assistance level of this state mandate has gone unchanged for approximately 15 years.

Local Voluntary Funds - CNYRTA is also in receipt of voluntary aid from municipalities (about \$15,000 annually).

DEDICATED FUNDING

Mortgage Recording Tax (MRT) - In the counties which participate in the Central New York Regional Transportation Authority (currently Onondaga, Cayuga, Oswego, and Oneida), a mortgage recording fee of $\frac{1}{4}$ of 1% (with a small exemption for single- and two-family residences) is levied and payable by the mortgagee to the recording officer of the county in which the mortgaged property is located. Under State Finance law, this is known as the “additional” mortgage tax. It is remitted to the CNYRTA monthly by the respective counties.

The Mortgage Recording Tax (MRT), in particular, is highly unpredictable and can vary from year to year depending on national and local economic conditions, the regional housing market and values, business mortgage activity, mortgage interest rates (highly influenced by federal monetary policy), and the activities of local Industrial Development Agencies (IDAs) in issuing mortgage financing which was unilaterally exempted from the mortgage recording tax up until recently when legislation was enacted prohibiting exemption of MRT.

The revenue is used for the local matching share of capital grants (generally 10% of project cost), to establish necessary insurance, capital, and general fund reserves, to pay off debt (currently CNYRTA has no debt), for other expenses, and although not specifically required by law, to subsidize any operating deficits of the bus operating subsidiaries, which is largely where the MRT has been directed in recent years. The amount of revenue received can be, has been, and is volatile and unpredictable from year to year. While New York State is the only state that uses this type of tax as a transit-funding source, it is the only transit funding dedicated at the local level and is crucial to the CNYRTA’s overall financial health.

2022-23 OPERATING BUDGET OVERVIEW

The Authority is pleased to present a balanced operating budget for 2022-23, given the continued uncertainty surrounding the COVID19 pandemic and recent changes within the economy. The realization of the continuation of less locally generated revenue and increased expenses are echoed throughout the 2022-23 budget.

The Authority's 2022-23 revenue plan considers expected customer fare revenue, transit revenue generated through route subsidy agreements with community partners, lease and parking revenues, governmental subsidies, and mortgage recording tax revenue. All revenue sources continue to be impacted by the COVID19 pandemic and those effects have been reflected throughout the revenue plan. The budgeted operating revenue for 2022-23 is \$12.6 million, an increase of \$1.67 million compared to the prior year budget plan.

Non-Operating Revenues (subsidies) are the largest revenue category of the Authority and are expected to support approximately 85% of the total operating expenses for 2022-23. Non-Operating revenue sources consist of Federal Operating Assistance, New York State Operating Assistance, Local Assistance from each member county, and the sale of capital assets. The budgeted non-operating revenue for 2022-23 is \$72.1 million, an increase of \$3 million compared to the prior year budget plan. The emergency COVID Relief funds have provided the Authority with the funding and the ability to meet operating revenue shortfalls for 2022-23.

The Authority's operating spending plan for 2022-23 was developed following the key concepts of providing the highest quality of services to our customers, which is safe, convenient, and dependable while limiting cost increases whenever possible. The budgeted operating expenses for 2022-23 are \$84.7 million, an increase of \$4.7 million compared to the prior year budget plan.

CONSOLIDATED SUMMARY 2022-23 OPERATING BUDGET COMPARISON

(\$ Thousands)

	2021-22 BUDGET	2022-23 FINAL BUDGET	CHANGE	% CHANGE
Revenue				
Unsubsidized Locally Generated Revenue	\$10,949	\$12,621	\$1,672	15.27%
Governmental Subsidized Revenue	61,892	63,497	1,605	2.59%
Mortgage Recording Tax and Other Revenue	7,150	8,580	1,430	20.00%
Total Revenue	79,991	84,698	4,707	5.88%
Expenses				
Personnel	61,613	62,948	1,335	2.17%
Non-Personnel	18,378	21,750	3,372	18.35%
Total Expenses	79,991	84,698	4,707	5.88%
Operating Income (Loss) Before Reserves	\$0	\$0	\$0	
Use of Operating Reserves	\$0	\$0	\$0	
Operating Income (Loss) After Use of Reserves	\$0	\$0	\$0	

CONSOLIDATED 2022-23 OPERATING BUDGET

(\$ Thousands)

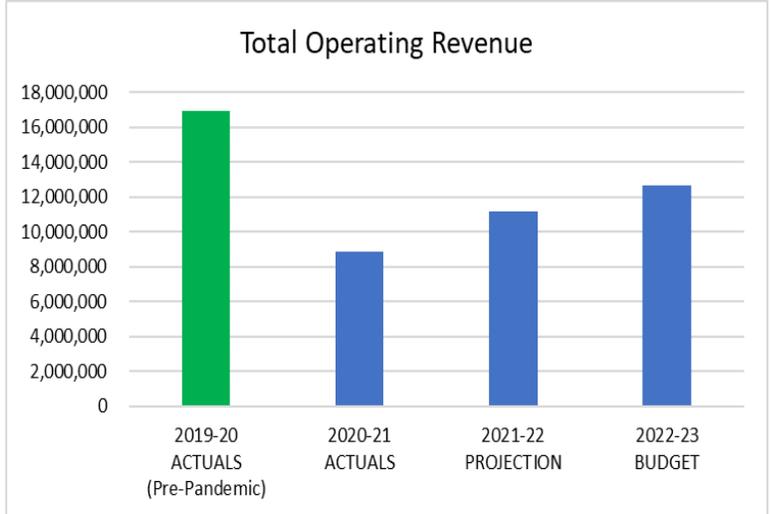
	2020-21 ACTUALS	2021-22 BUDGET	2021-22 PROJECTION	2022-23 BUDGET	VARIANCE 2021-22 PROJECTION	VARIANCE 2021-22 BUDGET	% BUDGET CHANGE
Revenue							
Operating Revenue							
Regular Line Passenger Revenue	\$2,796	\$3,563	\$3,771	\$3,879	\$108	\$316	9%
Special Line Passenger Revenue	4,467	5,926	6,461	6,848	387	922	16%
Advertising & Other Revenue	1,622	1,460	1,807	1,894	87	434	30%
Total Operating Revenue	8,885	10,949	12,039	12,621	582	1,672	15%
Expenses							
Operating Expenses							
Salaries & Wages	31,743	33,984	31,139	35,485	4,346	1,501	4%
Other Employee Benefits & Payroll Taxes	3,219	3,655	3,340	3,811	471	156	4%
Healthcare Benefits	12,277	14,989	13,281	15,829	2,548	840	6%
Workers Compensation	3,035	3,039	3,720	3,960	240	921	30%
Pension Benefits	5,883	5,946	3,610	3,863	253	(2,083)	-35%
Risk Management	2,406	2,661	2,389	2,996	607	335	13%
Purchased Transportation	2,404	2,962	3,217	3,468	251	506	17%
Materials & Supplies	3,667	4,507	4,201	4,960	759	453	10%
Services	4,732	6,046	5,101	7,620	2,519	1,574	26%
Fuel	1,104	1,376	1,254	1,717	463	341	25%
Utilities	629	611	669	677	8	66	11%
Other Expenses	247	215	214	312	98	97	45%
Total Operating Expenses	71,346	79,991	72,135	84,698	12,563	4,707	6%
Non-Operating Revenue							
Assistance and Other Revenue							
Federal Assistance	25,664	23,868	17,483	17,907	424	(5,961)	-25%
State Assistance	33,354	35,116	37,524	42,397	4,873	7,281	21%
Local Assistance	3,193	2,908	3,193	3,193	0	285	10%
Mortgage Tax Revenue	9,413	7,100	11,042	8,530	(2,512)	1,430	20%
Gain/Loss on Disposal of Capital	2	50	137	50	(87)	0	0%
Total Assistance and Other Revenue	71,626	69,042	69,379	72,077	2,698	3,035	4%
Operating Income (Loss)	\$9,165	\$0	\$9,283	\$0	(\$9,283)		

REVENUE ASSUMPTIONS

OPERATING REVENUE

Regular Line Passenger Revenue

The budgeted regular line passenger revenue for 2022-23 is \$3.9 million, representing an increase of 9% from the prior year budget plan, but a decrease of 46% compared to pre-pandemic revenue totals. Regular line passenger revenue is driven primarily by fares and the sale of various fare media offered to our riders depending on their needs. Recent fare structure changes have been considered as well as the continued ridership impacts caused by the COVID19 pandemic. Although the Authority expects ridership to continue to return over the next year, it does not expect that ridership will return to pre-pandemic levels. The Governor’s announcement regarding the Great New York State Fair returning to the traditional 13-day event has also been considered in the 2022-23 passenger revenue budget.



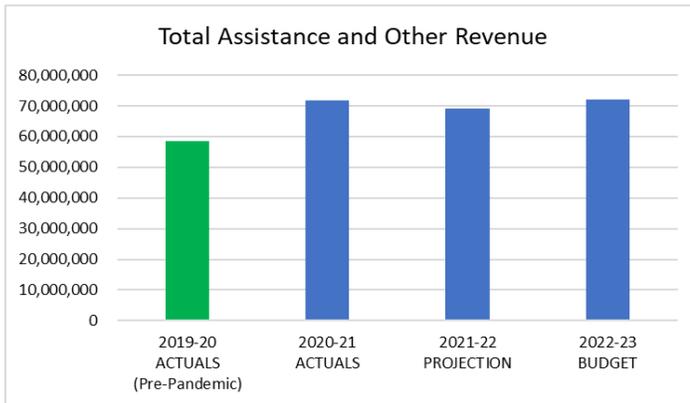
Special Line Passenger Revenue

The Authority’s revenue generated by subsidy agreements with community partners is budgeted at \$6.9 million for 2022-23, representing an increase of 16% from the prior year budget plan, however a decrease of 11% compared to pre-pandemic revenue totals. These figures consider the service request of our community partners as well as the impact of the COVID19 pandemic and how both may continue to influence service needs in the coming years. The Great New York State Fair returning to the traditional 13-day event has also been considered in the 2022-23 passenger revenue budget.

Advertising & Other Revenue

The advertising and other revenue for 2022-23 is \$1.9 million, representing an increase of 30% from the prior year budget plan, and a 9% decrease compared to pre-pandemic revenue totals. Budgeted increases are associated with guaranteed minimums for transit advertising revenues and improved projections associated with parking revenues at both the Regional Transportation Center and at the route 81 parking lot, which are being slightly offset by having a tenant vacancy at the RTC.

NON-OPERATING REVENUE



Federal Assistance

Federal Assistance for 2022-23 is budgeted at \$17.9 million, representing a decrease of \$6 million from the prior year budget plan, however this is over a 73% increase compared to pre-pandemic federal assistance funding levels. The Emergency COVID Relief funds administered by the FTA have played an integral role in the Authority’s ability to present a balanced budget. Federal CMAQ funds are also included in the 2022-23 budget which will support the Authority’s plans for expansion of service.

State Assistance

The anticipated State Assistance for 2022-23 is \$42.4 million, representing an increase of \$7.2 million over the prior year budget plan. The proposed executive budget slated a 13 percent increase over the 2021-22 enacted budget amount for Upstate transit systems.

Local Assistance

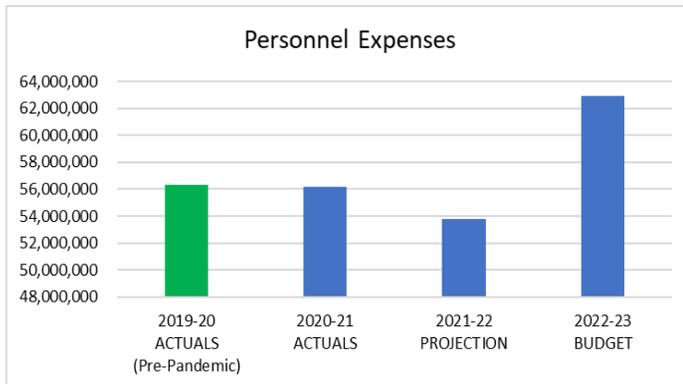
The local assistance budgeted for 2022-23 is \$3.2 million, representing an increase of \$285 thousand from the prior year budget plan. The temporary reduction to the County 18b match to STOA for local assistance was restored in the last quarter of 2020-21. The budget assumes that local assistance funding levels will stay flat.

Mortgage Recording Tax Revenue

Mortgage Recording Tax (MRT) revenue is anticipated to be \$8.5 million, representing an increase of \$1.4 million of the prior year budget plan. Mortgage Recording Tax has continued to be a favorable revenue source for the Authority performing better than budget in 2021-22. This trend is anticipated to continue into 2022-23, the Authority anticipates that both commercial and residential real estate markets will continue to flourish and continue to benefit from commercial development, and the legislation that was developed to prohibit the exemption of MRT for IDAs in Onondaga County. Mortgage Recording Tax is the only revenue source that has not been affected by the COVID19 pandemic. All four counties have continued to perform over the 2021-22 and the 2020-21 actuals.

EXPENSE ASSUMPTIONS

PERSONNEL EXPENSES



Salaries and Wages

The budgeted salaries and wages expense for 2022-23 is \$35.5 million, representing an increase of 4% from the prior year budget plan. The proposed budget considers organizational changes, the Authority's employee incentive program, the proposed union wage increases, NYS State Fair service, annual COLA increases, as well as all departments being fully staffed and operational in 2022-23.

Other Employee Benefits & Payroll Taxes

Other employee benefits and payroll taxes are largely impacted by the number of employees employed by the Authority during the fiscal year. The proposed budget assumes all departments being fully staffed and operational. The budgeted expense for other employee benefits and payroll taxes for 2022-23 is \$3.8 million, representing an increase of 4% from the prior year budget plan.

Healthcare Benefits

The Authority's healthcare benefit budget for 2022-23 is \$16 million, representing an increase of 6% from the prior year budget plan. The healthcare budget considers all known impacts, to include increases to healthcare plans, prescription drug cost, dental coverage, and insured participants that effect medical stoploss coverage.

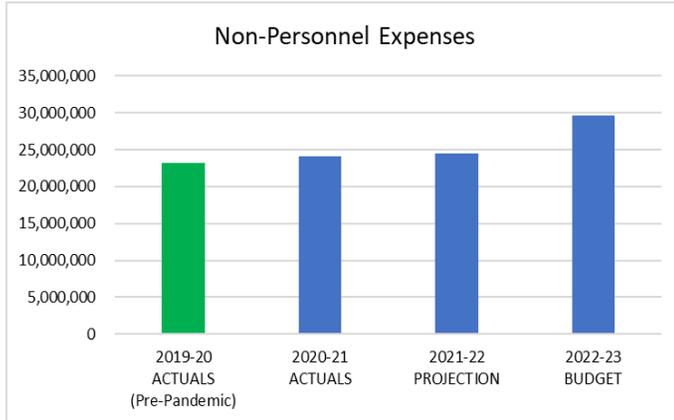
Workers Compensation

The budgeted Workers Compensation expenses for 2022-23 is \$4 million, representing a decrease of 30% from the prior year budget plan. The Authority's staff and risk managers continue to rigorously manage claims, promote safety in the workplace, and manage a successful light and modified duty program, which has resulted in the number of open workers compensation claims to remain steady or decline. However, the delays in medical procedures caused by COVID19 restrictions have resulted in increased expenses in 2021-22, and this trend is anticipated to continue into 2022-23.

Pension Benefits

The budgeted pension benefit expenses for 2022-23 is \$4 million, representing a decrease of 35% from the from the prior year budget plan. The Authority sponsors four benefit plans, providing pension benefits for various groups of employees among its subsidiary companies. The budget takes into consideration the rules of each plan, and the Authority's annual actuarial recommendation for maximum contributions to ensure all plans are appropriately funded, and market performance.

NON-PERSONNEL EXPENSES



Risk Management

The budgeted risk management expenses for 2022-23 is \$3 million, representing an increase of 13% from the prior year budget plan. The 2022-23 proposed budget assumes that the Authority will continue to see significant increases in liability insurance premiums, which is consistent with industry cost increases.

Purchased Transportation

The Authority contracts third party vendors to assist with our paratransit program; they provide transportation for people with disabilities who are unable to ride our fixed

route transit buses. The budgeted purchased transportation expense for 2022-23 is \$3.5 million, representing an increase of 17% from the prior year budget plan. The ridership associated with our paratransit service is returning at a faster pace than our fixed route service. Paratransit service is a vital operation for the customers that rely on this service.

Materials & Supplies

Materials and supplies include bus parts, fluids, lubricants, supplies to maintain the facilities, cleaning supplies for enhanced cleaning protocols, as well as the materials and supplies needed to support the operations for the New York State Fair service. The Authority's 2022-23 budget for materials and supplies is \$5 million, representing an increase of 10% from the prior year budget plan. The budget assumes higher annual cost increases for regularly purchased supplies, and computer equipment needed for the organization, caused by current economic impacts with increased fuel cost, supply shortages and shipping delays.

Services

Services include expenses relating to contracted and one-time service requests. Contracted services include legal, audit, pension, marketing, maintenance services for various building systems, vehicles, software, custodial and security services. The budgeted services expense for 2022-23 is \$7.6 million, representing an increase of 26% from the prior year budget plan. The 2022-23 budget includes significant increases to the professional services and marketing budgets to highlight bus service expansion, and various other marketing campaigns in the coming fiscal year.

Fuel

The Authority's fleet is comprised of vehicles that operate using Gasoline, Diesel, and Compressed Natural Gas (CNG). The budget is based on historical usage and anticipated future pricing. Fuel costs are budgeted at \$1.7 million for 2022-23, representing an increase of 25% from the prior year budget plan. The budget considers current economic impacts with increased fuel cost. The Authority estimates that the Alternative Fuel Credit will offset rising fuel cost by approximately \$450 thousand in CNG Fuel expense in 2022-23.

Other Expenses

Other expenses are budgeted at \$312 thousand, representing an increase of 45% from the prior year budget plan. The budget assumes the Authority staff will have the ability to travel for training, conferences, and bus builds. The Authority is hopeful that training opportunities will resume at a normal level during the 2022-23 fiscal year.

PERSONNEL PROJECTIONS

Labor Classifications	Projected 2021-22		2022-23 Budget*	
	Full-Time	Part-Time	Full-Time	Part-Time
Vehicle Operators	245	102	265	120
Vehicle Operations	42	6	45	2
Vehicle Maintenance	108	1	108	1
Facility Maintenance	16	3	16	2
General Administration	51	12	67	13
Total Employees:	462	124	501	138

All above employees are funded from the operating budgets of the Authority and its subsidiary operating companies, which means that wages are funded with a combination of fees charged for mass transit services, miscellaneous income, Federal, State, Local Transit Operating Assistance, and Authority funds. The above totals include all employees of the Authority and each of its subsidiary public benefit corporations.

Approximate full-time employees were calculated on 2 part-time employees for every 1 full time employee.

*Added an additional 10 full-time bus operators due to planning for BRT (Bus Rapid Transit) in 2022-23.

OPERATING BUDGET PROJECTIONS

Sound fiscal management and public authority regulations require the development of multi-year budget projections to alert the Authority's Board of Members, customers, and Federal and State members of future challenges and opportunities that may affect the Authority's ability to meet its mission and vision. The Authority updates fiscal projections with consideration to economic impacts and changes in the necessary funding levels of critical governmental subsidies.

It is critical to understand the uncertainties inherent in any projections. The Multi-Year Operating Budget Projections take into consideration anticipated expense increases, and known factors regarding estimated revenue, historical trends and educated predictions. The Authority will continue to rely on Emergency COVID Relief funds into the 2023-24 budget year to combat budget deficits. Subsequent budget deficits will be funded using reserves until operating revenues return to the pre-pandemic level, or state operating assistance is increased.

MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2022-23 BUDGET	2023-24 BUDGET	2024-25 BUDGET	2025-26 BUDGET
Revenue				
Operating Revenue				
Regular Line Passenger Revenue	\$3,879	\$4,848	\$5,819	\$6,788
Special Line Passenger Revenue	6,848	8,218	8,382	8,550
Advertising & Other Revenue	1,894	2,150	2,236	2,236
Total Operating Revenue	12,621	15,216	16,437	17,574
Expenses				
Operating Expenses				
Salaries & Wages	35,485	36,904	38,381	39,916
Other Employee Benefits & Payroll Taxes	3,811	3,963	4,122	4,287
Healthcare Benefits	15,829	16,937	18,123	19,391
Workers Compensation	3,960	4,158	4,365	4,584
Pension Benefits	3,863	4,018	4,178	4,345
Risk Management	2,996	3,295	3,625	3,988
Purchased Transportation	3,468	3,676	3,897	4,130
Materials & Supplies	4,960	5,208	5,468	5,742
Services	7,620	8,751	9,188	9,648
Fuel	1,717	1,786	2,257	2,347
Utilities	677	718	761	806
Other Expenses	312	324	337	351
Total Operating Expenses	84,698	89,738	94,702	99,535
Non-Operating Revenue				
Assistance and Other Revenue				
Federal Assistance	17,907	20,352	15,278	11,313
State Assistance	42,397	42,397	43,397	43,397
Local Assistance	3,193	3,193	3,193	3,193
Mortgage Tax Revenue	8,530	8,530	8,530	8,530
Gain/Loss on Disposal of Capital	50	50	50	50
Total Assistance and Other Revenue	72,077	74,522	70,448	66,483
Operating Income (Loss) Before Reserves	0	0	(7,817)	(15,478)
Use of Operating Reserves	0	0	7,817	15,478
Operating Income (Loss)	\$0	\$0	\$0	\$0

FUNDING PROFILE - CAPITAL

The CNYRTA takes full advantage of capital grant programs from both federal and state sources; primarily those provided by the Federal Transit Administration (FTA) and the New York State Department of Transportation (NYSDOT). The current capital programs available to CNYRTA are as follows:

FEDERAL PROGRAMS

Section 5307 (The Urbanized Area Formula Funding Program) of Federal Transportation Law, which makes Federal resources available to urbanized areas and to Governors for transit capital, operating assistance, and for transportation related planning in urbanized areas. The Governor or Governor's designee is the designated recipient for urbanized areas with a population between 50,000 and 200,000.

Federal Transportation Law offers a flexible funding program to transit related activities for Congestion Mitigation and Air Quality Improvement Program. Eligible activities under CMAQ* include transit system expansion and improvements that are projected to realize an increase in ridership; travel demand management strategies and shared ride services; pedestrian and bicycle facilities and promotional activities that encourage bicycle commuting.

Section 5339 (The Grants for Buses and Bus Facilities Program) of Federal Transportation Law, which makes Federal resources available to State and designated recipients to replace, rehabilitate and purchase buses and related equipment, construct bus-related facilities including technological changes or innovation to modify low or no emission vehicles or facilities.

Section 5311 (The Rural Area Formula Funding Program) of Federal Transportation Law, which makes Federal resources available, providing capital funds to States to support public transportation in rural areas with populations of less than 50,000. CNYRTA receives these funds administered by NYSDOT for Centro of Oswego and Centro of Cayuga.

FTA, Federal Grant Programs fund 80% of project costs, while NYSDOT funds 10%, leaving the CNYRTA with a 10% match.

*FTA, Federal Flexible Funding Program funds 80% of the project cost, while CNYRTA funds 20% of the project cost.

STATE PROGRAMS

State Dedicated Funds (SDF) provides State resources for the improvement of transit systems to include the replacement of buses, facilities and garage modernization, transit related equipment (bus washers, service vehicles) and other federally eligible projects.

Accelerated Transit Capital Funds (ATC) provides State resources to upstate public transportation sponsors for capital projects that, in combination, have a minimum service life of no less than ten (10) years. Eligible projects must meet the minimum service life threshold and be considered as an FTA activity, including vehicle rehabilitation and/or replacement, fleet enhancement, deployment of modern technologies, passenger amenities and maintenance facilities.

Modernization and Enhancement Program (MEP) supplies State resources to capital projects, that in combination, have a minimum service of no less than ten (10) years. Eligible activities include any FTA activity, meeting the minimum service life threshold, including vehicle rehabilitation and/or replacement, fleet enhancement, deployment of innovative technologies and passenger amenities and maintenance facilities.

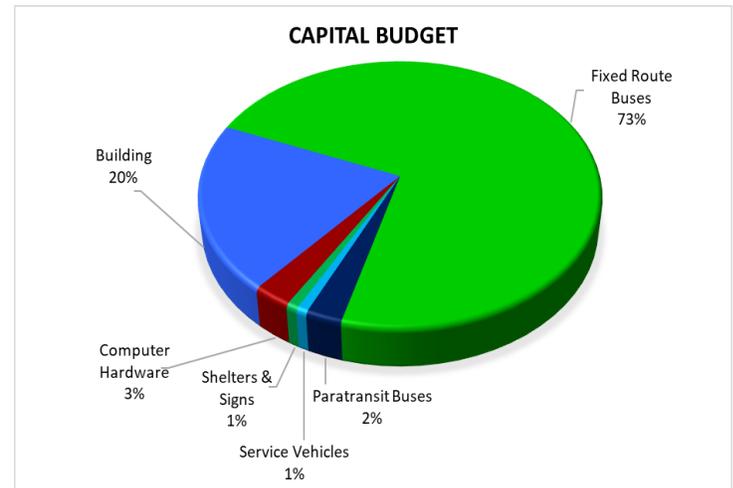
*State Grant Programs fund 100% of the project costs.

2022-23 CAPITAL BUDGET OVERVIEW

The Authority's Capital Improvement plan is a compilation of proposed capital investment needs to support and improve the infrastructure and operations of the Authority. Key components of the Capital Improvement Plan are to support and improve the Authority's vehicles, facilities, equipment, and service; thereby allowing the Authority and its subsidiary operations the ability to strive for financial stability, improved service, customer experience, and increased ridership, while modernizing infrastructure and technology.

The Capital Improvement Plan is fiscally limited by the available funding sources. Management decisions about the priority of capital improvements take into consideration the level of Federal and State capital funding that is allocated to the Authority. In limited instances, capital improvements are funded 100% locally.

The CNYRTA plans to complete the following capital projects in fiscal year 2022-23. The projects listed are funded with a mix of Federal, State and Local funding that is shown on the capital budget:



Computer Hardware/Software

Computer Hardware/Software \$619,000:

Continual/ongoing to allow for ease of remote working capabilities.

Boardroom Hardware Modernization \$54,000:

Installation of video conferencing and computer presentation hardware.

Facilities

Rehabilitation of the Compressed Natural Gas (CNG) Fueling Station \$2,035,000:

The current station was completed in 1997 and is 25 years old. The project will replace the facility equipment (engines, compressors, controls, dispensers, etc.) with new equipment. The CENTRO fleet is 75% CNG and the service requires a dependable fueling system to keep the service on the road for our customers.

Projects include electrical service installations, installation of cathodic protection, radiant heating system and a heating and ventilation unit.

Maintenance Facility Improvement Projects \$2,746,000:

Projects include emergency back-up generators for the Cayuga and Oswego facility, floor drain replacement at our Oneida facility, and LED lighting upgrades, fall protection system, walk behind scrubber, rebuild catwalk, renovation of the driver's room and boardroom, and replacement of the bus wash, combustible gas detectors, bulk fluid storage tank tops, and trench drains at the Syracuse facility.

Engineering Services \$200,000:

Purchase engineering services to develop cost estimates for rehabilitation and small new construction capital projects and develop specifications for projects to be bid out.

Rolling Stock – Fixed Route Transit Buses

40ft CNG Buses \$9,204,000:

Replace eighteen (18) 2010 Orion 40ft CNG low floor heavy duty transit buses for Syracuse service. Anticipated delivery spring 2022.

40ft Diesel Buses \$4,240,000:

Replace eight (8) 2008/2009 Gillig Diesel 40ft low floor heavy duty transit buses for Syracuse service. Anticipated delivery spring 2022.

40ft Diesel Heavy Duty Buses \$2,450,000:

Replace five (5) 2009 MCI Diesel 40ft Over the Road Coaches with five (5) 40ft Diesel Highback Seating heavy duty transit buses for Oswego to Syracuse and Auburn to Syracuse service. Anticipated delivery spring 2022.

35Ft Diesel Buses \$1,900,000:

Replace four (4) 2009 Gillig Diesel 35ft low floor heavy duty transit buses for Utica service. Anticipated delivery spring 2022.

Rolling Stock – Paratransit Buses

Call-A-Bus Vehicles \$640,000:

Replace Eight (8) Call-A-Bus vehicles for Syracuse service. These vehicles will be covered under warranty for their five-year life and will be less costly to maintain reducing operating costs.

Support Vehicles

Replace Several Supervisory and Service Vehicles \$193,000:

Replace four (4) supervisory vehicles and service trucks for the Syracuse and Utica facilities, and service vehicle trailer replacement.

Other Projects

Purchase Replacement Bus Passenger Waiting Shelters \$200,000:

Purchase of ten (10) to twenty (20) shelters. Bus Passenger Waiting Shelters need to be replaced over time due to wear and damage. New shelter locations are also identified when necessary.

CONSOLIDATED 2022-23 CAPITAL BUDGET

(\$ Thousands)

	GRANT	FEDERAL	STATE	LOCAL	TOTAL
ONONDAGA COUNTY PROJECTS					
Building - Facility Upgrades/Repairs	Federal 5307	1,789	223	223	2,235
Building - Facility Upgrades/Repairs	100% State Funds	0	2,524	0	2,524
Rolling Stock - Fixed Route Buses	Federal 5307 *	1,612	202	202	2,015
Rolling Stock - Fixed Route Buses	Federal 5339	2,710	339	339	3,387
Rolling Stock - Fixed Route Buses	100% State Funds	0	10,492	0	10,492
Rolling Stock - Paratransit	Federal 5307	512	64	64	640
Service Vehicles - Service Trucks	Federal 5307	44	6	6	55
Shelters & Signs	Federal 5307	160	20	20	200
Office Equipment -Computer Hardware	5311 Federal CARES	423	0	0	423
Office Equipment -Computer Hardware	Federal 5307	200	25	25	250
Total Capital Projects Onondaga		7,450	13,894	878	22,221
OSWEGO COUNTY PROJECTS					
Building - Facility Upgrades/Repairs	Federal 5311	60	8	8	75
Total Capital Projects Oneida		60	8	8	75
CAYUGA COUNTY PROJECTS					
Building - Facility Upgrades/Repairs	Federal 5311	60	8	8	75
Total Capital Projects Oneida		60	8	8	75
ONEIDA COUNTY PROJECTS					
Rolling Stock - Fixed Route Buses	Federal 5339	1,520	190	190	1,900
Service Vehicles - Service Trucks	Federal 5339	80	10	10	100
Service Vehicles - Supervisory	Federal 5339	24	3	3	30
Service Vehicles-Trailer Replacement	100% State Funds	0	8	0	8
Building -Facility Upgrades/Repairs	100% State Funds	0	72	0	72
Total Capital Projects Oneida		1,624	283	203	2,110
Total Capital Projects		\$9,194	\$14,192	\$1,096	\$24,481

CAPITAL BUDGET PROJECTIONS

Planned asset replacement allows management to identify capital funding needs, while keeping operating cost predictable, maintain the reliability of service, increase energy efficiencies, and ensuring the safety of our customers and employees.

MULTI-YEAR CAPITAL BUDGET PROJECTIONS

(\$ Thousands)

	2023-24 PROJECTION	2024-25 PROJECTION	2025-26 PROJECTION
ONONDAGA COUNTY PROJECTS			
Funds Available for Capital Projects - Syracuse	\$34,946	\$62,941	\$35,527
Building - Facility Upgrades	0	0	200
Office Equipment Computer Hardware/Software	0	0	250
Rolling Stock - Fixed Route Buses	0	37,100	990
Rolling Stock - Paratransit Buses	0	810	0
Service Vehicles	90	0	70
Bus Shelters	100	0	100
Total Capital Projects Onondaga	190	37,910	1,610
Total Surplus/(Deficit) - Onondaga (100% Project Cost)	34,756	25,031	33,917
ONEIDA COUNTY PROJECTS			
Funds Available for Capital Projects -Oneida	12,181	12,016	5,770
Rolling Stock - Fixed Route Buses	0	9,025	0
Rolling Stock - Paratransit Buses	360	0	0
Service Vehicles	0	0	90
Total Capital Projects Oneida	360	9,025	90
Total Surplus/(Deficit) - Oneida (100% Project Cost)	\$11,821	\$2,991	\$5,680

Projects listed in the three-year capital plan above are all associated with the Federal Funding Program for capital improvements. The Authorities surplus funds are used in future years for additional capital needs.

PROJECTED FEDERAL/STATE FUNDED PROJECTS 2024 - 2026

Projects	Total Projects	\$ Thousand
Onondaga County Projects		
Building - Facility Upgrades	20	8,905
Bus Route Signing	1	600
Construction/Busway - Bus Transitway Lines/Busway	1	25,000
Office Equipment - Computer Hardware/Software	9	1,187
Planning/Engineering/Busway Engineering	1	5,000
Rolling Stock - Paratransit Buses	1	1,800
Service Vehicles	1	110
Shop Equipment	1	235
Stationary Fare Collection Equipment	1	60
Cayuga County Projects		
Building - Facility Upgrades	2	191
Shop Equipment	2	40
Office Equipment - Computer Hardware/Software	1	2
Oswego County Projects		
Building - Facility Upgrades	2	174
Shop Equipment	2	23
Office Equipment - Computer Hardware/Software	1	1
Oneida County Projects		
Building - Facility Upgrades	3	292
Planning/Engineering Maintenance Facility	1	2,000
Shop Equipment	3	145
Office Equipment - Computer Hardware/Software	1	5
Building Construction - Maintenance Facility	1	30,000
TOTAL	55	\$75,770

In addition to the projects in the three-year plan, the Authority has identified several capital improvement projects that meet the criteria in the State SDF, ATC, and MEP Funding Programs, as well as the TIP/STIP (Transportation Improvement Plan/State Transportation Improvement Plan) program of projects for FTA Federal funding.

The Authority submits the Program of Projects TIP/STIP consideration in March 2022, with vote taking place in June 2022. If the Program of Projects is approved then the capital improvement projects will be included on the October 1, 2022, TIP/STIP for federal fiscal years 2023-2026.

Should the SDF, ATC and MEP capital programs continue into 2023-24 and beyond, the following projects will be considered. At this time, and until legislated, these projects are considered as unfunded.