

BUDGET & FINANCIAL PLAN FISCAL YEAR 2023-24



TABLE OF CONTENTS

Introduction 2

Board of Members..... 3

Governance Structure..... 4

Relationship to New York State 5

Financial Planning 7

Financial and Planning Challenges..... 8

Financial Policies 9

Operating Funding Profile..... 10

2023-24 Operating Budget Overview 12

2023-24 Operating Budget 13

Revenue Assumptions 14

Expense Assumptions 16

Personnel Projections 18

Operating Budget Projections 19

Capital Funding Profile 21

Capital Improvement Plan 22

Multi-Year Capital Improvement Plan Projections 23



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 5,000 bus stops, 200 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 144,761 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. Call-A-Bus is nearing pre-pandemic ridership levels and continues to see a steady increase in ridership month over month.

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, Cayuga Community College, and Mohawk Valley 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
Frank Saya		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 146 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 Members 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.

FINANCIAL AND PLANNING CHALLENGES

As we continue to navigate the lingering effects of the pandemic, we've begun to adjust to what may be our new reality, with the continued optimism for revenue growth, return of ridership, and the ability to hire and retain staff.

The Authority began the fiscal year under a new simplified fare structure, standardizing fares for all Centro city services to \$1.00 per ride. The new structure reduced fares for most current customers and provides a more economic option for the members of the communities we serve. The intercity fare structure was also simplified. The addition of our new unlimited ride pass options has also been integrated into the new fare structure.



Over the past year, Centro's ridership has increased on most bus routes, especially in Syracuse and Utica. Centro also seen increases in Centro's New York State Fair and Lakeview Amphitheater services.

Although the Authority has made strides to increase ridership, revenues still under perform pre-pandemic levels. Operating Revenues continue to trend 28% under 2019-20 pre-pandemic levels, and although Mortgage Recording Tax Revenues have not been negatively affected by the pandemic, the revenue has begun to underperform budgeted totals in some months for 2022-23 due to increased interest rates and some slowing in the real estate market.



In order to mitigate staffing challenges, the Authority has an aggressive recruitment program, however labor shortages continue to be a problem. Open positions amongst bus operators, operation supervisors, mechanics, cleaners, servicers, and certain administrative positions presents more challenges for the Authority's operations.

Efforts to resume bus services in Syracuse that had been suspended due to a driver shortage continue. However, at this point, the Authority has not been able to attract enough bus operators to make significant additions to its level of service.

The Authority has not been immune to the economic impacts of rising inflation rates. Increased cost for materials, supplies and services is something the Authority's staff monitors closely.

Federal 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 2023-24 and 2024-25 budget years. Until ridership is 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 such as, health care, auto and general liability insurance, capital replacements, and paratransit service, which by their nature have large financial impacts on the organization from year to year.

INVESTMENT MANAGEMENT

The Authority invests in government securities and these investments are recorded at their fair value based on quoted market prices and valuations provided by external parties. Unrealized gains or losses on such investments result from differences between the cost and fair value of investments on a specified valuation date. Gains and losses in the fair value are reported in the statements of revenue, expenses, and changes in net position. Investment income is recognized on the accrual basis; dividends are recorded on the ex-dividend date.

INDEPENDENT AUDIT

On an annual basis, the Authority engages the services of an independent certified public accounting firm to conduct an independent audit and report for its end of fiscal year financial statements. The Audit & Finance committee recommends the selection of the independent auditor(s) to the full Board of Members and is responsible for oversight of the independent auditor.

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.

OPERATING FUNDING PROFILE

UNSUBSIDIZED LOCALLY GENERATED REVENUE

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

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

Advertising and Other Revenues include 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, Cayuga, and Oneida 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 is 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 since 2006.

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.



2023-24 OPERATING BUDGET OVERVIEW

The Authority is pleased to present a balanced operating budget for 2023-24, which includes the new fare structure launched in March 2022 and considers the continued lasting effects of the pandemic, raising inflation rates and new challenges brought on by the ever-changing economic environment.

The total revenue required to support operations is \$90.7 million, representing a 7% increase over the prior year's budget. The estimated revenues needed to sustain budgeted expenses are comprised of \$13.1 million from unsubsidized locally generated revenues, \$68.7 million from governmental subsidized revenues, and \$8.9 million from mortgage tax and other revenues.

The total estimated operating expenses for 2023-24 are \$90.7 million, representing a 7% increase over the prior year's budget. Within the total, personnel costs are \$66.7 million, an increase of \$3.7 million from prior year's budget. Non-personnel costs are budgeted at \$23.9 million, an increase of \$2.1 million from the prior year budget plan.

A full in-depth explanation of the key components that affect the Authority's revenues and expenses follows. A comparison of the 2023-24 Operating Budget versus the prior year is provided on the following pages.

SUMMARY 2023-24 OPERATING BUDGET COMPARISON

(\$ Thousands)

	2022-23 BUDGET	2023-24 BUDGET	CHANGE	% CHANGE
Revenue				
Unsubsidized Locally Generated Revenue	\$12,621	\$13,159	\$735	4%
Governmental Subsidized Revenue	63,497	68,653	5,156	8%
Mortgage Tax and Other Revenue	8,580	8,850	270	3%
Total Revenue	84,698	90,662	6,161	7%
Expenses				
Personnel	62,948	66,721	3,773	6%
Non-Personnel	21,750	23,941	2,191	10%
Total Expenses	84,698	90,662	5,964	7%
Operating Income (Loss)	\$0	\$0	\$197	

THE AUTHORITY'S FINANCIAL PLAN CONSISTS OF THREE DISTINCT ELEMENTS

- 2023-24 Operating Budget
- Multi-Year Budget Projections, covering budget years 2023-24 through 2026-27
- Five-Year Capital Improvement Plan, covering budget years 2023-24 through 2027-28

2023-24 OPERATING BUDGET

(\$ Thousands)

	2021-22 ACTUALS	2022-23 PROJECTION	2022-23 BUDGET	2023-24 BUDGET	CHANGE 2022-23 PROJECTION	CHANGE 2022-23 BUDGET	% BUDGET CHANGE
Operating Revenue							
Regular Line Passenger Revenue	\$3,773	\$3,332	\$3,879	\$3,610	\$278	(\$269)	-7%
Special Line Passenger Revenue	6,441	6,823	6,848	7,392	569	544	8%
Advertising & Other Revenue	1,836	2,085	1,894	2,157	72	263	14%
Total Operating Revenue	12,050	12,240	12,621	13,159	919	538	4%
Expenses							
Salaries & Wages	31,449	33,495	35,485	39,111	5,616	3,626	10%
Other Employee Benefits & Payroll Taxes	3,247	3,562	3,811	4,152	590	341	9%
Healthcare Benefits	13,312	11,165	15,829	14,793	3,628	(1,036)	-7%
Workers Compensation	3,964	3,105	3,960	3,338	233	(622)	-16%
Pension Benefits	3,739	5,175	3,863	5,327	152	1,464	38%
Risk Management	2,375	2,765	2,996	3,294	529	298	10%
Purchased Transportation	3,277	4,195	3,468	4,598	403	1,130	33%
Materials & Supplies	4,189	4,459	4,960	4,871	412	(89)	-2%
Services	5,330	5,582	7,620	7,715	2,133	95	1%
Fuel	1,319	1,967	1,717	2,325	358	608	35%
Utilities	663	707	677	762	55	85	13%
Other Expenses	237	261	312	376	115	64	21%
Total Operating Expenses	73,101	76,438	84,698	90,662	14,224	5,964	7%
Non-Operating Revenue							
Federal Assistance	18,616	15,520	16,337	18,371	2,851	2,034	12%
State Assistance	37,525	43,967	43,967	47,089	3,122	3,122	7%
Local Assistance	3,193	3,193	3,193	3,193	0	0	0%
Mortgage Tax Revenue	11,165	9,277	8,530	8,800	(477)	270	3%
Gain/Loss on Disposal of Capital	(77)	48	50	50	2	0	0%
Total Assistance and Other Revenue	70,422	72,005	72,077	77,503	5,498	5,426	8%
Operating Income (Loss)	\$9,371	\$7,807	\$0	\$0	(\$7,807)		



OPERATING REVENUE

Regular Line Passenger Revenue

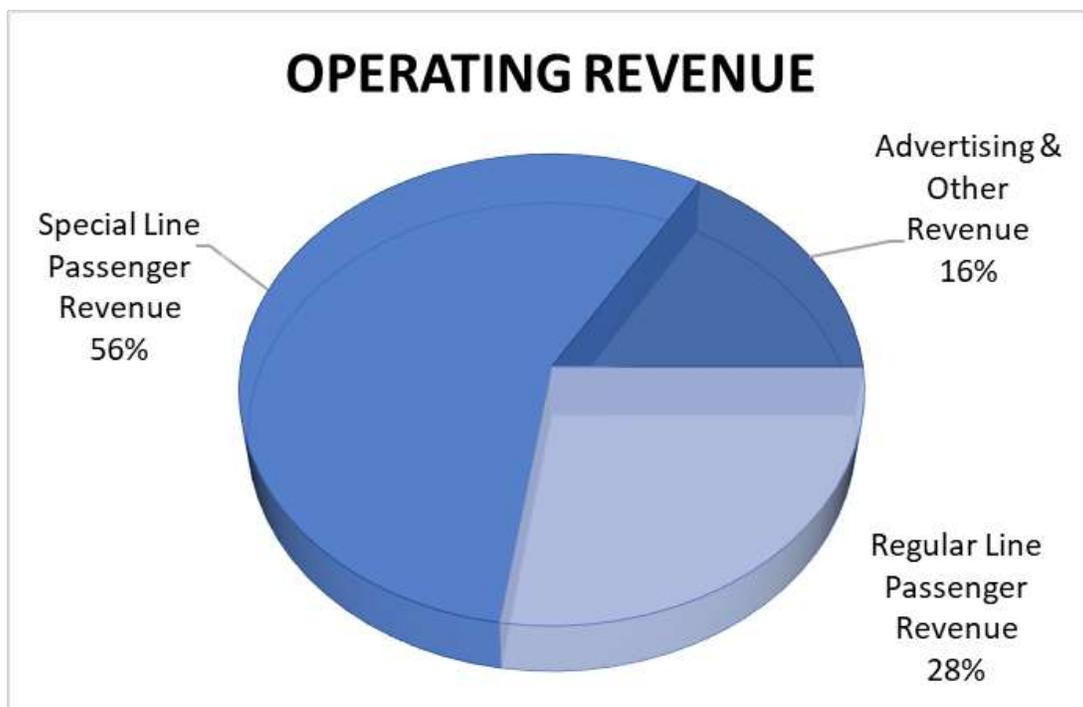
The budgeted regular line passenger revenue for 2023-24 is \$3.6 million, representing a 7% reduction from the prior year budget plan. Regular line passenger revenue is driven primarily by fares and the sale of various fare media offered to our riders depending on their needs. Recent fare structure changes have been considered as well as the continued ridership impacts caused by the lasting effects of the pandemic. The Authority expects ridership to continue to return over the next year, however it does not anticipate ridership will return to pre-pandemic levels. The 2023-24 regular line passenger revenue budget considers the revenue associated with the Great New York State Fair, and anticipated attendance trending closer to pre-pandemic levels.

Special Line Passenger Revenue

The Authority's revenue generated by subsidy agreements with community partners is budgeted at \$7.3 million for 2023-24, representing an increase of 8% from the prior year budget plan. These figures consider the service request of our community partners as well as contractual rate increases. The 2023-24 special line passenger revenue budget considers the revenue associated with the Great New York State Fair, and anticipated needs to service the shuttle lots effectively.

Advertising & Other Revenue

The advertising and other revenue for 2023-24 is \$2.2 million, representing an increase of 14% from the prior year budget plan. 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, and nominal tenant rent increases.



NON-OPERATING REVENUE

Federal Assistance

Federal Assistance for 2023-24 is budgeted at \$18.4 million, representing an increase of \$2 million over the prior year budget plan. The Emergency COVID Relief funds administered by the FTA have continued to play an integral role in the Authority's ability to present a balanced budget. Federal CMAQ funds are also included in the 2023-24 budget which will support the Authority's plans for expansion of service.

State Assistance

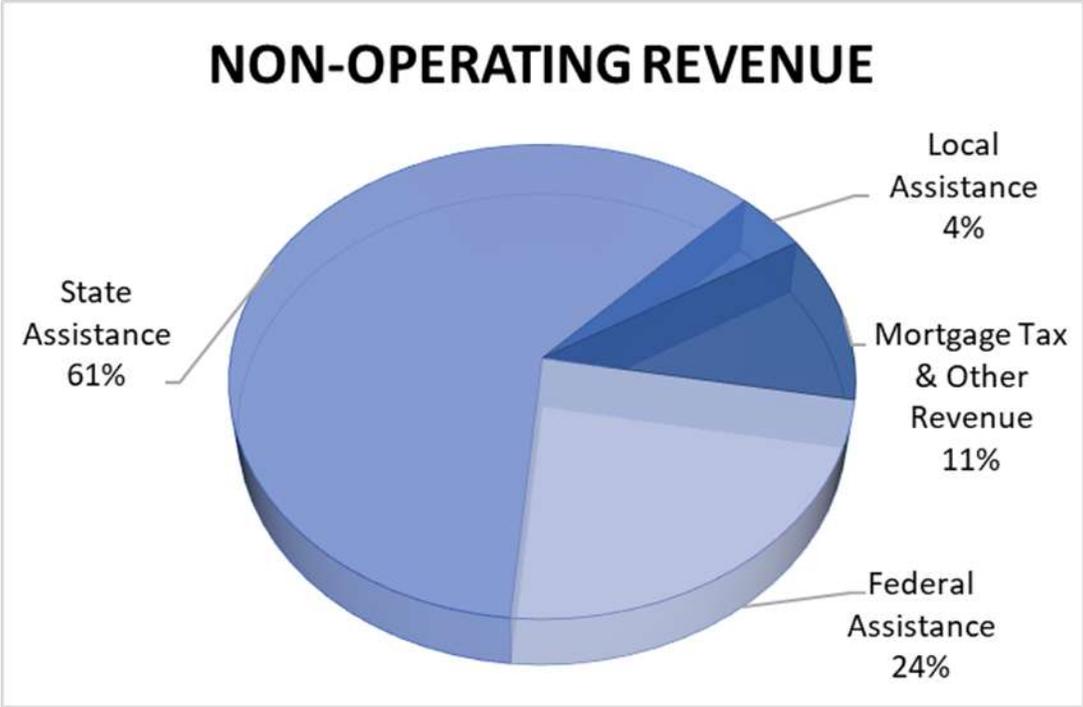
The State Assistance budgeted for 2023-24 is \$47 million. The budget assumes an anticipated 7.1% increase to New York State Transit Operating Assistance (STOA), this is in line with the increase that other upstate transit agencies are expected to receive as stated in the Governor's Proposed Executive Budget.

Local Assistance

The Local Assistance budgeted for 2023-24 is \$3.2 million. The budget assumes that local assistance funding levels will remain flat.

Mortgage Recording Tax Revenue

Mortgage Recording Tax (MRT) revenue is anticipated to be \$8.8 million, representing an increase of \$270 thousand over the prior year budget plan. The budget considers the recent decline in MRT revenue resulting from interest rate increases, which has caused some slowing in the real estate market. However, the Authority anticipates that commercial real estate transactions will continue to favorably impact MRT revenue. The NYS Tax Law effective July 1, 2017 that prohibits the exemption of the additional mortgage recording tax for IDAs applied to all four counties the Authority services, continues to be a contributing factor to the increases in MRT revenue.



EXPENSE ASSUMPTIONS

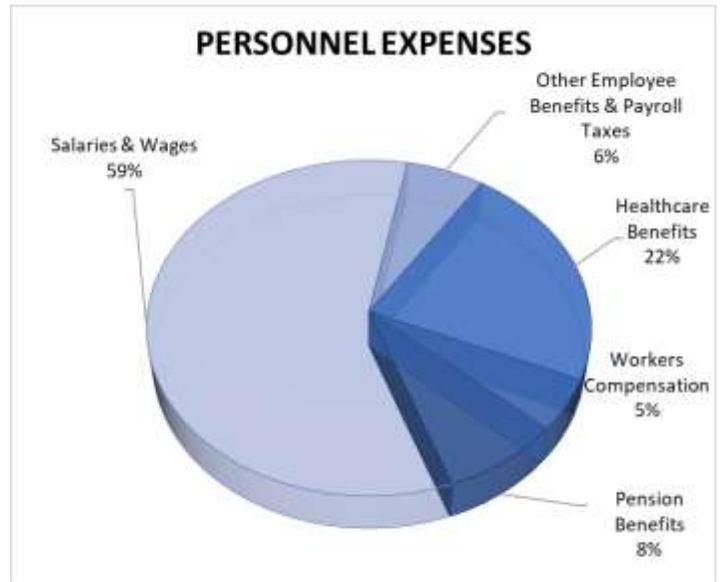
PERSONNEL EXPENSES

Salaries and Wages

The budgeted salaries and wages expense for 2023-24 is \$39.1 million, representing an increase of 10% from the prior year budget plan. The budget considers organizational changes, the Authority's employee incentive program, the union wage increases, NYS State Fair service, annual COLA increases, as well as all departments being fully staffed and operational in 2023-24.

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 2023-24 is \$4.2 million, representing an increase of 9% from the prior year budget plan.



Healthcare Benefits

The Authority's healthcare benefit budget for 2023-24 is \$14.8 million, representing a decrease of 7% from the prior year budget plan. The healthcare budget considers all known impacts, to include healthcare plan premium updates, prescription drug cost, dental coverage, and insured participants that effect medical stoploss coverage.

Workers Compensation

The budgeted Workers Compensation expenses for 2023-24 is \$3.3 million, representing a decrease of 16% 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 a decrease in the number of open workers compensation claims. The Authority is optimistic that continued efforts will continue this steady decline in the number of open claims.

Pension Benefits

The budgeted pension benefit expenses for 2023-24 is \$5.3 million, representing an increase of 38% 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, all departments being fully staffed, and the Authority's annual actuarial recommendation for maximum contributions to ensure all plans are appropriately funded, and market performance.

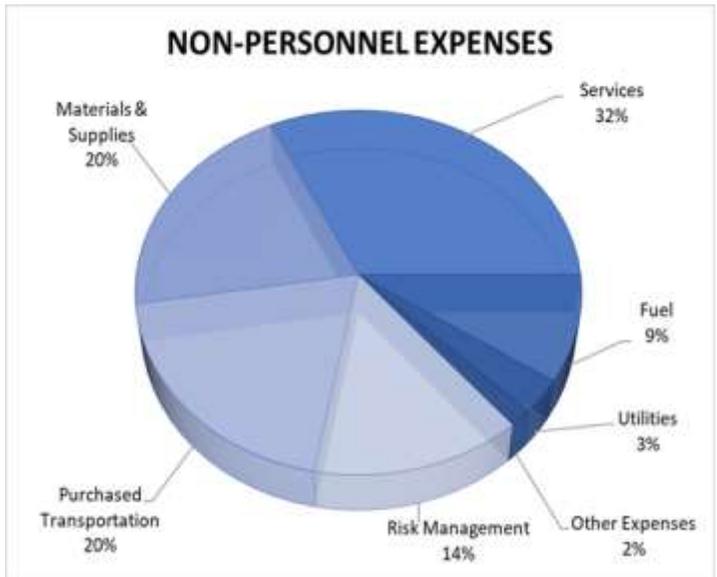
NON-PERSONNEL EXPENSES

Risk Management

The budgeted risk management expenses for 2023-24 is \$3.3 million, representing an increase of 10% from the prior year budget plan. The 2023-24 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 2023-24 is \$4.6 million, representing an increase of 33% from the prior year budget plan. Ridership associated with our paratransit service is returning at a faster pace than our fixed route service. Currently, purchase transportation vendors are operating approximately 72% of service requested.



Materials & Supplies

Materials and supplies include bus parts, fluids, lubricants, supplies to maintain the facilities, cleaning supplies, as well as the materials and supplies needed to support the operations for the New York State Fair service. The Authority's 2023-24 budget for materials and supplies is \$4.9 million, representing a 2% decrease from the prior year budget plan. The budget considers the current supply need, the rate of inflation, regularly purchased supplies, computer equipment, and the current economic impacts with 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 2023-24 is \$7.7 million, representing a 1% increase from the prior year budget plan. The 2023-24 budget includes regularly requested services, professional services, to include transportation consultant services, and a marketing budget that includes campaigns that highlight service expansion, and an aggressive recruitment program.

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 \$2.3 million for 2023-24, representing an increase of 35% 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 \$425 thousand in CNG Fuel expense in 2023-24.

Utilities and Other Expenses

Utilities and Other expenses are budgeted at \$1.1 million, representing an increase of 17% from the prior year budget plan. The budget assumes utility rate increases, and Authority travel to return to a normal level.

PERSONNEL PROJECTIONS

Labor Classifications	Projected 2022-23		2023-24 Budget*	
	Full-Time	Part-Time	Full-Time	Part-Time
Vehicle Operators	255	102	280	99
Vehicle Operations	55	6	65	9
Vehicle Maintenance	96	1	100	1
Facility Maintenance	16	3	18	1
General Administration	63	2	65	2
Total Employees:	485	114	528	112

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.

*Added an additional 10 full-time bus operators due to planning for BRT (Bus Rapid Transit) and OnDemand service in 2023-24.



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, known factors regarding estimated revenue, historical trends and educated predictions. The Authority continues to rely on Emergency COVID Relief funds in the 2023-24 budget year to combat budget deficits. Subsequent budget deficits will be funded using reserves with the hope that operating revenues return to the pre-pandemic level, and state operating assistance will continue to increase.

SUMMARY MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2023-24 BUDGET	2024-25 BUDGET	2025-26 BUDGET	2026-27 BUDGET
Revenue				
Unsubsidized Locally Generated Revenue	\$13,159	\$13,535	\$13,920	\$14,317
Governmental Subsidized Revenue	68,653	72,811	62,512	59,524
Mortgage Tax and Other Revenue	8,850	8,850	8,850	8,850
Total Revenue	90,662	95,196	85,282	82,691
Expenses				
Personnel	66,721	69,866	73,172	76,644
Non-Personnel	23,941	25,330	26,805	28,775
Total Expenses	90,662	95,196	99,977	105,419
Operating Income (Loss)	\$0	\$0	(\$14,695)	(\$22,728)
Use of Operating Reserves	0	0	14,695	22,728
Operating Income (Loss)	\$0	\$0	\$0	\$0

* The in-depth Multi-Year Operating Budget Projections is provided on the following page.

MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2023-24 BUDGET	2024-25 BUDGET	2025-26 BUDGET	2026-27 BUDGET
Operating Revenue				
Regular Line Passenger Revenue	\$3,610	\$3,790	\$3,980	\$4,179
Special Line Passenger Revenue	7,392	7,540	7,691	7,844
Advertising & Other Revenue	2,157	2,205	2,249	2,294
Total Operating Revenue	13,159	13,535	13,920	14,317
Expenses				
Salaries & Wages	39,111	40,675	42,302	43,995
Other Employee Benefits & Payroll Taxes	4,152	4,318	4,491	4,670
Healthcare Benefits	14,793	15,828	16,937	18,123
Workers Compensation	3,338	3,504	3,680	3,864
Pension Benefits	5,327	5,541	5,762	5,992
Risk Management	3,294	3,623	3,986	4,384
Purchased Transportation	4,598	4,874	5,166	5,477
Materials & Supplies	4,871	5,115	5,370	5,638
Services	7,715	8,101	8,506	8,931
Fuel	2,325	2,418	2,515	3,015
Utilities	762	808	856	907
Other Expenses	376	391	406	423
Total Operating Expenses	90,662	95,196	99,977	105,419
Non-Operating Revenue				
Federal Assistance	18,371	21,796	11,360	8,604
State Assistance	47,089	47,822	47,959	47,727
Local Assistance	3,193	3,193	3,193	3,193
Mortgage Tax Revenue	8,800	8,800	8,800	8,800
Gain/Loss on Disposal of Capital	50	50	50	50
Total Assistance and Other Revenue	77,503	81,661	71,362	68,374
Operating Income (Loss) Before Reserves	0	0	(14,695)	(22,728)
Use of Operating Reserves	0	0	14,695	22,728
Operating Income (Loss)	\$0	\$0	\$0	\$0

CAPITAL FUNDING PROFILE

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.

CAPITAL IMPROVEMENT PLAN

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.

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.

The CNYRTA plans to complete the following capital projects in fiscal year 2023-24. The projects listed are highlights of the complete Capital Improvement Plan, which are funded with a mix of Federal, State and Local funds.

- Renovation of Syracuse Driver Area
- Replacement of the Back-up Generators for Auburn and Oswego Garages
- Upgrades to the GFI Mobile Ticketing System
- Replacement of the Tank Tops for our Underground Fuel Storage Tanks
- Garage Dust Removal & Ceiling Painting Project



MULTI-YEAR CAPITAL IMPROVEMENT PLAN PROJECTIONS

(\$ Thousands)

Authority Fiscal Year -->	2023-24	2024-25	2025-26	2026-27	2027-28
	Projection	Projection	Projection	Projection	Projection
Onondaga County Projects:					
Bus Signage	\$100	\$500	\$0	\$0	\$0
Bus Support Equipment/Facilities Rehab		\$1,500			
Bus Rapid Transit (BRT) & Engineering	5,000	0	10,000	15,000	0
Computer Hardware	215	222	200	200	200
Computer Software	425	125	125	125	125
Engineering Services	200	0	200	0	200
Equipment	231	0	0	0	0
Facility Upgrades	3,955	480	3,000	0	0
Fare Collection System Replacement	4,009				
Service Vehicles	110	0	70	190	170
Support Vehicles	90	0	0	0	170
Rolling Stock - Fixed Route Buses	2,015	38,945	0		7,000
Rolling Stock - On-Demand Vehicles	1,480	0	0	0	0
Rolling Stock - Paratransit Buses	320	1,540	1,540	0	1,015
Total Capital Project Cost	\$18,150	\$43,312	\$15,135	\$15,515	\$8,880
Oneida County Projects:					
Computer Hardware	\$0	\$5	\$5,000	\$0	\$0
Equipment	145		0	0	0
Facility Upgrades	2,292			0	15,000
Rolling Stock - Fixed Route Buses	0	11,172	0	0	0
Rolling Stock - Paratransit Buses	440	0	0	0	0
Support Vehicles		0	90	0	180
Total Capital Project Cost	\$2,877	\$11,177	\$5,090	\$0	\$15,180
Grand Total Capital Project Cost	\$21,027	\$54,489	\$20,225	\$15,515	\$24,060

Projected capital grant funding from the federal Infrastructure Investment and Jobs Act has allowed the Authority to program significant future capital projects. Examples of these projects:

- Bus Rapid Transit (BRT) service on the James St. to South Ave. to Onondaga Community College corridor
- BRT Syracuse University to the Regional Transportation Center corridor
- Solar panel installation to produce green electricity to support our facilities.
- Transition of fixed route fleet from diesel and CNG fueled vehicles to clean Hydrogen Fuel Cell Electric propulsion, meeting NYS requirements by 2036.
- Construct a new consolidated garage and office facility for Centro of Oneida