



Central New York
Regional Transportation Authority



Financial Plan & Budget Fiscal Year 2021-22

TABLE OF CONTENTS

Introduction	2
Board of Members	3
Governance Structure.....	4
Relationship to New York State	5
Financial Plan	8
Financial Policies	10
Funding Profile – Operating	11
2021-22 Operating Budget Overview	13
Consolidated 2021-22 Operating Budget	14
Revenue Assumptions	15
Expense Assumptions	17
Personnel Projections	19
Operating Budget Projections	20
Funding Profile – Capital.....	21
2021-22 Capital Budget Overview	23
Consolidated 2021-22 Capital Budget	25
Capital Budget Projections	26

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, and Oswego and Oneida counties with a population of nearly 887,000 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>
Laino, Nicholas F.	Chairman	Oneida County
Cuculich, Robert F.	Vice Chairman	Onondaga County
Lattimore, Darlene DeRosa	Secretary	Cayuga County
Fitzgerald, Tina	Treasurer	Onondaga County
Hardick, Joseph A.		Onondaga County
Williams, Louella		Onondaga County
Riley, John (non-voting)		Bargaining Unit
Open Seat		City of Syracuse
Open Seat		City of Syracuse
Open Seat		City of Syracuse
Open Seat		Oneida County
Open Seat		Oswego 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, City of Rome 1 seat and the Bargaining unit 1 seat.

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. Officers of the Board (Chairperson, Vice-Chairperson, Secretary, and Treasurer) are elected by the Board of Members.

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, that 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 24 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 29 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 13 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 21 years.

FINANCIAL PLANNING

ANNUAL OPERATING BUDGET PROCESS

The CNYRTA uses a zero-based budget approach. We start at zero and build the budget based on need and cost versus the traditional incremental budgeting method which justifies only variances over prior year assuming that the "baseline" is automatically approved. Zero-based budgeting can lower costs by avoiding blanket increases or decreases to a prior period's budget and forces us to evaluate costs and their relationship to overall goals. The budget process is when staff evaluates year-to-date budget performance, compares prior year actual revenue and expenses for the same period, and other external economic factors and trends. In addition, known factors such as collective bargaining agreements, fuel lock-in and other commitments are considered to develop estimates for the subsequent fiscal year. Other operational initiatives, such as revised transit services or necessary maintenance initiatives are also factored in. Department heads and other are solicited for input and ideas. By the beginning of November, a draft proposed budget is discussed with the Chief Executive Officer, including assumptions regarding costs, revenues, and possible operations initiatives. The draft proposed budget is then presented to the Board of Directors for adoption in November so the numbers can be entered into the Public Authorities Reporting and Information System (PARIS) by December 31 for compliance with Section 2801 of Public Authorities Law.

Between November 30 and the following March, any changes to the proposed budget because of the Governor's Executive Budget (usually made public in the mid-January) and any other revised assumptions or known occurrences or changed conditions are compiled for incorporation into the final budget. In March, the Board of Members will formally review any changes to the proposed budget and adopt a final budget. This 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.

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 programs, 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. Recently, the price risk associated with fuel costs has been significantly reduced through price lock-ins for both natural gas and ultra-low sulfur diesel fuel in addition to the procurement of fuel-efficient vehicles.

New York State operating assistance (STOA), which makes up a sizable portion (about 45%) of the CNYRTA's operating budget, is determined on a year-to-year basis based on need as determined by NYSDOT and NYSDOB and is not "known" with certainty until a state budget is passed and signed into law by the Governor. That can occur prior to the beginning of the April 1 fiscal year but has also not occurred until late summer in some years. There is no long-term operating funding plan by New York State that the Authority can use for future planning. Governor's Executive Budget contains a good (although not always final) indication of what the ultimate funding level will be for the CNYRTA and other transit authorities across the state this number is used in the final budget presented to the Board for approval in March. The Legislature can choose to add or withdraw from the Governor's proposal before the budget is sent back to the Governor to sign into law.

The Authority and other upstate transit authorities continue to advocate for a multi-year state operating assistance funding plan which would provide stability and predictability in the level of appropriations, so that changes in service levels and fares can be better planned and executed. Much of this effort is being undertaken collectively with other transit agencies across the state under the aegis of the New York State Public Transit Association (NYPTA). The CNYRTA Executive Staff has been actively evaluating the entire system to determine the best adjustments to make to close budget deficits and replenish reserves.

The Mortgage Recording Tax (MRT), in particular, is highly unpredictable and can fall or rise 15% - 40% or more in one 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.

COVID19 BUDGET IMPACT

These are unprecedented times for the transit industry due to the COVID19 outbreak. The Authority's employees are doing heroic work critical to helping first responders, health care workers, other critical service providers, and people who need to access health care and jobs. Centro has worked tirelessly to provide safe and efficient service with the health and well-being of our riders, employees, and public the primary focus. At the same time, there has been a dramatic reduction in ridership as a response to the pandemic. Additionally, the increase in operating costs to purchase supplies and labor to do the additional cleaning and disinfecting of vehicles and facilities that keep the public and our employees safe, is expensive.

It is difficult to predict how or when our community will recover from this pandemic with no clear end in sight. However, the Authority will continue to monitor and evaluate COVID19 costs and legislative requirements and make management decisions necessary to keep the public and our employees' safe and continue to have access to essential transit. The Authority created a Pandemic Operations Plan to be adopted 4/1/2021 as required by the Pandemic Operations Law. The plan is designed to maintain a safe environment for our employees, vendors, and the public during declared public health emergencies related to communicable diseases.

FINANCIAL POLICIES

CASH MANAGEMENT

The Authority's cash management process and investment program are designed to maximize earnings, manage shortfalls and ensuring the 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 Authorities 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.

DEBT MANAGEMENT

There is no limit on the Authority's legal ability to issue debt, but it has never issued bonds in its 49-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 Authority is authorized to use the Line of Credit for temporarily operating and capital expenditures. The Line of Credit will be reimbursed upon receipt of New York State Operating Assistance and State or Federal Transit Capital funding.

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. The Authority has been compelled to use far higher amounts of capital grant funds to offset eligible maintenance operating costs, in lieu of “banking” them for future major capital purposes.

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. In 2020-21 the STOA program saw an approximate 27% unbudgeted reduction in funding because of the COVID19 pandemic.

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. In 2020-21 the Local 18b Match to STOA saw an approximate 20% unprecedented reduction in funding because of the COVID19 pandemic.

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 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.

2021-22 OPERATING BUDGET OVERVIEW

The Authority is pleased to present a balanced operating budget for 2021-22, given the continuing uncertainties caused by the COVID19 pandemic. The realization of the continuation of less locally generated revenue and increased expenses are echoed throughout the 2021-22 budget.

The Authority's 2021-22 revenue plan considers expected customer fare revenue, transit revenue generated through route subsidy agreements with community partners, lease and parking revenue, governmental subsidies, and mortgage recording tax revenue. All revenue sources have been greatly impacted by the COVID19 pandemic and those effects have been reflected throughout the revenue plan. The budgeted operating revenue for 2021-22 is \$11 million, a decrease of \$7.4 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 2021-22. 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 2021-22 is \$69 million, an increase of \$10.1 million compared to the prior year budget plan. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) has provided the Authority with the funding and the ability to meet operating revenue shortfalls for 2021-22.

The Authority's operating spending plan for 2021-22 was developed following the key concepts of providing the highest quality of services to our customers, which is safe, convenient, and reliable while limiting cost increases whenever possible. The budgeted operating expenses for 2021-22 are \$80 million, an increase of \$1.3 million compared to the prior year budget plan.

CONSOLIDATED SUMMARY 2021-22 OPERATING BUDGET COMPARISON

(\$ Thousands)

	2020-21 BUDGET	2021-22 BUDGET	CHANGE	% CHANGE
Revenue				
Unsubsidized Locally Generated Revenue	\$18,424	\$10,949	(\$7,475)	-40.6%
Governmental Subsidized Revenue	52,424	61,892	9,468	18.1%
Mortgage Recording Tax and Other Revenue	6,517	7,150	633	9.7%
Total Revenue	77,365	79,991	2,626	3.4%
Expenses				
Personnel	59,892	61,613	1,721	2.9%
Non-Personnel	18,774	18,378	(396)	-2.1%
Total Expenses	78,666	79,991	1,325	1.7%
Operating Income (Loss) Before Reserves	(\$1,301)	\$0	\$1,301	
Use of Operating Reserves	\$1,301	\$0	(\$1,301)	
Operating Income (Loss) After Use of Reserves	\$0	\$0	\$0	

CONSOLIDATED 2021-22 OPERATING BUDGET

(\$ Thousands)

	2019-20 ACTUALS	2020-21 BUDGET	2020-21 PROJECTION	2021-22 BUDGET	VARIANCE 2020-21 PROJECTION	VARIANCE 2020-21 BUDGET	% BUDGET CHANGE
Revenue							
Operating Revenue							
Regular Line Passenger Revenue	\$7,162	\$7,606	\$2,587	\$3,563	\$976	(\$4,043)	-53.2%
Special Line Passenger Revenue	7,689	8,616	4,548	5,926	1,378	(2,690)	-31.2%
Advertising & Other Revenue	2,070	2,202	1,591	1,460	(131)	(742)	-33.7%
Total Operating Revenue	16,921	18,424	8,726	10,949	2,223	(7,475)	-40.6%
Expenses							
Operating Expenses							
Salaries & Wages	32,110	33,470	31,300	33,984	2,684	514	1.5%
Other Employee Benefits & Payroll Taxes	3,416	3,541	3,616	3,655	39	114	3.2%
Healthcare Benefits	13,339	14,665	13,580	14,989	1,409	324	2.2%
Pension Benefits	3,888	4,004	5,889	5,946	57	1,942	48.5%
Workers Compensation	3,573	4,212	3,008	3,039	31	(1,173)	-27.8%
Risk Management	1,681	1,910	2,425	2,661	236	751	39.3%
Purchased Transportation	3,385	4,197	2,333	2,962	629	(1,235)	-29.4%
Materials & Supplies	4,227	4,649	3,405	4,507	1,102	(142)	-3.1%
Services	4,747	5,353	4,698	6,046	1,348	693	12.9%
Fuel	889	1,700	1,144	1,376	232	(324)	-19.1%
Utilities	552	590	594	611	17	21	3.6%
Other Expenses	274	375	221	215	(6)	(160)	-42.7%
Total Operating Expenses	72,081	78,666	72,213	79,991	7,778	1,325	1.7%
Non-Operating Revenue							
Assistance and Other Revenue							
Federal Assistance	10,352	9,713	25,687	23,868	(1,819)	14,155	145.7%
State Assistance	37,874	39,518	32,316	35,116	2,800	(4,402)	-11.1%
Local Assistance	3,229	3,193	2,554	2,908	354	(285)	-8.9%
Mortgage Tax Revenue	6,921	6,442	8,765	7,100	(1,665)	658	10.2%
Gain/Loss on Disposal of Capital	42	75	10	50	40	(25)	-33.3%
Total Assistance and Other Revenue	58,418	58,941	69,332	69,042	(290)	10,101	17.1%
Operating Income (Loss) Before Reserves	\$3,258	(\$1,301)	\$5,845	\$0	(\$5,845)	\$1,301	
Use of Operating Reserves	0	\$1,301	\$0	\$0	\$0	\$0	
Operating Income (Loss) After Use of Reserves	\$3,258	\$0	\$5,845	\$0	(\$5,845)	\$1,301	

REVENUE ASSUMPTIONS

OPERATING REVENUE

Regular Line Passenger Revenue

The budgeted regular line passenger revenue for 2021-22 is \$3.6 million, representing a decrease of 53% from the prior year budget plan, but is an increase of 38% compared to the 2020-21 revised fiscal year end projections. Regular line passenger revenue is driven primarily by fares and the sale of various fare media offered to our riders depending on their needs. The COVID19 pandemic has had a significant impact on ridership, and although the Authority expects ridership to continue to turn over the next year, it does not expect that ridership will return to pre-COVID levels. Ridership revenue associated with the functionality of the Great New York State Fair, caused by the COVID19 pandemic, and has also been considered in the 2021-22 passenger revenue budget.

Special Line Passenger Revenue

The Authority's revenue generated by subsidy agreements with community partners is budgeted at \$5.9 million for 2021-22, representing a decrease of 31% from the prior year budget plan, however an increase of 30% compared to the 2020-21 revised fiscal year end projections. The service request of our community partners has been considered as well as the impacts of the COVID19 pandemic and how it may continue to influence service needs into the coming years. Uncertainty caused by the COVID19 pandemic and the functionality of the Great New York State Fair has also contributed to the variance in the expected revenue for 2021-22.

Advertising & Other Revenue

The advertising and other revenue for 2021-22 is \$1.5 million, representing a decrease of 34% from the prior year budget plan, and an 8% decrease from the 2020-21 revised fiscal year end projections. The driving factors for the budgeted decrease are parking revenue at both the Regional Transportation Center and at the Rt. 81 parking lot, along with tenant vacancy and a budgeted decrease in transit advertising revenue. All of which have been affected by the COVID19 pandemic.

NON-OPERATING REVENUE

Federal Assistance

Federal Assistance for 2021-22 is budgeted at \$23.9 million, representing an increase \$14.2 million from the prior year budget plan, and an \$1.8 million decrease from the 2020-21 revised fiscal year end projections. The additional funding provided through the CARES Act, CRSSA, and the (APRA) American Rescue Plan Act has played an integral role in the Authority's ability to present a balanced budget. Federal CMAQ funds are also included in the 2021-22 budget which will support the Authority's plans for expansion of service.

State Assistance

The anticipated State Assistance for 2021-22 is \$35.1 million, representing a decrease of \$4.4 million from the prior year budget plan, and a \$2.8 million increase from the 2020-21 revised fiscal year end projections. Reductions in the annual STOA allocation is a direct result of the negative impacts that COVID19

has had on New York State. The Authority's 2021-22 anticipated budgeted STOA allocation is approximately a 9% decrease compared to the 2020-21 budgeted state allocation of STOA.

Local Assistance

The local assistance is budgeted for 2021-22 is \$2.9 million, representing a decrease of \$0.3 million from the prior year budget plan. The 2020-21 revised fiscal year end projections present a 20% reduction in the County 18b match to STOA. The 2021-22 budget assumes a 9% reduction in the County 18b match to STOA.

Mortgage Recording Tax Revenue

Mortgage Recording Tax (MRT) revenue is anticipated to be \$7.1 million, representing an increase of \$0.7 million of the prior year budget plan. The Authority experienced record breaking MRT levels in 2020-21 because of 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 2020-21 and the 2019-20 actuals.

EXPENSE ASSUMPTIONS

Salaries and Wages

The budgeted salaries and wages expense for 2021-22 is \$34 million, representing an increase of 1.5% from the prior year budget plan. The budget increase was driven by organizational changes due to the new 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 2021-22.

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 budgeted expense for other employee benefits and payroll taxes for 2021-22 is \$3.7 million, representing an increase of 3% from the prior year budget plan. The Authority has experienced higher than normal unemployment benefit expense due to the impact of COVID19 and expects this trend to continue into 2021-22.

Healthcare Benefits

The Authority anticipates that healthcare cost will continue to be affected by COVID19 in 2021-22. Considering all known impacts, including increases to healthcare plans, prescription drug cost, and dental coverage, the 2021-22 healthcare benefit budget is \$14.9 million, representing an increase of 2% from the prior year budget plan.

Pension Benefits

The budgeted pension benefit expenses for 2021-22 is \$5.9 million, representing an increase of 1% from the 2020-21 revised fiscal year end projections. 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.

Workers Compensation

The collaboration of internal staff and external risk managers have been able to rigorously manage claims, promote safety in the workplace, and manage a successful light and modified duty programs, which has resulted in a favorable impact on the Authority's budget. The budgeted Workers Compensation expenses for 2021-22 is \$3 million, representing a decrease of 28% from the prior year budget plan, and an increase 7% from the FY2021 revised projections. The 2021-22 budget assumes more exposure to workers compensation claims as employees receive the COVID19 vaccine and in office staffing levels return to pre-COVID19 levels.

Risk Management

The budgeted risk management expenses for 2021-22 is \$2.7 million, representing an increase of 39% from the prior year budget plan, however in line with the 2020-21 revised fiscal year end projections. The significant increase is due to higher industry cost for liability insurance premiums.

Purchased Transportation

The Authority contracts third party vendors to assist with the paratransit program, providing transportation for people with disabilities who are unable to ride Cento transit buses. The budgeted purchased transportation expense for 2021-22 is \$3 million, representing a decrease of 29% from the prior year budget plan. The COVID19 pandemic has significantly impacted ridership, and these ridership trends are believed to also affect ridership in 2021-22.

Materials & Supplies

Materials and supplies include bus parts, fluids, lubricants, supplies to maintain the facilities, to operate the New York State Fair, and to combat the COVID19 virus, as well as various other supplies. The Authority anticipates a 2021-22 budgeted materials and supplies expense of \$4.5 million, representing a decrease of 3% from the prior year budget plan. The budget assumes annual cost increases of regularly purchased supplies, continued purchases for PPE supplies to combat the COVID19 virus, and organizational needs for computer hardware.

Services

Services include expenses relating to contracted and one-time service request. Contracted services include legal, audit, pension, marketing, maintenance services for various building systems, vehicles, software, custodial and security services. The budgeted service expense for 2021-22 is \$4.7 million, representing an increase of 12.9% from the prior year budget plan. The 2021-22 includes an increased marketing budget to highlight bus service expansion, and the 50th anniversary of the Authority.

Fuel

The Authority's fleet is comprised of vehicles that operate using Gasoline, Diesel, and Compress Natural Gas (CNG). The budget is based on historical usage and anticipated future pricing. Fuel costs are budgeted at \$1.4 million for 2021-22, representing an increase of approximately 20% from the 2020-21 revised projections and a decrease of 19% from the prior year budget plan.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which included a five-year extension of the Alternative Fuel Credit was enacted. The extension of the Alternative Fuel Credit has significantly affected the fuel budget for 2021-22 and will in future years. The Authority's fleet is comprised of 55% CNG Vehicles, resulting in approximately \$450 thousand in CNG Fuel Tax Credit annually.

Other Expenses

Other expenses are budgeted at \$215 thousand, representing a decrease of 3% from the 2020-21 revised projections. The variance is mostly associated with the Authority staff's inability to travel for training and conferences. The Authority is hopeful that training opportunities will resume to some level during the 2021-22. Revised projections reflect a reduced travel expense caused by the impacts of COVID19.

PERSONNEL PROJECTIONS

Labor Classifications	Projected 2020-21*		Final 2021-22 Budget	
	Full-Time	Part-Time	Full-Time	Part-Time
Vehicle Operators	245	102	265	112
Vehicle Operations	42	6	43	6
Vehicle Maintenance	108	1	116	1
Facility Maintenance	16	3	17	3
General Administration	51	12	54	13
Total Employees:	462	124	495	135

*Note: Projected 2020-21 does not include NYS Fair employees due to cancellation of the NYS Fair. Final Budget assumes staffing NYS Fair in 2021.

All above employees are funded from the operating budgets of the CNYTRA 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 CNYRTA funds. The above totals include all employees of the CNYRTA and each of its subsidiary public benefit corporations.

OPERATING BUDGET PROJECTIONS

Sound fiscal management practice and regulation for public authorities requires the development of a multi-year budget projection 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 to maintain its relevance in the event of 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 Projection takes into consideration anticipated expense increases, and known facts regarding estimated revenue, historical trends and educated predictions.

MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2021-22 BUDGET	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
Revenue				
Operating Revenue				
Regular Line Passenger Revenue	\$3,563	\$4,454	\$5,345	\$6,235
Special Line Passenger Revenue	5,926	6,015	6,105	6,197
Advertising & Other Revenue	1,460	1,996	2,150	2,236
Total Operating Revenue	10,949	12,465	13,600	14,668
Expenses				
Operating Expenses				
Salaries & Wages	33,984	34,664	35,357	36,064
Other Employee Benefits & Payroll Taxes	3,655	3,728	3,803	3,878
Healthcare Benefits	14,989	15,738	16,525	17,351
Pension Benefits	5,946	6,124	6,308	6,497
Workers Compensation	3,039	3,100	3,162	3,225
Risk Management	2,661	2,741	2,823	2,908
Purchased Transportation	2,962	3,229	3,519	3,836
Materials & Supplies	4,507	4,642	4,781	4,925
Services	6,046	6,227	6,414	6,607
Fuel	1,376	1,404	1,432	1,460
Utilities	611	629	648	668
Other Expenses	215	221	228	235
Total Operating Expenses	79,991	82,447	85,000	87,654
Non-Operating Revenue				
Assistance and Other Revenue				
Federal Assistance	23,868	24,809	25,257	11,380
State Assistance	35,116	35,116	36,086	36,098
Local Assistance	2,908	2,908	2,908	2,908
Mortgage Tax Revenue	7,100	7,100	7,100	7,100
Gain/Loss on Disposal of Capital	50	50	50	50
Total Assistance and Other Revenue	69,042	69,983	71,401	57,536
Operating Income (Loss) Before Reserves	\$0	\$0	\$0	(\$15,450)

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.

***Section 5307 – CMAQ** (Congestion Mitigation and Air Quality Improvement Program) of Federal Transportation Law, which offers a flexible funding program to transit related activities. Eligible activities under CMAQ include transit system capital 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. The 10% CNYRTA match is funded through mortgage recording tax receipts.

*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 include FTA activities, meeting the minimum service life threshold, 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 Federal Transit Administration (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 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 CNYRTA the ability to strive for financial stability, improved service and customer experience, and increased ridership, while modernizing infrastructure and technology in Onondaga, Oswego, Cayuga and Oneida counties.

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 improvement are funded 100% locally.

The CNYRTA plans to complete the following capital projects in fiscal year 2021-22. The projects listed are funded with a mix of Federal, State and Local funding that is shown on the capital budget:

Rolling Stock – Fixed Route Transit Buses

Replace Eight (8) 40ft Diesel Buses \$4,240,000

Replace eight (8) 2008/2009 Gillig Diesel 40ft low floor heavy duty transit buses for the Syracuse service. The buses will have reached the end of their 12 year useful life as defined by the Federal Transit Administration. The new buses will be covered under warranty for one year and will be less costly to maintain and more fuel efficient.

Replace Four (4) 35 Ft Diesel Buses \$1,900,000:

Replace four (4) 2009 Gillig Diesel 35ft low floor heavy duty transit buses for the Utica service. The buses will have reached the end of their 12 year useful life as defined by the Federal Transit Administration. The new buses will be covered under warranty for one year and will be less costly to maintain and more fuel efficient.

Rolling Stock – Paratransit Buses

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

Replace Eight (8) Call-A-Bus vans in Syracuse that have reached the end of their 5-year 100,000-mile life as defined by the Federal Transit Administration. The new vehicles will be covered under warranty for their five-year life and will be less costly to maintain reducing operating costs.

Facilities

Rehabilitation of the Compressed Natural Gas (CNG) Fueling Station \$3,000,000:

The current station was completed in 1997 and is 23 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 reliable fueling system to keep that service on the road for our customers.

Maintenance Facility Improvement Projects \$970,000:

Repare the lots and drive lanes at the Centro of Oswego and Centro of Cayuga. Install emergency back-up generators at the Centro of Oswego and Centro of Cayuga garages. Repair and install new trench drains in the Syracuse garage. Repair and install new tank tops for the bulk fluid storage tanks at the Syracuse Garage. Install replacement combustible gas detectors at the Syracuse garage.

Fare Collection System

Purchase a Contactless Fare Collection System \$784,000:

Providing an option for our customers to pay their fare or validate a pass or ticket without physically touching a farebox will help improve social distancing and reduce potential spread of COVID-19. It will improve safety for our drivers with reduced interaction with fare collection and the farebox. The new system will also provide real-time fare collection data that can be used for analyzing routes and stops to direct service where needed and for potential growth of service.

Computer Hardware and Software

Purchase Replacement Maintenance System Software and Hardware \$500,000:

The current AS/400 Maintenance Software system has been in use for over 30 years. The system is custom software that is difficult to maintain and update. The new system will meet current Microsoft standards and will allow for use with current computer hardware. The new system will allow for greater flexibility and improved reporting of maintenance work orders, vehicle preventive maintenance, parts inventory and maintenance history.

Support Vehicles

Replace Several Supervisory and Service Vehicles \$260,000:

Replace eight (8) supervisory vehicles and service trucks that have reached the end of their useful life of 4 years or 80,000 miles as defined by the Federal Transit Administration. Vehicles are for the Syracuse and Utica locations.

Other Projects

Purchase Replacement Bus Passenger Waiting Shelters \$100,000:

Bus Passenger Waiting Shelters need to be replaced over time due to wear and damage. Also new shelter locations are identified when necessary. These funds will purchase ten (10) to fifteen (15) shelters to be constructed at various locations.

CONSOLIDATED 2021-22 CAPITAL BUDGET

(\$ Thousands)

ONONDAGA COUNTY PROJECTS	GRANT	FEDERAL	STATE	LOCAL	TOTAL
Land Improvement	Federal 5311	\$160	\$20	\$20	\$200
Building - Facility Upgrades/Repairs	Federal 5307	800	100	100	1,000
Building - Facility Upgrades/Repairs	100% State Funds	0	2,970	0	2,970
Equipment - Facility	Federal 5311	240	30	30	300
Office Equipment -Computer Hardware/Software	5311 CARES ACT	250	0	0	250
Office Equipment -Computer Hardware/Software	Federal 5307	406	50	50	506
System - Fare Collection System	CRSSAA	784	0	0	784
Rolling Stock - Fixed Route Buses	Federal 5339	1,726	216	216	2,158
Rolling Stock - Fixed Route Buses	100% State Funds	0	2,083	0	2,083
Rolling Stock - Fixed Route Buses	Federal 5307	44	6	6	55
Rolling Stock - Paratransit	Federal 5307	512	64	64	640
Service Vehicles - Supervisory	Federal 5307	91	12	12	115
Shelters & Signs	Federal 5307	80	10	10	100
Total Capital Projects Onondaga		\$5,093	\$5,561	\$508	\$11,161
ONEIDA COUNTY PROJECTS	GRANT	FEDERAL	STATE	LOCAL	TOTAL
Rolling Stock - Fixed Route Buses	Federal 5339	1,520	190	190	1,900
Service Vehicles - Service Trucks	Federal 5339	48	6	6	60
Service Vehicles - Supervisory	Federal 5339	24	3	3	30
Total Capital Projects Oneida		\$1,592	\$199	\$199	\$1,990
UNFUNDED FY 2021-22 PROJECTS:		FEDERAL	STATE	LOCAL	TOTAL
Building - Facility Upgrade - RTC		0	1,555	0	1,555
Building - Facility Upgrade - Syracuse		0	1,365	0	1,365
Building - Facility Upgrade - Oswego & Cayuga		0	300	0	300
Building - Facility Upgrade - Oneida		0	400	0	400
Equipment - Facility - Syracuse		0	124	0	124
Equipment - Facility - Oswego & Cayuga		0	33	0	33
Equipment - Facility - Oneida		0	70	0	70
Service Vehicles - Syracuse		0	150	0	150
Total Unfunded Capital Projects		\$0	\$3,997	\$0	\$3,997

* Unfunded capital projects are contingent of the release of 100% state dedicated funds for 2021-22

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)

	2022-23 PROJECTION	2023-24 PROJECTION	2024-25 PROJECTION
Funds Available for Capital Projects - Syracuse	\$18,625	\$9,093	\$12,075
Building - Facility Upgrades	500	200	0
Office Equipment Computer Hardware/Software	185	0	0
Rolling Stock - Fixed Route Buses	9,900	0	41,350
Rolling Stock - Paratransit Buses	720	0	935
Service Vehicles	221	46	69
Bus Shelters	0	100	0
Total Capital Projects Syracuse	10,841	146	42,354
Total Surplus/(Deficit) - Syracuse (100% Project Cost)	\$7,784	\$8,947	(\$30,279)
Funds Available for Capital Projects -Oneida	5,575	72,112	8,591
Rolling Stock - Fixed Route Buses	0	0	9,025
Rolling Stock - Paratransit Buses	0	320	0
Service Vehicles	0	0	75
Total of Capital Projects Oneida	0	320	9,100
Total Surplus/(Deficit) - Oneida (100% Project Cost)	\$5,575	\$71,792	(\$509)
Consolidated Local Share (10%)	\$637	\$113	\$260
Unfunded Capital Projects (100% SDF)	\$1,740	\$0	\$15,000