

Central New York Regional Transportation Authority

Proposed Operating & Capital Budget
Fiscal Year 2024-25



www.centro.org

TABLE OF CONTENTS

Introduction 2

Board of Members..... 3

Governance Structure..... 4

Relationship to New York State 5

Financial Planning 7

Financial Policies 8

Operating Funding Profile..... 9

2023-24 Operating Budget Overview 11

2023-24 Operating Budget 12

Revenue Assumptions 13

Expense Assumptions 15

Personnel Projections 17

Operating Budget Projections 18

Capital Funding Profile 20

Capital Improvement Plan 21

Multi-Year Capital Improvement Funding Plan Projections 22

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 174,149 trips last year (FY2022-23) for people who cannot use our regular route system. We have exceeded pre-pandemic ridership and Call-A-Bus continues to see a steady increase in ridership month over month. In FY24 paratransit ridership is up 26% compared to FY2022-23 (April-October).

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

Nicholas F. Laino

Chairman

Oneida County

Darlene DeRosa Lattimore

Secretary

Cayuga County

Robert F. Cuculich

Vice Chairman

Onondaga County

Tina Fitzgerald

Treasurer

Onondaga County

Neil Milcarek-Burke

City of Syracuse

Louella Williams

Onondaga County

Anthony Q. Davis Sr.

City of Syracuse

Frank Saya

Bargaining Unit

Monte Flynn

Oswego County

Open Seat

Oneida County

Joseph A. Hardick

Onondaga County

Open Seat

Onondaga County

Julius L. Lawrence

City of Syracuse

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. There are 5 board seats from Onondaga County, 3 seats from City of Syracuse, and 1 seat each from Oswego, Cayuga, Oneida Counties. There is also 1 seat each dedicated for the City of Rome and the Bargaining unit.

The Board of Members are appointed by the Governor and confirmed by the New York State Senate, each serving fixed but staggered seven-year terms starting July 1. Members continue in office until their successors are appointed and may be reappointed through the same process. The Board of Members selects its Officers (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 live streamed 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 utilizes a zero-based budgeting approach, starting from scratch and constructing a budget based on necessity and cost, as opposed to the traditional incremental budgeting method. This method helps cut costs by avoiding arbitrary increases or decreases from a previous period's budget, compelling a thorough evaluation of costs and their alignment with CNYRTA's overall mission. The budgeting process kicks off with a collaborative effort among staff, assessing departmental needs and considering factors such as collective bargaining agreements, fuel lock-ins, contractual commitments, as well as the operating cost and revenue sources that are outside of the Authority's direct control. Operational initiatives, like revised transit services or essential maintenance efforts, are also considered.



The proposed budget undergoes evaluation, comparing it to the current year's budget, fiscal year-end projections, and prior year actuals, along with external economic factors and trends. The CEO, Deputy CEO, and Executive Team reviews assumptions regarding revenues, expenses, and potential operational initiatives. The proposed budget is then presented to the Board of Members for adoption in November. The adopted proposed budget is recorded in the Public Authorities Reporting and Information System (PARIS) by December 31, adhering to the guidelines outlined in Section 2801 of the Public Authorities Law.

The Authority's staff continuously examines the proposed budget, considering the Governor's Proposed Executive Budget (generally released mid-January) as well as any and any other revised assumptions, known occurrences, or changes in circumstances. The Board of Members formally reviews these changes and votes for the adoption of the final budget in March. The adopted budget becomes part of the Final Budget and Financial Plan, mandated under Comptroller Regulation Part 203, and is posted on the CNYRTA website by March 31.

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, healthcare, 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.



2024-25 OPERATING BUDGET OVERVIEW

The Authority is pleased to present a balanced 2024-25 operating budget. The total operating revenue required to sustain operations amounts to \$92.3 million, signifying a 2% uptick from the preceding year's budget. The projected revenues necessary to cover budgeted expenses consist of \$13.6 million from unsubsidized locally generated sources, \$71 million from government-subsidized revenues, \$7.3 million from mortgage tax and other income streams, and \$390 thousand in investment revenues.

The overall estimated operating expenses for the fiscal year 2024-25 budget are \$92.3 million, reflecting a 2% increase compared to the previous year's budget. Within this total, personnel costs amount to \$67.8 million, marking a \$1.1 million rise from the prior year's budget. Non-personnel costs are budgeted at \$24.5 million, indicating a \$544 thousand increase from the previous year's budget plan.

A comprehensive explanation of the key factors influencing the Authority's revenues and expenses are to follow. Additionally, a detailed comparison between the 2024-25 Operating Budget and the previous year is provided in the subsequent pages.

SUMMARY 2024-25 OPERATING BUDGET COMPARISON

(\$ Thousands)

| | 2023-24 BUDGET | 2024-25 PROPOSED BUDGET | CHANGE | % CHANGE |
|--|-------------------|-------------------------------|----------------|-----------|
| Revenue | | | | |
| Unsubsidized Locally Generated Revenue | \$13,038 | \$13,568 | \$530 | 4% |
| Governmental Subsidized Revenue | 68,653 | 71,015 | \$2,362 | 3% |
| Mortgage Tax and Other Revenue | 8,850 | 7,300 | -\$1,550 | -18% |
| Investment Revenue | 121 | 390 | \$269 | 222% |
| Total Revenue | 90,662 | 92,273 | \$1,611 | 2% |
| Expenses | | | | |
| Personnel | 66,721 | 67,788 | 1,067 | 2% |
| Non-Personnel | 23,941 | 24,485 | 544 | 2% |
| Total Expenses | 90,662 | 92,273 | 1,611 | 2% |
| Operating Income (Loss) | \$0 | \$0 | | |

THE AUTHORITY'S FINANCIAL PLAN CONSISTS OF FOUR DISTINCT ELEMENTS

- 2024-25 Operating Budget
- Multi-Year Operating Budget Projections, covering budget years 2024-25 through 2027-28
- 2024-25 Capital Budget
- Five-Year Capital Improvement Plan, covering budget years 2025-26 through 2029-30

2024-25 OPERATING BUDGET

(\$ Thousands)

| | 2022-23 ACTUALS | 2023-24 BUDGET | 2023-24 PROJECTION | 2024-25 PROPOSED BUDGET | CHANGE 2023-24 PROJECTION | CHANGE 2023-24 BUDGET | % BUDGET CHANGE |
|---|--------------------|-------------------|-----------------------|-------------------------------|---------------------------------|-----------------------------|--------------------|
| Operating Revenue | | | | | | | |
| Regular Line Passenger Revenue | \$3,381 | \$3,610 | \$3,847 | \$3,957 | \$110 | \$347 | 10% |
| Special Line Passenger Revenue | 7,041 | 7,392 | 7,132 | 7,539 | 407 | 147 | 2% |
| Advertising & Other Revenue | 2,820 | 2,036 | 2,029 | 2,072 | 43 | 36 | 2% |
| Total Operating Revenue | 13,242 | 13,038 | 13,008 | 13,568 | 560 | 530 | 4% |
| Expenses | | | | | | | |
| Salaries & Wages | 34,244 | 39,111 | 35,198 | 40,469 | 5,271 | 1,358 | 3% |
| Other Employee Benefits & Payroll Taxes | 3,576 | 4,152 | 3,911 | 4,408 | 497 | 256 | 6% |
| Healthcare Benefits | 11,944 | 14,793 | 12,377 | 15,950 | 3,573 | 1,157 | 8% |
| Workers Compensation | 3,605 | 3,338 | 3,194 | 3,403 | 209 | 65 | 2% |
| Pension Benefits | 5,169 | 5,327 | 3,737 | 3,558 | (179) | (1,769) | -33% |
| Risk Management | 2,691 | 3,294 | 3,034 | 3,703 | 669 | 409 | 12% |
| Purchased Transportation | 4,235 | 4,598 | 5,553 | 5,890 | 337 | 1,292 | 28% |
| Materials & Supplies | 4,546 | 4,872 | 4,386 | 4,964 | 578 | 92 | 2% |
| Services | 5,515 | 7,715 | 5,877 | 6,623 | 746 | (1,092) | -14% |
| Fuel | 1,925 | 2,325 | 2,281 | 2,103 | (178) | (222) | -10% |
| Utilities | 741 | 762 | 628 | 754 | 126 | (8) | -1% |
| Other Expenses | 322 | 375 | 382 | 448 | 66 | 73 | 19% |
| Total Operating Expenses | 78,513 | 90,662 | 80,558 | 92,273 | 11,715 | 1,611 | 2% |
| Non-Operating Revenue | | | | | | | |
| Operating Assistance | 65,315 | 68,653 | 65,055 | 71,015 | 5,960 | 2,362 | 3% |
| Mortgage Tax Revenue | 9,394 | 8,800 | 8,159 | 7,250 | (909) | (1,550) | -18% |
| Gain/Loss on Disposal of Capital | 58 | 50 | 48 | 50 | 2 | 0 | 0% |
| Investment Assistance | 350 | 121 | 687 | 390 | (297) | 269 | 222% |
| Total Assistance and Other Revenue | 75,117 | 77,624 | 73,949 | 78,705 | 4,756 | 1,081 | 1% |
| Operating Income (Loss) | \$9,846 | \$0 | \$6,399 | \$0 | | | |

REVENUE ASSUMPTIONS

OPERATING REVENUE

Regular Line Passenger Revenue

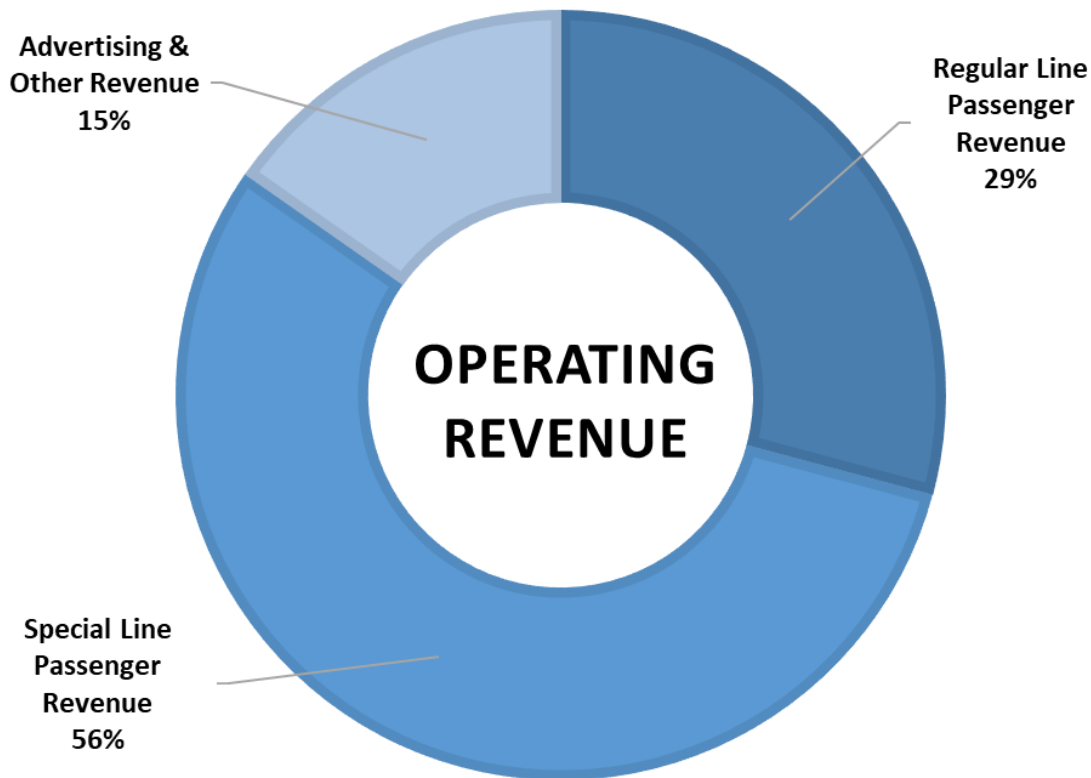
The projected regular line passenger revenue for fiscal year 2024-25 is \$3.96 million, indicating a 10% growth compared to the previous year's budget. This revenue, derived from fares and the sale of diverse fare media tailored to our riders' preferences, is expected to be influenced by a gradual rise in ridership over the next year. The budget for 2024-25 also considers the revenue generated from the Great New York State Fair, with an anticipated ongoing increase in ridership to this event in the years to come.

Special Line Passenger Revenue

The projected revenue from subsidy agreements with community partners for the fiscal year 2024-25 is set at \$7.5 million, marking a 2% rise from the previous year's budget. These estimates take into account the specific service requirements of our community partners, along with contractual rate increases. Additionally, the budget for special line passenger revenue in 2024-25 incorporates revenue related to the Great New York State Fair, considering the expected demands for efficiently servicing shuttle lots.

Advertising & Other Revenue

The anticipated advertising and miscellaneous revenue for the fiscal year 2024-25 is \$2.1 million, a 2% uptick from the preceding year's budget. The budgeted increases are linked to guaranteed minimums for transit advertising incomes, enhanced projections tied to parking revenues at both the Regional Transportation Center and the route 81 parking lot, and slight escalations in tenant rent.



NON-OPERATING REVENUE

Operating Assistance

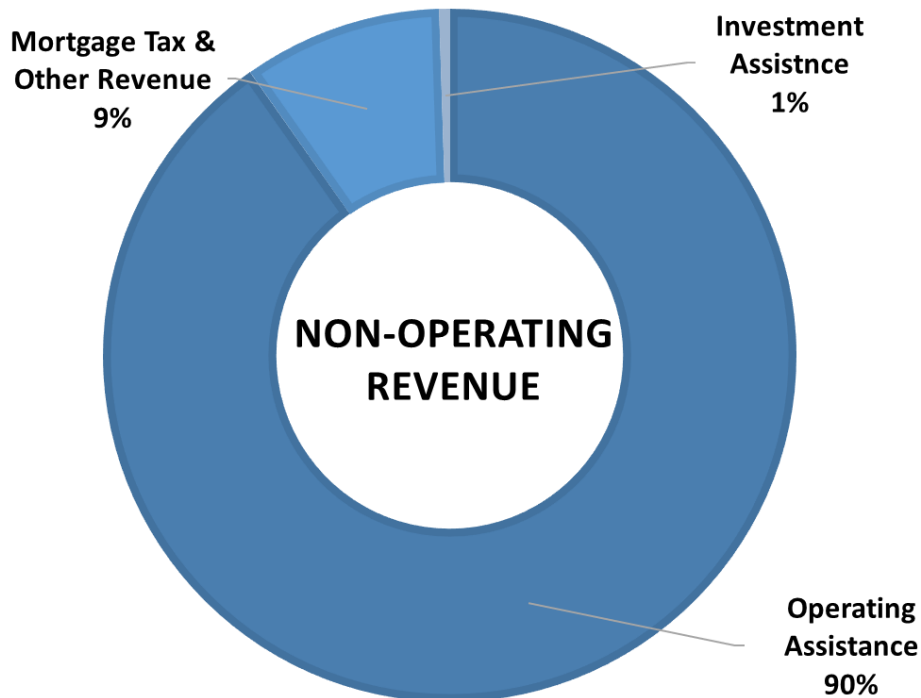
The proposed budget for Operating Assistance in 2024-25 is set at \$71 million, reflecting a \$2.4 million increase from the prior year's plan. The Authority will rely on a mix of federal, state, and local assistance to cover the anticipated expenses. The expected federal assistance required for operations is \$18.1 million. Which consists of the remaining \$12 million in Emergency COVID Relief funds, \$3 million in conserved Oneida operating assistance, and \$1.9 million from conserved preventive maintenance funds. Anticipated state assistance needed to fund operations is \$49.8 million, which includes \$49.5 million allocated from New York State Transit Operating Assistance (STOA), maintaining a flat budget based on the guidance of the New York State Department of Budget. Additionally, there is \$235 thousand designated as a state match to the conserved preventive maintenance funds. The total local assistance needed to fund operations is \$3.2 million. The budget assumes that funding levels for local assistance will remain unchanged.

Mortgage Recording Tax Revenue

The projected revenue from Mortgage Recording Tax (MRT) is expected to be \$7.2 million, indicating a decrease of \$1.5 million compared to the prior year's budget plan. This budget takes into account the recent reduction in MRT revenue, attributed to rising interest rates, leading to a sustained slowdown in the real estate market. The Authority is closely monitoring the commercial real estate market, as potential favorable developments could impact MRT revenue. Anticipated growth in the Central New York Area's commercial sector further supports this outlook.

Investment Revenue

The expected investment revenue for fiscal year 2024-25 is \$390 thousand. The Authority plans to invest idle cash, optimizing returns based on current US Treasury Rate. Considering that US Treasury investment revenue is a relatively new funding source, the Authority will continually assess long-term funding levels.



EXPENSE ASSUMPTIONS

PERSONNEL EXPENSES

Salaries and Wages

The budgeted salaries and wages expense for 2024-25 is \$40.5 million, indicating a 3% rise from the previous year's budget plan. This budget accounts for factors such as organizational changes, the Authority's employee incentive program, union wage increases, NYS State Fair service, annual Cost of Living Allowance (COLA) increases, and the full staffing and operation of all departments in 2024-25.

Other Employee Benefits & Payroll Taxes

The expenses related to other employee benefits and payroll taxes are predominantly influenced by the number of individuals employed by the Authority in the fiscal year. The proposed budget operates under the assumption that all departments will be fully staffed and operational. The budgeted allocation for other employee benefits and payroll taxes for 2024-25 is \$4.4 million, signifying a 6% increase from the previous year's budget plan.

Healthcare Benefits

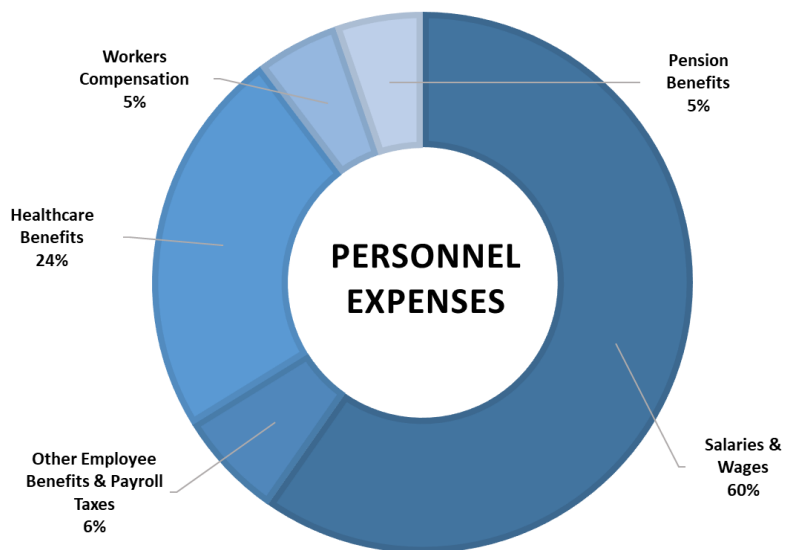
The healthcare benefit budget for the fiscal year 2024-25 is \$16 million, indicating an 8% increase from the previous year's budget plan. This healthcare budget considers all known influences, encompassing updates to healthcare plan premiums, prescription drug costs, dental coverage, the number of insured participants affecting medical stop-loss coverage, and all departments will be fully staffed and operational.

Workers Compensation

The budgeted expenses for Workers Compensation in 2024-25 are \$3.4 million, reflecting a 2% increase from the preceding year's budget plan. The Authority's staff and risk managers remain committed to diligently overseeing claims and fostering a safe work environment. These efforts have contributed to a reduction in the number of open workers' compensation claims. The Authority is optimistic that continued efforts will further contribute to a continuous decline in the number of open claims.

Pension Benefits

The budgeted expenses for pension benefits in 2024-25 amount to \$3.5 million, indicating a 33% decrease from the previous year's budget plan. The Authority sponsors four benefit plans, offering pension benefits to various employee groups across its subsidiary companies. This budget carefully considers the regulations governing each plan, the full staffing of all departments, and the Authority's yearly actuarial guidance for maximum contributions, ensuring adequate funding in line with market performance. In alignment with actuarial recommendations, the Authority has implemented contributions to the defined benefit plan, taking into account asset smoothing.



NON-PERSONNEL EXPENSES

Risk Management

The budgeted expenses for risk management in 2024-25 is \$3.7 million, reflecting a 12% increase from the previous year's budget plan. The budget for 2024-25 anticipates ongoing substantial rises in liability insurance premiums for the Authority, aligning with industry-wide cost increases.

Purchased Transportation

The budgeted expense for purchased transportation in 2024-25 is \$5.8 million, indicating a 28% increase from the previous year's budget plan. The ridership linked to our paratransit service has exceeded the levels observed in fiscal year 2019-2020. Presently, purchase transportation vendors are providing service for approximately 82% of the requested service, surpassing the prior year anticipated service level by 10%.

Materials & Supplies

The materials & supplies budget includes items to maintain and clean the buses, and supplies to maintain and clean the facilities, various regularly procured items, and computer equipment. This budget also includes materials & supplies necessary to support operations during the New York State Fair. The Authority's budget for materials & supplies in 2024-25 is \$5 million, signifying a 2% increase from the prior year's budget plan. This budget considers the current demand for supplies, existing economic conditions, and factors like supply shortages.

Utilities and Other Expenses

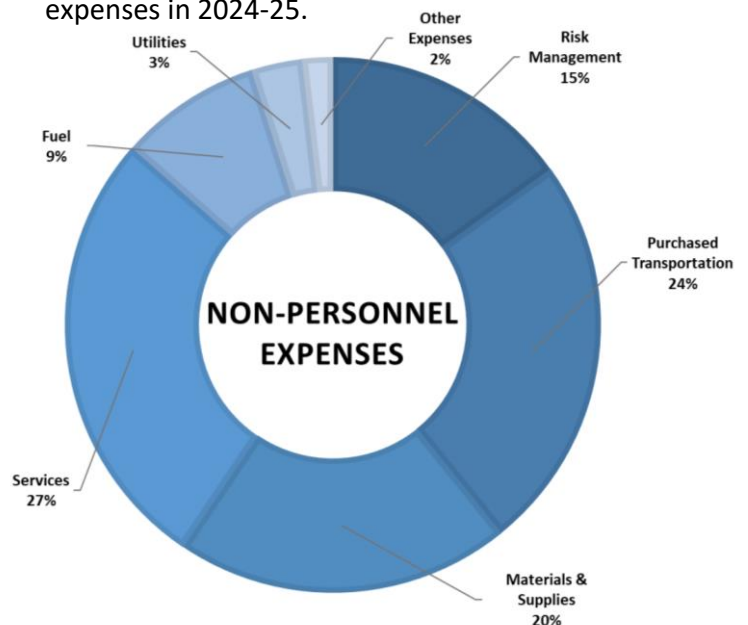
The budget for Utilities and Other expenses is set at \$1.2 million for the fiscal year 2024-25, marking an 18% increase from the previous year's budget plan. This budget accounts for anticipated utility rate increases and costs related to professional development and travel.

Services

The budgeted expense for services in 2024-25 is \$6.6 million, indicating a 14% decrease from the prior year's budget plan. The 2023-24 budget incorporates regularly requested services for both contracted and one-time service requests. Contracted services include legal, audit, pension, and maintenance services for various building systems, vehicles, software, as well as custodial and security services. The marketing budget includes campaigns highlighting service expansion, and an intensive recruitment program. The previously budgeted transportation consultant services will now be funded through the capital program.

Fuel

The Authority's fleet consists of vehicles powered by Gasoline, Diesel, and Compressed Natural Gas (CNG). The budget is formulated on historical usage patterns and projections of future pricing. For the fiscal year 2024-25, fuel costs are budgeted at \$2.1 million, reflecting a 10% reduction from the prior year's budget plan. This budget takes into consideration existing economic conditions, including secured pricing for certain fuel sources. Additionally, the Authority anticipates that the Alternative Fuel Credit will mitigate the impact of increasing fuel costs, offsetting approximately \$350 thousand in CNG fuel expenses in 2024-25.



PERSONNEL PROJECTIONS

| Labor Classifications | Projected 2023-24 | | 2024-25 Budget* | |
|-------------------------|-------------------|------------|-----------------|------------|
| | Full-Time | Part-Time | Full-Time | Part-Time |
| Vehicle Operators | 235 | 99 | 280 | 99 |
| Vehicle Operations | 65 | 9 | 65 | 9 |
| Vehicle Maintenance | 92 | 1 | 100 | 1 |
| Facility Maintenance | 18 | 1 | 18 | 1 |
| General Administration | 61 | 2 | 65 | 2 |
| Total Employees: | 471 | 112 | 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.

*An additional of full-time bus operators needed for anticipated BRT (Bus Rapid Transit) and OnDemand service.



OPERATING BUDGET PROJECTIONS

Sound fiscal management and public authority regulations require a multi-year budget forecast. These projections serve as a mechanism to alert the Authority's Board of Members, customers, and Federal and State stakeholders to forthcoming challenges and opportunities that might impact the Authority's ability to fulfill its mission and vision. Fiscal projections are regularly updated, taking into account economic influences and changes in the funding levels from critical governmental subsidies.

It is crucial to recognize the inherent uncertainties in any projections. The Multi-Year Operating Budget Projections factor in expected expense increases, known influences regarding estimated revenue, historical trends, and educated predictions. The Authority anticipates fully expended all Emergency COVID Relief funds in the 2024-25 budget year. Subsequent budget deficits will be funded using reserves with the hope that state operating assistance will continue to increase, compensating for the revenue shortfalls that were funded with COVID Relief funds.

SUMMARY MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

| | 2024-25 BUDGET | 2025-26 BUDGET | 2026-27 BUDGET | 2027-28 BUDGET |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | |
| Unsubsidized Locally Generated Revenue | \$13,568 | \$14,054 | \$14,559 | \$15,083 |
| Governmental Subsidized Revenue | 71,015 | 67,484 | 61,063 | 61,587 |
| Mortgage Tax and Other Revenue | 7,300 | 7,300 | 7,300 | 7,300 |
| Investment Revenue | 390 | 390 | 390 | 390 |
| Total Revenue | 92,273 | 89,228 | 83,312 | 84,360 |
| Expenses | | | | |
| Personnel | 67,788 | 71,012 | 74,400 | 77,962 |
| Non-Personnel | 24,485 | 26,335 | 27,896 | 29,525 |
| Total Expenses | 92,273 | 97,347 | 102,296 | 107,487 |
| Operating Income (Loss) | \$0 | (\$8,119) | (\$18,984) | (\$23,127) |
| Use of Operating Reserves | 0 | 8,119 | 18,984 | 23,127 |
| 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)

| | 2024-25 BUDGET | 2025-26 BUDGET | 2026-27 BUDGET | 2027-28 BUDGET |
|--|-------------------|-------------------|-------------------|-------------------|
| Operating Revenue | | | | |
| Regular Line Passenger Revenue | \$3,957 | 4,155 | 4,363 | 4,581 |
| Special Line Passenger Revenue | 7,539 | 7,765 | 7,998 | 8,238 |
| Advertising & Other Revenue | 2,072 | 2,134 | 2,198 | 2,264 |
| Total Operating Revenue | 13,568 | 14,054 | 14,559 | 15,083 |
| Expenses | | | | |
| Salaries & Wages | 40,469 | 42,088 | 43,771 | 45,522 |
| Other Employee Benefits & Payroll Taxes | 4,408 | 4,584 | 4,768 | 4,958 |
| Healthcare Benefits | 15,950 | 17,067 | 18,261 | 19,539 |
| Workers Compensation | 3,403 | 3,573 | 3,752 | 3,939 |
| Pension Benefits | 3,558 | 3,700 | 3,848 | 4,002 |
| Risk Management | 3,703 | 4,073 | 4,481 | 4,929 |
| Purchased Transportation | 5,890 | 6,243 | 6,618 | 7,015 |
| Materials & Supplies | 4,964 | 5,212 | 5,473 | 5,746 |
| Services | 6,623 | 6,954 | 7,302 | 7,667 |
| Fuel | 2,103 | 2,587 | 2,690 | 2,766 |
| Utilities | 754 | 799 | 847 | 898 |
| Other Expenses | 448 | 466 | 485 | 504 |
| Total Operating Expenses | 92,273 | 97,347 | 102,296 | 107,487 |
| Non-Operating Revenue | | | | |
| Operating Assistance | 71,015 | 67,484 | 61,063 | 61,587 |
| Mortgage Tax Revenue | 7,250 | 7,250 | 7,250 | 7,250 |
| Gain/Loss on Disposal of Capital | 50 | 50 | 50 | 50 |
| Investment Revenue | 390 | 390 | 390 | 390 |
| Total Assistance and Other Revenue | 78,705 | 75,174 | 68,753 | 69,277 |
| Operating Income (Loss) Before Reserves | \$0 | (\$8,119) | (\$18,984) | (\$23,127) |
| Use of Operating Reserves | 0 | 8,119 | 18,984 | 23,127 |
| 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

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 Capital Improvement Plan of the Authority considers proposed capital investments essential for sustaining and enhancing the infrastructure and operations. Critical elements of this plan focus on the replacement of Authority's vehicles, facilities and equipment updates, and service enhancements. This strategic approach enables both the Authority and its subsidiary operations to pursue financial stability, elevate service quality, enhance the customer experience, and enhance ridership. All while simultaneously, addressing the necessity of modernizing infrastructure and technology, aligning with modern standards and demands.

The Capital Improvement Plan operates within fiscal constraints dictated by the available funding sources. Management decisions regarding the prioritization of capital improvements carefully weigh the extent of Federal and State capital funding allocated to the Authority. In certain cases, capital improvements are funded entirely through local resources, although such instances are limited.

Planned asset replacements allows management to forecast capital funding requirements while maintaining predictability in operating costs. This strategic approach ensures the reliability of service, enhances energy efficiencies, and prioritizes the safety of both customers and employees. Replacing assets in accordance with a predetermined plan, the Authority can sustain and improve its operations, and adhere to the overall operating efficiencies and safety standards.

2024-25 CAPITAL BUDGET

(\$ Thousands)

| | 2024-25 PROPOSED CAPITAL BUDGET | FEDERAL | STATE | LOCAL |
|-----------------------------|---------------------------------------|-----------------|-----------------|----------------|
| Capital Improvements | | | | |
| Land Improvement | \$699 | \$79 | \$610 | \$10 |
| Computer Hardware | 172 | 138 | 17 | 17 |
| Transit System Enhancements | 200 | 160 | 20 | 20 |
| Systems | 1,091 | 393 | 649 | 49 |
| Equipment | 113 | 91 | 11 | 11 |
| Facility Upgrades | 4,061 | 1,919 | 1,902 | 240 |
| Service Vehicles | 458 | 366 | 46 | 46 |
| Fixed Route Buses | 55,414 | 31,771 | 19,672 | 3,971 |
| Total Improvements | \$62,208 | \$34,917 | \$22,927 | \$4,364 |

The Authority intends to finalize the following capital projects during the fiscal year 2024-25. The projects listed are highlights of the complete Capital Improvement Plan, which are funded with a mix of Federal, State and Local funds.

- 64 New Fixed Route Buses
- Building Bathroom Renovations
- Service Vehicles for CNY Centro and Centro of Oneida
- Planning for BRT Service Enhancements
- System Upgrades to include Fire Alarm and Plan upgrades, CAD AVL Realtime Information, Gas Sensor Upgrades

MULTI-YEAR CAPITAL IMPROVEMENT PLAN PROJECTIONS

(\$ Thousands)

| Authority Fiscal Year --> | 2025-26 Projection | 2026-27 Projection | 2027-28 Projection | 2028-29 Projection | 2029-30 Projection |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Onondaga County Projects: | | | | | |
| Bus Signage | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bus Support Equipment/Facilities Rehab | - | - | - | - | - |
| Bus Rapid Transit (BRT) & Engineering | 10,000 | 15,000 | | - | - |
| Computer Hardware | 200 | 200 | 200 | 200 | 200 |
| Computer Software | 125 | 125 | 125 | 125 | 125 |
| Engineering Services | 200 | - | 200 | - | 200 |
| Facility Upgrades | 3,000 | - | - | - | - |
| Service Vehicles | 70 | 190 | 170 | - | - |
| Support Vehicles | - | - | 170 | 140 | 105 |
| Rolling Stock - Fixed Route Buses | - | - | 7,000 | - | - |
| Rolling Stock - Paratransit Buses | 1,540 | - | 1,015 | 1,160 | 10,000 |
| Total Capital Project Cost | \$ 15,135 | \$ 15,515 | \$ 8,880 | \$ 1,625 | \$ 10,630 |
| Oneida County Projects: | | | | | |
| Computer Hardware | \$ - | \$ - | \$ - | \$ - | \$ - |
| Equipment | - | - | - | - | - |
| Facility Upgrades | 5,000 | - | 15,000 | - | - |
| Rolling Stock - Fixed Route Buses | - | - | - | - | - |
| Rolling Stock - Paratransit Buses | - | - | - | - | 400 |
| Service Vehicles | - | - | 18 | - | - |
| Total Capital Project Cost | \$ 5,000 | \$ - | \$ 15,018 | \$ - | \$ 400 |
| Grand Total Capital Project Cost | \$ 20,135 | \$ 15,515 | \$ 23,898 | \$ 1,625 | \$ 11,030 |

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

- Bus Rapid Transit (BRT) service:
 - James St. to South Ave. to Onondaga Community College corridor
 - Syracuse University to the Regional Transportation Center corridor
- Construct a new consolidated garage and office facility for Centro of Oneida
- Rolling stock purchases