

Central New York Regional Transportation Authority



Operating & Capital Budget
Fiscal Year 2025-26

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INTRODUCTION

OUR MISSION

To be a driving force moving communities forward.

OUR VISION

Mobility solutions that help people achieve more.

OUR VALUES

Respect – Dignity and kindness always

Integrity – Do good, be good

Safety – Everyone's responsibility

Excellence – Holding ourselves to the highest standards

Service – Passion for the community



Centro is committed to **being a driving force moving communities forward by providing mobility solutions that help people achieve more.** Our dedication to **respect, integrity, safety, excellence, and service** guides our operations, ensuring public transportation remains dependable, accessible, and impactful for the communities we serve. Together, we are shaping the future of mobility and empowering individuals to move forward.

ABOUT CENTRO

The Central New York Regional Transportation Authority (CNYRTA), also known as Centro or the Authority, serves as the public mass transit provider for the Central New York region. Centro offers fixed-route, commuter, on-demand, and paratransit services across Onondaga, Cayuga, Oswego, and Oneida counties, with service expansion into Cortland County starting March 31, 2025. Collectively, these counties are home to nearly 926,000 residents.

Centro services encompass 5,000 bus stops, 210 passenger shelters, three transfer hubs, three surface parking areas, and a Regional Transportation Center. Operating a fleet of 262 revenue vehicles, supported by six maintenance facilities, including our largest full-service maintenance facility and administrative headquarters in Onondaga County (Syracuse). Centro operates 103 routes, covering more than 5.9 million miles annually, with over 2,500 bus trips each weekday for regular service and approximately 3,800 weekly trips for paratransit services.

Since our establishment in 1970 and the launch of a publicly operated bus service in Syracuse on January 17, 1972, Centro has remained committed to enhancing the quality of life and economic vitality of Central New York. As a responsible community partner and an essential component of the region's public infrastructure, Centro continues to contribute through various initiatives, including:

- Providing ADA-compliant paratransit services to ensure accessibility for all riders.
- Offering transportation to the New York State Fair and local college campuses, including Syracuse University, SUNY Oswego, Onondaga Community College, Cayuga Community College, and Mohawk Valley Community College.
- Supporting community events, services, and educational programs throughout the year.
- Promoting environmental sustainability with a fleet of compressed natural gas (CNG) and clean diesel buses.
- Partnering with police, fire departments, emergency responders, and the Red Cross to support community safety during emergencies.



BOARD OF MEMBERS

Nicholas F. Laino

Chairman

Oneida County

Darlene DeRosa Lattimore

Secretary

Cayuga County

Neil Milcarek-Burke

City of Syracuse

Robert F. Cuculich

Onondaga County

Monte Flynn

Oswego County

Julius L. Lawrence

City of Syracuse

Louella Williams

Onondaga County

Anthony Q. Davis Sr.

Vice Chairman

City of Syracuse

Tina Fitzgerald

Treasurer

Governor's Office

Frank Saya *

Bargaining Unit

Open Seat

City of Rome

Open Seat

Cortland County

Open Seat

Onondaga County

Open Seat

Onondaga County

* Non-Voting Member



GOVERNANCE STRUCTURE

The Authority is governed by a Board of Members, consisting of thirteen positions, including one non-voting member representing the collective bargaining units. The current composition of the Board is as follows:

- Onondaga County – 5 seats
- City of Syracuse – 3 seats
- Oswego County – 1 seat
- Cayuga County – 1 seat
- Oneida County – 1 seat
- City of Rome – 1 seat
- Cortland County – 1 seat
- Collective Bargaining Unit – 1 non-voting seat

Board members are appointed by the Governor and confirmed by the New York State Senate. Terms are fixed but staggered over seven-year periods, beginning on July 1. Members continue to serve until their successors are appointed and may be reappointed through the same process. Officers of the Board, including the Chairperson, Vice-Chairperson, Secretary, and Treasurer, are elected by the Board of Members.

Board members serve without compensation but are eligible for reimbursement of necessary and actual expenses incurred while performing official duties.

The Board of Members holds at least one meeting per month, typically on the fourth Friday. These meetings are open to the public, recorded, and streamed live on the Authority's website: www.Centro.org.

COMMITTEES

COMMITTEE	FREQUENCY	DESCRIPTION
Audit & Finance	Monthly	Established by the Bylaws to ensure compliance with Public Authorities Law. Responsibilities include reviewing independent audits, financial statements, and related financial information.
Governance	Twice Annually	Established by the Bylaws in accordance with the Authorities Budget Office. Focuses on best governance practices, internal controls, and governance-related matters.
Pension	Quarterly	Established by Board Resolution to oversee and review the management of the Authority's pension funds.
Personnel	As Needed	Established by Board Resolution to address personnel-related matters, including work history and salary information. Meetings are typically held in executive session.
Legal	As Needed	Established by Board Resolution to discuss legal matters. Meetings are typically held in executive session.
Nominating	Annually	Established by Board Resolution to nominate Officers for the Board of Members. Meetings are typically held in executive session.



RELATIONSHIP TO NEW YORK STATE

HISTORY

The Central New York Regional Transportation Authority (CNYRTA) was established by the New York State Legislature in 1970 in response to economic, demographic, and land-use shifts that led to the decline of privately operated public transit companies. Across the United States, many private bus operators were unable to sustain their operations and replace aging equipment with fare revenue alone. As a result, public transportation authorities were created in major cities across New York State and other urbanized areas in the late 1960s and early 1970s.

Public transportation plays a vital role in maintaining local economic vitality. It provides mobility options for individuals who cannot or choose not to drive, reduces traffic congestion and fuel consumption, lowers air pollution, and creates pathways to employment. Additionally, it offers an essential alternative for commuting to work, school, medical appointments, shopping centers, and social or entertainment venues. Like roads and bridges, public transit is a fundamental component of the nation's transportation infrastructure.

LEGAL STATUS

CNYRTA is a public authority and a public benefit corporation of New York State, created under Title 11-D of the Public Authorities Law in 1970. While it operates as an “agent” of the state, it is not part of the state itself. Its legislated purpose is to develop, improve, and maintain public transportation services within the Central New York Regional Transportation District. Under state law, CNYRTA is recognized as providing “*an essential governmental function*” for the benefit of New York State residents.

The original Central New York Regional Transportation District included Onondaga County. The law permitted additional counties Cayuga, Cortland, Jefferson, Madison, Oneida, and Oswego to join through a vote of their legislative bodies. To date, Oswego (1972), Cayuga (1973), Oneida (2005), and Cortland (2025) Counties have elected to join Onondaga County (1970) as part of the Authority’s service area.

As a governmental entity created for the public benefit, CNYRTA and its subsidiaries are tax-exempt from sales, excise, property, and income taxes.

For financial reporting purposes, CNYRTA is a Component Unit of the State of New York. Its independently audited financial statements, including those of its subsidiaries, are incorporated into New York State’s Comprehensive Annual Financial Report (CAFR). Additionally, CNYRTA is recognized as a “specified” transit system in the annual appropriations of the New York State Budget.

LEGAL STATUS

To fulfill its mission, CNYRTA has created several public benefit subsidiary corporations over the past 50+ years. The Authority provides comprehensive public transit services through its six “Centro” bus subsidiaries, serving Onondaga, Oswego, Cayuga, Oneida, and Cortland Counties. Additionally, two smaller subsidiaries manage specialized functions.

CNY Centro, Inc.

Provides fixed-route public transit services in Onondaga County, operating a fleet of 146 heavy-duty buses—131 powered by compressed natural gas (CNG) and 15 by diesel. CNY Centro also supports all other subsidiaries by managing fleet maintenance, route planning, scheduling, training, accounting, procurement, grant administration, payroll, human resources, IT, marketing, and other administrative functions.



Centro Call-A-Bus, Inc.

Provides demand-response paratransit services in Onondaga County, complementing fixed-route service as required by the Americans with Disabilities Act (ADA). Originally launched in the mid-1970s, Call-A-Bus was already in place for nearly two decades before the ADA mandated paratransit service nationwide. It operates a fleet of 24 specialized vehicles, supplemented by fixed-route buses, private van operators, and taxi services.

Centro of Oneida, Inc.

Operates fixed-route and ADA-mandated paratransit services in Oneida County, using 29 large and 9 small buses. It includes the Utica Division, serving Utica, Kirkland, New Hartford, and Whitestown, and the Rome Division, which provides service within the City of Rome. Before joining CNYRTA in 2005 these municipal transit operations faced significant financial and operational challenges. With support from New York State, CNYRTA successfully regionalized Oneida County's transit system under Centro of Oneida, Inc.

Centro of Oswego, Inc.

Provides fixed-route and ADA-mandated paratransit services in Oswego County, operating 13 large and 3 small buses. It serves SUNY Oswego, the cities of Oswego and Fulton, and commuter routes connecting Mexico, Fulton, Oswego, and Syracuse. Centro of Oswego operates from an Authority-owned light maintenance/office facility in Oswego.

Centro of Cayuga, Inc.

Provides fixed-route and ADA-mandated paratransit services in Cayuga County, operating 13 large and 1 small bus. It serves Auburn, Weedsport, and Port Byron, with commuter service to Syracuse and the Regional Transportation Center. Centro of Cayuga also operates extensive New York State Fair shuttle services and is based in an Authority-owned light maintenance/office facility in Auburn.

Centro of Cortland, Inc.

Launching in 2025, will provide fixed-route and ADA-mandated paratransit services in Cortland County, operating 8 large and 16 small buses. Service is expected to remain similar to the current service provided, with transit coverage for the City of Cortland and surrounding areas, supplying residents with reliable transportation options within the county.

Centro Parking Inc.

Established in the 1970s to generate revenue supporting transit operations. It leases surface parking lots to SUNY Upstate Hospital and manages a permit parking lot under Interstate 81 in Syracuse, leased from the State of New York.

Intermodal Transportation Center, Inc. (ITC, Inc.)

Created in 1995 to develop and manage the William F. Walsh Regional Transportation Center (RTC) in Syracuse, which opened in 1998. The RTC serves as a hub for Centro's local and regional transit, as well as Amtrak, Greyhound, Adirondack Transit Lines, and OurBus. Before its construction, intercity travelers had no convenient way to transfer between these modes of transportation, as terminals were scattered across the region. The RTC operates 24/7 and has undergone multiple significant capital improvements by CNYRTA over the years.

CNYRTA remains committed to its mission of enhancing mobility, supporting economic growth, and improving the quality of life in Central New York. Through its comprehensive network of subsidiaries, specialized services, and partnerships, the Authority continues to serve as a critical component of the region's public infrastructure.



FINANCIAL POLICIES

CASH MANAGEMENT

The Authority's cash management process and investment program are designed to maximize earnings, address shortfalls, and ensure sufficient liquidity to support ongoing operations. Available cash balances are invested in accordance with the Authority's Investment Guidelines. The Authority and its subsidiaries adhere to investment policies governed by New York State, which outline permitted investments subject to various conditions. These include bank certificates, certificates of deposit, obligations of the State of New York or the United States government, certain repurchase agreements, and approved bonds and notes.

RESERVES

The Authority maintains a general fund balance to safeguard its budget against inherent financial risks, thereby protecting both service levels and fare stability from sudden fluctuations in revenue or expenses. With Board approval, funds may be allocated to reserves as necessary to mitigate financial risks. The Authority has established Board-Designated Reserves for significant cost items, such as healthcare, auto and general liability insurance, capital replacements, and paratransit services, all of which can have substantial financial impacts from year-to-year.

INVESTMENT MANAGEMENT

The Authority invests in government securities, which are recorded at fair value based on quoted market prices and valuations provided by external sources. Unrealized gains or losses result from fluctuations between the cost and fair value of these investments on a specified valuation date. Changes in fair value are reflected in the statements of revenue, expenses, and changes in net position. Investment income is recognized on an accrual basis, with dividends recorded on the ex-dividend date.

INDEPENDENT AUDIT

Each fiscal year, the Authority engages an independent certified public accounting firm to conduct an external audit of its financial statements. The Audit & Finance Committee is responsible for overseeing the independent auditor and recommends their selection to the full Board of Members.

DEBT MANAGEMENT

Although there is no legal restriction on the Authority's ability to issue debt, it has never issued bonds in its 50-year history.



FUNDING PROFILE – OPERATING

UNSUBSIDIZED GENERATED REVENUE

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

Special Line Revenues include revenue from contracted services provided to local city schools, colleges, shopping centers, and the NYS Fair.

Advertising and Other Revenues encompass income from transit advertising on buses and shelters, parking fees, and lease revenue from tenants at the Regional Transportation Center, as well as additional parking revenue.

GOVERNMENTAL SUBSIDIZED REVENUE

Federal Sources of Operating Funds

Section 5307 & 5311 – The Authority has become increasingly reliant on federal operating assistance provided through the Capital Grant Program (Section 5307). These funds support eligible preventive maintenance costs for buses and facilities operated by CNY Centro, Inc. In addition to preventive maintenance funding, the Authority receives federal operating assistance designated for non-urban and small-urban areas. This includes Section 5307 funding for Centro of Oneida and Section 5311 funding for services in Oswego, Cayuga, and Oneida Counties, as well as the Tully service in Onondaga County. The Authority anticipates receiving Section 5311 funding for its operations in Cortland County.

State Sources of Operating Funds

Statewide Mass Transit Operating Assistance (STOA) – The majority of the Authority's operating assistance is provided by the New York State Department of Transportation (NYSDOT) through the STOA program. The annual funding level for STOA is determined by the NYSDOT Commissioner, the Director of the New York State Division of Budget (NYSDOB), and/or the State Legislature, with any changes reflected in the New York State Executive Budget. The budget deadline for the New York State Executive Budget is April 1 each year. Due to the uncertainty of future funding levels, the Authority follows a budgetary practice of assuming flat STOA funding annually until the final budget is issued by the NYSDOB.

Local Sources of Operating Funds

Local 18b Match to STOA – In addition to NYSDOT operating assistance, the Authority receives the state-mandated 18b STOA match from participating counties. Onondaga, Cayuga, Oswego, and Oneida Counties currently contribute to this match, with funding levels expected to increase with the inclusion of Cortland County.

Local Voluntary Funds – The Authority receives voluntary financial support from municipalities, totaling approximately \$15,000 annually.

DEDICATED FUNDING

Mortgage Recording Tax (MRT)

The Central New York Regional Transportation Authority receives revenue from a mortgage recording fee of ¼ of 1% imposed on mortgages within participating counties (Onondaga, Cayuga, Oswego, Oneida, and Cortland (effective 2025). Owner-occupied residential properties of one to six families are exempt. This tax is paid by the mortgagee to the county recording officer where the mortgaged property is located. Under State Finance Law, it is referred to as the "additional" mortgage tax. The collected revenue is remitted monthly to the Authority by each participating county.



Mortgage Recording Tax (MRT) (continued)

The MRT is inherently volatile and subject to significant year-to-year fluctuations, influenced by national and local economic conditions, the regional housing market, property values, business mortgage activity, and mortgage interest rates, which are heavily affected by federal monetary policy. Additionally, Industrial Development Agencies (IDAs) historically impacted MRT revenues by unilaterally exempting mortgage financings from the tax. However, recent legislation now prohibits these exemptions, providing some stabilization to MRT collections.

MRT revenue is utilized to fund the local matching share of capital grants (typically 10% of project costs), establish reserves for insurance, capital projects, and general funds, and pay down debt—though the Authority currently carries no debt. In the future, MRT revenue may be allocated to subsidize operating deficits within the bus operating subsidiaries, despite no legal obligation to do so.

As the only dedicated local transit funding source in New York State, the MRT remains a critical component of the Authority's financial structure. While unpredictable and subject to economic volatility, it plays a vital role in ensuring the Authority's financial stability.



FINANCIAL PLANNING

ANNUAL OPERATING BUDGET PROCESS

The Central New York Regional Transportation Authority (CNYRTA) employs a zero-based budgeting approach, which begins at zero and builds the budget based on needs and costs, rather than following a traditional incremental budgeting method. This approach helps control costs by preventing automatic increases or decreases from prior budgets and requires a thorough evaluation of expenditures in relation to CNYRTA's overall mission.

The budgeting process starts with a collaborative effort among staff, who assess departmental needs and known factors such as collective bargaining agreements, fuel lock-in contracts, and other financial commitments. Additional considerations include operational initiatives, such as service adjustments or necessary maintenance projects.

Several key operating and capital revenue sources fall outside of CNYRTA's direct control, including New York State transit operating assistance, federal formula and discretionary capital funding, and the locally levied Mortgage Recording Tax (MRT) dedicated to transit. Additionally, major expense items such as healthcare costs, risk management, and workers' compensation insurance pose budgetary risks beyond CNYRTA's direct control. The proposed budget is developed by comparing it to the current year's budget, year-end projections, and prior year actuals, while also factoring in external economic conditions and trends.

Once drafted, the proposed budget undergoes review by the Chief Executive Officer (CEO), Deputy CEO and the Executive Team, who evaluate key assumptions regarding revenues, expenses, and potential operational initiatives. The draft budget is then presented to the Board of Members for adoption in November. Once approved, it is submitted to the Public Authorities Reporting and Information System (PARIS) by December 31, in compliance with Section 2801 of Public Authorities Law.

CNYRTA staff continuously monitors the proposed budget, making updates as necessary based on the Governor's Proposed Executive Budget (typically released in mid-January) and any other revised assumptions or significant changes in circumstances. The Board of Members formally reviews and adopts the final budget in March, incorporating any necessary adjustments. The adopted budget is then included in the Final Budget and Financial Plan, as required under Comptroller Regulation Part 203, and is published on the CNYRTA website by March 31.



BUDGET OVERVIEW

Centro's financial plan is built upon four core elements designed to ensure comprehensive financial oversight, sustainability, and strategic long-term planning. These elements provide a structured approach to managing operating costs, capital investments, and revenue sources, ensuring the Authority's ability to meet current and future transit demands efficiently.

The key components of Centro's financial plan include:

- **2025-26 Operating Budget** – Establishes the fiscal framework for the upcoming year, detailing expected revenues, expenses, and funding sources necessary to support daily transit operations.
- **Multi-Year Operating Budget Projections (2025-26 through 2028-29)** – Offers a forward-looking financial analysis, identifying trends, potential challenges, and opportunities for long-term fiscal sustainability.
- **2025-26 Capital Budget** – Outlines planned investments in infrastructure, vehicle procurement, technology enhancements, and facility improvements to maintain a state of good repair and enhance service reliability.
- **Five-Year Capital Funding Improvement Plan (2025-26 through 2029-30)** – Focuses on long-term system enhancements, modernization efforts, and strategic capital investments essential to the continued efficiency and expansion of Centro's transit network.

By integrating these components, Centro ensures a responsible and proactive financial strategy, allowing for adaptability in response to economic conditions, ridership trends, and funding availability while maintaining a commitment to providing safe, reliable, and accessible transportation for Central New York communities.



2025-26 OPERATING BUDGET

As a critical transportation provider in Central New York, Centro connects communities while supporting regional goals for economic growth, sustainability, and equity. Residents and visitors rely on Centro for transportation to workplaces, schools, shopping, entertainment, and other key destinations.

Centro's operating budget supports fixed-route bus services, paratransit programs, and other transit initiatives, funded through a mix of generated revenue and government subsidies.

To offset COVID-19-related revenue losses, the federal government provided relief funding, which Centro expects to fully utilize in FY2025. Post-pandemic, ridership has shown consistent year-over-year growth, and ongoing bus operator recruitment efforts will allow Centro to restore services that were reduced during the pandemic.

Several financial challenges are anticipated to affect Centro's operations, including the depletion of federal relief funding, shifting ridership patterns, rising operational costs driven by inflation, and the integration of Cortland County transit services. As a result, the Authority's 2025-26 operating budget assumes a \$1.7 million deficit.

SUMMARY 2025-26 OPERATING BUDGET COMPARISON

(\$ Thousands)

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Revenue							
Unsubsidized Generated Revenue	\$ 14,461	\$ 15,047	\$ (586)	-4%	\$ 14,049	\$ 412	3%
Governmental Subsidized Revenue	76,676	74,838	1,838	2%	69,572	7,104	10%
Mortgage Tax and Other Revenue	8,140	7,815	325	4%	8,368	(228)	-3%
Investment Revenue	500	500	-	0%	1,415	(915)	-65%
Total Revenue	99,777	98,200	1,577	2%	93,404	6,373	-54%
Expenses							
Personnel	72,633	73,690	(1,057)	-1%	62,862	9,771	16%
Non-Personnel	28,795	28,613	182	1%	23,649	5,146	22%
Total Expenses	101,428	102,303	(875)	-1%	86,511	14,917	17%
Operating Income (Loss)	\$ (1,651)	\$ (4,103)	\$ 2,452	-60%	\$ 6,893	\$ (8,544)	-124%

The anticipated revenues for 2025-26 total \$99.8 million, reflecting a \$6,373 million increase over the 2024-25 projected year-end revenues.

- \$14.5 million from unsubsidized generated sources
- \$76.7 million from government-subsidized revenues
- \$8.1 million from mortgage tax and other income streams
- \$500 thousand from investment revenue

The anticipated operating expenses for 2025-26 total \$101.4 million, reflecting a \$14,917 million increase over the 2024-25 year-end expenses.

- \$72.6 in Personnel Expenses
- \$28.8 in Non-Personnel Expenses

A detailed breakdown of the key factors affecting Centro's revenues and expenses, along with a comparative analysis of the 2025-26 Operating Budget and 2024-25 year-end projections, is presented in the following sections.



2025-26 OPERATING BUDGET

(\$ Thousands)

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Operating Revenue							
Regular Line Passenger Revenue	\$ 4,405	\$ 4,392	\$ 13	0%	\$ 4,281	\$ 124	3%
Special Line Passenger Revenue	7,693	8,241	(548)	-7%	7,458	235	3%
Advertising & Other Revenue	2,363	2,414	(51)	-2%	2,310	53	2%
Total Operating Revenue	14,461	15,047	(586)	-4%	14,049	412	3%
Expenses							
Salaries & Wages	44,079	45,174	(1,095)	-2%	38,102	5,977	16%
Other Employee Benefits & Payroll Taxes	4,475	4,557	(82)	-2%	3,904	571	15%
Healthcare Benefits	15,540	16,117	(577)	-4%	12,945	2,595	20%
Workers Compensation	3,459	3,223	236	7%	2,946	513	17%
Pension Benefits	5,080	4,619	461	10%	4,965	115	2%
Risk Management	4,447	4,286	161	4%	3,194	1,253	39%
Purchased Transportation	6,792	6,553	239	4%	5,839	953	16%
Materials & Supplies	4,972	5,239	(267)	-5%	4,690	282	6%
Services	8,192	8,259	(67)	-1%	6,636	1,556	23%
Fuel	2,866	2,877	(11)	0%	2,013	853	42%
Utilities	839	816	23	3%	761	78	10%
Other Expenses	687	583	104	18%	516	171	33%
Total Operating Expenses	101,428	102,303	(875)	-1%	86,511	14,917	17%
Non-Operating Revenue							
Operating Assistance	76,676	74,838	1,838	2%	69,572	7,104	10%
Mortgage Tax Revenue	8,090	7,765	325	4%	8,296	(206)	-2%
Gain/Loss on Disposal of Capital	50	50	-	0%	72	(22)	-31%
Investment Revenue	500	500	-	0%	1,415	(915)	-65%
Total Assistance and Other Revenue	85,316	83,153	2,163	3%	79,355	5,961	8%
Operating Income (Loss)	\$ (1,651)	\$ (4,103)	\$ 2,452	-60%	\$ 6,893	\$ (8,544)	-124%



REVENUE ASSUMPTIONS

OPERATING REVENUE

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Operating Revenue							
Regular Line Passenger Revenue	\$ 4,405	\$ 4,392	\$ 13	0%	\$ 4,281	\$ 124	3%
Special Line Passenger Revenue	7,693	8,241	(548)	-7%	7,458	235	3%
Advertising & Other Revenue	2,363	2,414	(51)	-2%	2,310	53	2%
Total Operating Revenue	14,461	15,047	(586)	-4%	14,049	412	3%

Regular Line Passenger Revenue

Regular line passenger revenue is budgeted at \$4.4 million, reflecting a 3% increase over the projected 2024-25 year-end revenue. The budget assumptions include:

- Projected revenue driven by ridership following the launch of service in Cortland County.
- Anticipated ridership growth, supported by anticipated restoration of services that were previously reduced during the COVID-19 pandemic.
- Revenue generated from the Great New York State Fair, factoring in expected attendance levels and fare collections.

Special Line Passenger Revenue

Revenue from subsidy agreements with community partners is budgeted at \$7.7 million, representing a 3% increase over the projected 2024-25 year-end revenue. The budget assumptions include:

- Contractual rate adjustments for existing agreements.
- Evolving service requirements from community partners.
- Revenue from the Great New York State Fair shuttle services, based on projected demand and historical trends.

Advertising & Other Revenue

Advertising and other revenues are budgeted at \$2.4 million, representing a 2% increase over the projected 2024-25 year-end revenue. The budget assumptions include:

- Guaranteed minimum revenues from transit advertising agreements.
- Projected increases in parking revenues at the Regional Transportation Center and Route 81 parking lots.
- Modest rent adjustments for leased commercial spaces.



NON-OPERATING REVENUE

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Non-Operating Revenue							
Operating Assistance	76,676	74,838	1,838	2%	69,572	7,104	10%
Mortgage Tax Revenue	8,090	7,765	325	4%	8,296	(206)	-2%
Gain/Loss on Disposal of Capital	50	50	-	0%	72	(22)	-31%
Investment Revenue	500	500	-	0%	1,415	(915)	-65%
Total Assistance and Other Revenue	85,316	83,153	2,163	3%	79,355	5,961	8%

Operating Assistance

The 2025-26 Operating Assistance budget is \$77.7 million, representing a 10% increase over the projected 2024-25 year-end revenue. Centro relies heavily on a mix of federal, state, and local aid to support operational expenses. The budget assumptions include:

- Federal assistance is anticipated at \$15.4 million, including:
 - \$3 million in conserved Oneida operating funds.
 - \$11.3 million in conserved preventive maintenance funds.
- State assistance is anticipated at \$58 million, composed of:
 - \$56.4 million from New York State Transit Operating Assistance (STOA), reflecting the 4.74% increase that was included in Governor Hochul's proposed executive budget
 - \$1.4 million in state matching funds for preventive maintenance.
- Local assistance is anticipated at \$3.3 million, which includes expected contributions from Cortland County's.

Mortgage Recording Tax (MRT) Revenue

Mortgage Recording Tax revenue is budgeted at \$8 million, representing a 2% decrease over the projected 2024-25 year-end revenue. Budget assumptions include:

- Anticipated revenue growth associated with the expansion of service in Cortland County
- Ongoing monitoring of the residential real estate sector, as interest rates will influence MRT revenue.
- Ongoing monitoring of the commercial real estate sector, as trends could further impact MRT revenue.

Investment Revenue

Investment revenue is budgeted at \$500 thousand. Centro will continue to:

- Optimize returns by investing idle cash in U.S. Treasury securities.
- Evaluate the long-term potential of investment income as a sustainable revenue stream.

Through strategic financial planning and resource allocation, Centro remains committed to ensuring operational stability, service reliability, and fiscal responsibility in serving Central New York's transportation needs.



EXPENSE ASSUMPTIONS

PERSONNEL EXPENSES

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Personnel Expenses							
Salaries & Wages	44,079	45,174	(1,095)	-2%	38,102	5,977	16%
Other Employee Benefits & Payroll Taxes	4,475	4,557	(82)	-2%	3,904	571	15%
Healthcare Benefits	15,540	16,117	(577)	-4%	12,945	2,595	20%
Workers Compensation	3,459	3,223	236	7%	2,946	513	17%
Pension Benefits	5,080	4,619	461	10%	4,965	115	2%
Total Personnel Expenses	72,633	73,690	(1,057)	-1%	62,862	9,771	16%

Salaries and Wages

The budget for salaries and wages in 2025-26 totals \$44 million, reflecting a 16% increase over the projected 2024-25 year-end expenses. This increase accounts for various factors, including the onboarding of Centro of Cortland employees, organizational changes, the employee incentive program, union wage agreements, NYS State Fair services, annual Cost of Living Allowance (COLA) adjustments, and the full staffing and operation of all departments.

Other Employee Benefits & Payroll Taxes

Expenses for other employee benefits and payroll taxes are largely influenced by total staffing levels. The 2025-26 budget assumes full staffing across all departments. The allocated budget for these benefits and payroll taxes is \$4.5 million, marking a 15% increase over the projected 2024-25 year-end expenses, and is consistent the budget for salaries and wages.

Healthcare Benefits

The healthcare benefits budget for 2025-26 is \$15.5 million, reflecting a 20% increase over the projected 2024-25 year-end expenses. This allocation accounts for expected changes in healthcare plan premiums, prescription drug costs, dental coverage, stop-loss insurance, and the onboarding of Centro of Cortland employees, all while assuming full staffing.

Workers' Compensation

Workers' compensation expenses for 2025-26 are budgeted at \$3.5 million, a 17% increase over the projected 2024-25 year-end expenses. While the Authority continues efforts to manage claims effectively and enhance workplace safety, historical trends support the anticipated budget increase.

Pension Benefits

The budget for pension benefits for 2025-26 is \$5 million, representing a 2% increase over the projected 2024-25 year-end expenses. The Authority administers five retirement plans across its subsidiaries, with this budget accounting for the regulatory requirements of each plan, the full staffing of all departments, and actuarial guidance to ensure adequate funding aligned with market performance. Contributions to the defined benefit plan are made in accordance with actuarial recommendations, factoring in asset smoothing.



NON-PERSONNEL EXPENSES

	2025-26 BUDGET	2025-26 PROPOSED BUDGET	\$ CHANGE 2025-26 BUDGET	% CHANGE 2025-26 BUDGET	2024-25 PROJECTIONS	\$ CHANGE 2024-25 PROJECTIONS	% CHANGE 2024-25 PROJECTIONS
Non-Personnel Expenses							
Risk Management	4,447	4,286	161	4%	3,194	1,253	39%
Purchased Transportation	6,792	6,553	239	4%	5,839	953	16%
Materials & Supplies	4,972	5,239	(267)	-5%	4,690	282	6%
Services	8,192	8,259	(67)	-1%	6,636	1,556	23%
Fuel	2,866	2,877	(11)	0%	2,013	853	42%
Utilities	839	816	23	3%	761	78	10%
Other Expenses	687	583	104	18%	516	171	33%
Total Non-Personnel Expenses	28,795	28,613	182	1%	23,649	5,146	22%

Risk Management

The 2025-26 risk management budget is \$4.4 million, reflecting a 39% increase over projected 2024-25 year-end expenses. This increase is driven by rising liability insurance premiums across the industry and the need for new insurance policies to cover expanded operations and additional risks associated with the integration of Cortland County transit services. These policies ensure comprehensive coverage for potential liabilities, property, and vehicle insurance.

Purchased Transportation

The 2025-26 budget for purchased transportation services is \$6.8 million, representing a 16% increase over projected 2024-25 year-end expenses. This rise is attributed to the growing demand for paratransit services, with each year's ridership exceeding the prior years. Purchased transportation vendors now provide about 83% of the requested service, with demand expected to continue growing.

Materials & Supplies

The materials and supplies budget for 2025-26 is \$4.9 million, marking a 6% increase over the projected 2024-25 year-end expenses. This allocation covers supplies needed for bus and facility maintenance, regular operational items, and additional supplies required for services in Cortland County and the New York State Fair. It also accounts for current supply demands and potential shortages due to economic conditions.

Services

The 2025-26 services budget is \$8.2 million, a 23% increase over projected 2024-25 expenses. It covers contracted and one-time services (legal, audit, pension, maintenance), custodial and security services, marketing for service expansion, and recruitment efforts. The largest increases are attributed to rising costs of software maintenance agreements, which are essential for keeping the Authority's systems secure, functional, and up to date. These costs reflect the broader trend of rising technology service prices.

Fuel

Fuel expenses for the 2025-26 fiscal year are budgeted at \$2.9 million, reflecting a 42% increase over the projected 2024-25 year-end expenses. This increase is due to historical fuel usage patterns, projections for rising fuel prices, and the added service coverage in Cortland County, contributing to higher fuel consumption. The expiration of the Alternative Fuel Credit, which had previously offset the costs of Compressed Natural Gas (CNG) fuel, also exacerbates the rise in fuel expenses.

Utilities & Other Expenses

Utilities and other expenses are budgeted at \$1.5 million for 2025-26, reflecting a 19% increase over the projected 2024-25 year-end expenses. This budget accounts for anticipated utility rate hikes, the addition of new utility services in Cortland County, and costs associated with professional development and travel.



PERSONNEL PROJECTIONS

LABOR CLASSIFICATION	2024-25 PROJECTED		2025-26 BUDGET	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Vehicle Operators	236	93	270	103
Vehicle Operations	59	11	59	11
Vehicle Maintenance	107	1	115	1
Facility Maintenance	20	0	20	0
General Administration	59	6	64	6
Total Employees	481	111	528	121

All of the employees listed are funded through the operating budgets of the Authority and its subsidiary operating companies. This means that wages are supported by a mix of fees collected for mass transit services, miscellaneous income, federal, state, and local transit operating assistance, along with Authority funds. The totals above encompass all employees of the Authority and each of its subsidiary public benefit corporations.

*The 2025-26 budget assumes that all positions will be fully staffed throughout the entire year, and additional staff allocated for Cortland County.



OPERATING BUDGET PROJECTIONS

Sound fiscal management and adherence to public authority regulations require the creation of a multi-year budget forecast. These projections are critical for keeping the Authority's Board of Members, customers, and federal and state stakeholders informed about potential challenges and opportunities that could affect the Authority's ability to fulfill its mission and long-term goals. The forecast is updated regularly to reflect changes in economic conditions, the inclusion of new service areas like Cortland County, and fluctuations in funding levels from key government subsidies.

Integrating Cortland County into the Authority's transit network presents both new opportunities and financial considerations. The additional transit service is expected to drive increased ridership, impacting both revenue and expenses. The budget forecast incorporates these changes, factoring in the additional service costs, potential revenue increases, and the integration of new operational requirements.

It is important to acknowledge the uncertainties inherent in any multi-year forecast. These projections account for anticipated expense increases, expected ridership growth, historical revenue trends, and informed assumptions about future economic conditions. As a result, the Authority anticipates that any future budget deficits will be covered by reserves, with the expectation that state operating assistance will continue to grow. This additional funding will help mitigate the revenue shortfalls previously supported by COVID relief funds, ensuring the Authority's financial sustainability as it expands its service area to meet the needs of Cortland County and beyond.

SUMMARY MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2025-26 BUDGET	2026-27 BUDGET	2027-28 BUDGET	2028-29 BUDGET
Revenue				
Unsubsidized Generated Revenue	\$ 14,461	\$ 14,824	\$ 15,198	\$ 15,583
Governmental Subsidized Revenue	76,676	67,467	67,579	67,693
Mortgage Tax and Other Revenue	8,140	8,140	8,140	8,140
Investment Revenue	500	390	390	390
Total Revenue	99,777	90,821	91,307	91,806
Expenses				
Personnel	72,633	75,503	78,506	81,649
Non-Personnel	28,795	30,636	32,077	33,604
Total Expenses	101,428	106,139	110,582	115,252
Operating Income (Loss) Before Reserves	(1,651)	(15,318)	(19,276)	(23,447)
Use of Reserves	1,651	15,318	19,276	6,742
Operating Income (Loss)	\$ -	\$ -	\$ -	\$ (16,705)



MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2025-26 BUDGET	2026-27 BUDGET	2027-28 BUDGET	2028-29 BUDGET
Operating Revenue				
Regular Line Passenger Revenue	\$ 4,405	\$ 4,537	\$ 4,673	\$ 4,813
Special Line Passenger Revenue	7,693	7,924	8,162	8,406
Advertising & Other Revenue	2,363	2,363	2,363	2,363
Total Operating Revenue	14,461	14,824	15,198	15,583
Expenses				
Salaries & Wages	44,079	45,401	46,763	48,166
Other Employee Benefits & Payroll Taxes	4,475	4,609	4,748	4,890
Healthcare Benefits	15,540	16,628	17,792	19,037
Workers Compensation	3,459	3,632	3,814	4,004
Pension Benefits	5,080	5,232	5,389	5,551
Risk Management	4,447	4,892	5,381	5,919
Purchased Transportation	6,792	7,132	7,488	7,863
Materials & Supplies	4,972	5,121	5,275	5,433
Services	8,192	8,438	8,691	8,952
Fuel	2,866	3,481	3,620	3,765
Utilities	839	873	907	944
Other Expenses	687	701	715	729
Total Operating Expenses	101,428	106,139	110,582	115,252
Non-Operating Revenue				
Operating Assistance	76,676	67,467	67,579	67,693
Mortgage Tax Revenue	8,090	8,090	8,090	8,090
Gain/Loss on Disposal of Capital	50	50	50	50
Investment Revenue	500	390	390	390
Total Assistance and Other Revenue	85,316	75,997	76,109	76,223
Operating Income (Loss) Before Reserves	(1,651)	(15,318)	(19,276)	(23,447)
Use of Reserves	1,651	15,318	19,276	6,742
Operating Income (Loss)	\$ -	\$ -	\$ -	\$ (16,705)



FUNDING PROFILE – CAPITAL

The Authority maximizes capital grant opportunities from both federal and state sources, primarily through the Federal Transit Administration (FTA) and the New York State Department of Transportation (NYSDOT). The current capital programs available to the Authority are as follows:

FEDERAL PROGRAMS

Section 5307 – Urbanized Area Formula Funding Program

Provides federal funding for transit capital, operating assistance, and transportation-related planning in urbanized areas. The Governor or the Governor's designee serves as the designated recipient for areas with a population between 50,000 and 200,000.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

A flexible funding program that supports transit-related projects aimed at reducing traffic congestion and improving air quality. Eligible activities include transit system expansion, ridership-enhancing improvements, travel demand management strategies, shared ride services, pedestrian and bicycle facilities, and promotional activities encouraging bicycle commuting.

Section 5339 – Grant for Buses and Bus Facilities Program

Provides federal funding to states and designated recipients for the replacement, rehabilitation, and purchase of buses and related equipment, as well as the construction of bus-related facilities. Funds may also be used for technological innovations, including modifications for low- or no-emission vehicles and facilities.

Section 5311 – Rural Area Formula Funding Program Grant for Buses and Bus Facilities Program

Provides capital funds to states to support public transportation in rural areas with populations of less than 50,000. The Authority receives these funds, administered by NYSDOT, for Centro of Oswego, Centro of Cayuga, Centro of Cortland (anticipated), and CNY Centro's Tully service.

STATE PROGRAMS

Accelerated Transit Capital (ATC) Program

Provides state funding to upstate public transportation sponsors for capital projects with a minimum service life of at least ten years. Eligible projects include vehicle rehabilitation and replacement, fleet enhancements, modern technology deployment, passenger amenities, and maintenance facilities.

Modernization and Enhancement Program (MEP)

Supports capital projects with a minimum service life of at least ten years. Eligible activities include vehicle rehabilitation and replacement, fleet enhancements, deployment of new technologies, passenger amenities, and maintenance facilities, consistent with FTA guidelines.

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



CAPITAL IMPROVEMENT PLAN

The Authority's Capital Improvement Plan outlines proposed investments necessary to maintain and enhance infrastructure and operations. Key priorities include vehicle replacements, facility and equipment upgrades, and service improvements. This strategic approach supports both the Authority and its subsidiaries in achieving financial stability, enhancing service quality, improving customer experience, and increasing ridership. Simultaneously, it addresses the need to modernize infrastructure and technology in alignment with current standards and evolving demands.

The Capital Improvement Plan is structured within the financial constraints of available funding sources. Management carefully evaluates federal and state capital funding when prioritizing projects. In rare instances, capital improvements may be funded entirely through local resources.

Planned asset replacements enable management to forecast capital funding needs while maintaining stability in operating costs. This proactive approach ensures service reliability, enhances energy efficiency, and prioritizes the safety of both customers and employees. By following a structured replacement plan, the Authority can sustain and improve operations while meeting efficiency and safety standards.

2025-26 CAPITAL BUDGET

(\$ Thousands)

	2025-26 CAPITAL BUDGET	FEDERAL	STATE	LOCAL
Onondaga Capital Improvements				
Building - Facility Upgrades	\$ 7,928	\$ 2,263	\$ 5,382	\$ 283
Equipment	9,707	5,206	3,851	650
Transit System Enhancement	1,222	978	122	122
Paratransit Vehicles	1,166	934	116	116
Fixed Route Buses	5,000	-	5,000	-
Service Vehicle	188	150	19	19
Office Equipment	164	130	17	17
Total Onondaga Capital Improvements	25,375	9,661	14,507	1,207
Oneida Capital Improvements				
Land Acquisition	5,000	4,000	500	500
Equipment	180	144	18	18
Office Equipment	6	5	1	1
Total Oneida Capital Improvements	5,186	4,149	519	519
Total Capital Improvements	\$ 30,561	\$ 13,810	\$ 15,026	\$ 1,726

The following are key highlights of the Capital Plan scheduled for completion during the 2025-26 fiscal year. These capital improvements will be financed through a combination of federal, state, and local funds.

- Land Acquisition – Centro of Oneida Facility Consolidation
- Facility Upgrades – Includes CNG facility rehab, trench drain improvement, and completion of the bathroom renovations
- Hydrogen Projects – Includes hydrogen skid purchase, infrastructure development, and workforce training
- Transit Enhancement projects – Includes Bus Rapid Transit (BRT) development, and real-time solar-powered signage.



MULTI-YEAR CAPITAL FUNDING PROJECTIONS

(\$ Thousands)

	2025-26 PROJECTION	2026-27 PROJECTION	2027-28 PROJECTION	2028-29 PROJECTION	2029-30 PROJECTION
Onondaga County Projects					
Computer Hardware	\$ 558	\$ 200	\$ 200	\$ 200	\$ 200
Computer Software	125	125	125	125	125
Non-Revenue Vehicles	101	1,180	575	-	-
Building - Facility Upgrades	2,595	370	25	-	-
Building - Hydrogen Infrastructure & Training *	6,250	-	-	-	-
Fixed Route Vehicles - Hydrogen Buses	9,076	-	-	10,815	66,837
Bus Rapid Transit (BRT)	1,875	10,000	15,000	-	-
Engineering	550	-	200	-	200
Equipment	3,055	-	-	-	-
Rolling Stock - Fixed Route Vehicles	-	-	2,221	-	-
Rolling Stock - Paratransit Vehicles	1,540	1,153		1,875	1,298
Total Onondaga County Projects	25,725	13,028	18,346	13,015	68,660
Oneida County Projects					
Non-Revenue Vehicles	195	660	-	-	-
Building - Facility Upgrades *	5,000	-	23,000	-	-
Rolling Stock - Fixed Route Vehicles	-	-	-	2,662	-
Total Oneida County Projects	5,195	660	23,000	2,662	-
Total County Projects	\$ 30,920	\$ 13,688	\$ 41,346	\$ 15,677	\$ 68,660

* FY 2027-28 - \$13 million is currently unfunded

* FY 2029-30 - \$33 million is currently unfunded for Zero-Emission Fleet Transition

The Authority has planned significant future capital projects, enabled by projected capital grant funding from the federal Infrastructure Investment and Jobs Act (IIJA). Key initiatives included:

- Construction of a New Consolidated Centro of Oneida Facility
- Bus Rapid Transit (BRT) Service Expansion:
 - James St. to South Ave. to Onondaga Community College corridor
 - Syracuse University to the Regional Transportation Center corridor
- Deployment of Hydrogen Buses
- Facility Upgrades
- Procurement of Fixed-Route Buses

With the current political climate, the Authority is actively monitoring federal and state funding projections for future grant activity. Any reduction of grant funding will likely delay and/or require reassessment of project executions.



UNFUNDED CAPITAL PROJECTS

The integration of Cortland County into the Authority brings a series of essential capital projects aimed at ensuring the seamless operation of its transit services. These projects include the construction of a dedicated operations facility, the procurement of onboard bus cameras to enhance safety and security, and the acquisition of critical infrastructure such as computer hardware, facility equipment, new fareboxes, office equipment, service truck, passenger waiting shelters, and supervisory vehicles.

While these capital investments are vital for operational readiness and efficiency, they are currently unfunded within the Authority's existing capital plan. Recognizing their significance, the Authority's executive leadership is actively advocating for financial support through New York State funding mechanisms to secure the necessary resources for these critical infrastructure improvements.

2025-26 CORTLAND COUNTY CAPITAL BUDGET

(\$ Thousands)

	2025-26 CAPITAL BUDGET
Cortland County Capital Improvements	
Building	\$ 30,000
Bus Cameras	225
Computer Hardware	90
Facility Equipment	230
Fareboxes	775
Office Equipment	30
Service Truck	75
Shelters	180
Supervisor Vehicle	100
Total Cortland County Capital Improvements	\$ 31,705

