

Central New York Regional Transportation Authority



Proposed Operating & Capital Budget
Fiscal Year 2025-26

www.centro.org

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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

Safety

Everyone's responsibility

Respect

Dignity and kindness always

Integrity

Do good, be good

Service

Passion for the community

Excellence

Holding ourselves to the highest standards

About Centro

The Central New York Regional Transportation Authority (referred to as "CNYRTA", "Centro" or "Authority") serves as the public mass transit provider in the Central New York region. Centro offers fixed-route, commuter, on-demand and paratransit services across Onondaga, Cayuga, Oswego, and Oneida counties, with service into Cortland County coming soon. Together, these counties are home to a combined population of nearly 926,000 residents.

Our services include 5,000 bus stops, 210 passenger shelters, three transfer hubs, three surface parking areas, and a Regional Transportation Center. We operate 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 over 5.9 million miles annually, with more than 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 publicly operated bus service in the Syracuse area on January 17, 1972, Centro has been dedicated to enhancing the quality of life and work in Central New York. As a responsible community partner and an integral part of the region's public infrastructure, Centro contributes through its ongoing initiatives, including:

- Delivering ADA-compliant paratransit services.
- Providing transportation to the New York State Fair and local college campuses, including Syracuse University, SUNY Oswego, OCC, Cayuga CC, and MVCC.
- Supporting community events, services, and educational programs year-round.
- Promoting cleaner air with a fleet of compressed natural gas and clean diesel buses.



- Collaborating with police, fire, emergency responders, and the Red Cross during emergencies.

BOARD OF MEMBERS

Nicholas F. Laino

Chairman

Oneida County

Darlene DeRosa Lattimore

Secretary

Cayuga County

Anthony Q. Davis Sr.

Vice Chairman

City of Syracuse

Tina Fitzgerald

Treasurer

Governor's Office

Neil Milcarek-Burke

City of Syracuse

Louella Williams

Onondaga County

Robert F. Cuculich

Onondaga County

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 overseen by a Board of Members, currently comprising thirteen positions, including a non-voting member representing the collective bargaining units. An additional seat is anticipated to be added for Cortland County representation. The current composition includes five seats for Onondaga County, three for the City of Syracuse, and one each for Oswego, Cayuga, and Oneida counties. Additionally, there is one seat designated for the City of Rome and one for the bargaining unit.

The Board of Members are appointed by the Governor and confirmed by the New York State Senate. Members serve fixed but staggered seven-year terms beginning July 1 and remain in office until their successors are appointed. Reappointments follow the same process. The Board elects its Officers, including the Chairperson, Vice-Chairperson, Secretary, and Treasurer.

Board members serve without compensation but are reimbursed for necessary and actual expenses incurred during their official duties.

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

Committees

The Authority operates with six standing committees to support the Board of Members in fulfilling its responsibilities. These committees were established through resolutions or Bylaws.

COMMITTEE	FREQUENCY	DESCRIPTION
Audit & Finance	Monthly	Established by the Bylaws to comply with Public Authorities Law. Responsibilities include independent audit discussions, financial statements, and related financial information.
Governance	Twice Annually	Established by the Bylaws to comply with the Authorities Budget Office. Focuses on best governance practices, internal controls, and governance-related items.
Pension	Quarterly	Established by Board Resolution to oversee and review matters related to the management of the Authority 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 any 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

Background

The Authority was established by the New York State Legislature in 1970, during a period when economic, demographic, and land-use changes across the United States led many private bus companies providing public transit services to shut down or declare bankruptcy. These companies were unable to sustain operations or replace capital equipment with fares deemed reasonable at the time. Subsequently, public transportation authorities were created in major cities across New York State and most other urbanized areas nationwide during the late 1960s and early 1970s.

Public transportation plays a vital role in supporting local economic vitality. It offers mobility for individuals who cannot or choose not to drive, reduces traffic congestion, lowers oil consumption, and helps improve air quality. Public transit creates pathways to employment and provides access to essential destinations, including workplaces, schools, businesses, medical facilities, and social or entertainment venues. Like roads and bridges, public transit is an integral component of the nation's surface transportation network.

Legal Status

The Central New York Regional Transportation Authority is a public authority and public benefit corporation of New York State, established in 1970 under Title 11-D of the Public Authorities Law. While the Authority operates as an "agent" of the State, it is not the State itself. Its legislated purpose is to maintain, develop, and improve transportation and related services within the Central New York Regional Transportation District. The legislation states that the Authority's mission as serving the benefit of the people of New York State, designating the Authority as performing "an essential governmental function."

Initially, the Central New York Regional Transportation District included Onondaga County by law. The legislation also permitted the counties of Cayuga, Cortland, Jefferson, Madison, Oneida, and Oswego to join the district through resolutions passed by their respective legislative bodies. To date, Oswego County (1972), Cayuga County (1973), and Oneida County (2005) have joined the original member, Onondaga County (1970), as part of the district. In 2025, Cortland County will become the fifth member county of the Authority.

As noted above, the Authority 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 Authority and each of its subsidiaries are tax exempt (sales, excise, property, income, etc.).

For financial reporting purposes, the Authority 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 mission, the CNYRTA has established several public benefit subsidiaries over the past 50+ years. Delivering public transit services through five “Centro” bus subsidiaries in Onondaga, Oswego, Cayuga, and Oneida counties, with Centro of Cortland, Inc. set to launch in 2025, plus two smaller subsidiaries for specialized functions.

CNY Centro, Inc. provides fixed-route transit services in Onondaga County, operating approximately 146 large buses, of which 131 are powered by compressed natural gas (CNG). It is the largest Centro subsidiary, managing a wide range of services, including heavy vehicle maintenance, route planning, scheduling, training, accounting, procurement, grant administration, payroll, human resources, benefits, information technology, and marketing.

Centro Call-a-Bus Inc. offers demand-response paratransit services in Onondaga County, complementing CNY Centro’s fixed-routes in compliance with the Americans with Disabilities Act (ADA). Created in the mid-1970s, Call-A-Bus serves clients with its own vehicles, CNY Centro buses, private van operators, and taxis. It operates from the CNY Centro facility in Syracuse with approximately 28 small buses.

Centro of Oneida Inc. provides fixed-route and ADA-mandated services in Oneida County with approximately 28 large and 9 small buses. The Utica division serves the City of Utica and the surrounding towns of Kirkland, New Hartford, and Whitestown, operating from a leased garage/office facility from Oneida County. The Rome division operates in the City of Rome. In 2024, a new rural bus service was launched, offering intercity commuter connections between Utica, Rome, and the Turning Stone Casino.

Centro of Oswego Inc. offers fixed-route and ADA services in Oswego County, operating 16 large and 3 small buses. It serves SUNY Oswego, Oswego and Fulton cities, and connects to Syracuse. Centro of Oswego owns a light maintenance and office facility in Oswego.

Centro of Cayuga Inc. provides fixed-route and ADA services with 13 large and 1 small buses, serving the City of Auburn and routes to Syracuse. Centro of Cayuga owns a light maintenance and office facility in Auburn.

Centro of Cortland (launching in 2025) will provide fixed-route and ADA 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, providing residents with reliable transportation options within the county.

Centro Parking Inc. was created to generate revenue for the Authority by leasing surface lots to SUNY Upstate Hospital. Centro Parking also operates a monthly permit parking lot located under Interstate I-81 in the City of Syracuse, leased from the State of New York.

Intermodal Transportation Center, Inc. This intermodal transportation facility operates 24/7, linking regional transit services, intercity buses (Greyhound, Trailways and Our Bus), and Amtrak rail service.



FINANCIAL PLANNING

ANNUAL OPERATING BUDGET PROCESS

The Authority follows a zero-based budgeting methodology, where each budget cycle begins from the ground up, thus constructing a budget based on actual necessity and costs, rather than following the traditional incremental budgeting approach. This strategy promotes cost reduction by eliminating arbitrary adjustments — either increases or decreases—from previous budgets, and it requires a comprehensive review of expenses to ensure they align with the Authority’s core mission. The budgeting process starts with a collaborative effort among staff, who assess the needs of each department while taking into account factors such as collective bargaining agreements, fuel lock-ins, contractual obligations, and the operating costs and revenue sources that lie beyond the Authority’s direct control. Additionally, operational initiatives, such as updates to transit services or vital maintenance activities, are also factored into the budget.

The proposed budget is thoroughly reviewed and compared against the current year's budget, fiscal year-end projections, and actuals from prior year, as well as relevant external economic factors and trends. The CEO, Deputy CEO, and executive team evaluate the assumptions related to revenues, expenses, and potential operational initiatives. Following this assessment, the proposed budget is presented to the Board of Members for approval in November. Once adopted, the budget is recorded in the Public Authorities Reporting and Information System (PARIS) by December 31, in compliance with Section 2801 of the Public Authorities Law.

As the fiscal year progresses, the Authority’s executive staff continues to monitor the proposed budget, factoring in the Governor’s Proposed Executive Budget (typically released in mid-January) and any other revised assumptions, new developments, or changes in circumstances. The Board of Members then reviews these updates and votes on the final adoption of the budget in March. Once approved, the adopted budget becomes part of the Final Budget and Financial Plan, as required under Comptroller Regulation Part 203, and is published on the Authority 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 Authority 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 Authority 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 GENERATED REVENUE

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

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

Advertising and Other Revenues include income from Transit Advertising on buses and shelters, parking revenue, and lease revenues from tenants at the Regional Transportation Center, along with additional parking revenue.

GOVERNMENTAL SUBSIDIZED REVENUE

FEDERAL SOURCES OF FUNDS FOR OPERATING COST

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

STATE SOURCES OF FUNDS FOR OPERATING COST

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 its Statewide Mass Transportation Operating Assistance (STOA) program. The funding level for the STOA program is determined annually by the Commissioners, the Director of the New York State Division of Budget (NYSDOB), and/or the State Legislature, with any increases or decreases published in the New York State Executive Budget. The deadline for the New York State Executive Budget is April 1st each year. Due to the unpredictability of future funding levels, it is the Authority’s budget practice to budget STOA flat annually until the final budget is issued 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 provided by NYSDOT, the Authority receives the state-mandated 18b STOA match from participating counties. Onondaga, Cayuga, Oswego, and Oneida Counties currently participate in the 18b match program. While the level of assistance for this state mandate has remained unchanged since 2006, funding levels are anticipated to change with the addition of Cortland County.

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



DEDICATED FUNDING

Mortgage Recording Tax (MRT) - The counties participating in the Central New York Regional Transportation Authority (currently Onondaga, Cayuga, Oswego, Oneida, and Cortland (2025)), a mortgage recording fee of $\frac{1}{4}$ of 1% is imposed, with exemptions for owner-occupied residential properties of one to six families. This tax is paid by the mortgagee to the county's recording officer where the mortgaged property is located. Under State Finance Law, this is referred to as the “additional” mortgage tax. The collected tax is remitted monthly to the Authority by the respective counties.

The Mortgage Recording Tax (MRT) is inherently volatile and subject to significant fluctuations year-to-year, influenced by various factors such as 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, the activities of local Industrial Development Agencies (IDAs) have historically impacted MRT revenues, as they were able to unilaterally exempt mortgage financings from the tax. However, recent legislation now prohibits these exemptions, providing some stabilization to MRT collections.

Revenue from the MRT is used to fund the local matching share of capital grants (generally 10% of project costs), establish reserves for insurance, capital projects, and general funds, and to pay down debt—although the Authority currently carries no debt. In future years, MRT revenue may need to be allocated to subsidize operating deficits within the bus operating subsidiaries, despite no legal obligation to do so. The MRT remains a critical component of the Authority's financial structure. While the revenue is unpredictable and subject to economic volatility, it represents the only locally dedicated transit funding source in New York State and is essential to the Authority's financial stability.



BUDGET OVERVIEW

Centro's financial plan is structured around four core elements to ensure comprehensive financial oversight and strategic planning. These include the 2025-26 Operating Budget, which outlines the fiscal framework for the upcoming year; multi-year operating budget projections spanning 2025-26 through 2028-29, providing a forward-looking view of anticipated financial trends; the 2025-26 Capital Budget, detailing planned investments for infrastructure and services; and a Five-Year Capital Funding Improvement Plan covering 2025-26 through 2029-30, which focuses on long-term enhancements and modernization efforts.

2025-26 OPERATING BUDGET OVERVIEW

As an essential transportation provider for Central New York, Centro keeps our communities moving while advancing regional goals for growth, sustainability, and equity. The Central New York communities rely on Centro for dependable transportation, connecting residents and visitors to work, entertainment, shopping, educational institutions, and other attractions. Centro's operating budget supports the expenses required to operate its fixed-route bus services, paratransit services, and other transportation programs, funded through a combination of generated revenues and government subsidies.

The federal government provided relief funding to support transit agencies across the nation and mitigate losses in operating revenue caused by the Covid-19 pandemic. Centro anticipates utilizing the remainder of its federal relief funding in FY2025. During the post-pandemic recovery, ridership has experienced consistent year-over-year growth. Ongoing efforts to recruit bus operators will enable Centro to restore services that were reduced at the onset of the pandemic.

The depletion of federal funding, changes in ridership patterns, unprecedented inflation, and the addition of Cortland County transit service are all expected to significantly impact Centro's current operations, leading to a projected deficit under the existing funding levels. The Authority's 2025-26 operating budget anticipates a \$4.1 million deficit. The proposed operating revenue of \$98.2 million represents a 5% increase from the previous year's budget. Projected revenues include \$15 million from unsubsidized generated sources, \$74.8 million from government-subsidized revenues, \$7.8 million from mortgage tax and other income streams, and \$500 thousand in investment revenues.

SUMMARY 2025-26 OPERATING BUDGET COMPARISON

(\$ Thousands)

	2024-25 BUDGET	2025-26 PROPOSED BUDGET	CHANGE	% CHANGE
Revenue				
Unsubsidized Locally Generated Revenue	\$13,890	\$15,047	\$1,157	8%
Governmental Subsidized Revenue	71,967	74,838	\$2,871	4%
Mortgage Tax and Other Revenue	7,465	7,815	\$350	5%
Investment Revenue	590	500	-\$90	-15%
Total Revenue	93,912	98,200	\$4,288	5%
Expenses				
Personnel	68,864	73,690	4,826	7%
Non-Personnel	25,048	28,613	3,565	14%
Total Expenses	93,912	102,303	8,391	9%
Operating Income (Loss)	\$0	(\$4,103)	(\$4,103)	100%



The total anticipated operating expenses for the fiscal year 2025-26 budget are \$102.3 million, reflecting a 9% increase from the previous year's budget plan. Personnel costs are projected at \$73.7 million, showing a \$4.8 million increase from the prior year. Non-personnel costs are budgeted at \$28.6 million, indicating a \$3.6 million rise from the previous year's budget plan.

Detailed explanations of the key factors affecting the Authority's revenues and expenses, along with comparisons between the 2025-26 Operating Budget and the prior year's budget, are presented in the following pages.

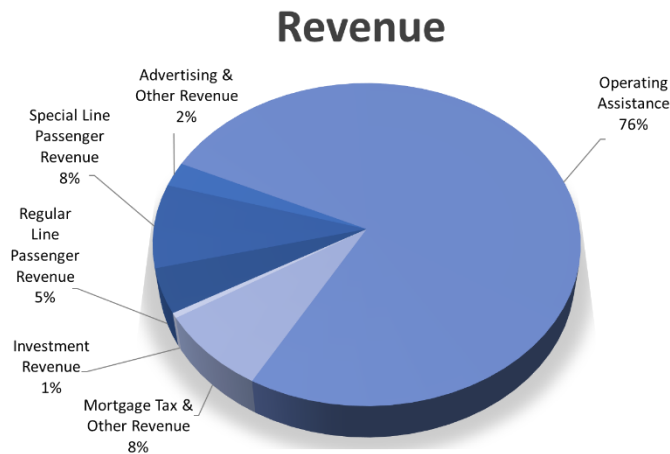
2025-26 OPERATING BUDGET

(\$ Thousands)

	2023-24 ACTUALS	2024-25 BUDGET	2024-25 PROJECTION	2025-26 PROPOSED BUDGET	CHANGE 2024-25 PROJECTION	% PROJECTION CHANGE	CHANGE 2024-25 BUDGET	% BUDGET CHANGE
Operating Revenue								
Regular Line Passenger Revenue	\$4,034	\$4,006	\$4,384	\$4,392	\$8	0%	\$386	10%
Special Line Passenger Revenue	7,270	7,600	7,840	8,241	401	5%	641	8%
Advertising & Other Revenue	1,535	2,284	2,350	2,414	64	3%	130	6%
Total Operating Revenue	12,839	13,890	14,574	15,047	473	3%	1,157	8%
Expenses								
Salaries & Wages	35,316	41,335	39,720	45,174	5,454	14%	3,839	9%
Other Employee Benefits & Payroll Taxes	3,696	4,393	3,981	4,557	576	14%	164	4%
Healthcare Benefits	11,033	15,593	14,585	16,117	1,532	11%	524	3%
Workers Compensation	3,373	3,613	2,952	3,223	271	9%	(390)	-11%
Pension Benefits	4,547	3,930	4,403	4,619	216	5%	689	18%
Risk Management	2,886	3,543	3,443	4,286	843	24%	743	21%
Purchased Transportation	5,883	6,149	6,168	6,553	385	6%	404	7%
Materials & Supplies	4,088	4,956	4,862	5,239	377	8%	283	6%
Services	5,952	6,949	6,834	8,259	1,425	21%	1,310	19%
Fuel	2,137	2,257	2,171	2,877	706	33%	620	27%
Utilities	710	741	759	816	57	8%	75	10%
Other Expenses	358	453	497	583	86	17%	130	29%
Total Operating Expenses	79,979	93,912	90,375	102,303	11,928	13%	8,391	9%
Non-Operating Revenue								
Operating Assistance	65,583	71,967	71,967	74,838	2,871	4%	2,871	4%
Mortgage Tax Revenue	7,680	7,415	6,959	7,765	806	12%	350	5%
Gain/Loss on Disposal of Capital	44	50	38	50	12	32%	0	0%
Investment Revenue	1,362	590	1,589	500	(1,089)	-69%	(90)	-15%
Total Assistance and Other Revenue	74,669	80,022	80,553	83,153	2,600	3%	3,131	4%
Operating Income (Loss)	\$7,529	\$0	\$4,752	(\$4,103)	(\$8,855)	-186%	(\$4,103)	-100%



REVENUE ASSUMPTIONS



OPERATING REVENUE

Regular Line Passenger Revenue

Projected at \$4.39 million, regular line passenger revenue reflects a 10% increase compared to the previous year's budget. This growth is driven by projected ridership revenue in Cortland County, anticipated ridership increases, including the expected impact of reinstating services that were previously paused during the global pandemic. The budget for 2025-26 also considers the revenue generated from the Great New York State Fair.

Special Line Passenger Revenue

Revenue from subsidy agreements with community partners is projected at \$8.24 million for fiscal year 2025-26, representing an 8% increase over the prior year's budget. These projections consider new partnerships in Cortland County, contractual rate adjustments and the specific service requirements of community partners. Additionally, this budget category incorporates revenue from the Great New York State Fair shuttle services, reflecting anticipated demand.

Advertising & Other Revenue

Advertising and miscellaneous revenue are expected to reach \$2.4 million, a 6% increase from the previous budget. This growth is attributed to

guaranteed minimums for transit advertising, projected increases in parking revenues at the Regional Transportation Center and Route 81 parking lot, and modest rent increases from tenants.

NON-OPERATING REVENUE

Operating Assistance

The proposed 2025-26 Operating Assistance budget is \$74.8 million, a \$2.9 million increase from the previous year. The Authority will rely on federal, state, and local aid to address the projected deficit. Federal assistance is expected to total \$15.4 million, including \$3 million in conserved Oneida operating funds and \$11.3 million in conserved preventive maintenance funds. State assistance is projected at \$56 million, with \$54.6 million from New York State Transit Operating Assistance (STOA), reflecting a flat budget per state guidance, and \$1.4 million as a match for preventive maintenance funds. Local assistance is projected at \$3.5 million, though this amount may adjust with the inclusion of Cortland County.

Mortgage Recording Tax Revenue

Mortgage Recording Tax (MRT) revenue is projected at \$7.8 million, a \$350 thousand increase from the prior year. This growth reflects a slight recovery in the real estate market due to declining interest rates. The Authority is monitoring the commercial real estate market closely, as favorable trends in Central New York's commercial sector could further bolster MRT revenue.

Investment Revenue

Investment revenue for fiscal year 2025-26 is projected at \$500 thousand. The Authority plans to maximize returns by investing idle cash in US Treasury securities. As this is a relatively new revenue source, the Authority will continue to evaluate its long-term potential.



EXPENSE ASSUMPTIONS

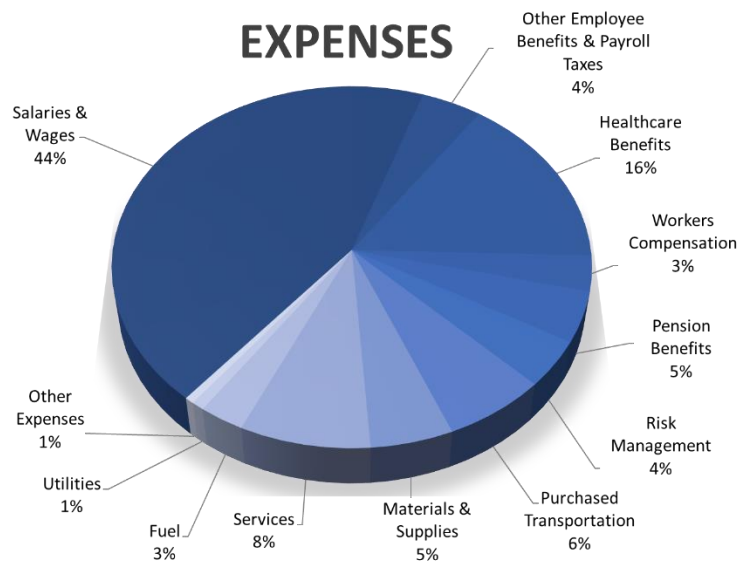
PERSONNEL EXPENSES

Salaries and Wages

The proposed budget for salaries and wages in 2025-26 totals \$45.2 million, reflecting a 9% increase compared to the previous year. This increase accounts for several factors, including the onboarding of Centro of Cortland employees, organizational changes, the Authority’s 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 throughout the year.

Other Employee Benefits & Payroll Taxes

Expenses for other employee benefits and payroll taxes are largely determined by the total number of staff employed by the Authority during the fiscal year. The 2025-26 budget assumes all departments will be fully staffed and operational. The allocated budget for these benefits and payroll taxes is \$4.6 million, marking a 4% increase from the previous year.



Healthcare Benefits

The healthcare benefits budget for 2025-26 is \$16 million, reflecting a 3% increase from the previous year. This allocation accounts for expected changes in healthcare plan premiums, prescription drug costs, dental coverage, and stop-loss insurance, the onboarding of Centro of Cortland employees, and all while assuming full staffing across the Authority.

Workers Compensation

Workers’ compensation expenses for 2025-26 are projected at \$3.2 million, an 11% decrease from the prior year. This reduction is a result of the Authority’s ongoing efforts to manage claims effectively and foster a safer work environment, leading to a decrease in open claims. The Authority remains hopeful that continued efforts will result in further declines in claims.

Pension Benefits

The budget for pension benefits in 2025-26 is \$4.6 million, representing an 18% increase. The Authority oversees four pension plans, providing benefits to various employee groups across its subsidiaries. This budget carefully considers the regulatory requirements of each plan, the full staffing of all departments, and the annual actuarial guidance to ensure adequate funding in line with market performance. Contributions to the defined benefit plan are made in accordance with actuarial recommendations, factoring in asset smoothing.



NON-PERSONNEL EXPENSES

Risk Management

The risk management budget for 2025-26 is \$4.3 million, reflecting a 21% increase from the prior year. This increase is driven by rising liability insurance premiums across the industry, as well as new insurance policies to cover the expanded operations and additional risks associated with the new entity. These policies will ensure that the Authority maintains comprehensive coverage as it integrates Cortland into its transportation network, addressing potential liabilities, property, and vehicle insurance requirements.

Purchased Transportation

The budgeted expense for purchased transportation services in 2025-26 is \$6.6 million, reflecting a 7% increase. This increase is due to higher demand for paratransit services, which has surpassed ridership levels seen in fiscal year 2019-2020. Purchased transportation vendors now provide about 84% of the requested service, with the Authority expecting continued growth in demand.

Materials & Supplies

The materials and supplies budget for 2025-26 is \$5.2 million, marking a 6% increase from the prior year. This allocation covers supplies needed to maintain and clean the buses and facilities, the purchase of regularly needed items, the necessary supplies for operating in Cortland County, as well as the necessary supplies for the New York State Fair. It also considers current supply demands and potential shortages driven by economic conditions.

Services

The 2025-26 services budget totals \$8.3 million, reflecting a 19% increase from the previous year. This budget includes costs for both contracted and one-time services such as legal, audit, pension, and maintenance services for various systems, vehicles, software, and services needed to operate Cortland County. It also covers custodial and security services, marketing campaigns for service expansion, and an intensive recruitment program. The largest increases in the budget are attributed to rising costs associated with software maintenance agreements. These agreements are essential for ensuring that the Authority's software systems remain functional, secure, and up to date, but the costs for ongoing maintenance and support have significantly grown. This increase reflects the broader trend of rising technology service prices and the need for continued investment in reliable software infrastructure.

Fuel

Fuel expenses for the 2025-26 fiscal year are budgeted at \$2.9 million, representing a 27% increase compared to the previous year. This increase is due to several factors, including the Authority's historical fuel usage patterns, projections for rising fuel prices, and the added service coverage in Cortland County, which contributes to higher fuel consumption. Additionally, the expiration of the Alternative Fuel Credit, which has previously offset the costs of Compressed Natural Gas (CNG) fuel, further exacerbates the rise in fuel expenses.

Utilities and Other Expenses

Utilities and other expenses are budgeted at \$1.3 million for 2025-26, reflecting an 11% increase. This budget accommodates anticipated utility rate hikes, new utility service in Cortland County, as well as costs related to professional development and travel.



PERSONNEL PROJECTIONS

Labor Classifications	Projected 2024-25		2025-26 Budget*	
	Full-Time	Part-Time	Full-Time	Part-Time
Vehicle Operators	258	88	297	104
Vehicle Operations	57	12	57	20
Vehicle Maintenance	113	2	121	3
Facility Maintenance	19	1	19	1
General Administration	61	5	71	5
Total Employees:	508	108	565	133

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, with additional support allocated for the On-Demand service.



OPERATING BUDGET PROJECTIONS

Sound fiscal management and adherence to public authority regulations necessitate the creation of a multi-year budget forecast. These projections are essential in keeping the Authority's Board of Members, customers, and Federal and State stakeholders informed about potential challenges and opportunities that may impact on the Authority's ability to fulfill its mission and long-term vision. The forecast is regularly updated to reflect shifting economic conditions, the addition of new service areas like Cortland County, and changes in funding levels from key governmental subsidies.

Incorporating Cortland County into the Authority's transit network presents both new opportunities and financial considerations. The additional transit service will likely lead to increased ridership, which in turn will influence both revenue and expenses. The budget forecast accounts for these changes, factoring in the added service costs, potential revenue increases, and the integration of new operational needs.

It is essential to recognize the inherent uncertainties in any multi-year forecast. The projections take into account expected increases in expenses, the anticipated growth in ridership, historical revenue trends, and informed predictions about future economic conditions. As a result of these factors, the Authority anticipates that future budget deficits will be covered by reserves, with the expectation that state operating assistance will continue to grow. This additional assistance will help to mitigate the revenue shortfalls previously supported by COVID Relief funds, ensuring that the Authority remains financially sustainable 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 Locally Generated Revenue	\$15,047	\$15,542	\$16,054	\$16,583
Governmental Subsidized Revenue	74,838	65,442	65,468	65,486
Mortgage Tax and Other Revenue	7,815	7,815	7,815	7,815
Investment Revenue	500	390	390	390
Total Revenue	98,200	89,189	89,727	90,274
Expenses				
Personnel	73,690	76,610	79,666	82,865
Non-Personnel	28,613	29,976	31,422	33,458
Total Expenses	102,303	106,586	111,088	116,323
Operating Income (Loss)	(\$4,103)	(\$17,397)	(\$21,361)	(\$26,048)
Use of Operating Reserves	4,103	17,397	20,783	0
Total Operating Income (Loss)	\$0	\$0	(\$578)	(\$26,048)

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



MULTI-YEAR OPERATING BUDGET PROJECTIONS

(\$ Thousands)

	2025-26 BUDGET	2026-27 BUDGET	2027-28 BUDGET	2028-29 BUDGET
Operating Revenue				
Regular Line Passenger Revenue	\$4,392	\$4,568	\$4,750	\$4,940
Special Line Passenger Revenue	8,241	8,488	8,743	9,005
Advertising & Other Revenue	2,414	2,486	2,561	2,638
Total Operating Revenue	15,047	15,542	16,054	16,583
Expenses				
Salaries & Wages	45,174	46,529	47,925	49,363
Other Employee Benefits & Payroll Taxes	4,557	4,694	4,835	4,980
Healthcare Benefits	16,117	17,245	18,452	19,744
Workers Compensation	3,223	3,384	3,553	3,731
Pension Benefits	4,619	4,758	4,900	5,047
Risk Management	4,286	4,715	5,186	5,705
Purchased Transportation	6,553	6,946	7,363	7,805
Materials & Supplies	5,239	5,396	5,558	5,725
Services	8,259	8,507	8,762	9,025
Fuel	2,877	2,963	3,052	3,644
Utilities	816	849	883	918
Other Expenses	583	600	619	637
Total Operating Expenses	102,303	106,586	111,088	116,323
Non-Operating Revenue				
Operating Assistance	74,838	65,442	65,468	65,486
Mortgage Tax Revenue	7,765	7,765	7,765	7,765
Gain/Loss on Disposal of Capital	50	50	50	50
Investment Revenue	500	390	390	390
Total Assistance and Other Revenue	83,153	73,647	73,673	73,691
Operating Income (Loss) Before Reserves	(\$4,103)	(\$17,397)	(\$21,361)	(\$26,048)
Use of Operating Reserves	4,103	17,397	20,783	
Total Operating Income (Loss)	\$0	\$0	(\$578)	(\$26,626)



CAPITAL FUNDING PROFILE

FUNDING PROFILE - CAPITAL

The Authority 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 the Authority 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. The Authority receives these funds administered by NYSDOT for Centro of Oswego, Centro of Cayuga, Centro of Cortland, and CNY Centro for the Tully service.

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

*FTA, Federal Flexible Funding Program, funds 80% of the project cost, while Authority 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 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 years. Eligible activities include any FTA activity, meeting the minimum service life threshold, including vehicle rehabilitation and/or replacement, fleet enhancement, deployment of innovative technologies and passenger amenities and maintenance facilities.

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



CAPITAL IMPROVEMENT PLAN

The Authority's Capital Improvement Plan outlines proposed capital investments necessary for maintaining and enhancing infrastructure and operations. Key components of this plan focus on vehicle replacements, facility and equipment upgrades, and service improvements. This strategic approach supports both the Authority and its subsidiary operations in achieving financial stability, improving service quality, enhancing customer experience, and increasing ridership. At the same time, it addresses the need to modernize infrastructure and technology in line with current standards and demands.

The Capital Improvement Plan operates within the financial constraints of available funding sources. Management carefully considers federal and state capital funding when prioritizing capital improvements. In some instances, capital improvements are funded entirely through local resources, though such cases are rare.

Planned asset replacements help management forecast capital funding needs while maintaining predictability in operating costs. This approach ensures service reliability, improves energy efficiency, and prioritizes the safety of both customers and employees. By replacing assets according to a structured plan, the Authority can sustain and improve operations while meeting operating efficiency and safety standards.

2025-26 CAPITAL BUDGET

(\$ Thousands)

	2025-26 PROPOSED CAPITAL BUDGET	FEDERAL	STATE	LOCAL
Onondaga Capital Improvements				
Building - Facility Upgrades	\$ 7,241	\$ 1,917	\$ 5,084	\$ 240
Equipment	9,590	5,112	3,839	639
Transit System Enhancement	1,500	1,200	150	150
Paratransit Vehicles	1,167	933	117	117
Office Equipment	102	82	10	10
Total Onondaga Capital Improvements	19,600	9,244	9,200	1,156
Oneida Capital Improvements				
Land Acquisition	5,000	4,000	500	500
Equipment	327	261	33	33
Office Equipment	6	5	1	1
Total Oneida Capital Improvements	5,333	4,266	534	534
Total Capital Improvements	\$ 24,933	\$ 13,510	\$ 9,734	\$ 1,690

The following are highlights of the capital plan expected to be completed during the 2025-26 fiscal year. Capital improvements are financed through a combination of federal, state, and local funds.

- Land Acquisition – Oneida
- Facility Upgrades to include CNG Facility Upgrade, Trench Drains, Syracuse Building Evaluation
- Hydrogen projects to include Hydrogen Skid, Infrastructure and Workforce Training
- Video Mirrors
- Transit Enhancement Projects to include Bus Rapid Transit (BRT) and Real Time Solar Signage



MULTI-YEAR CAPITAL IMPROVEMENT FUNDING PLAN 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	1,040	420	140	105
Building - Facility Upgrades	4,346	370	1,355	-	-
Building - Hydrogen	6,250	-	-	-	-
Bus Rapid Transit (BRT)	1,875	15,000	-	-	-
Engineering	550	-	200	-	200
Equipment	3,055	-	-	-	-
Fixed Route Vehicles - Hydrogen Buses	-	-	9,972	-	-
Rolling Stock - Fixed Route Vehicles	-	-	-	-	15,500
Rolling Stock - Paratransit Vehicles	1,540	-	1,120	1,120	-
Total Onondaga County Projects	18,400	16,735	13,392	1,585	16,130
Oneida County Projects					
Non-Revenue Vehicles	180	650	180	-	-
Building - Facility Upgrades	5,000	-	15,000	-	-
Rolling Stock - Paratransit Vehicles	-	-	-	-	-
Total Oneida County Projects	5,180	650	15,180	-	-
Total County Projects	\$ 23,580	\$ 17,385	\$ 28,572	\$ 1,585	\$ 16,130

Projected capital grant funding from the federal Infrastructure Investment and Jobs Act has enabled the Authority to plan significant future capital projects. Key highlights include:

- Construction of a new consolidated Centro of Oneida Facility
- Bus Rapid Transit (BRT) service:
 - James St. to South Ave. to Onondaga Community College corridor
 - Syracuse University to the Regional Transportation Center corridor
- Hydrogen buses
- Facility upgrades
- Fixed route buses



UNFUNDED CAPITAL PROJECTS

The inclusion of Cortland County in the Authority introduces a series of critical capital projects designed to support the seamless integration and operation of its transit services. These projects encompass the construction of a dedicated facility to house operations, the purchase of onboard bus cameras to enhance safety and security, and the acquisition of computer hardware, facility equipment, new fareboxes, office equipment, service truck shelters, and supervisory vehicles. While these capital projects are essential for ensuring operational readiness and efficiency, they are currently unfunded within the Authority's existing capital plan. Recognizing their importance, the Authority's executive staff is actively advocating for financial support through New York State funding mechanisms to address these critical infrastructure needs.

	2025-26 PROJECTION
Cortland County Projects	
Building	\$ 30,000
Bus Cameras	225
Computer Hardware	90
Facility Equipment	230
Farebox Equipment	775
Office Equipment	30
Service Truck	75
Shelters	180
Supervisor vehicles	100
Total Cortland County Projects	31,705

