

CORPORATE:

2. C. (i) Niagara Frontier Transportation Authority, Acceptance of Corporate Resolution 2. C. (1)

The General Counsel advised that Item 2. C. (1) has been discussed with the Board of Commissioners of the NFTA, and the Board is unanimously in favor of the subject Resolution. Whereupon, it was moved by Commissioner Perry, seconded by Commissioner Virtuoso, that the following Resolution be adopted:

“RESOLVED, that the Resolution of the Niagara Frontier Transportation Authority, identified as number 2. C. (1) dated December 11, 2025 as set forth herein, be and hereby is accepted and approved in its entirety.”

AYES: ANSARI, BAYNES, CUSACK FIELDS, DOWNEY, HICKS, PERRY, PERSICO, VIRTUOSO, WILCOX

ABSTAIN: NONE

NOES: NONE

ADOPTED

CORPORATE 2. C. (i)

CORPORATE:

2. C. (1) **Adoption of Operating and Capital Budgets, Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc., Fiscal Year 2026/2027**

RECOMMENDATION: Staff recommends the Board adopt the Operating and Capital Budgets for the Niagara Frontier Transportation Authority (NFTA) and Niagara Frontier Transit Metro System, Inc. (Metro) for the fiscal year ending (FYE) March 31, 2027. The consolidated operating budget for FYE March 31, 2027, is \$321.9 million and the consolidated capital budget is \$315.7 million.

INFORMATION: The NFTA is a public benefit corporation of the State of New York created under Chapter 717 of the laws of 1967. The NFTA is a multimodal entity encompassing a skilled and dedicated workforce. We are firmly committed to providing safe, efficient, professional and sustainable transportation services that enhance the quality of life in the Buffalo Niagara region in a manner consistent with the needs of our customers. To that end, the NFTA operates the Buffalo Niagara International Airport, Niagara Falls International Airport, various non-transportation property assets as managed by our Facilities & Property Group, Transportation Centers in the Cities of Buffalo and Niagara Falls, and through its subsidiary corporation, Metro, bus, paratransit, and light rail transit systems in the counties served by the NFTA.

The NFTA adopts an annual budget covering its operations for the fiscal year that begins April 1 and extends through March 31 of the following calendar year. The budget for FYE March 31, 2027, is balanced and was prepared based on a management approach integrating financial and strategic requirements necessary for the continued operation of the NFTA, as a whole.

As a comparison to the current year budget, the FYE March 31, 2027, budget assumes a \$2.4 million, or 1.5%, increase in operating and non-operating revenues from NFTA and Metro and a \$27.5 million, or 18.0%, increase in operating assistance.

The budget assumes a \$15.8 million, or 5.8% increase in operating expenses for FYE March 31, 2027, while providing for the continued efficient delivery of transportation services to the public and communities served by the NFTA and Metro without increasing transit fares to our customers.

Finally, the FYE March 31, 2027, budget includes \$6.3 million for net debt service and operating reserves related to the Buffalo Niagara International Airport Improvement Program (AIP) project and \$58.9 million in the NFTA equity share of our budgeted capital spending total of \$315.7 million.

The Metro Division (Surface Transportation) includes passenger fare revenue reflecting estimated ridership to continue to rebound. The Surface Transportation capital budget includes funds for the DL&W (terminal and shoreline rehab), Bailey Corridor Bus Rapid Transit (BRT), and the Amherst Light Rail Transit Expansion.

In the Aviation Division, the Buffalo Niagara International Airport (BUF) budget reflects an anticipated increase in enplanements. Higher airport fees and services reflect increasing cost compensatory billings to the airlines. Concessions/Commissions are increasing 1.3% as FYE March 31, 2027 includes higher parking lot/ramp and food/meals/retail revenues. Major capital projects at BUF include Luiz F. Kahl Way repavement, terminal HVAC replacement, glycol de-icing recovery project, and consolidated rental car facility programming study.

The Niagara Falls International Airport's (IAG) budget includes higher revenues due to a projected increase in parking lot, ride share, and auto rental revenues. The capital budget includes funds for landside roadway construction, snow removal equipment, airside pavement maintenance, and the runway 10/28 rehab project.

The Facilities & Property Group budget reflects the anticipated increase in rental income based on recent lease/vacancy forecasts. The budget also includes capital funds for parking lot upgrades and sewer line repairs at 485 Cayuga Road, MTC window replacement, and OCC HVAC replacement.

The following are the budget assumptions and highlights, comparing the FYE 2026 budget to the FYE 2027 budget:

- Metro base fare remains \$2.00. The last increase in fare was in 2012
- New York State Operating Assistance increasing \$26,675k; FYE 2027 budget includes an additional \$12,000k of rail dedicated funds
- Total Federal Operating Assistance to increase \$407k, or 2.0%, primarily due to an anticipated increase in preventive maintenance (PM) funding allocation from Federal Transit Administration (FTA)
- Erie County Sales Tax is anticipated to increase \$416k, or 1.5%, based on county projections
- Mortgage Tax is anticipated to remain at FYE 2026 level of \$10,117k
- BUF is assuming an increase in enplanements resulting from current trends and projections
- NFTA/Metro contractual/step increases reflective of labor agreements
- Metro fringe benefit rate - 72.0%; NFTA fringe benefit rate - 57.0%
- NFTA/Metro health insurance costs are increasing by 10.0%, consistent with our FYE 2026 forecast and recent trends
- NFTA/Metro pension costs are increasing by 9.7% due to contractual contributions and projections provided by the New York State and Local Retirement System (NYSLRS)
- NFTA/Metro maintenance and repairs are increasing \$1,452k, or 4.7%, as higher Metro revenue vehicle maintenance and rail contract costs, and BUF snowplowing, materials/supplies, baggage maintenance, environmental, and landscaping expenses all contribute to the variance
- Lower Metro transit fuel/power expenses of \$1,316k, or 20.6%, as FYE 2027 anticipates a decrease in diesel and gasoline costs, more reflective of recent trends
- NFTA/Metro general business/other is increasing \$5,828k, or 13.1%, due to higher Metro outside service costs, training, and fare collection expenses, BUF outside service costs, and Central Administration outside service costs and general office expenses

"RESOLVED, that the Operating and Capital Budgets of the Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc., for the fiscal year ending March 31, 2027, be, and hereby are, adopted, as provided herein; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized during the course of the 2026-2027 fiscal year to establish, for non-represented employees, the appropriate salary levels consistent with the merit-based system for all new hires and to adjust, on the basis of performance, the salary level of all employees; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized during the course of the 2026-2027 fiscal year to establish, for represented employees, the appropriate step, within the budgeted salary grade, for all new hires and to adjust, on the basis of performance and as provided by the applicable collective bargaining agreements, the grade and step of all current employees."