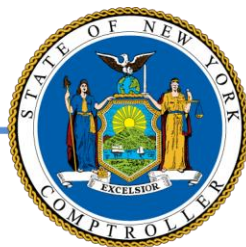

Public Authorities by the Numbers:

Capital District Transportation Authority



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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I. Executive Summary

This report, one in a series of reports by Comptroller DiNapoli on public authorities in New York State, summarizes the revenues, expenditures, employment and certain other key data of the Capital District Transportation Authority (CDTA).

One of four upstate regional transportation authorities, CDTA provides bus service and other transportation services in Albany, Rensselaer, Saratoga and Schenectady counties. It also owns and operates the train stations in Rensselaer and Saratoga Springs.

CDTA's importance to the regional economy has been growing, as evidenced by data showing continual ridership gains each year since 2010, including a 17 percent increase in 2014 alone. For the fiscal year ending March 31, 2015 (FY 2015), its most recently reported fiscal year, CDTA counted total ridership of 17.2 million with average weekday boardings of 60,000. As ridership has grown, expenses per passenger mile have generally declined.

Salaries and wages of \$36.5 million represent CDTA's largest expense category, 38 percent of the total in the latest reported fiscal year. Included in that category was \$7.4 million of overtime pay. CDTA's reported overtime comprised 20 percent of total employee compensation, more than twice the proportion of other upstate regional transit agencies. More than 10 percent of all CDTA employees were reported to have overtime amounts that totaled more than 50 percent of their annualized salaries. For one employee, the reported overtime amount surpassed \$50,000, which exceeded the employee's annualized salary.

State funding represents the largest single source of CDTA's revenue, nearly 40 percent of the total in FY 2015. Appropriations for CDTA in this year's State budget total \$39.3 million, an increase of \$5.4 million over the previous year. The federal government and local governments are also important sources of revenue. Passenger fares of \$17.3 million made up just less than one of every five dollars of total revenue in FY 2015.

As with other providers of mass transit services, CDTA makes a key contribution to economic opportunity and quality of life for individuals and employers throughout its service region. The State, its local governments and the federal government all have important stakes in CDTA's financial and operational stability. The information and analysis in this report are intended to assist the Authority, public policy makers, community residents and others in assessing the effectiveness with which CDTA fulfills its mission to deliver transit services in the Capital Region efficiently and affordably.

II. Capital District Transportation Authority by the Numbers

The data in this report have been submitted by CDTA to the Office of the State Comptroller (OSC), primarily through the Public Authorities Reporting Information System (PARIS) maintained by the Office of the State Comptroller, except where otherwise noted. PARIS was created in response to a need for greater accountability and transparency through more timely data collection and analysis. The system was fully implemented in November 2007 and is jointly managed by the Office of the State Comptroller and the Authorities Budget Office (ABO).

Unless otherwise stated, the data in this report are for CDTA's fiscal year (FY) ended March 31, 2015. The information and numbers are self-reported by CDTA and have not been verified by the Office of the State Comptroller.

Introduction

CDTA was created in 1970 for the further development and improvement of transportation and other related services by bus, rail, marine and air. Today, CDTA provides regional transportation services including regular bus service, express commuter service, access transit, paratransit and shuttle services in Albany, Rensselaer, Saratoga and Schenectady counties.

In addition, CDTA owns and operates the Rensselaer and Saratoga rail stations. CDTA's mission statement indicates that it "plans, finances, implements, and delivers transit services that take people where they want to go in the Capital Region safely, efficiently, and at a reasonable cost." In June 2016, both houses of the Legislature passed legislation authorizing CDTA to enter into agreements with municipalities in the Capital Region to administer certain processes related to the registration of taxicabs and the licensing of taxicab drivers. As of the publication of this report, the bill had not been acted upon by the Governor.

CDTA indicates in its operational summary that its service area covers 2,300 square miles with a population of 769,000.¹ According to CDTA, the Authority owns 306 vehicles, 50 of which are hybrid electric buses. Passengers can utilize 2,777 bus stops and 261 bus shelters to access more than 50 bus routes operated by the Authority, including Northway Express commuter routes linking areas from northern Saratoga County to downtown Albany. CDTA also offers 29 park and ride lots with 1,655 parking spots.

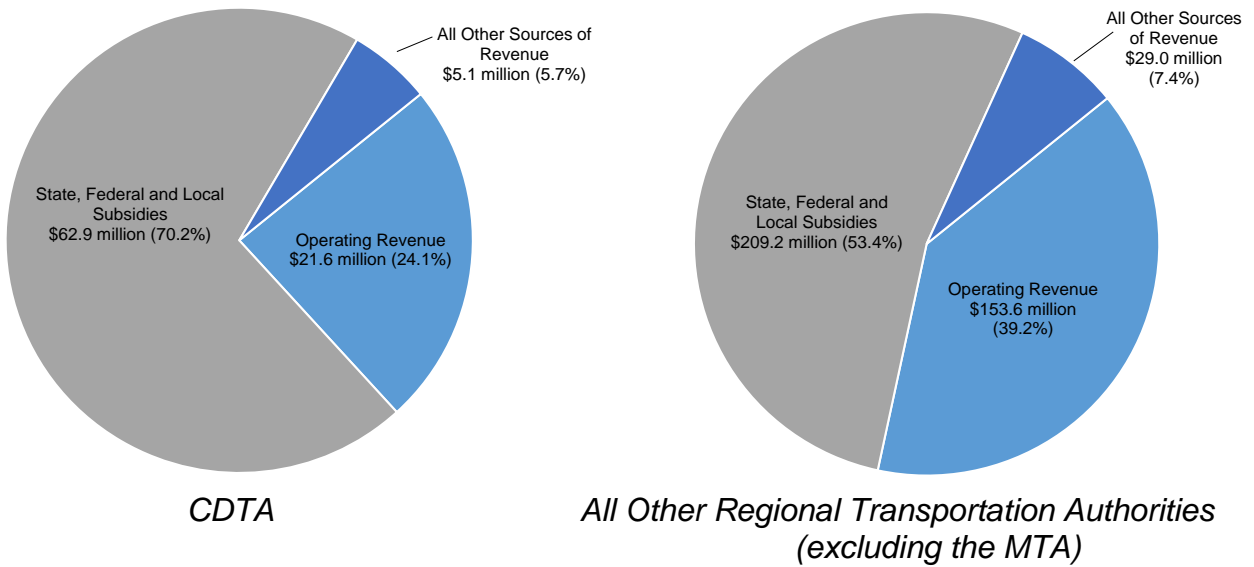
¹ Capital District Transportation Authority, Operational Summary, statistics compiled through March 31, 2015.

Revenues and Expenses

CDTA is one of four upstate regional transportation authorities, and is the third largest in terms of total revenues and expenses.² In addition to operating revenues derived from passenger fares, transit services, advertising and rail station-related revenues, CDTA also receives support from local, State and federal governments.

Figure 1

Revenue Sources as a Share of Total Revenue



Note: Figures may not add due to rounding. Operating Revenue as depicted in the above chart is derived from PARIS data and includes passenger fares, access transit revenues, advertising and rail station parking and rentals. All Other Sources of Revenue, as shown above, includes investment earnings and capital contributions. All data reflects FY 2015.

Self-reported revenues, including capital contributions, for CDTA for the fiscal year ended March 31, 2015 totaled \$89.6 million. Revenue sources and the comparable distribution of revenues for other upstate authorities are shown in Figure 1. The primary sources of CDTA's revenues are government assistance and passenger

² Niagara Frontier Transportation Authority is the largest upstate transit authority based on reported revenues and expenses, followed by Rochester-Genesee Regional Transportation Authority. Central New York Regional Transportation Authority is the smallest of the four upstate transit authorities in terms of reported revenues and expenses.

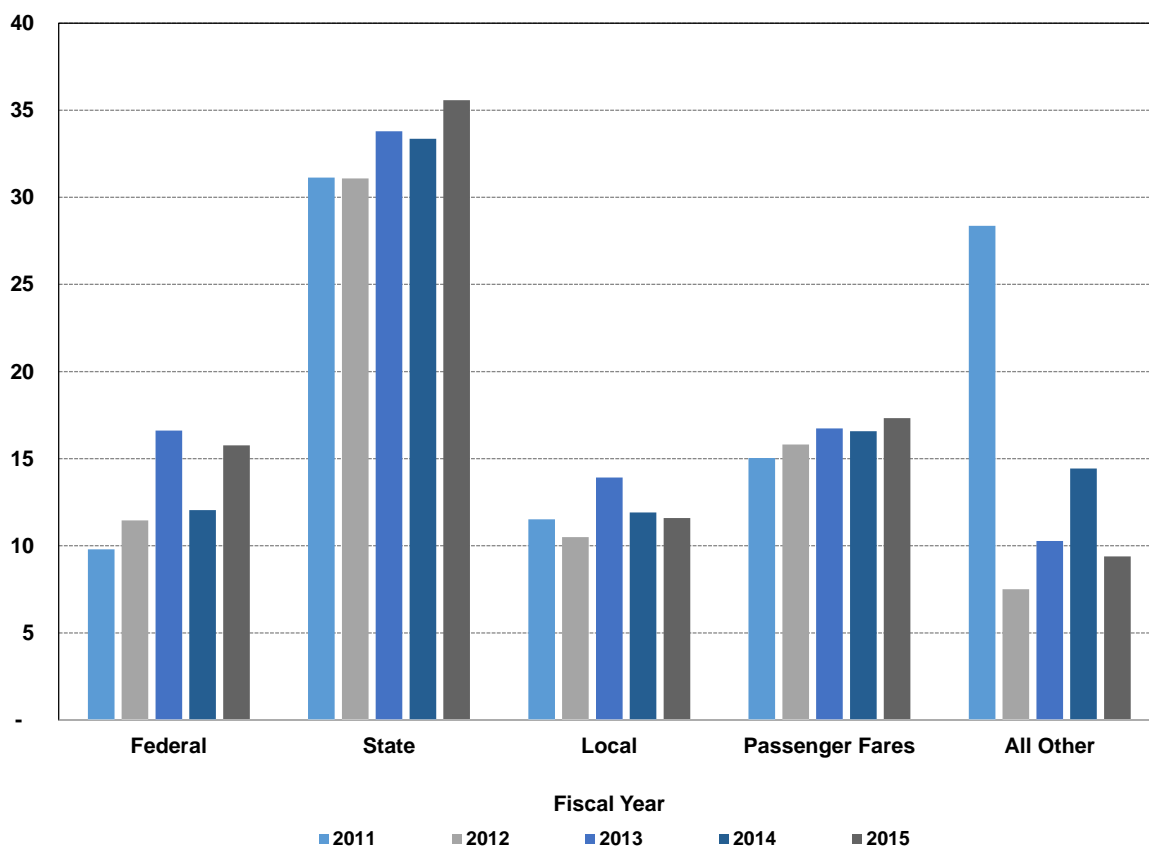
revenue. Government assistance, which totaled \$62.9 million, or 70 percent of total revenue, includes federal, State and local assistance. State funding was the largest single source, at nearly 40 percent of total revenue.

For FY 2015, CDTA received federal operating assistance totaling \$15.8 million, State funding totaling \$35.6 million and local government funding totaling \$11.6 million, which includes \$9.7 million derived from the mortgage recording tax.

State financial assistance has increased by more than \$4.4 million over the funding provided in FY 2010-11, with the most significant increase of over \$2.7 million occurring in FY 2012-13. State appropriations for CDTA in the 2016-17 Enacted Budget total \$39.3 million, an increase of \$5.4 million over SFY 2015-16.

Figure 2

CDTA Sources of Revenue
(in millions of dollars)



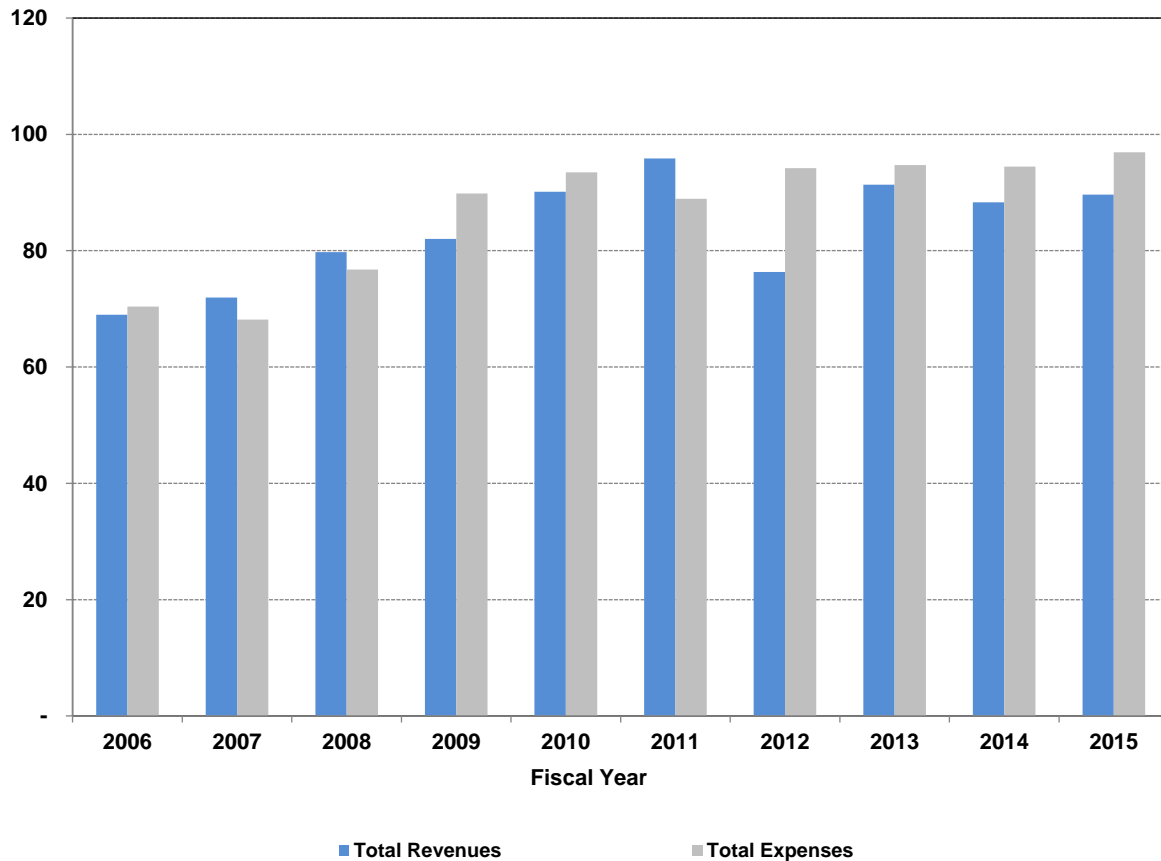
Note: All Other Revenue as depicted in the above chart is derived from CDTA's financial statements and includes access transit revenues, advertising, rail station parking and rentals, investment earnings and capital contributions.

As shown in Figure 2, passenger fares constituted \$17.3 million, or 19 percent, of total revenue for FY 2015. Other sources of revenue include capital contributions of \$4.8 million or 5 percent. Revenue from rail station parking and rentals totaled \$3.2 million, or 4 percent, and investment income, access transit revenues and advertising totaled \$1.3 million, or 1 percent, of total revenue.

The “All Other” revenue category includes items such as capital contributions, investment earnings, other operating and nonoperating revenues, and rental and financing income, comprising 10 percent of total revenue in FY 2015. The spike in FY 2011 reflects \$18.8 million in funding from the American Recovery and Reinvestment Act.

Figure 3

CDTA Revenues and Expenses
(in millions of dollars)



Total expenses reported for FY 2015 were \$96.9 million, including 59 percent in workforce-related expenses and 25 percent related to transportation and depreciation. CDTA's major expense categories include:

- \$36.5 million in salaries and wages;
- \$12.9 million in depreciation costs;
- \$12.1 million in transportation expenses, which represents transportation services purchased from Adirondack Trailways;
- \$12 million in payroll taxes and employee benefits;
- \$8.6 million in pension and other postemployment benefits;
- \$7.1 million in maintenance expenses;
- \$4 million in administration and general expenses; and
- \$3.7 million in expenses such as utilities, insurance, claims and settlements, ridership information and spending categorized as "other."

Capital Lease Obligations

Although CDTA does not have any debt outstanding in the form of bonds or notes, the Authority does have two capital lease obligations which require semiannual lease payments. A master equipment lease/purchase agreement totaling \$8 million was executed in 2011 to procure 25 buses. The lease payment on this transaction is due semiannually through November 2021. A master lease-purchase agreement totaling \$6.9 million was executed in 2014 to acquire 15 transit buses, a portion of which remains unexpended and held in restricted cash. The lease payment on this transaction is due semiannually through November 2023. Annual lease payments for both transactions, including interest, total \$1.7 million through FY 2022 when the term of the 2011 agreement expires and the annual lease payment drops to \$775,856 through 2024.

The use of capital leases for the financing of buses permits CDTA to use federal funding, which otherwise may have been used to purchase buses, for other purposes, including operating expenses.

CDTA has utilized Revenue Anticipation Notes (RANs) when Statewide Mass Transportation Operating Assistance moneys appropriated in the State budget were delayed. The most recent transaction of this nature was repaid in December 2010.

Subsidiaries

Provisions enacted in the Public Authorities Reform Act of 2009 restrict the formation of subsidiaries without legislative approval; however, subsidiary formation is permitted for a number of purposes. Subsidiaries formed for the purpose of a project or projects authorized pursuant to an authority's corporate purpose or those

formed to limit the potential liability impact to the authority of a project are permitted. Subsidiaries formed because federal or State law requires that the purpose of the subsidiary be undertaken through a specific corporate structure are also permitted.

The Public Authorities Reform Act also added reporting requirements for subsidiaries, specifying that they provide the same reporting and disclosures as State authorities, unless the subsidiary’s operations and financial information are consolidated with the parent authority. In addition, authorities must report information about subsidiaries to the State Legislature, including disclosure of the legal name, address, contact information, and organizational structure, as well as a complete report of the purpose, operations, mission and projects of the subsidiary.

Since its establishment in 1970, CDTA has created five subsidiary corporations as operating subsidiaries or to provide other transportation services. These subsidiaries are included as blended component units in the Authority’s financial statements. These component units are the Capital District Transit System, Capital District Transit System Number 1, Capital District Transit System Number 2, Access Transit Services and CDTA Facilities Incorporated.

Employment

For FY 2015, CDTA reported 771 full-time and part-time employees. Reflecting CDTA’s operational nature as a transportation provider, 59 percent of CDTA employees are reported in titles of bus operators or drivers and another 19 percent are reported as maintenance, support and service technicians. CDTA reported 4 percent of employees to be in some kind of management role, while the remaining 18 percent held various titles such as clerk, foreman, supervisor and administrative assistant.

Total compensation reported was \$36.5 million, as shown in Figure 4. CDTA’s total compensation ranks in the top third of all State public authorities for the most recently reported fiscal year. As could be expected, the authorities reporting the highest levels of overall total compensation were those with the largest operational functions, with 63 percent of the authorities in the top third related to the provision of health care or transportation services

Figure 4

CDTA Employee Data				
Compensation Category	Number of Employees	Percentage of Total Employees	Total Compensation <i>(in thousands of dollars)</i>	Percentage of Total Compensation
Less than \$50,000	344	44.6%	8,476	23.2%
\$50,000 or more but less than \$100,000	418	54.2%	26,927	73.7%
\$100,000 or greater	9	1.2%	1,129	3.1%
Total	771		36,532	

Note: Columns may not add due to rounding.

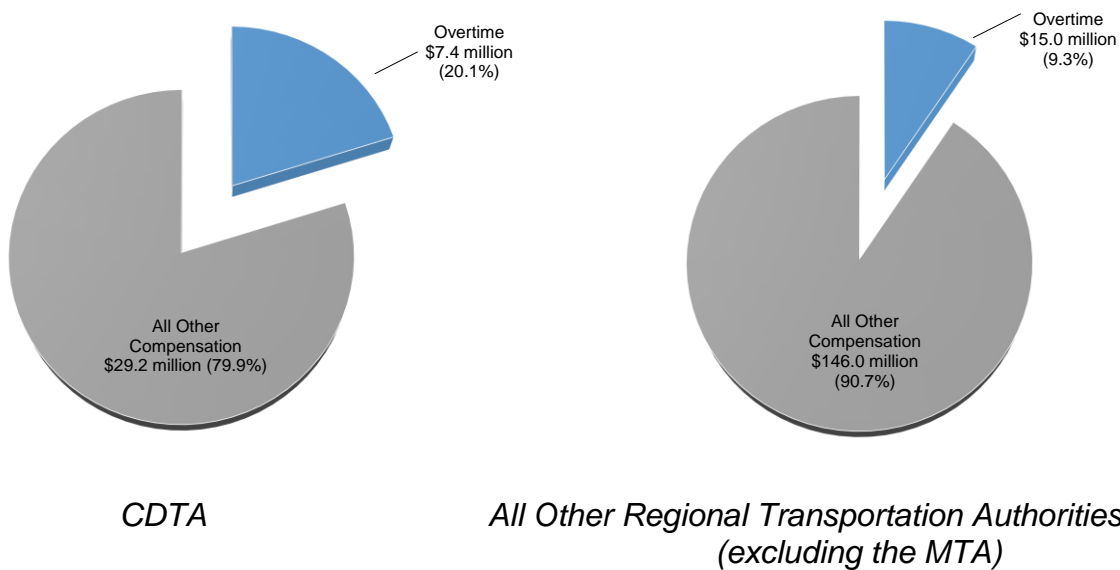
CDTA's total reported compensation included overtime of \$7.4 million, which ranked in the top ten of all State public authorities for the most recently reported fiscal year. As shown in Figure 5, CDTA's reported overtime comprised 20 percent of total compensation, more than twice the proportion of other upstate regional transit agencies and second-highest among all State authorities based on this measure.

Average total compensation for CDTA employees was \$47,383, while the average overtime amount reported was \$9,543. CDTA reported that 37 percent of employees were paid overtime totaling 25 percent or more of their annualized salaries, with more than 10 percent of all employees earning overtime which exceeded 50 percent of their annualized salaries. The overtime amount reported for one employee in FY 2015 was over \$50,000, which exceeded the annualized salary for that employee.

A 2009 Office of the State Comptroller audit found that CDTA management had effectively managed and monitored its overtime expenses to reduce overtime costs. Since 2010, however, overtime costs have increased 33 percent, increasing nearly 11 percent just from FY 2014 to 2015. Total compensation over the same period has also increased, by more than 13 percent, while conversely, the total number of employees has declined by nearly 3 percent.

Figure 5

Overtime as a Share of Total Compensation



Note: Figures may not add due to rounding.

CDTA participates in the New York State and Local Employees' Retirement System and contributes to pension plans available to union employees of the Authority's subsidiaries. The plans are sponsored by the unions and the Authority's contributions, which totaled \$2.1 million for FY 2015, are based on union agreements.³ CDTA provides health benefits for eligible retired employees and their spouses through a health care plan with varying participant contribution rates.⁴

Contracts

In FY 2015, CDTA reported 162 active competitively bid and noncompetitively bid contracts with a total reported amount expended of nearly \$35 million, as shown in Figure 6. Of those active procurements, CDTA reported a total contract amount in excess of \$182 million.

Contracts awarded through noncompetitive and other processes represented 54 percent of the total number of CDTA's procurements, and constituted 37 percent of its reported contract expenditures for FY 2015. Contracts for Commodities/Supplies represented nearly 43 percent of the total amount expended on contracts reported by CDTA for FY 2015, while expenditures on contracts for Financial Services, the majority of which was reported as "Health Insurance," represented 21 percent.

Expenditures for contracts categorized as Other, which include, for example, purchased transportation, postage and copier expenses, and a park and ride lease, represented 12 percent of the total amount expended, while contract expenditures for Other Professional Services represented nearly 9 percent, and nearly 8 percent was reported as expenditures for Design and Construction/Maintenance contracts.

Figure 6

CDTA Procurement Data
(Amounts Expended are shown in thousands of dollars)

Award Process	Number of Procurements	Amount Expended (for FY 2015)	Amount Expended (life to date)
Competitive Bid Contracts	125	26,462	125,355
Noncompetitive Bid Contracts	37	8,264	54,818
Non-Contract Procurements	82	3,817	-
Purchased Under State Contract	28	3,429	-
Total	272	41,973	180,174

Note: Columns may not add due to rounding.

³ Capital District Transportation Authority (A Component Unit of the State of New York), Financial Statements, March 31, 2015.

⁴ Ibid.

Unlike State agency contracts, few of these public authority transactions are subject to prior review and approval by the Office of the State Comptroller. However, the Public Authorities Reform Act of 2009 gives the Comptroller the discretion to review contracts in excess of \$1.0 million that are either awarded noncompetitively or are paid in whole or in part from State-appropriated funds, with certain exceptions primarily associated with health- and energy-related contracts.⁵

⁵ For more information, see www.osc.state.ny.us/pubauth/contracts.htm.

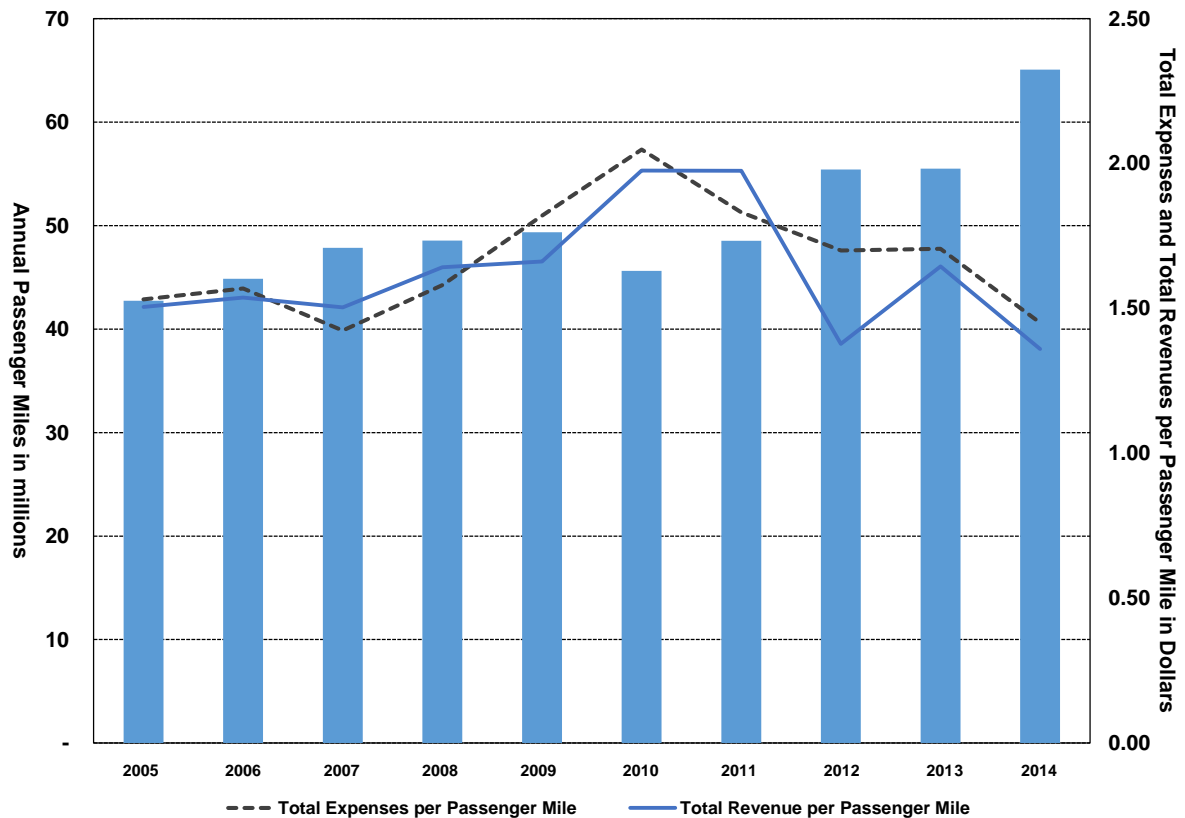
III. CDTA Ridership and Other Data

CDTA provides regional transportation services including regular bus service, express commuter service, paratransit and shuttle services in Albany, Rensselaer, Saratoga and Schenectady counties. In addition, CDTA owns and operates the Rensselaer and Saratoga rail stations.

CDTA indicates in its operational summary that its service area covers 2,300 square miles with a population of 769,000.⁶ As shown in Figure 7, the Federal Transit Administration’s National Transit Database (NTD) indicates that CDTA’s annual passenger miles, which is the sum of distances ridden by each passenger, totaled more than 65 million miles in FY 2014.⁷

Figure 7

CDTA Revenues and Expenses per Passenger Mile



Sources: Office of the State Comptroller, Federal Transit Administration

⁶ Capital District Transportation Authority, Operational Summary, statistics compiled through March 31, 2015.

⁷ United States Department of Transportation, Federal Transit Administration, National Transit Database, Transit Agency Profiles, Capital District Transportation Authority 2014, www.transit.dot.gov/ntd/transit-agency-profiles.

After rising each year from 2005 to 2009, overall ridership as reflected by total passenger miles fell in 2010. Since then, ridership has risen each year for which data are available, including a 17 percent increase in 2014.

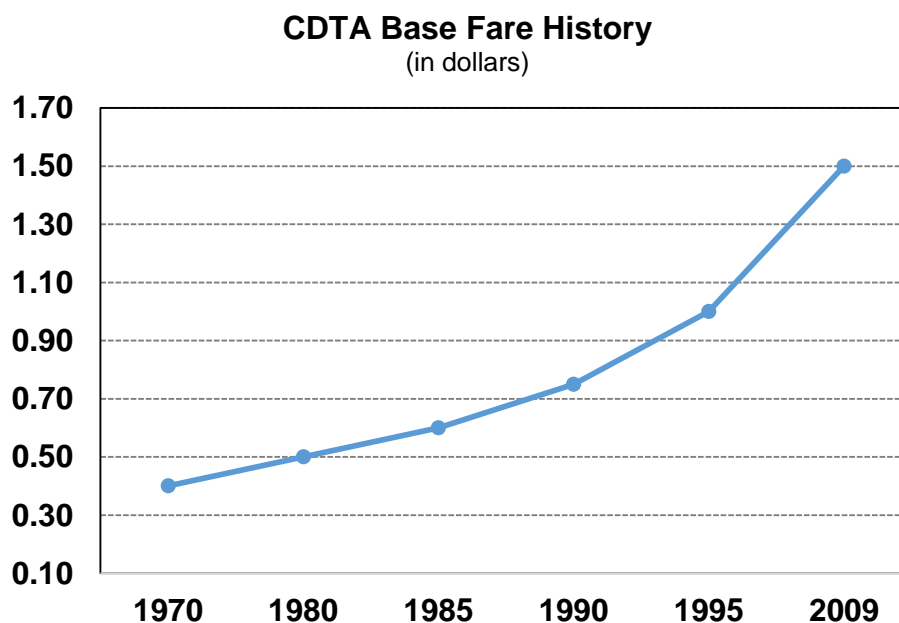
Total expenses and total revenues, per passenger mile, rose as ridership declined in 2010 and fell as passenger miles increased in the following years.

According to CDTA's operational summary, 50.6 percent of the service area population live within a quarter-mile of bus service.⁸ CDTA reports total ridership for FY 2014-15 of 17.2 million, with average weekday boardings of 60,000. During the year, bikes were transported on buses 72,000 times.

CDTA also provides performance information on its website presented as graphs, monthly data cards, and detailed data, some of which are available for download. This data includes statistics on ridership, safety, reliability and customer service from 2009 to present. For example, data may provide information about on-time performance, the number of preventable accidents, missed trips and customer complaint resolution.

CDTA has implemented several fare increases since its inception in 1970, when the fare was 40 cents. The base fare was increased in 1980, 1985, 1990, 1995, and, most recently, in 2009 to reach the current base fare of \$1.50 (Figure 8).

Figure 8



⁸ Capital District Transportation Authority, Operational Summary, statistics compiled through March 31, 2015.

IV. Conclusion

This overview and profiles of other public authorities are part of Comptroller DiNapoli's continuing efforts to strengthen government accountability, improve public access to information, and provide New York's taxpayers and policy makers, along with the users of public authority facilities and services, with data that can serve as the basis for sound planning and policies.

CDTA operates a vital service for Capital Region residents, employers and educational institutions, providing commuter, Special Transit Available by Request (STAR), ACCESS Transit and other transportation services. After a dip in 2010, the authority's total ridership has been increasing. While overtime costs have increased by a third since 2010, overall costs per passenger mile have been trending downward.

State assistance is the largest single element of CDTA revenues and is expected to increase this year. Given the level of such funding and the importance of regional transportation authorities to local economies, the State has a key stake in the financial and operational stability of CDTA and similar entities in other areas of upstate New York. Continued attention to opportunities for growth in ridership and for cost efficiencies will help assure that CDTA fulfills its mission effectively.



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