



Niagara Frontier Transportation Authority  
*Serving the Niagara Region*

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**Betty Jean Grant, Chairperson**  
**Erie County Legislature**  
**92 Franklin Street, 4th Floor**  
**Buffalo, NY 14202**

**Re: Niagara Frontier Transportation Authority**

Dear Chairperson Grant:

Pursuant to Public Authorities Law Section 2801, please be advised that the NFTA's five year capital plan for fiscal years ending March 31, 2014-2018 and the annual operating budget for fiscal year end 2014 has been posted on our website at [www.nfta.com](http://www.nfta.com). We are **presenting a balanced budget for FYE 14** that reflects the Authority's mission and that of each of the strategic business units.

**MISSION STATEMENT**

**The Niagara Frontier Transportation Authority is a multi-modal entity encompassing a skilled and dedicated workforce. We are firmly committed to providing safe, efficient and professional transportation services that enhance the quality of life in the Buffalo Niagara region in a manner consistent with the needs of our customers.**

The budget includes: cost control measures and projects, technology improvements, green initiatives that will result in operational changes, an equity adjustment for State Operating Assistance, and an increase in organizational liquidity.

**FYE 14 Budget  
 Net Surplus/ (Deficit)**

<b>BNIA</b>	<b>2,461,139</b>
<b>NFLA</b>	<b>(1,697,781)</b>
<b>Metro</b>	<b>110,198</b>
<b>Transportation Centers</b>	<b>(953,824)</b>
<b>Property Dev.</b>	<b>80,267</b>
<b>NFTA Combined</b>	<b>0</b>

## AUTHORITY-WIDE ASSUMPTIONS

- NFTA/Metro health insurance costs are increasing 4.3%, including an 8% rate increase partially offset by full participation of all employees in health care contributions.
- NFTA/Metro budget assumes 14.8% increase in electric billings based on higher commodity and capacity charges.

## AVIATION

### AVIATION MISSION

**Aviation serves as a catalyst for economic growth by maintaining cost effective, customer oriented, and efficient airports to attract and retain comprehensive and competitive air transportation services.**

### BUFFALO NIAGARA INTERNATIONAL AIRPORT (BNIA)

BNIA is well poised to maintain a competitive air service environment with the diversification of airlines. The budget therefore **assumes a 1% increase in enplanement growth**. The continued increase of customers, especially Canadian customers has spurred **economic development** in the area and the need for additional parking and baggage claim expansion.

Key Projects for BNIA include:

- The continuation of the Noise Compatibility Program
- Upgrade of the terminal restrooms
- Addition of approximately 1000 additional surface parking spots in Long Term Lot B
- Baggage Claim Expansion

**BNIA continues to GO GREEN with a CNG Project for a fueling station that will be used for parking shuttle vans.**

### NIAGARA FALLS INTERNATIONAL AIRPORT (NFIA)

Despite the loss of Direct Air in FYE 13, NFIA continues to see a return of passengers through increased flight activity and destinations. The budget for FYE 14 reflects an **increase in revenues of \$241k or 15.8%**.

With the increased activity at NFIA, the **TSA has mandated increases in police presence** resulting in additional costs of \$68.9k.

Included in the FYE 14 budget are the **conclusion of the NFIA Master Plan** and the **development of a strategic plan** that will help us address the future of the airport.

The NFIA has had a tremendous positive economic impact on the Niagara region and how NFIA can benefit from this will also be included within the strategic planning process.

NFIA, which is a joint use facility with the US Air Force Reserve base, is going to continue to assist the Niagara Falls Airbase to maintain its presence in the region.

Key Capital Projects include:

- Property Acquisition of the Runway Protection Zone - West End
- Design for New Terminal Aprons Phase II (Gates 1 and 2)

## **SURFACE TRANSPORTATION**

### **SURFACE TRANSPORTATION MISSION**

**The mission of the Surface Transportation Division is to enhance the quality of life of residents and visitors by providing the highest level of safe, clean, affordable, responsive, and reliable transportation through a coordinated and convenient bus and rail system.**

The Metro Consolidated Budget for FYE 14 is a Net Surplus of \$110k and does not include any fare increases or significant changes in service.

Key to achieving this is the assumption of an equity adjustment of \$2,245k of State Operating Assistance to bring Metro more in line with what the other upstate agencies receive.

- We receive the lowest State Transit Operating Assistance (STOA).
- If we were to receive on average what the other three upstate agencies are awarded it would be an additional \$14,123,163 per year!
- NFT Metro provides more coverage than any other upstate transit agency
- Transit need is greatest in the Buffalo Niagara region as there are more households with no vehicles as compared to other upstate transit communities. Over 77% of riders in Buffalo are transit dependent
- NFT Metro has the lowest operating expense per vehicle revenue mile than any transit agency in NYS.

The Surface Transportation Division continues to look at cost control and will complete a facility consolidation study in FYE 14. In addition, fuel is locked in at 24% of our anticipated usage.

Going Green is a strong theme reflected in the budget with the inclusion of an alternative fuel implementation study, a CNG fueling Station and a CNG equipment project.

Directly benefiting the customers we are purchasing 15 new small buses, 4 trolleys and implementing a passenger information system. Our flagship project of the Midlife Rebuild of our Light Rail Vehicles is projected to continue to move forward with the continued delivery of completed vehicles.

Technology is also key with the design of a new fare box system.

The budget reflects an increase of approximately 1% in ridership, increased University Pass Program revenue based on renewed contracts with increased cost recovery, and additional advertising revenue.

## TRANSPORTATION CENTERS

Expenses are increasing as vacant positions are fully staffed, offset partially by a decrease in anticipated repairs and maintenance expenses. This fiscal year the MTC has seen a wonderful transformation of the waiting area for our customers as well as other improvements in the concourse area, and as such those expenses will not be repeated in next fiscal year.

## PROPERTY MANAGEMENT

### PROPERTY MANAGEMENT MISSION STATEMENT

**The mission of Property Management is to manage and develop the NFTA owned real property to optimize the generation of self-supporting discretionary revenue to support our transportation businesses while fostering economic growth.**

The Budget for Property Management assumes we are operating the Boat Harbor and reflects a return to a more normal boating season after exceptional weather in 2012. The impact on this assumption represents \$253k of the variance.

Capital projects for Property include various improvements at 485 and 247 Cayuga and a replacement of the Fish Cleaning Station at the Boat Harbor if grant funding is securing.

## CENTRAL ADMINISTRATION

### SUPPORT SERVICES MISSION STATEMENT

**The mission of Central Administration is to proactively provide high quality, coordinated, innovative, technological, cost-effective support service solutions for our internal and external stakeholders.**

### TRANSIT POLICE MISSION STATEMENT

**The mission of the NFTA Transit Police Department is to provide the public with a safe, secure transportation system. This is accomplished through proactive and reactive policing strategies, cooperation with other Law Enforcement Agencies, and positive interaction with the community.**

Central Administration consists of the Transit Police, Risk Management, Internal Audit, Executive Branch, EEO/Diversity Development, General Counsel, Engineering, Public Affairs, Human Resources, and Finance and Administration.

In FYE 13, the ARRA grant for the Transit Police concluded and this has a negative impact of \$390,000 on operating assistance for FYE 14.

The capital budget includes technology projects of \$977,841; \$800,000 of this is for completion of a Time Capture System that will take us from a completely manual process to automated, creating efficiencies, reducing redundancies and allowing for management tools and improved internal controls. In addition, this is a green project with significant paper and carbon foot reduction.

If you have any questions regarding the enclosed, please contact Deborah C. Leous, Chief Financial Officer, at (716) 855-7250.

Very truly yours,



**Kimberley Minkel**  
Executive Director

KAM/cf