

# 2024

DECEMBER 14, 2023

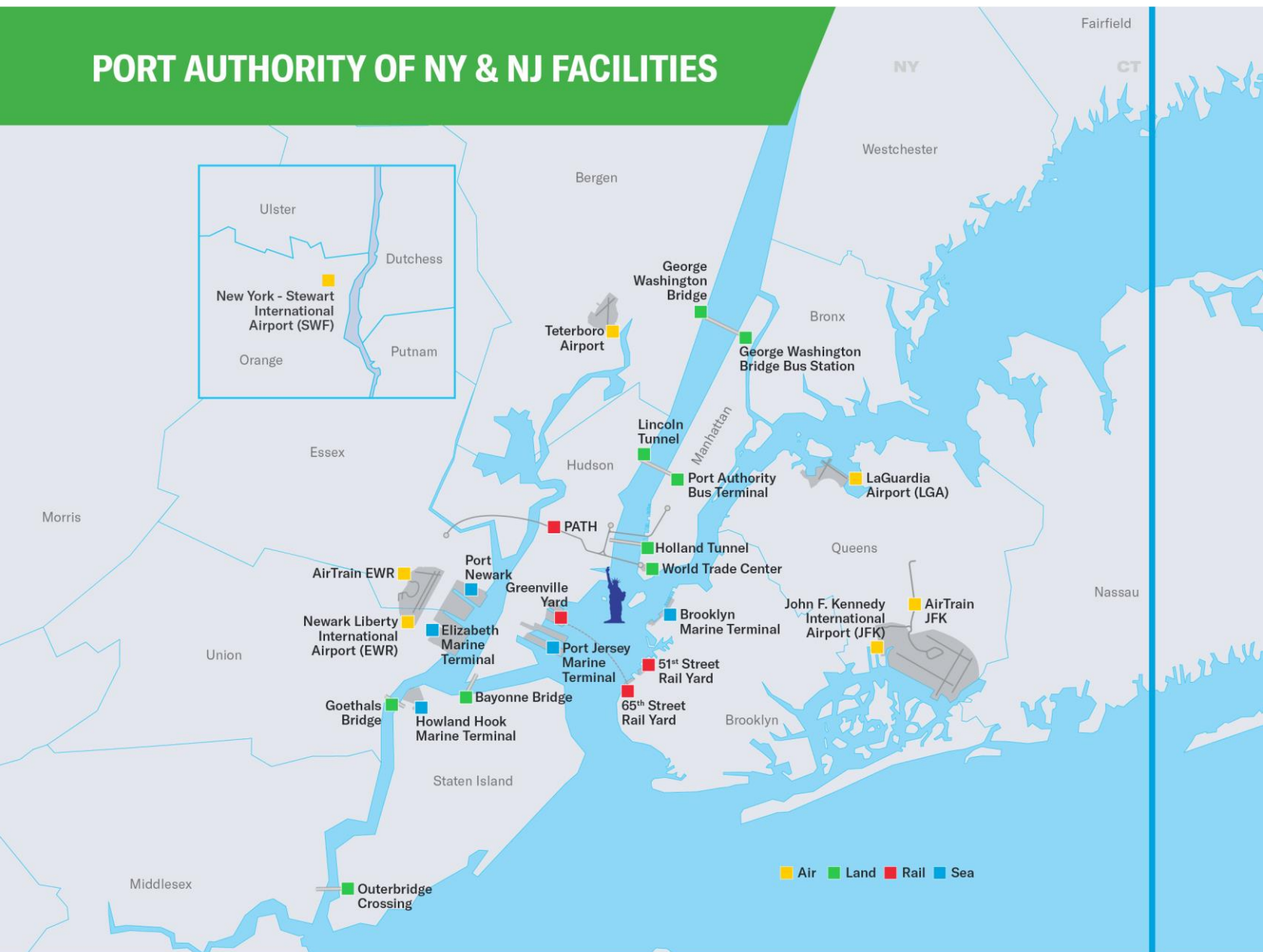
# BUDGET



# OUR MISSION KEEP THE REGION MOVING

Meet the critical transportation infrastructure needs of the bistate region's people, businesses, and visitors by providing the highest quality and most efficient transportation and port commerce facilities and services to move people and goods within the region, provide access to the nation and the world, and promote the region's economic development.

## PORT AUTHORITY OF NY & NJ FACILITIES



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## ABOUT THE PORT AUTHORITY

The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921 (“the Compact”), made by and between the two States, and thereafter consented to by the Congress of the United States. In the Compact the two States recited their confident belief that a better coordination of the terminal, transportation, and other facilities of commerce in the Port of New York would result in great economies benefiting the nation as well as the States and that the future development of such facilities would require the cordial cooperation of the States in the encouragement of the investment of capital and in the formulation and execution of necessary plans.

The two States also recited that such result could best be accomplished through the cooperation of the two States by and through a joint or common agency, and to that end, after pledging, each to the other, faithful cooperation in the future planning and development of the Port of New York, they created the Port of New York District (the “Port District”) and The Port of New York Authority, the name of which was changed, effective July 1, 1972, to “The Port Authority of New York and New Jersey” (“the Port Authority”). The Compact has been amended and supplemented from time to time by legislation adopted by the two States.

In general, the purpose of the States of New York and New Jersey in establishing the Port Authority was to provide transportation, terminal, and other facilities of commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the Cities of Newark, Jersey City, Bayonne, Hoboken, and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States (reference “The Port Authority of NY & NJ Facilities” map on page 2).

Today, the Port Authority’s facilities include two tunnels and four bridges between the States of New York and New Jersey, the Hudson Tubes facility, including the Port Authority Trans Hudson system (“PATH” or the “PATH system”), two bus terminals, trans Hudson ferry service, five airports, six marine terminals, the World Trade Center, two waterfront development facilities, four industrial development facilities, a resource recovery facility, and certain regional development facilities.

For more detailed information on the Port Authority, see [History of the Port Authority Information | Port Authority of New York and New Jersey \(panynj.gov\)](#).

# LETTER FROM THE BOARD OF COMMISSIONERS & EXECUTIVE DIRECTOR

Dear Governors,

As the Board of Commissioners for the Port Authority of New York and New Jersey, we are proud to present the agency's approved 2024 Budget of \$9.3 billion that was developed to support our mission of building and managing vital transportation infrastructure in the New York-New Jersey region. We adopted this Budget at our December 2023 meeting.

Our Budget approval vote capped a momentous 2023 for the Port Authority. The Port Authority's three major airports set passenger records. Our vehicular crossings continued to reach or exceed pre-pandemic levels. The Port of New York and New Jersey firmly established itself as the second-busiest seaport in the nation in terms of loaded cargo. One World Trade Center reached 95 percent leased status, and key ridership milestones were achieved at PATH. All of this was ably accommodated as the Port Authority continued its efforts to rebuild and renew legacy infrastructure and advance several major projects that will help us deliver on our goal to provide a world-class travel experience, including the opening of the acclaimed new Terminal A at Newark Liberty International Airport.

The 2024 Budget supports ongoing efforts to modernize our infrastructure across the region, while operating and maintaining our assets safely and efficiently. Our 2024 Budget reflects a deliberate and prudent allocation of our resources to the agency's strategic priorities noted below:

- **Safety, Security, & Cybersecurity Efforts** total nearly \$1 billion, the agency's largest-ever allocation for security. The funding strengthens the agency's cybersecurity posture while advancing new Port Authority Police Department initiatives in response to an evolving threat landscape.
- **21<sup>st</sup> Century Facilities** will be funded by Capital Spending to deliver modern, world-class infrastructure while accommodating future growth, amounting to \$3.6 billion in 2024. These projects include John F. Kennedy International Airport's redevelopment, a new AirTrain system for Newark Liberty International Airport, continued planning and advancement of the new Midtown Bus Terminal, a modern "tap-and-go" PATH fare payment system, a safer and more efficient roadway interchange at Port Newark's main entrance, and efforts to keep our legacy infrastructure in a state of good repair, such as the comprehensive "Restoring the George" rehabilitation program at the George Washington Bridge.
- **Customer Experience & Operational Excellence Initiatives** total nearly \$2 billion for the operation and maintenance of the agency's assets focused on providing best-in-class facilities and an exemplary customer experience.
- **Climate Action & Resiliency Efforts** to further the agency's commitment to reach net-zero carbon emissions by 2050, as outlined in our roadmap to net-zero emissions released in September 2023. The 2024 Budget includes \$86 million toward net-zero initiatives in addition to over \$220 million to expand resiliency and flood mitigation measures, ensuring that our facilities can adapt to the more extreme weather driven by climate change.
- **Innovation & New Technology** to embed innovative thinking into everyday business practices across the agency. Funding for systems and technology supporting innovation totals \$219 million. Additionally, \$3 million is set aside to support the agency's innovation hub, which allows employees to explore new technologies to improve or expedite processes aimed at achieving the agency's mission and priorities.

The agency's 2024 Operating Expense Budget totals \$3.9 billion and provides for base Budget inflationary escalations of \$126 million, or 3.5 percent, as compared to the 2023 Operating Expense Budget. The Operating Expense Budget invests in the agency's key priority areas—including operational excellence, safety and security, climate, resiliency, and sustainability, innovation, cybersecurity, and customer experience—in addition to \$66 million of necessary special purpose spending for incremental costs

associated with new or expanded facilities, required security investments, new PATH system state-of-good repair work, and operational investments. The agency's 2024 Capital Spending Budget of \$3.6 billion reflects an increase of \$724 million, or 25 percent as compared to the 2023 Capital Spending Budget. Overall, the unusually high year-to-year increase in Capital Spending reflects a return to pre-pandemic spending levels compared to reduced pandemic-era spending levels, supported by the recovery of the agency's Net Revenues following the COVID-19 pandemic. The 2024 Budget also includes \$1.8 billion for Debt Service and Deferred Spending.

The 2024 Budget ensures that the Port Authority can aggressively drive forward the agency's work to rebuild, modernize, and enhance the region's transportation network, while offering customers a safe, seamless, and efficient journey.

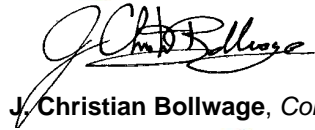
We thank you for your leadership and the opportunity to serve this agency with a mission so critically important to the region and the country.



**Kevin J. O'Toole**, *Chairman*



**Jeffrey H. Lynford**, *Vice Chairman*



**J. Christian Bollwage**, *Commissioner*



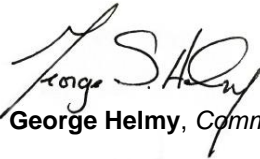
**Steven M. Cohen**, *Commissioner*



**Leecia Eve**, *Commissioner*



**Winston Fisher**, *Commissioner*



**George Helmy**, *Commissioner*



**Joseph Kelley**, *Commissioner*



**Gary LaBarbera**, *Commissioner*



**Kevin P. McCabe**, *Commissioner*



**Michelle E. Richardson**, *Commissioner*

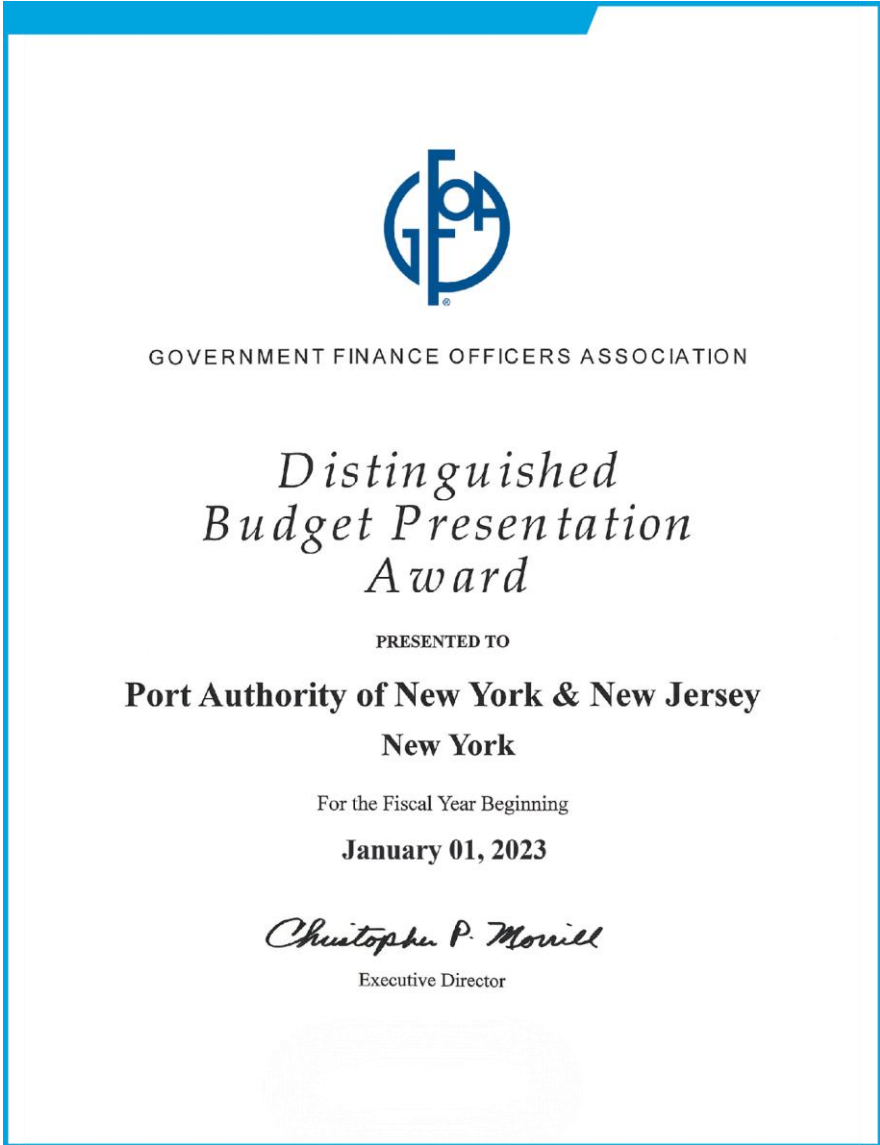


**Rossana Rosado**, *Commissioner*



**Richard Cotton**, *Executive Director*

# GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD



The Government Finance Officers Association of the United States and Canada (“GFOA”) presented a Distinguished Budget Presentation Award to the Port Authority for its Annual Budget for the fiscal year beginning January 01, 2023. To receive this award a governmental unit must publish a Budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. The Port Authority believes its current Budget continues to conform to program requirements and is submitting it to GFOA to determine its eligibility for another award.

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# BUDGET SUMMARY



*An aerial view of the Bayonne Bridge and PONYNJ—both play a vital part in the transportation and trade infrastructure that serve the New York and New Jersey metropolitan region.*

## 2024 BUDGET OVERVIEW

The Port Authority's mission is simple yet economically vital to the New York and New Jersey region: to "keep the region moving", be it by land, air, rail, or sea. And the Port Authority has been doing this for over one-hundred years. Together, the Port Authority's vital network of facilities moves millions of people and millions of tons of cargo locally, nationally, and globally as it operates some of the busiest transportation systems across the nation and the world.

The 2024 Budget advances the Port Authority's mission and reflects a deliberate and responsible allocation of agency resources that is laser-focused on advancing key long-term strategic goals/priorities across all agency operations. These long-term strategic goals/priorities include:

- **Safety, Security, & Cybersecurity** The Port Authority's priority is to provide peace of mind through world-class protection, thereby ensuring the safety and security of the traveling public, the agency's dedicated employees, and agency facilities.

*The 2024 Budget funds the agency's largest Security Budget ever—totaling nearly \$1B—including critical investments to strengthen the agency's cybersecurity posture and new Port Authority Police Department security initiatives focused on responding to the ever-changing threat landscape in which the agency operates.*

- **Customer Experience & Operational Excellence** The Port Authority is committed to improving the public's day-to-day experience across all of its facilities, including ensuring 21<sup>st</sup> century customer experience and delivering first-class operations.

*The 2024 Budget provides nearly \$2B for the operation and maintenance of the agency's assets focused on providing best-in-class facilities and an exemplary customer experience.*

- **21<sup>st</sup> Century Facilities** The Port Authority is committed to rebuilding and revitalizing the region's aging infrastructure with 21<sup>st</sup> century facilities designed to enhance customer experience and accommodate future growth, including building new state-of-the-art facilities.

*The 2024 Budget includes \$3.6B of Capital Spending to invest in new facilities and perform essential state of good repair work on existing assets. The 2024 Capital Spending Budget includes the JFK Redevelopment program to transform JFK into a unified, world-class international gateway, the advancement of airport ground access initiatives to improve customer experience (including replacement of AirTrain EWR as well as providing for new and enhanced bus services to LGA), continued planning and advancement of the new Midtown Bus Terminal, the continuation of major construction on the George Washington Bridge and the Port Street Corridor improvement project at Port Newark, and the replacement of PATH's outdated fare collection system with a modern "tap-and-go" system.*

- **Sustainability & Resiliency** Climate action is at the center of the agency's priorities and standards. Accordingly, the agency is committed to vital environmental and sustainability best practices to reduce its environmental impact, including ambitious net zero commitments (guided by the September 2023 [Net Zero Roadmap](#)), in addition to investing in resiliency projects and programs to ensure agency facilities are adapting to more extreme weather driven by climate change.

*The 2024 Budget includes over \$86M to advance a net zero emissions future, in addition to over \$220M of Capital Spending for resiliency-related funding to prepare agency facilities for a warming and more unpredictable climate.*

- **Innovation** The Port Authority is focused on embedding innovative thinking and 21<sup>st</sup> century technologies into every-day business practices and operations, as well as ensuring the agency continues to focus on identifying best practices.

The 2024 Budget includes \$219M to invest in technologies and systems that support innovation, in addition to dedicating \$3M to the agency's Innovation Hub, which explores new technologies that may be of high value to the agency.

- **Employer of Choice** The Port Authority is committed to fostering an employee experience that attracts, develops, and retains highly skilled and dedicated people.

The 2024 Budget dedicates over \$36M focused on employee engagement, training, retention, and development.

Behind these long-term, agency-wide strategic goals/priorities are six standards that underpin the Port Authority's work. These six standards include: 1) unwavering integrity; 2) prioritizing diversity and inclusion; 3) implementing global best practices; 4) leveraging 21<sup>st</sup> century technology; 5) embracing collaboration; and, 6) executing initiatives with speed. These strategic goals/priorities and standards are ingrained into the agency's operations and the realization of its mission, which are reflected through the Port Authority's prioritization of Budgeted resources<sup>1</sup>.

The 2024 Budget represents the fiscal embodiment of the agency's priorities and standards, charting a roadmap for the year ahead while ensuring that the agency advances its simple but fundamental mission to keep the region moving. The 2024 Budget totals \$9.3B and consists of \$3.9B for Operating Expenses, \$3.6B for annual Capital Spending, \$1.7B for Debt Service from Operations, and \$0.1B for Deferred Spending.

#### \$9.3B 2024 SOURCES BUDGET

- \$6.7B of Gross Operating Revenues
- \$1.8B of Bond Issuances & Other Sources
- \$0.5B of Grants & Contributions
- \$0.3B of Passenger Facility Charges

#### \$9.3B 2024 USES BUDGET

- \$3.9B for Operating Expenses
- \$3.6B for Capital Spending
- \$1.7B for Debt Service from Operations
- \$0.1B for Deferred Spending

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<sup>1</sup> In addition to the overview of how 2024 Budgeted resources are allocated to advance the agency's long-term strategic goals/priorities, the *Departmental Budget Summaries* include *Strategic Priorities/Goals, Objectives, & Performance Measures* sections that highlight specific action plans, strategies, and projects detailing how these strategic goals/priorities will be accomplished. Further detail on the process for creating the strategic goals/priorities, as well as how Budgeted resources are allocated and prioritized in alignment with the strategic priorities/goals, is included in the *Budget Process & Financial Policies* section.

## 2024 Sources Budget Overview

The 2024 Sources Budget totals \$9.3B and consists of \$6.7B of Gross Operating Revenues, \$1.8B of Bond Issuances & Other Sources, \$0.5B of Grants & Contributions, and \$0.3B of Application of Passenger Facility Charges (“PFCs”).

- **Gross Operating Revenues** are projected to total \$6.7B in the 2024 Budget, reflecting an increase of \$311M, or 4.9% versus the 2023 Budget. This growth is driven by \$220M of incremental Aviation revenues resulting from: 1) passenger growth; 2) the full-year effect of new leases associated with the Airport Redevelopment programs; and, 3) higher cost recovery revenues. The 2024 Budget also includes \$103M of incremental bridge and tunnel toll revenues driven by an automatic inflation-based toll adjustment implemented on January 7, 2024, in addition to increased vehicular activity.
- **Bond Issuances & Other Sources<sup>2</sup>** are projected to total \$1.8B in the 2024 Budget, which aligns with the funding strategy and needs of the 2024 Capital Spending Budget.
- **Grants & Contributions**—which includes contributions in aid of construction and grant revenues from various federal aid programs—are projected to total \$518M in the 2024 Budget, reflecting an increase of \$62M, or 14% versus the 2023 Budget driven by incremental JFK Capital Contributions associated with the ramp-up of spend for the JFK Redevelopment program in 2024.
- **Application of Passenger Facility Charges (“PFC”)**—which reflects fees collected from passengers utilizing the airports and are then applied to eligible airport Capital projects—are projected to total \$301M in the 2024 Budget, reflecting a decrease of (\$68M), or (18%) versus the 2023 Budget. This decrease is driven by the timing of related underlying spending and by a large one-time increase that occurred in 2023 that will not be replicated in 2024.

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<sup>2</sup> Other Sources includes unspent proceeds from previous bond issuances, financial income, and the application of monies from the Consolidated Bond Reserve Fund for purposes of funding Capital investments in Port Authority facilities.

## 2024 Uses Budget Overview

The 2024 Uses Budget totals \$9.3B and consists of \$3.9B for Operating Expenses, \$3.6B for annual Capital Spending, \$1.7B for Debt Service from Operations, and \$0.1B for Deferred Spending. Overall, the 2024 Uses Budget ensures that the agency maintains its commitment to high standards of safety, security, cleanliness, and customer experience while continuing to rebuild the region's aging infrastructure with 21<sup>st</sup> century facilities designed to enhance customer experience and accommodate future growth.

- **Operating Expenses** total \$3.9B in the 2024 Budget. This growth is driven by base Budget inflationary escalations of \$126M, or 3.5% to invest in the agency's key priority areas—including operational excellence, safety and security, climate, resiliency, and sustainability, innovation, cybersecurity, and customer experience—that has been allocated based on Departmental need.

An additional \$66M of special purpose spending is included in the 2024 Operating Expense Budget necessitated by: 1) incremental spending related to new or expanded facilities and systems of \$23M which require increased spending to operate or manage the new or larger facilities; 2) required incremental security spending of \$9M to respond to the changing threat landscape (bringing total Security spending to nearly \$1B); 3) new state of good repair spending on the PATH system of \$8M necessary to reduce train delays, increase capacity, and enhance customer service; and, 4) incremental spending that is largely offset by incremental revenues of \$26M, including largely recoverable asset lifecycle extension investments for the AirTrains at Newark Liberty International Airport ("EWR") and John F. Kennedy International Airport ("JFK") and unavoidable revenue collection costs (primarily credit card fees) associated with revenue growth at the airports.

In total, the 2024 Operating Expense Budget increase—both base Budget inflationary escalations of \$126M, or 3.5% plus the additional \$66M of special purpose spending—equates to a \$192M, or 5.2% increase versus the 2023 Budget.

- **Capital Spending** totals \$3.6B in the 2024 Budget, reflecting an increase of \$724M, or 25%, versus the 2023 Budget driven by the advancement of JFK Redevelopment, the replacement of AirTrain EWR, and continued planning and advancement of the Midtown Bus Terminal replacement.

Overall, the unusually high year-to-year increase in planned Capital Spending reflects a return to pre-pandemic Capital Spending levels compared to reduced pandemic era spending levels supported by the recovery of the agency's Net Revenues following the COVID-19 pandemic.

- **Debt Service from Operations**<sup>3</sup> totals \$1.7B in the 2024 Budget, reflecting an increase of \$52M, or 3% versus the 2023 Budget. This increase is driven by: 1) higher scheduled debt service payments resulting from the scheduled maturities of the agency's bonds; and, 2) forecasted incremental debt service on new bond issuances in 2023 and 2024.
- **Deferred Spending** for expenditures that are made in the current year but that benefit multiple years—such as vehicles, software/hardware, and investments/renovations in properties leased by the Port Authority—total \$135M in the 2024 Budget, reflecting an increase of \$18M, or 16% versus the 2023 Budget driven by the timing of purchases for the agency's Vehicle Purchase Program, which was delayed throughout the COVID-19 pandemic due to supply chain issues.

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<sup>3</sup> Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

## REVENUES & RESERVES

Pursuant to Port Authority Bond Resolutions

Year ended December 31<sup>st</sup>

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Gross Operating Revenues*	\$6,033,830	\$6,383,548	\$6,504,573	<b>\$6,695,203</b>
Operating Expenses*	3,570,127	3,659,953	3,732,196	<b>3,851,939</b>
<b>Net Operating Revenues</b>	<b>\$2,463,703</b>	<b>\$2,723,595</b>	<b>\$2,772,377</b>	<b>\$2,843,264</b>
Financial Income & Other	54,962	97,757	145,757	<b>157,930</b>
Contributions in Aid of Construction	288,692	280,878	293,111	<b>380,363</b>
Application of WTC Retail Joint Ventures	16,968	–	–	<b>–</b>
Application of PFCs	63,664	369,034	494,897	<b>301,075</b>
Tower 4 Liberty Bond Contributions	34,745	34,732	34,734	<b>34,717</b>
Grants in Connection with Operating Activities	160,290	142,913	134,045	<b>104,005</b>
Pass-Through Grant Program Payments	–	(2,391)	(1,250)	<b>(1,025)</b>
<b>Non-Operating Revenues</b>	<b>\$619,321</b>	<b>\$922,923</b>	<b>\$1,101,294</b>	<b>\$977,065</b>
<b>Net Revenues Available for Debt Service &amp; Reserves</b>	<b>\$3,083,024</b>	<b>\$3,646,518</b>	<b>\$3,873,671</b>	<b>\$3,820,329</b>
Interest on Bonds & Other Asset Obligations	926,372	1,061,818	1,084,400	<b>1,075,196</b>
Debt Maturities & Retirements	463,107	478,055	478,055	<b>515,545</b>
Repayment of Asset Financing Obligations	1,649	1,735	1,735	<b>1,826</b>
Goethals Bridge Replacement DFA	59,499	60,392	60,392	<b>61,298</b>
<b>Subtotal Debt Service from Operations**</b>	<b>\$1,450,627</b>	<b>\$1,602,000</b>	<b>\$1,624,582</b>	<b>\$1,653,865</b>
Interest Expense Incurred During Construction**	207,264	174,138	123,623	<b>180,000</b>
<b>Total Debt Service</b>	<b>\$1,657,891</b>	<b>\$1,776,138</b>	<b>\$1,748,205</b>	<b>\$1,833,865</b>
<b>Revenues After Debt Service &amp; Transfers to Reserves</b>	<b>\$1,425,133</b>	<b>\$1,870,380</b>	<b>\$2,125,466</b>	<b>\$1,986,464</b>
Direct Investment in Facilities	(867,790)	(1,600,000)	(1,200,000)	<b>(2,370,000)</b>
Non-Cash Pension & OPEB Adjustments***	83,708	59,444	(106,200)	<b>(102,470)</b>
Non-Cash Fair Value of Investments	(139,119)	–	43,000	<b>–</b>
Change in Accounting Principles****	(22,511)	(24,086)	(24,086)	<b>(25,773)</b>
<b>(Decrease) / Increase in Reserves†</b>	<b>\$479,421</b>	<b>\$305,738</b>	<b>\$838,180</b>	<b>(\$511,779)</b>
Reserve Balances, January 1 <sup>st</sup> *****	3,408,882	3,812,682	3,888,303	<b>4,726,483</b>
<b>Reserve Balances, December 31<sup>st</sup> †</b>	<b>\$3,888,303</b>	<b>\$4,118,420</b>	<b>\$4,726,483</b>	<b>\$4,214,704</b>

\* Pursuant to Port Authority Bond Resolutions, treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements, including subscription-based information technology arrangements.

\*\* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

\*\*\* Non-Cash Pension & Other Post-Employment Benefits ("OPEB") Adjustments reflects actual and projected annual actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" to isolate potential volatility (which could either increase or decrease Operating Expenses as shown above) associated with these valuations. Budget and actual/projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB.

\*\*\*\* Change in Accounting Principles reflects GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", as amended by GASB Statement No. 85 "Omnibus 2017", implemented by the Port Authority as of January 1, 2018.

\*\*\*\*\* 2024 Budget beginning reserves based on estimates prior to year-end 2023.

† Decrease of Reserve Balances, December 31<sup>st</sup> of (\$0.5B), or (11%) versus the 2023 Budget is driven by increased Direct Investment in Facilities in-line with the financing plan for the unusually high Budget-to-Budget increase in planned Capital Spending as detailed in the [Capital Spending](#) section.

## 2024 TOTAL EXPENDITURE BUDGET ("USES")

(\$ in thousands)	Operating Expenses	Capital Spending	Debt Service & Deferred Spending	Total Uses
Aviation	\$1,016,644	\$825,937	\$4,902	\$1,847,483
Tunnels, Bridges, & Terminals	306,333	185,283	9,261	500,877
PATH	299,452	223,037	–	522,489
World Trade Center	184,613	30,935	–	215,548
Operation Services	111,605	4,898	63,992	180,495
Port	86,710	14,663	–	101,373
Office of the Chief Operating Officer	16,639	–	–	16,639
<b>Total Line Departments</b>	<b>2,021,996</b>	<b>1,284,753</b>	<b>78,155</b>	<b>3,384,904</b>
<b>Engineering</b>	<b>117,221</b>	<b>1,573,531</b>	<b>9,438</b>	<b>1,700,190</b>
Port Authority Police Department	634,491	–	9,325	643,816
Security Operations & Programs	146,979	14,139	–	161,118
Preparedness, Intelligence, & Inspections	23,386	–	–	23,386
Security Business Resource Management	12,489	–	–	12,489
Office of the Chief Security Officer	1,773	–	–	1,773
<b>Total Security Departments</b>	<b>819,118</b>	<b>14,139</b>	<b>9,325</b>	<b>842,582</b>
<b>Major Capital Projects/WTC Construction</b>	<b>8,494</b>	<b>485,383</b>	<b>–</b>	<b>493,877</b>
<b>Technology Services</b>	<b>115,342</b>	<b>1,561</b>	<b>37,716</b>	<b>154,619</b>
Treasury	16,446	–	–	16,446
Comptrollers'	14,894	–	–	14,894
Management & Budget	6,157	–	–	6,157
Financial Planning	3,102	1,227	–	4,329
Storm Mitigation & Resilience	4,443	–	–	4,443
Office of the Chief Financial Officer	3,736	–	–	3,736
<b>Total Finance Departments</b>	<b>48,778</b>	<b>1,227</b>	<b>–</b>	<b>50,005</b>
Inspector General/Office of Investigations	17,217	22,111	–	39,328
Audit	11,267	–	–	11,267
<b>Total Inspector General</b>	<b>28,484</b>	<b>22,111</b>	<b>–</b>	<b>50,595</b>
<b>General Counsel/Law</b>	<b>34,321</b>	<b>14,929</b>	<b>–</b>	<b>49,250</b>
Human Capital/Human Resources	26,031	–	–	26,031
Labor Relations	2,992	–	–	2,992
Chief Human Capital Officer	1,065	–	–	1,065
<b>Total Human Capital/Human Resources</b>	<b>30,088</b>	<b>–</b>	<b>–</b>	<b>30,088</b>
Office of Sustainability	5,016	–	–	5,016
Project Management Office	–	8,456	–	8,456
Real Estate	5,444	–	–	5,444
Planning & Regional Development	4,735	193	–	4,928
Office of the Chief Development Officer	2,033	–	–	2,033
Office of Continuous Improvement	1,409	–	–	1,409
<b>Total Development Departments</b>	<b>18,637</b>	<b>8,649</b>	<b>–</b>	<b>27,286</b>
<b>Procurement</b>	<b>16,212</b>	<b>2,083</b>	<b>–</b>	<b>18,295</b>
Marketing	9,576	–	–	9,576
Media Relations	3,034	–	–	3,034
Office of the Chief Communications Officer	1,793	–	–	1,793
<b>Total Communications Departments</b>	<b>14,403</b>	<b>–</b>	<b>–</b>	<b>14,403</b>
<b>Chief Health &amp; Safety Officer</b>	<b>13,011</b>	<b>2,828</b>	<b>–</b>	<b>15,839</b>
<b>Diversity &amp; Inclusion Office</b>	<b>9,322</b>	<b>483</b>	<b>–</b>	<b>9,805</b>
<b>Office of the Secretary</b>	<b>6,525</b>	<b>–</b>	<b>–</b>	<b>6,525</b>
<b>Intergovernmental Affairs</b>	<b>4,829</b>	<b>354</b>	<b>–</b>	<b>5,183</b>
<b>Executive Director</b>	<b>2,369</b>	<b>–</b>	<b>–</b>	<b>2,369</b>
<b>Ethics &amp; Compliance</b>	<b>2,252</b>	<b>–</b>	<b>–</b>	<b>2,252</b>
Debt Service	–	180,000	1,653,865	1,833,865
Purchase & Self Insurance	183,073	26,970	–	210,043
Municipal Rents & PILOTS	397,150	–	–	397,150
Corporate Allocations	(39,686)	–	–	(39,686)
<b>Total Corporate</b>	<b>540,537</b>	<b>206,970</b>	<b>1,653,865</b>	<b>2,401,372</b>
<b>Total Budget Uses</b>	<b>\$3,851,939</b>	<b>\$3,619,001</b>	<b>\$1,788,499</b>	<b>\$9,259,439</b>

# BUDGET DETAILS



*Newark Airport's new Terminal A features state-of-the-art passenger amenities, local artwork, digital technology, and dining and retail options provided by nearly 60 regional, national, and global brands (including six retailers from Newark, Elizabeth, and Jersey City).*

## SOURCES & USES OF FUNDS

The Port Authority is a self-sustaining agency with no power to levy taxes or assessments and raises the necessary funds (“Sources”) for the operation, improvement, construction, or acquisition of its facilities (“Uses”) primarily upon the basis of its own credit, including through the issuance of Consolidated Bonds backed by its revenues. The revenues of the Port Authority are derived principally from the tolls, fares, takeoff and landing fees, dockage fees, rentals, and other charges for the use of, and privileges at, certain Port Authority facilities. Certain other Port Authority facilities operate at a deficit, and do not generate surplus revenue or are non-revenue producing to the Port Authority. As a matter of fiscal discipline, the agency ensures that its Sources of Funds equals its Uses of Funds to maintain a balanced Budget.

The Sources of Funds for the 2024 Budget total \$9.3B and reflect the ongoing recovery of the agency’s Net Revenues following the COVID-19 pandemic.

Sources of Funds (\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Gross Operating Revenues	\$6,033,830	\$6,383,548	\$6,504,573	<b>\$6,695,203</b>
Bond Issuances & Other Sources*	613,973	1,064,559	317,516	<b>1,745,102</b>
Grants & Contributions	500,695	456,133	460,639	<b>518,059</b>
Application of PFCs	63,664	369,034	494,897	<b>301,075</b>
<b>Total</b>	<b>\$7,212,162</b>	<b>\$8,273,274</b>	<b>\$7,777,625</b>	<b>\$9,259,439</b>

\* Other Sources includes unspent proceeds from prior years’ bond issuances, financial income, and the application of monies from the Consolidated Bond Reserve Fund for purposes for funding capital investments in the Port Authority’s facilities.

Uses of funds for the 2024 Budget total \$9.3B to fund investments that ensure the Port Authority maintains its commitment to high standards of safety, security, cleanliness, and customer service while continuing to rebuild the region’s aging infrastructure with 21<sup>st</sup> century facilities designed to enhance customer experience and accommodate future growth.

Uses of Funds (\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Operating Expenses	\$3,570,127	\$3,659,953	\$3,732,196	<b>\$3,851,939</b>
Capital Spending*	2,137,654	2,894,858	2,334,873	<b>3,619,001</b>
Debt Service from Operations**	1,450,627	1,602,000	1,624,582	<b>1,653,865</b>
Deferred Spending	53,754	116,463	85,974	<b>134,634</b>
<b>Total</b>	<b>\$7,212,162</b>	<b>\$8,273,274</b>	<b>\$7,777,625</b>	<b>\$9,259,439</b>

\* The 2023 Capital Spending Budget and the 2024 Capital Spending Budget excludes Capital Project-related expenditures that are included in the Capital Plan but due to GAAP are required to be included as Operating Expenses of (\$25M) and (\$17M), respectively.

\*\* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period”. This GASB provision requires that the Port Authority account for interest expense forecasted during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency’s 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency’s Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

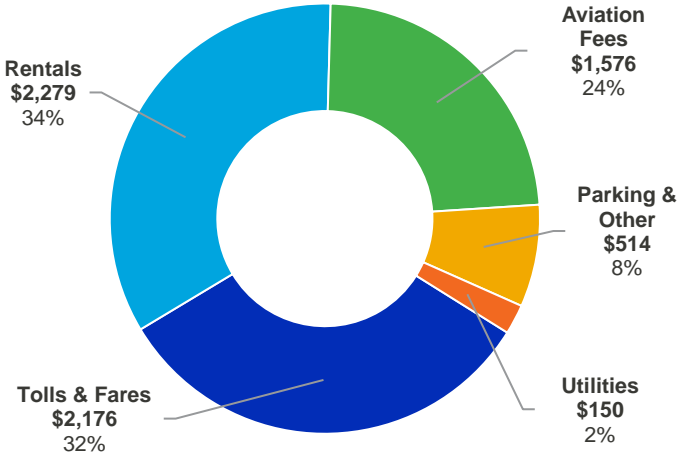
# GROSS OPERATING REVENUES

The 2024 Gross Operating Revenue Budget totals \$6.7B, reflecting an increase of \$311M, or 4.9% versus the 2023 Budget.

This Budget-to-Budget growth is driven by \$220M of incremental Aviation revenues resulting from: 1) passenger growth; 2) the full-year effect of new leases associated with the Airport Redevelopment programs; and, 3) higher cost recovery revenues. The 2024 Budget also includes \$103M of incremental bridge and tunnel toll revenues driven by a previously approved automatic inflation-based toll adjustment implemented on January 7, 2024, in addition to increased vehicular activity.

Further information on Gross Operating Revenues by Category is detailed below.

**2024 GROSS OPERATING REVENUE BUDGET BY CATEGORY**  
(\$ in millions)



## 2024 Gross Operating Revenue Budget by Category & Business Segment

(\$ in thousands)	Total	TB&T	PATH	Aviation	Port	WTC	Other*
Tolls & Fares	<b>\$2,175,543</b>	\$2,023,243	\$152,300	–	–	–	–
Rentals	<b>2,279,071</b>	40,456	8,896	1,587,374	271,104	357,495	13,746
Aviation Fees	<b>1,576,313</b>	–	–	1,576,313	–	–	–
Parking & Other	<b>514,413</b>	9,767	2,422	354,553	109,768	32,113	5,790
Utilities	<b>149,863</b>	1,906	165	120,792	3,742	21,916	1,342
<b>Total</b>	<b>\$6,695,203</b>	<b>\$2,075,372</b>	<b>\$163,783</b>	<b>\$3,639,032</b>	<b>\$384,614</b>	<b>\$411,524</b>	<b>\$20,878</b>

\*Other includes Gross Operating Revenues from the agency’s Development facilities and full reimbursements from the Gateway Development Corporation to the Port Authority for agency incurred Operating Expenses associated with construction support services.

- **Tolls & Fares**—which are derived from vehicular tolls collected from the agency’s bridges and tunnels and from fares collected from the PATH transit system—total \$2.2B in 2024, reflecting an increase of \$111M, or 5% versus the 2023 Budget driven by an automatic inflation-based bridge and tunnel toll adjustment, in addition to ongoing activity growth in both vehicular volumes and PATH ridership.

Pursuant to the September 2019 Board action on bridge and tunnel tolls, which reaffirmed the Board’s prior 2008 and 2011 actions, annual automatic inflation-based toll adjustments are scheduled for the first Sunday of January each year based on the cumulative increase in the Consumer Price Index (“CPI”) measured from September of the prior year to September of the current year. As such, a 3.7% adjustment is scheduled for implementation on January 7, 2024. At that time, standard auto and truck per axle Toll-by-Mail (“TbM”) and E-ZPass tolls (charged eastbound only) will increase by \$0.63—increasing Class 1 TbM auto tolls from \$17.00 to \$17.63, Class 1 E-ZPass Off-Peak auto tolls from \$12.75 to \$13.38, and Class 1 E-ZPass Peak auto tolls from \$14.75 to \$15.38. Discount plans will continue in effect. PATH fares remain unchanged in 2024.

*Toll & Fare projections are developed by Port Authority staff based on a common set of econometric variables that feeds into proprietary modeling of bridge and tunnel vehicle and PATH ridership activity (see Departmental Budget Summary sections for Activity Volume assumptions and trends).*

- **Rentals**—which are derived from both fixed and percentage rental agreements with tenants operating at agency facilities—total \$2.3B in 2024, reflecting an increase of \$115M, or 5% versus the 2023 Budget driven by incremental Aviation revenues resulting from the full-year impact of new JFK Redevelopment related ground rents and the full-year impact of newly opened gates and lounges at the new EWR Terminal A, in addition to aviation passenger-driven percentage and variable rental increases. These incremental revenues are partially offset by: 1) lower WTC revenues driven by lower forecasted activity at the WTC Observation Deck; and, 2) lower Port container throughput revenues driven by economic conditions.

*Rental projections are developed by Port Authority staff based on contractual rental terms and agreements, including assumptions regarding new or renewed leases, if any.*

- **Aviation Fees**—which are comprised of flight fee cost recovery revenues from airlines operating at the agency’s three major airports in addition to AirTrain fares and the Airport Ground Transportation Access Fee (“Access Fees”) for taxis and other for-hire-vehicles (“FHV”)—total \$1.6B in 2024, reflecting an increase of \$77M, or 5% versus the 2023 Budget.

This Budget-to-Budget increase is driven by: 1) higher recoverable expenses in-line with the 2024 Aviation Budget Uses; 2) incremental Access Fee revenues driven by more passengers utilizing taxis/FHVs to access the airports; and, 3) higher AirTrain fare revenues driven by higher projected ridership and a fare increase effective March 3, 2024 based on the automatic inflation-based AirTrain fare adjustment as established by the Board in September 2019. AirTrain discount plans will continue in effect. The agency’s cost recovery agreements expire at the end of 2023 and are under negotiation with the airlines. The 2024 Budget reflects the recoveries under the current agreement until negotiations conclude.

*Aviation Fee projections are developed by Port Authority staff based on a number of factors, including: 1) contractual flight fee cost recoveries in alignment with the Aviation Budget Uses; and, 2) proprietary modeling of aviation passenger activity (see Aviation’s Departmental Budget Summary Activity Volume section for assumptions and trends) for Access Fees and AirTrain fare revenues.*

- **Parking & Other Fees**—which are derived from public and tenant parking, Port activity fees, WTC tenant service fees, and various other fees such as third-party reimbursements—total \$514M in 2024, reflecting an increase of \$10M, or 2% versus the 2023 Budget driven by: 1) a modest increase in average aviation per-stay parking rates; and, 2) the full reimbursement by the Gateway Development Corporation to the Port Authority for agency incurred Operating Expenses associated with construction support services for the new Hudson River Tunnel Core and Shell project, which is new to the 2024 Budget.

*Parking & Other Fee projections are developed by Port Authority staff based on a number of factors including: 1) contractual reimbursement agreements with various third parties in alignment with certain Operating Expense projections; and, 2) proprietary modeling of activity-driven parking and Port activity fees (see Departmental Budget Summary sections for Activity Volume assumptions and trends).*

- **Utilities**—which are derived from the resale of electricity, water, steam, and other fuels—total \$150M in 2024, which is essentially flat to the 2023 Budget.

*Utility projections are developed by Port Authority staff in alignment with contractual tenant cost recovery agreements across certain Port Authority facilities.*

## Gross Operating Revenue Category Descriptions

**Aviation Fees** Amounts derived from various cost recovery formulas contained in agreements with airlines operating at the Port Authority's three main airports based on the Port Authority's Operating Expenses and Capital Spending. These fees include Flight Fees, Landing Fees, Monorail Fees, Fuel Service Fees, and Federal Inspection Fees.

This category also includes AirTrain fares and the Airport Ground Transportation Access Fee, which is assessed on FHV trips (both pick-ups and drop-offs) and taxi trips (only pick-ups) accessing the airports.

**Parking & Other** Amounts derived from hourly or daily fee rates for the use of public and tenant parking lots located at Port Authority aviation and bus terminal facilities.

This category also includes various other fees such as Port Cargo Facility Charges ("CFC") which are paid by ocean carriers to reimburse Port Authority investments in eligible intermodal transportation and road capacity projects at the seaports, Port dockage and wharfage fees which are tariffs charged for use of public berths, One WTC Tenant Service Recoveries which reimburse the Port Authority for services provided to tenants, and the full reimbursement by the Gateway Development Corporation to the Port Authority for agency incurred Operating Expenses associated with construction support services for the new Hudson River Tunnel Core and Shell project, amongst others.

**Rentals** Amounts charged for the use of space at various Port Authority facilities. There are two primary types of rentals: 1) fixed rentals, which are fixed monthly amounts stipulated in tenant lease agreements; and, 2) percentage and variable rentals, which are based on certain types of revenue producing activities.

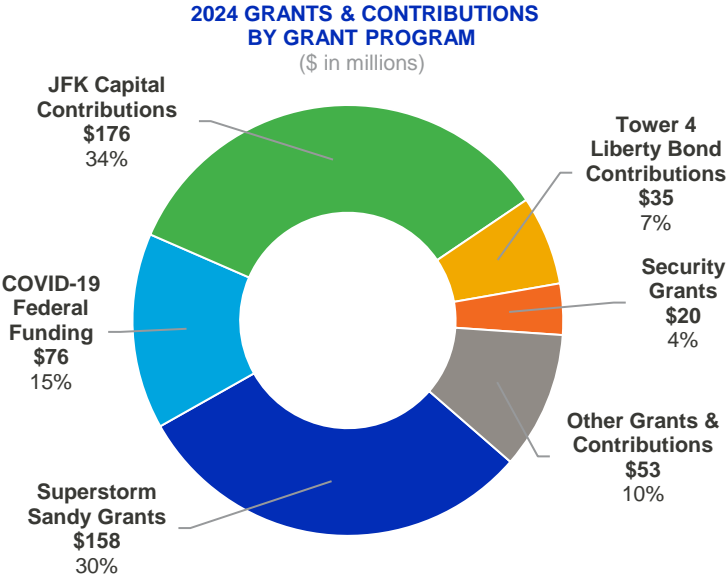
**Tolls & Fares** Amounts generated from tolls collected at the Port Authority's six vehicular bridge and tunnel vehicular crossings and fares charged to riders using the PATH transit system.

**Utilities** Amounts derived from the resale of electricity, water, steam, and other fuels to tenants based on consumption levels.

# GRANTS & CONTRIBUTIONS

The 2024 Grants & Contributions Budget—which includes contributions in aid of construction and grants in connection with operating activities from various federal aid programs—totals \$518M in 2024, reflecting an increase of \$62M, or 14% versus the 2023 Budget.

This Budget-to-Budget increase is driven by incremental JFK Capital Contributions associated with the ramp-up of spending for the JFK Redevelopment program in 2024. These incremental contributions are partially offset by the wind-down of Superstorm Sandy reimbursements and COVID-19 Federal Funding as the agency continues to draw-down on its awarded funding under these programs.



Further information on Grants & Contributions by Grant Program is detailed below.

## 2024 Grants & Contributions Budget by Grant Program

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Superstorm Sandy Grants	\$186,808	\$184,659	\$169,549	<b>\$157,681</b>
COVID-19 Federal Funding	139,313	101,966	106,317	<b>76,199</b>
JFK Capital Contributions	77,549	73,633	95,726	<b>176,210</b>
Tower 4 Liberty Bond Contributions	34,745	34,732	34,734	<b>34,717</b>
Security Grants	16,457	24,605	20,091	<b>19,888</b>
Other Grants & Contributions	45,823	36,538	34,222	<b>53,364</b>
<b>Total</b>	<b>\$500,695</b>	<b>\$456,133</b>	<b>\$460,639</b>	<b>\$518,059</b>

- Superstorm Sandy Grants**—which includes Federal Emergency Management Agency (“FEMA”) and Federal Transit Authority (“FTA”) funding—total \$158M in 2024, reflecting a decrease of (\$27M), or (15%) versus the 2023 Budget as a portion of the portfolio of Superstorm Sandy projects wind-down as they reach completion.
- COVID-19 Federal Funding** total \$76M in 2024, reflecting a decrease of (\$26M), or (25%) versus the 2023 Budget as the agency’s allocation of federal funding winds-down.
- JFK Capital Contributions**—which includes payments from developers to be received as part of their contractual contributions in aid of construction in addition to other stakeholder construction reimbursements—total \$176M in 2024, reflecting an increase of \$103M, or 54% versus the 2023 Budget driven by the ramp-up of spend for the JFK Redevelopment program in 2024.
- Tower 4 Liberty Bond Contributions**—which reflect the reimbursement of Tower 4 Liberty Bond debt service payments from the WTC Tower 4 net lessee to the Port Authority—total \$35M in 2024 as set by the debt service schedule. This is flat to the 2023 Budget.
- Security Grants**—which includes multiple federal risk management grant programs—total \$20M in 2024, reflecting a decrease of (\$5M), or (19%) versus the 2023 Budget driven by the completion of various security projects in 2023.

- **Other Grants & Contributions**—which consist of various airport, port, WTC, and other grant sources—total \$53M in 2024, reflecting an increase of \$17M, or 46% versus the 2023 Budget driven by: 1) a new grant award for the Port Street Corridor Improvement project at Port Newark; and, 2) a new grant for Stewart Airport.

## Grants & Contributions Category Descriptions

**COVID-19 Federal Funding** Federal relief funding provided through FEMA and three legislative Acts to aid in the agency's ongoing recovery from the COVID-19 pandemic.

**JFK Capital Contributions** Fixed contributions to be received in relation to the JFK New Terminal One ("NTO") Developers and other third-party stakeholders for improvements to various assets such as roadways, parking lots, and AirTrain stations.

**Other Grants & Contributions** Various contributions from third parties, including: 1) contributions related to the agency's development of the WTC campus; 2) Federal Aviation Administration ("FAA") grants in support of the nation's airport and airspace system, primarily from the airport Noise Compatibility Program projects that aim to mitigate noise in communities surrounding airports and Airport Improvement Program ("AIP") grants to airports that are publicly owned and open to the public that can be used for planning and development; and, 3) various other smaller grants and contributions.

**Port Grants** Various grants in support of the agency's ports and marine terminals, including: 1) Federal Highway Administration ("FHWA") funding for the Cross Harbor Freight Movement Program Environmental Impact Statement ("EIS") at Greenville Yard; 2) Economic Development Administration ("EDA") grants to ensure present and future generations of large commercial vessels can be accommodated at the agency's ports; and, 3) Harbor Maintenance Tax funds provided through the United States Army Corps of Engineers ("USACE") for harbor maintenance, such as dredging and pier rehabilitation.

**Security Grants** Multiple federal risk management grant programs that support programs and activities that protect critical surface transportation infrastructure and the travelling public from acts of terrorism, major disasters, and other emergencies. The major Security grant programs include: 1) Urban Area Security Initiatives ("UASI") programs; 2) Transit Security; and, 3) Port Security.

**Superstorm Sandy Grants** FEMA and FTA grant funding for eligible expenses related to the emergency response, recovery, and restoration of the Port Authority's infrastructure following the substantial damage incurred after Superstorm Sandy in 2011.

**Tower 4 Liberty Bond Contributions** Reimbursement of Tower 4 Liberty Bond debt service payments from the WTC Tower 4 net lessee to the Port Authority under the terms of the Tower 4 Repayment Agreement.

# OPERATING EXPENSES

## Operating Expenses

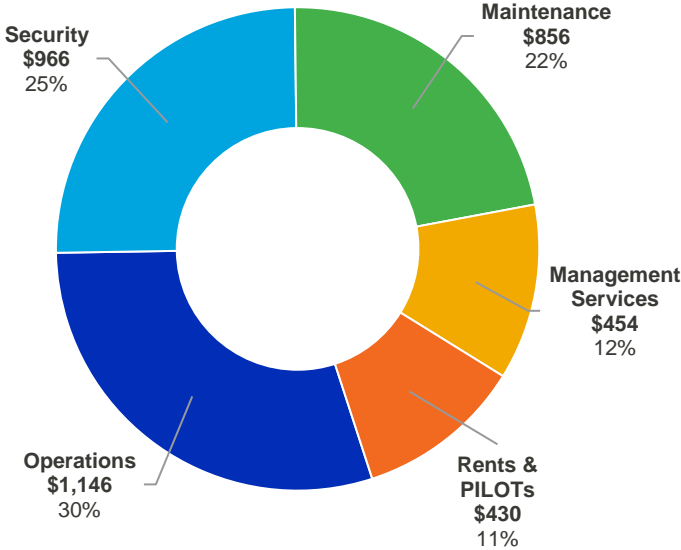
The 2024 Operating Expense Budget totals \$3.9B, reflecting *base Budget inflationary escalations of \$126M, or 3.5%* versus the 2023 Budget to invest in the agency’s key priority areas—including operational excellence, safety and security, climate, resiliency, and sustainability, innovation, cyber security, and customer experience—that has been allocated based on Departmental need.

An additional \$66M of special purpose spending is included in the 2024 Operating Expense Budget necessitated by:

1. Incremental spending related to new or expanded facilities and systems of \$23M, primarily those with a larger footprint, which require increased spending to operate and/or manage the new or larger facilities and systems;
2. Required incremental security spending of \$9M to respond to the changing threat landscape (bringing total Security spending to nearly \$1B);
3. New state of good repair spending on the PATH system of \$8M necessary to reduce train delays, increase capacity, and enhance customer service; and,
4. Incremental spending that is largely offset by incremental revenues of \$26M including largely recoverable asset lifecycle extension spending for the agency’s AirTrains at EWR and JFK as well as unavoidable revenue collection costs (largely credit card fees) primarily associated with revenue growth at the airports.

More information on Operating Expenses by Category is detailed below.

**2024 OPERATING EXPENSE BUDGET BY CATEGORY**  
(\$ in millions)



## 2024 Operating Expense Budget by Category & Business Segment

(\$ in thousands)	Total	TB&T	PATH	Aviation	Port	WTC	Allocated & Other
Operations	<b>\$1,145,738</b>	\$188,379	\$164,479	\$638,144	\$43,669	\$91,556	\$19,511
Security	<b>965,950</b>	202,968	83,090	542,643	32,159	85,072	20,018
Maintenance	<b>856,303</b>	154,466	171,332	347,814	59,488	95,665	27,538
Management Services	<b>453,566</b>	38,589	44,122	89,007	30,672	24,289	226,887
Rents & PILOTS	<b>430,382</b>	4,182	1,553	319,792	25,840	63,789	15,226
<b>Total</b>	<b>\$3,851,939</b>	<b>\$588,584</b>	<b>\$464,576</b>	<b>\$1,937,400</b>	<b>\$191,828</b>	<b>\$360,371</b>	<b>\$309,180</b>

- **Operations** totals \$1.1B in 2024, reflecting a *base Budget inflationary escalation of \$28M, or 3%* versus the 2023 Budget to provide ongoing funding for facility operations, utilities, customer care, revenue collection, purchased property and liability insurance, and AirTrain, shuttle bus, parking lot, and taxi dispatch operations, amongst others.

An additional \$45M, or 4% of special purpose Operations spending is included for: 1) incremental spending related to new or expanded facilities and systems which require increased spend to operate or manage, including those associated with the Airport Redevelopment programs as well as the new, New York E-ZPass Customer Service Center at the bridges and tunnels; and, 2) incremental spending that is largely offset by incremental revenues, including asset lifecycle extension spending for the agency's AirTrains at EWR and JFK and unavoidable revenue collection costs (largely credit card fees) associated with revenue growth at the airports as well as investments to reduce bridge and tunnel toll violations and PATH fare evasion.

- **Security** totals \$966M in 2024, reflecting an all-time-high as the agency continues to prioritize the safety and security of its customers and employees and strengthen the agency's cybersecurity posture. The 2024 Operating Expense Security Budget reflects a base Budget inflationary escalation of \$13M, or 1.4% versus the 2023 Budget to fund ongoing police, civilian, and cybersecurity spending.

This base Budget inflationary escalation includes large year-to-year cost savings associated with approximately 400 new Police Officers joining the Port Authority Police Department ("PAPD") which substantially reduces overtime ("OT") and the average salary as more junior Officers are filling positions previously held by more senior Officers that have retired. The 2024 Budget also reflects year-to-year reductions in recruiting expenses resulting from fewer recruits and police classes planned for 2024 as the level of retirements is expected to be lower in 2024 than in prior years.

An additional \$9M, or 1% of special purpose Security spending is included for required security spending to respond to the changing threat landscape, including for incremental PAPD priority security initiatives as well as additional cybersecurity spending.

- **Maintenance** totals \$856M in 2024, reflecting a base Budget inflationary escalation of \$35M, or 4% versus the 2023 Budget to provide ongoing maintenance of property, facilities, and equipment. This base Budget inflationary escalation includes incremental spending for: 1) port dredging and wharf repairs; and, 2) additional 1 WTC O&M spending necessary to maintain a best-in-class, Class A office building.

An additional \$7M, or 1% of special purpose Maintenance spending is included for: 1) new PATH state of good repair spending necessary to reduce train delays, increase capacity, and enhance customer service; and, 2) incremental spending that is largely offset by incremental revenues, including asset lifecycle extension spending for the agency's AirTrains and EWR and JFK.

- **Management Services** totals \$454M in 2024, reflecting a base Budget inflationary escalation of \$23M, or 5% versus the 2023 Budget to provide ongoing Corporate support, including Staff Department labor, Line Department management and oversight, technology and communication services, and self-insurance, including workers' compensation. This base Budget inflationary escalation includes incremental technology spending to support critical enterprise systems.

An additional \$5M, or 1% of special purpose Management Services spending is included for new or expanded facilities associated with preliminary spending for agency construction support services of the new Hudson River Tunnel Core and Shell project which are fully reimbursable from the Gateway Development Corporation to the Port Authority.

- **Rents & PILOTs** total \$430M in 2024, reflecting a base Budget inflationary escalation of \$27M, or 7% versus the 2023 Budget driven by: 1) higher non-discretionary City Rents for the three major airports as a result of higher revenues; and, 2) higher WTC PILOT payments as a result of increased property values and tax rates as set by the City of New York.

## Operating Expense Category Descriptions

**Allocated & Other** Comprised of costs for Staff Department and development expenses allocated to facilities' Operating Expense and Capital Spending Budgets in accordance with the agency's allocation policies.

**Maintenance** Costs incurred to keep property, facility structures, and equipment operating at a high level of performance. Activities include electrical, general maintenance (including for elevators and escalators, tunnel pumps, automotive maintenance, and servicing, etc.), inspections, mechanical, janitorial/grounds keeping, and snow and ice removal.

**Management Services** Costs incurred for functions that support facility business operations as well as agency-wide management, including corporate costs related to agency oversight and support and Departmental management.

**Operations** Costs incurred for facility operations, including utilities, customer care representatives, revenue collection contracts, insurance, and AirTrain, shuttle bus, parking lot, and taxi dispatch operations.

**Rents & Payments in Lieu of Taxes ("PILOT")** Payments to governmental agencies and other landlords in return for the use of land, buildings, offices, or other property.

**Security** Costs incurred—both police and civilian—to provide safe and secure facilities by maintaining vigilance for potential threats, investing in infrastructure and new technology (including cybersecurity), and utilizing best practices in security and emergency preparedness.

## AUTHORIZED POSITIONS

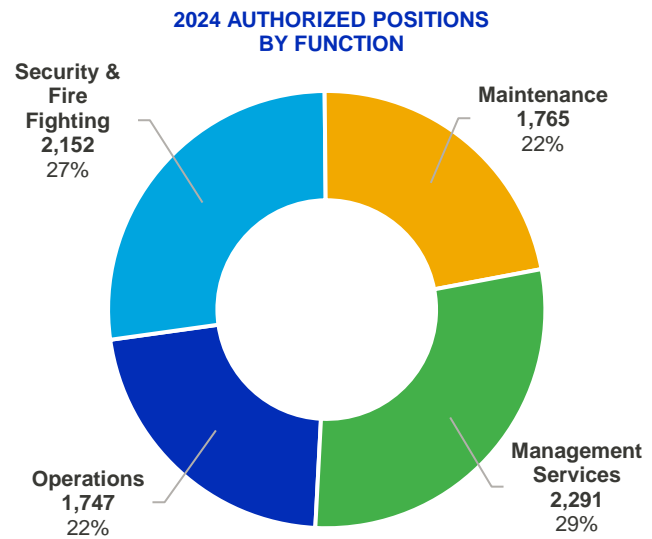
The 2024 Budget holds the agency's authorized headcount flat to 2023 authorized levels of 7,955 represented and non-represented positions.

Nearly 70% of the agency's workforce are represented employees of various collective bargaining units, all of which support the agency's core operations, maintenance, policing, and airport rescue and firefighting activities.

The balance are the agency's non-represented employees that represent approximately 30% of the agency's workforce. These employees support day-to-day operations across all business functions, including management and advisory, supervisory, technical, engineering, and administrative support roles.

These positions support both the Operating Expense and Capital Spending Budgets and are allocated according to the type of work being performed.

In addition to the authorized headcount of 7,955, the 2024 Budget includes 121 temporary, project-based positions, the majority of which are in support of the JFK Redevelopment Program. In addition, the 2024 Budget includes temporary, project-based positions in support of the roll-out of a new and modern "tap-and-go" PATH fare system, amongst others.



## Authorized Positions Category Descriptions

**Maintenance** Employees that keep the agency's facilities performing at a high level of service, including: 1) daily maintenance activities, such as preventative maintenance; 2) craft-based maintenance programs to ensure the structural integrity of the agency's assets, including code and regulatory compliance; and, 3) emergency response.

**Management Services** Employees that support business operations and capital program delivery, including: 1) strategic business and transportation planning; 2) revenue program management; 3) oversight and implementation of contractual agreements; 4) Department-wide administrative services; and, 5) facility management and Departmental oversight, including financial services and analyses.

**Operations** Employees that ensure facilities are operating at high level of performance and provide an exemplary customer experience at the agency's facilities.

**Security & Airport Rescue Fire Fighting** Uniformed employees in PAPD and aviation Aircraft Rescue and Firefighting ("ARFF") Departments to provide safe and secure facilities and emergency preparedness to protect the region and those who traverse it.

## Authorized Positions by Department

Department	2022 Budget	2023 Budget	2024 Budget
Aviation (incl. ARFF)	1,541	1,541	1,540
PATH	1,270	1,270	1,275
Tunnels, Bridges, & Terminals	876	793	793
Operations Services	421	426	426
Port	190	196	196
World Trade Center	24	24	24
Office of the Chief Operating Officer	7	7	10
<b>Total Line Departments</b>	<b>4,329</b>	<b>4,257</b>	<b>4,264</b>
Port Authority Police Department	1,852	1,861	1,861
Security Operations & Programs	100	151	152
Security Business Resource Management	64	66	66
Preparedness, Intelligence, & Inspections	25	24	24
Office of the Chief Security Officer	5	5	5
<b>Total Security Departments</b>	<b>2,046</b>	<b>2,107</b>	<b>2,108</b>
<b>Engineering</b>	<b>543</b>	<b>543</b>	<b>543</b>
Comptrollers'	84	84	84
Treasury	33	33	33
Management & Budget	28	27	25
Financial Planning	10	10	11
Office of the Chief Financial Officer	12	12	13
<b>Total Finance Departments</b>	<b>167</b>	<b>166</b>	<b>166</b>
Inspector General / Office of Investigations	68	68	68
Audit	62	63	63
<b>Total Inspector General</b>	<b>130</b>	<b>131</b>	<b>131</b>
<b>Major Capital Projects / WTC Construction</b>	<b>109</b>	<b>109</b>	<b>109</b>
Human Capital / Human Resources	93	97	94
Labor Relations	11	10	10
Chief Human Capital Office	–	–	3
<b>Total Human Capital / Human Resources</b>	<b>104</b>	<b>107</b>	<b>107</b>
<b>General Counsel / Law</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Technology Services</b>	<b>89</b>	<b>93</b>	<b>93</b>
<b>Procurement</b>	<b>75</b>	<b>75</b>	<b>75</b>
Real Estate	18	17	17
Project Management Office	16	16	16
Planning & Regional Development	15	15	15
Office of Sustainability	14	14	14
Office of the Chief Development Officer	7	7	7
Office of Continuous Improvement	3	5	5
<b>Total Development Departments</b>	<b>73</b>	<b>74</b>	<b>74</b>
<b>Chief Health &amp; Safety Officer</b>	<b>52</b>	<b>52</b>	<b>52</b>
Marketing	27	27	27
Media Relations	10	10	10
Office of the Chief Communications Officer	3	4	4
<b>Total Communication Departments</b>	<b>40</b>	<b>41</b>	<b>41</b>
<b>Diversity &amp; Inclusion Office</b>	<b>31</b>	<b>32</b>	<b>32</b>
<b>Office of the Secretary</b>	<b>19</b>	<b>18</b>	<b>18</b>
<b>Priority Programs</b>	<b>18</b>	<b>20</b>	<b>17</b>
<b>Intergovernmental Affairs</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Gateway</b>	<b>6</b>	<b>6</b>	<b>1</b>
<b>Ethics &amp; Compliance</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Office of the Executive Director</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total Authorized Positions</b>	<b>7,955</b>	<b>7,955</b>	<b>7,955</b>
JFK Redevelopment Capital Project Positions	–	76	81
PATH New Fare Collection & Fare Evasion Positions	–	13	20
Operation Services Trades Helper & EV Infrastructure Program	–	–	19
CSO New EWR Terminal A Compliance	–	–	1
<b>Total Temporary, Project-Based Positions</b>	<b>–</b>	<b>89</b>	<b>121</b>

## BOARD OF COMMISSIONERS

The Governor of each state appoints six members to the agency's Board of Commissioners for overlapping six-year terms. Each appointment is subject to the approval of the respective State Senate. Commissioners serve as public officials of their respective states, and without remuneration. The Governors retain the right to veto the actions of Commissioners from their respective states.



**CHAIRMAN**  
**KEVIN J. O'TOOLE**  
*Managing Partner*  
O'Toole/Scriver, LLC



**VICE CHAIRMAN**  
**JEFFREY H. LYNFORD**  
*President and CEO*  
Educational Housing  
Services, Inc.



**J. CHRISTIAN**  
**BOLLWAGE**  
*Mayor*  
City of Elizabeth,  
New Jersey



**STEVEN M. COHEN**  
*Commissioner*



**LEECIA EVE**  
*Partner*  
Ichor Strategies



**WINSTON FISHER**  
*Partner*  
Fisher Brothers



**GEORGE HELMY**  
*Executive Vice President,  
Chief External Affairs and  
Policy Officer*  
RWJBarnabas Health



**JOSEPH KELLEY**  
*Partner*  
CHA Partners, Inc.



**GARY LABARBERA**  
*President*  
Building and Construction  
Trades Council of Greater  
New York



**KEVIN P. MCCABE**  
*Partner*  
River Crossing  
Strategy Group

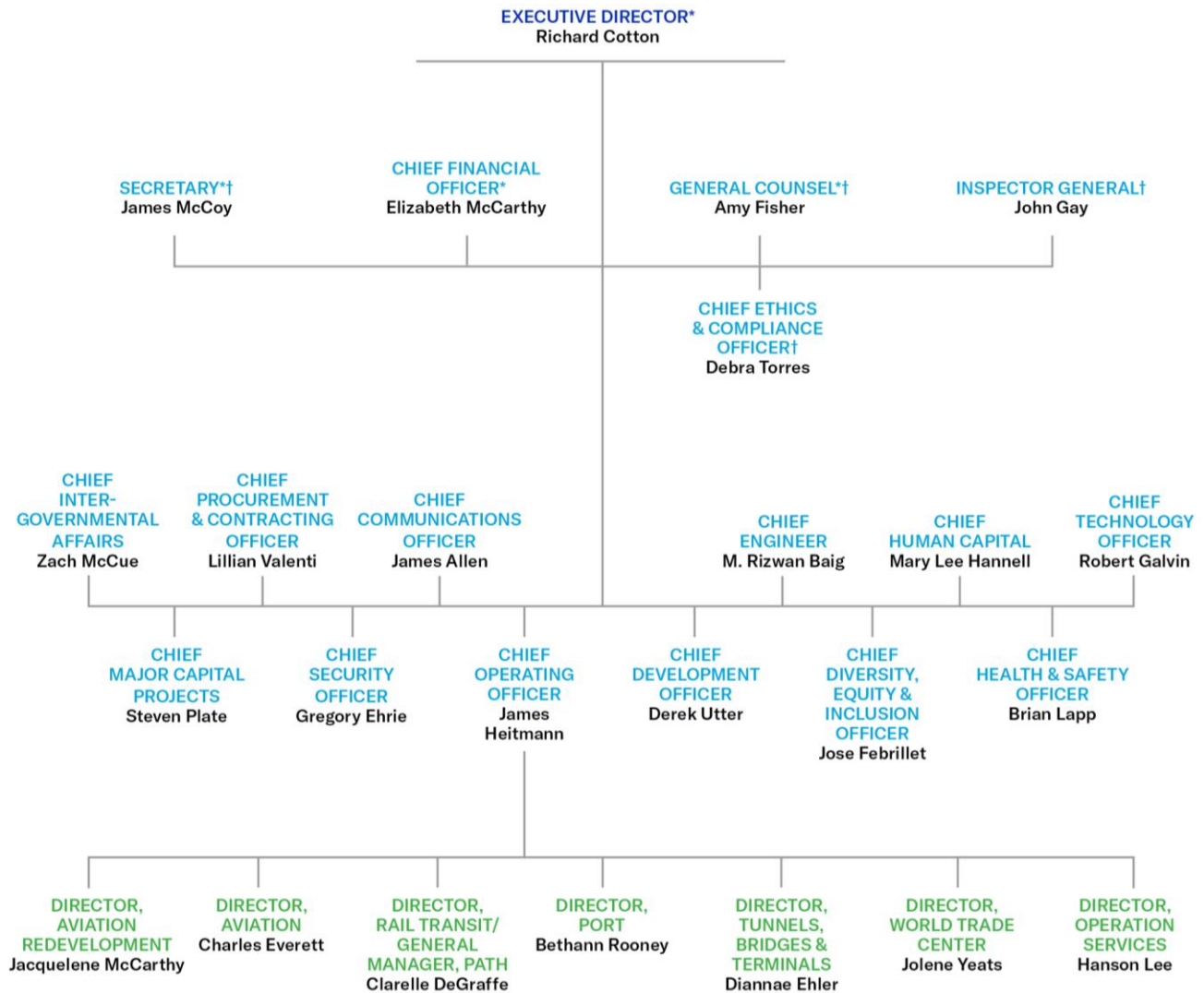


**MICHELLE E.**  
**RICHARDSON**  
*Executive Director*  
Hudson County Economic  
Development Corporation



**ROSSANA ROSADO**  
*Commissioner*  
NYS Division of Criminal  
Justice Services

# OFFICERS & EXECUTIVE MANAGEMENT



\* Positions reflect Officers of the Port Authority. In addition to those listed here, pursuant to the Port Authority's By-Laws, the following also serve as Officers of the Port Authority: 1) a Chairman (Kevin J. O'Toole); 2) a Vice Chairman (Jeffrey Lynford); 3) a Deputy Executive Director (Vacant); 4) a Comptroller (Daniel McCarron); and, 5) a Treasurer (Sherien Khella)

† Also has reporting line to the Board of Commissioners

## CAPITAL SPENDING

The 2024 Capital Spending Budget totals \$3.6B, reflecting an increase of \$724M, or 25% versus the 2023 Budget. Overall, the unusually high year-to-year increase in planned Capital Spending reflects a return to pre-pandemic Capital Spending levels compared to reduced pandemic era spending levels supported by the recovery of the agency's Net Revenues following the COVID-19 pandemic.

The 2024 Capital Spending Budget continues to advance the agency's core transportation mission and commitment to rebuilding the region's aging infrastructure with 21<sup>st</sup> century facilities in alignment with the agency's 2017-2026 Capital Plan. Funding is included to advance a number of significant projects and milestones, including substantial investments in JFK Redevelopment to transform the airport into a unified, world-class international gateway, the advancement of airport ground access initiatives to improve customer experience (including replacement of AirTrain EWR as well as providing for new and enhanced bus services to LGA), continued planning and advancement of the new Midtown Bus Terminal, the continuation of major construction on the George Washington Bridge and the Port Street Corridor improvement project at Port Newark, and the replacement of PATH's outdated fare collection system with a modern "tap-and-go" system.

Further information on the 2024 Capital Spending Budget is provided below.

Capital Spending* (\$ in thousands)	2022 Actual	2023 Budget†	2023 Estimate	2024 Budget‡
Aviation	\$1,381,960	\$1,457,732	\$1,183,873	<b>\$1,914,502</b>
Tunnels, Bridges, & Terminals	335,099	636,482	559,000	<b>1,001,567</b>
PATH	284,085	514,016	375,000	<b>460,370</b>
Port	30,915	104,356	60,000	<b>120,992</b>
World Trade Center***	100,309	169,772	135,000	<b>121,570</b>
Gateway	5,286	12,500	22,000	<b>–</b>
<b>Total**</b>	<b>\$2,137,654</b>	<b>\$2,894,858</b>	<b>\$2,334,873</b>	<b>\$3,619,001</b>

\* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense forecasted during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

\*\* Capital Spending Budget funding sources includes Consolidated Bonds & Notes and Commercial Paper, Consolidated Bond Reserve Funds, PFCs, and Contributions in Aid of Construction.

\*\*\* World Trade Center Capital Spending includes investments for PATH's WTC Station.

† The 2023 Capital Spending Budget and the 2024 Capital Spending Budget excludes Capital Project-related expenditures that are included in the Capital Plan but due to GAAP are required to be included as Operating Expenses of (\$25M) and (\$17M), respectively.

The 2024 Capital Spending Budget builds on the significant milestones that the agency achieved in 2023 including:

- At the airports, EWR's brand-new, state-of-the-art, LEED Gold certified Terminal A became fully operational. Features include cutting-edge digital technology and superior dining and retail options in approximately 1M square feet of space. Also included are 33 common-use gates to handle larger aircraft, as well as modernized check-in, security, and baggage claims areas. At LGA, "A Whole New LGA" is nearing completion, which includes the opening of the Atrium Business and Conference Center and completion of the new Terminal C's Concourse D eastside gates by the end of 2023. In addition, the East Parking Garage expansion at Terminal C is well underway and scheduled for completion in 2024. At JFK, major construction started at the new Terminals 1 and 6, as key components for the Redevelopment of JFK into a world-class gateway continues to advance along with other infrastructure projects on both the airside and landside.
- At the bridges and tunnels, critical Superstorm Sandy rehabilitation was completed in the south tube of the Holland Tunnel, which carries traffic to New York. Rehabilitation work in this project has now transitioned to the north tube, which carries traffic to New Jersey. Furthermore, substantial strides have been made on the agency's ambitious \$2B "Restoring the George" program, including the complete

replacement of all suspender ropes and the opening of the bicycle and pedestrian walkway on the north side of the bridge.

- At PATH, as part of the comprehensive PATH Improvement Plan effort to improve PATH service, 9-Car train operations on the Newark to WTC line began, along with the delivery of the majority of 72 new rail cars which will help add capacity, reduce delays, and improve the customer experience for all PATH riders.
- At the Ports, the start of major construction on the Port Street Corridor Improvement project advanced, which will ultimately help alleviate traffic, reduce greenhouse gas emissions, improve air quality for surrounding communities, and help the agency more efficiently move goods in and out of Port Newark. In addition, work commenced on a southbound track connection from Elizabeth Express Rail to help enhance throughput at the Port facilities.

The 2024 Capital Spending Budget builds-upon the substantial progress the agency has made transforming its facilities into 21<sup>st</sup> century facilities and advances key projects, including:

- At the airports, construction activities will ramp-up under the JFK Redevelopment program to deliver a unified, modern airport with world-class passenger amenities, expanded taxiway and gate capacity, state-of-the-art security, and streamlined roadway access. Planning and design to improve bus service to LGA will begin following recommendations from a panel of industry experts. Additionally, the AirTrain EWR program, which will replace the current AirTrain EWR with a new AirTrain system that will meet increasing passenger demands and provide for a 21<sup>st</sup> century customer experience for airport visitors and employees, will ramp up early construction activities. Planning will also continue for the EWR Station Access Project, which will increase public transit access to the airport and New York City for the underserved communities in Newark and Elizabeth. Work will wind-down at a “Whole New LGA” and EWR’s new state-of-the art Terminal A as facilities complete construction.
- At the bridges and tunnels, work will continue to advance the remaining key components of the \$2B “Restoring the George” program which will maintain the structural health of the bridge for the millions of customers who use it every year. Planning for the new Midtown Bus Terminal will continue to be advanced. The early action work will include advanced engineering for the staging and storage facility, which will be used as an interim terminal and permanent ramps.
- At PATH, additional railcars will continue to be delivered in 2024 to support 9-Car train operations to increase capacity on the Newark to WTC line. The replacement of the outdated PATH fare collection system with a modern “tap-and-go” contactless media system is also scheduled for a phased deployment in 2024, which will help the agency provide world-class customer service.

## The Port Authority's 2017-2026 Capital Plan

The Port Authority's Capital Plan is developed using a comprehensive planning process and risk-based prioritization that considers asset conditions, operational and revenue impacts, threat assessments, customer service, regional benefits, regulatory and statutory requirements, and long-term affordability. The comprehensive planning process includes an annual assessment of the factors that impact the continuing operations of the Port Authority's facilities, such as contractual, municipal lease, and other relationships, as well as regional needs, customer demands, and industry specific business environments. These factors provide inputs to the Port Authority's integrated financial model, which is used to determine available capital capacity and the size of the Capital Plan.

The capital capacity assumed in each Capital Plan is allocated to the various projects under consideration using a comprehensive risk-based approach. In determining funding allocations, the priority is to ensure sufficient funds to deliver the projects that are currently in construction. Next, funds are allocated to maintain assets in full operational capacity and provide for projects required by law or for security purposes. Funds are then allocated to provide for projects that will restore and fortify assets damaged by Superstorm Sandy, and finally to other high-priority projects that will expand and improve transportation assets.

For additional details on the agency's process of selecting and identifying capital projects to be funded and the listing of capital projects, refer to the Port Authority's current Capital Plan: <https://www.panynj.gov/port-authority/en/about/capital-plan.html>.

## DEBT SERVICE

The 2024 Debt Service from Operations Budget totals \$1.7B, reflecting an increase of \$52M, or 3% versus the 2023 Budget driven by higher scheduled debt service payments based on the maturity schedule for existing debt and debt service on planned new bond issuances in 2023/2024. Including interest expense incurred during construction, which are reflected in Capital Spending for Budgeting purposes, the 2024 Debt Service Budget totals \$1.8B.

The Port Authority's strong credit quality allows it to efficiently access capital markets at competitive interest rates to finance long-term capital investments in its facilities. The Port Authority is projected to have a total of \$28.2B of total Obligations (at par value) outstanding as of December 31, 2023, including approximately \$25.1B of Consolidated Bonds & Notes. The Port Authority's Debt Service Budget reflects the principal and interest payments for these Obligations, in addition to the cost of issuing new debt.

Debt Service <i>(\$ in thousands)</i>	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
<b>Consolidated Bonds &amp; Notes</b>				
Interest on Consolidated Bonds & Notes	\$1,083,800	\$1,165,838	\$1,142,442	<b>\$1,183,787</b>
Principal on Consolidated Bonds & Notes	463,107	478,055	478,055	<b>515,545</b>
Cost of Issuance	4,562	2,758	2,261	<b>1,757</b>
<b>Subtotal Consolidated Bonds &amp; Notes</b>	<b>\$1,551,469</b>	<b>\$1,646,651</b>	<b>\$1,622,758</b>	<b>\$1,701,089</b>
<b>Special Obligations</b>				
Interest on Special Obligations*	8,236	30,476	26,436	<b>32,933</b>
Principal on Special Obligations*	—	—	—	<b>—</b>
Debt Service on MOTBY Obligation	3,942	3,887	3,887	<b>3,828</b>
Tower 4 Liberty Bonds**	34,745	34,732	34,732	<b>34,717</b>
Goethals Bridge Developer Financing Arrangement	59,499	60,392	60,392	<b>61,298</b>
<b>Subtotal Special Obligations</b>	<b>\$106,422</b>	<b>\$129,487</b>	<b>\$125,447</b>	<b>\$132,776</b>
<b>Total Debt Service</b>	<b>\$1,657,891</b>	<b>\$1,776,138</b>	<b>\$1,748,205</b>	<b>\$1,833,865</b>
Less Interest Expense Incurred During Construction***	(207,264)	(174,138)	(123,623)	<b>(180,000)</b>
<b>Debt Service from Operations</b>	<b>\$1,450,627</b>	<b>\$1,602,000</b>	<b>\$1,624,582</b>	<b>\$1,653,865</b>

\* Includes Variable Rate Master Notes, Commercial Paper Obligations, and a new 2023 Bank Financing Facility.

\*\* Debt service related to 4WTC Liberty Bonds are reimbursable to the agency by the 4 WTC Net Lessee and are included in the Grants & Contributions Budget.

\*\*\* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

- **Debt Service on Consolidated Bonds & Notes** totals \$1.7B in 2024, reflecting an increase of \$54M, or 3% versus the 2023 Budget driven by: 1) higher scheduled principal amortization of existing bonds compared to 2023; and, 2) debt service on planned new bond issuances in 2023/2024.

Consolidated Bonds and Notes comprise approximately 93% of the 2024 Debt Service Budget.

- **Debt Service on Special Obligations** totals \$133M in 2024, reflecting an increase of \$3M, or 3% versus the 2023 Budget driven by higher forecasted short-term interest rates on the agency's revolving line-of-credit.

Special Obligations comprise approximately 7% of the 2024 Debt Service Budget.

## OUTSTANDING OBLIGATIONS & FINANCING

The Port Authority is financially self-sustaining, and as such, the agency must raise the funds necessary for the improvement, construction, or acquisition of its facilities primarily upon the basis of its own credit. The Port Authority's credit quality allows the agency to access capital markets at competitive interest rates to finance long-term capital investments made for its facilities.

Ratings for both Consolidated Bonds & Notes and Special Obligations issued by the Port Authority are typically assigned by S&P Global Ratings, Fitch Ratings, and Moody's Investors Service, Inc. at the time of each debt issuance. The Port Authority's most recent ratings—including an explanation of the significance of such rating—may be obtained from the ratings service issuing such rating. The Port Authority's [Annual Report](#) also contains a snapshot summary of credit ratings assigned to outstanding debt obligations of the Port Authority as of the date of each publication.

Each rating reflects only the view of the ratings service issuing such rating and is not a recommendation by such ratings service to purchase, sell, or hold any maturity of Port Authority obligations or as to market price or suitability of any maturity of the obligations for a particular investor. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price of Port Authority obligations.

The table below shows the Port Authority's outstanding and planned obligations and financing resulting from current assumptions regarding the financing of the 2024 Capital Spending Budget. Budgeted amounts are subject to change based on market conditions and Capital Plan needs. To review annual debt service requirements of the outstanding obligations, reference Note D – Outstanding Financing Obligations of the [Annual Report](#).

*As of December 31<sup>st</sup>*

<i>(\$ in thousands)</i>	2022 Actual	Issued/ Accreted	2023 Repaid/ Refunded	2023 Estimate	2024 Issued/ Accreted	2024 Repaid/ Refunded	2024 Budget
Consolidated Bonds & Notes	<b>\$24,971,430</b>	\$2,177,250	(\$2,494,720)	<b>\$24,653,960</b>	\$1,000,000	(\$515,545)	<b>\$25,138,415</b>
Tower 4 Liberty Bonds	<b>1,234,705</b>	–	(2,200)	<b>1,232,505</b>	–	(2,200)	<b>1,230,305</b>
Goethals Replacement DFA	<b>1,022,275</b>	–	(1,975)	<b>1,020,300</b>	–	(2,844)	<b>1,017,456</b>
Short-Term Borrowing	<b>499,060</b>	541,329	(500,529)	<b>539,860</b>	181,095	–	<b>720,955</b>
MOTBY Obligation	<b>40,992</b>	2,152	(5,000)	<b>38,144</b>	2,003	(5,000)	<b>35,147</b>
Variable Rate Master Notes	<b>44,600</b>	–	–	<b>44,600</b>	–	–	<b>44,600</b>
<b>Total Obligations</b> <i>(at PAR Value)</i>	<b>\$27,813,062</b>	<b>\$2,720,731</b>	<b>(\$3,004,424)</b>	<b>\$27,529,369</b>	<b>\$1,183,098</b>	<b>(\$525,589)</b>	<b>\$28,186,878</b>
Unamortized Premium/ <i>(Discount)*</i>	1,860,124	143,106	(82,965)	1,920,265	–	(86,745)	<b>1,833,520</b>
<b>Total Obligations</b> <i>(at Book Value)</i>	<b>\$29,673,186</b>	<b>\$2,863,837</b>	<b>(\$3,087,389)</b>	<b>\$29,449,634</b>	<b>\$1,183,098</b>	<b>(\$612,334)</b>	<b>\$30,020,398</b>

\* Includes unamortized issuance premiums and discounts related to Consolidated Bonds & Notes.

Limitations applicable to Port Authority obligations are not, unless otherwise indicated, "legal limits" established by State constitutions or laws but rather are set forth in, or calculated in accordance with, the contracts with the holders of such obligations as adopted by the Port Authority's Board. Port Authority obligations are subject to the issuance tests and limitations contained in the various resolutions pertaining to such obligations and by policies established by the Port Authority.

There are two broad categories of the Port Authority's outstanding obligations as described in further detail below. These include: 1) Consolidated Bonds & Notes; and, 2) Special Obligations.

- 1. Consolidated Bonds & Notes**—which includes both long-term debt obligations referred to as Consolidated Bonds and short-term debt obligations referred to as Consolidated Notes, collectively referred to as "Consolidated Bonds" herein—are established pursuant to the Consolidated Bond Resolution adopted by

the Port Authority on October 9, 1952 (the “Consolidated Bond Resolution”), under which additional Consolidated Bonds may not be issued, except such Consolidated Bonds issued to refund other Consolidated Bonds, except under one or another of three conditions, each of which requires that a certain future calendar year’s debt service is met at least 1.3 times by certain revenues.

Under the current Board resolution establishing and authorizing the issuance of particular series of Consolidated Bonds (“Series Resolution”), Consolidated Bonds may be issued for purposes in connection with financing additional facilities in addition to those for which the Port Authority has already issued bonds secured by a pledge of its General Reserve Fund (“GRF”) only if the Port Authority has first certified its opinion that such issuance will not, among other things, materially impair its ability to fulfill its undertakings to the holders of Consolidated Bonds as more specifically set forth in such Series Resolution.

All Consolidated Bonds are equally and ratably secured by a pledge of the Net Revenues as defined in the Consolidated Bond Resolution of all existing facilities of the Port Authority and any additional Port Authority facility which may hereafter be financed in whole or in part through Consolidated Bonds. Consolidated Bonds are further secured by a pledge of the Port Authority’s GRF in the manner and to the extent set forth provided in Section 6 of the Consolidated Bond Resolution and by a pledge of the moneys in the Consolidated Bond Reserve Fund established by Section 7 of the Consolidated Bond Resolution.

The proceeds of Consolidated Bonds may be used for any purpose for which at the time of issuance of Consolidated Bonds the Port Authority is authorized by law to issue its obligations.

- 2. Special Obligations** of the Port Authority are payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds issued in whole or in part for such purposes, or from Net Revenues (as defined below) deposited into the Consolidated Bond Reserve Fund, and in the event such Net Revenues are insufficient therefore, from other Port Authority monies legally available for such payments when due.

Net Revenues—for purposes of defining the Port Authority’s special obligations—with respect to any date of calculation, are the Port Authority’s revenues pledged under the Consolidated Bond Resolution and remaining after: 1) payment or provision for payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution; 2) payment into the GRF of the amount necessary to maintain it at the amount specified in the General Reserve Fund Statutes; and, 3) applications to the authorized purposes under Section 7 of the Consolidated Bond Resolution.

These Special Obligations are not secured by, or payable from, the GRF. Additionally, they do not create any lien on, pledge of, or security interest in any revenues, reserve funds, or other of the Port Authority.

The Port Authority’s Special Obligations as shown in the table above include:

- **Tower 4 Liberty Bonds** The Port Authority is a co-borrower/obligor with respect to the New York Liberty Development Corporation, Liberty Revenue Bonds, Series 2011 (4 World Trade Center Project) issued by the New York Liberty Development Corporation on November 15, 2011, in the aggregate principal amount of approximately \$1.2B (the “Tower 4 Liberty Bonds”).

In connection with the issuance of the Tower 4 Liberty Bonds, the Port Authority entered into a Tower 4 Bond Payment Agreement with the Tower 4 Trustee to make debt service payments of principal and interest on the bonds (net of fixed rent paid or payable under the City of New York’s Tower 4 space lease, which has been assigned by the Tower 4 Silverstein net lessee directly to the Tower 4 bond trustee for the payment of a portion of the debt service on the Tower 4 Liberty Bonds) to the Tower 4 bond trustee during the term of the agreement through November 15, 2051.

Certain Port Authority debt service payments related to Tower 4 Liberty Bonds are reimbursable to the Port Authority from Tower 4 cash flow and to the extent Tower 4 cash flow is not sufficient, would accrue interest until reimbursed or paid with an overall term for such reimbursement or payment not in excess of 40 years from the issuance date of the original Tower 4 Liberty Bond financing.

In September 2021, the Tower 4 Liberty Bonds were refinanced to achieve debt service savings. The final maturity of the Tower 4 Liberty Bonds is unchanged.

- **Goethals Bridge Replacement Developer Financing Arrangement (“DFA”)** On August 30, 2013, the Port Authority and a private developer entered into an agreement (“the Project Agreement”) for the design, construction, financing, and maintenance of a replacement Goethals Bridge (“the Replacement Bridge”). Starting in July 2018, the Port Authority was required to make a payment to the private developer in the amount of \$1B, subject to certain adjustments, for the construction of the Replacement Bridge.

In lieu of a cash payment, the private developer extended a loan in that principal amount to the Port Authority, to be repaid in monthly payments of principal and interest (the “DFA Payments”) to the private developer. The DFA Payments are payable over the term of the Project Agreement, which has a scheduled expiration date of June 30, 2053—the 35<sup>th</sup> anniversary of the substantial completion date of the Replacement Bridge. The DFA Payments are subject to certain deductions for non-compliance and/or lane unavailability by the private developer pursuant to the terms of the Project Agreement.

- **Short-Term Borrowing** This category consists of: 1) a Special Obligation Institutional Loan Program; and, 2) Commercial Paper Obligations, as described in further detail below.

- i. **Special Obligation Institutional Loan Program** The Port Authority established a Special Obligation Institutional Loan Program to provide for alternative debt instruments to borrow funds from financial institutions, the repayment of which are special obligations of the Port Authority and are subordinate to Consolidated Bonds. The total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to \$1.25B and includes the principal amount of outstanding Commercial Paper notes and outstanding amounts under liquidity facilities pertaining to Commercial Paper notes, outstanding amounts drawn under Bank Lines, and outstanding principal amount of any Bank Loans.

On January 20, 2023, the Port Authority entered into two separate Revolving Credit Agreements, each establishing a Bank Line, for a combined \$750M available to draw thereunder and used \$501M on January 24, 2023 to refund the principal and interest of all of the Port Authority’s Commercial Paper Obligations as of such date.

- ii. **Commercial Paper Obligations** These Port Authority obligations are issued to provide interim financing for authorized capital projects at Port Authority facilities and may be outstanding until December <sup>1</sup>, 2025, under the current approved program, which consists of three separate series known as Series A, Series B, and Series C. The maximum aggregate principal amount that may be outstanding at any one time is \$250M for Commercial Paper Series A, \$250M for Series B, and \$250M for Series C. To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amount and the interest due at maturity the Port Authority had entered into liquidity facilities for each Series. The liquidity facilities had not been drawn upon and expired on January 31, 2023.

- **Marine Ocean Terminal at Bayonne Peninsula (“MOTBY”) Obligation** A Port Authority obligation representing the amounts due to the Bayonne Local Redevelopment Authority for the purchase of certain parcels of the Marine Ocean Terminal at Bayonne Peninsula.
- **Variable Rate Master Notes** These Port Authority obligations may be issued in a total aggregate principal amount outstanding at any one time not to exceed \$400M under the current authorized program. The proceeds of each note shall be used for: 1) Capital Spending in connection with any one or more of the Port Authority’s facilities; 2) refunding directly, by offers to exchange, or otherwise, all or any part of any bonds, notes, or other Port Authority obligations; and, 3) for incidental purposes, including certain costs of, and relating to, such Notes.

# DEFERRED SPENDING

Deferred Spending reflects expenditures that are made in the current year but that benefit multiple years. As such, the expenditures are deferred and are then recognized over their useful life. The agency’s main categories of Deferred Spending include: 1) vehicle purchases and replacements (including electric vehicles and buses); 2) software and hardware technology investments; and, 3) leased and owned property investments and renovations, primarily for office space relocations and alterations.

The 2024 Deferred Spending Budget totals \$135M, reflecting an increase of \$18M, or 16% versus the 2023 Budget as detailed below.

Deferred Spending <i>(\$ in thousands)</i>	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Vehicle Purchase Program	\$18,103	\$35,543	\$17,920	<b>\$50,037</b>
Technology Investments	25,378	36,239	41,151	<b>37,716</b>
Office Moves & Alterations	3,386	16,982	3,354	<b>13,955</b>
Enterprise Asset Management	3,598	9,234	9,234	<b>9,438</b>
NY Customer Service Center	1,361	9,123	8,563	<b>7,199</b>
Security & Other	1,928	9,342	5,752	<b>16,289</b>
<b>Total</b>	<b>\$53,754</b>	<b>\$116,463</b>	<b>\$85,974</b>	<b>\$134,634</b>

- Vehicle Purchase Program**—which includes funding for vehicle purchases and replacements, including electric vehicles (“EV”)—totals \$50M in 2024, reflecting an increase of \$15M, or 41% versus the 2023 Budget driven by the purchase of Aviation hydrant service vehicles refuelers which are past their useful life and essential for continuity of airport operations (which were previously deferred due to COVID-19 constraints)—these will be fully recovered over their useful life through the airline Fuel Committees.

Excluding the refueler purchases, the Vehicle Purchase Program totals \$38M in 2024, reflecting an increase of \$2M, or 6% versus 2023 Budget in alignment with the agency’s authorized Auto Purchase Program which funds the purchase of replacement vehicles and equipment which are beyond their useful life or damaged beyond repair. Of note, over 40% of the Vehicle Purchase Program Budget is for EV purchases to meet the agency’s Net Zero goal of achieving 50% light-duty vehicle fleet electrification by 2025.

- Technology Investments**—which includes investments in hardware and software to maintain and improve the agency’s technology infrastructure—totals \$38M in 2024, reflecting an increase of \$2M, or 4% versus the 2023 Budget to fund the continuation of a 3-year end-of-life technology replacement program, in addition to various new projects and upgrades for enterprise technology systems.
- Office Moves & Alterations**—which includes funding for office space relocation projects and alterations of owned or leased property—totals \$14M in 2024, reflecting a decrease of (\$3M), or (18%) versus the 2023 Budget driven by timing associated with the potential relocation of certain facilities to a new location.
- Asset Management**—which funds the ongoing phased implementation of the Enterprise Asset Management (“EAM”) asset lifecycle management program for all agency facilities—totals \$9M in 2024, which is essentially flat to the 2023 Budget.
- NY Customer Service Center**—which funds the third-party design and implementation of a new Customer Service Center (“CSC”) system for E-ZPass and Toll-by-Mail (“TbM”) bridge and tunnel toll processing—totals \$7M in 2024, reflecting a decrease of (\$2M), or (21%) versus the 2023 Budget in alignment with the implementation schedule.
- Security & Other**—which includes security-related civilian and Public Safety software/hardware and equipment purchases, such as radios, in addition to various other categories across the Departments—

totals \$16M in 2024, reflecting an increase of \$7M versus the 2023 Budget driven by critical end-of-life replacements for PAPD's computer aided dispatch and record management systems and the ARFF Fuel Spill Trainer.

# DEPARTMENTAL BUDGET SUMMARIES



*LGA's new Terminal B parking garage rooftop hosts over 3,500 solar panels that will produce more than 1.7M kilowatt-hours of clean, renewable energy annually as part of the agency's Net Zero commitments.*

## TUNNELS, BRIDGES, & TERMINALS (“TB&T”)

### Mission

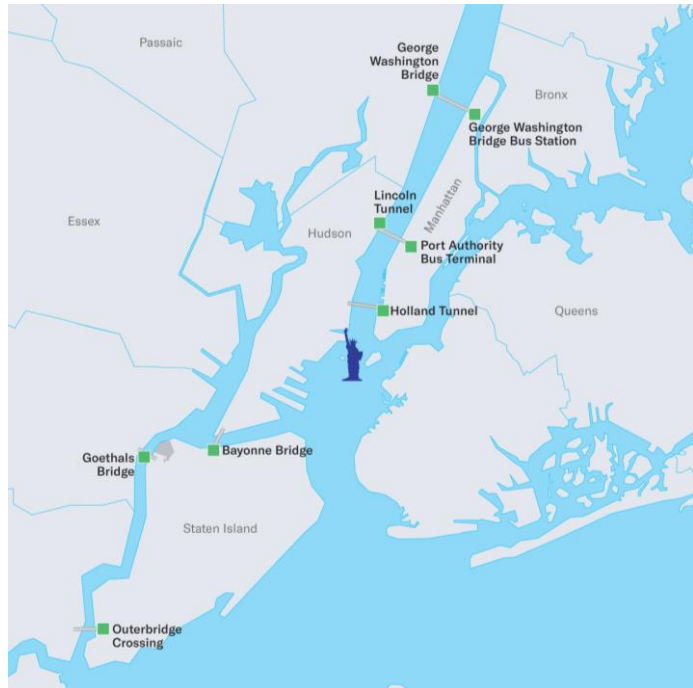
TB&T’s mission is to “Keep the Region Moving” by connecting the road networks of New York and New Jersey to serve and facilitate the movement of millions of people and goods safely, efficiently, and conveniently throughout the region each year.

### Facilities

TB&T’s facilities—which operate 24 hours-a-day, 7 days-a-week, 365 days-a-year—connect New York and New Jersey to the rest of the country.

TB&T facilities include:

- **Vehicular Bridges** The George Washington Bridge (“GWB”)—the busiest bridge in the world—and three Staten Island Bridges (“SIB”), which consist of the Bayonne Bridge (“BB”), the Goethals Bridge (“GB”), and the Outerbridge Crossing (“OBX”)
- **Vehicular Tunnels** The Lincoln Tunnel (“LT”) and Holland Tunnel (“HT”)
- **Bus Terminals** The Port Authority Bus Terminal (“PABT”)—the largest bus terminal in the nation and the busiest in the world—and the GWB Bus Station (“GWBBS”)



Holland Tunnel, the landmark tunnel connecting lower Manhattan and Jersey City, was the first Hudson River vehicular crossing.



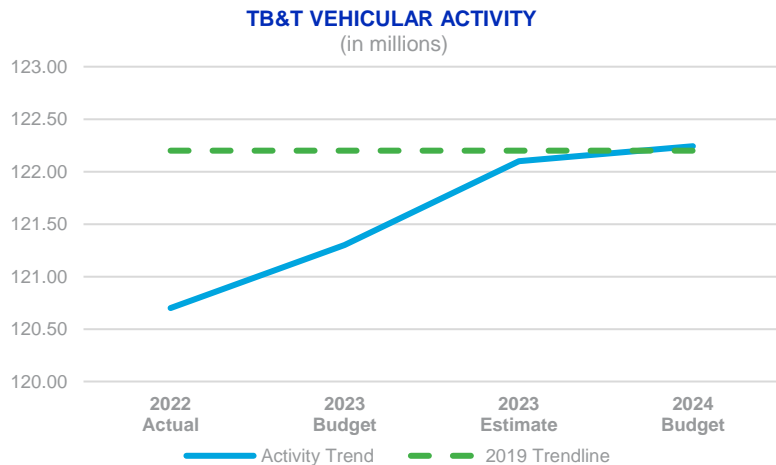
### Core Functions

- Operate and maintain four long-span vehicular bridges, two trans-Hudson vehicular tunnels, and two bus terminals.
- Deliver a Capital Spending and Operating Expense program that: 1) ensures best-in-class safety and security standards across all TB&T facilities; and, 2) provides for the future needs of the region.
- Attract and maintain a diverse, inclusive, and skilled workforce to manage, operate, and provide Port Authority patrons best-in-class facilities and customer experience.
- Provide a state-of-the-art toll revenue collection system comprised of an All-Electronic Tolling ("AET") environment at all bridge and tunnel toll crossings.

### Activity Volumes

In 2024, approximately 122M vehicles are projected to use the Port Authority’s bridge and tunnel crossings—this reflects an increase of 0.9M vehicles, or 0.7% versus the 2023 Budget.

This increase reflects the ongoing steady recovery of vehicular volumes to pre-pandemic levels, which is slightly tempered by a projected increase in fuel prices.



### Staffing

TB&T’s 793 authorized positions consist of employees dedicated to operating, maintaining, managing, and providing Capital support to the facilities.

*Operations* staff are responsible for facility management, incident and emergency response, traffic and electronic toll collection management, and bus and passenger operations. *Maintenance* staff perform daily maintenance activities including preventive and corrective maintenance routines. *Management* staff support the operations and maintenance of the facilities and provide department-wide management oversight, including Capital project delivery.

### Strategic Priorities/Goals, Objectives, & Performance Measures

TB&T’s strategic objectives focus on advancing the agency’s long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by improving facility mobility at interstate vehicle crossings, mitigating crashes at those facilities, and increasing elevator and escalator reliability and restroom satisfaction at the PABT. In addition, TB&T supports the agency’s strategic priority/goal to revitalize the region’s transportation infrastructure through the Capital investments detailed in the 2024 Capital Spending section below.

In alignment with executive guidance, TB&T prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

Strategic Priorities/Goals & Definitions	2024 Objectives*	2023 Actuals	2022 Actuals
<b>Operational Excellence</b>			
Maintain median travel speeds during weekdays from 6am to 10pm at all vehicular crossings to facilitate the efficient movement of goods and people.	Median vehicular speeds at the crossings during weekdays from 6am to 10pm in both the eastbound and westbound directions will meet a minimum of 84% of the posted speed limit.	<u>Eastbound: 83.9%**</u> <u>Westbound: 89.7%**</u>	<u>Eastbound: 82.1%**</u> <u>Westbound: 88.6%**</u>
<b>Safety &amp; Security</b>			
Facilitate safety and travel time reliability by ensuring key crash locations are monitored and mitigations are implemented to reduce crashes.	<ol style="list-style-type: none"> <li>1. Reduce the overall average crash rate as compared to the 2023 crash rate of 12.3 crashes per million vehicles.</li> <li>2. Reduce the number of crashes at the top 10 incident hot spots by (3%) as compared to the 2023 top 10 incident hot spot crashes of 652.</li> </ol>	<u>Overall Crash Rate Reduction: (14.0%)</u> decrease compared to 2022 – <i>Avg. Overall Crash Rate:</i> 12.3 crashes per million vehicles  <u>Top 10 Hot Spot Crash Rate Reduction: (11.8%)</u> decrease compared to 2022 – <i>Top 10 Hot Spot Crashes:</i> 652	<u>Overall Crash Rate Reduction: (0.5%)</u> decrease compared to 2021 – <i>Avg. Overall Crash Rate:</i> 14.2 crashes per million vehicles  <u>Top 10 Hot Spot Crash Rate Reduction: (4%)</u> decrease compared to 2021 – <i>Top 10 Hot Spot Crashes:</i> 855
<b>Customer Experience</b>			
Maintain positive customer experience and satisfaction at PABT restrooms and achieve high availability levels of PABT's elevators and escalators.	<ol style="list-style-type: none"> <li>1. Achieve an overall restroom satisfaction rating minimum of 85%.</li> <li>2. Achieve an overall escalator and elevator availability minimum of 95%.</li> </ol>	<u>Overall Restroom Satisfaction: 84%</u>  <u>Overall Escalator and Elevator Availability: 94%</u>	<u>Overall Restroom Satisfaction: 83%</u>  <u>Overall Escalator and Elevator Availability: 95%</u>

\* Objectives measure performance through year-end 2024.

### Gross Operating Revenues

TB&T's 2024 Gross Operating Revenue Budget totals \$2.1B, reflecting an increase of \$100M, or 5% versus the 2023 Budget.

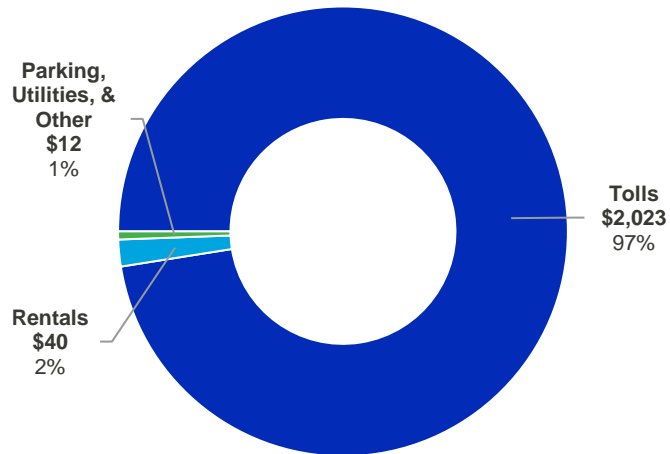
This Budget-to-Budget increase is driven by:

- **Bridge & Tunnel Tolls** reflect an increase of \$103M, or 5% versus the 2023 Budget driven by the scheduled automatic inflation-based bridge and tunnel toll adjustment and forecasted vehicular activity growth.

Pursuant to the September 2019 Board action on bridge and tunnel tolls, which reaffirmed the Board's prior 2008 and 2011 actions, annual automatic inflation-based toll adjustments are scheduled for the first Sunday of January each year based on the cumulative increase in the CPI measured from September of the prior year to September of the current year. As such, a 3.7% adjustment is scheduled for implementation on January 7, 2024. At that time, standard auto and truck per axle TbM and E-ZPass tolls (charged eastbound only) will increase by \$0.63. Discount plans will continue in effect.

- **Rentals** reflect a decrease of (\$2M), or (5%) versus the 2023 Budget driven by lower concessionaire revenues in alignment with the 2023 Estimate.
- **Parking & Other** reflect a decrease of (\$1M), or (7%) versus the 2023 Budget driven by the lower public parking activity in-line with current trends.

**2024 GROSS OPERATING REVENUE BUDGET  
BY CATEGORY**  
(\$ in millions)



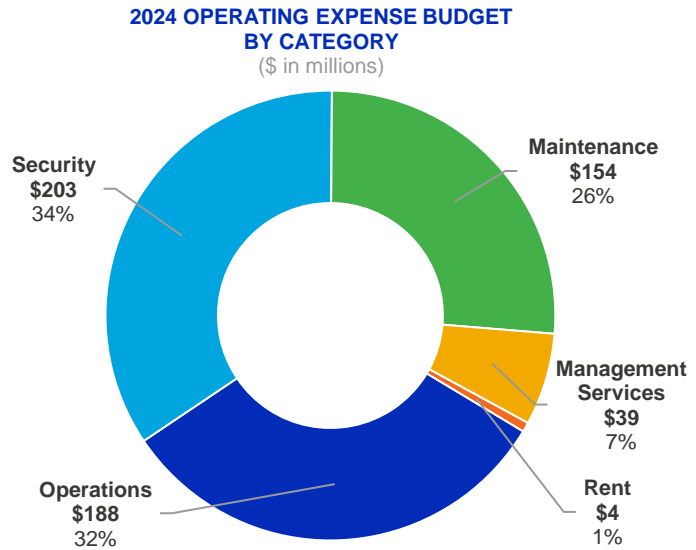
### Gross Operating Revenue by Category

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Tolls	\$1,829,220	\$1,920,456	\$1,938,298	<b>\$2,023,243</b>
Rentals	39,658	42,325	40,017	<b>40,456</b>
Parking & Other	10,293	10,524	7,344	<b>9,767</b>
Utilities	1,662	1,760	,820	<b>1,906</b>
<b>Total</b>	<b>\$1,880,833</b>	<b>\$1,975,065</b>	<b>\$1,987,479</b>	<b>\$2,075,372</b>

### Operating Expenses

TB&T's 2024 Operating Expense Budget totals \$653M and includes *base Budget inflationary escalations of \$22M, or 4%* versus the 2023 Budget to fund the ongoing cleaning, maintenance, traffic management, customer service to provide safe and reliable facility operations.

An incremental \$7M, or 1% of special purpose spending is included for: 1) incremental spending related to new or expanded facilities and systems for the new, New York E-ZPass Customer Service Center, in addition to AET maintenance funding to support a full-year of operations; 2) required security spending, particularly for PAPD priority security initiatives; and, 3) incremental spending that is largely offset by incremental revenues to improve toll collection and recovery efforts.



### Operating Expense by Category

(\$ in thousands)	2022 Actual	2023 Budget*	2023 Estimate	2024 Budget
Operations	\$170,313	\$174,037	\$170,175	<b>\$188,379</b>
Security	185,891	198,305	193,191	<b>202,968</b>
Maintenance	131,567	149,242	140,058	<b>154,466</b>
Management Services	34,893	37,342	38,451	<b>38,589</b>
Rent	4,175	4,032	3,868	<b>4,182</b>
<b>Subtotal</b>	<b>\$526,839</b>	<b>\$562,958</b>	<b>\$545,743</b>	<b>\$588,584</b>
Allocates	56,634	61,176	58,030	<b>64,764</b>
<b>Total**</b>	<b>\$583,473</b>	<b>\$624,134</b>	<b>\$603,773</b>	<b>\$653,348</b>

\* Reflects reallocation of costs between Departments.

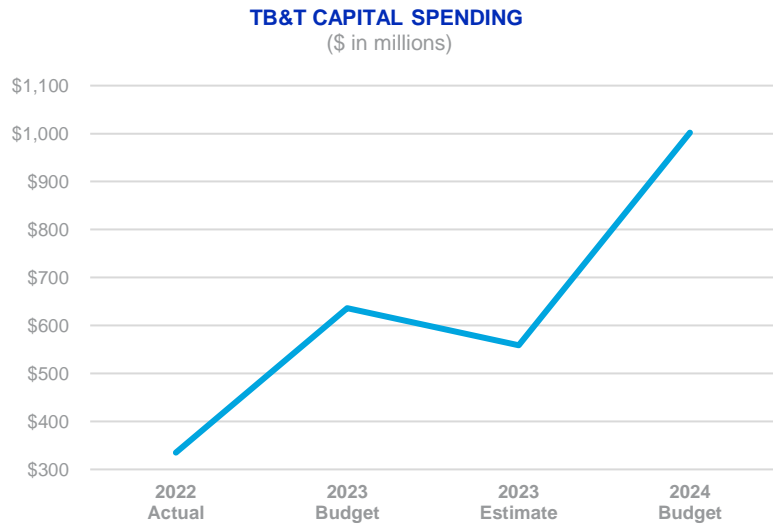
\*\* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & Other Post-Employment Benefits ("OPEB") actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

### Capital Spending

TB&T's 2024 Capital Spending totals \$1.0B, reflecting an increase of \$365M, or 57% versus the 2023 Budget driven by the ramp-up of planning and advancement of the new Midtown Bus Terminal in addition to the acceleration of work in the "Restoring the George" program which was scaled back in prior years as a result of the adverse impacts of COVID-19 on the agency's Net Revenues and capital capacity.

Funding is also included for design and associated activities related to the Lincoln Tunnel Helix Replacement Program, the final contractual payments to the New Jersey Department of Transportation ("NJDOT") for the Lincoln Tunnel Access program, as well as the repair of Superstorm Sandy latent salt damage at the Holland Tunnel.

Further detail on Significant Capital Projects included in the 2024 Capital Spending Budget is provided below.



**Significant Capital Projects** *(\$ in thousands)*

Project Title & Description	Operational Impacts	2024 Budget
<p><b>Midtown Bus Terminal Replacement Planning</b></p> <p>Provides for further planning and advancement of capital projects related to the development of a new Midtown Bus Terminal and related infrastructure to replace the current PABT.</p>	<p>Advances the planning process for the replacement of the PABT to meet future capacity requirements.</p>	\$370,000
<p><b>“Restoring the George” Program</b></p> <p>Includes 11 high-priority projects at the George Washington Bridge (“GWB”), the largest being the replacement of all 592 suspender ropes and rehabilitation of main cables.</p>	<p>Maintains structural integrity and state of good repair of the bridge and associated elements.</p>	\$230,636
<p><b>Lincoln Tunnel (“LT”) Access</b></p> <p>Provides for rehabilitation of the Pulaski Skyway, a new road for Route 1 and 9 Truck North, and the replacement of the Witt Penn Bridge.</p>	<p>Improves the roadways and approaches leading to the LT, fosters economic activity, and improves regional competitiveness.</p>	\$108,153
<p><b>Holland Tunnel (“HT”) Mitigation of Latent Salt Damage</b></p> <p>Provides for rehabilitation of mechanical, electrical, and plumbing systems that were damaged by Superstorm Sandy.</p>	<p>Maintains structural integrity and state of good repair of tunnel infrastructure.</p>	\$49,899
<p><b>Toll Booth Removal at HT, LT, &amp; GWB</b></p> <p>Includes continuing infrastructure modifications, toll booth removals, and roadway realignment at the toll plazas at the GWB, LT, and HT resulting from the implementation of AET.</p>	<p>Provides for seamless movement of traffic, saves commuter time, enhances safety, reduces traffic accidents and congestion, and decreases vehicular emissions.</p>	\$47,820

## PORT AUTHORITY TRANS-HUDSON (“PATH”)

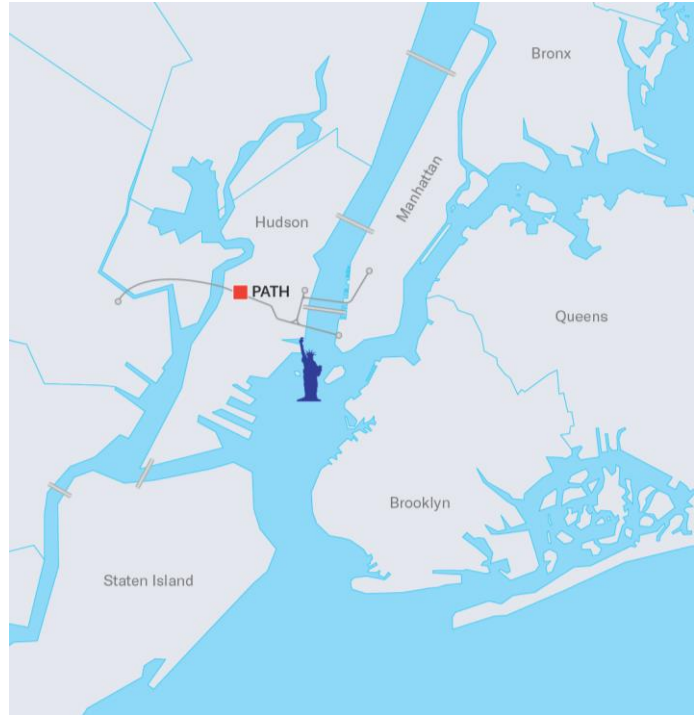
### Mission

PATH’s mission is to “Keep the Region Moving” as a vital connection between New Jersey and New York by providing safe, reliable, and efficient rail transit service that contributes to enhanced regional mobility and economic development for millions of riders each year.

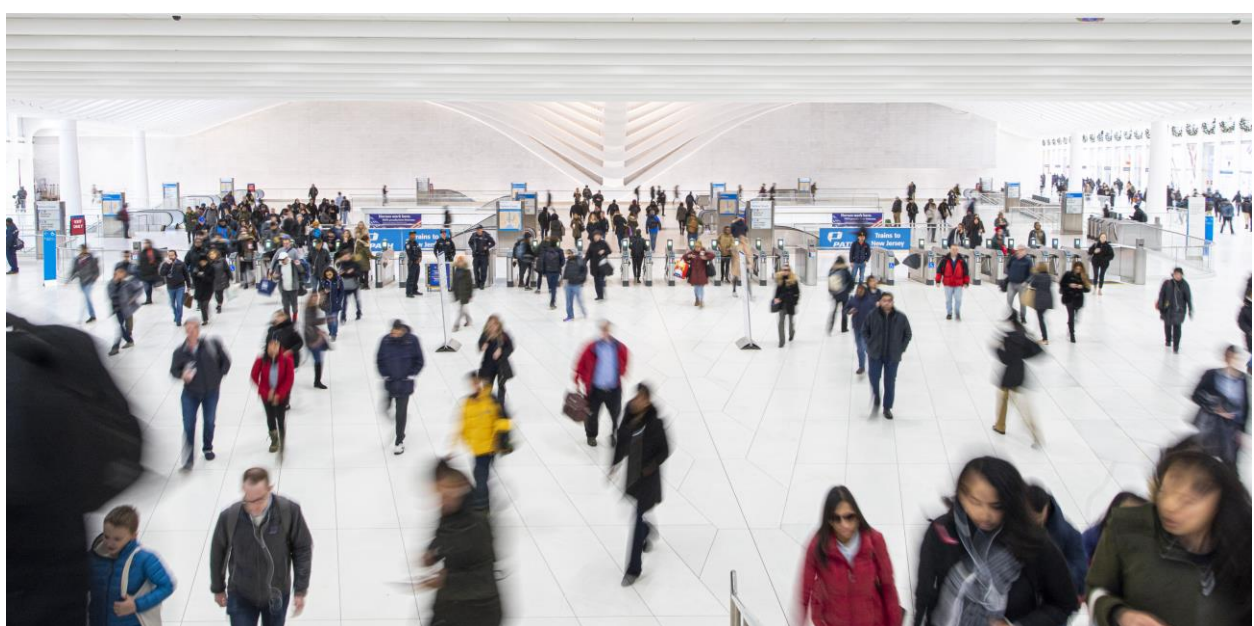
### Facilities

The PATH transit system encompasses 14 route miles and 13 stations—6 in New York and 7 in New Jersey—as well as the Journal Square Transportation Center (“JSTC”). The system is comprised of a complex network of electrical cables, communications equipment, and signals, track, and tunnel infrastructure.

PATH’s train fleet operates 24-hours a day, 7 days a week, making it one of the few 24-hour rail transit systems in the world. As part of PATH’s efforts to increase capacity and improve customer experience, PATH continues to expand its rail car fleet (increasing from 250 in 2023 to 422 by year-end 2024) and continues to roll-out 9-Car train operations on the Newark to WTC line.



The WTC Oculus is the terminus of PATH’s Newark to WTC line, serving millions of riders each year.



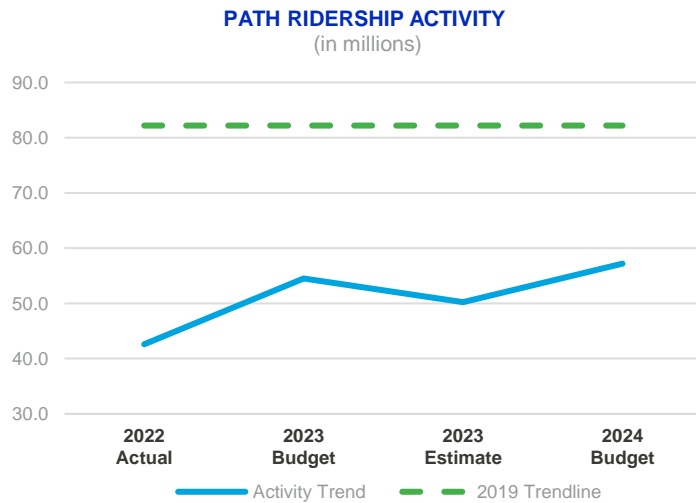
### Core Functions

- Operate and maintain a safe, reliable, and efficient rail transit system and bus transportation terminal at JSTC.
- Continue to improve the reliability, timeliness, and cleanliness of rail service and advance efforts to enhance customer experience.
- Deliver a Capital program that focuses on supporting 9-Car train operations on the Newark to WTC line, advance new state of good repair spending necessary to reduce train delays, and close-out Superstorm Sandy resiliency efforts.
- Comply with federal safety and environmental rules and regulations.

### Activity Volumes

In 2024 approximately 57M riders are projected to use the PATH transit system—this reflects an increase of 3M riders, or 5% versus the 2023 Budget driven by ongoing economic growth, partially offset by lower return-to-office assumptions in-line with current trends.

PATH ridership is projected to be at 70% of 2019 pre-pandemic levels in 2024, reflecting PATH’s ongoing but slow ridership recovery.



### Staffing

PATH’s 1,275 authorized positions consist of employees dedicated to operating, maintaining, managing, and providing Capital support to the PATH transit system and JSTC. The 2024 Budget includes 5 new Maintenance positions to support new state of good repair spending.

*Operations* staff manage the movement of trains, develop and maintain train schedules, and provide passenger information and customer care programs throughout the stations, including compliance with Federal Railroad Administration (“FRA”) regulations. *Maintenance* staff ensure reliable and efficient train movement by inspecting, repairing, or replacing components of railcars, tracks, station structures, signals, and power distribution and communication systems. *Management* and administrative staff support the operation and maintenance of facilities, and provide Department-wide oversight, including capital program delivery.

### Strategic Priorities/Goals, Objectives, & Performance Measures

PATH’s strategic objectives focus on advancing the agency’s long-term strategic priorities/goals of enhancing operational excellence and customer experience by driving improvements in on-time train performance, service reliability, delay reduction. In addition, PATH supports the agency’s strategic priority/goal to revitalize the region’s transportation infrastructure through the Capital investments detailed in the 2024 Capital Spending section below.

In alignment with executive guidance, PATH prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

Strategic Priorities/Goals & Definitions	2024 Objective*	2023 Actuals	2022 Actuals
<b>Operational Excellence &amp; Customer Experience</b>			
Limit the percentage of train trips delayed or annulled in a 24-hour time frame.	Limit the average number of train trips delayed or annulled to a maximum of 2.0% each quarter.	<u>Quarterly Average: 2.4%</u> – Q1: 2.3% – Q2: 4.3% – Q3: 1.6% – Q4: 1.5%	<u>Quarterly Average: 2.1%</u> – Q1: 2.0% – Q2: 2.3% – Q3: 1.9% – Q4: 2.4%
<b>Operational Excellence</b>			
Operate a high percentage of AM and PM peak period revenue service train trips on-time as compared to total scheduled trains during peak periods.	Achieve both an AM and PM peak period on-time trip performance of a minimum of 98% each quarter.	<u>AM Peak Period On-Time Trips Average: 97.3%</u> – Q1: 98.1% – Q2: 94.4% – Q3: 99.0% – Q4: 98.0%  <u>PM Peak Period On-Time Trips Average: 95.9%</u> – Q1: 98.6% – Q2: 89.8% – Q3: 97.1% – Q4: 98.3%	<u>AM Peak Period On-Time Trips Average: 96.9%</u> – Q1: 95.9% – Q2: 95.8% – Q3: 98.4% – Q4: 97.5%  <u>PM Peak Period On-Time Trips Average: 98.4%</u> – Q1: 99.1% – Q2: 98.5% – Q3: 98.3% – Q4: 97.5%
<b>Operational Excellence</b>			
Achieve a planned mean distance between failure reflecting the number of miles, on average, a PATH train travels before breakdown or failure occurs that results in a delay.	Achieve a minimum mean distance between failure of 76,809 miles.	<u>Mean Distance Between Failure: 63,763 miles</u>	<u>Mean Distance Between Failure: 57,526 miles</u>

\* Unless otherwise stated, Objectives measure performance through year-end 2024.

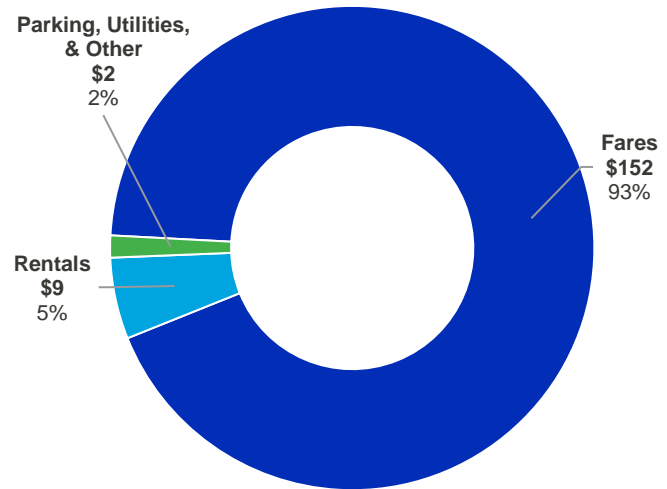
### Gross Operating Revenues

PATH’s 2024 Gross Operating Revenue Budget totals \$164M, reflecting an increase of \$7M, or 5% versus the 2023 Budget.

This Budget-to-Budget increase is driven by:

- **Fares** reflect an increase of \$8M, or 5% versus the 2023 Budget driven by modest ridership growth. PATH fares remain unchanged in 2024.
- **Rentals** reflect a decrease of (\$1M), or (10%) versus the 2023 Budget driven by lower concessionaire revenue in alignment with the 2023 Estimate.
- **Parking & Other** reflects an increase of \$1M, or 34% versus the Budget driven by higher anticipated parking activity in-line with current trends.

**2024 GROSS OPERATING REVENUE BUDGET BY CATEGORY**  
(\$ in millions)



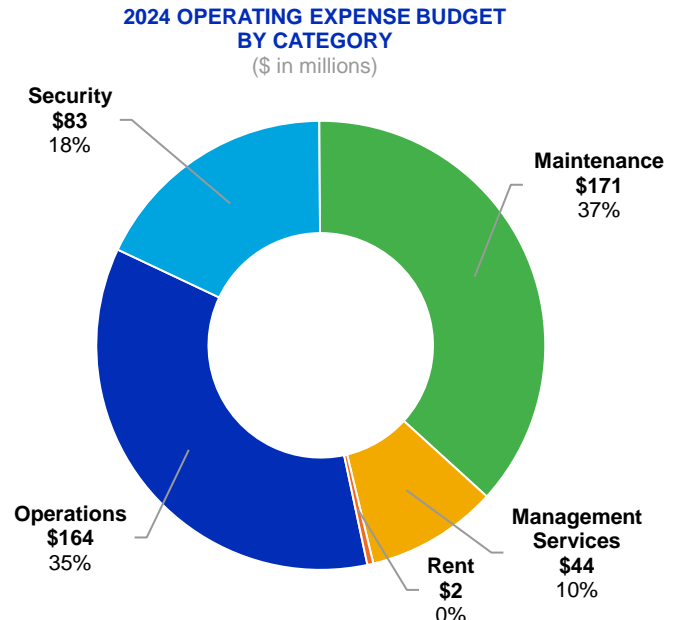
### Gross Operating Revenue by Category

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Fares	\$113,506	\$144,736	\$134,098	<b>\$152,300</b>
Rentals	7,813	9,853	8,634	<b>8,896</b>
Parking & Other	2,408	1,813	3,822	<b>2,422</b>
Utilities	151	147	176	<b>165</b>
<b>Total</b>	<b>\$123,878</b>	<b>\$156,549</b>	<b>\$146,730</b>	<b>\$163,783</b>

### Operating Expenses

PATH's 2024 Operating Expense Budget totals \$533M and includes *base Budget inflationary escalations of \$11M, or 2%* versus the 2023 Budget to support the ongoing safety and security of PATH's riders, employees, and contractors, in addition to protecting and preserving critical infrastructure and assets.

An incremental \$10M, or 2% of special purpose spending is included for: 1) funding to reduce train delays, increase capacity, and enhance customer service, including the ongoing phase-in of 9-Car train operations, the acceptance of 72 new PA-5 rails cars, maintenance of the Automatic Train Control System (which was previously under warranty), and new state of good repair spending; 2) required security spending to respond to the changing threat landscape, particularly for PAPD priority security initiatives; and, 3) incremental spending that is largely offset by incremental revenues for a new fare evasion pilot program aimed at reducing revenue loss.



### Operating Expense by Category

(\$ in thousands)	2022 Actual	2023 Budget*	2023 Estimate	2024 Budget
Operations	\$178,406	\$161,741	\$168,706	<b>\$164,479</b>
Security	77,848	79,663	78,838	<b>83,090</b>
Maintenance	157,897	157,812	153,391	<b>171,332</b>
Management Services	41,849	45,841	59,208	<b>44,122</b>
Rent	1,391	1,580	1,758	<b>1,553</b>
<b>Subtotal</b>	<b>\$457,390</b>	<b>\$446,637</b>	<b>\$461,901</b>	<b>\$464,576</b>
Allocates	59,567	65,187	66,264	<b>68,154</b>
<b>Total**</b>	<b>\$516,957</b>	<b>\$511,824</b>	<b>\$528,165</b>	<b>\$532,730</b>

\* Reflects reallocations of costs between Departments.

\*\* Budget and Actual/Projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB and excludes Non-Cash Pension & Other Post-Employment Benefits ("OPEB") actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

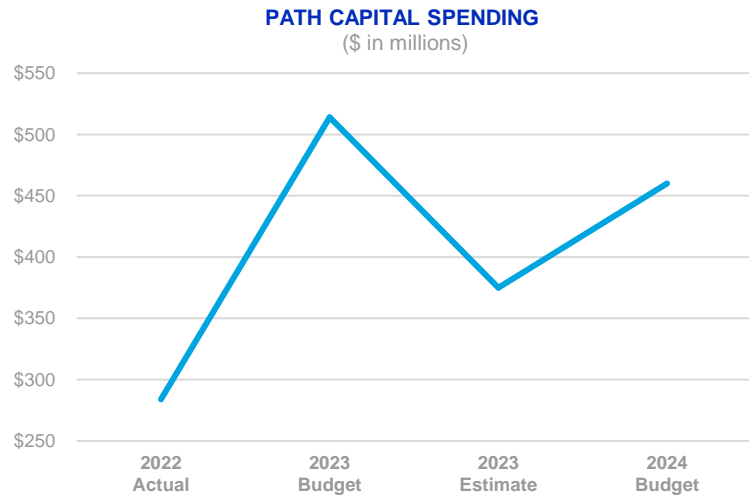
### Capital Spending

PATH's 2024 Capital Spending totals \$460M and includes funding for the replacement of PATH's outdated fare collection system with a new and modern "tap-and-go" system, new state of good repair spending necessary to reduce train delays and enhance customer service, as well as the continuation of Superstorm Sandy resiliency work and the replacement of Substation 2 in Jersey City.

Compared to the 2023 Budget, PATH's 2024 Capital Spending Budget reflects a decrease of (\$54M), or (11%) driven by a reduction in milestone payments for the

PATH Rail Car Fleet Expansion project, as the majority of cars were delivered in 2023, and the completion of all construction projects in 2023 to enable 9-Car train operations on the Newark to WTC line.

Further detail on Significant Capital Projects included in the 2024 Capital Spending Budget is provided below.



### Significant Capital Projects (\$ in thousands)

Project Title & Description	Operational Impacts	2024 Budget
<p><b>PATH Railcar &amp; Track State of Good Repair Program</b></p> <p>Provides for PATH railcar rehabilitation and acceleration of track work on the most critical rail segments in the PATH system.</p>	Improves performance and availability of PATH's railcar fleet, as well as reduces delays and improves reliability of the PATH system.	\$89,000
<p><b>PATH Car Purchase</b></p> <p>Provides for the purchase of 72 new PA-5 cars to increase system-wide capacity.</p>	Supports 9-car train operations on the Newark to WTC line and shorter headways on other lines.	\$55,997
<p><b>Replacement of Substation 2</b></p> <p>Provides for construction of a new substation and compressor plant to replace the existing Substation 2 in Jersey City, NJ.</p>	Replaces the existing substation which has reached the end of its useful life.	\$51,726
<p><b>Restoration of Hoboken, Newport, Exchange Place, &amp; Grove Street Stations</b></p> <p>Provides for restoration of architectural, structural, electrical, and other support systems damaged by flood waters during Superstorm Sandy.</p>	Returns damaged assets to a state of good repair.	\$38,619
<p><b>Replacement of Fare Collection System</b></p> <p>Provides for the replacement of the outdated PATH fare collection system with an account-based "tap-and-go" system that will support contactless media, including debit/credit cards and mobile devices.</p>	Provides for world-class customer service and ensures that the reliability of the fare collection system can meet the demands of PATH's growing ridership.	\$32,349
<p><b>Replacement of Track in Open Areas</b></p> <p>Provides for the replacement of the existing Kearny Pocket track interlocking and the installation of a new interlocking located west of the Hackensack River Bridge.</p>	Returns damaged assets to a state of good repair. The new interlocking provides additional operational flexibility.	\$27,263

# AVIATION

## Mission

Aviation’s mission is to “Keep the Region Moving” by ensuring the safety, security, and efficiency of the region’s airport system to best serve its customers and building infrastructure that meets the demand for air transportation of people, goods, and related services.

## Facilities

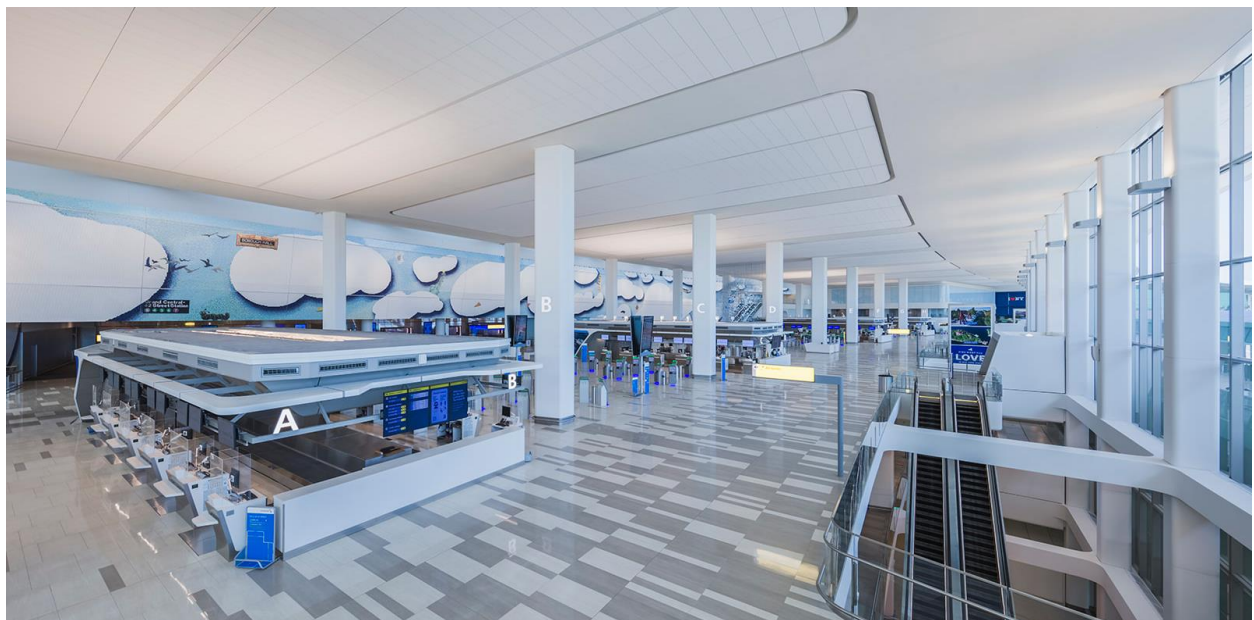
The Port Authority’s airports represent the largest network of airports in the world, enabling millions of passengers journeys each year.

John F. Kennedy International Airport (“JFK”) serves as the region’s chief international gateway, while Newark Liberty International Airport (“EWR”) serves both national and international markets. LaGuardia Airport (“LGA”) serves as the premier short-haul facility in the region. New York Stewart International Airport (“SWF”) provides short-haul and low-cost international service while Teterboro Airport (“TEB”) serves general aviation clients.

All three of Aviation’s major airports—EWR, JFK, and LGA—are undergoing a \$30B transformation to become modern, world-class gateways.



LGA’s \$8B transformation makes it the first new major airport built in the United States in the last 25 years.



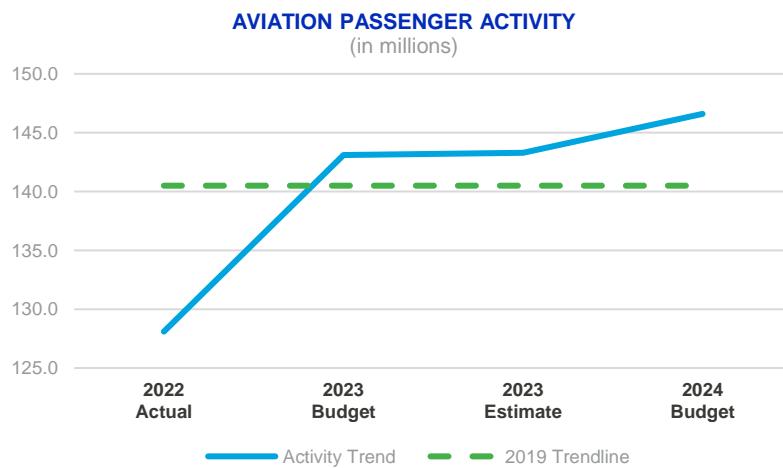
### Core Functions

- Position Port Authority airports on a path to transform current facilities into 21<sup>st</sup> century gateways to the region that meet global best-in-class standards for operations and customer experience.
- Develop, manage, and maintain passenger terminals, runways, and cargo facilities in compliance with Federal Aviation Administration (“FAA”) regulatory standards.
- Negotiate agreements and handle tenant relationships with airlines that rent passenger terminals and terminal gates, hangars, and cargo spaces, as well as with retail merchants and concessionaires.
- Manage security and coordinate with the Transportation Security Administration (“TSA”) and Customs and Border Protection (“CBP”) to ensure passenger safety and security.

### Activity Volumes

In 2024, a record 146.6M passengers are projected to use the Port Authority’s airports—this reflects an increase of 3.6M passengers, or 3% versus the 2023 Budget and exceeds pre-pandemic 2019 activity levels.

This growth is driven by strong demand for leisure travel as well as a modest increase in international travel, partially tempered by the extension of the FAA’s slot waiver which decreases the number of flights at agency airports.



### Staffing

Aviation’s 1,540 authorized positions consist of employees dedicated to operating, maintaining, managing, and providing Capital support to the airports.

*Operations* staff operate and manage aeronautical, landside, security, and customer care functions while complying with FAA rules and regulations. *Maintenance* staff provide maintenance to ensure each airport’s assets, infrastructure, and equipment operate at a high level of performance and meet code and regulatory compliance. *Management* staff provide Department-wide oversight and support to facility operations and maintenance, including capital program delivery. *Security* staff reflect the aircraft rescue and firefighting (“ARFF”) police force who represent the first line of defense in the event of an aircraft ground emergency or a fire that breaks out on an aircraft or airport facility.

In addition, the 2024 Budget includes Capital funding for 81 temporary, project-based positions necessary to support the transformation of JFK into a unified, world-class international gateway through the JFK Redevelopment program.

### Strategic Priorities/Goals, Objectives, & Performance Measures

Aviation’s strategic objectives focus on advancing the agency’s long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by improving the movement of goods and people, ensuring airside safety, and improving airport passenger satisfaction. In addition, Aviation supports the agency’s strategic priority/goal to revitalize the region’s transportation infrastructure through the Capital investments detailed in the 2024 Capital Spending section below.

In alignment with executive guidance, Aviation prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

Strategic Priorities/Goals & Definitions	2024 Objective*	2023 Actuals	2022 Actuals
<b>Operational Excellence &amp; Customer Experience</b>			
Limit the average time an aircraft spends taxiing to the runway ("taxi-out time") or taxiing to the gate ("taxi-in time").	Limit the number of taxi-in/taxi-out events of greater than 90 minutes to a maximum 0.3% of aircraft operations at JFK, EWR, and LGA.	<p><u>JFK</u>: 1,718 out of 374,595 operations, or 0.4%</p> <p><u>LGA</u>: 814 out of 258,239 operations, or 0.3%</p> <p><u>EWR</u>: 858 out of 364,752 operations, or 0.2%</p>	<p><u>JFK</u>: 1,689 out of 354,989 operations, or 0.4%</p> <p><u>LGA</u>: 802 out of 204,560 operations, or 0.4%</p> <p><u>EWR</u>: 964 out of 332,955 operations, or 0.3%</p>
<b>Customer Experience</b>			
Improve overall airport passenger satisfaction as measured by Airport Council International's Airport Service Quality ("ASQ") Overall Satisfaction survey—ratings are on a scale of 1 (low) to 5 (high).	Achieve a minimum overall ASQ rating of: <ul style="list-style-type: none"> <li>– JFK: 4.00</li> <li>– EWR: 4.08</li> <li>– LGA: 4.26</li> </ul>	<p><u>Overall ASQ Rating:</u></p> <ul style="list-style-type: none"> <li>– JFK: <b>3.76</b></li> <li>– EWR: <b>3.90</b></li> <li>– LGA: <b>4.24</b></li> </ul>	<p><u>Overall ASQ Rating:</u></p> <ul style="list-style-type: none"> <li>– JFK: <b>3.82</b></li> <li>– EWR: <b>3.69</b></li> <li>– LGA: <b>4.11</b></li> </ul>
<b>Safety &amp; Security</b>			
Limit any Vehicle/Pedestrian Deviation ("VPD") runway incursions, which involves the incorrect presence of an aircraft, vehicle, or person on the protected area of an airport surface designated for the landing and take-off of aircraft.	Achieve zero VPDs at all Port Authority airports.	<p><u>VPDs by Airport:</u></p> <ul style="list-style-type: none"> <li>– JFK: <b>4</b></li> <li>– LGA: <b>2</b></li> <li>– EWR: <b>6</b></li> <li>– TEB: <b>2</b></li> <li>– SWF: <b>0</b></li> </ul>	<p><u>VPDs by Airport:</u></p> <ul style="list-style-type: none"> <li>– JFK: <b>0</b></li> <li>– LGA: <b>2</b></li> <li>– EWR: <b>2</b></li> <li>– TEB: <b>0</b></li> <li>– SWF: <b>0</b></li> </ul>

\* Unless otherwise stated, Objectives measure performance through year-end 2024.

### Gross Operating Revenues

Aviation’s 2024 Gross Operating Revenue Budget totals \$3.6B, reflecting an increase of \$220M, or 6% versus the 2023 Budget.

This Budget-to-Budget increase is driven by:

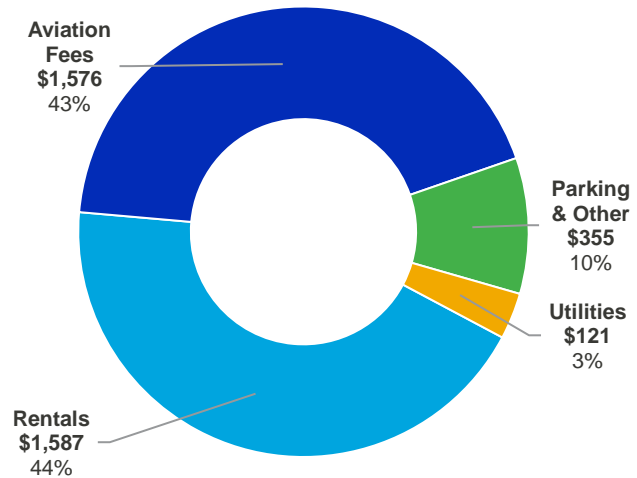
- **Rentals**—including both fixed and activity-based percentage rentals—reflect an increase of \$134M, or 9% versus the 2023 Budget driven by: 1) higher rentals associated with the full-year impact of new Airport Redevelopment related rents; 2) activity-driven concessionaire percentage rentals; and, 3) scheduled contractual increases.
- **Aviation Fees**—which include flight fees, fuel fees, AirTrain fares, and the Airport Ground Transportation Access Fee—reflect an increase of \$77M, or 5% versus the 2023 Budget.

This increase is driven by: 1) higher flight and fuel fee cost recoveries driven by incremental recoverable expenses; 2) incremental activity-driven Ground Transportation Access Fees; and, 3) increased AirTrain fare revenues driven by projected increases in activity levels, in addition to the automatic inflation-based adjustment for fares as established by prior Board actions.

*Note, the agency’s cost recovery agreements expire at the end of 2023 and are under negotiation with the airlines. The 2024 Budget reflects the recoveries under the current agreement until negotiations conclude.*

- **Parking & Other Fees** reflect an increase of \$7M, or 2% versus the 2023 Budget driven by increased average per-stay parking rates.

**2024 GROSS OPERATING REVENUE BUDGET BY CATEGORY**  
(\$ in millions)



### Gross Operating Revenue by Category

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Rentals	\$1,351,493	\$1,453,025	\$1,520,074	<b>\$1,587,374</b>
Aviation Fees	1,395,424	1,498,807	1,546,974	<b>1,576,313</b>
Parking & Other	329,639	347,659	360,164	<b>354,553</b>
Utilities	148,582	119,188	116,018	<b>120,792</b>
<b>Total</b>	<b>\$3,225,138</b>	<b>\$3,418,679</b>	<b>\$3,543,230</b>	<b>\$3,639,032</b>

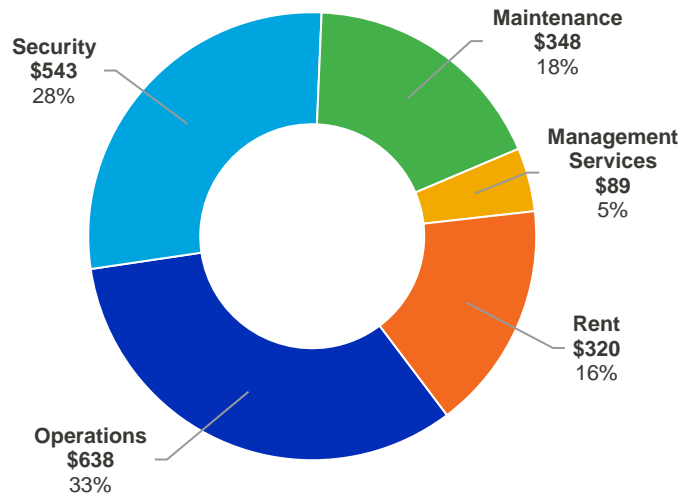
### Operating Expenses

Aviation’s 2024 Operating Expense Budget totals \$2.1B and includes *base Budget inflationary escalations of \$71M, or 4%* versus the 2023 Budget to fund the ongoing cleaning, maintenance, traffic management, safety and security, and customer experience initiatives that provide the traveling public with best-in-class airports. In addition, the base Budget inflationary escalation includes a non-discretionary City Rent increase of \$26M for the three major airports as a result of higher revenues.

An incremental \$39M, or 2% of special purpose spending is included for:

- 1) incremental spending related to new or expanded facilities (primarily those with a larger footprint) in support of a full year of operating costs for the new EWR Terminal A and the LGA Central Hall;
- 2) required security spending, particularly for PAPD priority security initiatives; and,
- 3) incremental spending that is largely offset by incremental revenues, including asset lifecycle extension spending for AirTrain EWR and AirTrain JFK and unavoidable revenue collection costs associated with parking and airport Access Fee revenue growth.

**2024 OPERATING EXPENSE BUDGET BY CATEGORY**  
(\$ in millions)



### Operating Expense by Category

(\$ in thousands)	2022 Actual	2023 Budget*	2023 Estimate	2024 Budget
Operations	\$585,689	\$586,331	\$610,781	<b>\$638,144</b>
Security	501,427	536,247	551,721	<b>542,643</b>
Maintenance	336,551	332,039	341,966	<b>347,814</b>
Management Services	90,726	85,721	94,983	<b>89,007</b>
Rent	291,480	293,164	308,993	<b>319,792</b>
<b>Subtotal</b>	<b>\$1,805,873</b>	<b>\$1,833,502</b>	<b>\$1,908,444</b>	<b>\$1,937,400</b>
Allocated	122,428	134,484	133,049	<b>140,950</b>
<b>Total**</b>	<b>\$1,928,301</b>	<b>\$1,967,986</b>	<b>\$2,041,493</b>	<b>\$2,078,350</b>

\* Reflects reallocations of costs between Departments.

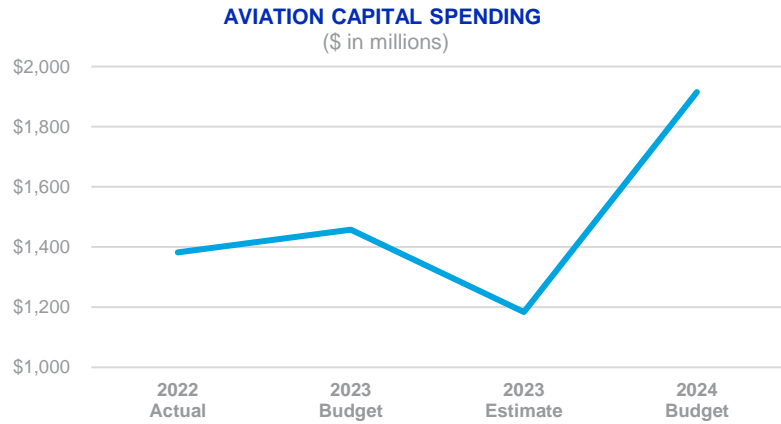
\*\* Budget and Actual/Projected Operating Expenses reflect the agency’s cash contributions for both pension and OPEB and excludes Non-Cash Pension & Other Post-Employment Benefits (“OPEB”) actuarial plan valuations per GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” and per GASB Statement No. 68 “Accounting and Financial Reporting for Pensions”.

### Capital Spending

Aviation’s 2024 Capital Spending totals \$1.9B, reflecting an increase of \$457M, or 31% versus the 2023 Budget driven by the ramp-up of the JFK Redevelopment and AirTrain EWR Replacement programs.

Overall, this spending continues the ongoing redevelopment of the region’s airports into world-class facilities, including progress with the EWR visioning plan (including preliminary planning for a new Terminal B), and advancing ground access initiatives including planning for the EWR Station Access project and planning for improved bus service to LGA.

Further detail on Significant Capital Projects included in the 2024 Capital Spending Budget is provided below.



**Significant Capital Projects** *(\$ in thousands)*

Project Title & Description	Operational Impacts	2024 Budget
<p><b>JFK Redevelopment</b></p> <p>Provides for airport infrastructure improvements and program support for 3<sup>rd</sup> party terminal developments, including airside enhancements and roadway modifications to improve efficiency and reduce delays.</p>	<p>Supports the modernization and transformation of JFK to accommodate passenger growth and provide best-in-class terminals, roadway networks, and customer experience.</p>	\$755,365
<p><b>AirTrain EWR</b></p> <p>Advances the replacement of the existing AirTrain system at EWR which has reached the end of its useful life.</p>	<p>Replaces the outdated system to meet increasing passenger demands and improve reliability.</p>	\$397,133
<p><b>LGA Redevelopment, Terminal C</b></p> <p>Supports the replacement of Terminal C by Delta as part of the construction of a new single integrated airport.</p>	<p>Allows the airport to accommodate a projected increased passenger load and provide best-in-class service levels while efficiently meeting all safety, security, and other operational requirements.</p>	\$68,476
<p><b>EWR Station Access</b></p> <p>Provides for planning of enhanced public transit access to the airport and New York City for underserved communities in Newark and Elizabeth, NJ.</p>	<p>Enhances station access through various means including passenger walkways, vertical transportation, bicycle, and passenger vehicle access.</p>	\$59,253
<p><b>LGA Mass Transit Program</b></p> <p>Provides for improvements to existing MTA Q70 LaGuardia Link bus service and new non-stop airport service from Ditmars Boulevard, the terminus of the N/W subway line in Astoria, Queens.</p>	<p>Provides better and faster transit access to LGA Airport.</p>	\$40,345
<p><b>Newark Visioning</b></p> <p>Provides for a planning effort to study the growth potential at EWR. The Vision Plan will provide a phased Development Plan—short-, medium-, and long-term—for the airport’s terminals, infrastructure, and cargo facilities. The Vision plan will also focus on accessibility and sustainability of these assets.</p>	<p>Supports the modernization and transformation of EWR to accommodate passenger growth and provide best-in-class terminals, roadway networks, community access, and customer experience.</p>	\$18,038
<p><b>JFK Bergen Substation</b></p> <p>Provides for end-of-life replacements of the Van Wyck and Bergen Substations at JFK with a new substation.</p>	<p>Maintains state of good repair of critical electrical system infrastructure.</p>	\$16,428

\* Dollars represent Port Authority capital investment and does not include private capital investments.

# PORT

## Mission

Port’s mission is to “Keep the Region Moving” by developing and managing competitive port infrastructure and services that expedite the movement of cargo and cruise passengers in a secure, environmentally sound, and fiscally responsible manner.

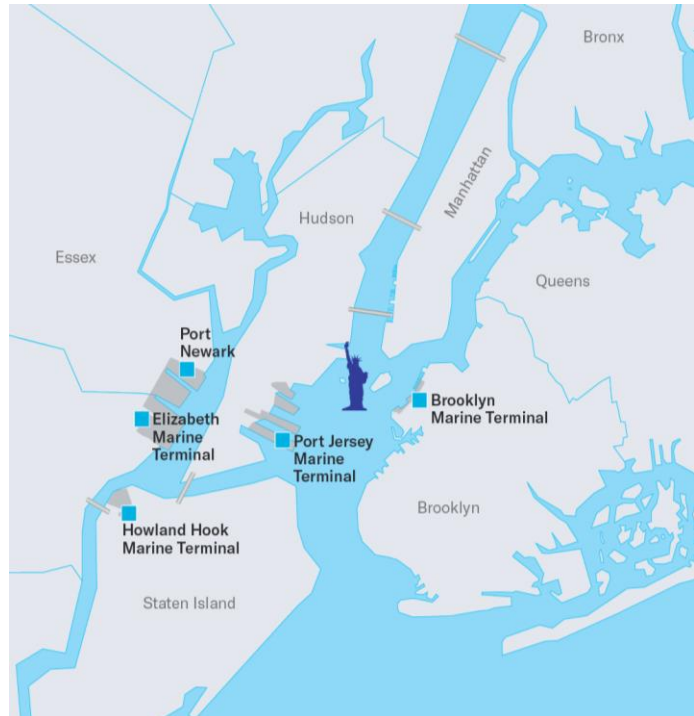
## Facilities

The Port of New York and New Jersey (“PONYNJ”) is at the center of the largest consumer region in the country, serving more than 28M local consumers with 5M containers loaded and unloaded at its docks each year.

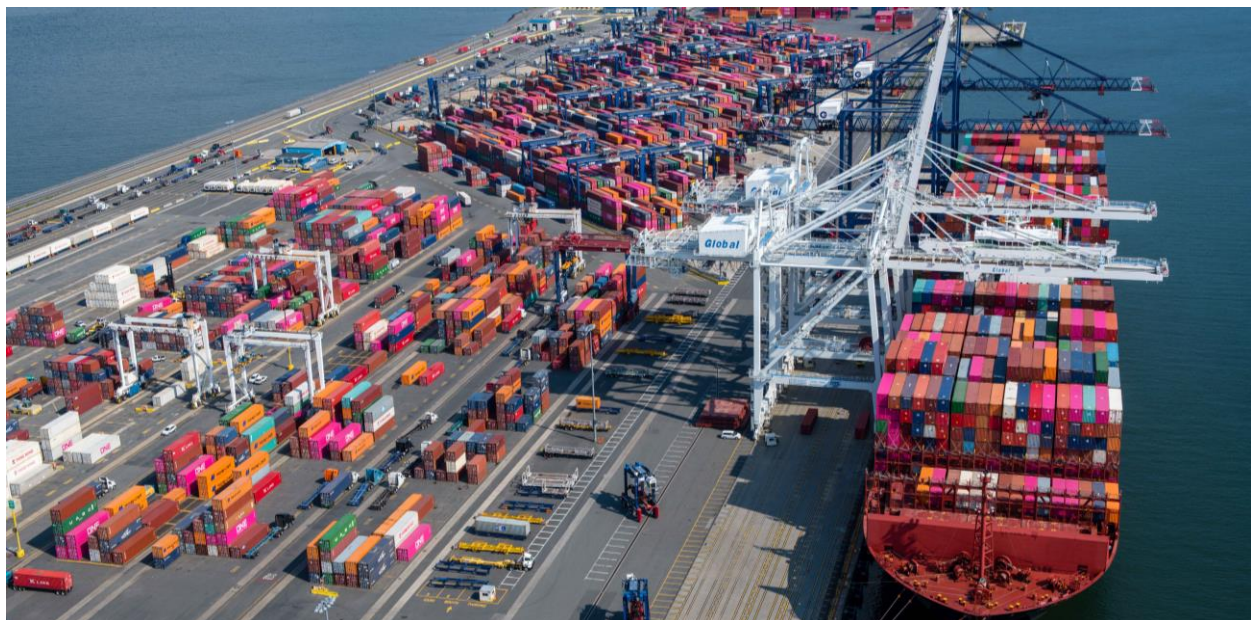
PONYNJ is comprised of the following facilities:

- 1) Port Newark;
- 2) Elizabeth-Port Authority Marine Terminal;
- 3) Port Jersey-Port Authority Marine Terminal;
- 4) Brooklyn-Port Authority Marine Terminal, including Red Hook Container Terminal;
- 5) Howland Hook Marine Terminal;
- and, 6) the Greenville Yard-Port Authority Marine Terminal.

In addition, the Port Department operates: 1) the Elizabeth Industrial Park; 2) Ferry Transportation; and, 3) a Class 1 freight railroad—New York-New Jersey Rail, LLC—which provides local cross-harbor transportation for freight railcars across the Hudson River utilizing a float barge system.



PONYNJ is the largest port on the East Coast, providing a competitive edge to get goods into the hands of consumers quickly.

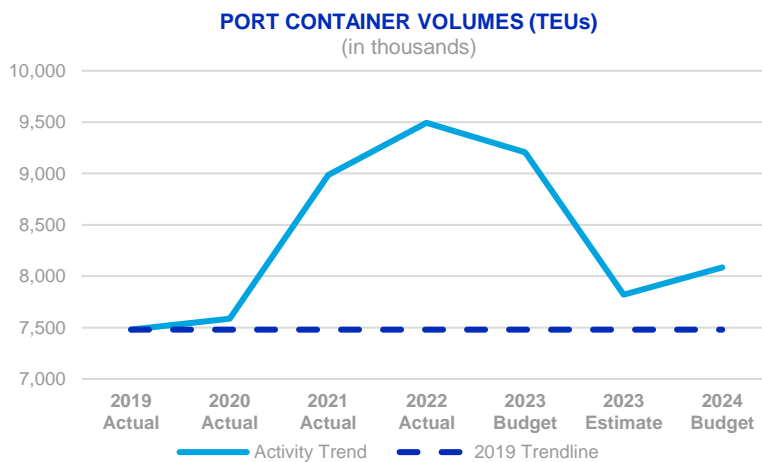


### Core Functions

- Develop and maintain all Port facility common areas and marine terminals, focusing on asset management, service reliability, service efficiency, security, and environmental stewardship.
- Promote Port facilities as the premier gateway port on the east coast for cargo owners, ocean carriers, logistics service providers, automotive manufacturers, bulk cargo businesses, and cruise lines.
- Manage and deliver Port Capital programs, including terminal development, port-wide rail facilities, and landside infrastructure.
- Oversee the management of Port’s real estate portfolio, including leasing, administration, and facilitation of improvements, programs, and initiatives across Port facilities.
- Undertake innovative planning for future Port development and partner with Port stakeholders, regional governments, and the business community on implementation.

### Activity Volumes

PONYNJ handles billions of dollars of vessel-borne cargo each year. The critical advantage of the port to trading partners and to state, regional, national, and global stakeholders, with other users along the supply chain, is providing direct and efficient access to highways, rail transportation networks, warehousing, and third-party logistics providers that serves a local and regional market consisting of 134M consumers.



Port’s twenty-foot equivalent unit (“TEU”) Containers are projected to total 8.1M in 2024, which is 108% of pre-pandemic 2019 levels. Overall, the projected 2024 TEU activity reflects Port continuing its placement as the number 2 United States port and maintaining its growing market share versus the West Coast.

Compared to the 2023 Estimate, TEUs reflect an increase of 0.3M, or 3% driven by more steady growth in-line with long-term trends. However, compared to the 2023 Budget this reflects a decrease of (1.1M), or (12%) driven by higher inventory levels from stockpiling in prior years following the precipitous rise in cargo activity brought on by the shift in the economy towards goods as a result of the COVID-19 pandemic.

### Staffing

Port’s 196 authorized positions consist of employees dedicated to operating, maintaining, managing, marketing, and providing Capital support across Port facilities.

*Operations* staff ensure that the facilities are operated in a manner that allows for the safe and efficient movement of international cargo to and from Port facilities. *Maintenance* staff maintain the marine terminals and port system and ensure compliance with applicable codes and regulations. *Management* staff support the operations and maintenance of facilities and provide department-wide oversight, including capital program delivery.

### Strategic Priorities/Goals, Objectives, & Performance Measures

Port’s strategic objectives focus on advancing the agency’s long-term strategic priorities/goals of enhancing operational excellence and sustainability by increasing cargo volumes and the movement of cargo by rail and improving port productivity by decreasing container dwell times. In addition, Port supports the agency’s strategic priority/goal to revitalize the region’s transportation infrastructure through the Capital investments detailed in the 2024 Capital Spending section below.

In alignment with executive guidance, Port prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures, which are detailed further below.

Strategic Priorities/Goals & Definitions	2024 Objective*	2023 Actuals	2022 Actuals
<b>Operational Excellence &amp; Sustainability</b>			
Increase intermodal rail utilization by growing the volume of cargo moved by rail.	Achieve a minimum of 683,333 containerized cargo shipments moved by rail.	<u>Cargo Shipments by Rail:</u> <b>629,193</b> – 41.9% of ExpressRail System capacity, a decrease of (10.9%) YoY	<u>Cargo Shipments by Rail:</u> <b>706,774</b> – 47.1% of ExpressRail System capacity, a decrease of (0.3%) YoY
<b>Operational Excellence &amp; Sustainability</b>			
Increase the percentage of truck visits that exchange more than one container on the same trip and reduce the container dwell time.	<ol style="list-style-type: none"> <li>Increase the percentage of truck visits that exchange more than one container to 30.2%, or a 3% increase as compared to 2023.</li> <li>Reduce the import container dwell time to 4.0 days wait time.</li> </ol>	<u>Trucks Exchanging More than One Container:</u> <b>29.3%</b> , a 5% increase YoY  <u>Container Dwell Time:</u> <b>4.1 days</b>	<u>Trucks Exchanging More than One Container:</u> <b>27.9%</b>  <u>Container Dwell Time:</u> <b>6.2 days</b>
<b>Operational Excellence</b>			
Continue moving critical goods throughout the region and the world.	<ol style="list-style-type: none"> <li>Achieve a twenty-foot equivalent unit (“TEU”) container volume of 8.2M TEUs.</li> <li>Maintain US container market share above 16.1%.</li> </ol>	<u>TEU Containers:</u> <b>7.8M</b> , a decrease of (17.6%) YoY – 537 vessels with greater than 9,000 TEUs  <u>US Container Market Share:</u> <b>16.0%</b>	<u>TEU Containers:</u> <b>9.5M</b> , an increase of 5.7% YoY – 513 vessels with greater than 9,000 TEUs  <u>US Container Market Share:</u> <b>17.3%</b>

\* Unless otherwise stated, Objectives measure performance through year-end 2024.

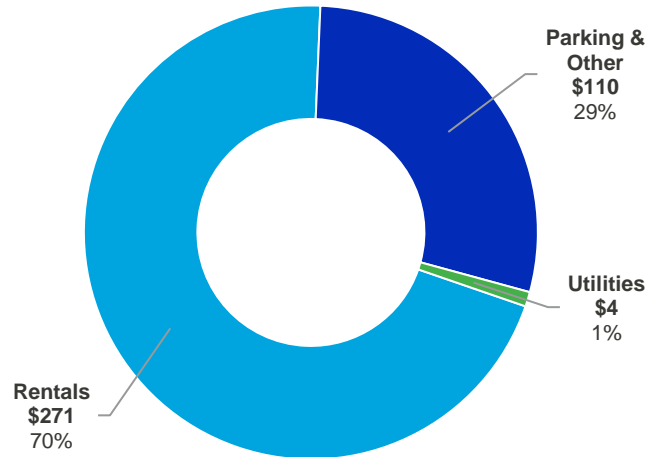
### Gross Operating Revenues

Port’s 2024 Gross Operating Revenue Budget totals \$385M, reflecting a decrease of (\$10M), or (2%) versus the 2023 Budget.

This Budget-to-Budget decrease is driven by:

- Parking & Other**—which includes Cargo Facility Charges (“CFCs”) and wharfage and dockage fees—reflects a decrease of (\$6M), or (5%) versus the 2023 Budget driven by lower projected throughput activity and CFCs, bulk, and auto-related revenues given economic conditions.
- Rentals**—which are derived from leased property corresponding to fixed land rents from various tenant agreements and throughput fees derived from container and other activity—reflect a decrease of (\$4M), or (1%) versus the 2023 Budget driven by lower activity-driven container throughput revenue. This decrease is partially offset by scheduled contractual escalations.

**2024 GROSS OPERATING REVENUE BUDGET BY CATEGORY**  
(\$ in millions)



### Gross Operating Revenue by Category

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Rentals	\$284,681	\$274,810	\$265,442	<b>\$271,104</b>
Parking & Other	110,262	115,652	102,770	<b>109,768</b>
Utilities	3,598	3,697	3,554	<b>3,742</b>
<b>Total</b>	<b>\$398,541</b>	<b>\$394,159</b>	<b>\$371,766</b>	<b>\$384,614</b>

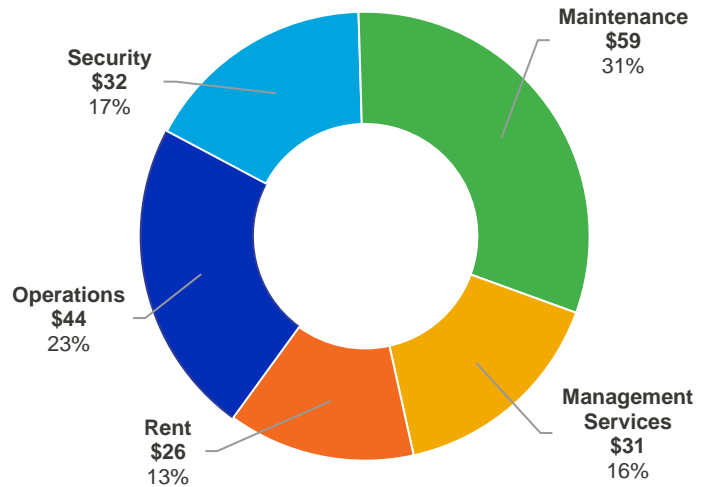
### Operating Expenses

Port’s 2024 Operating Expense Budget totals \$205M and includes *base Budget inflationary escalations of \$10M, or 5%* versus the 2023 Budget necessary to support the ongoing operation and maintenance of the agency’s Port facilities, including berth dredging and fender repairs, expanding best practices to provide safe and reliable facility operations, and support third-party emission reduction programs and pilots in alignment with the agency’s Net Zero commitments.

In addition, this base Budget inflationary escalation includes: 1) one-time funding to support certain Red Hook Container Terminal (“RHCT”) moves and relocations of certain activities within the Terminal; and, 2) incremental maintenance dredging spending across PONYNJ port facilities funded through reimbursements from the United States Army Corps of Engineers Harbor Maintenance Tax.

An incremental \$4M, or 2% of special purpose spending is included for required security spending, primarily for PAPD traffic mitigation services in support of the Port Street Corridor improvement program at Port Newark.

**2024 OPERATING EXPENSE BUDGET BY CATEGORY**  
(\$ in millions)



### Operating Expense by Category

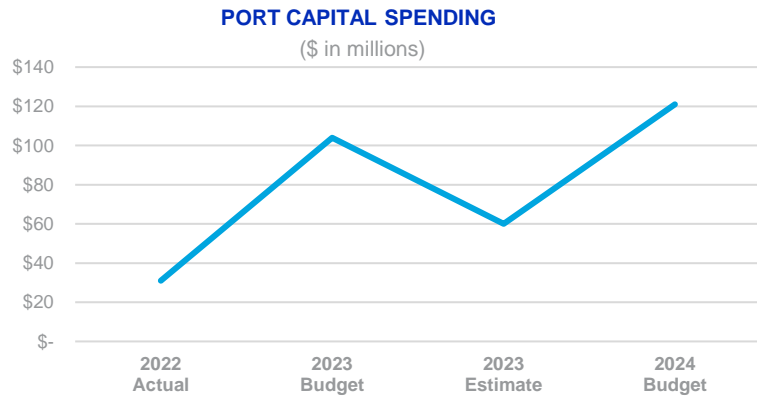
(\$ in thousands)	2022 Actual	2023 Budget*	2023 Estimate	2024 Budget
Operations	\$38,792	\$39,594	\$35,961	<b>\$43,669</b>
Security	29,912	26,883	30,908	<b>32,159</b>
Maintenance	53,153	54,798	54,834	<b>59,488</b>
Management Services	25,663	30,763	27,000	<b>30,672</b>
Rent	27,665	27,743	27,506	<b>25,840</b>
<b>Subtotal</b>	<b>\$175,185</b>	<b>\$179,781</b>	<b>\$176,209</b>	<b>\$191,828</b>
Allocated	10,198	11,738	10,637	<b>13,382</b>
<b>Total**</b>	<b>\$185,383</b>	<b>\$191,519</b>	<b>\$186,846</b>	<b>\$205,210</b>

\* Reflects reallocations of costs between Departments.

\*\* Budget and Actual/Projected Operating Expenses reflect the agency’s cash contributions for both pension and OPEB and excludes Non-Cash Pension & Other Post-Employment Benefits (“OPEB”) actuarial plan valuations per GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” and per GASB Statement No. 68 “Accounting and Financial Reporting for Pensions”.

### Capital Spending

Ports' 2024 Capital spending totals \$121M, reflecting an increase of \$17M, or 16% versus the 2023 Budget for key projects including improvements to Port Street Corridor at Port Newark in addition to the continuation of design and construction activities to perform state of good repair work at Port facilities, including the rehabilitation of Berths E-1 and E-2 at Port Jersey, as well as at the New Jersey and New York Marine Terminals.



Further detail on Significant Capital Projects included in the 2024 Capital Spending Budget is provided below.

**Significant Capital Projects** *(\$ in thousands)*

Project Title & Description	Operational Impacts	2024 Budget
<p><b>Port Street Corridor Improvements</b></p> <p>Provides for the replacement of the Corbin Street ramp and the realignment of Kellogg, Marlin, and Port Streets and associated roadways at Port Newark’s northern access.</p>	<p>State of good repair of critical roadway system infrastructure, as well as improving traffic flow and safety.</p>	<p>\$34,480</p>
<p><b>Rehabilitation of Berths E-1 &amp; E-2</b></p> <p>Provides for the removal and disposal of the exterior platform of Berths E-1 and E-2, as well as the restoration and replacement of the interior platform at Port Jersey, including installation of steel sheet piling bulkhead.</p>	<p>Maintains structural integrity and state of good repair of critical wharf structures.</p>	<p>\$15,577</p>
<p><b>Rehabilitation of Berths at New Jersey Marine Terminals &amp; New York Marine Terminals</b></p> <p>Provides for priority rehabilitation and/or replacement of wharves, piers, and berths at multiple Port facilities.</p>	<p>Maintains structural integrity and state of good repair of critical wharf structures.</p>	<p>\$15,500</p>
<p><b>Rehabilitation of Fire Protection-Life Safety Systems (“FPLS”) &amp; Roofs at NJMT</b></p> <p>Provides rehabilitation of and upgrades to FPLS systems and roofs at multiple buildings.</p>	<p>Maintains state of good repair of critical FPLS systems and structural integrity of large roofs.</p>	<p>\$6,537</p>

## WORLD TRADE CENTER (“WTC”)

### Mission

WTC’s mission is to “Keep the Region Moving” by operating, maintaining, and promoting the WTC campus through overseeing regulatory guidelines, managing stakeholder relationships through open communication and teamwork, and preserving the WTC’s status as a landmark of remembrance and international significance.

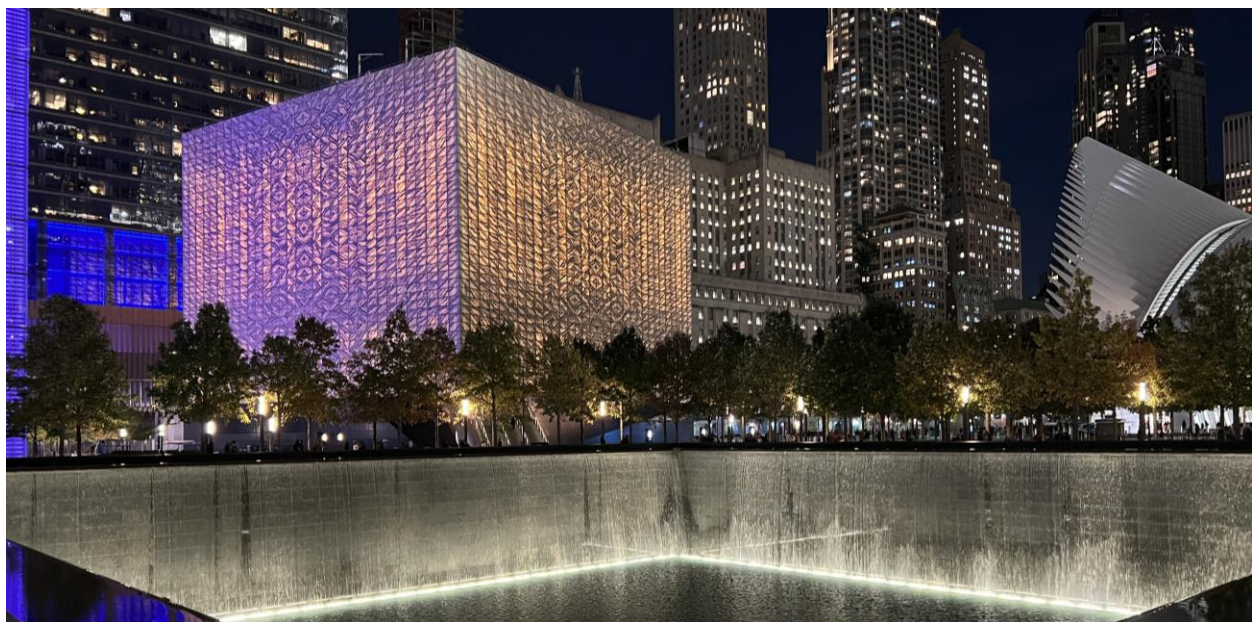
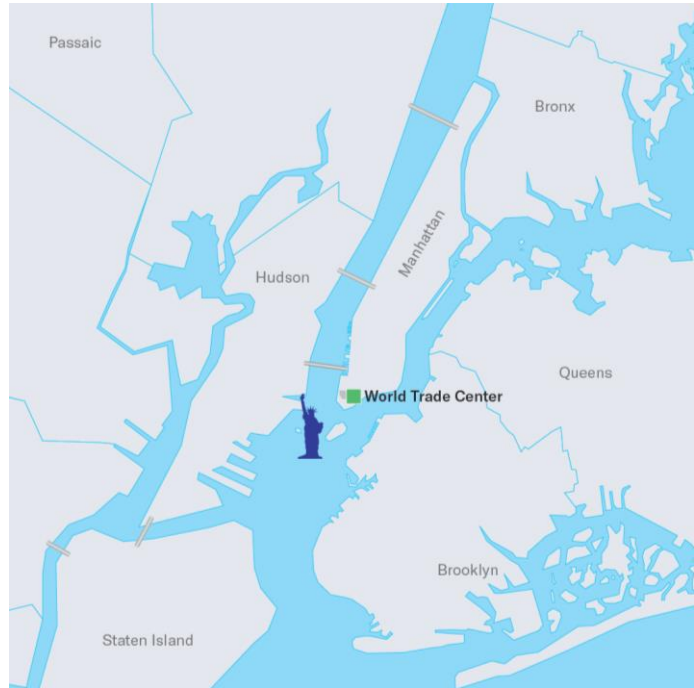
### Facilities

The WTC is a 16-acre campus home to the Oculus/Transportation Hub (which includes over 80 different retailers), One WTC, 3 WTC, 4 WTC, 7 WTC, the 9/11 Memorial & Museum, Liberty Park, Saint Nicholas National Shrine, and the Ronald O. Perelman Performing Arts Center (“PAC”).

These facilities are either owned and operated by the Port Authority or operated by respective stakeholders. Port Authority owned facilities include:

- Transportation Hub;
- Liberty Park;
- The Vehicle Security Center, below-grade Vehicle Roadway Network, and other site-wide infrastructure; and,
- One WTC (joint venture of the Port Authority and the Durst Organization).

The Perelman Performance Arts Center—the cultural cornerstone of the World Trade site—is home to a wide range of artistic programs, and recently opened in September 2023 to critical acclaim.



## Core Functions

- Operate and maintain all Port Authority spaces at the WTC site, including public areas, critical infrastructure, and the WTC Transportation Hub.
- Oversee site-wide processes and functions, including compliance with applicable agency-wide guidelines, codes, rules, and regulations.
- Maintain WTC Campus Security equipment and manage WTC Campus credentialing functions in coordination with WTC Security, the PAPD, and the New York City Police Department.
- Negotiate, implement, and manage business partner agreements and stakeholder relationships to maximize the value of the WTC.

## Staffing

WTC's 24 authorized positions consist of employees who provide Department-wide oversight, handle real estate and business relationships, facilitate property and revenue management, and ensure an exceptional customer experience for the public.

## Strategic Priorities/Goals & Objectives

WTC's strategic objectives focus on advancing the agency's long-term strategic priorities/goals of enhancing operational excellence, safety and security, and customer experience by implementing protective measures and critical infrastructures inundated by Superstorm Sandy, overseeing site-wide property management services to attract and improve tenant experience, and ensuring the safety and security of the site. In addition, WTC supports the agency's strategic priority/goal to maintain and revitalize the region's transportation infrastructure through the Capital investments detailed in the 2024 Capital Spending section below.

In alignment with executive guidance, WTC prioritizes and allocates its Budgeted resources to advance these critical strategic priorities/goals, objectives, and performance measures.

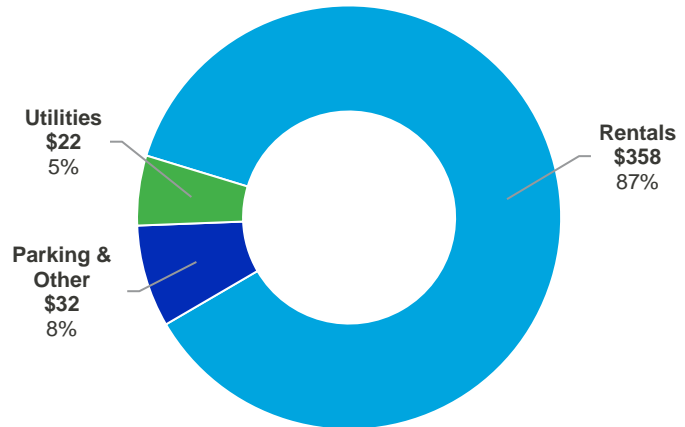
### Gross Operating Revenues

WTC’s 2024 Gross Operating Revenue Budget totals \$412M, reflecting a decrease of (\$4M), or (1%) versus the 2023 Budget.

This Budget-to-Budget decrease is driven by:

- Rentals** reflect a decrease of (\$10M), or (3%) versus the 2023 Budget driven by: 1) lower Observation Deck revenues driven by the ongoing lower visitor volumes; and, 2) lower Tower 7 rentals driven by higher forecasted re-leasing expenses.
- Parking & Other** reflects an increase of \$4M, or 14% versus the 2023 Budget driven by: 1) reimbursements of sitewide property insurance premiums per certain lease requirements; and, 2) higher tenant recoveries at Tower 1 in alignment with increased tenant requests.

**2024 GROSS OPERATING REVENUE BUDGET BY CATEGORY**  
(\$ in millions)



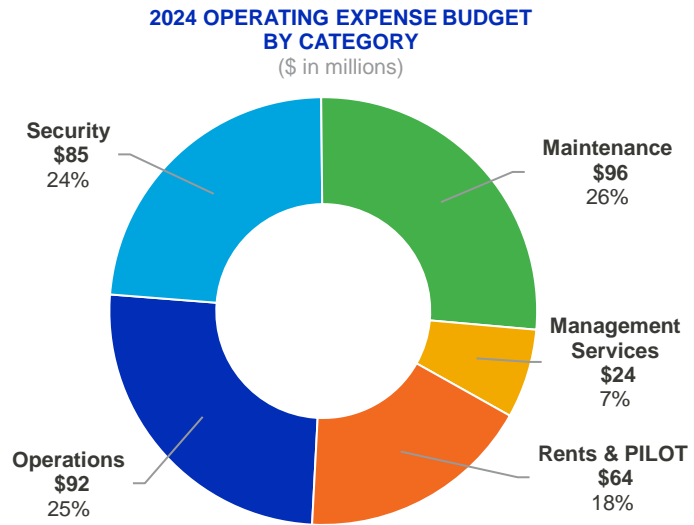
### Gross Operating Revenue by Category

(\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Rentals	\$333,462	\$367,323	\$355,379	<b>\$357,495</b>
Parking & Other	25,301	27,736	52,282	<b>32,113</b>
Utilities	22,084	20,694	22,562	<b>21,916</b>
<b>Total</b>	<b>\$380,847</b>	<b>\$415,753</b>	<b>\$430,223</b>	<b>\$411,524</b>

### Operating Expenses

WTC’s 2024 Operating Expense Budget totals \$372M and includes base Budget inflationary escalations of \$17M, or 5% versus the 2023 Budget to support ongoing cleaning, customer experience, security, and maintenance expenses required to operate a world-class facility. This base Budget inflationary escalation includes: 1) incremental 1WTC O&M expenses necessary to maintain a best-in-class Class A Office building; and, 2) the purchase of Renewable Energy Credits in alignment with the agency’s Net Zero commitments.

An incremental \$1M of special purpose spending is included for incremental spending related to new or expanded facilities and systems associated with the opening of the West Bathtub Vehicle Access (“WBVA”) area in 2024.



### Operating Expense by Category

(\$ in thousands)	2022 Actual	2023 Budget*	2023 Estimate	2024 Budget
Operations	\$95,894	\$88,692	\$90,815	<b>\$91,556</b>
Security	81,635	86,060	83,219	<b>85,072</b>
Maintenance	77,604	83,827	88,943	<b>95,665</b>
Management Services	24,886	22,341	27,003	<b>24,289</b>
Rents & PILOTs	55,415	61,636	57,898	<b>63,789</b>
<b>Subtotal</b>	<b>\$335,434</b>	<b>\$342,556</b>	<b>\$347,878</b>	<b>\$360,371</b>
Allocated	9,476	11,096	10,599	<b>11,518</b>
<b>Total**</b>	<b>\$344,910</b>	<b>\$353,652</b>	<b>\$358,477</b>	<b>\$371,889</b>

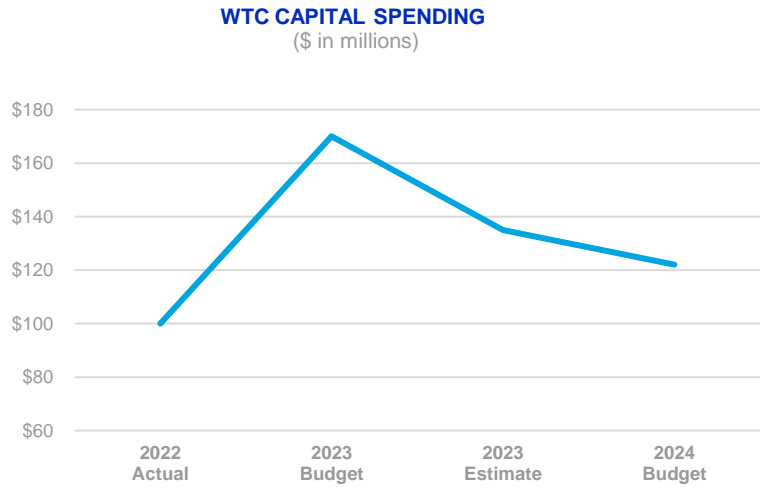
\* Reflects reallocations of costs between Departments.

\*\* Budget and Actual/Projected Operating Expenses reflect the agency’s cash contributions for both pension and OPEB and excludes Non-Cash Pension & Other Post-Employment Benefits (“OPEB”) actuarial plan valuations per GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” and per GASB Statement No. 68 “Accounting and Financial Reporting for Pensions”.

### Capital Spending

WTC's 2024 Capital Spending totals \$122M, reflecting a decrease of (\$48M), or (28%) versus the 2023 Budget driven by the continued completion of projects across the WTC campus.

Further detail on Significant Capital Projects included in the 2024 Capital Spending Budget is provided below.



### Significant Capital Projects (\$ in thousands)

Project Title & Description	Operational Impacts	2024 Budget
<p><b>Construction of West Bathtub Vehicular Access/Foundation for the Ronald O. Perelman PAC</b></p> <p>Create a helix ramp that connects grade at Vesey Street to the One WTC loading dock and provides structure to grade for the PAC.</p>	Provides a second means of vehicular ingress and egress to the roadway network and provides a foundation for the PAC.	\$27,726
<p><b>One WTC</b></p> <p>Projects to maintain the base building in a state of good repair and provide for tenant improvement allowances associated with occupancy.</p>	Maintains and attract new tenants to remain competitive in the current leasing environment to ensure that the building maintains its Class A Office standard.	\$19,849
<p><b>Latent Salt Damage Remediation</b></p> <p>Design-build project to provide for concrete repairs, reinforcement, and replacement of structures, as well as protective measures for structural steel and concrete at below grade areas inundated by Superstorm Sandy.</p>	Restores the long-term structural integrity to critical infrastructure facilities that support transit operations.	\$19,240
<p><b>WTC River Water Pump Station Upgrade</b></p> <p>State of good repair rehabilitation of the existing pump station headhouse and replacement of the existing sluice gates and infrastructure, advancing the facility towards compliance with environmental regulations.</p>	Ensures compliance with the New York State Department of Environmental Conservation permit.	\$14,021

# SUSTAINABILITY AT THE PORT AUTHORITY

Sustainability—from advancing alternative, renewable, and energy efficiency projects, to focusing on waste reduction, to advancing electrification efforts—is fundamentally at the core of how the Port Authority operates. Accordingly, sustainability is one of six of the agency’s strategic priorities/goals that guide its decision making, and ultimately, its Budget.

Environmental sustainability has been a focus for the Port Authority since 1993 when the agency first developed its Environmental Policy Statement. This was followed by the creation of sustainability guidelines for design and construction in 2004, the agency’s first greenhouse gas ("GHG") emissions inventory in 2006, and its inaugural sustainability policy in 2008. And in 2018, the Port Authority became the first public transportation agency in the United States to embrace the Paris Climate Agreement setting aggressive interim GHG reduction targets that called for a 35% reduction by 2025 and an 80% reduction by 2050. In October 2021, the Port Authority raised its climate action targets to align with new U.S. economy-wide goals, committing to a 50% GHG reduction by 2030 for its direct GHG emissions and “net zero” emissions by 2050 across all of its activities, including those attributed to the third parties operating at or visiting agency facilities.

In September of 2023 the Port Authority released its “[Net Zero Roadmap](#)”. The Net Zero Roadmap details the specific near-term strategies and actions that it plans to use to reach the agency’s goal of reducing direct emissions by 50% by 2030 and put it on the path to net zero by 2050.

The agency’s 2024 Budget dedicates over \$86M to advance a net zero emissions future, with funding focused on vehicle fleet electrification initiatives and GHG reducing projects (in addition to key resiliency efforts to advance the agency’s climate resiliency goals). This Budget reflects an increase of \$31M, or 51% versus the 2023 Sustainability Budget. The Port Authority also invests considerable effort to enable and encourage its third-party tenants and stakeholders to transition to zero emissions vehicles and invest in energy efficiency projects, amongst other, to meet the agency’s target of Net Zero emissions by 2050.

## Goals & Performance Measures

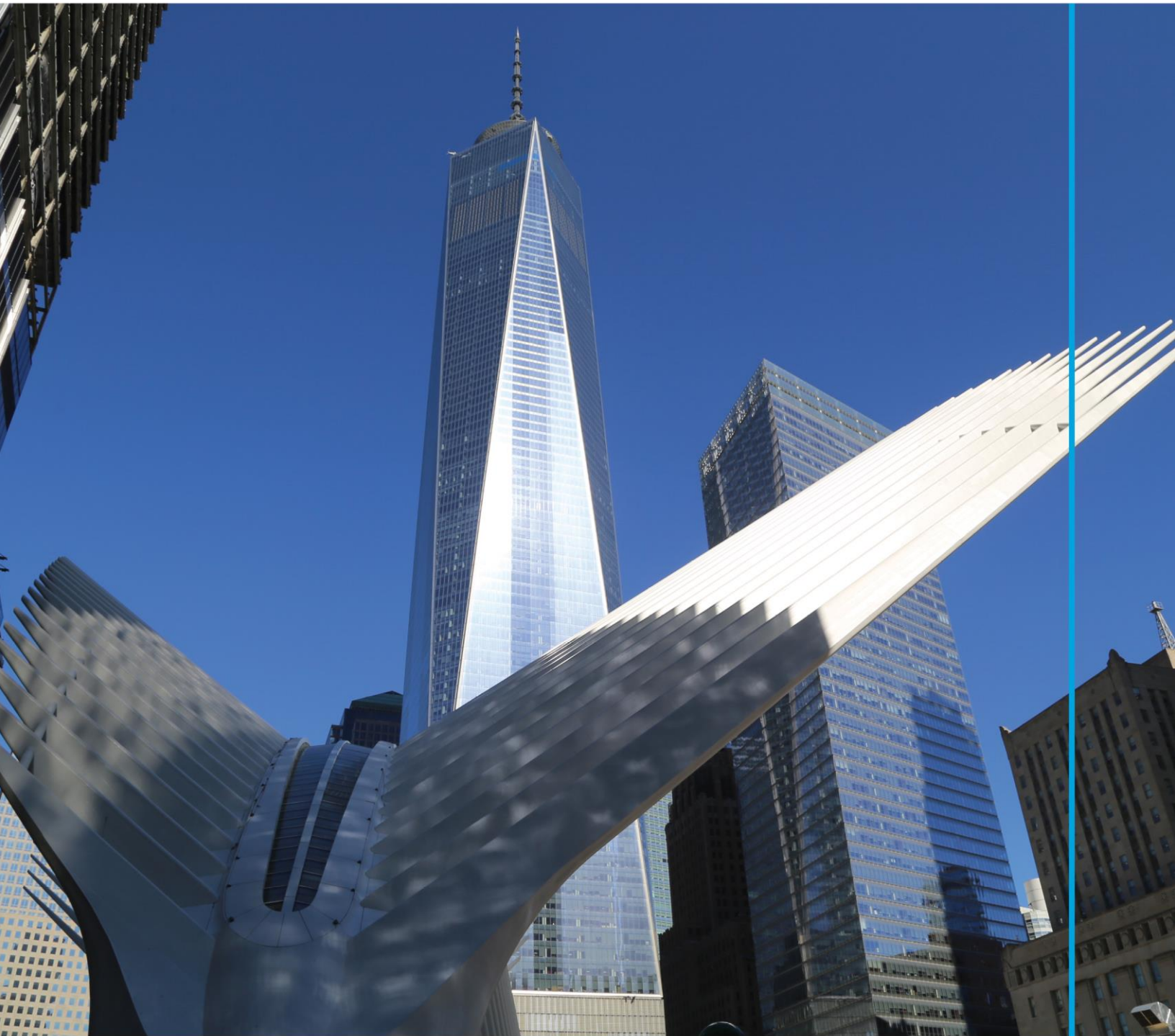
Further details on the Port Authority’s Sustainability strategic priorities/goals, objectives, and performance measures are provided below. In alignment with executive guidance, the agency’s Budgeted resources are prioritized and allocated to advance these critical areas.

Strategic Priorities/Goals & Definitions	2024 Objective*	2023 Actuals**	2022 Actuals
<b>Sustainability</b>			
By 2025 reduce direct GHG emissions (35%) in alignment with the Port Authority’s GHG reduction commitments.	Achieve a cumulative direct GHG reduction of (31%).	<u>Cumulative Direct GHG Reduction: (30%)</u> , or a reduction of (7,600) metric tons (includes app. 2% from reduced carbon intensity of the agency’s electricity supply).	<u>Cumulative Direct GHG Reduction: (27%)</u> , or a reduction of (7,600) metric tons (includes app. 2% from reduced carbon intensity of the agency’s electricity supply).

\* Unless otherwise stated, Objectives measure performance through year-end 2024.  
 \*\* 2023 Actuals reflects the year-end estimate as final results will be reported in late 2024.

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# BUDGET PROCESS & FINANCIAL POLICIES



*The World Trade Center is a mixed-use campus with a rich and complex history. The campus is a center for reflection, commuting, shopping, visiting, working, learning, and engaging.*

## BUDGET PROCESS

Each calendar year, consistent with longstanding Port Authority policy and governance best practices, the Port Authority undertakes a comprehensive and collaborative planning process to develop the ensuing year's annual Budget. As prescribed by its By-Laws, the Port Authority's Board approves an annual Expenditure Budget ("Uses") comprised of: 1) Operating Expenses; 2) annual Capital Spending; 3) Debt Service; and, 4) Deferred Spending.

In tandem with developing the annual Uses Budget, the agency develops its annual Sources Budget, which is comprised of: 1) Gross Operating Revenues; 2) Bond Issuances & Other Sources; 3) aviation Passenger Facility Charges ("PFC"); and, 4) Grants & Contributions.

As policy, the agency aligns its Uses Budget with its Sources Budget to ensure a balanced plan.

### Developing the Annual Budget

The Port Authority's Management and Budget Department ("MBD") is responsible for leading the annual Budget process in close coordination with each Department across the agency.

Overall, Departments are instructed to prioritize and allocate resources in alignment with the agency's six long-term strategic priorities/goals and standards. These strategic goals/priorities were established by executive leadership and set the foundation needed to achieve the agency's mission to "keep the region moving" (see the *2024 Budget Overview* section for a description of the agency's strategic priorities/goals and standards). The alignment of Budgeted resources with the agency's six long-term strategic priorities/goals and standards is articulated throughout this Budget document, particularly in the *2024 Budget Overview* section, as well as the *Strategic Priorities/Goals, Objectives, & Performance Measures* in the *Departmental Budget Summaries*.

The process for developing each component of the agency's annual Uses Budget in alignment with the agency's six long-term strategic priorities/goals and standards is detailed further below.

- **Operating Expense & Deferred Spending Budgets** MBD sets preliminary Departmental targets for the Operating Expense and Deferred Spending Budgets, which typically reflect long-term inflationary escalations for labor and materials and services (non-labor) and incorporates other known impacts as a result of changing business needs and/or operations in-line with the agency's strategic priorities/goals and standards. These initial Budget targets are then reviewed by the Chief Financial Officer ("CFO") and other executive leadership, adjusted as necessary, and released to the Departments with planning and Budget instructions.

Departmental finance teams then work across their businesses and facilities to develop Departmental Budgets that prioritize and allocate resources within their assigned Budget target and in alignment with the planning and Budget instructions. During this process Departments also develop their revenue Budgets based on a common set of economic and business variables as provided by the Planning and Regional Development Department, in addition to known contractual and other business environment changes.

- **Annual Capital Spending Budget** In coordination with MBD, the Port Authority's Project Management Office ("PMO") within the Office of the Chief Development Officer ("CDO") develops the annual Capital Spending Budget in close collaboration with each Department. The Capital Spending Budget is set in-alignment with the spending approved in the agency's ten-year Capital Plan, which advances the agency's strategic priority/goal to maintain and revitalize the region's critical transportation infrastructure. As projects advance through the different stages of the project delivery life cycle, the Capital Plan Oversight Committee ("CPOC") reviews and monitors the individual project's spending plans. The annual Capital Spending Budget is then based on the forecasted spending for all active capital projects, as well as projects expected to start in the following year.

- **Debt Service Budget** The Debt Service Budget is developed by the Treasury Department, taking into consideration the scheduled principal and interest on currently outstanding obligations, as well as debt service on debt expected to be issued in the year to support planned capital spending.

## Developing the Long-Range Forecast

As part of the annual Budget process, the agency's Departments work collaboratively to update the agency's Long-Range Forecast ("LRF"). The LRF is a planning tool used to forecast the agency's financial condition and determine its capital capacity, and ultimately, helps set the agency's annual Budget.

Key assumptions used in developing the LRF include a common set of macroeconomic variables and outputs developed by the agency's Planning & Regional Development Department (see *Appendix 1. Economic Outlooks* for further information) that aid in forecasting activity volumes and inflationary escalations, as well as incorporating adjustments for known or anticipated operational, contractual, or business environment changes that may impact revenues and expenses. These assumptions are ultimately reviewed to ensure resources are prioritized and allocated to achieve the agency's six long-term strategic priorities/goals and standards.

The Port Authority's Board regularly monitors the LRF and capital capacity using then-current information to ensure the agency has sufficient resources to: 1) continue investing in Capital Projects at roughly the pace and the cost that has been planned; and, 2) maintain its commitment to high standards of safety, security, cleanliness, and customer experience as outlined in its annual Budget.

See *Appendix 2. Revenues & Reserves, Multi-Year Projections* to review the Port Authority's 3-year projections developed in alignment with the process described above.

## Reviewing, Adopting, & Amending the Budget

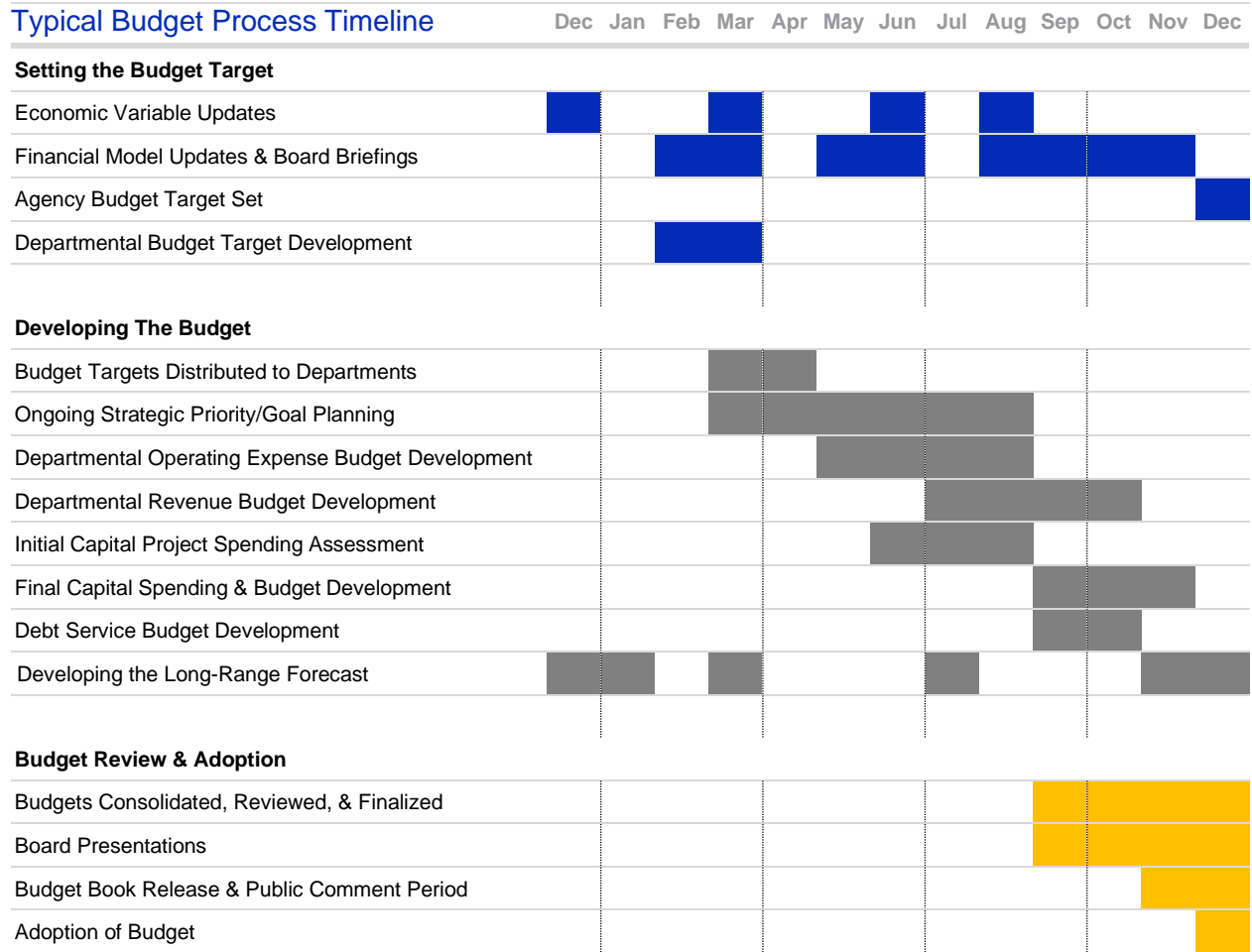
Departments submit their Budgets for review and consolidation by MBD, the Office of Financial Planning, and PMO, typically during the second half of the of the year. Submissions are reviewed and evaluated, with adjustments made as necessary. Executive leadership is briefed on the Budget submissions and an iterative process ensues to ensure Departmental Budgets align with the agency's Budget target and strategic priorities/goals, standards, and objectives.

Throughout this process the Board's Committees on Finance and Operations are briefed regularly. A proposed Budget is formally presented to the Board in November, followed by posting a proposed Budget Book online for public review and comment in advance of the Board's consideration for formal approval of the Budget. Public comments are reviewed, assessed, and summarized to the Board, with any recommended modifications or adjustments included. A Budget package is then presented to the Board to request authorization, generally at the December Board Meeting.

With this authorization, the Port Authority's Executive Director is delegated the authority to implement the Budget in conjunction with their authority under the agency's By-Laws and other applicable authorizations. There is no formal process to amend the Budget as the annual Budget is a blueprint for future spending and does not supplant the Board's authorization process for specific expenditures, projects, and contracts. Specific authorization is made from time to time by the Board of Commissioners consistent with statutory, contractual, and other commitments of the Port Authority, including agreements with the holders of its obligations.

In general, developing the Port Authority's annual Budget is a 12-month process as illustrated below. When circumstances warrant, the process may be modified or extended.

## Typical Budget Process Timeline



Current and future communications regarding the Budget are available in the Port Authority Press Room <https://www.panynj.gov/port-authority/en/press-room.html> and at the Port Authority's handle @PANYNJ on social media platform X (formerly Twitter). Specifically, the 2024 Budget was published on the agency's corporate website (panynj.gov), highlighted in a press release distributed to print, television, radio, and digital media outlets, and featured on the agency's social media accounts.

## FINANCIAL POLICIES

### Financial Structure

The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey and raises the necessary funds for the improvement, construction, or acquisition of its facilities, primarily upon the basis of its own credit. The Port Authority has no power to levy taxes or assessments. Further, its Consolidate Bonds & Notes and other Special Obligations are not obligations of the two States or of either of them and are not guaranteed by the States or by either of them. The Port Authority's revenues are principally derived from the tolls, fares, fees, rentals, and other charges for the use of, and privileges at, its facilities. These revenues are used to operate, maintain, and provide security throughout all Port Authority facilities.

### Basis of Accounting & Budgeting

The Port Authority Budgets in an enterprise fund (which includes the accounts of the Port Authority and its blended component units) using the accrual basis of accounting, meaning revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Port Authority follows accounting principles generally accepted in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

The Port Authority's Budget is prepared pursuant to the Port Authority's Bond Resolutions which differs in some respects from GAAP. The primary differences between the Port Authority's Budget based on its Bond Resolution versus GAAP are as follows:

1. The inclusion of principal amortization on outstanding Port Authority debt in lieu of depreciation and amortization related to capital investments. This is intended to demonstrate to bondholders and the public that the Port Authority is generating sufficient cash flows to meet its debt service obligations.
2. The recognition of PFCs as a reimbursement of previous capital cash outlays when allowed by the FAA in lieu of when accrued based on flight activity.
3. The recognition of lease and subscription-based information technology income and expenses on the basis of the terms of the lease or subscription agreements rather than as financing arrangements as required by the GAAP-based GASB Statement No. 87 "Leases" and GASB Statement No. 96 "SBITA". The primary difference is the elimination of the GAAP basis lease amortization and the classification of certain revenues and expenses as Operating versus non-Operating.
4. Exclusion of unearned rental income related to the 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture.

As a policy, the Port Authority strives for a balanced Budget, which is achieved when the revenues (Sources of Funds) are equal to the expenses (Uses of Funds) for the fiscal year.

For further information regarding the reconciliation of the Port Authority's GAAP basis financial statements to the Bond Resolution basis, see Note A-4 of the Port Authority's [Consolidated Financial Statements](#).

### Reserve Funds

The Port Authority and its Board have established various financial measures designed to ensure that the agency is able to sustain its projects, plan for the future, manage through economic downturns, and fund Debt Service. The Port Authority maintains two reserve funds which were established in accordance with applicable laws, statutes, and resolutions: 1) the General Reserve Fund; and, 2) the Consolidated Bond Reserve Fund.

- **The General Reserve Fund ("GRF")** was established pursuant to Chapter 5 of the Laws of New Jersey of 1931 and Chapter 48 of the Laws of New York of 1931, which have been amended and supplemented, and is pledged in support of the Port Authority's Consolidated Bonds and Notes. The

GRF requires that the Port Authority apply surplus revenues from its facilities to maintain the GRF in an amount equal to 10% of the par value of outstanding bonds legal for investment. Amounts deposited into the GRF may be accumulated or applied only to the purpose set forth in the GRF Statutes and agreements with the holders of such Port Authority bonds secured by a pledge of the GRF.

- **The Consolidated Bond Reserve Fund** was established by the Port Authority's Consolidated Bond Resolution as adopted on October 9, 1952, and serves as additional security for all Consolidated Bonds. The Consolidated Bond Reserve Fund is funded through the balance remaining of the Port Authority's Net Revenues (as defined in the Consolidated Bond Resolution) after deducting payments for Debt Service upon all Consolidated Bonds and Notes and the amount necessary to maintain the GRF at its statutorily required amount. Amounts deposited into the Consolidated Bond Reserve Fund may be accumulated or applied only for the purpose of the Consolidated Bond Reserve Fund.

The agency has set specific targets for the balances of the reserve funds at any given time, as well as other debt-related ratios, including the Additional Bonds Test (as set forth in Section 3 of the Consolidated Bond Resolution). Of note, the Port Authority has a long-standing policy of maintaining, to the extent practicable, the aggregate amount of both reserve funds in an amount equal to at least the next two years' bonded Debt Service on outstanding debt secured by a pledge of the GRF.

### Port Authority Investment Policies

Port Authority policy provides for cash funds of the Port Authority to be deposited in banks with offices located in the Port District, provided that the total funds on deposit in any bank do not exceed 50% of the bank's combined capital and permanent surplus. These funds must be fully secured by deposit of collateral having a minimum fair value of 110% of actual daily balances in excess of that part of the deposits secured through the Federal Deposit Insurance Corporation ("FDIC") and the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). The collateral must consist of obligations of the United States of America, the Port Authority, the State of New York or the State of New Jersey held in custodial bank accounts in banks in the Port District having combined capital and surplus in excess of \$1M.

The investment policies of the Port Authority are established in conformity with its agreements with the holders of its obligations, generally through resolutions of the Board or its Committee on Finance. For the Port Authority, but not necessarily its component units, individual investment transactions are executed with recognized and established securities dealers and commercial banks. Investment securities are maintained, in the Port Authority's name, by a third-party financial institution acting as the Port Authority's agent. Securities transactions are conducted in the open market at competitive prices. Transactions are completed when the Port Authority's securities custodian, in the Port Authority's name, makes or receives payment upon receipt of confirmation that the securities have been transferred at the Federal Reserve Bank of New York or other repository in accordance with the Port Authority's instructions. The notable exception is the execution of Tri-Party Repurchase Agreements. These transactions are completed when the Tri-Party custodian posts collateral to the Port Authority's account in exchange for investment funds.

Proceeds received in connection with Consolidated Bonds and other asset financing obligation issuances may be invested, on an interim basis, in conformance with applicable federal laws and regulations, in obligations of (or fully guaranteed by) the United States of America (including such securities held pursuant to repurchase agreements) and collateralized time deposit accounts.

Consolidated Bond Reserve Fund and GRF amounts may be invested in obligations of (or fully guaranteed by) the United States of America. Additionally, amounts in the Consolidated Bond Reserve Fund and the GRF (subject to certain limitations) may be invested in obligations of the State of New York or the State of New Jersey, collateralized time accounts, and Port Authority bonds actually issued and secured by a pledge of the GRF.

Operating funds may be invested in various items including: 1) direct obligations of the United States of America, obligations of United States government agencies, and sponsored enterprises that have the highest

short-term ratings by two nationally recognized firms; 2) investment grade negotiable certificates of deposit and negotiable Bankers' Acceptances with banks having AA or better long-term debt rating, premier status and with issues actively traded in secondary markets; 3) commercial paper obligations having only the highest short-term ratings separately issued by two nationally recognized rating agencies; 4) United States Treasury and municipal bond futures contracts; 5) certain interest rate exchange contracts with banks and investment firms; and, 6) certain interest rate options contracts that are limited to \$50M of underlying securities with a maturity of no greater than five years with primary dealers in United States Treasury securities. The Board has from time-to-time authorized other investments of operating funds.

It is the general policy of the Port Authority to limit exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to less than two years. Extending the weighted average maturity beyond two years requires explicit written approval of the Port Authority's CFO. Further, the Board's Committee on Finance authorization is required to extend the weighted average maturity beyond five years.

The Port Authority has, from time to time, entered in reverse repurchase (yield maintenance) agreements under which the Port Authority contracted to sell a specified United States Treasury security to a counterparty and simultaneously agreed to purchase it back from that party at a predetermined price and future date. All reverse repurchase agreements sold are matched to repurchase agreements ("REPO") bought, thereby minimizing market risk. The credit risk is managed by a daily evaluation of the fair value of the underlying securities and periodic cash adjustments, as necessary, in accordance with the terms of the repurchase agreements.

## Compliance

The Port Authority Budget complies with all financial policies and procedures presented above. For further information on the Port Authority's Investment Policies, please reference the Port Authority's current Financial Statements: [Financial Statements Information | Port Authority of New York and New Jersey \(panynj.gov\)](https://www.panynj.gov/financial-statements).

# APPENDIX



*The Port Authority Police Department ("PAPD") is proud to serve the region and its people by making sure that every one of the Port Authority's customers, commuters, and employees is safe.*

## APPENDIX 1. ECONOMIC OUTLOOK

As a part of the annual Budget process, the Port Authority's Planning & Regional Development Department develops an Economic Outlook that underlie forecasts, both short-term and long-term, of agency activity volumes, expenses, and revenues. These projections ultimately inform the agency's Long-Range Forecast ("LRF") and Budget target setting. The information provided herein is based on contemporary data and forecasts obtained from various third-party sources, including Oxford Economics, S&P Global Market Intelligence, The Conference Board, Blue Chip Economic Indicators, and the National Association of Business Economists (NABE)<sup>4</sup>. The agency's Economic Outlook strives to strike a balance across the wide range of views and is subject to the uncertainty of underlying assumptions that may ultimately differ from actual events.

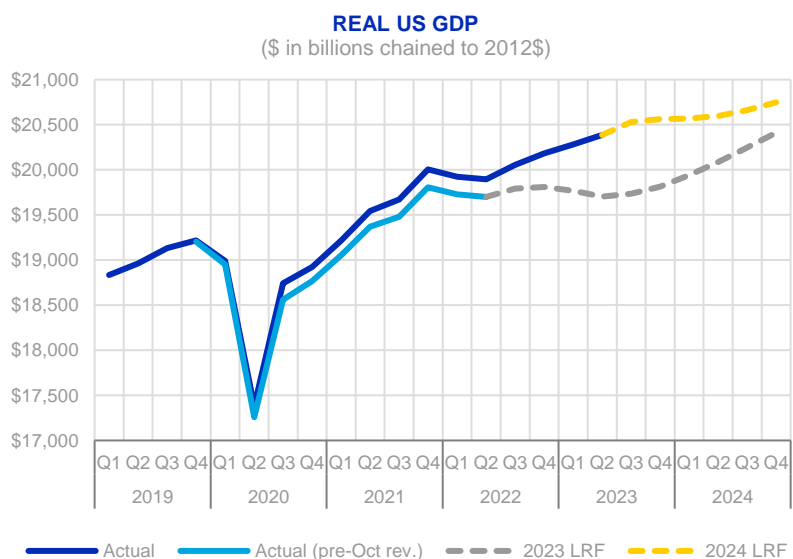
While the agency's proprietary models utilize a wide variety of economic indicators, this Appendix focuses on three primary areas: 1) economic output; 2) employment; and, 3) inflation.

### Economic Output

The unprecedented nature of the COVID-19 pandemic and its corresponding impacts on economic behavior have affected the accuracy and quantification of economic performance. While estimates of actual Gross Domestic Product ("GDP") to date exceed the agency's 2023 Forecast, the 2023 Forecast was based on Bureau of Economic Analysis ("BEA") statistics that have since been significantly revised upwards as more recent data allowed refinements.

Although it is difficult to directly compare current GDP performance and projections against data that was collected or projected prior to October 2022, projected growth in the 2023 Forecast reflected the wide-spread expectation of an economic downturn in 2023 (no growth), followed by a mild recovery in 2024 (2.1% growth). The anticipated economic downturn has not materialized, even in the face of the prolonged exposure to the high-interest rate environment resulting from the Federal Reserve's aggressive rate hikes that were designed to tame persistently high inflation.

Despite the lingering risk that the economy could still slip into a mild recession, the agency's 2024 Forecast adopts the growing industry consensus view that the Federal Reserve will bring inflation under control while still achieving modest growth of 1.0% in 2024. Consumer spending, a major component of GDP, is also expected to grow at a rate of 1.2% in 2024 on the strength of continued consumer demand for spending on goods.



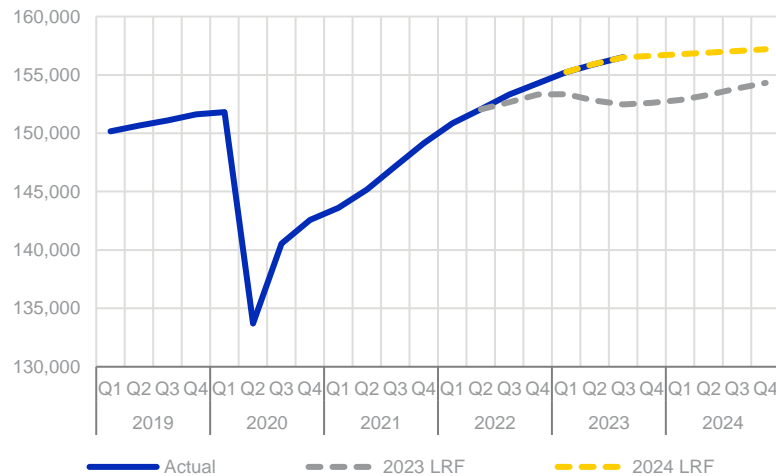
<sup>4</sup> Each month since 1976, Blue Chip Economic Indicators polls 40 to 50 of America's business economists, collecting their forecasts of U.S. economic growth, inflation, interest rates, and a host of other critical indicators of future business activity. The median of all economists surveyed is reported out as the consensus view along with high and low projections that represent the average of the ten highest and lowest opinions. The National Association of Business Economists ("NABE") conducts a similar survey across a panel of 40 to 50 professional forecasters each quarter.

## Employment

The US labor market outperformed expectations in 2023, beating recession odds and posting net job gains in excess of 200,000 per month in 2023. This far exceeded typical pre-pandemic growth rates of approximately 120,000 jobs added per month. This performance to date has been fueled in part by a tight labor market that was characterized by labor demand far outpacing supply.

Going forward, the agency forecasts that monthly job gains will slow down further as the labor market achieves greater balance and monthly growth tapers down to 75,000 jobs in 2024. This equates to an annual increase of 0.6% in 2024.

**US EMPLOYMENT**  
(in thousands)



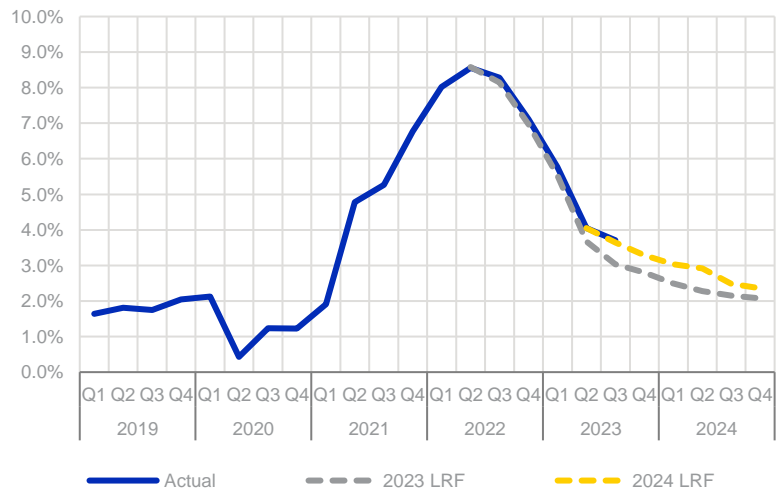
## Inflation

Inflation as measured by year-over-year growth in the Consumer Price Index (“CPI”)—is projected to continue slowing down in 2024 as tight monetary policy dampens consumer demand and spending.

Nonetheless, inflation growth is still expected to remain above the Federal Reserve’s 2.0% target rate in the near-term. The annual increase in consumer prices is now projected at 2.7% in 2024, or 0.5% points higher than last year’s estimate for the same time period.

**US CPI-U**

(year-over-year % growth)



While actual inflation tracked closely with what was predicted through the second quarter of 2023, the third quarter 2023 surge in energy prices has pushed up inflation expectations slightly. Although energy costs have fallen notably at the start of the fourth quarter, ongoing geopolitical conflicts could once again send both energy prices and inflation rising. Energy price uncertainty represents both upside and downside risk to the inflation outlook for 2024.

Wage growth is another factor driving the rate of inflation. Employers raised wages to attract or retain workers under the tight labor market conditions described above and ultimately contributed to increased consumer spending on goods and services. The Employment Cost Index (“ECI”) that tracks the cost of labor to employers shows that the growth in labor costs peaked at 5.1% in 2022 but has since gradually declined towards typical historical rates. Labor costs are expected to increase by approximately 2.5% in 2024.

## Conclusion

Despite the Port Authority's best forecasting efforts, the trajectory and ultimate impact of the COVID-19 pandemic and current economic environment and recessionary fears continue to remain uncertain and are subject to many developments and actions outside of the Port Authority's control. The Port Authority continuously monitors regional, national, and international economic trends to facilitate appropriate responses to any deviations to its forecasts.

## APPENDIX 2. REVENUES & RESERVES, MULTI-YEAR PROJECTIONS

The Revenues & Reserves, Multi-Year Projections schedule includes forward looking Budget projections based on the agency's Long-Range Forecast ("LRF"), as described in further detail in the Budget Process section above.

Revenues & Reserves: Estimated based on assumptions, including annual inflationary escalations based on the Consumer Price Index ("CPI") and Employment Cost Index ("ECI"), the proprietary forecasting and modeling of activity volumes, and adjustments for known or anticipated changes in operations or contracts that are projected to impact revenues and expenses, as detailed further below.

- **Inflation** equating to approximately 2.5% per year.
- **Activity** Forecast by business segment, using proprietary econometric models, and are the basis for the development of revenue and activity-driven revenues and expenses across the agency's facilities.
  - Aviation Passenger year-over-year ("YoY") growth is forecasted at 2.1% and 2.3% in 2025 and 2026, respectively.
  - TB&T Vehicle YoY growth is forecasted at 0.3% and 0.7% in 2025 and 2026, respectively.
  - PATH Ridership YoY growth is forecasted at 6.8% and 4.8% in 2025 and 2026, respectively.
  - Port TEU YoY growth is forecasted at 5.6% and 3.2% in 2025 and 2026, respectively.
  - Known or anticipated operational, contractual, or business environment changes and adjustments that are projected to impact revenues and expenses, including: Contractual requirements associated with existing contract, leases, and other agreements, including assumptions regarding renewals.
  - Incremental costs associated with new assets being put into beneficial use.

Debt Service: Projected based on existing obligations and the projected debt issuances at projected interest rates.

Pursuant to Port Authority Bond Resolutions (\$ in thousands)	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Budget	2026 Budget
Gross Operating Revenues*	\$6,033,830	\$6,383,548	\$6,504,573	<b>\$6,695,203</b>	\$6,853,322	\$7,058,605
Operating Expenses*	3,570,127	3,659,953	3,732,196	<b>3,851,939</b>	4,015,421	4,136,224
<b>Net Operating Revenues</b>	<b>\$2,463,703</b>	<b>\$2,723,595</b>	<b>\$2,772,377</b>	<b>\$2,843,264</b>	<b>\$2,837,901</b>	<b>\$2,922,381</b>
Financial Income & Other	54,962	97,757	145,757	<b>157,930</b>	150,065	161,336
Contributions in Aid of Construction	288,692	280,878	293,111	<b>380,363</b>	468,993	251,436
Application of WTC Retail Joint Ventures	16,968	–	–	<b>–</b>	–	–
Application of PFCs	63,664	369,034	494,897	<b>301,075</b>	307,546	314,919
Tower 4 Liberty Bond Contributions	34,745	34,732	34,734	<b>34,717</b>	34,699	35,059
Grants in Connection with Operating Activities	160,290	142,913	134,045	<b>104,005</b>	26,440	18,793
Pass-Through Grant Program Payments	–	(2,391)	(1,250)	<b>(1,025)</b>	(1,776)	–
<b>Non-Operating Revenues</b>	<b>\$619,321</b>	<b>\$922,923</b>	<b>\$1,101,294</b>	<b>\$977,065</b>	<b>\$985,967</b>	<b>\$781,543</b>
<b>Net Revenues Available for Debt Service &amp; Reserves</b>	<b>\$3,083,024</b>	<b>\$3,646,518</b>	<b>\$3,873,671</b>	<b>\$3,820,329</b>	<b>\$3,823,868</b>	<b>\$3,703,924</b>
Interest on Bonds & Other Asset Obligations	926,372	1,061,818	1,084,400	<b>1,075,196</b>	1,070,237	<b>1,105,918</b>
Debt Maturities & Retirements	463,107	478,055	478,055	<b>515,545</b>	530,580	<b>553,100</b>
Repayment of Asset Financing Obligations	1,649	1,735	1,735	<b>1,826</b>	21,764	<b>1,902</b>
Goethals Bridge Replacement DFA	59,499	60,392	60,392	<b>61,298</b>	62,217	<b>63,150</b>
<b>Subtotal Debt Service from Operations**</b>	<b>\$1,450,627</b>	<b>\$1,602,000</b>	<b>\$1,624,582</b>	<b>\$1,653,865</b>	<b>\$1,684,798</b>	<b>\$1,724,070</b>
Interest Expense Incurred During Construction**	207,264	174,138	123,623	<b>180,000</b>	200,000	200,000
<b>Total Debt Service</b>	<b>\$1,657,891</b>	<b>\$1,776,138</b>	<b>\$1,748,205</b>	<b>\$1,833,865</b>	<b>\$1,884,798</b>	<b>\$1,924,070</b>
<b>Revenues After Debt Service &amp; Transfers to Reserves</b>	<b>\$1,425,133</b>	<b>\$1,870,380</b>	<b>\$2,125,466</b>	<b>\$1,986,464</b>	<b>\$1,939,070</b>	<b>\$1,779,854</b>
Direct Investment in Facilities	(867,790)	(1,600,000)	(1,200,000)	<b>(2,370,000)</b>	(2,100,000)	(1,900,000)
Non-Cash Pension & OPEB Adjustments***	83,708	59,444	(106,200)	<b>(102,470)</b>	–	–
Non-Cash Fair Value of Investments	(139,119)	–	43,000	<b>–</b>	–	–
Change in Accounting Principles****	(22,511)	(24,086)	(24,086)	<b>(25,773)</b>	(25,773)	(25,773)
<b>(Decrease) / Increase in Reserves†</b>	<b>\$479,421</b>	<b>\$305,738</b>	<b>\$838,180</b>	<b>(\$511,779)</b>	<b>(\$186,703)</b>	<b>(\$145,919)</b>
Reserve Balances, January 1 <sup>st</sup> *****	3,408,882	3,812,682	3,888,303	<b>4,726,483</b>	4,214,704	4,028,001
<b>Reserve Balances, December 31<sup>st</sup> †</b>	<b>\$3,888,303</b>	<b>\$4,118,420</b>	<b>\$4,726,483</b>	<b>\$4,214,704</b>	<b>\$4,028,001</b>	<b>\$3,882,082</b>

\* Pursuant to Port Authority Bond Resolutions, treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements, including subscription-based information technology arrangements.

\*\* Effective January 1, 2021, the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

\*\*\* Non-Cash Pension & Other Post-Employment Benefits ("OPEB") Adjustments reflects actual and projected annual actuarial plan valuations per GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and per GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" to isolate potential volatility (which could either increase or decrease Operating Expenses as shown above) associated with these valuations. Budget and actual/projected Operating Expenses reflect the agency's cash contributions for both pension and OPEB.

\*\*\*\* Change in Accounting Principles reflects GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", as amended by GASB Statement No. 85 "Omnibus 2017", implemented by the Port Authority as of January 1, 2018.

\*\*\*\*\* 2023 Budget beginning reserves based on estimates prior to year-end 2022.

† Decrease of Reserve Balances, December 31<sup>st</sup> of (\$0.5B), or (11%) versus the 2023 Budget is driven by increased Direct Investment in Facilities in-line with the financing plan for the unusually high Budget-to-Budget increase in planned Capital Spending as detailed in the *Capital Spending* section below.

## APPENDIX 2A. PORT AUTHORITY OPERATIONS FREE CASH FLOW

Pursuant to Port Authority Bond Resolutions (\$ in thousands)	Gross Operating Revenues*	Operating Expenses*	EBIDA***	Grants, Contr., & PFCs	Capital Spending**	2024 Free Cash Flow	2023 Estimate Free Cash Flow
<b>Interstate Transportation Network</b>							
Holland Tunnel	\$227,018	\$111,494	\$115,524	\$42,727	\$64,195	\$94,056	\$88,700
Lincoln Tunnel	323,209	136,996	186,213	1,289	233,234	(45,732)	18,572
George Washington Bridge & Bus Station	962,340	154,877	807,463	1,945	273,738	535,670	546,837
Bayonne Bridge	50,528	28,404	22,124	311	9,919	12,516	26,632
Goethals Bridge	285,918	29,610	256,308	28	5,357	250,979	246,258
Outerbridge Crossing	186,863	18,319	168,544	14	13,244	155,314	157,788
Port Authority Bus Terminal	39,496	173,648	(134,152)	856	31,880	(165,176)	(143,742)
Midtown Bus Terminal Replacement	–	–	–	–	370,000	(370,000)	(66,150)
<b>Subtotal Tunnels, Bridges, &amp; Terminals</b>	<b>\$ 2,075,372</b>	<b>\$ 653,348</b>	<b>\$ 1,422,024</b>	<b>\$ 47,170</b>	<b>\$ 1,001,567</b>	<b>\$ 467,627</b>	<b>\$ 874,895</b>
PATH	157,849	499,949	(342,100)	98,361	437,443	(681,182)	(621,758)
WTC Transportation Hub	–	14,960	(14,960)	–	14,178	(29,138)	(21,177)
Journal Square Transportation Center	5,934	17,821	(11,887)	–	22,927	(34,814)	(19,333)
<b>Subtotal PATH</b>	<b>\$ 163,783</b>	<b>\$ 532,730</b>	<b>\$ (368,947)</b>	<b>\$ 98,361</b>	<b>\$ 474,548</b>	<b>\$ (745,134)</b>	<b>\$ (662,268)</b>
<b>Total Interstate Transportation Network</b>	<b>\$ 2,239,155</b>	<b>\$ 1,186,078</b>	<b>\$ 1,053,077</b>	<b>\$ 145,531</b>	<b>\$ 1,476,115</b>	<b>\$ (277,507)</b>	<b>\$ 212,627</b>
<b>Aviation</b>							
LaGuardia Airport	504,011	398,843	105,168	11,839	144,885	(27,878)	(61,574)
John F. Kennedy International Airport	1,681,081	900,758	780,323	199,135	1,008,459	(29,001)	286,325
Newark Liberty International Airport	1,380,476	715,614	664,862	50,032	722,766	(7,872)	321,759
Teterboro Airport	63,098	37,063	26,035	162	35,152	(8,955)	22,338
Stewart International Airport	10,366	26,072	(15,706)	22,345	3,240	3,399	(14,605)
PFC Program	–	–	–	301,075	–	301,075	494,897
<b>Total Aviation</b>	<b>\$ 3,639,032</b>	<b>\$ 2,078,350</b>	<b>\$ 1,560,682</b>	<b>\$ 584,588</b>	<b>\$ 1,914,502</b>	<b>\$ 230,768</b>	<b>\$ 1,049,140</b>
<b>Port</b>							
Port Newark	110,592	107,622	2,970	16,977	51,189	(31,242)	(15,779)
Elizabeth, PA Marine Terminal	199,443	33,113	166,330	4,463	27,458	143,335	166,334
Brooklyn, PA Marine Terminal	7,742	12,277	(4,535)	366	729	(4,898)	(8,145)
Red Hook Container Terminal	946	7,950	(7,004)	–	4,983	(11,987)	(10,334)
Howland Hook Marine Terminal	15,863	13,303	2,560	450	–	3,010	4,982
Greenville Yard	1,212	193	1,019	–	–	1,019	1,066
New York & New Jersey Rail, LLC	7,800	7,263	537	6,415	15,669	(8,717)	(1,267)
Port Jersey, PA Marine Terminal	39,409	21,994	17,415	3,524	19,283	1,656	8,236
PA Industrial Park at Elizabeth	1,408	234	1,174	–	–	1,174	1,233
Ferry Transportation	199	1,261	(1,062)	–	1,681	(2,743)	(312)
<b>Total Port</b>	<b>\$ 384,614</b>	<b>\$ 205,210</b>	<b>\$ 179,404</b>	<b>\$ 32,195</b>	<b>\$ 120,992</b>	<b>\$ 90,607</b>	<b>\$ 146,014</b>
<b>Development</b>							
Essex County Resource Recovery Facility	3,122	267	2,855	–	–	2,855	2,980
Bathgate Industrial Park	–	47	(47)	–	–	(47)	–
Teleport	2,422	4,191	(1,769)	–	–	(1,769)	809
Newark Legal & Communications Center	–	42	(42)	–	–	(42)	(66)
Hoboken Waterfront	8,631	262	8,369	–	–	8,369	7,936
Queens West Waterfront	1,703	–	1,703	–	–	1,703	1,661
<b>Total Development</b>	<b>\$ 15,878</b>	<b>\$ 4,809</b>	<b>\$ 11,069</b>	<b>–</b>	<b>–</b>	<b>\$ 11,069</b>	<b>\$ 13,320</b>
<b>World Trade Center</b>							
WTC Site	6,021	163,684	(157,663)	22,103	83,720	(219,280)	(241,763)
WTC Retail, LLC	22,189	7,316	14,873	–	2,821	12,052	27,968
One World Trade Center	258,639	133,453	125,186	–	20,851	104,335	100,693
WTC 2, 3, 4, & 7	124,675	67,436	57,239	34,717	–	91,956	108,657
<b>Total World Trade Center</b>	<b>\$ 411,524</b>	<b>\$ 371,889</b>	<b>\$ 39,635</b>	<b>\$ 56,820</b>	<b>\$ 107,392</b>	<b>\$ (10,937)</b>	<b>\$ (4,445)</b>
Regional & Other	5,000	5,603	(603)	–	–	(603)	(23,616)
<b>Total Port Authority</b>	<b>\$ 6,695,203</b>	<b>\$ 3,851,939</b>	<b>\$ 2,843,264</b>	<b>\$ 819,134</b>	<b>\$ 3,619,001</b>	<b>\$ 43,397</b>	<b>\$ 1,393,040</b>

\* Effective January 1, 2022 the Port Authority adopted GASB statement No. 87 "Leases". This GASB provision requires that the Port Authority classify certain lease agreements containing "fixed" lease payments, for both lessor and lessee, as a financing arrangement for the right to use an asset. Pursuant to Port Authority Bond Resolutions, treatment of rental income and rent expense are recognized based on the rental terms contained in the respective lease agreements.

\*\* Effective January 1, 2021 the Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement requires that the Port Authority account for interest expense incurred during construction periods as an Operating Expense, however, prior to this the agency Budgeted these amounts in the Capital Spending Budget as part of the total cost to carry out the agency's 2017-2026 Capital Plan. As such, these amounts are accounted for in the agency's Total Debt Service Budget, but for Budgeting purposes are reflected in Capital Spending.

\*\*\* Earnings Before Interest, Depreciation, and Amortization ("EBIDA") equates to Gross Operating Revenues less Operating Expenses.

## APPENDIX 3. GLOSSARY

**Additional Bonds Test** A debt service coverage ratio test required under the Port Authority's Consolidated Bond Resolution. This test sets forth that prior to the issuance of Consolidated Bonds it must be determined that Net Revenues will be sufficient to cover the annual maximum debt service amount by at least 1.3x.

**Agency Provision** The agency provision in the Capital Plan is provided to address future needs of the agency, which may or may not be specifically known at this point in time.

**Allocated Expenses** Expenses allocated from centralized general management and administrative services to Operating facilities and Capital projects, using labor as the basis for allocation.

**Balanced Budget** A balanced budget is achieved when the Sources of Funds is equal to the planned spending or Uses of Funds for the fiscal year.

**Budget** A formal financial estimate of expected Sources and Uses setting forth the Port Authority's financial operations for a calendar year, formally adopted as an annual Budget.

**Capital Spending** Expenditures for projects that are either expected to prolong the service lives of existing assets beyond their originally assigned life or lead to the development of a new or improved asset or a higher level of service at a facility.

**Capital Plan** Reflects the current assessment of the anticipated need for Capital Spending over a specific period of time for the modernization, renovation, rehabilitation, expansion, or acquisition of existing and additional facilities.

**Cargo Facility Charges ("CFC")** Cost-recovery fee for capital infrastructure investments made by the Port Authority at its Ports. This fee applies to all laden cargo containers, vehicles and bulk cargo, break-bulk cargo, general cargo, heavy lift cargo, and other special cargo discharged from, or loaded onto, vessels at Port Authority leased and public berths.

The capital infrastructure investments that are recovered through the CFC provide for an efficient, safe, and environmentally sustainable Port by providing additional intermodal transportation and road capacity, thereby decreasing congestion within the rail, roadway, and terminal gate systems. This ultimately decreases the cost of doing business in the Port and therefore benefits the region through increased economic growth realized by the Port's continued trade competitiveness both on the East Coast and nationally.

**Commercial Paper Obligations ("CP")** Certain short-term special obligations of the Port Authority to provide interim financing for the payment of Capital Spending or to refund certain Port Authority obligations. Payment of the principal and interest on CP is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund statutes.

CP, and the interest thereon, are not secured by or payable from the General Reserve Fund.

**Contributions in Aid of Construction** Funding provided by federal, state, and other entities in aid of the Port Authority's capital construction.

**Consolidated Bonds & Notes** Long-term direct and general obligations of the Port Authority issued pursuant to the Port Authority's Consolidated Bond Resolution for which the full faith and credit of the Port Authority is pledged for the payment of principal thereof and interest thereon.

**Consolidated Bond Reserve Fund ("CBRF")** A special reserve fund created by Section 7 of the Port Authority's Consolidated Bond Resolution. The CBRF consists of the balance remaining of all Net Revenues of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds

and any amount necessary to maintain the General Reserve Fund at its statutorily required amount. This Fund is pledged as additional security for all outstanding Consolidated Bonds.

**Consolidated Bond Resolution** The Port Authority's Consolidated Bond Resolution, adopted in 1952, authorized and established the Port Authority's ability to issue Consolidated Bonds for purposes for which the Port Authority is authorized by law to issue bonds secured by a pledge of its General Reserve Fund. Such purposes include financing Port Authority facilities, as well as the refunding of outstanding Port Authority bonds and other debt obligations.

**COVID-19** Known as the severe acute respiratory syndrome SARS-CoV-2 coronavirus ("COVID-19"), a virus in humans causing respiratory illness.

**Debt Service** Represents interest payments, accruals, and mandatory and accelerated amortization (by sinking fund payments, serial maturities, bank loan payments, etc.) on outstanding debt charged to the Operating and Reserve Funds.

**Deferred Spending** Expenditures that are made in the current year but that benefit multiple years, such as vehicle purchases and replacements and software and hardware investments. As such, these expenses are deferred and then amortized and reflected in the agency's Operating Expense Budget over their useful life.

**Direct Investment in Facilities** Represents funds appropriated from the Consolidated Bond Reserve Fund ("CBRF") and transferred to the capital funds for capital construction purposes.

**EBIDA** A common financial acronym standing for Earnings Before Interest, Depreciation, and Amortization.

**Facility** A location classification defining a complete and self-contained unit owned, leased, or operated by the Port Authority. For example, JFK, Elizabeth Marine Terminal, and the HT are all facilities of the Port Authority.

**Flight Fees** Fees paid to the Port Authority by airlines operating at JFK, LGA, and EWR as compensation for the Port Authority's ongoing design, construction, operation, and maintenance of certain public aircraft facilities. The revenue is currently calculated on the basis of the direct and allocated costs of operating and maintaining such public aircraft facilities and the weight of aircraft using the airport.

**General Reserve Fund ("GRF")** A special Port Authority reserve fund established by the States of New York and New Jersey pursuant to statutes adopted in 1931 and amended and supplemented thereafter that is pledged to support all outstanding Port Authority Consolidated Bonds.

The General Reserve Fund is funded through surplus revenues from all existing Port Authority facilities and is statutorily required to be maintained at an amount equal to 10% of the par value of all outstanding Port Authority bonds legal for investment (as defined in the statutes).

**Gross Operating Revenues** Revenues derived from the operation of Port Authority facilities, including rentals, tolls, fares, aviation fees, and other charges derived in connection with the use of, and privileges granted at, Port Authority facilities.

**Net Operating Revenues ("NOR")** The amount of Gross Operating Revenues remaining after deducting the Port Authority's Operating Expenses, as more specifically defined in the Consolidated Bond Resolution.

**Net Position** Represents the difference between Port Authority assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

**Operating Asset Obligations** Principal and interest expenses solely related to the Fund for Regional Development Buy-Out Obligation, which ended in 2021.

**Operating Expenses** Expenses incurred in connection with the operation, maintenance, security, management, and administration of Port Authority facilities, including direct, prorated, and allocated expenses.

**Passenger Facility Charges (“PFC”)** Pursuant to the Federal Aviation Safety and Capacity Expansion Act of 1990, as amended, the Port Authority is authorized to impose a PFC on passengers utilizing its airports. Pursuant to federal law, the collection and expenditure of PFCs requires prior approval of the FAA and is restricted to aviation-related, PFC-eligible projects.

**Port District** A geographical area of about 1,500 square miles in the States of New York and New Jersey centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the Cities of Newark, Jersey City, Bayonne, Hoboken, and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States.

**Prorated Expenses** Centralized Line Department operations and maintenance services and engineering general expenses that are prorated directly to individual operating facilities and business programs based on their prorated share of direct labor costs.

**Sources of Funds** Includes: 1) Gross Operating Revenues, 2) Bond Issuances & Other Sources, 3) Grants & Contributions; and, 4) Application of PFCs.

**Special Obligation Institutional Loan Program** Includes any short- or medium-term loans to provide interim financing for the payment of capital spending and or to refund certain Port Authority obligations. The obligation to repay each loan under the program shall be a “subordinated” special obligation of the Authority payable from the proceeds of obligations issued for such purposes, including Consolidated Bonds or from certain specified net revenues deposited to the Consolidated Bond Reserve Fund.

**Special Project Bonds (“SPB”)** Special limited obligations of the Port Authority that may be issued from time to time for the purpose of financing a single project for any lessee or for the purpose of refunding all or any part of a prior series of SPB, or a combination of such purposes. Neither the full faith and credit of the Port Authority nor any of its reserve funds are pledged for the payment of principal and interest.

**Subordinate Bonds** Special obligations of the Authority that are subordinate to Consolidated Bonds and Notes. The principal of and interest on Subordinate Bonds will be payable from net revenues deposited to the Consolidated Bond Reserve Fund. Subordinate Bonds are on parity with other special obligations of the Authority including Commercial Paper Obligations, Variable Rate Master Notes, and Versatile Structure Obligations.

**Uses of Funds** Includes: 1) Operating Expenses; 2) Capital Spending; 3) Debt Service; and, 4) Deferred Spending. When the Uses of Funds is equal to revenues generated by the Sources of Funds, the Budget is balanced.

**Variable Rate Master Notes (“VRMN”)** Certain special obligations of the Port Authority authorized to be issued for purposes of payment for Capital Spending, to refund prior Port Authority obligations, and for certain incidental purposes. VRMN carry variable interest rates in accordance with specified indices and are subject to prepayment at the option of the Port Authority, or upon demand of the holders thereof. Payment of the principal of and interest on VRMN is payable from the proceeds of obligations issued for such purposes, including from Consolidated Bonds or from Net Revenues as defined for purposes of VRMN deposited to the Consolidated Bond Reserve Fund.

Payment of the principal of and interest on VRMN is subject in all respects to the payment of debt service on Consolidated Bonds as required by the applicable provisions of the Consolidated Bond Resolution and to the payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund statutes. VRMN, and the interest thereon, are not secured by or payable from the General Reserve Fund.

**4WTC Associated Payments** The Port Authority is a co-borrower/obligor with respect to the New York Liberty Development Corporation, Liberty Revenue Bonds, Series 2021A (4 World Trade Center Project) issued by the New York Liberty Development Corporation. In connection with the issuance, the Port Authority entered into a Tower 4 Bond Payment Agreement with the Tower 4 bond trustee to make certain debt service payments of

principal and interest on the bonds. Port Authority debt service payments related to Tower 4 Liberty Bonds in whole or in part are reimbursable to the Port Authority from the 4 WTC Net Lessee under the terms of the Tower 4 Repayment Agreement.

## APPENDIX 4. ACRONYMS

<b>AET</b> All-Electronic Tolling	<b>FTA</b> Federal Transit Authority
<b>AIP</b> Airport Improvement Program	<b>GAAP</b> Generally Accepted Accounting Principles
<b>ALPR</b> Automatic License Plate Reader	<b>GASB</b> Government Accounting Standards Board
<b>ARFF</b> Aircraft Rescue and Fire Fighting	<b>GB</b> Goethals Bridge
<b>ASQ</b> Airport Service Quality	<b>GDP</b> Gross Domestic Product
<b>BB</b> Bayonne Bridge	<b>GFOA</b> The Government Finance Officers Association
<b>BEA</b> Bureau of Economic Analysis	<b>GHG</b> Green House Gas
<b>CBRF</b> Consolidated Bond Reserve Fund	<b>GRF</b> General Reserve Fund
<b>CBP</b> Customs and Border Protection	<b>GUDPA</b> Government Unit Deposit Protection Act
<b>CFC</b> Cargo Facility Charges	<b>GWB</b> George Washington Bridge
<b>CFO</b> Chief Financial Officer	<b>GWBBS</b> George Washington Bridge Bus Station
<b>CP</b> Commercial Paper	<b>HT</b> Holland Tunnel
<b>CPI</b> Consumer Price Index	<b>JFK</b> John F. Kennedy International Airport
<b>CPOC</b> Capital Plan Oversight Committee	<b>JFKIAT</b> JFK International Air Terminal, LLC
<b>CSO</b> Chief Security Officer	<b>JSTC</b> Journal Square Transportation Center
<b>DEI</b> Diversity, Equity, & Inclusion	<b>LGA</b> LaGuardia Airport
<b>DFA</b> Developer Financing Arrangement	<b>LT</b> Lincoln Tunnel
<b>ECI</b> Employment Cost Index	<b>MBD</b> Management & Budget Department
<b>EIS</b> Environmental Impact Statement	<b>M&amp;S</b> Material & Services
<b>EWR</b> Newark Liberty International Airport	<b>MOTBY</b> Marine Ocean Terminal at Bayonne
<b>EBIDA</b> Earnings Before Interest, Depreciation, & Amortization	<b>mtCO<sub>2e</sub></b> Metric tons of carbon dioxide equivalent
<b>FAA</b> Federal Aviation Administration	<b>NYSDOT</b> New York State Department of Transportation
<b>FDIC</b> Federal Deposit Insurance Corporation	<b>NOR</b> Net Operating Revenue
<b>FEMA</b> Federal Emergency Management Agency	<b>NTO</b> New Terminal One
<b>FHV</b> For-Hire-Vehicle	<b>NYSDOT</b> New York State Department of Transportation
<b>FHWA</b> Federal Highway Administration	
<b>FPLS</b> Fire Protection Life Safety	
<b>FRA</b> Federal Railroad Administration	

**ObDeck** WTC Observatory Deck

**OPEB** Other Post-Employment Benefits

**OBX** Outerbridge Crossing

**PABT** Port Authority Bus Terminal

**PAC** Performance Arts Center

**PAPD** Port Authority Police Department

**PATH** Port Authority Trans-Hudson

**PFC** Passenger Facility Charge

**PILOT** Payment in Lieu of Taxes

**PMO** Project Management Office

**PONYNJ** Port of New York & New Jersey

**RtW** Return to Work

**SIB** Station Island Bridges

**SPB** Special Project Bonds

**SWF** New York Stewart International Airport

**TbM** Toll-by-Mail

**TB&T** Tunnels, Bridges, & Terminals

**TEB** Teterboro Airport

**TEU** Twenty Foot Equivalent Unit

**TSA** Transportation Security Administration

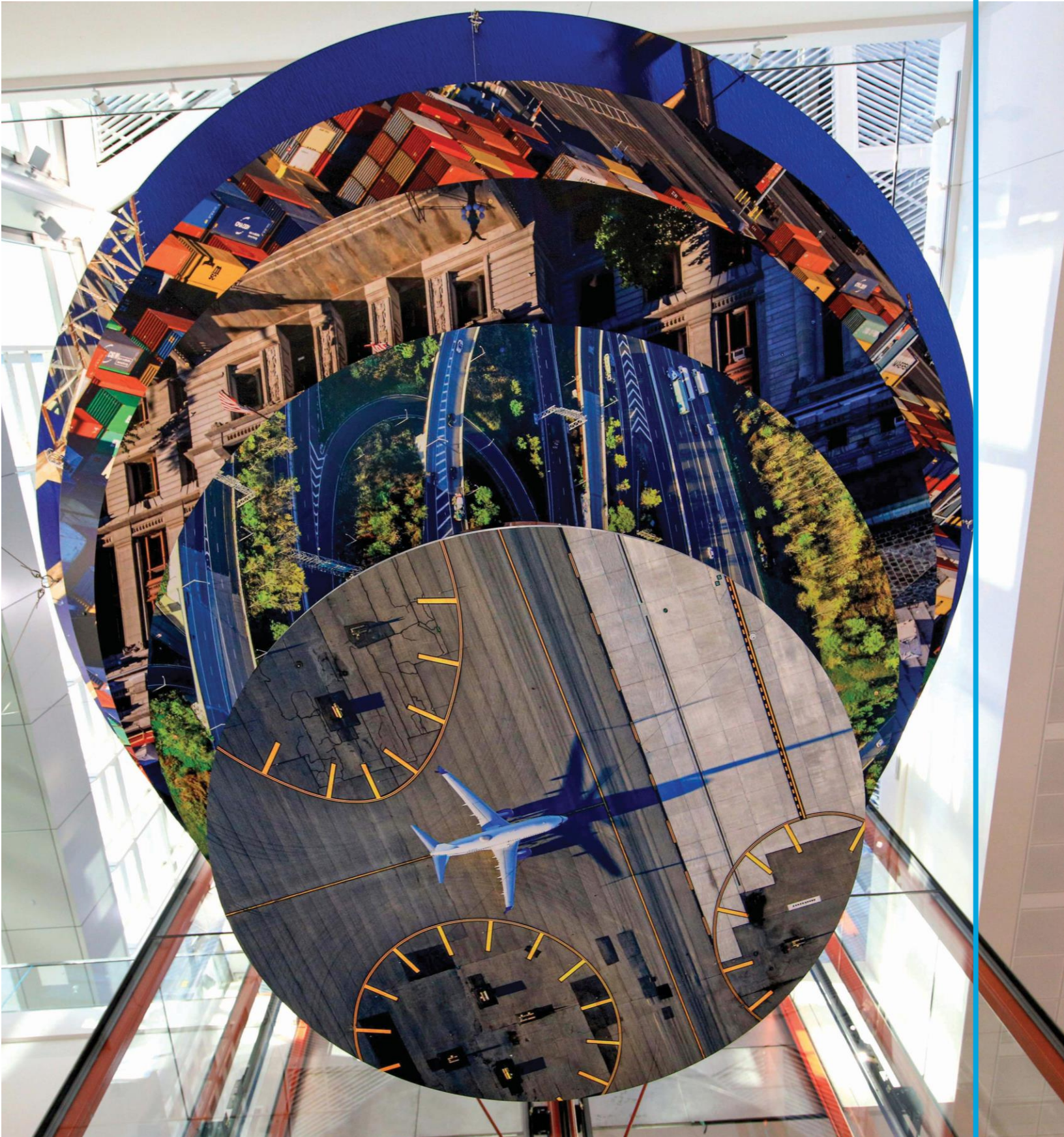
**UASI** Urban Area Security Initiatives

**USACE** United States Army Corps of Engineers

**VPD** Vehicle/Pedestrian Deviations

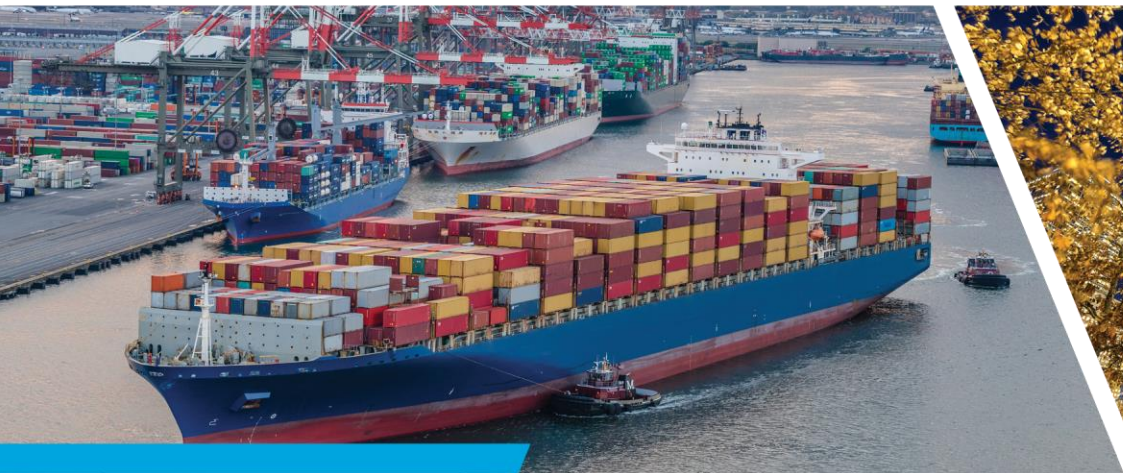
**VRMN** Variable Rate Master Notes

**WTC** World Trade Center



4 World Trade Center  
150 Greenwich Street  
New York, NY 10007

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**PORT  
AUTHORITY  
NY NJ**

**AIR LAND RAIL SEA**