

PROPOSED
Budget
NOVEMBER 2022
2023



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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INTRODUCTION

In continuance of the Port Authority of New York and New Jersey's ("the Port Authority") commitment to the highest standards of accountability and transparency, and in alignment with best practices, the Port Authority's proposed 2023 Budget is presented for public review and comment. After the public review and comment period the Port Authority's Board of Commissioners ("the Board") will consider approval of the proposed 2023 Budget at the December 15, 2022 public Board Meeting. The proposed 2023 Budget is accessible in PDF on the Port Authority's website: <https://corpinfo.panynj.gov/pages/budget/>.

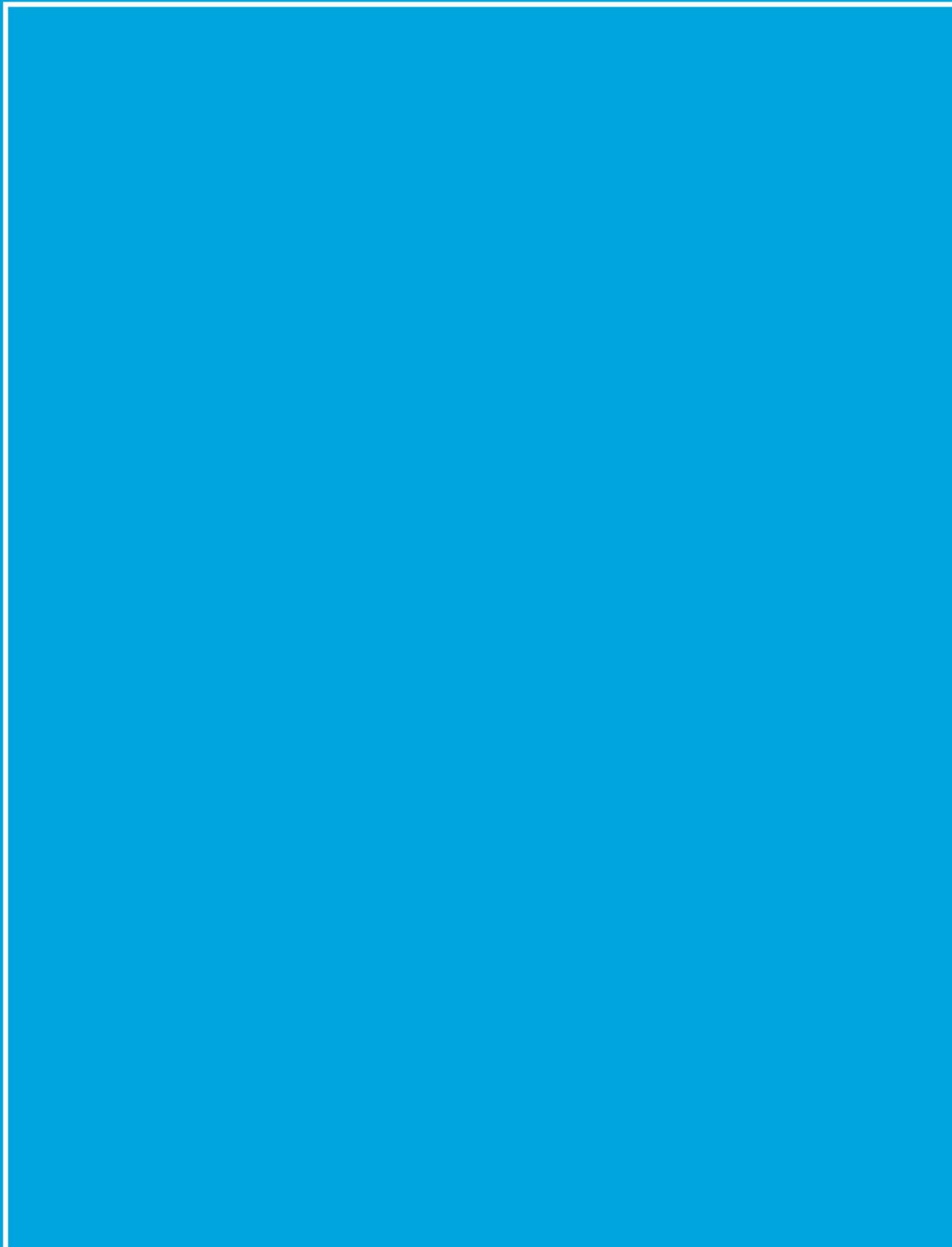
The public is requested to submit comments on the proposed 2023 Budget by December 11, 2022 by visiting <https://www.panynj.gov/PublicComments>. We request that comments be submitted as early in the comment period as possible.

Members of the public wishing to address the Board on the proposed 2023 Budget as part of the December 15 Board Meeting should submit an email that includes their name and affiliation to Speakersprogram@panynj.gov by noon on Tuesday, December 13. This can take the form of either: 1) written statements, which will be filed with the Board meeting transcripts; or, 2) pre-recorded video statements—limited to a maximum of three minutes each—that will be broadcast as part of the public Board meeting. Comments will also be accepted at the public Board Meeting on December 15, 2022.

The Goethals Bridge, a critical crossing linking New York and New Jersey, provides important connections to highway networks, railroads, the Elizabeth-Port Authority Marine Terminal, and Newark International Airport.



Budget Summary



2023 TOTAL EXPENDITURE ("USES") BUDGET

(\$ in thousands)	Operating Expenses	Capital Spending	Debt Service & Deferred Expenses	Total Uses
Aviation	\$940,676	\$663,823	–	\$1,604,499
Tunnels, Bridges, & Terminals	290,150	239,952	11,103	541,205
PATH	286,385	265,369	–	551,754
World Trade Center	171,765	28,575	384	200,724
Operation Services	108,716	2,514	52,526	163,756
Port	81,507	21,813	–	103,320
Office of the Chief Operating Officer	16,681	–	–	16,681
Total Line Departments	1,895,880	1,222,046	64,013	3,181,939
Engineering	112,204	1,076,459	9,234	1,197,897
Port Authority Police Department	634,514	–	1,917	636,431
Security Operations & Programs	144,098	13,743	2,560	160,401
Preparedness, Intelligence, & Inspections	23,307	–	–	23,307
Security Business Resource Management	11,614	–	–	11,614
Office of the Chief Security Officer	1,863	–	–	1,863
Total Security Departments	815,396	13,743	4,477	833,616
Major Capital Projects/WTC Construction	4,707	306,778	–	311,485
Technology Services	109,755	1,579	36,239	147,573
Treasury	15,803	–	1,000	16,803
Comptrollers	14,020	–	–	14,020
Management & Budget	6,360	–	–	6,360
Financial Planning	2,801	1,200	–	4,001
Storm Mitigation & Resilience	–	–	–	–
Office of the Chief Financial Officer	7,454	–	–	7,454
Total Finance Departments	46,438	1,200	1,000	48,638
Inspector General/Office of Investigations	16,641	18,619	–	35,260
Audit	10,344	2,986	–	13,330
Total Inspector General	26,985	21,605	–	48,590
General Counsel/Law	24,708	14,300	–	39,008
Human Capital/Human Resources	25,356	–	–	25,356
Labor Relations	2,357	–	–	2,357
Total Human Capital/Human Resources	27,713	–	–	27,713
Office of Sustainability	4,718	–	–	4,718
Project Management Office	–	8,365	–	8,365
Real Estate	5,368	–	–	5,368
Planning & Regional Development	4,335	177	–	4,512
Office of the Chief Development Officer	1,936	–	–	1,936
Office of Continuous Improvement	1,192	–	–	1,192
Total Development Departments	17,549	8,542	–	26,091
Procurement	13,584	1,894	–	15,478
Marketing	9,075	–	1,500	10,575
Media Relations	2,745	–	–	2,745
Office of the Chief Communications Officer	1,621	–	–	1,621
Total Communications Departments	13,441	–	1,500	14,941
Gateway	–	14,654	–	14,654
Chief Health & Safety Officer	11,669	–	–	11,669
Diversity & Inclusion Office	9,077	–	–	9,077
Office of the Secretary	6,357	–	–	6,357
Intergovernmental Affairs	4,652	372	–	5,024
Executive Director	2,120	–	–	2,120
Ethics & Compliance	1,980	–	–	1,980
Debt Service from Operations	–	174,138	1,602,000	1,776,138
Insurance Premiums & Self Insurance	172,066	25,048	–	197,114
Municipal Rents & PILOTS	370,756	–	–	370,756
Regional Programs	–	12,500	–	12,500
Corporate Allocations	(27,084)	–	–	(27,084)
Total Corporate Expenditures	515,738	211,686	1,602,000	2,329,424
Total Budget Uses	\$3,659,953	\$2,894,858	\$1,718,463	\$8,273,274

REVENUES & RESERVES

Pursuant to Port Authority Bond Resolutions

Year ended December 31st

(\$ in thousands)	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
Gross Operating Revenues	\$5,133,344	\$5,760,366	\$5,920,015	\$6,387,151
Operating & Maintenance Expenses*	3,030,700	3,168,707	3,234,286	3,376,048
Allocated Expenses*	239,656	276,028	263,923	283,905
Total Operating Expenses (Core & Non-Core)	3,270,356	3,444,735	3,498,209	3,659,953
Operating Asset Obligations	708	—	—	—
Total Expenses	3,271,064	3,444,735	3,498,209	3,659,953
Net Operating Revenues	\$1,862,280	\$2,315,631	\$2,421,806	\$2,727,198
Financial Income/(Loss) with Fair Value of Investments	(13,548)	23,435	(118,880)	97,757
Contributions in Aid of Construction	271,456	265,042	322,501	280,878
Application of PFCs	147,557	256,286	185,975	369,034
Application of 4 WTC Associated Payments	66,715	34,745	34,745	34,732
Grants in Connection with Operating Activities	256,609	201,380	154,804	142,914
Pass-Through Grant Program Payments	(2,613)	(16,731)	(4,056)	(2,391)
Non-Operating Revenues	726,176	764,157	575,089	922,924
Net Revenues Available for Debt Service & Reserves	\$2,588,456	\$3,079,788	\$2,996,895	\$3,650,122
Interest on Bonds & Other Asset Obligations	1,031,008	1,043,095	934,540	1,061,818
Interest Expense Incurred During Construction**	138,077	120,000	200,000	174,138
Debt Maturities & Retirements	398,600	454,355	463,107	478,055
Repayment of Asset Financing Obligations	26,678	26,348	1,648	1,735
Goethals Bridge Replacement DFA	58,619	59,499	59,499	60,392
Total Debt Service	\$1,652,982	\$1,703,297	\$1,658,794	\$1,776,138
Revenues After Debt Service & Transfers to Reserves	\$935,474	\$1,376,491	\$1,338,101	\$1,873,984
Direct Investment in Facilities	(870,697)	(1,464,000)	(1,030,000)	(1,600,000)
Non-Cash Pension Adjustment & OPEB adjustment*	164,135	61,373	118,210	59,444
Change in Accounting Principles ***	(21,038)	(22,511)	(22,511)	(24,086)
(Decrease) / Increase in Reserves	207,874	(48,647)	403,800	309,342
Reserve Balances, January 1****	3,201,008	3,438,460	3,408,882	3,812,682
Reserve Balances, December 31	\$3,408,882	\$3,389,813	\$3,812,682	\$4,122,024

* Non-cash Pension & Other Post-Employment Benefits ("OPEB") 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.

** The Port Authority adopted GASB statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" effective January 1, 2021, however, the Budgeted interest expense forecasted during construction periods of 2021 to 2023 are funded through the Capital Budget as part of the total cost to carry out the agency's capital projects.

*** 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.

The plaza at the WTC features a remarkable vista of One WTC, the Oculus, and lively and colorful murals that provide a perfect backdrop for a selfie or family photo.





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