

PROPOSED 2018 BUDGET



December 7, 2017

THE PORT AUTHORITY OF NY & NJ

The Proposed 2018 Budget Sources and Uses

2018 Budget Sources

\$5.3 billion of Gross Operating Revenues

\$825 million of Consolidated Bond Issuances

\$1.3 billion in Other Sources

\$302 million in Grants, Contributions and Miscellaneous Revenues

\$284 million in Application of Passenger Facility Charges

**BALANCED
BUDGET**

\$8 Billion

2018 Budget Uses

\$3.2 billion of Operating Expenses

\$3.4 billion of Capital spending on projects included in the 2017-2026 Capital Plan

\$1.3 billion for Debt Service to Operations

\$0.2 billion to support Deferred Expenses and Other Programs

The Proposed 2018 Budget is fiscally balanced with expense growth in-line with inflation

	2017 Budget	2018 Budget	2018 Budget vs. 2017 Budget		
Gross Operating Revenues	\$5,134	\$5,260	\$126	2.5%	Increased revenues more than offset expense growth
Operating Expenses	3,132	3,193	61	1.9%	Expense growth is in-line with inflation
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Net Operating Revenues	2,002	2,067	65		
Plus Financial and Other Income <i>(incl. grants, contributions, Passenger Facility Charges and other revenues)</i>	615	632	17	2.8%	
Less Total Debt Service	1,181	1,251	70	5.9%	
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Transfer to Reserve Funds	\$1,436	\$1,448	\$12		Reserves to invest in capital

Proposed \$3.2 billion 2018 Operating Budget Highlights

\$726 million to ensure safety and security of all facilities.

\$20 million increase over the 2017 Budget; single largest expense increase in the proposed 2018 Budget; necessary for the world we live in today.

\$1.6 billion to operate and maintain the agency's infrastructure operations.

\$17 million increase in operating costs across all facilities and a \$11 million increase in maintenance costs over 2017 Budget, driven by additional WTC facilities coming on line.

\$396 million for payments to local municipalities and other landlords for use of facilities or property.

\$12 million increase for 2017 Budget, resulting primarily from increased occupancy and construction completion at WTC, offset by increased revenues from these facilities.

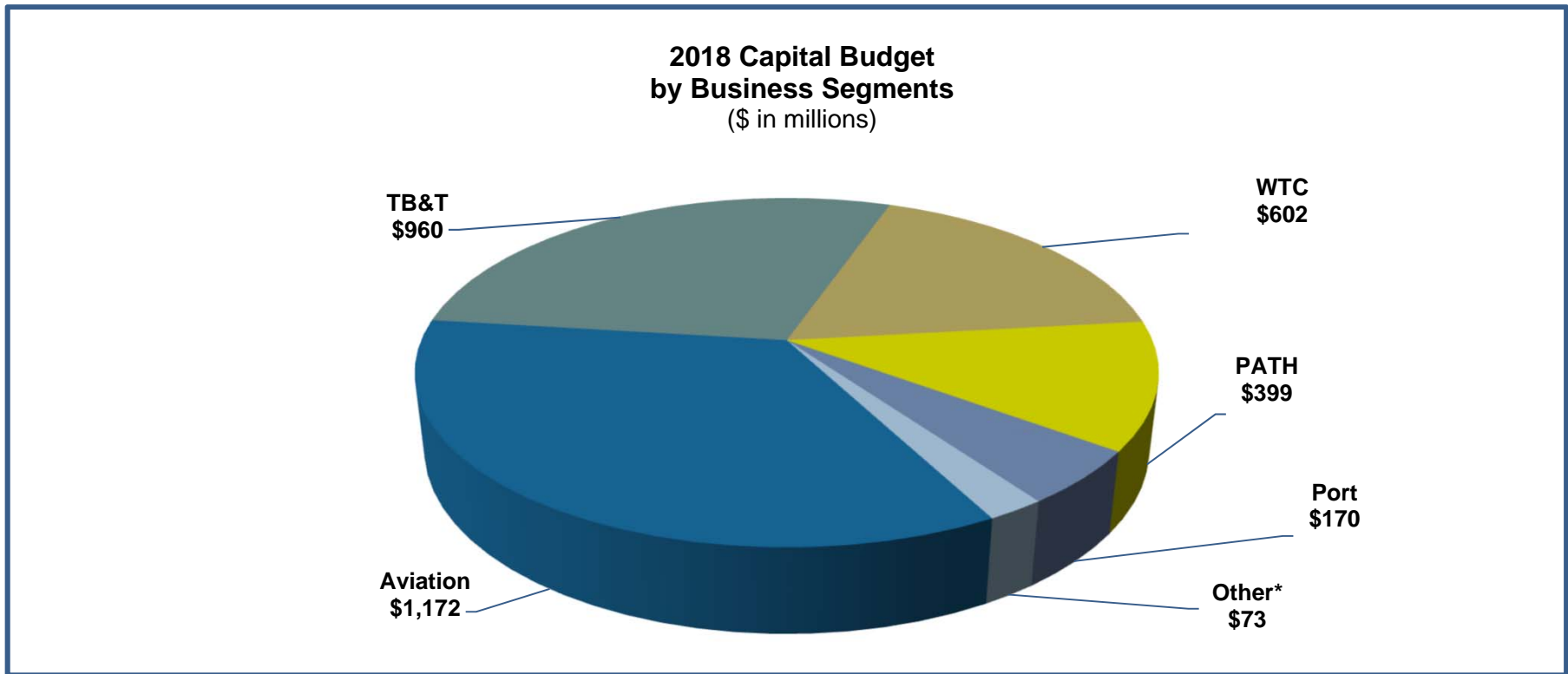
\$392 million for management services that support and plan for Port Authority businesses,

\$9 million decrease to offset increases elsewhere.

The Proposed 2018 Operating Budget also funds a number of initiatives and projects that align with key priorities

- Continued enhancement of security (covering both security at Port Authority facilities and cyber-security) and preparedness.
- Creating a customer service focus in the operations at all Port Authority facilities.
- Increasing investment in sustainability and environmental protection initiatives.
- Improving the Port Authority's use of technology across the board – both to serve our customers better and to improve the efficiency of Port Authority operations.

The Proposed 2018 Capital Budget of \$3.4 billion advances key projects and aligns with the 2017-2026 Capital Plan



* Include Regional Programs, Development, Ferries, and Agency Provisions

Proposed 2018 Capital Budget Highlights

\$1.1 billion to redevelop the region's airports and ready them for the future.

LaGuardia – Redevelopment and AirTrain planning and design.

Newark – Redevelop Terminal One; Planning for extension of PATH to Newark Liberty rail link station.

JFK– Advance Vision Plan of Governor Cuomo's Airport Advisory Panel for the redevelopment of the airport.

\$432 million for upgrades to Trans-Hudson crossings, including Bayonne Bridge Navigational Clearance Program; Goethals Bridge replacement; and the commencement of components of the George Washington Bridge suspender rope replacement program.

\$55 million for further planning and design activities for a new Port Authority Bus Terminal.

\$71 million for PATH's Signal System Replacement Program, and the continuation of PATH station and equipment modernization programs.

\$55 million for the ExpressRail intermodal container transfer facilities at Greenville Yards - Port Jersey.

\$17 million to support continued planning activities for the Gateway Program.



Proposed 2018 Budget was released for public comments via our website on November 8, 2017

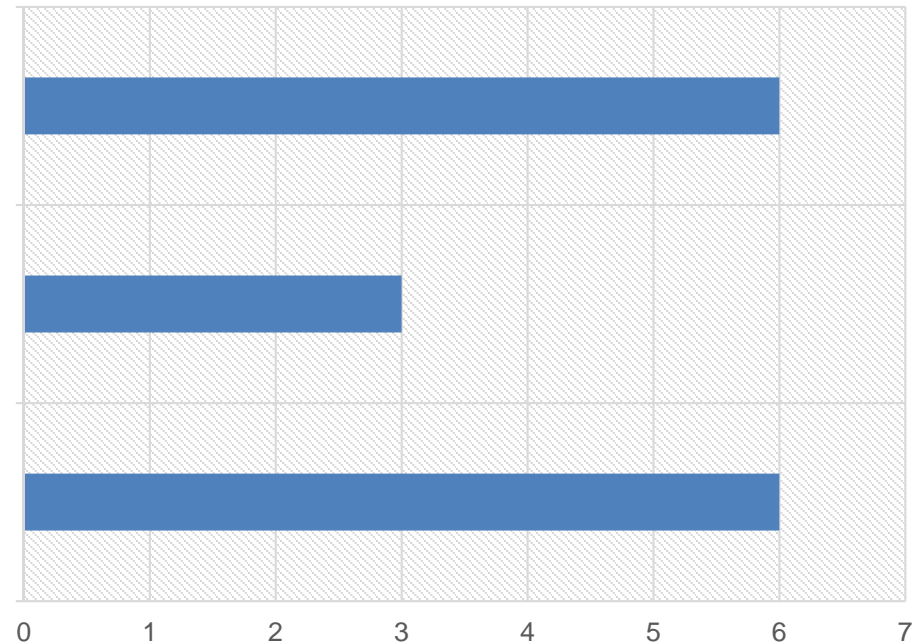
2018 Public Comments Summary

15 comments received via e-mail (8) and social media (7)

Suggested Modifications to 2018 Capital Budget

Observations
(no suggested budget changes)

Raising Awareness
(no suggested budget changes)



Requested 2018 Budget Authorization

Expenditure Categories	(\$ in millions)
Operating Expenses	\$3,193
Capital Expenditures	3,380
Debt Service	1,251
Deferred & Other Expenses	189