

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, December 6, 2012

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, December 6, 2012 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Richard H. Bagger
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

NEW YORK

Hon. Scott H. Rechler, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler
 Hon. James P. Rubin

Heavyn-Leigh American, Associate Board Management and Support Specialist, Office of the Secretary
 Susan M. Baer, Director, Aviation
 Rosemary Chiricolo, Deputy Director, Management and Budget
 Steven J. Coleman, Deputy Director, Media Relations
 Rebecca C. Croneberger, Assistant Director, Labor Relations
 Harry Czinn, Senior Project Manager, Management and Budget
 Stephanie E. Dawson, Acting Chief Operating Officer
 John C. Denise, Audio Visual Supervisor, Marketing
 John J. Drobny, Director, Security Projects, Office of the Chief Operating Officer/Co-Director, Security Transition Office/Acting Director, Security, World Trade Center
 Daniel D. Duffy, Senior Business Manager, Office of the Secretary
 Joseph P. Dunne, Chief Security Officer
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Lash L. Green, Director, Office of Business Diversity and Civil Rights
 Linda C. Handel, Deputy Secretary
 Mary Lee Hannell, Director, Human Resources
 Andrew T. Hawthorne, Director, Marketing
 Anthony Hayes, Manager, Media Planning, Media Relations
 Mark D. Hoffer, Director, New Port Initiatives, Port Commerce
 Howard G. Kadin, Esq., Law
 Rebecca Karp, Leadership Fellow, Human Resources
 Kirby King, Director, Technology Services
 Rudolph L. King, Assistant Information Officer, Media Relations
 Stephen Kingsberry, Acting Director, Rail Transit
 Cristina M. Lado, Director, Government & Community Affairs, New Jersey
 Diana Lopez, Senior Advisor, LaGuardia Redevelopment Program, Aviation
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ron Marsico, Assistant Director, Media Relations, Public Affairs

Michael G. Massiah, Director, Management and Budget
 Daniel G. McCarron, Comptroller
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Camille T. Moglia, Senior Business Manager, Chief Financial Office
 Anne Marie C. Mulligan, Treasurer
 Thomas O'Neill, Pump Maintainer III, PATH
 Patrick B. O'Reilly, Senior Advisor to the Chairman
 Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
 Richard J. Rebis, Senior External Relations Representative, Government and Community Affairs
 Timothy G. Stickelman, Assistant General Counsel
 Robert A. Sudman, Director, Audit
 Ralph Tragale, Assistant Director, Public Affairs, Aviation
 David B. Tweedy, Chief, Capital Programs
 Lillian D. Valenti, Director, Procurement
 Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 Ian R. Van Praagh, Business Negotiations Manager, Capital Programs
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
 Director
 Peter J. Zipf, Chief Engineer

Guest:

Nicole Crifo, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public
 Joseph Clift, New Jersey Association of Railroad Passengers
 Margaret Donovan, Twin Towers Alliance
 Francisco Espinal, Unite Here
 Mario Gomes, Chairman, Local Union 3, International Brotherhood of Electrical Workers
 Richard Hughes, Twin Towers Alliance
 Mandar Mirashi, Member of the Public
 Kalev Savi, Member of the Public

The public meeting was called to order by Chairman Samson at 1:38 p.m. and ended at 2:22 p.m. Commissioners Holmes and Sartor were present for a portion of the public session. The Board met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of November 15, 2012. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on November 16, 2012. The Secretary reported further that the time for action by the Governors of New York and New Jersey expired at midnight on December 3, 2012.

Whereupon, the Board unanimously approved the Minutes of the meeting of November 15, 2012, including the Minutes of the special meeting of the Committee on Operations.

Report of Committees on Finance and Operations

The Committees on Finance and Operations reported, for information, on matters discussed in executive session at their joint meeting on November 28, 2012, which included discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in executive session at its meeting on December 4, 2012, which included discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

The Committee on Capital Planning, Execution and Asset Management also reported, for information, on matters discussed in public session and matters discussed and action taken in executive session at its meeting on December 6, 2012, which included discussion of an item that authorizes Phase III planning for the Capital Redevelopment Program at LaGuardia Airport, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on December 5, 2012, which included discussion of matters involving external or internal investigations or audits, matters involving ongoing negotiations or reviews of contracts or proposals, and matters involving public safety or law enforcement, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its meeting on December 5, 2012, which included discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, matters involving ongoing negotiations or reviews of contracts or proposals, and matters in which the release of information could impair a right to receive funds from the United States or other grantor, and the report was received.

The Committee on Finance also reported, for information, on action taken in public session and matters discussed in executive session at its meeting on December 6, 2012, which included discussion of an extension of the Owner Controlled Insurance Program for the National September 11 Memorial and Museum at the World Trade Center site, an annual update on the activities of the Port Authority Insurance Captive Entity, LLC, and discussion of matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on December 6, 2012, which included discussion of matters involving public safety or law enforcement, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public and executive sessions at its meeting on December 6, 2012, which included discussion of an item which authorizes a lease supplement with American Airlines, Inc. for the surrender of three gates, and a new lease with Virgin America for the letting of one gate and associated space at Newark Liberty International Airport, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in executive session at its meeting on December 6, 2012, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and discussion of matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and the report was received.

Report of Committee on Governance and Ethics

The Committee on Governance and Ethics reported, for information, on matters discussed in public and executive sessions at its meeting on December 6, 2012, which included a review of statutory and By-Laws requirements on qualifications for prospective appointments to the Board, discussion of various methods for the review and evaluation of the Board and Committees, a report from the Inspector General on the independence and freedom from interference of his office in the conduct of its responsibilities, and discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

LAGUARDIA AIRPORT REDEVELOPMENT PROGRAM – PHASE III PLANNING AUTHORIZATION

It was recommended that the Board authorize: (1) Phase III planning for the continued program management and design of essential infrastructure elements of the LaGuardia Airport (LGA) Redevelopment Program, at an estimated cost of \$63 million, bringing the total amount of authorized planning costs for the Program to \$118 million; and (2) the Executive Director to: (a) enter into (an) agreement(s) for professional design services to support the planning, design and cost development for the LGA Redevelopment Program, at an estimated cost of \$45 million; (b) enter into an agreement, at an estimated cost of \$2 million, with Frasca and Associates, LLC for financial advisory services to support the evaluation and selection of a developer to form a Public Private Partnership (PPP) with the Port Authority, for which the developer would design, build, finance, operate and maintain a new Central Terminal Building (CTB); (c) extend, at an estimated cost of \$16 million, an existing agreement with URS Corporation for the performance of expert professional program management services, on an “as-needed” basis, to support the evaluation and selection of a developer to form the PPP with the Port Authority; and (d) submit an application to the Federal Aviation Administration (FAA) for the collection and use of up to \$65 million in Passenger Facility Charges to provide for the recovery of the Phase III LGA Redevelopment Program expenditures.

The existing CTB at LGA opened for air passenger traffic in 1964. Now, nearly 50 years later, the CTB complex, including its supporting infrastructure, requires redevelopment.

In furtherance of the LGA Redevelopment Program, which previously was referred to as the CTB Modernization Program, the proposed authorization would encompass Phase III planning work, with authorization to award agreements to support the planning work, as outlined further, below.

At its meeting of May 20, 2004, the Board authorized Phase I planning work for the LGA CTB Modernization Program, at a total estimated cost of \$15 million, including \$2.7 million of previously authorized planning work. Phase I focused on updating the “needs analysis” required to meet future airport traffic demand, and on developing a business plan for moving forward with the program of improvements.

On November 20, 2008, the Board authorized Phase II planning work, at a total estimated cost of \$40 million, for continued project development, design development and cost evaluation, which will culminate in February 2013 with the issuance of a Stage 1 Preliminary Design for both the terminal and infrastructure components of the program. This brought the design costs authorized for this program to a total of \$55 million. This Stage 1 design for the overall LGA Redevelopment Program would be the basis for a Request for Qualifications (RFQ) and Request for Proposals (RFP) to select a developer that would enter into a PPP with the Port Authority for a new CTB (CTB PPP) at LGA. The overall LGA Redevelopment Program would be separated into two categories, which would consist of the CTB PPP scope and the LaGuardia Airport Capital Infrastructure (LGACI) Program.

The proposed Phase III of the planning effort for the LGACI Program would facilitate the formation of the future PPP to replace the existing CTB. The proposed \$63 million authorized would bring the total design authorization of the program to \$118 million. The agency’s LGACI

Program would maintain an accelerated schedule, in order to minimize operational impacts during demolition and construction on vital infrastructure, including roadways, utilities and parking, which, together with the future CTB PPP, would complete the LGA Redevelopment Program.

Included in the CTB PPP scope is a new Central Heating and Refrigeration Plant and the demolition of Hangar 1 and Parking Lot 2, and of the terminal frontage roadway immediately adjacent to the new building.

This authorization also includes planning and design work for: (1) the demolition/removal of Hangars 2 and 4; (2) a new East Toll Plaza; (3) a new East Garage Terminal C Pedestrian Connector Bridge; (4) a new West Garage (including related utility work and interim roadways); (5) a new landside roadway and bridge network; and (6) a new landside utility network.

Certain professional design services for the LGA Redevelopment Program would be solicited under existing call-in agreements and through a publicly advertised RFP. The existing agreement with URS Corporation was solicited via a publicly advertised RFP. All services performed and funds committed and expended that are specifically related to the performance of the contemplated PPP program would be captured and reported separately.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler, Pocino, Rechler, Rubin, Samson, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that Phase III planning work for the continued program management and design of the LaGuardia Airport (LGA) Redevelopment Program's critical infrastructure elements, at an estimated cost of \$63 million, bringing the total authorized planning costs for the Program to \$118 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into (an) agreement(s) for professional design services to support the planning, design and cost development for the LGA Redevelopment Program, at an estimated cost of \$45 million; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement, at an estimated cost of \$2 million (to be paid through an existing call-in agreement that resulted from a publicly advertised process), with Frasca and Associates, LLC for financial advisory services to support the evaluation and selection of a developer to form with the Port Authority a Public Private Partnership (PPP), for which the developer would design, build, finance, operate and maintain a new Central Terminal Building (CTB) at LGA; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to extend, at an estimated cost of \$16 million, an existing agreement with URS Corporation, on an “as-needed” basis, for the performance of expert professional program management services and to support the evaluation and selection of a developer to form with the Port Authority a PPP (this cost includes \$2 million for PPP Technical Support Services, which were procured via a separate Request for Proposals process, wherein proposals were solicited from a list of firms deemed qualified to provide such services); and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to submit an application to the Federal Aviation Administration for the collection and use of up to \$65 million in Passenger Facility Charges to provide for the recovery of the Phase III LGA Redevelopment Program expenditures; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

NEWARK LIBERTY INTERNATIONAL AIRPORT – TERMINAL A-3 – AMERICAN AIRLINES, INC. – LEASE ANA-172 – VIRGIN AMERICA – LEASE ANC-364

It was recommended that the Board authorize the Executive Director to enter into: (1) an agreement(s) with American Airlines, Inc. (American) modifying Lease ANA-172, under which American currently leases six gates and associated office and operational space in Terminal A-3 at Newark Liberty International Airport (EWR), in order to: (a) effectuate American's surrender of three of those gates, Gates 30, 31, and 32, and related space; and (b) increase American's rental payments for its use and occupancy of the three remaining gates and related space, for a six-year term commencing on January 1, 2013; and (2) a new lease with Virgin America (Virgin) for the letting of Gate 32 and associated space in Terminal A-3 at EWR, for a six-year term commencing on January 1, 2013.

Pursuant to Lease ANA-172, American leases six gates and related space in Terminal A-3 at EWR. In November 2011, American filed under Chapter 11 of Title 11 of the United States Bankruptcy Code. Under the agreement to amend Lease ANA-172, American would surrender Gates 30, 31, and 32 and the related space, and pay an increased rent for its use and occupancy of the remaining gates it leases from the Port Authority under Lease ANA-172, and would modify other associated obligations under Lease ANA-172, effective January 1, 2013, subject to the approval by the United States Bankruptcy Court for the Southern District of New York to American's assumption of Lease ANA-172, as modified.

Virgin, a low-cost carrier that currently does not serve EWR, would lease Gate 32. The Port Authority would convert Gates 30 and 31 from exclusive-use space to common-use space. American also would provide an adequate number of slots for the operation of flights to Virgin, thereby adding service to EWR. The proposed transactions would address the Federal Aviation Administration-mandated EWR Airline Competition Plan, by providing an additional airline choice for travelers and additional airline competition at EWR, with the potential for boosting passenger growth.

Over the term of the proposed lease transactions, American and Virgin each would pay a premium, in comparison to the existing rental under Lease ANA-172, on the fixed rental for the fixed gates they would lease.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Lynford, Pocino, Rechler, Rubin, Samson, Schuber and Steiner voting in favor; Commissioner Moerdler recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement(s) modifying Lease ANA-172 with American Airlines Inc., (American) under which American currently leases six gates and associated office and operational space in Terminal A-3 at Newark Liberty International Airport (EWR), in order to: (1) effectuate American's surrender of three of those gates, Gates 30, 31, and 32, and related space; and (2) increase American's rental payments for the use and occupancy of the three remaining gates and related space for a six-year term, substantially in accordance with the terms outlined to the Board, and subject to the approval by the United States

Bankruptcy Court for the Southern District of New York to American's assumption of Lease ANA-172, as modified; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a new lease with Virgin America for the letting of Gate 32 and associated space in Terminal A-3 at EWR, commencing January 1, 2013, for a six-year term, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

2013 OPERATING BUDGET

The proposed 2013 Operating Budget totals approximately \$3,532 million, with \$2,576 million for operating expenses, \$886 million for debt service charged to operations, and \$70 million for other expenditures. As part of a comprehensive planning process, the proposed 2013 Operating Budget serves as a financial planning tool that outlines estimated operating expenditures for the next year to fulfill the Port Authority's operating objectives through programs already authorized or to be considered, and is based on certain business assumptions summarized below and a forecast with respect to the regional economy. Pending adoption of the capital budget for calendar year 2013 by the Board, the Port Authority will continue to make capital expenditures, undertake contractual commitments, and continue planning, design and construction activities, consistent with applicable authorizations.

The proposed 2013 Operating Budget provides for operating expenses that are relatively flat, at 0.6 percent higher than in the prior year's Budget. The increase in expenses is primarily due to policing activities and the establishment of a new Security Department within the Port Authority, increased customer service improvements and customer service representatives at the airports, establishment of a new Transparency Office within the Port Authority charged with overseeing and managing the unimpeded flow of agency information to the public, and funding for capacity planning for future air travel and bus travel demands. These increases are partially offset by a new lease agreement with the private full-service vendor which operates the mass-burn resource recovery plant at the Essex County Resource Recovery Facility, and from the agency's continued cost containment efforts, including the 2012 compensation and benefits reforms for non-represented staff, and organizational effectiveness initiatives to restructure functions, streamline operations and implement other staffing strategies, which also have enabled the permanent authorized position levels to be maintained at the same level as in the 2012 Budget.

The proposed 2013 Operating Budget also includes continued funding for the Port Authority's ongoing commitment to environmental protection and energy conservation with the Clean Air Program, in participation with the U.S. Environmental Protection Agency, that includes financing and retrofitting trucks using the ports, and an Ocean-going Vessel Fuel Incentive Program to partially offset the cost of low-sulfur fuel for vessels entering New York Harbor.

The Port Authority's facilities enhance the region's competitiveness and prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. The Port Authority strives to better coordinate terminal, transportation and other facilities of commerce in the New York-New Jersey metropolitan region surrounding the Port of New York and New Jersey, and does so by identifying and addressing the critical transportation infrastructure needs that support bi-state commerce, as well as trade in both goods and services between the region and the rest of the nation and world.

The Port Authority implements its mission primarily through planning, constructing, financing, and operating trade and transportation infrastructure. It does so within the context of objectives that include enhancing safety and security, implementing new technologies, maintaining and enhancing infrastructure, advancing the delivery of capital programs, increasing

agency cost effectiveness, pursuing improvements in regional mobility, and advancing regional economic competitiveness.

The proposed 2013 Operating Budget continues to assume uninterrupted payments from tenants at all facilities, as specified in their lease agreements. The proposed 2013 Operating Budget also provides for direct assistance to the two States for transportation and economic development projects, consistent with statutory, contractual and other commitments of the Port Authority, including agreements with the holders of its obligations.

A provision also is included to reimburse the States of New York and New Jersey for up to \$295,000 of expenses incurred by each of the two States, including staff costs, in reviewing the Port Authority's 2013 Operating and Capital Budgets.

The Executive Director would implement the 2013 Operating Budget in conjunction with his authority under the By-Laws and would take action with respect to professional, technical, or advisory services, contracts for maintenance and services, construction, commodities (materials, equipment and supplies) and utilities purchases, leasing of equipment, the purchase of insurance, and other actions, including staffing, personnel benefit, classification, range and procedural adjustments and funding.

The Port Authority will continue to make capital expenditures, undertake contractual commitments, and continue planning, design and construction activities, consistent with applicable authorizations, pending adoption of the Capital Budget for calendar year 2013 by the Board. The Executive Director would implement the expenditure of Port Authority funds for such purposes prior to the adoption of the Capital Budget for calendar year 2013, consistent with applicable authorization, in conjunction with his authority under the By-Laws, through the application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, in addition to other capital funds carried into 2013 and the proceeds of Port Authority obligations to be issued.

In addition, estimated 2012 total expenditures are projected to differ from amounts budgeted for the year; operating expenses are expected to be higher than planned, due to higher policing costs resulting from heightened security measures and miscellaneous write-offs concerning engineering and other capital project costs; debt service is expected to be higher than planned, due to the unbudgeted retirements of certain Port Authority debt obligations and interest rate exchange contract termination; and capital expenditures are lower than planned, primarily due to lower than expected spending on the Lincoln Tunnel Access project, reprogramming associated with the Cross Harbor land purchase, lower than anticipated funding for regional projects and lower costs due to the timing of acquiring strategic properties for container and rail freight initiatives. These circumstances were not foreseeable or determinable when the Preliminary 2012 Budget was prepared, and are estimated, as of October 31, 2012, to cause total expenditures to be to \$3.041 million lower than the amounts set forth in the Preliminary 2012 Budget.

The Executive Director's continuing authority, pending final adoption and approval of annual operating and capital budget(s), to make expenditures and undertake contractual commitments would also be confirmed.

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Bagger, Holmes, Lynford, Moerdler, Pocino, Rechler, Rubin, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the 2013 Operating Budget of The Port Authority of New York and New Jersey, as set forth below, be and the same hereby is approved and adopted, and the Executive Director's continuing authority, pending final adoption of annual operating and capital budget(s), to make expenditures and undertake contractual commitments, is confirmed:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Its Related Entities

2013 OPERATING BUDGET
(In Thousands)

Item	Total Expenditures	Personal Services	Materials & Services
Audit	\$10,472	\$9,040	\$1,432
Aviation	694,042	152,653	541,389
Chief Compliance Officer	673	543	130
Chief, Capital Planning	769	567	202
Chief Financial Officer	4,746	699	4,047
Chief Operating Officer	4,238	1,561	2,677
Capital Security Projects	1,190	346	844
Chief of Public & Government Affairs	555	509	46
Chief, Real Estate & Development	2,843	2,181	662
Chief Security Officer	4,375	779	3,596
Comptroller's	13,242	12,610	632
Engineering	80,089	20,176	59,913
Capital Construction Contracts	-	-	-
Executive Offices	2,836	2,491	345
Ferry Program	4,808	-	4,808
Government & Community Affairs	4,461	2,626	1,835
Human Resources	18,207	12,172	6,035
Medical Services	3,856	2,564	1,292
Inspector General	14,673	11,866	2,807
Labor Relations	2,183	1,678	505
Law	43,080	20,016	23,064
Management and Budget	7,678	6,686	992
Marketing	11,778	3,989	7,789
Media Relations	2,394	2,208	186
Office of Business Diversity & Civil Rights	3,972	2,492	1,480
Office of Emergency Management	10,225	3,300	6,925
Office of Environmental & Energy Programs	4,268	2,315	1,953
Office of Financial Analysis	1,755	1,503	252
Office of the Secretary	4,539	2,698	1,841
Transparency	774	524	250

Office of Strategic Initiatives	869	775	94	
Operations Services	74,469	61,734	12,735	(1)
Operations Standards	1,109	1,102	107	
Planning & Regional Development	5,805	4,364	1,441	
Port Commerce	78,559	25,507	53,052	
Procurement	13,280	12,027	1,253	(1)
Project Management Office	734	128	606	
Public Safety	442,748	406,148	36,600	
Rail Transit	179,942	124,807	55,135	
Real Estate & Development	40,115	7,353	32,762	(1)
Technology Services	71,699	20,340	51,359	(1)
Corporate Enterprise Systems	20,055	-	20,055	
Treasury	29,254	6,293	22,961	
Tunnels, Bridges and Terminals	216,575	113,991	102,584	
WTC Construction	26,042	2,196	23,846	
WTC Redevelopment	34,537	2,760	31,777	
Other:				
Amounts in Connection with Operating Asset				
Obligations	26,005	-	26,005	
Bi-state Dredging Program	4,300	-	4,300	
Debt Service – Operating	885,605	-	885,605	
Insurance	86,375	-	86,375	
Municipal Rents and Amounts				
in Lieu of Taxes	261,753	-	261,753	
Port Authority Insurance Captive Entity LLC	4,463	-	4,463	
Regional Programs – Operating	8,158	-	8,158	
Special Project Bonds Debt Service	103,186	-	103,186	
Allocated Operating Overhead to Capital	(42,760)	(28,225)	(14,535)	
Total Port Authority Operating Budget	<u>\$3,531,598</u>	<u>\$1,041,992</u>	<u>\$2,489,606</u>	

(1) Net after charges to other departments.

; and it is further

RESOLVED, that the revisions to the Preliminary Budget for the year 2012 be and the same hereby are approved:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
Including Its Related Entities
2012 ESTIMATE VS PRELIMINARY 2012 BUDGET
(In Thousands)

	<u>2012 ESTIMATE</u>	<u>2012 BUDGET</u>	<u>CHANGE</u>
Operating Expenses	\$2,676,333	\$2,561,070	\$115,263
Debt Service Charged to Operations	1,107,945	832,304	275,641
Other Expenses	<u>46,286</u>	<u>44,724</u>	<u>1,562</u>
Total Operating	3,830, 564	3,438,098	392,466
Capital Expenditures	<u>3,261,387</u>	<u>3,656,894</u>	<u>(395,507)</u>
Total Port Authority Expenditures	<u><u>\$7,091,951</u></u>	<u><u>\$7,094,992</u></u>	<u><u>(\$3,041)</u></u>

; and it is further

RESOLVED, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$295,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the 2013 Operating and Capital Budgets of the Port Authority.

CONFIDENTIAL ITEM

The Board took action in executive session on a security matter that shall remain confidential until such time as its publication is determined not to endanger the public interest.

Whereupon, the meeting was adjourned.

Secretary