



Hudson River Park Trust

FISCAL YEAR 2018

PROPOSED BUDGET

Proposed budget is available at Trust main office and on its website
<http://www.hudsonriverpark.org/about-us/hrpt/financial-and-budget-information/>

HUDSON RIVER PARK TRUST - PROPOSED FY 2018 BUDGET

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HUDSON RIVER PARK TRUST - FY 2018 PROPOSED BUDGET

EXHIBIT 1 - REVENUE AND OPEX (COMPARISON FY PROPOSED 2018, APPROVED 2017, PROJECTED ACTUAL 2017)

	PROPOSED FY2018	APPROVED FY2017	PROJECTED ACTUAL FY2017 (PRELIMINARY)
REVENUE			
LEASE & OCCUPANCY PERMITS	17,092,984	14,094,411	16,923,199
PARKING, & FEE REVENUE			
FEES - GEN'L	1,425,000	1,500,000	1,594,561
FIELD FEES	250,000	250,000	276,175
PARKING INCOME (NET OF TAXES)	6,488,282	6,057,965	6,166,339
PARKING & FEE REVENUE	8,163,282	7,807,965	8,037,075
OTHER REVENUE			
INTEREST	162,500	115,000	148,178
CONTRIBUTIONS	1,000,000	1,000,000	1,000,000
SPONSORSHIPS	500,000	600,000	368,745
OTHER INCOME	90,000	150,000	94,397
GRANTS	100,000	25,000	50,500
TOTAL OTHER REVENUE	1,852,500	1,890,000	1,661,821
TOTAL REVENUE	27,108,766	23,792,376	26,622,094
EXPENSES			
PAYROLL REG-FULL	5,765,847	5,438,466	5,395,677
PAYROLL - OVERTIME	87,500	83,688	70,924
PAYROLL PART TIME & SEASONALS	456,298	443,863	358,606
SUBTOTAL DIRECT PAYROLL	6,309,645	5,966,017	5,825,208
FRINGE-WORKERS COMP.	159,586	138,770	135,495
FRINGE- STATE UNEMP.	90,740	83,343	81,376
FRINGE - RETIRE. CONTRIB.	730,168	815,718	796,465
FRINGE-FICA	436,796	400,252	390,805
FRINGE- MEDICAL	925,042	801,736	815,529
FRINGE - OTHER	253,718	218,334	213,181
SUBTOTAL FRINGE BENEFITS	2,596,050	2,458,153	2,432,852
TOTAL PERSONNEL SERVICES	8,905,695	8,424,170	8,258,059
OTHER THAN PERSONAL SERVICES (OTPS)			
INSURANCE (NET OF STATE & CITY REIMBURSEMENT)	819,760	748,054	748,054
JANITORIAL/SANITATION	1,320,000	1,260,000	1,260,000
LEGAL FEE	835,000	905,000	1,247,229
LIGHT POWER & UTILITIES	1,500,000	1,577,000	1,506,000
PIER 40 PARKING MANAGEMENT	1,252,822	1,264,724	1,115,899
SECURITY	2,631,259	2,600,000	2,600,000
OTHER OTPS	3,864,245	3,825,101	2,897,099
SUBTOTAL OTPS	12,223,085	12,179,879	11,374,280
TOTAL OPEX (PERSONNEL AND OTPS)	21,128,780	20,604,048	19,632,339
NOI / OPERATING SURPLUS (PRE CAPx, NON-CASH EXPENSES)	5,979,985	3,188,328	6,989,755
CAPITAL MAINTENANCE (CAPm)	5,635,292	3,892,970	3,500,000
EQUIPMENT (CAPx)	1,040,000	850,500	591,500
SUBTOTAL OF CAPx AND CAPm	6,675,292	4,743,470	4,091,500
OPERATING SURPLUS (DEFICIT) AFTER CAPx & CAPm	(695,307)	(1,555,142)	2,898,255
NON-CASH, NON-OPERATING EXPENSES			
OTHER POST EMPLOYMENT BENEFITS	1,287,721	1,250,215	1,213,801
DEPRECIATION	11,392,541	11,060,719	10,024,277
SUBTOTAL NON-CASH, NON-OPERATING EXPENSES	12,680,262	12,310,934	11,238,078
NOI (AFTER NON-CASH, NON-OPERATING EXPENSES) (a)	(6,700,277)	(9,122,607)	(4,248,323)

Additional Notes

(a) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$6,700,277

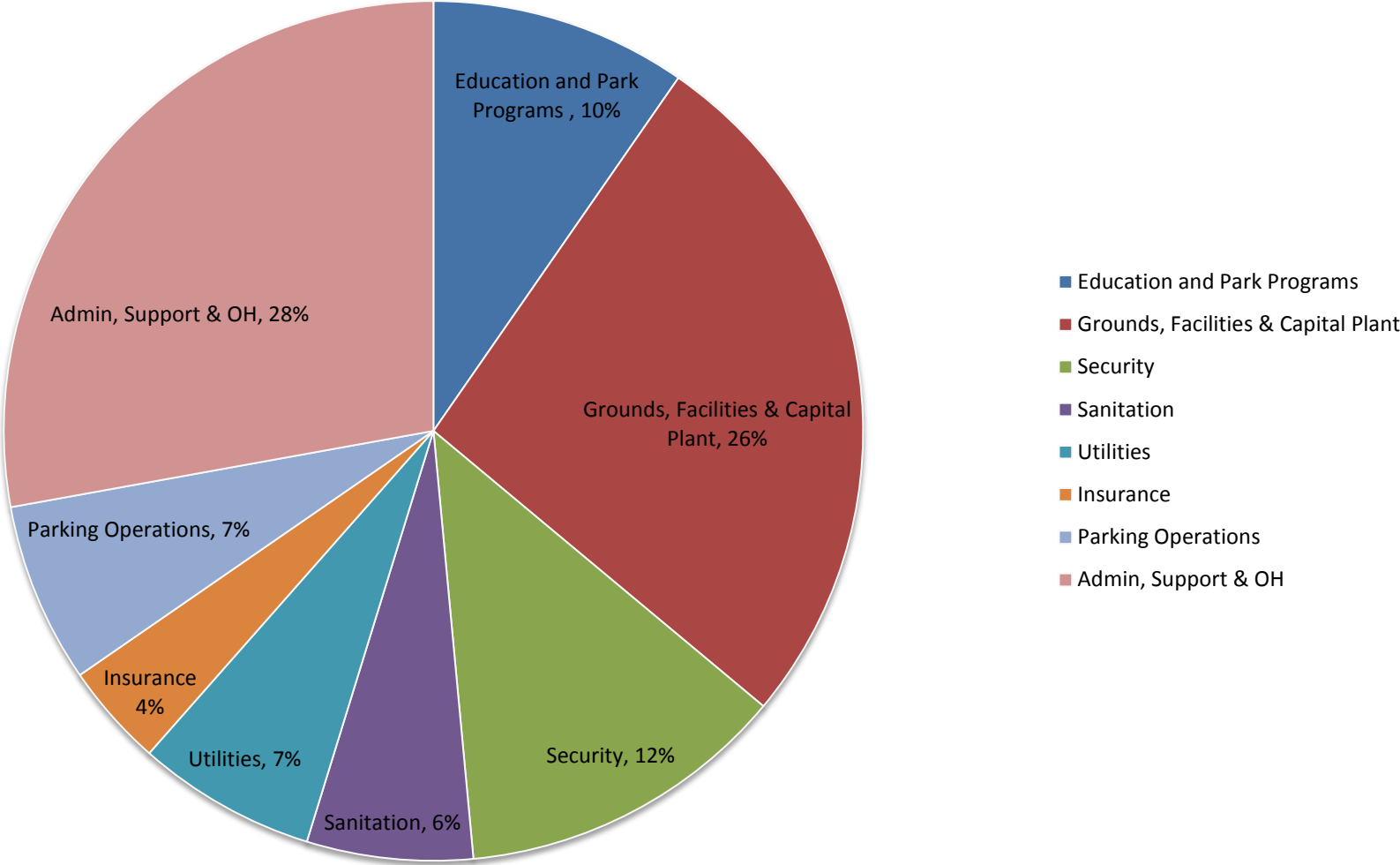
EXHIBIT 2-FUNCTION SUMMARY - 2018 PROPOSED BUDGET VS. 2017 APPROVED BUDGET

HUDSON RIVER PARK FISCAL SUMMARY		PROPOSED	APPROVED	
	Note	2018 FY Budget	2017 FY Budget	% Change in Budget
OPERATING REVENUE	1	\$27,108,766	\$23,792,376	14%
DIRECT PARK OPERATIONS				
EDUCATION AND PARK PROGRAMS		\$2,040,825	\$2,224,699	-8%
GROUND, FACILITIES & CAPITAL PLANT		\$5,578,448	\$4,987,209	12%
SECURITY		\$2,631,259	\$2,600,000	1%
SANITATION		\$1,320,000	\$1,260,000	5%
UTILITIES		\$1,425,000	\$1,502,000	-5%
INSURANCE (a)		\$819,760	\$748,054	10%
TOTAL DIRECT PARK OPERATIONS		\$13,815,292	\$13,321,961	4%
PARKING OPERATIONS		\$1,430,907	\$1,435,224	0%
ADMIN, SUPPORT & OH		\$5,882,582	\$5,846,862	1%
TOTAL OPERATING (OPEX)	2	\$21,128,780	\$20,604,047	3%
OPERATING SURPLUS (DEFICIT)		\$5,979,985	\$3,188,329	88%
CAPx AND CAPm	3	\$6,675,292	\$4,743,470	41%
ANNUAL SURPLUS (DEFICIT)		(\$695,307)	(\$1,555,141)	
NON OPERATING EXPENSE	4	\$12,680,262	\$12,310,934	3%
NOI (AFTER NON CASH TRANSACTIONS)	5	(\$6,700,277)	(\$9,122,606)	
Notes				
		2018 FY Budget	2017 FY Budget	% Change in Budget
1 - Included in Operating Revenue				
Lease and Occupancy Permits		\$17,092,984	\$14,094,411	21%
Parking		\$6,488,282	\$6,057,965	7%
Fees		\$1,675,000	\$1,750,000	-4%
Contributions		\$1,000,000	\$1,000,000	0%
Other		\$852,500	\$890,000	-4%
2 - Included in OPEX				
Payroll		\$6,309,645	\$5,966,017	6%
Fringe Benefits		\$2,596,050	\$2,458,153	6%
Total Personnel		\$8,905,695	\$8,424,170	6%
Full Time Permanent Employees		72	69	
3 - Included in CAPM				
Equipment (Incl replacements)		\$1,040,000	\$850,500	22%
Upland and Park Piers		\$3,137,000	\$1,882,970	67%
Marine Structures		\$1,633,200	\$600,000	172%
Pier 40		\$865,092	\$1,410,000	-39%
4 - Non operating cost				
Other Post Employment Benefits		\$1,287,721	\$1,250,215	3%
Depreciation (CAPx and CAPm)		\$11,392,541	\$11,060,719	3%
Total non operating cost		\$12,680,262	\$12,310,934	3%
5- Annual Surplus (Deficit)				
Additional Notes				
Operating Surplus (Deficit)		\$5,979,985	\$3,188,329	88%
Non operating cost		(\$12,680,262)	(\$12,310,934)	3%
		(\$6,700,277)	(\$9,122,606)	-27%

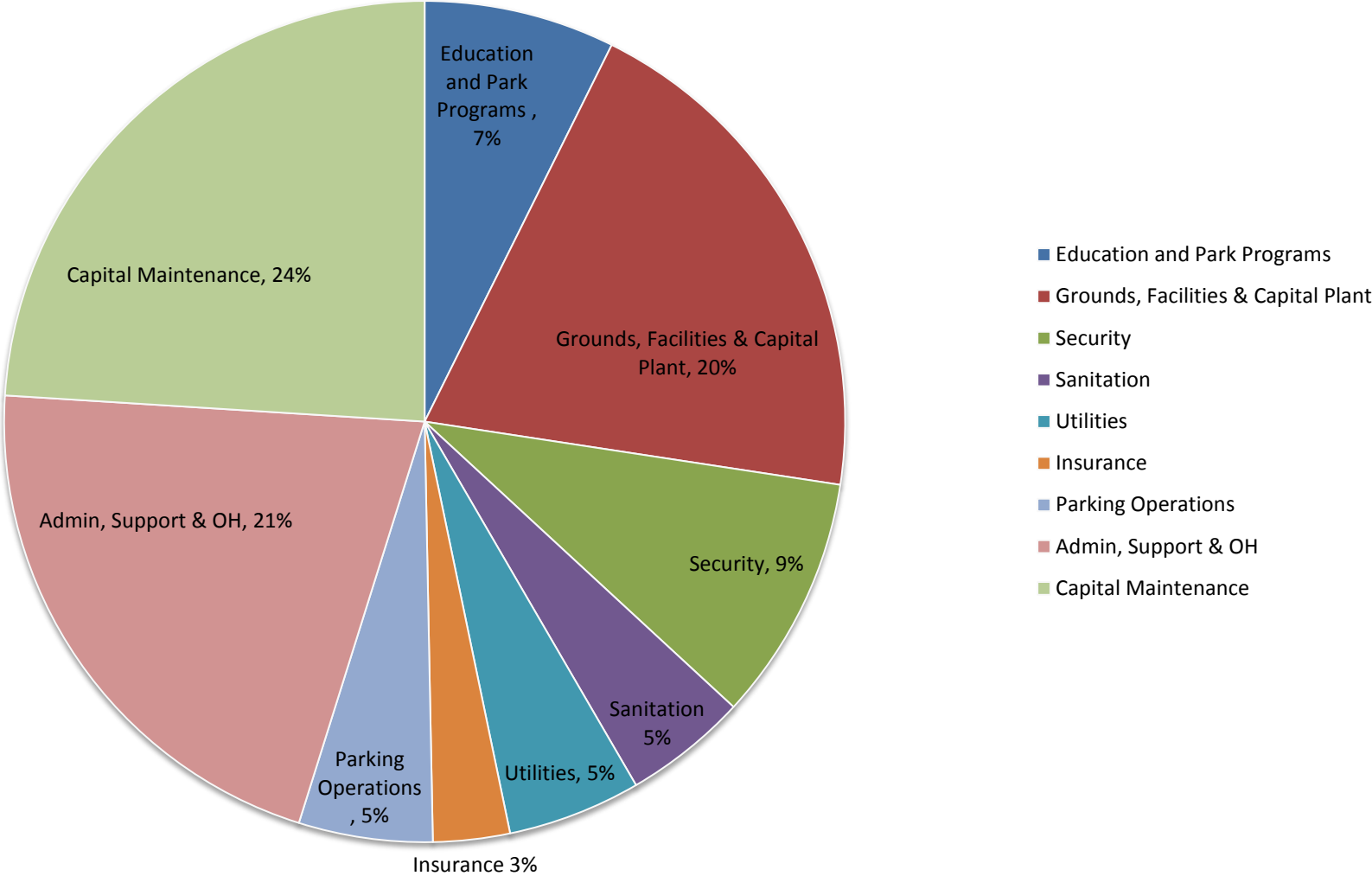
Additional Notes

(a) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$6,700,277

2018 DISTRIBUTION OF EXPENSES (EXCLUDES CAPM)



2018 DISTRIBUTION OF EXPENSES (INCLUDES CAPM)

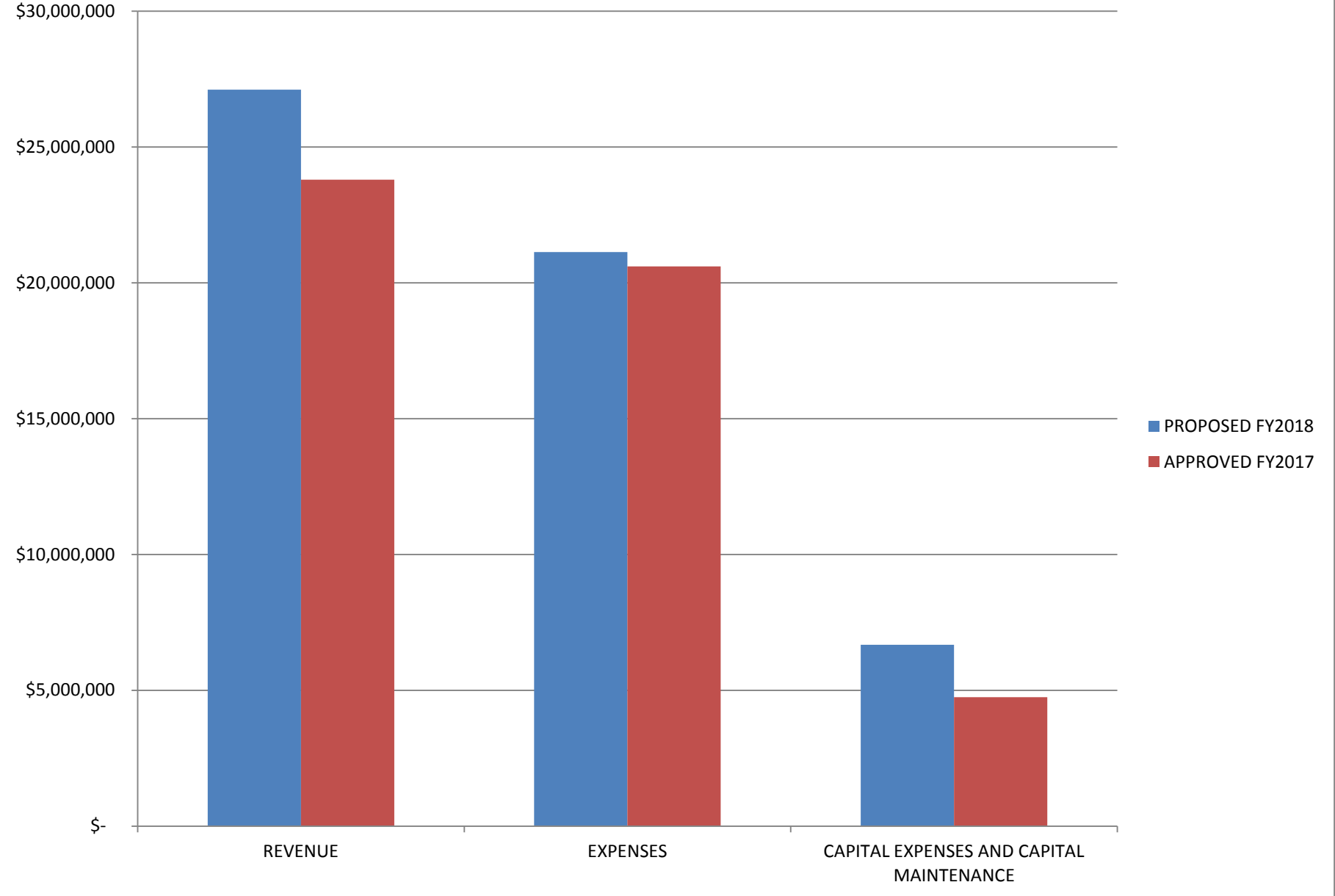


HUDSON RIVER PARK TRUST - FY 2018

EXHIBIT 3 - BUDGET SUMMARY (COMPARISON FY 2018 PROPOSED VS FY 2017 APPROVED)

	PROPOSED BUDGET FY 2018	APPROVED BUDGET FY 2017	CHANGE	PCT CHANGE	Projected Actual FY 2017
OPERATING REVENUE (see Exhibit 4)					
TOTAL LEASE, OCCUPANCY, FEES AND PARKING	\$25,256,266	\$21,902,376	\$3,353,890	15%	\$24,960,273
TOTAL OTHER REVENUE	\$1,852,500	\$1,890,000	(\$37,500)	-2%	\$1,661,821
TOTAL OPERATING REVENUE	\$27,108,766	\$23,792,376	\$3,316,390	14%	\$26,622,094
PERSONNEL EXPENSES (see Exhibit 5)					
PAYROLL	\$6,309,645	\$5,966,017	\$343,629	6%	\$5,825,208
FRINGE BENEFITS	<u>\$2,596,050</u>	<u>\$2,458,153</u>	<u>\$137,897</u>	<u>6%</u>	<u>\$2,432,852</u>
TOTAL PERSONNEL	\$8,905,695	\$8,424,170	\$481,525	6%	\$8,258,059
OTHER THAN PERSONAL SERVICES (see Exhibit 6)	12,223,085	12,179,879	(43,207)	0%	11,374,280
OPERATING INCOME (LOSS)	\$5,979,985	\$3,188,328	\$2,878,071	90%	\$6,989,755
CAPITAL EXPENSES (see Exhibit 7)					
CAPITAL EXPENSES - EQUIPMENT	\$1,040,000	\$850,500	189,500	22%	591,500
CAPITAL MAINTENANCE - UPLAND AND PARK PIERS	\$3,137,000	\$1,882,970	1,254,030	67%	1,963,532
CAPITAL MAINTENANCE - MARINE	\$1,633,200	\$600,000	1,033,200	172%	456,570
CAPITAL MAINTENANCE & IMPROVEMENTS- PIER 40	\$865,092	\$1,410,000	(544,908)	-39%	1,079,898
TOTAL CAPITAL EXPENSES AND CAPITAL MAINTENANCE	6,675,292	\$4,743,470	\$1,931,822	41%	\$4,091,500
TOTAL OPEX AND CAPEX	27,804,072	25,347,518	2,370,140	9%	23,723,839
OPERATING INCOME LESS CAPEX	(\$695,307)	(\$1,555,142)	\$946,249	-61%	\$2,898,255

SUMMARY

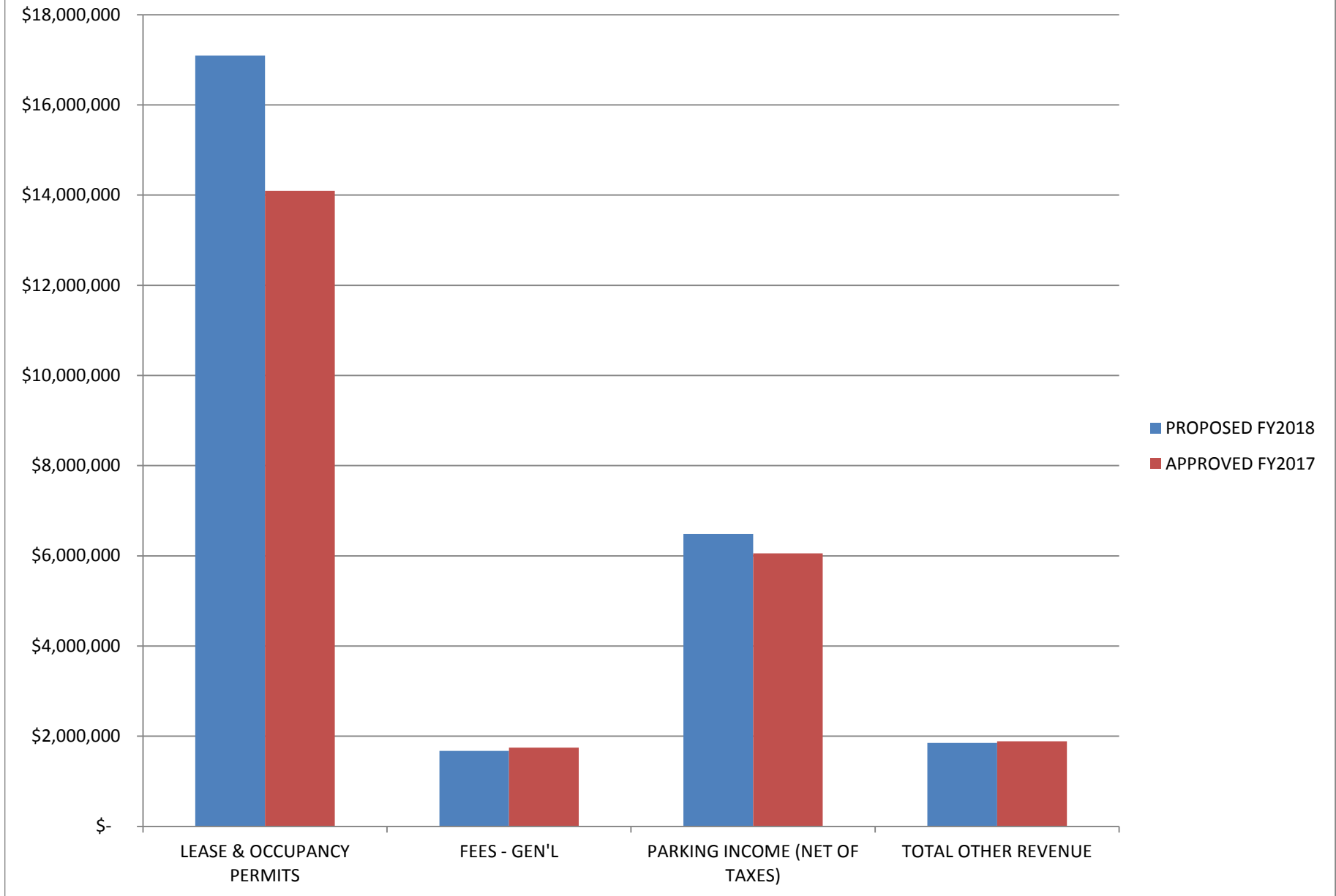


HUDSON RIVER PARK TRUST - FY 2018

EXHIBIT 4 - REVENUE (COMPARISON FY 2018 PROPOSED VS FY 2017 APPROVED)

	PROPOSED FY 2018	APPROVED FY 2017	\$ CHANGE	% CHANGE
LEASE & OCCUPANCY PERMITS	\$17,092,984	\$14,094,411	\$2,998,573	21%
PARKING, & FEE REVENUE				
FEES - GEN'L	\$1,425,000	\$1,500,000	(\$75,000)	-5%
FIELD FEES	\$250,000	\$250,000	\$0	0%
PARKING INCOME (NET OF TAXES)	<u>\$6,488,282</u>	<u>\$6,057,965</u>	<u>\$430,317</u>	<u>7%</u>
PARKING & FEE REVENUE	\$8,163,282	\$7,807,965	\$355,317	5%
OTHER REVENUE				
INTEREST	\$162,500	\$115,000	\$47,500	41%
CONTRIBUTIONS	\$1,000,000	\$1,000,000	\$0	0%
SPONSORSHIPS	\$500,000	\$600,000	(\$100,000)	-17%
OTHER INCOME	\$90,000	\$150,000	(\$60,000)	-40%
GRANTS	<u>\$100,000</u>	<u>\$25,000</u>	<u>\$75,000</u>	<u>300%</u>
TOTAL OTHER REVENUE	\$1,852,500	\$1,890,000	(\$37,500)	-2%
TOTAL REVENUE	\$27,108,766	\$23,792,376	\$3,316,390	14%

REVENUE

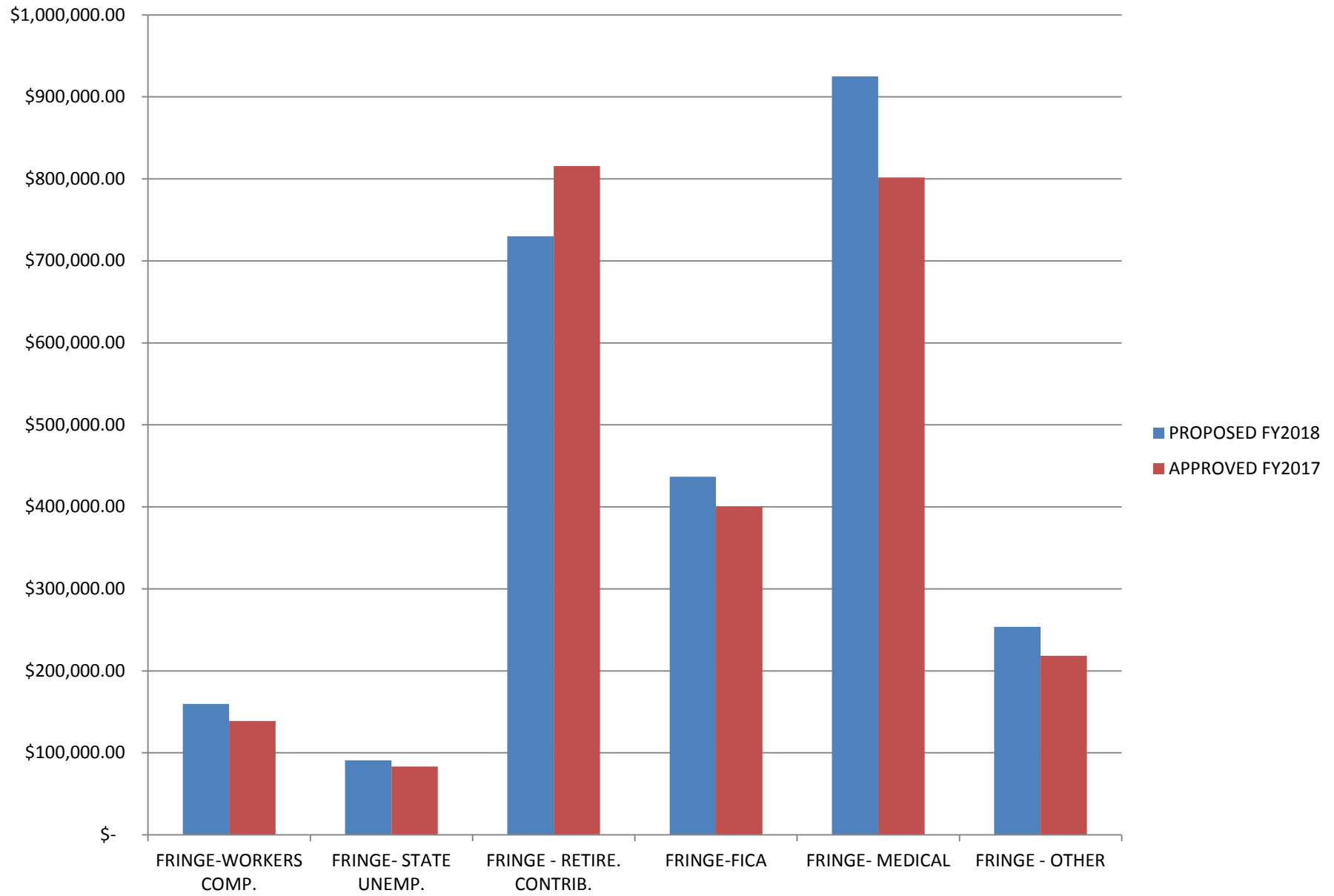


HUDSON RIVER PARK TRUST - FY 2018

EXHIBIT 5 - PERSONNEL SERVICES (COMPARISON FY 2018 PROPOSED VS FY 2017 APPROVED)

	PROPOSED FY2018	APPROVED FY2017	\$ CHANGE	PCT CHANGE
PAYROLL REG-FULL TIME	\$ 5,765,847	\$ 5,438,466	\$ 327,381	6%
PAYROLL - OVERTIME	\$ 87,500	\$ 83,688	\$ 3,813	5%
PAYROLL PART TIME & SEASONALS	\$ 456,298	\$ 443,863	\$ 12,435	3%
SUBTOTAL PAYROLL	\$ 6,309,645	\$ 5,966,017	\$ 343,629	6%
TUITION REIMBURSEMENT	\$ 20,000	\$ 12,500	\$ 7,500	60%
FRINGE-VISION CARE	\$ 5,298	\$ 4,955	\$ 343	7%
FRINGE-DENTAL	\$ 54,376	\$ 48,000	\$ 6,376	13%
FRINGE-WORKERS COMP.	\$ 159,586	\$ 138,770	\$ 20,816	15%
FRINGE- STATE UNEMP.	\$ 90,740	\$ 83,343	\$ 7,396	9%
FRINGE- DISABILITY	\$ 32,200	\$ 28,000	\$ 4,200	15%
FRINGE - RETIRE. CONTRIB.	\$ 730,168	\$ 815,718	\$ (85,550)	-10%
FRINGE-FICA	\$ 436,796	\$ 400,252	\$ 36,544	9%
FRINGE-TRANSIT CHECK	\$ 87,600	\$ 72,360	\$ 15,240	21%
FRINGE- MEDICAL	\$ 925,042	\$ 801,736	\$ 123,306	15%
FRINGE - NY METRO - M TAX	\$ 51,245	\$ 49,519	\$ 1,726	3%
FRINGE - FLEXIBLE SPENDING	\$ 3,000	\$ 3,000	\$ -	0%
FRINGE BENEFITS	\$ 2,596,050	\$ 2,458,153	\$ 137,897	6%
TOTAL PERSONNEL SERVICES	\$ 8,905,695	\$ 8,424,170	\$ 481,525	6%

FRINGE

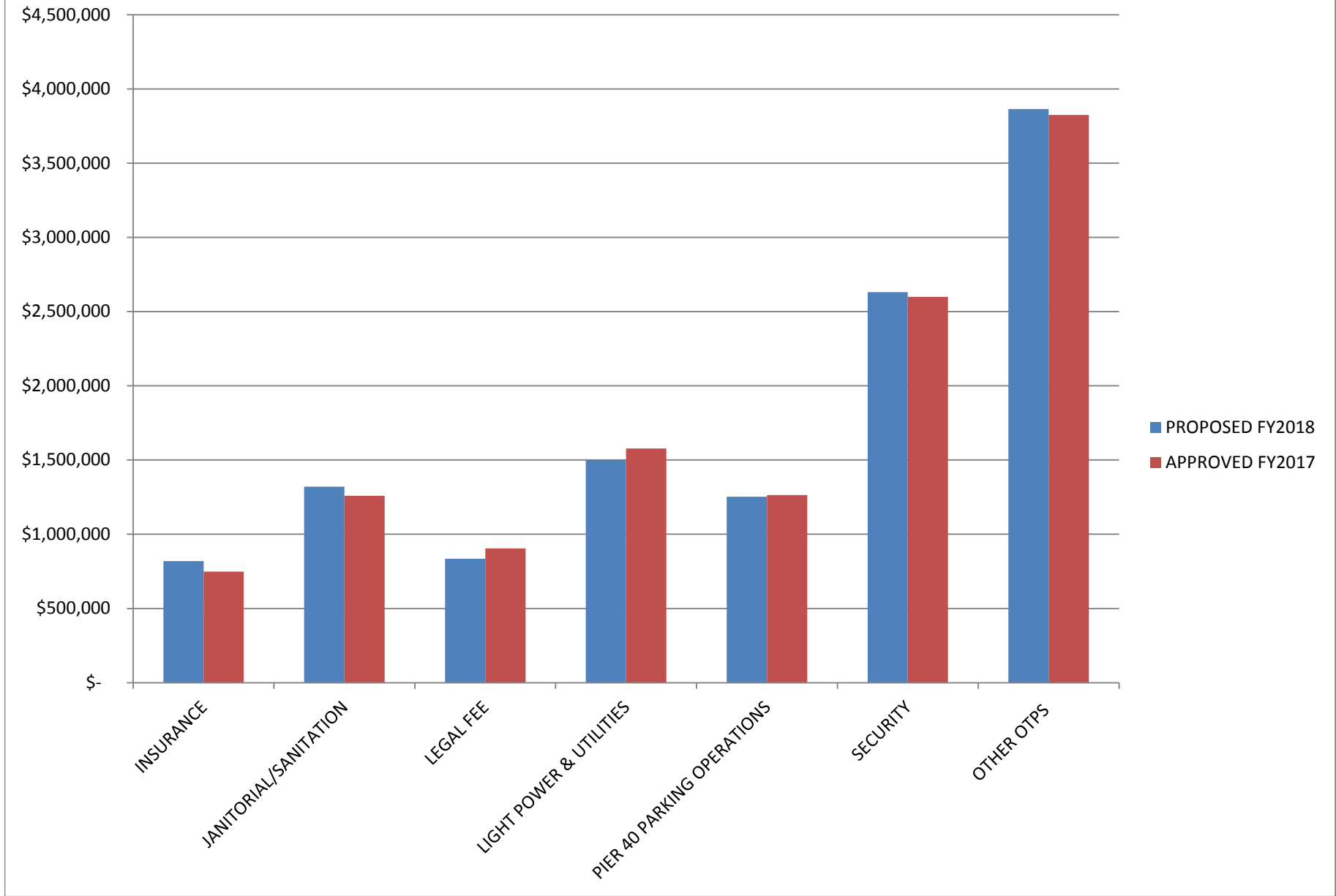


HUDSON RIVER PARK TRUST - FY 2018

EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (OTPS) (COMPARISON FY 2018 PROPOSED VS FY 2017 APPROVED VS FY 2017 PROJECTED ACTUAL)

BUDGET CATEGORY	PROPOSED FY 2018	APPROVED FY2017	PROJECTED ACTUAL FY 2017	BUDGET CHANGE	PCT CHANGE	BUDGET CATEGORY	PROPOSED FY 2017	APPROVED FY2016	PROJECTED ACTUAL FY 2016	BUDGET CHANGE	PCT CHANGE
PROMOTION	143,500	133,683	131,954	9,817	7%	PAYROLL FEES	30,000	30,000	30,000	-	0%
AUDITING FEE	175,000	130,000	116,200	45,000	35%	PERFORMERS	-	28,000	-	(28,000)	-100%
AUTO MTNCE. & GASOLINE	89,000	84,000	83,500	5,000	6%	PHOTOGRAPHER	3,000	3,000	-	-	0%
AUTO SERVICE	50,000	45,000	45,000	5,000	N/A	PLANT MATERIALS	75,000	95,000	95,000	(20,000)	-21%
FUEL	78,000	55,000	55,000	23,000	N/A	POSTAGE	29,250	21,750	22,500	7,500	34%
BANK FEES	2,000	2,000	2,000	0	0%	PRINTING & REPRODUCTION	142,868	163,500	132,760	(20,632)	-13%
BUSINESS MEALS	2,250	2,250	375	0	0%	REPAIRS & MTNCE - BLDG	100,000	134,500	-	(34,500)	-26%
COMPUTER CONSULTANT	97,500	10,000	10,000	87,500	875%	REPAIRS & MTNCE - MARINE	25,000	40,000	15,000	(15,000)	-38%
COMPUTER HARDWARE	15,000	35,000	20,000	(20,000)	-57%	REPAIRS & MTNCE- EQUIPT	86,960	68,260	54,885	18,700	27%
COMPUTER SOFTWARE	301,800	192,625	192,625	109,175	57%	REPAIRS & MTNCE- OFFICE	1,000	1,000	-	-	N/A
EDUCATIONAL TRAINING	40,350	34,000	26,625	6,350	19%	REPAIRS & MTNCE-OTHER	50,000	36,500	36,500	13,500	37%
EMPLOYEE RECRUITMENT	16,000	5,000	8,000	11,000	220%	REPAIR & MAINT REC FACILITIES	10,000	15,000	7,500	(5,000)	N/A
FEES & MEMBERSHIP	10,000	9,000	9,500	1,000	11%	SECURITY EQUIPMENT	20,000	35,000	22,500	(15,000)	N/A
GENERAL CONSULTANT	495,404	838,923	720,000	(343,519)	-41%	SEMINARS & CONFERENCES	9,750	10,000	4,500	(250)	-3%
INTERNET	55,958	48,120	48,120	7,838	16%	SIGNS & BANNERS	145,750	74,500	45,000	71,250	96%
INVESTMENT FEES	50,000	0	0	50,000	N/A						
LANDSCAPING	22,500	51,000	25,000	(28,500)	-56%	SUBSCRIPTION	29,300	26,200	26,000	3,100	12%
LEASE EQUIPMENT/RENTAL	113,300	110,300	84,800	3,000	3%	SUPPLIES	195,000	255,500	201,250	(60,500)	-24%
TRAVEL	13,500	13,500	9,925	0	0%	TELEPHONE EQUIP/ACCESSORIES	10,000	25,000	25,000	(15,000)	-60%
MEETING EXPENSES	5,000	5,000	3,500	0	0%	TELEPHONE & ELECTRONIC COMMUNICATIONS	118,555	111,490	112,075	7,065	6%
MISC EXPENSE	15,000	15,000	50,000	0	0%	TOOLS	15,250	20,000	18,500	(4,750)	-24%
MOVIES	25,000	13,000	20,350	12,000	92%	TOOLS REPAIR	1,800	2,000	250	(200)	N/A
OFFICE SUPPLY	50,000	50,000	40,000	0	0%	TRAFFIC CONTROL EQUIPMENT	10,000	7,500	-	2,500	N/A
OTHER EXPENSES	2,200	3,800	3,731	(1,600)	-42%	UNIFORM	72,750	34,500	33,250	38,250	111%
OTHER OUTSIDE SERVICES	799,500	681,500	304,199	118,000	17%	VOLUNTEER EXPENSE	4,500	8,000	1,250	(3,500)	N/A
OVERNIGHT MAIL	10,750	11,200	2,975	(450)	-4%						
						TOTAL OTPS	3,864,245	3,825,101	2,897,099	39,144	1%

OTPS

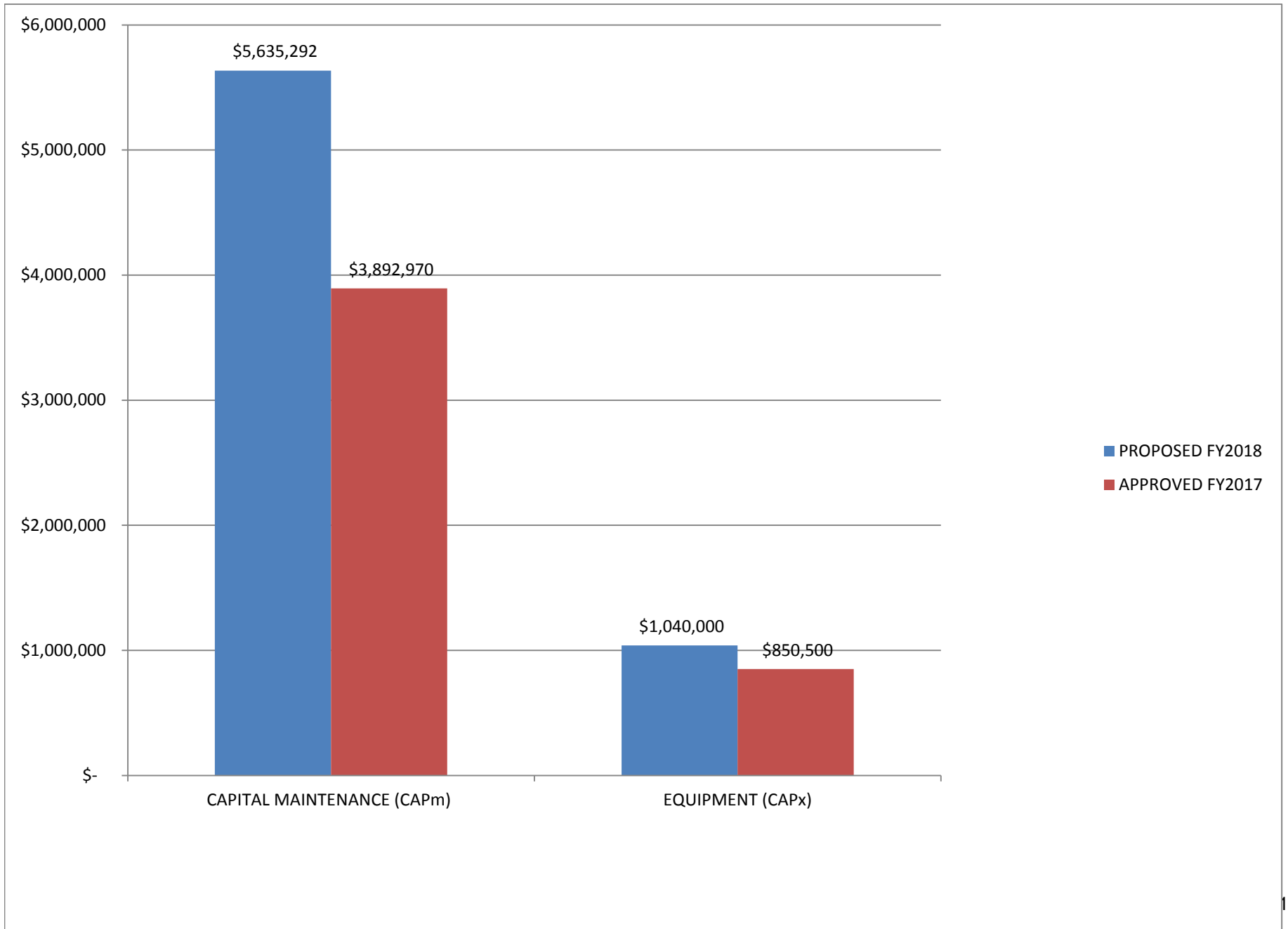


HUDSON RIVER PARK TRUST -FY 2018

EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE FY 2018 PROPOSED

Capital Equipment & Other		Capital Maintenance Marine	
Operations Vehicles	242,000	Marine Structures Repairs	8,383,200
MIS Equipment	10,000	Marine Engineer Inspections	1,221,000
Data Backup-Business Continuity Management	300,000	Funding from Non-HRPT Sources	<u>(7,971,000)</u>
IT Hardware	313,000	Subtotal	1,633,200
Security Cameras	100,000		
Equipment Other	75,000		
Funding from Non-HRPT Sources	<u>-</u>		
Subtotal	1,040,000		
Capital Maintenance - Upland Park and Piers		Capital Maintenance & Improvements- Buildings Pier 40*	
Playground Repairs	1,950,000	Sanitary & Plumbing Other	100,000
Paving Repairs	722,000	Fire Protection	3,490,919
Plumbing and Utility Repairs	630,170	Lighting	20,000
Maintenance Facilities	220,000	Railings, Doors and Façade	35,000
Park Buildings	228,000	Fields and recreational repairs	75,000
Fencing	466,000	Garage Other	200,000
Grounds Other	745,000	Building Other	525,000
Funding from Non-HRPT Sources	<u>(1,824,170)</u>	Funding from Non-HRPT Sources	<u>(3,580,827)</u>
Subtotal	3,137,000.00	Subtotal	865,092
		Total Capital Maintenance & Equipment	6,675,292

*HRPT has access to approximately \$4.7mm of NYC funds dedicate to Pier 40 for FY2018 than can be rolled forward to FY2019



January, 27th 2017
Hudson River Park Trust
Proposed Budget and Financial Plan Format, Supporting Documentation and Monitoring –
Public Authorities
(Statutory Authority: Constitution, article 10, §5; State Finance Law §8[14])

§ 203.6 (a) An explanation of the public authority’s relationship with the unit or units of government, if any, on whose behalf or for whose benefit the authority was established.

The Trust is a New York State (the State) public benefit corporation created under the Hudson River Park Act (the Act) and regulated as a State authority under the State's Public Authorities Law. The Trust is charged with the planning, construction, operation and maintenance of Hudson River Park (the Park), extending from 59th Street to Battery Park City. The mission of the Trust is to encourage, promote and expand public access to the Hudson River, promote water-based recreation, and enhance the natural, cultural, and historic aspects of the river in New York City for residents and visitors to the area.

The Trust is governed by a 13 member board of directors with the Governor and Mayor each appointing 5 members and the Manhattan Borough President appointing 3 members.

The Act also states that, to the extent practicable and consistent with the public interest and limitations placed on commercial activity, the costs of the operation and maintenance of the Park should be paid by revenues generated within the Park. The primary sources of such revenue are lease rents and occupancy permit fees, parking revenue from the Pier 40 garage, and certain user fees. This revenue is supplemented by contributions generated by private fundraising, Friends of Hudson River Park (FoHRP), and foundation support. New Park construction is funded primarily through budget appropriations by the City and the State.

§ 203.6 (b) A description of the budget process, including the dates of key budget decisions.

Budget development starts at the beginning of the third fiscal quarter with a comparison of projected actual expenses to current year budget, expenditure recommendations from individual Department heads, an analysis of fixed and contractually obligated expenses, and a review of revenue generated by existing (current fiscal year) and projected (next fiscal year) leases, permits, and operating revenue such as fees and parking charges. Where possible, adjustments to expenses are performed such that efficiencies are achieved, unnecessary expenses and unused budget lines are eliminated or reduced, and the operating budget is in balance, or generates a surplus which can be applied to unfunded capital maintenance.

Hudson River Park Trust – Expense and Revenue Budgeting Process

Following is the Finance Department internal procedure for establishing Fiscal Year Budget April 1 to March 31.

1) Budget vs. Actual variance report is generated for each department by Vice President of Finance

Sources of information used in preparing the budget:

- Current year approved budget
- Current year expenditure information to date from the Trust's Great Plains accounting system

2) The Vice President of Finance distributes budget forms (in Excel). The forms include all expenditure account codes used in the current budget year, the current year actual (year to date) and projected actual, and a blank column for the request for the next budget year. The form also provides an opportunity for the Department heads to explain or justify new types of proposed expenditures or to further explain large increases or decreases in the amounts proposed for the following year. Proposed equipment lists (generally for IT and motor pool) are prepared separately.

3) Department heads submit their estimates and discuss budget requests with the Vice President of Finance, with requests modified at a budget meetings. New needs requiring justifications are discussed at the meeting, and continuing operations are reviewed for current expenditure level and reasons for incremental increases or decreases. Discretionary expenditure levels (e.g., programmatic items) are evaluated separately from generally fixed expense lines (e.g., insurance and utilities). Vice President of Finance then aggregates all proposed departmental proposals to evaluate and compare with prior year expenditure levels on agency-wide basis. This also involves assessing whether the total of all departmental estimates is greater than projected financial revenue resources and then developing a tentative/proposed budget that provides necessary expenditure levels within the limits of available resources. Operating expenses are generally not budgeted, in the aggregate, to be greater than operating revenue.

4) Capital maintenance is treated as a new need each budget year and reviewed with the Operations and Design & Construction department staff. Capital maintenance expenditures in excess of net operating income are analyzed to determine whether deferrals are possible, and whether outside funding is available.

- 5) Revenue budget is prepared based on
 - (a) projected lease rent and permit fees, looking at both existing contracts and reasonably expected new contracts
 - (b) garage revenue based on current year occupancy and rates, calendar year budget prepared by HRPT's independent parking consultant, and expected parking space availability
 - (c) field fees, generally at current year level
 - (d) event fees based on expected availability of venues, and
 - (e) expected contributions after consultation with FoHRP.

- 6) Personnel services budget is prepared after consultation with department heads on staffing levels and needs for both seasonal and permanent positions. Any changes in permanent staffing needs are then discussed with the Executive Vice President, Director of Human Resources, and CEO. Health and other fringe benefit costs are analyzed on an employee by employee basis.

- 7) Once the department budgets are tentatively set and personnel and capital maintenance needs are assessed, the Chief Financial Officer reviews them to ensure they are complete, reasonable, and mathematically accurate.

- 8) After all information is gathered, the VP of Finance uses the information from the budget forms to prepare the tentative/proposed budget and meets with the CFO and CEO.

- 9) Once the proposed budget is reviewed by the CFO and CEO it goes to the Audit/Finance committees for review and comment. Attending the Audit/Finance committee meeting are the CFO, EVP, CEO, VP of finance, General Counsel and board committee members.

- 10) The proposed budget is placed on the Trust's website and posted for public inspection at locations within the Park.

- 11) The proposed budget receives final review by the Audit/Finance committee which then refers the budget to the full Board for its approval.

Park Programs Department

In December 2016, the Public Programs Vice President met with the VP of Finance to review the department's 2017-18 operating budget as of October 2016; confirmed projections for the remainder of the fiscal year, and presented departments recommendation for the 2017-18 operating budget for review and approval.

A detailed timeline follows:

- First budget review between took place on December 16th
- Public Programs staff reviewed the budget and recommended changes on December 21st
- Initial changes to individual line items were submitted to the Finance department on January 9th
- Changes and comments resulting from the meeting were submitted to Finance on January 16th.
- A final review of the budget by Public Programs and Finance took place on January 17th

Operation and Facility Department (O&F)

During the first half of December 2016, the O&F Department heads met with the VP of Finance to review the department's 2017-18 operating budget as of October 2016; confirm projections for the remainder of the fiscal year, and presented departments recommendation for the 2017-18 operating budget for review and approval.

A detailed timeline follows:

- First budget review between took place on December 16th
- Initial changes to individual line items and categories were submitted to and reviewed with Finance on January 5th
- Changes and comments resulting from the meeting were submitted to Finance on January 8th
- A final review of the budget by O&F and Finance took place on January 8th

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Information Technology Department (IT)

In December 2016, the IT Chief Information Officer met with the VP of Finance to review the department's 2016-17 operating budget as of October 2016; confirm projections for the remainder of the fiscal year, and presented departments recommendation for the 2017-18 operating budget for review and approval.

A detailed timeline follows:

- First budget review between IT and Finance took place on December 16th
- IT staff reviewed the budget and recommended changes were agreed to by the staff on December 17th
- Initial changes to individual line items were submitted to the Finance department on January 11th
- A final review of the budget by IT and Finance took place on January 11th

Legal Department

In December 2016, the Legal department General Counsel & Deputy Counsel met with VP of Finance to review the department's 2016-17 operating budget as of October 2016; confirmed projections for the remainder of the fiscal year, and presented departments recommendation for the 2017-18 operating budget for review and approval.

A detailed timeline follows:

- First budget review between Legal and Finance took place on November 24th
- Legal staff reviewed the budget and recommended changes were agreed to by the staff on January 5th
- Initial changes to individual line items were submitted to the Finance department on January 10th
- Additional changes were submitted to Finance on January 10th
- A final review of the budget by CFO, CEO and VP of finance took place on January 22nd

Education Department

In January 2017, the Education department head met with the VP of Finance to review the department's 2016-17 operating budget as of December 2016; confirmed projections for the remainder of the fiscal year, and presented recommendation for the 2017-18 operating budget for review and approval. A detailed timeline follows:

- First budget review between Education and Finance took place on January 6th
- Education staff reviewed the budget and recommended changes were agreed to by the staff on January 6th
- Initial changes to individual line items were submitted to the Finance department on January 6th
- A final review of the budget by Education and Finance took place on January 6th

Administration Department

In January 2017, the CFO, with the VP of Finance reviewed the department's 2016-17 operating budget as of December 2016; confirmed projections for the remainder of the fiscal year, and worked together on the 2017-18 operating budget for review and approval by the CEO.

A detailed timeline follows:

- First budget review meeting took place on January 22nd
- CFO reviewed the budget with the President and changes were made on January 18th
- A final review of the budget took place on January 22nd
- Supplemental items were added to the budget on January 22nd

Lease and Parking Revenue

In January 2017, the Property Manager of real estate was advised by the Vice President of Finance to work on the FY budget 2018 lease revenue schedule.

Property Manager follows listed procedure to generate lease schedules.

- Use current fiscal year lease revenue schedule and review it line by line for each tenant.
- Review permit and leases for escalation clauses
- Review the term/length of the permits and leases
- Calculate escalation based on the terms of the permits leases. Some are based on percentage and others are based on Consumer Product Index adjustment
- Calculate pilot fees by visiting NYC Department of Finance website for assessed value and tax rates.
- Calculate estimates for percentage revenue based on the current year actuals for tenants that pays on percentage of their gross income.
- Estimate rental/fee revenues based on new potential permittees or RFPs.
- Generate a new lease schedule for upcoming year.

To have better control over Income, property manager meets a member of finance department monthly to review the accounts receivable aging report and reconciles it with the lease schedule.

- A final review of the lease schedule took place on January 22nd between VP of Finance and the CFO

Design and Construction Department

In January 2017, the Design and Construction department head met with the VP of Finance to review the department's 2016-17 operating budget as of December 2016; confirmed projections for the remainder of the fiscal year, and presented the recommendation 2017-18 operating budget for review and approval.

A detailed timeline follows:

- First budget review between Finance and Design and Construction took place on January 9th
- Design and Construction head reviewed the budget and recommended changes on January 9th
- A final review of the budget by Design and Construction and Finance took place on January 9th
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§ 203.6 (c) A description of the principal budget assumptions, including sources of revenue, staffing, and future collective bargaining costs, and programmatic goals.

Budget development starts at the beginning of the third fiscal quarter with a comparison of projected actual expenses to current year budget, expenditure recommendations from individual Department heads which are then evaluated by Finance Department staff, an analysis of fixed and contractually obligated expenses, and a review of revenue generated by existing (current fiscal year) and projected (next fiscal year) leases and permits. Where possible, adjustments to expenses are performed such that efficiencies are achieved, unnecessary expenses and unused budget lines are eliminated or reduced, and the operating budget is in balance, or generates a surplus, which can be applied to unfunded capital maintenance.

For FY 2018, operating revenues of approximately \$27 million are projected to be approximately \$6 million greater than operating expenses of approximately \$21 million. This operating surplus will be applied to unfunded costs attributable to ongoing capital maintenance needs and the Trust's remaining share of Hurricane Sandy related recovery expenses which together total approximately \$6.30 million. To the extent that budgeted operating and capital maintenance expenses are authorized and expended during the fiscal year, and no additional operating revenue, capital grants or contributions are secured, the Trust will experience a \$695 thousand reduction in its reserve fund in FY 2018.

The discussion below and attached exhibits compare the proposed FY 2018 budget, the approved FY 2017 budget, and estimated actual revenue and expenses for FY 2017. Please note that the projected actual expenses for FY 2017 are preliminary and subject to revision as some payables have not yet been entered into the accounting system and a number of accruals will require further adjustment. Staff will provide final actuals to the Audit (Finance) Committee and full Board when the fiscal year is closed and audited. In general, projected actual operating results for FY 2017 are expected to be more favorable than budget due to: (1) a positive variance in lease revenue due to a payment of Chelsea Pier pilot fees in full; (2) reduced personnel expenses due to temporarily unfilled positions; (3) decreased ordinary operating and capital maintenance costs as projects were deferred to FY 2018.

Budget Information is presented in the following order (attached):

Exhibit 1 lists important budget categories and amounts for the proposed FY 2018 budget, approved budget FY 2017 and projected actual (preliminary) FY 2017. The net operating loss after capital maintenance (CAPm), capital equipment expenditures (CAPx) costs represents the Trust's true "bottom line." Please note that, for accounting purposes under GASB, most CAPm and CAPx are investments in assets and not expenses. For the reasons cited above, total revenue for FY 2017 is projected to be \$2.82 million greater and total operating expenses \$971 thousand less than budgeted.

Exhibit 2 and accompanying pie chart provide the functional distribution of revenue and expenses for the proposed FY 2018 budget. On a year over year basis, revenue from leases, occupancy permits and fees is budgeted to increase by 21% and parking revenue to increase by 7%;

contributions from FoHRP are budgeted at \$1 million. The portions of the expense budget represented by direct park operations, parking, administration (including IT and legal), labor costs and different categories of revenue are highlighted. Within the functional programmatic budget categories, expenditures for education and park programs are budgeted to decrease by 8% due to fewer in-house music event. Please note that administration is 23% of the entire operating budget and 28% of operating expenses (i.e., less CAPm, CAPx and hurricane repairs).

Exhibit 3 and accompanying bar chart provide a summary comparison showing differences between the proposed FY 2018 and approved FY 2017 budgets. The “other” revenue category shows a decrease of 2%. The budget for capital maintenance & equipment shows the largest increase 9%.

Exhibit 4 and accompanying bar chart present the proposed FY 2018 and approved FY 2017 revenue categories showing an overall increase of 14%. Lease and occupancy permit revenue is budgeted to increase by \$2,998,573, or 21%, to \$17 million. The largest single source of lease revenue, including payment-in-lieu of real estate taxes (based on the January tentative property assessment), is from Chelsea Piers. Other significant lease revenue sources include Con Edison (at Pier 98) and Circle Line. We have budgeted a 5% allowance for vacancy and collections on lease and occupancy permit revenue. Trust budget for Event fees is projected to decrease in FY 2018 as Trust will no longer have the Pier 76 location available for event.

Exhibit 5 and accompanying bar chart compare proposed FY 2018 and approved FY 2017 budgets for personnel services including both direct payroll, 6% increase and fringe benefits, 6% increase. The increase in the personnel services budget reflects, in part, a headcount increase from 69 to 72 full time positions.

Exhibit 6 Total OTPS expenses for FY 2018 are proposed to be increased by 1% as compared to the prior year budget.

Exhibit 7 lists capital expenditures budgeted for equipment & software and capital maintenance. We provide a separate breakdown for capital maintenance for upland parks and piers at \$3.13 million, marine at \$1.6 million, and Pier 40 at \$865 thousand. Budgeted amounts are net reimbursement funding from NYC, NYS and other sources.

§ 203.6 (d) A self-assessment of budgetary risks.

The Authority prepares a self-assessment of budgetary risks and reviews it on an annual basis with the Finance Committee before the new fiscal year budget is recommended for approval by the full Board of Directors.

§ 203.6 (e) A revised forecast of the current year’s budget.

The Authority did not revise the budget during the current fiscal year.

§ 203.6 (f) A reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.

Variance over 10% is considered material for each revenue and cost line item and explanations are provided. There are no changes in budgetary estimates from the previously approved budget plan.

§ 203.6 (g) A statement of the last completed fiscal year’s actual financial performance in categories consistent with the proposed budget or financial plan.

	<u>Actual</u> <u>2016</u>	<u>Projected Actual</u> <u>2017</u>	<u>Budget</u> <u>2018</u>
Operating revenue:			
Lease & permit revenue	14,786,763	16,923,199	17,092,984
Parking revenue	7,278,388	6,166,339	6,488,282
Fees and other revenue	3,947,387	2,384,379	2,365,000
Contributions	1,018,004	1,000,000	1,000,000
Interest	120,561	148,178	162,500
Total operating revenue	27,151,103	26,622,095	27,108,766
Operating expenses:			
Employee compensation and benefits*	8,420,778	9,471,861	10,193,416
Other Expenses	12,382,776	11,374,280	12,223,085
Total Operating Expense	20,803,554	20,846,141	22,416,501

§ 203.6 (h) A projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications.

The Organization:

Full-time employees = 72

Part-time employees = 2

Seasonal employees = 40

Source of funding = HRPT Operating Revenue

§ 203.6 (i) A statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses, and staffing.

Not Applicable

§ 203.6 (j) A statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year.

Not Applicable

§ 203.6 (k) A statement of any transactions that shift material resources from one year to another and the amount of any reserves.

Not applicable

§ 203.6 (l) A statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

Not applicable

§ 203.6 (m) A statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

Hudson River ark Trust Capital Plan for Fiscal year 2017-2018 (Excludes Capital Maintenance and Storm Recovery)								
Location	Description	Category	Division	Funding Source	DSGN	CM	CONS	TOTAL
P26	Pier 26 (Design)	Upland	PMDC	Private	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
P55	CMAQ (Construction)	Upland	PMDC	CMAQ	\$ -	\$ -	\$ 1,685,784	\$ 1,685,784
P55	CMAQ Esplanade (New)	Upland	PMDC	CMAQ	\$ -	\$ -	\$ 5,700,000	\$ 5,700,000
P55	Pier 55 Utilities at Esplanade (Construction)	Upland	PMDC	NYS	\$ -	\$ -	\$ 980,000	\$ 980,000
P98	Riverside Connector Marine	Marine	PMDC	NYS	\$ 200,000	\$ -	\$ -	\$ 200,000
P98	Riverside Connector Upland	Upland	PMDC	NYS	\$ 375,000	\$ -	\$ -	\$ 375,000
PW	Parkwide Signange Installation	Upland	PMDC	NYS	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000
SUBTOTAL NEW CONSTRUCTION					\$ 575,000	\$ -	\$ 11,165,784	\$ 11,740,784