



**APPROVED BUDGET
FISCAL YEAR 2020**

Approved 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 - APPROVED FY 2020 BUDGET

INDEX OF TABLES

| | |
|--|------------|
| EXHIBIT 1 - REVENUE AND OPEX (COMPARISON FY APPROVED BUDGET 2019, PROJECTED ACTUALS 2019 AND APPROVED BUDGET 2020) | Page 3 |
| EXHIBIT 2- FUNCTION SUMMARY- 2020 APPROVED BUDGET VS 2019 APPROVED BUDGET | Page 4 |
| EXHIBIT 2- FUNCTION SUMMARY - CHART 1 | Page 5 |
| EXHIBIT 2- FUNCTION SUMMARY - CHART 2 | Page 6 |
| EXHIBIT 3 - BUDGET SUMMARY (COMPARISON FY 2020 APPROVED BUDGET VS FY 2019 APPROVED BUDGET) | Page 7 |
| EXHIBIT 3 - BUDGET SUMMARY CHART | Page 8 |
| EXHIBIT 4 - REVENUE (COMPARISON FY 2020 APPROVED BUDGET VS FY 2019 APPROVED BUDGET) | Page 9 |
| EXHIBIT 4 - REVENUE CHART | Page 10 |
| EXHIBIT 5 - PERSONNEL SERVICES (COMPARISON 2020 APPROVED BUDGET VS FY 2019 APPROVED BUDGET) | Page 11 |
| EXHIBIT 5 - PERSONNEL SERVICES CHART | Page 12 |
| EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (COMPARISON FY2020 APPROVED VS FY 2019 APPROVED AND PROJECTED ACTUALS 2019) EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (COMPARISON 2020 APPROVED VS FY 2019 APPROVED) | Page 13 |
| EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE FY 2020 APPROVED | Page 14 |
| EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE CHART | Page 15 |
| BUDGET NARRATIVE | Page 16 |
| | Page 17-26 |

HUDSON RIVER PARK TRUST - FY 2020 APPROVED BUDGET

EXHIBIT 1 - REVENUE AND OPEX (COMPARISON FY APPROVED 2019, PROJECTED ACTUALS AND APPROVED 2020)

| | ACTUAL FY2018 | APPROVED FY2019 | PROJECTED FY2019 | APPROVED FY2020 |
|--|---------------------|---------------------|---------------------|----------------------|
| REVENUE | | | | |
| LEASE & OCCUPANCY PERMITS (c) | \$21,234,929 | \$24,061,599 | \$25,327,899 | \$19,891,372 |
| PARKING, & FEE REVENUE | | | | |
| FEES - GEN'L | \$1,560,599 | \$1,425,000 | \$1,388,644 | \$1,355,000 |
| FIELD FEES | \$266,625 | \$250,000 | \$260,550 | \$250,000 |
| PARKING INCOME (NET OF TAXES) | <u>\$7,434,861</u> | <u>\$7,032,575</u> | <u>\$7,402,710</u> | <u>\$7,731,088</u> |
| TOTAL PARKING & FEE REVENUE | \$9,262,085 | \$8,707,575 | \$9,051,905 | \$9,336,088 |
| OTHER REVENUE | | | | |
| INTEREST | \$736,828 | \$1,625,000 | \$1,915,237 | \$2,600,000 |
| CONTRIBUTIONS | \$1,140,210 | \$1,000,000 | \$1,000,000 | \$1,100,000 |
| SPONSORSHIPS | \$263,396 | \$300,000 | \$235,878 | \$300,000 |
| OTHER INCOME | \$440,965 | \$90,000 | \$128,566 | \$90,000 |
| GRANTS | \$0 | <u>\$100,000</u> | <u>\$2,750</u> | <u>\$25,000</u> |
| TOTAL OTHER REVENUE | \$2,581,399 | \$3,115,000 | \$3,282,430 | \$4,115,000 |
| TOTAL REVENUE | \$33,078,413 | \$35,884,174 | \$37,662,234 | \$33,342,459 |
| EXPENSES | | | | |
| PAYROLL REG-FULL | \$5,598,537 | \$6,440,899 | \$6,282,973 | \$7,249,712 |
| PAYROLL - OVERTIME | \$67,041 | \$93,000 | \$81,442 | \$93,000 |
| PAYROLL PART TIME & SEASONALS | \$415,118 | \$474,806 | \$501,128 | \$507,777 |
| SUBTOTAL DIRECT PAYROLL | \$6,080,696 | \$7,008,705 | \$6,865,543 | \$7,850,488 |
| FRINGE-WORKERS COMP. | \$103,738 | \$161,470 | \$119,755 | \$123,310 |
| FRINGE- STATE UNEMP. | \$39,075 | \$53,327 | \$42,343 | \$61,218 |
| FRINGE - RETIRE. CONTRIB. | \$853,223 | \$737,874 | \$722,802 | \$829,746 |
| FRINGE-FICA | \$433,885 | \$502,425 | \$492,162 | \$567,846 |
| FRINGE- MEDICAL | \$916,388 | \$1,054,196 | \$961,176 | \$1,214,670 |
| FRINGE - OTHER | \$176,252 | \$243,967 | \$240,294 | \$256,560 |
| SUBTOTAL FRINGE BENEFITS | \$2,522,561 | \$2,753,259 | \$2,578,532 | \$3,053,350 |
| TOTAL PERSONNEL SERVICES | \$8,603,257 | \$9,761,963 | \$9,444,074 | \$10,903,838 |
| OTHER THAN PERSONAL SERVICES (OTPS) | | | | |
| INSURANCE | \$1,138,870 | \$2,674,051 | \$2,467,258 | \$3,924,957 |
| JANITORIAL/SANITATION | \$1,168,999 | \$1,630,000 | \$1,316,063 | \$1,835,000 |
| LEGAL FEE | \$872,851 | \$895,000 | \$250,000 | \$500,000 |
| LIGHT POWER & UTILITIES | \$1,058,156 | \$1,000,000 | \$1,175,317 | \$1,200,000 |
| PIER 40 PARKING MANAGEMENT | \$1,266,260 | \$1,567,506 | 1,467,506.00 | \$1,505,934 |
| SECURITY | \$2,277,774 | \$2,927,739 | \$2,877,739 | \$3,328,175 |
| OTHER OTPS | \$4,550,250 | \$4,311,698 | \$3,974,532 | \$4,994,775 |
| REIMBURSEMENT | (\$1,081,715) | (\$2,371,167) | (\$2,656,241) | (\$3,999,183) |
| SUBTOTAL OTPS | \$11,251,445 | \$12,634,827 | \$10,872,173 | \$13,289,659 |
| TOTAL OPEX (PERSONNEL AND OTPS) | \$19,854,702 | \$22,396,790 | \$20,316,247 | \$24,193,497 |
| NOI / OPERATING SURPLUS (PRE CAPx, NON-CASH EXPENSES) | \$13,223,711 | \$13,487,383 | \$17,345,986 | \$9,148,963 |
| CAPITAL MAINTENANCE (CAPm) (a) | \$9,664,712 | \$42,225,710 | \$29,256,002 | \$29,247,083 |
| REIMBURSEMENT (FROM GOVERNMENT AND RESTRICTED) | (\$8,231,772) | (\$34,143,538) | (\$26,190,714) | (\$24,041,485) |
| EQUIPMENT (CAPx) | \$920,167 | \$966,300 | \$1,826,156 | \$1,604,172 |
| SUBTOTAL OF CAPx AND CAPm | \$2,353,107 | \$9,048,472 | \$4,891,444 | \$6,809,769 |
| OPERATING SURPLUS (DEFICIT) AFTER CAPx & CAPm | \$10,870,604 | \$4,438,911 | \$12,454,542 | \$2,339,193 |
| NON-CASH, NON-OPERATING EXPENSES | | | | |
| OTHER POST EMPLOYMENT BENEFITS | \$1,928,468 | \$1,326,353 | \$1,326,353 | \$1,366,143 |
| DEPRECIATION | \$10,581,888 | \$11,734,317 | \$11,734,317 | \$12,086,347 |
| SUBTOTAL NON-CASH, NON-OPERATING EXPENSES | \$12,510,356 | \$13,060,670 | \$13,060,670 | \$13,452,490 |
| NOI (AFTER NON-CASH, NON-OPERATING EXPENSES) (b) | \$713,355 | \$426,713 | \$4,285,316 | (\$4,303,527) |

Additional Notes

- (a) CAPm includes major capital reconstruction work such as bulkhead, pile and playground repair/replacement.
- (b) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$4,303,527
- (c) 2019 revenue included one time payment of \$7,000,000 from Pier 57 Tenant
- (d) 2018 revenue includes approximately \$3,000,000 as amortized prepaid construction period rent from Pier 57 Tenant

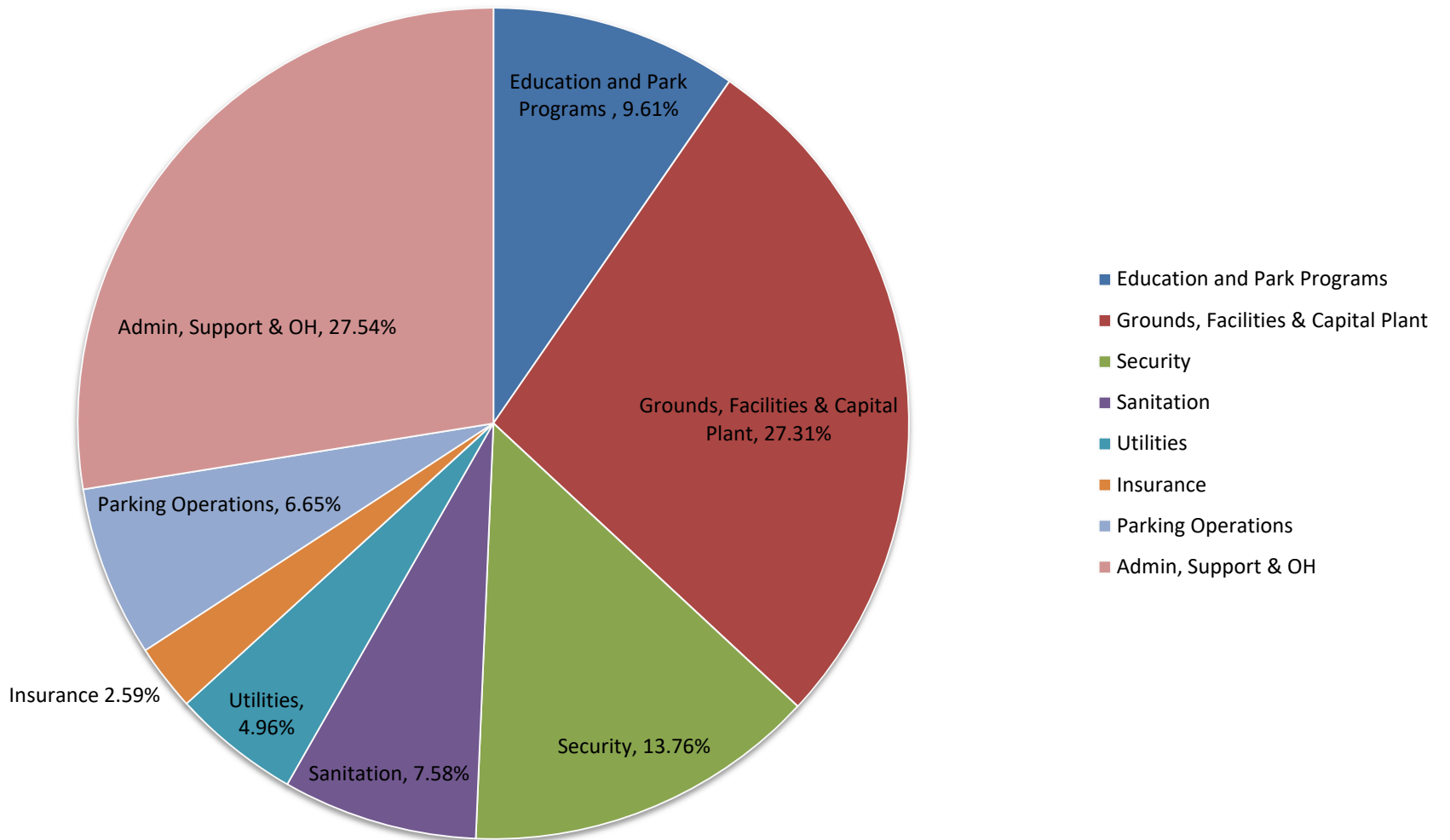
EXHIBIT 2-FUNCTION SUMMARY - 2020 APPROVED BUDGET VS. 2019 APPROVED BUDGET

| HUDSON RIVER PARK FISCAL SUMMARY | Note | PROJECTION | APPROVED | APPROVED | % Change |
|--|----------|---------------------------|-----------------------|-----------------------|-----------------|
| | | 2019 FY | 2019 FY Budget | 2020 FY Budget | Budget |
| OPERATING REVENUE | 1 | \$37,662,234 | \$35,884,174 | \$33,342,459 | -7% |
| DIRECT PARK OPERATIONS | | | | | |
| EDUCATION AND PARK PROGRAMS | | \$2,040,160 | \$2,290,708 | \$2,325,533 | 2% |
| GROUND, FACILITIES & CAPITAL PLANT | | \$6,251,264 | \$6,293,707 | \$7,306,454 | 16% |
| SECURITY | | \$2,877,739 | \$2,927,739 | \$3,328,175 | 14% |
| SANITATION | | \$1,316,063 | \$1,630,000 | \$1,835,000 | 13% |
| UTILITIES | | \$1,175,317 | \$1,000,000 | \$1,200,000 | 20% |
| INSURANCE | | \$2,467,258 | \$2,674,051 | \$3,924,957 | 47% |
| TOTAL DIRECT PARK OPERATIONS | | \$16,127,800 | \$16,816,206 | \$19,920,119 | 18% |
| PARKING OPERATIONS | | \$1,568,256 | \$1,670,756 | \$1,609,184 | -4% |
| ADMIN, SUPPORT & OH | | \$5,276,433 | \$6,280,996 | 6,663,376 | 6% |
| REIMBURSEABLE EXPENSES | | (\$2,656,241) | (\$2,371,167) | (\$3,999,183) | |
| TOTAL OPERATING (OPEX) | 2 | \$20,316,247 | \$22,396,791 | \$24,193,497 | 8% |
| OPERATING SURPLUS (DEFICIT) | | \$17,345,986 | \$13,487,383 | \$9,148,963 | -32% |
| CAPx AND CAPm | 3 | \$4,891,444 | \$9,048,472 | \$6,809,769 | -25% |
| ANNUAL SURPLUS (DEFICIT) | | \$12,454,542 | \$4,438,911 | \$2,339,193 | |
| NON OPERATING EXPENSE | 4 | \$13,060,670 | \$13,060,670 | \$13,452,490 | 3% |
| NOI (AFTER NON CASH TRANSACTIONS)(a) | 5 | \$4,285,316 | \$426,713 | (\$4,303,527) | |
| Notes | | | | | |
| | | 2019 FY Projection | 2019 FY Budget | 2020 FY Budget | % Change |
| 1 - Included in Operating Revenue | | | | | |
| Lease and Occupancy Permits | | \$25,327,899 | \$24,061,599 | \$19,891,372 | -17% |
| Parking | | \$7,402,710 | \$7,032,575 | \$7,731,088 | 10% |
| Fees | | \$1,649,194 | \$1,675,000 | \$1,605,000 | -4% |
| Contributions | | \$1,000,000 | \$1,000,000 | \$1,100,000 | 10% |
| Other | | \$2,282,430 | \$2,115,000 | \$3,015,000 | 43% |
| 2 - Included in OPEX | | | | | |
| Payroll | | \$6,865,543 | \$7,008,705 | \$7,850,488 | 12% |
| Fringe Benefits | | \$2,578,532 | \$2,753,259 | \$3,053,350 | 11% |
| Total Personnel | | \$9,444,074 | \$9,761,963 | \$10,903,838 | 12% |
| Full Time Permanent Employees | | 76 | 77 | 82 | 6% |
| 3 - Included in CAPM (net of reimbursements) | | | | | |
| Equipment (Incl replacements) | | \$1,826,156 | \$966,300 | \$1,604,172 | 66% |
| Upland and Park Piers | | \$7,809,907 | \$7,447,597 | \$4,738,764 | -36% |
| Marine Structures | | \$6,750,682 | \$15,732,943 | \$6,062,980 | -61% |
| Pier 40 | | \$14,695,413 | \$19,045,170 | \$18,445,339 | -3% |
| Reimbursable expense | | (\$26,190,714) | (\$34,143,538) | (\$24,041,485) | |
| 4 - Non operating cost | | | | | |
| Other Post Employment Benefits | | \$1,326,353 | \$1,326,353 | \$1,366,143 | 3% |
| Depreciation (CAPx and CAPm) | | \$11,734,317 | \$11,734,317 | \$12,086,347 | 3% |
| Total non operating cost | | \$13,060,670 | \$13,060,670 | \$13,452,490 | 3% |
| 5- Annual Surplus (Deficit) | | | | | |
| Additional Notes | | | | | |
| Operating Surplus (Deficit) | | \$17,345,986 | \$13,487,383 | \$9,148,963 | -32% |
| Non operating cost | | (\$13,060,670) | (\$13,060,670) | (\$13,452,490) | 3% |
| | | \$4,285,316 | \$426,713 | (\$4,303,527) | -1109% |

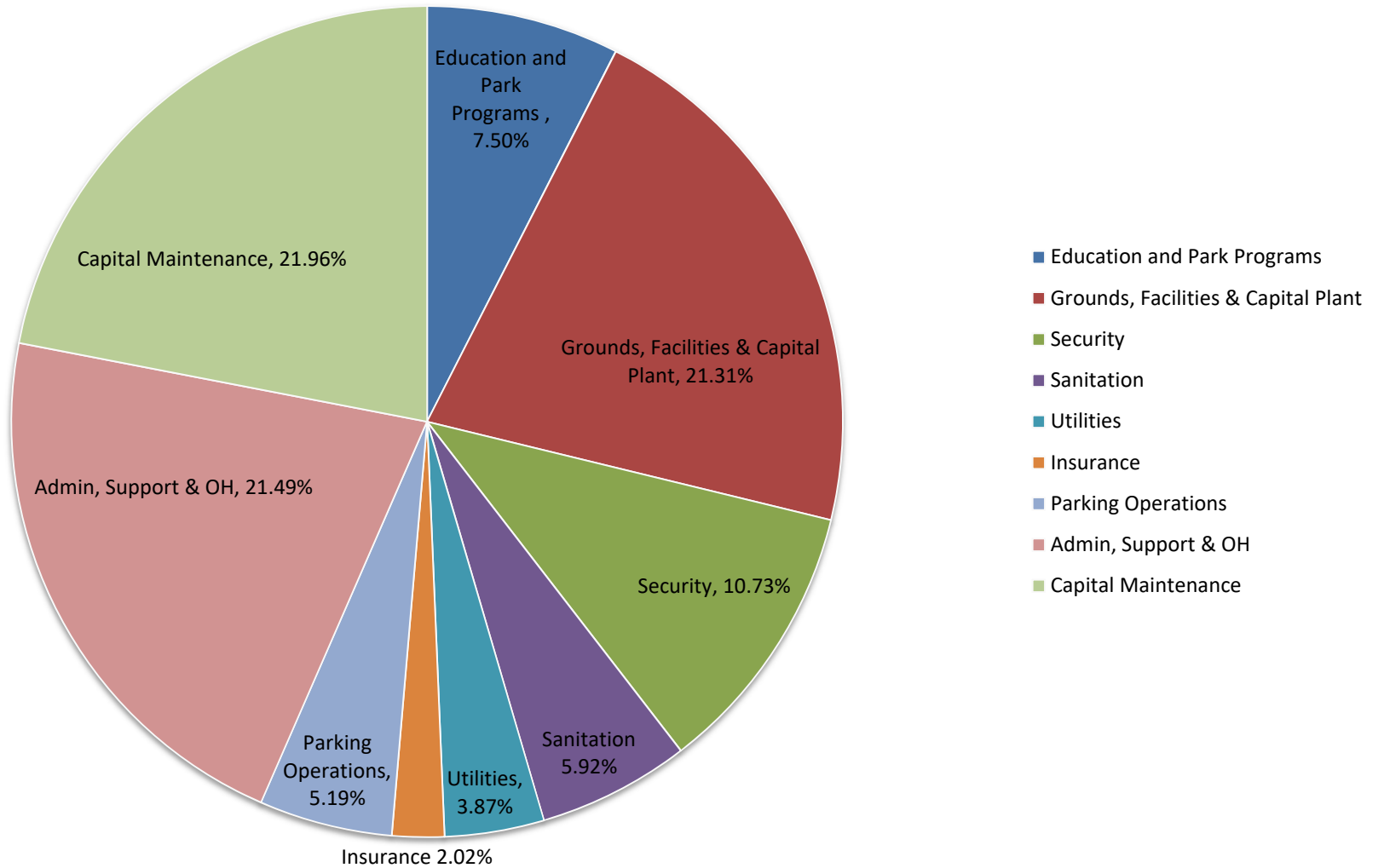
Additional Notes

(a) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$4,303,527

2020 DISTRIBUTION OF EXPENSES NET OF REIMBURSEMENT (EXCLUDES CAPM)



2020 DISTRIBUTION OF EXPENSES NET OF REIMBURSEMENT (INCLUDES CAPM)

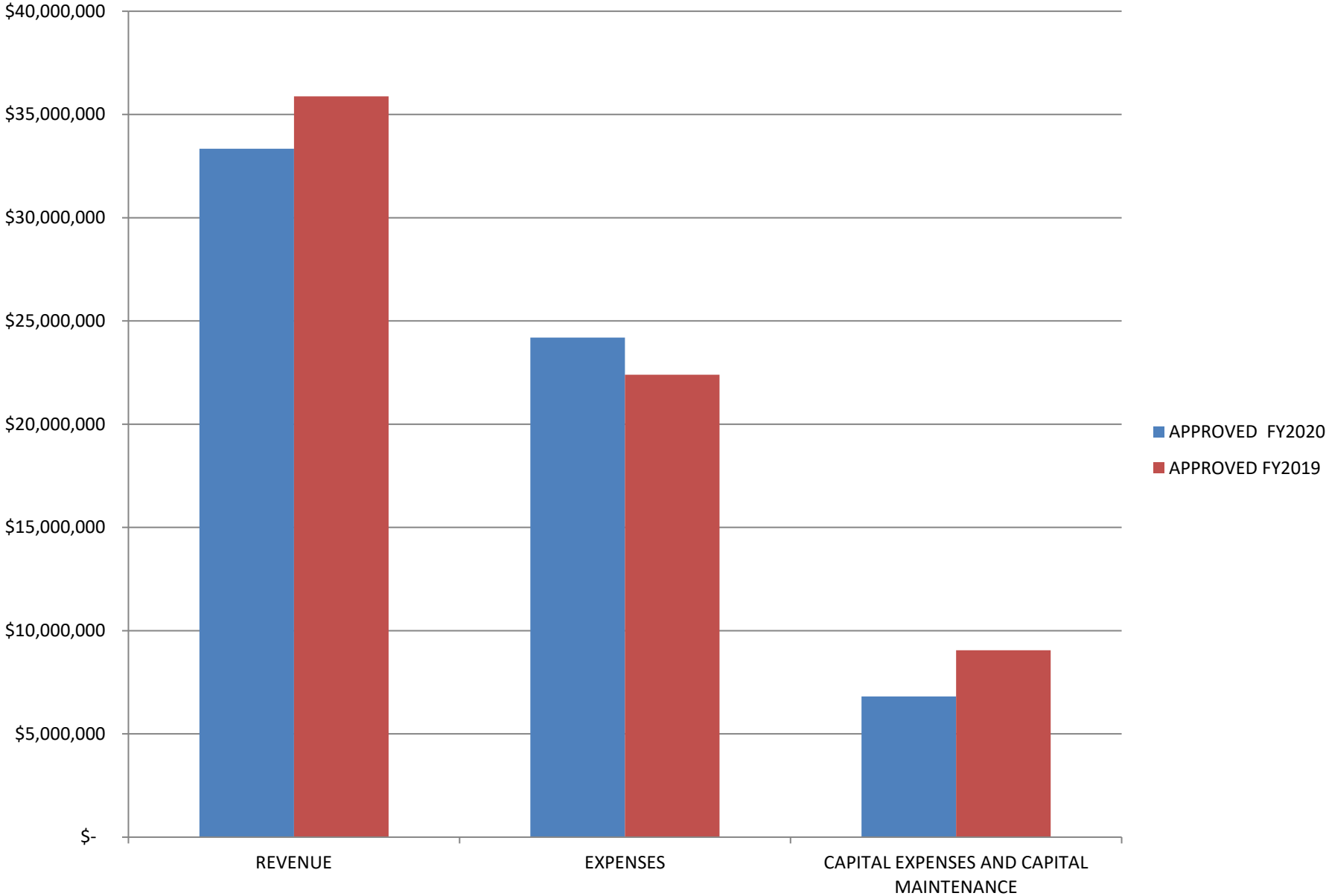


HUDSON RIVER PARK TRUST - FY 2020

EXHIBIT 3 - BUDGET SUMMARY (COMPARISON FY 2020 APPROVED VS FY 2019

| APPROVED) | APPROVED BUDGET FY 2020 | APPROVED BUDGET FY 2019 | CHANGE | PCT CHANGE |
|---|-------------------------------|-------------------------------|----------------------|---------------|
| OPERATING REVENUE (see Exhibit 4) | | | | |
| TOTAL LEASE, OCCUPANCY, FEES AND PARKING | \$29,227,459 | \$32,769,175 | (\$3,541,715) | -11% |
| TOTAL OTHER REVENUE | \$4,115,000 | \$3,115,000 | \$1,000,000 | 32% |
| TOTAL OPERATING REVENUE | \$33,342,459 | \$35,884,175 | (\$2,541,715) | -7% |
| PERSONNEL EXPENSES (see Exhibit 5) | | | | |
| PAYROLL | \$7,850,488 | \$7,008,705 | \$841,784 | 12% |
| FRINGE BENEFITS | \$3,053,350 | \$2,753,259 | \$300,091 | 11% |
| TOTAL PERSONNEL | \$10,903,838 | \$9,761,963 | \$1,141,875 | 12% |
| OTHER THAN PERSONAL SERVICES (see Exhibit 6 & 8) (a) | \$13,289,659 | \$12,634,827 | \$654,832 | 5% |
| OPERATING INCOME (LOSS) | \$9,148,963 | \$13,487,384 | (\$4,338,422) | -32% |
| CAPITAL EXPENSES (see Exhibit 7) | | | | |
| CAPITAL EXPENSES - EQUIPMENT | \$1,604,172 | \$966,300 | \$637,872 | 66% |
| CAPITAL MAINTENANCE - UPLAND AND PARK PIERS | \$4,738,764 | \$7,447,597 | (\$2,708,832) | -36% |
| CAPITAL MAINTENANCE - MARINE | \$6,062,980 | \$15,732,943 | (\$9,669,963) | -61% |
| CAPITAL MAINTENANCE & IMPROVEMENTS- PIER 40 | \$18,445,339 | \$19,045,170 | (\$599,831) | -3% |
| REIMBURSEABLE EXPENSE | (\$24,041,485) | (\$34,143,538) | \$10,102,053 | N/A |
| TOTAL CAPITAL EXPENSES AND CAPITAL MAINTENANCE | \$6,809,769 | \$9,048,472 | (\$2,238,702) | -25% |
| TOTAL OPEX AND CAPEX | \$31,003,266 | \$31,445,262 | (\$441,996) | -1% |
| OPERATING INCOME LESS CAPEX | \$2,339,193 | \$4,438,912 | (\$2,099,719) | -47% |

SUMMARY

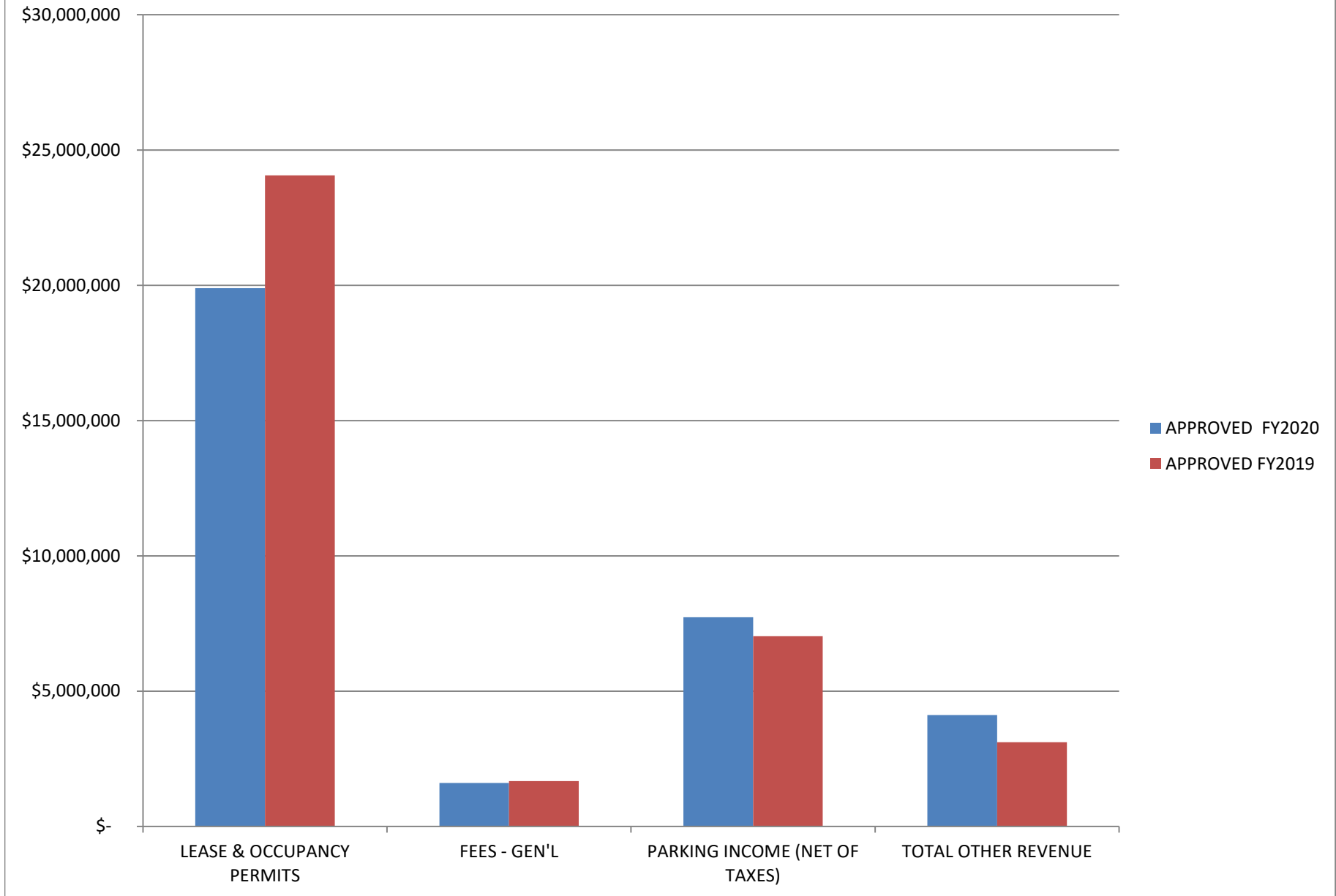


HUDSON RIVER PARK TRUST - FY 2020

EXHIBIT 4 - REVENUE (COMPARISON FY 2020 APPROVED VS FY 2019 APPROVED)

| | APPROVED FY 2020 | APPROVED FY 2019 | \$ CHANGE | % CHANGE |
|--------------------------------------|---------------------|---------------------|----------------------|-------------|
| LEASE & OCCUPANCY PERMITS | \$19,891,372 | \$24,061,599 | (\$4,170,227) | -17% |
| PARKING, & FEE REVENUE | | | | |
| FEES - GEN'L | \$1,355,000 | \$1,425,000 | (\$70,000) | -5% |
| FIELD FEES | \$250,000 | \$250,000 | \$0 | 0% |
| PARKING INCOME (NET OF TAXES) | <u>\$7,731,088</u> | <u>\$7,032,575</u> | <u>\$698,513</u> | <u>10%</u> |
| PARKING & FEE REVENUE | \$9,336,088 | \$8,707,575 | \$628,513 | 7% |
| OTHER REVENUE | | | | |
| INTEREST | \$2,600,000 | \$1,625,000 | \$975,000 | 60% |
| CONTRIBUTIONS | \$1,100,000 | \$1,000,000 | \$100,000 | 10% |
| SPONSORSHIPS | \$300,000 | \$300,000 | \$0 | 0% |
| OTHER INCOME | \$90,000 | \$90,000 | \$0 | 0% |
| GRANTS | <u>\$25,000</u> | <u>\$100,000</u> | <u>(\$75,000)</u> | <u>-75%</u> |
| TOTAL OTHER REVENUE | \$4,115,000 | \$3,115,000 | \$1,000,000 | 32% |
| TOTAL REVENUE | \$33,342,459 | \$35,884,174 | (\$2,541,714) | -7% |

REVENUE

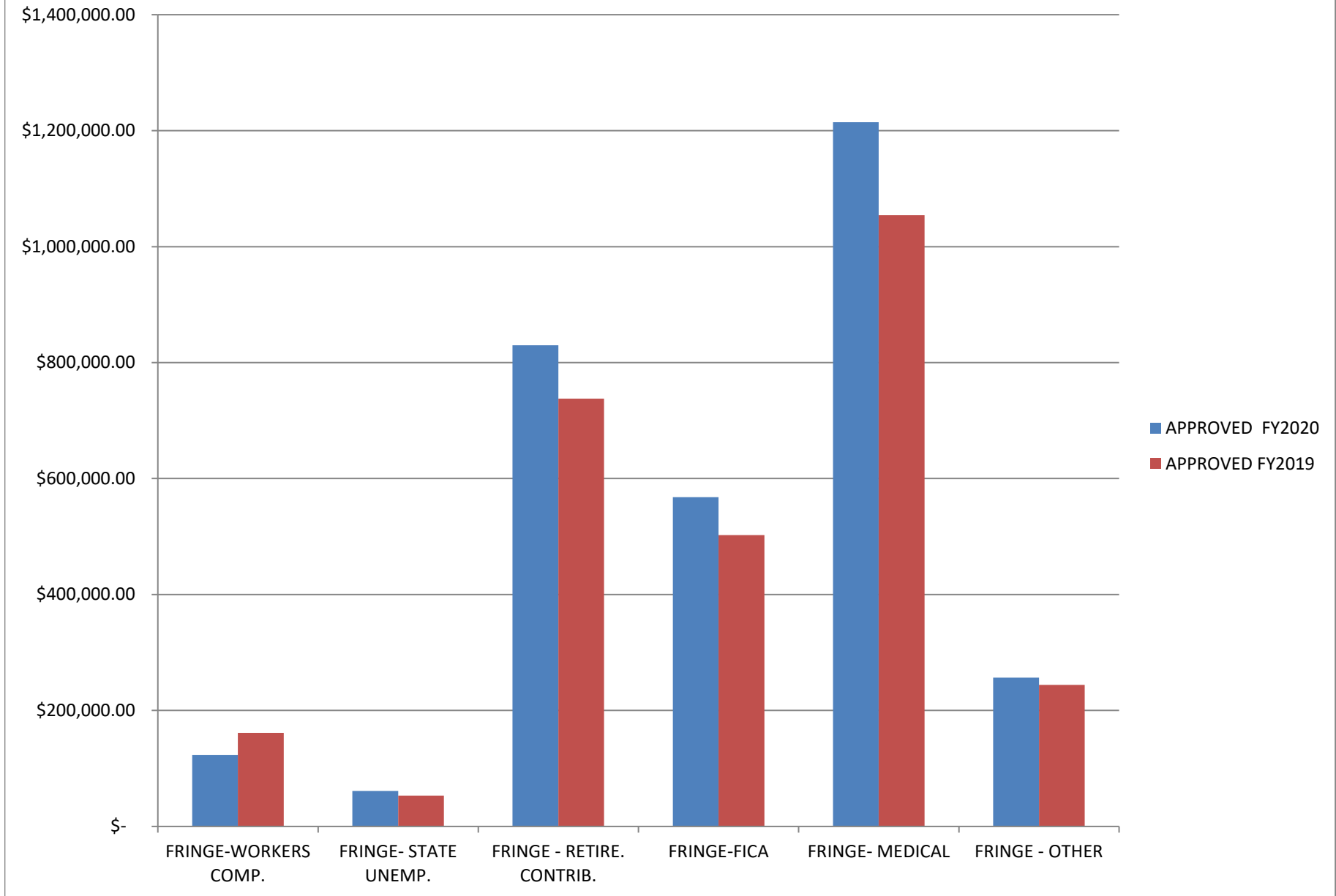


HUDSON RIVER PARK TRUST - FY 2020

EXHIBIT 5 - PERSONNEL SERVICES (COMPARISON FY2020 APPROVED VS FY2019 APPROVED)

| | APPROVED FY2020 | APPROVED FY2019 | \$ CHANGE | PCT CHANGE |
|---------------------------------|----------------------------|----------------------------|----------------------|-----------------------|
| PAYROLL REG-FULL TIME | \$7,249,712 | \$6,440,899 | \$808,813 | 13% |
| PAYROLL - OVERTIME | \$93,000 | \$93,000 | \$0 | 0% |
| PAYROLL PART TIME & SEASONALS | \$507,777 | \$474,806 | \$32,971 | 7% |
| SUBTOTAL PAYROLL | \$7,850,488 | \$7,008,705 | \$841,784 | 12% |
| TUITION REIMBURSEMENT | \$20,000 | \$20,000 | \$0 | 0% |
| FRINGE-VISION CARE | \$5,776 | \$5,415 | \$361 | 7% |
| FRINGE-DENTAL | \$54,428 | \$54,402 | \$26 | 0% |
| FRINGE-WORKERS COMP. | \$123,310 | \$161,470 | (\$38,160) | -24% |
| FRINGE- STATE UNEMP. | \$61,218 | \$53,327 | \$7,892 | 15% |
| FRINGE- DISABILITY | \$12,100 | \$11,747 | \$353 | 3% |
| FRINGE - RETIRE. CONTRIB. | \$829,746 | \$737,874 | \$91,872 | 12% |
| FRINGE-FICA | \$567,846 | \$502,425 | \$65,421 | 13% |
| FRINGE-TRANSIT CHECK | \$104,400 | \$96,000 | \$8,400 | 9% |
| FRINGE- MEDICAL | \$1,214,670 | \$1,054,196 | \$160,474 | 15% |
| FRINGE - NY METRO - M TAX | \$56,855 | \$53,402 | \$3,453 | 6% |
| FRINGE - FLEXIBLE SPENDING | \$3,000 | \$3,000 | \$0 | 0% |
| FRINGE BENEFITS | \$3,053,350 | \$2,753,259 | \$300,091 | 11% |
| | | | | |
| TOTAL PERSONNEL SERVICES | \$10,903,838 | \$9,761,963 | \$1,141,875 | 12% |

FRINGE

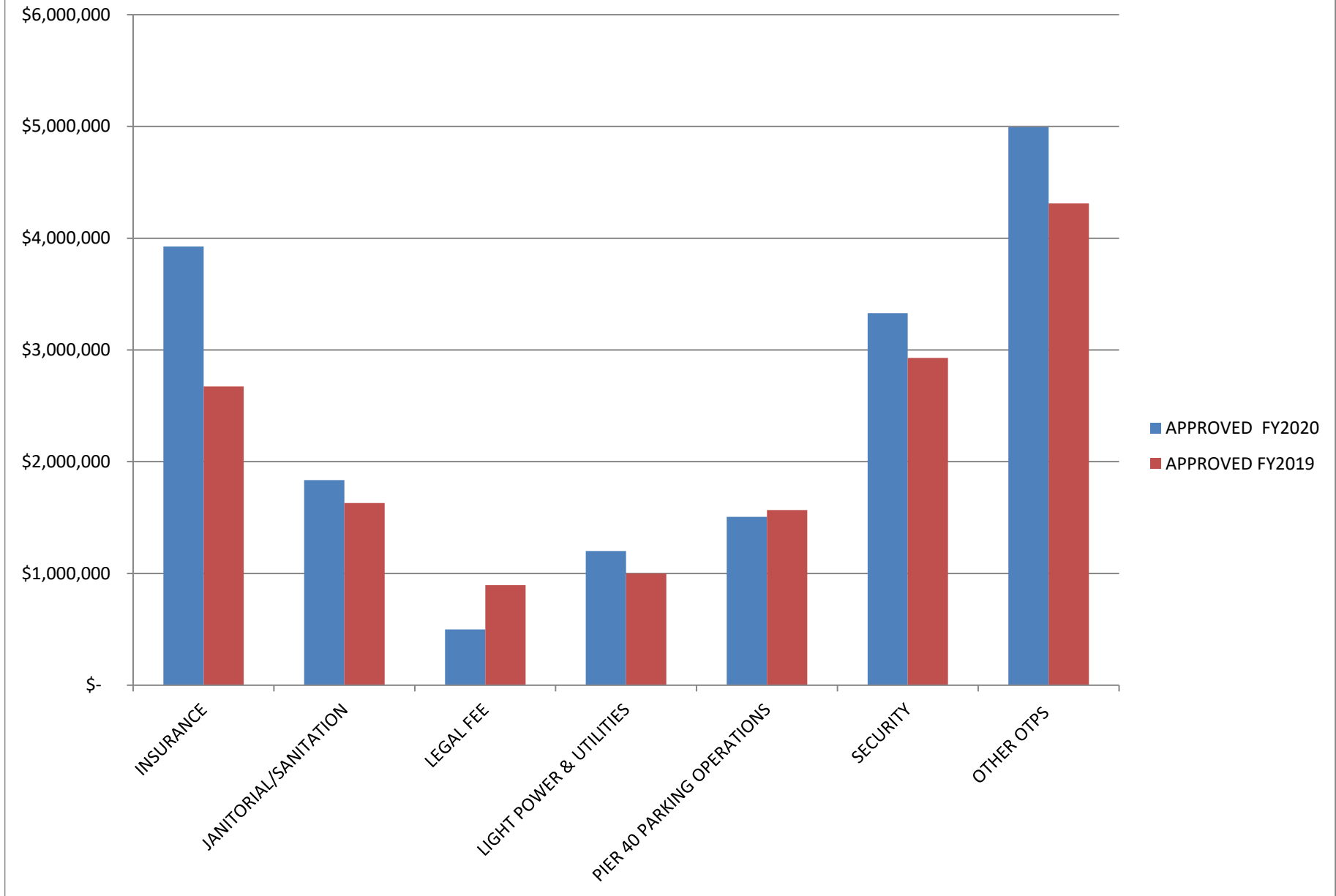


HUDSON RIVER PARK TRUST - FY 2020

EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (OTPS) (COMPARISON FY 2020 APPROVED BUDGET VS FY 2019 APPROVED)

| BUDGET CATEGORY | APPROVED FY 2020 | APPROVED FY 2019 | PROJECTED ACTUAL FY 2019 | BUDGET CHANGE | PCT CHANGE | BUDGET CATEGORY | APPROVED FY 2020 | APPROVED FY2019 | PROJECTED ACTUAL FY 2019 | BUDGET CHANGE | PCT CHANGE |
|-------------------------|---------------------|---------------------|-----------------------------|------------------|---------------|---------------------------------------|---------------------|--------------------|-----------------------------|------------------|---------------|
| ADVERTISING / PROMOTION | \$213,500 | \$198,500 | \$163,000 | \$15,000 | 8% | PAYROLL FEES | \$35,000 | \$35,000 | \$35,000 | \$0 | 0% |
| AUDITING FEE | \$175,000 | \$175,000 | \$150,000 | \$0 | 0% | PHOTOGRAPHER | \$500 | \$500 | \$0 | \$0 | 0% |
| AUTO MTNCE. & GASOLINE | \$83,500 | \$82,500 | \$68,600 | \$1,000 | 1% | PLANT MATERIALS | \$62,000 | \$75,000 | \$65,000 | (\$13,000) | -17% |
| AUTO SERVICE | \$25,000 | \$35,000 | \$25,000 | (\$10,000) | N/A | POSTAGE | \$20,000 | \$25,000 | \$25,000 | (\$5,000) | -20% |
| FUEL | \$50,000 | \$50,000 | \$46,725 | \$0 | N/A | PRINTING & REPRODUCTION | \$148,176 | \$141,676 | \$137,176 | \$6,500 | 5% |
| BANK FEES | \$25,000 | \$5,000 | \$25,000 | \$20,000 | 400% | REPAIRS & MTNCE - BLDG | \$80,500 | \$75,000 | \$65,000 | \$5,500 | 7% |
| BUSINESS MEALS | \$1,000 | \$750 | \$500 | \$250 | 33% | REPAIRS & MTNCE - MARINE | \$15,000 | \$30,000 | \$25,000 | (\$15,000) | -50% |
| COMPUTER CONSULTANT | \$65,000 | \$25,000 | \$25,000 | \$40,000 | 160% | REPAIRS & MTNCE- EQUIPT | \$98,800 | \$94,040 | \$70,000 | \$4,760 | 5% |
| COMPUTER HARDWARE | \$35,000 | \$39,000 | \$37,500 | (\$4,000) | -10% | REPAIRS & MTNCE- OFFICE | \$0 | \$0 | \$0 | \$0 | N/A |
| COMPUTER SOFTWARE | \$191,610 | \$255,950 | \$250,000 | (\$64,340) | -25% | REPAIRS & MTNCE-OTHER | \$30,000 | \$45,000 | \$36,297 | (\$15,000) | -33% |
| EDUCATIONAL TRAINING | \$65,500 | \$47,000 | \$43,500 | \$18,500 | 39% | REPAIR & MAINT REC FACILITIES | \$0 | \$10,000 | \$0 | (\$10,000) | N/A |
| EMPLOYEE RECRUITMENT | \$12,000 | \$12,000 | \$11,500 | \$0 | 0% | SECURITY EQUIPMENT | \$16,600 | \$14,700 | \$11,000 | \$1,900 | N/A |
| FEES & MEMBERSHIP | \$13,535 | \$11,500 | \$20,300 | \$2,035 | 18% | SEMINARS & CONFERENCES | \$18,250 | \$14,750 | \$12,500 | \$3,500 | 24% |
| GENERAL CONSULTANT | \$1,273,319 | \$806,364 | \$591,364 | \$466,955 | 58% | SIGNS & BANNERS | \$110,000 | \$110,000 | \$85,000 | \$0 | 0% |
| INTERNET | \$53,045 | \$53,045 | \$53,045 | \$0 | 0% | SUBSCRIPTION | \$44,980 | \$43,996 | \$38,300 | \$984 | 2% |
| INVESTMENT FEES | \$104,000 | \$104,000 | \$17,333 | \$0 | N/A | SUPPLIES | \$153,250 | \$142,250 | \$172,525 | \$11,000 | 8% |
| LANDSCAPING | \$33,000 | \$33,000 | \$22,500 | \$0 | 0% | TELEPHONE EQUIP/ACCESSORIES | \$36,000 | \$36,000 | \$15,000 | \$0 | 0% |
| LEASE EQUIPMENT/RENTAL | \$96,000 | \$74,100 | \$120,225 | \$21,900 | 30% | TELEPHONE & ELECTRONIC COMMUNICATIONS | \$112,390 | \$129,568 | \$130,068 | (\$17,178) | -13% |
| TRAVEL | \$18,250 | \$18,750 | \$14,426 | (\$500) | -3% | TOOLS | \$13,500 | \$13,750 | \$12,735 | (\$250) | -2% |
| MEETING EXPENSES | \$10,000 | \$6,500 | \$5,500 | \$3,500 | 54% | TOOLS REPAIR | \$1,500 | \$1,800 | \$750 | (\$300) | N/A |
| MISC EXPENSE | \$10,000 | \$10,000 | \$2,500 | \$0 | 0% | TRAFFIC CONTROL EQUIPMENT | \$4,000 | \$5,000 | \$10,000 | (\$1,000) | N/A |
| MOVIES | \$25,000 | \$25,000 | \$24,000 | \$0 | 0% | UNIFORM | \$63,260 | \$80,010 | \$77,850 | (\$16,750) | -21% |
| OFFICE SUPPLY | \$50,000 | \$50,000 | \$45,000 | \$0 | 0% | VOLUNTEER EXPENSE | \$2,500 | \$2,500 | \$4,500 | \$0 | N/A |
| OTHER EXPENSES | \$2,850 | \$11,850 | \$13,344 | (\$9,000) | -76% | | | | | | |
| OTHER OUTSIDE SERVICES | \$1,267,360 | \$1,042,049 | \$1,156,285 | \$225,311 | 22% | | | | | | |
| OVERNIGHT MAIL | \$30,100 | \$14,300 | \$13,682 | \$15,800 | 110% | | | | | | |
| | | | | | | TOTAL OTPS | \$4,994,775 | \$4,311,698 | \$3,974,532 | \$683,077 | 16% |

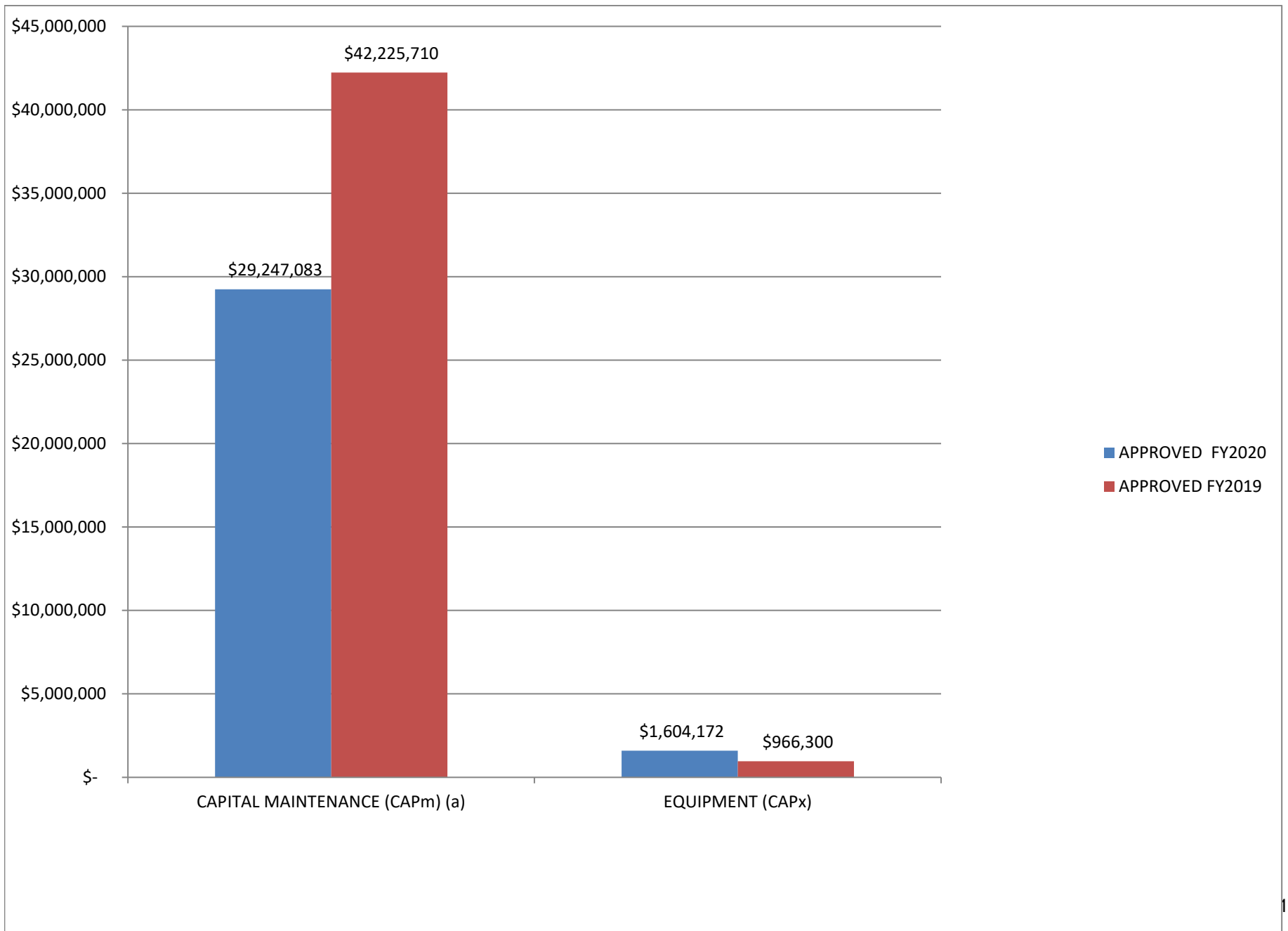
OTPS



HUDSON RIVER PARK TRUST -FY 2020

EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE FY 2020 APPROVED

| | | | |
|--|--------------------|---|---------------------|
| Capital Equipment & Other | | Capital Maintenance Marine | |
| MIS Equipment | \$10,000 | Reconstruction | \$5,307,980 |
| IT Hardware & Software | \$268,100 | Inspections | \$400,000 |
| Security Cameras | \$545,000 | Repairs | \$355,000 |
| Vehicles & Equipment Other | \$781,072 | | |
| Subtotal | \$1,604,172 | Subtotal | \$6,062,980 |
| Capital Maintenance - Upland Park and Piers | | Capital Maintenance & Improvements- Buildings Pier 40* | |
| Playground Repairs | \$350,000 | Pile Repair | \$16,316,341 |
| Reconstruction | \$944,000 | Fire Protection | \$50,000 |
| Bldg, Plumbing, Utility Repairs | \$150,000 | HVAC | \$35,000 |
| Fencing & Railing | \$250,000 | Exterior | \$670,000 |
| Paving | \$2,164,764 | Building Other | 1,373,998 |
| Grounds, Other | 880,000 | | |
| Subtotal | \$4,738,764 | Subtotal | \$18,445,339 |
| | | Total Capital Maintenance & Equipment | \$30,851,254 |



Fiscal Year 2020
Hudson River Park Trust
Approved 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 experience of the river in New York City for residents and visitors.

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 from 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, and also from the sale of air rights and private contributions.

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

Budget development starts at the beginning of the Trust’s 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, concession agreements, 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.

In December 2018, all Department heads or their designees were scheduled to meet the Vice President of Finance to review their department's 2018-19 operating budget as of December 2018; confirmed projections for the remainder of the fiscal year, and worked together on the 2019-20 operating budget for review and approval. As described below, both the Department heads and the Vice President of Finance continued to meet to discuss the budget, and information on the budget was exchanged as needed until finalized.

Hudson River Park Trust – Expense and Revenue Budgeting Process

Following is the Finance Department procedure for establishing the Fiscal Year Budget.

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

Sources of information used in preparing the budget:

- (a) Current year approved budget; and
- (b) Current year expenditure information to date from the Trust's Great Plains accounting system.

2) The Vice President of Finance distributes budget forms to Department heads. The forms include all expenditure account codes used in the current budget year, the current year actual (year to date) and projected actual expenses, 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, camera security 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., variable programmatic items) are evaluated separately from generally fixed expense lines (e.g., insurance and utilities). The 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 projected available resources. Operating expenses are generally not budgeted, in the aggregate, to be greater than operating revenue.

4) Capital maintenance not already approved by the Board and under contract is treated as a new need each budget year and reviewed with the Facilities and Design & Construction department staffs. Capital maintenance expenditures in excess of net operating income are analyzed to determine whether deferrals are possible or outside funding is available. Unfunded but essential capital maintenance is designated for funding from the Trust's reserve.

5) Revenue budget is prepared based on:

(a) projected lease rent and permit fees, looking at both existing revenue contracts and reasonably expected new revenue contracts;

(b) garage revenue based on current year occupancy and rates, anticipated rate increases, calendar year budget prepared by HRPT's independent parking consultant, and expected parking space availability;

(c) field fees, generally at current year level;

(d) sponsorships based on existing relationships;

(e) event fees based on expected availability of venues;

(f) interest income based on anticipated balances and interest rates; and

(g) expected contributions after consultation with FoHRP.

6) Personnel services budget is prepared after consultation with Department heads on staffing levels, the needs for both seasonal and permanent positions, and the Trust's obligations under a Collective Bargain Agreement with Local 30 of the International Union of Operating Engineers. Any changes in permanent staffing needs are then discussed with the Executive Vice Presidents, 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 Vice President of Finance reviews them to ensure they are complete, reasonable, and mathematically accurate.

8) After all information is gathered, the Vice President of Finance uses the information from the budget forms to prepare the tentative/preliminary proposed budget and meets with the Chief Financial Officer and Chief Executive Officer.

9) Once the preliminary proposed budget is reviewed by the Chief Financial Officer and Chief Executive Officer it is presented to the Audit/Finance committees for review and comments at the beginning of the fourth quarter. Attending the Audit/Finance committee meeting are the Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents, Vice President of Finance, General Counsel and board committee members.

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

11) The preliminary proposed budget is updated to reflect new information and intervening events later in the fourth quarter and receives final review by the Audit/Finance committee which then refers the budget to the full Board for its review and approval.

Administration Department

In January 2020, the Chief Financial Officer, with the Vice President of Finance reviewed the department's 2018-19 operating budget as of December 2018; confirmed projections for the remainder of the fiscal year, and worked together on the 2019-20 operating budget for review and approval by the Chief Executive Officer.

Lease and Parking Revenue

In November 2018, the Property Manager of real estate was advised by the Vice President of Finance to work on the FY 2020 budget for the lease and occupancy permit revenue schedule.

Property Manager follows listed procedure to generate lease schedules.

- (a) Use current fiscal year lease revenue schedule and review it line by line for each tenant;
- (b) Review permit and leases for escalation clauses;
- (c) Review the term/length of the permits and leases;
- (d) Calculate escalation based on the terms of the permits leases [some are based on percentage and others are based on Consumer Product Index adjustment];
- (e) Calculate PILOT fees by referencing the NYC Department of Finance website for assessed value and tax rates;
- (f) Calculate estimates for percentage revenue based on the current year actuals for tenants that pays on percentage of their gross income;
- (g) Estimate rental/fee revenues based on new potential permittees or RFPs;
- (h) Prepare a reasonable estimate for vacancy and collections expense; and
- (i) Generate a new net lease schedule for upcoming year.

To have better control over income, the Property Manager meets a member of Finance Department monthly to review the accounts receivable aging report and reconciles it with the lease schedule.

A review of the lease schedule took place on January 28th between Vice President of Finance and the Chief Financial Officer. A final review was conducted later in the fourth quarter.

§ 203.6 (c) A description of the principal budget assumptions, including sources of revenue, staffing, and future collective bargaining costs, and programmatic goals.

For FY 2020, operating revenue of \$33.3 million is projected to be \$9.1 million greater than operating expenses of approximately \$24.2 million. This operating surplus will be applied to unfunded costs attributable to ongoing capital maintenance needs of \$6.5 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 generate a \$2.6 million increase in its reserves in FY 2020.

The discussion below and referenced exhibits compare the actual results of FY 2018, the approved FY 2019 budget, projected actual revenue and expenses for FY 2019, and proposed FY 2020 budget. Please note that the projected actual expenses for FY 2019 are preliminary and subject to revision as number of accruals will require further adjustment. Staff will provide final FY 2019 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 2019 are expected to be more favorable than budget due to: (1) new revenue generated from an amendment to the Pier 57 lease; (2) ordinary operating expenses that were less than budget as personnel vacancies persisted, and some special projects such as document management were deferred; (3) new services such as power washing were late in starting; (4) reimbursement revenue was higher than expected; and (5) portions of capital maintenance projects were deferred to FY 2020.

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

Exhibit 1 lists important budget categories and amounts for the proposed FY 2020 budget, the actuals for FY 2018, the approved budget for FY 2019 and the projected actual for FY 2019. Total gross revenue for FY 2019 is projected to be \$1.7 million greater and total operating expenses \$2 million less than budgeted. Though impacted by reimbursement revenue and use of restricted funds, the net surplus (deficit) after capital maintenance (CAPm) and capital equipment expenditures (CAPx) represents the Trust's "bottom line" on an operating basis. Please note that, for accounting purposes under GAAP most CAPm and CAPx are investments in assets and not expenses, and non-cash expenses such as depreciation are properly deducted from net operating surplus. Due primarily to the amount of reimbursement revenue and restricted funds applied to capital maintenance, the Trust is budgeted to generate a net surplus of \$2.6 million. On a GAAP basis, which fully recognizes depreciation and does not take into account net capital maintenance, the Trust is budgeted to operate at a \$4.3 million deficit.

Exhibit 2 and accompanying pie charts provide the functional distribution of revenue and expenses for the proposed FY 2020 budget. On a year over year basis, revenue from leases,

occupancy permits and fees is budgeted to decrease by 7%. This because a one-time lump sum tenant payment of \$7 million in FY 2019 is only partially offset by an increase in annual rent in FY 2020. Parking revenue increase by 10% due to the change in rates and increase in event parking; and contributions from FoHRP is budgeted at \$1.1 which is an increase of \$100,000 from the current fiscal year. The portions of the expense budget represented by direct park operations, parking, administration (including IT, legal, and property management), labor costs and different categories of revenue are highlighted. Within the functional programmatic categories, expenditures for direct park operations are budgeted to increase by 18%, while administration grows by 6%, and parking operations declines by 8%. Please note that administration is 22% of the entire operating budget and 28% of operating expenses (i.e., less CAPm and CAPx).

Exhibit 3 and accompanying bar chart provide a summary comparison showing differences between the proposed FY 2020 and approved FY 2019 budgets. Capital maintenance for upland and park piers shows a decrease of 25% reflecting the expected completion of bulkhead work north of Pier 40 in the Morton Street area.

Exhibit 4 and accompanying bar chart present the proposed FY 2020 and approved FY 2019 revenue categories showing an overall decrease of 7%. Lease and occupancy permit revenue is budgeted to decrease by \$4.1 million, or 17%, to \$19.8 million. As discussed above, on a year over year basis, revenue from leases, occupancy permits and fees is budgeted to decrease due to a non-recurring payment from a tenant of \$7 million received in the FY 2019. The largest single source of lease revenue, including payment-in-lieu of real estate taxes (based on the January tentative property assessment) remains from Chelsea Piers. Other significant lease revenue sources include Pier 57, Con Edison (at Pier 98), and Circle Line. We have budgeted a 5% allowance for vacancy and collections on lease and occupancy permit revenue from non-core tenants.

Exhibit 5 and accompanying bar chart compare proposed FY 2020 and approved FY 2019 budgets for personnel services including both direct payroll and fringe benefits increase of 12%. The increase in the personnel services budget reflects, in part, a 9% headcount increase from 77 to 82 full time positions and a budgeted, but not yet awarded, average of 3% for staff merit increases.

Exhibit 6 Total OTPS expenses for FY 2019 are proposed to be increased by 16% as compared to the prior year budget. This includes funds budgeted for deferred archive and document management and addition amounts projected for Pier 40 engineering and planning.

Exhibit 7 lists \$30.8 million of capital expenditures budgeted for equipment and software at \$1.6million, and capital maintenance at \$29.2 million. We provide a separate breakdown for capital maintenance for upland parks and piers at \$4.7 million, marine at \$6.0 million, and Pier

40 (including pile repair) at \$18.4 million. The capital maintenance amounts are gross (before reimbursement or application of restricted funds).

§ 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>2018</u> | <u>Projected Actual</u> <u>2019</u> | <u>Proposed Budget</u> <u>2020</u> |
|------------------------------------|------------------------------|--|---------------------------------------|
| Operating revenue: | | | |
| Lease & permit revenue | \$21,234,929 | \$25,327,899 | \$19,891,372 |
| Parking revenue | \$7,434,861 | \$7,402,710 | \$7,731,088 |
| Fees and other revenue | \$2,531,585 | \$2,016,388 | \$2,019,999 |
| Contributions | \$1,140,210 | \$1,000,000 | \$1,100,000 |
| Interest | \$736,828 | \$1,915,237 | \$2,600,000 |
| Total Operating Revenue | \$33,078,413 | \$37,662,234 | \$33,342,459 |
| | | | |
| | | | |
| Operating expenses: | | | |
| Employee compensation and benefits | \$10,531,725 | \$10,770,427 | \$12,269,981 |
| Other Expenses | \$21,833,333 | \$22,606,490 | \$25,376,006 |
| Total Operating Expense | \$32,365,058 | \$33,376,917 | \$37,645,987 |

§ 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 = 83

Part-time employees = 5

Seasonal employees = 36

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.

N/A, actual results were above budget and expenses below budget.

§ 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.

N/A for FY 2020; non-recurring revenue of \$7 million was recorded in FY 2019.

§ 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; all resources were recorded when received or accrued.

§ 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.

| ANNUAL PROJECTED CAPITAL COST BY PROJECT BFY 2019 (SECTION 203.6 OF BUDGET NARRATIVE) (\$MILLION) | | | | | | | | |
|---|---------------------------|--------------------|-------------------------------|----------------|----------------------|-------------------|----------------------|----------------|
| Use of Funds (Capital Project) | Estimated Cost (millions) | Commitment FY 2020 | Source(s) of Funds (millions) | | | | | |
| | | | NYC Available | NYS Available | Restricted Available | Private Available | Air Rights Available | Source Unknown |
| Pier 26 Park | \$35.2 | \$24.1 | \$17.6 | \$7.6 | | | \$10.0 | |
| Pier 26 Estuarium | \$40.1 | \$0.3 | | \$10.1 | | | | \$30.0 |
| Gansevoort Park | \$73.1 | \$3.1 | \$50.0 | | \$23.1 | | | |
| Pier 54 Connector | \$21.0 | \$2.0 | | \$18.0 | \$3.0 | | | |
| Pier 55 (HRPT Portion) | \$21.2 | \$5.1 | \$17.0 | \$3.7 | \$0.5 | | | |
| Pier 55 (Donor Portion) | \$228.0 | \$0.0 | | | | \$228.0 | | |
| Pier 57 Open Space | \$14.8 | \$0.0 | | | | \$14.8 | | |
| Chelsea Waterside Expansion | \$9.0 | \$0.8 | | | | | \$9.0 | |
| W29th to W35th Upland Park & Habitat Beach | \$47.2 | \$0.3 | | \$23.0 | | | \$24.2 | |
| Pier 79 to Pier 84 Upland Park | \$24.4 | \$0.0 | | | | | \$1.4 | \$23.0 |
| Pier 97 Park, adjacent area and platform | \$43.4 | \$4.2 | | \$36.3 | | | \$7.1 | |
| Estuary Enhancements | \$1.5 | \$1.5 | | \$1.5 | | | | |
| Park Wide other Projects | \$3.6 | \$3.6 | | \$3.6 | | | | |
| TOTALS | \$562.50 | \$45.02 | \$84.6 | \$103.8 | \$26.6 | \$252.8 | \$41.7 | \$53.0 |
| Percentage Distribution | 100% | 8% | 15% | 18% | 5% | 45% | 7% | 9% |