



**APPROVED BUDGET
FISCAL YEAR 2021**

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 2021 BUDGET

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HUDSON RIVER PARK TRUST - FY 2021 PROPOSED BUDGET

EXHIBIT 1 - REVENUE AND OPEX (COMPARISON FY APPROVED 2020, PROJECTED 2020 AND APPROVED 2021)				
	ACTUAL FY2019	APPROVED FY2020	PROJECTED FY2020	APPROVED FY2021
REVENUE				
LEASE & OCCUPANCY PERMITS	\$27,560,697	\$19,891,372	\$22,549,734	\$ 19,138,196
PARKING, & FEE REVENUE				
FEES - GEN'L	\$1,374,899	\$1,355,000	\$1,298,393	\$804,000
FIELD FEES	\$231,125	\$250,000	\$194,150	\$187,500
PARKING INCOME (NET OF TAXES)	\$7,580,553	\$7,731,088	\$7,639,563	\$7,535,628
TOTAL PARKING & FEE REVENUE	\$9,186,577	\$9,336,088	\$9,132,106	\$8,527,128
OTHER REVENUE				
INTEREST	\$1,889,522	\$2,600,000	\$3,376,130	\$1,477,872
CONTRIBUTIONS & GRANTS	\$3,283,130	\$1,125,000	\$2,000,000	\$1,825,000
SPONSORSHIPS	\$239,903	\$300,000	\$425,000	\$300,000
OTHER INCOME	\$274,932	\$90,000	\$262,669	\$140,000
RESTRICTED FOR CAPITAL	(\$2,250,000)	\$0	(\$1,350,000)	(\$1,250,000)
TOTAL OTHER REVENUE	\$3,437,487	\$4,115,000	\$4,713,799	\$2,492,872
TOTAL REVENUE	\$40,184,761	\$33,342,459	\$36,395,639	\$30,158,196
EXPENSES				
PAYROLL REG-FULL	\$6,106,287	\$7,249,712	\$6,918,126	\$7,397,873
PAYROLL - OVERTIME	\$75,732	\$93,000	\$73,351	\$73,000
PAYROLL PART TIME & SEASONALS	\$465,771	\$507,777	\$475,290	\$555,650
SUBTOTAL DIRECT PAYROLL	\$6,647,790	\$7,850,488	\$7,466,767	\$8,026,523
FRINGE-WORKERS COMP.	\$109,331	\$123,310	\$117,282	\$131,989
FRINGE- STATE UNEMP.	\$54,736	\$61,218	\$58,226	\$63,048
FRINGE - RETIRE. CONTRIB.	\$654,624	\$829,746	\$789,189	\$857,184
FRINGE-FICA	\$469,198	\$567,846	\$540,090	\$575,774
FRINGE- MEDICAL	\$1,171,682	\$1,214,670	\$1,155,298	\$1,228,092
FRINGE - OTHER	\$243,984	\$256,560	\$244,020	\$257,383
SUBTOTAL FRINGE BENEFITS	\$2,703,555	\$3,053,350	\$2,904,106	\$3,113,471
TOTAL PERSONNEL SERVICES	\$9,351,344	\$10,903,838	\$10,370,874	\$11,139,994
OTHER THAN PERSONAL SERVICES (OTPS)				
INSURANCE	\$1,816,441	\$3,924,957	\$3,891,083	\$4,363,244
JANITORIAL/SANITATION	\$1,427,560	\$1,835,000	\$1,600,941	\$2,023,261
LEGAL FEE	\$187,658	\$500,000	\$185,724	\$555,000
LIGHT POWER & UTILITIES	\$1,823,947	\$1,200,000	\$1,693,420	\$1,727,288
PIER 40 PARKING MANAGEMENT	\$1,680,084	\$1,505,934	\$1,559,721	\$1,558,189
SECURITY	\$3,049,214	\$3,328,175	\$3,080,679	\$3,425,000
OTPS, OTHER	\$2,953,570	\$4,994,775	\$3,980,997	\$5,757,960
REIMBURSEMENT	(\$1,720,758)	(\$3,999,183)	(\$3,704,591)	(\$4,529,304)
SUBTOTAL OTPS	\$11,217,717	\$13,289,659	\$12,287,975	\$14,880,639
TOTAL OPEX (PERSONNEL AND OTPS)	\$20,569,061	\$24,193,497	\$22,658,848	\$26,020,633
NOI / OPERATING SURPLUS (PRE CAPx & CAPm, NON-CASH EXPENSES)	\$19,615,699	\$9,148,963	\$13,736,791	\$4,137,563
CAPITAL MAINTENANCE (CAPm)	\$31,126,769	\$29,247,083	\$23,531,563	\$45,423,662
REIMBURSEMENT (FROM GOVERNMENT AND RESTRICTED)	(\$27,822,652)	(\$24,041,485)	(\$22,132,936)	(\$38,369,523)
EQUIPMENT (CAPx)	\$1,174,488	\$1,604,172	\$1,604,172	\$1,306,000
SUBTOTAL OF CAPx AND CAPm	\$4,478,605	\$6,809,769	\$3,002,799	\$8,360,139
OPERATING SURPLUS (DEFICIT) AFTER CAPx & CAPm	\$15,137,095	\$2,339,193	\$10,733,991	(\$4,222,576)
NON-CASH, NON-OPERATING EXPENSES				
OTHER POST EMPLOYMENT BENEFITS	\$1,113,824	\$1,366,143	\$1,366,143	\$1,407,128
DEPRECIATION	\$11,542,258	\$12,086,347	\$12,086,347	\$12,448,937
SUBTOTAL NON-CASH, NON-OPERATING EXPENSES	\$12,656,082	\$13,452,490	\$13,452,490	\$13,856,065
NOI (AFTER NON-CASH, NON-OPERATING EXPENSES) (a)	\$6,959,617	(\$4,303,527)	\$284,301	(\$9,718,502)

Additional Notes

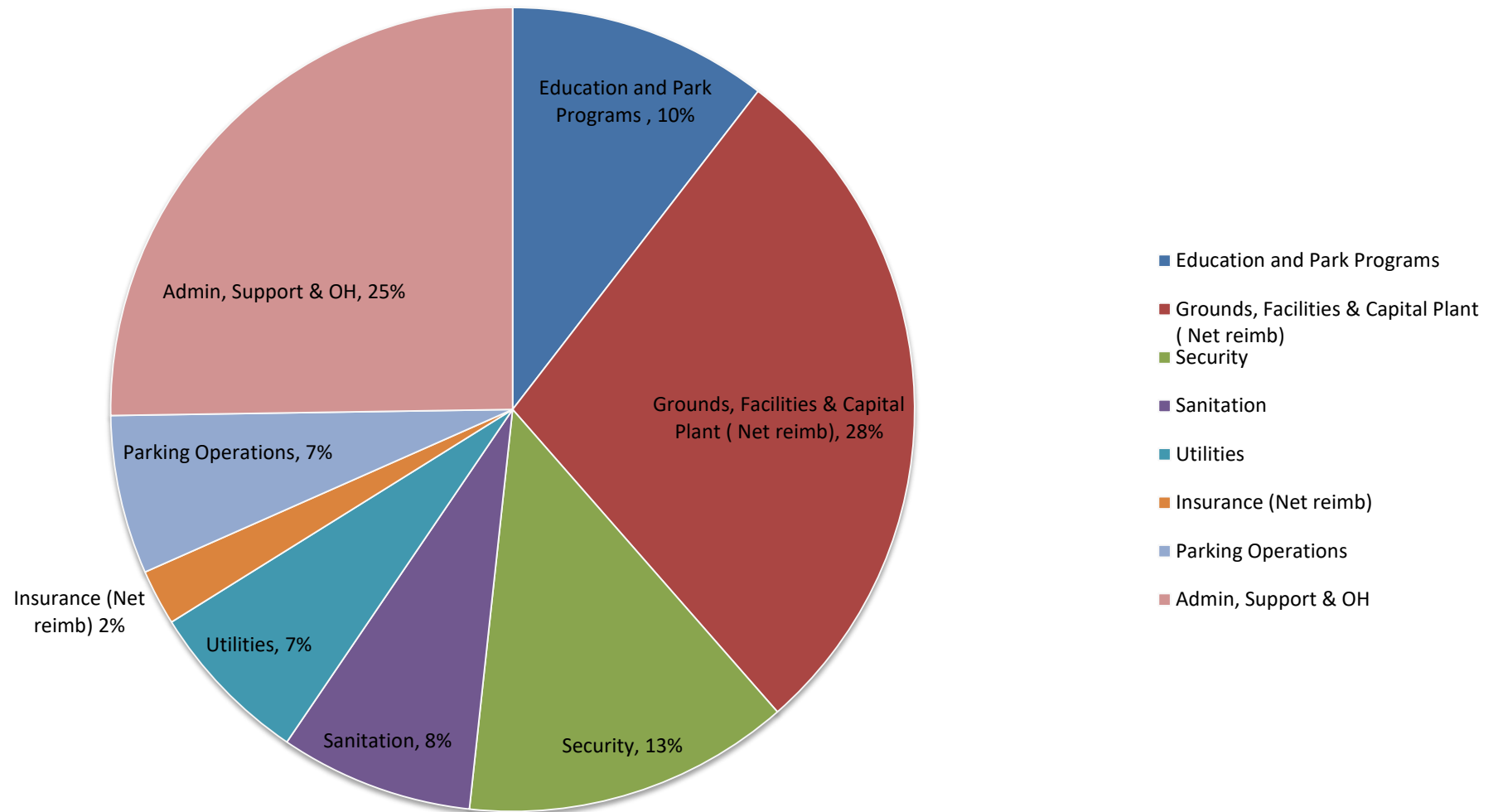
(a) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$ 9,718,502

EXHIBIT 2- FUNCTION SUMMARY- 2020 APPROVED BUDGET VS PROJECTION 2020, 2021 APPROVED BUDGET					
HUDSON RIVER PARK		APPROVED	PROJECTION	APPROVED	% CHANGE
FISCAL SUMMARY	Note	2020 BUDGET	2020 FY	2021 BUDGET	BUDGET
OPERATING REVENUE	1	33,342,459	36,395,639	30,158,196	-10%
DIRECT PARK OPERATIONS					
EDUCATION AND PARK PROGRAMS		2,325,533	2,217,055	2,721,646	17%
GROUND, FACILITIES & CAPITAL PLANT		7,306,454	6,744,610	8,059,841	10%
SECURITY		3,328,175	3,080,679	3,425,000	3%
SANITATION		1,835,000	1,600,941	2,023,261	10%
UTILITIES		1,200,000	1,693,420	1,727,288	44%
INSURANCE		3,924,957	3,891,083	4,363,244	11%
TOTAL DIRECT PARK OPERATIONS		19,920,119	19,227,788	22,320,280	12%
PARKING OPERATIONS		1,609,184	1,660,471	1,661,735	3%
ADMIN, SUPPORT & OH		6,663,376	5,475,181	6,567,922	-1%
REIMBURSEABLE EXPENSES		(3,999,183)	(3,704,591)	(4,529,304)	
TOTAL OPERATING (OPEX)	2	24,193,497	22,658,848	26,020,633	8%
OPERATING SURPLUS (DEFICIT)		9,148,963	13,736,791	4,137,563	-55%
CAPx AND CAPm NET REIMBURSABLE	3	6,809,769	3,002,799	8,360,139	23%
ANNUAL SURPLUS (DEFICIT)		2,339,193	10,733,991	(4,222,576)	-281%
NON OPERATING EXPENSE	4	13,452,490	13,452,490	13,856,065	3%
NOI (AFTER NON CASH TRANSACTIONS)(a)	5	(4,303,527)	284,301	(9,718,502)	126%
Notes					
		2020	2020	2021	% CHANGE
		BUDGET	PROJECTIONS	BUDGET	BUDGET
1 - Included in Operating Revenue					
Lease and Occupancy Permits		19,891,372	22,549,734	19,138,196	-4%
Parking		7,731,088	7,639,563	7,535,628	-3%
Fees		1,605,000	1,492,543	991,500	-38%
Interest		2,600,000	3,376,130	1,477,872	-43%
Contribution		1,125,000	2,000,000	1,825,000	62%
Sponsorship		300,000	425,000	300,000	0%
Other income		90,000	262,669	140,000	56%
Restricted for Capital		0	(1,350,000)	(1,250,000)	
2 - Included in OPEX					
Payroll		7,850,488	7,466,767	8,026,523	2%
Fringe Benefits		3,053,350	2,904,106	3,113,471	2%
Total Personnel		10,903,838	10,370,874	11,139,994	2%
Full Time Permanent Employees		82	83	84	2%
3 - Included in CAPM (net of reimbursements)					
Equipment (Incl replacements)		1,604,172	1,604,172	1,306,000	-19%
Upland and Park Piers		4,738,764	4,333,220	4,463,498	-6%
Marine Structures		6,062,980	7,301,801	2,560,000	-58%
Pier 40		18,445,339	11,896,542	38,400,164	108%
Reimbursable expense		(24,041,485)	(22,132,936)	(38,369,523)	
4 - Non operating cost					
Other Post Employment Benefits		1,366,143	1,366,143	1,407,128	3%
Depreciation (CAPx and CAPm)		12,086,347	12,086,347	12,448,937	3%
Total non operating cost		13,452,490	13,452,490	13,856,065	3%
5- Annual Surplus (Deficit)					
Additional Notes					
Operating Surplus (Deficit)		9,148,963	13,736,791	4,137,563	-55%
Non operating cost		(13,452,490)	(13,452,490)	(13,856,065)	3%
		(4,303,527)	284,301	(9,718,502)	126%

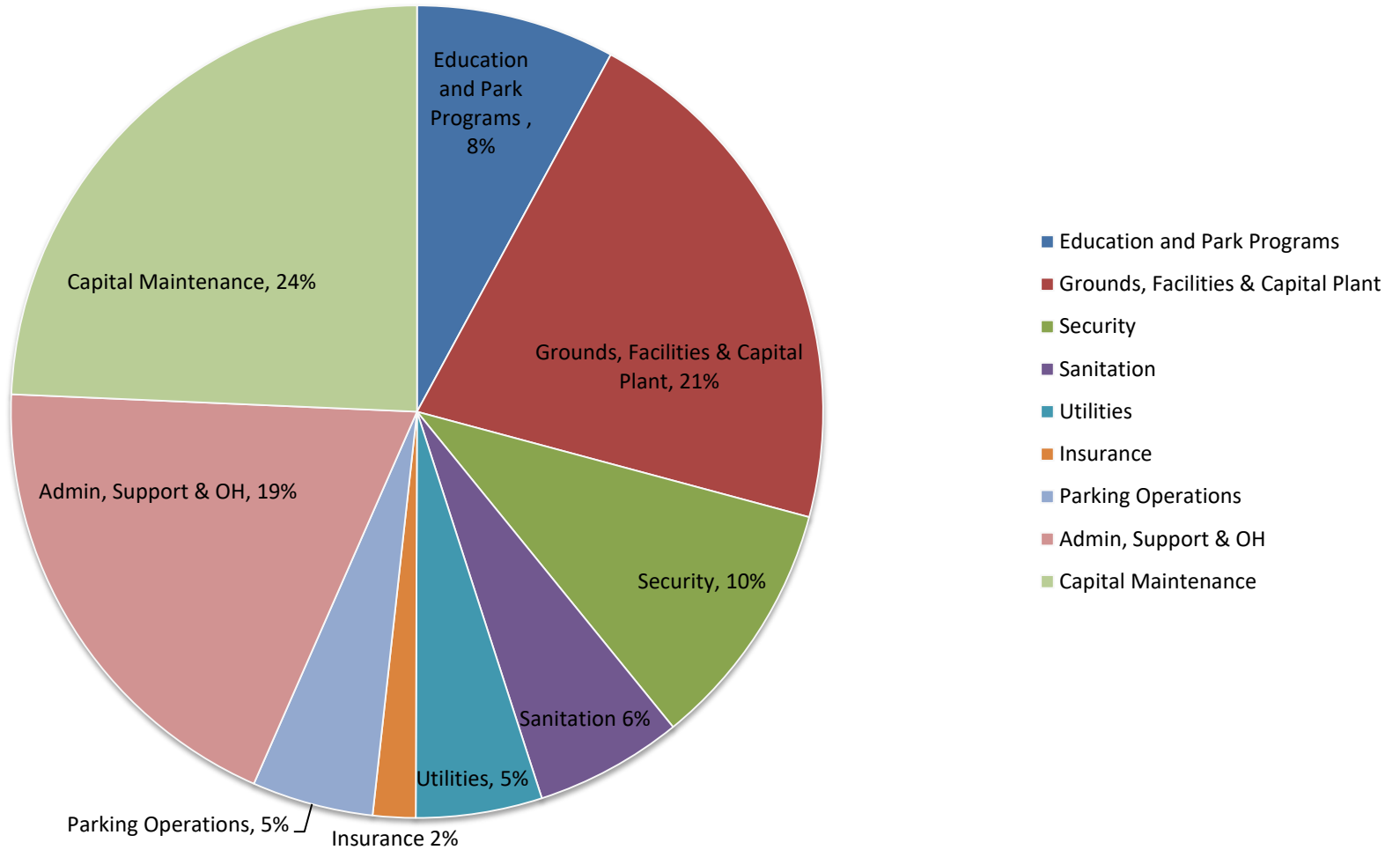
Additional Notes

(a) CAPx and CAPm are capitalized and depreciated; not included in operating expense budget deficit of \$9,718,502

2021 DISTRIBUTION OF EXPENSES NET OF REIMBURSEMENT (EXCLUDES CAPM)



2021 DISTRIBUTION OF EXPENSES NET OF REIMBURSEMENT (INCLUDES CAPM)

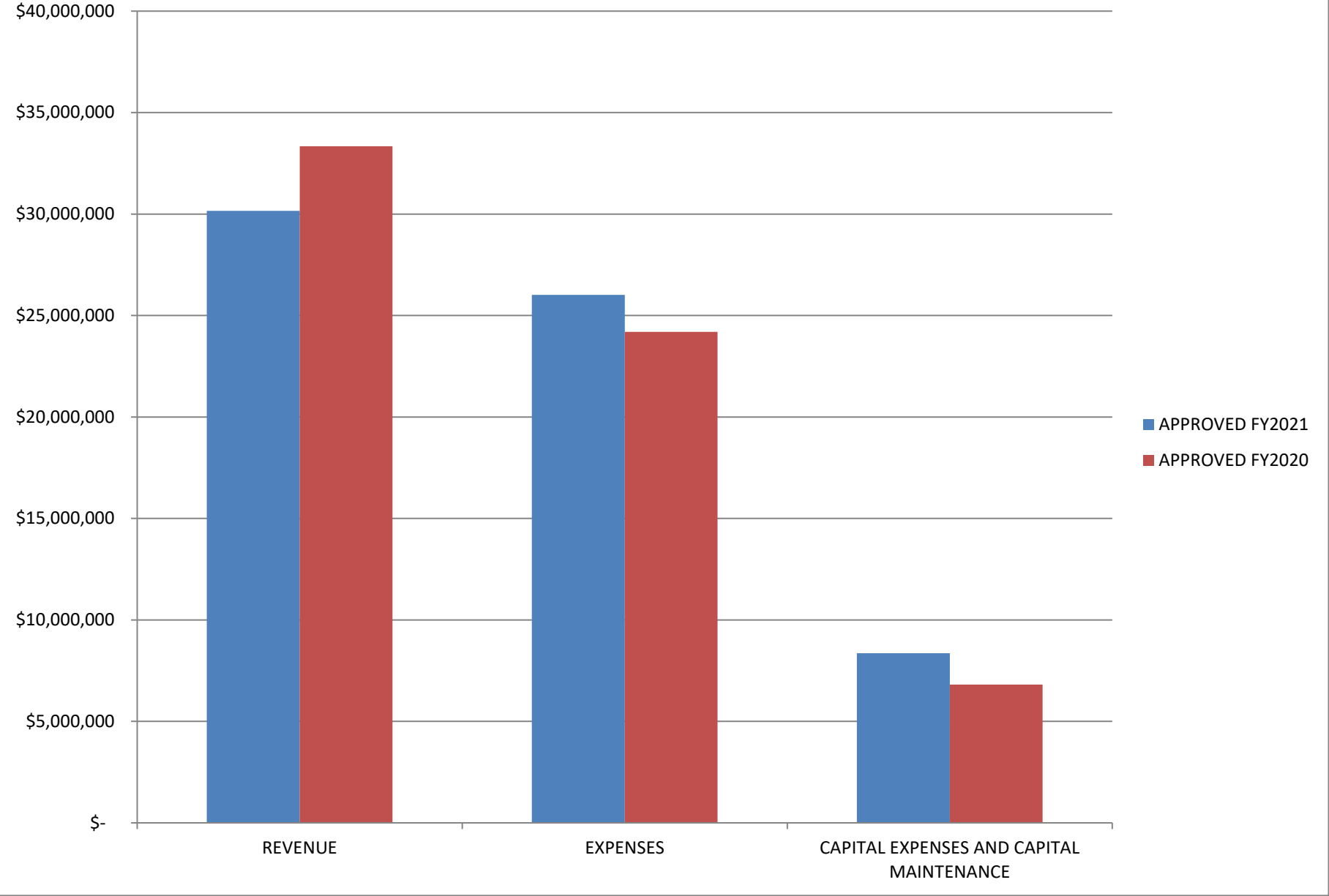


HUDSON RIVER PARK TRUST - FY 2021

EXHIBIT 3 - BUDGET SUMMARY (COMPARISON FY 2021 APPROVED VS FY 2020 APPROVED)

	APPROVED BUDGET FY 2021	APPROVED BUDGET FY 2020	CHANGE	PCT CHANGE
OPERATING REVENUE (see Exhibit 4)				
TOTAL LEASE, OCCUPANCY, FEES AND PARKING	\$27,665,324	\$29,227,459	(\$1,562,135)	-5%
TOTAL OTHER REVENUE	\$2,492,872	\$4,115,000	(\$1,622,128)	-39%
TOTAL OPERATING REVENUE	\$30,158,196	\$33,342,459	(\$3,184,264)	-10%
PERSONNEL EXPENSES (see Exhibit 5)				
PAYROLL	\$8,026,523	\$7,850,488	\$176,035	2%
FRINGE BENEFITS	\$3,113,471	\$3,053,350	\$60,121	2%
TOTAL PERSONNEL	\$11,139,994	\$10,903,838	\$236,156	2%
OTHER THAN PERSONAL SERVICES (see Exhibit 6 & 8) (a)	\$14,880,639	\$13,289,659	\$1,590,980	12%
OPERATING INCOME (LOSS)	\$4,137,563	\$9,148,963	(\$5,011,400)	-55%
CAPITAL EXPENSES (see Exhibit 7)				
CAPITAL EXPENSES - EQUIPMENT	\$1,306,000	\$1,604,172	(\$298,172)	-19%
CAPITAL MAINTENANCE - UPLAND AND PARK PIERS	\$4,463,498	\$4,738,764	(\$275,266)	-6%
CAPITAL MAINTENANCE - MARINE	\$2,560,000	\$6,062,980	(\$3,502,980)	-58%
CAPITAL MAINTENANCE & IMPROVEMENTS- PIER 40	\$38,400,164	\$18,445,339	\$19,954,826	108%
REIMBURSEABLE EXPENSE	(\$38,369,523)	(\$24,041,485)	(\$14,328,038)	60%
TOTAL NET CAPITAL EXPENSES AND CAPITAL MAINTENANCE	\$8,360,139	\$6,809,769	\$1,550,370	23%
TOTAL OPEX AND NET CAPX AND CAPM	\$34,380,772	\$31,003,266	\$3,377,506	11%
OPERATING INCOME LESS CAPX AND CAPM	(\$4,222,576)	\$2,339,193	(\$6,561,770)	-281%

SUMMARY

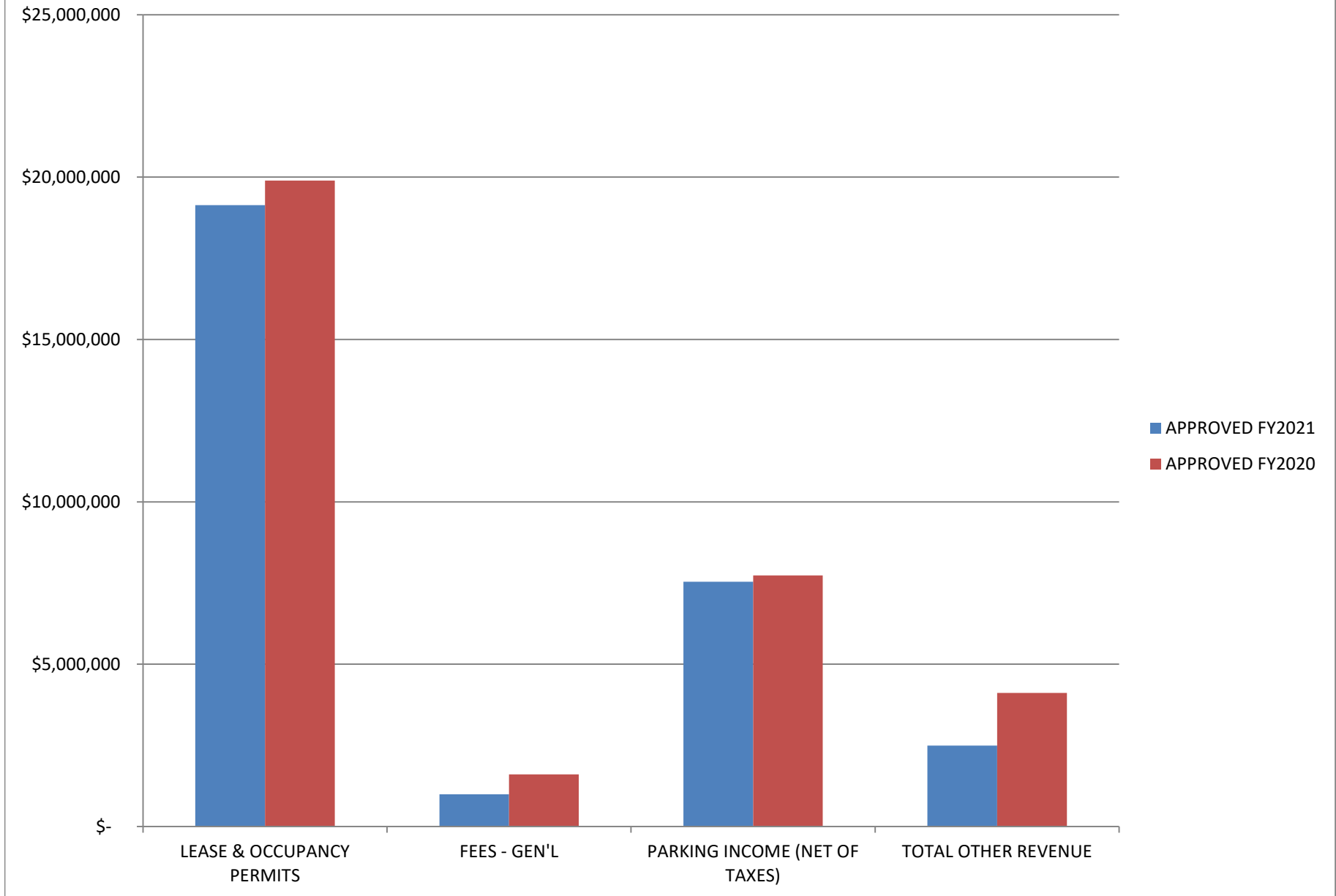


HUDSON RIVER PARK TRUST - FY 2020

EXHIBIT 4 - REVENUE (COMPARISON FY 2021 APPROVED VS FY 2020 APPROVED)

	APPROVED FY 2021	APPROVED FY 2020	\$ CHANGE	% CHANGE
LEASE & OCCUPANCY PERMITS	\$ 19,138,196	\$19,891,372	(\$753,176)	-4%
PARKING, & FEE REVENUE				
FEES - GEN'L	\$804,000	\$1,355,000	(\$551,000)	-41%
FIELD FEES	\$187,500	\$250,000	(\$62,500)	-25%
PARKING INCOME (NET OF TAXES)	<u>\$7,535,628</u>	<u>\$7,731,088</u>	(\$195,460)	-3%
PARKING & FEE REVENUE	\$8,527,128	\$9,336,088	(\$808,960)	-9%
OTHER REVENUE				
INTEREST	\$1,477,872	\$2,600,000	(\$1,122,128)	-43%
CONTRIBUTIONS	\$1,800,000	\$1,100,000	\$700,000	64%
SPONSORSHIPS	\$300,000	\$300,000	\$0	0%
OTHER INCOME	\$140,000	\$90,000	\$50,000	56%
GRANTS	\$25,000	\$25,000	<u>\$0</u>	<u>0%</u>
TRANSFER TO RESTRICTED CAPITAL	(\$1,250,000)	<u>\$0</u>	(\$1,250,000)	<u>N/A</u>
TOTAL OTHER REVENUE	\$2,492,872	\$4,115,000	(\$1,622,128)	-39%
TOTAL REVENUE	\$30,158,196	\$33,342,459	(\$3,184,264)	-10%

REVENUE



HUDSON RIVER PARK TRUST - FY 2021

EXHIBIT 5 - PERSONNEL SERVICES (COMPARISON FY 2021 APPROVED VS FY 2020 APPROVED)

	APPROVED FY2021	APPROVED FY2020	\$ CHANGE	PCT CHANGE
PAYROLL REG-FULL TIME	7,397,873	7,249,712	148,161	2%
PAYROLL - OVERTIME	73,000	93,000	(20,000)	-22%
PAYROLL PART TIME & SEASONALS	555,650	507,777	47,874	9%
SUBTOTAL PAYROLL	8,026,523	7,850,488	176,035	2%
TUITION REIMBURSEMENT	20,000	20,000	0	0%
FRINGE-VISION CARE	6,137	5,776	361	6%
FRINGE-DENTAL	54,438	54,428	10	0%
FRINGE-WORKERS COMP.	131,989	123,310	8,680	7%
FRINGE- STATE UNEMP.	63,048	61,218	1,830	3%
FRINGE- DISABILITY	12,952	12,100	852	7%
FRINGE - RETIRE. CONTRIB.	857,184	829,746	27,438	3%
FRINGE-FICA	575,774	567,846	7,928	1%
FRINGE-TRANSIT CHECK	103,200	104,400	(1,200)	-1%
FRINGE- MEDICAL	1,228,092	1,214,670	13,422	1%
FRINGE - NY METRO - M TAX	57,656	56,855	801	1%
FRINGE - FLEXIBLE SPENDING	3,000	3,000	0	0%
FRINGE BENEFITS	3,113,471	3,053,350	60,121	2%
TOTAL PERSONNEL SERVICES	11,139,994	10,903,838	236,156	2%

FRINGE

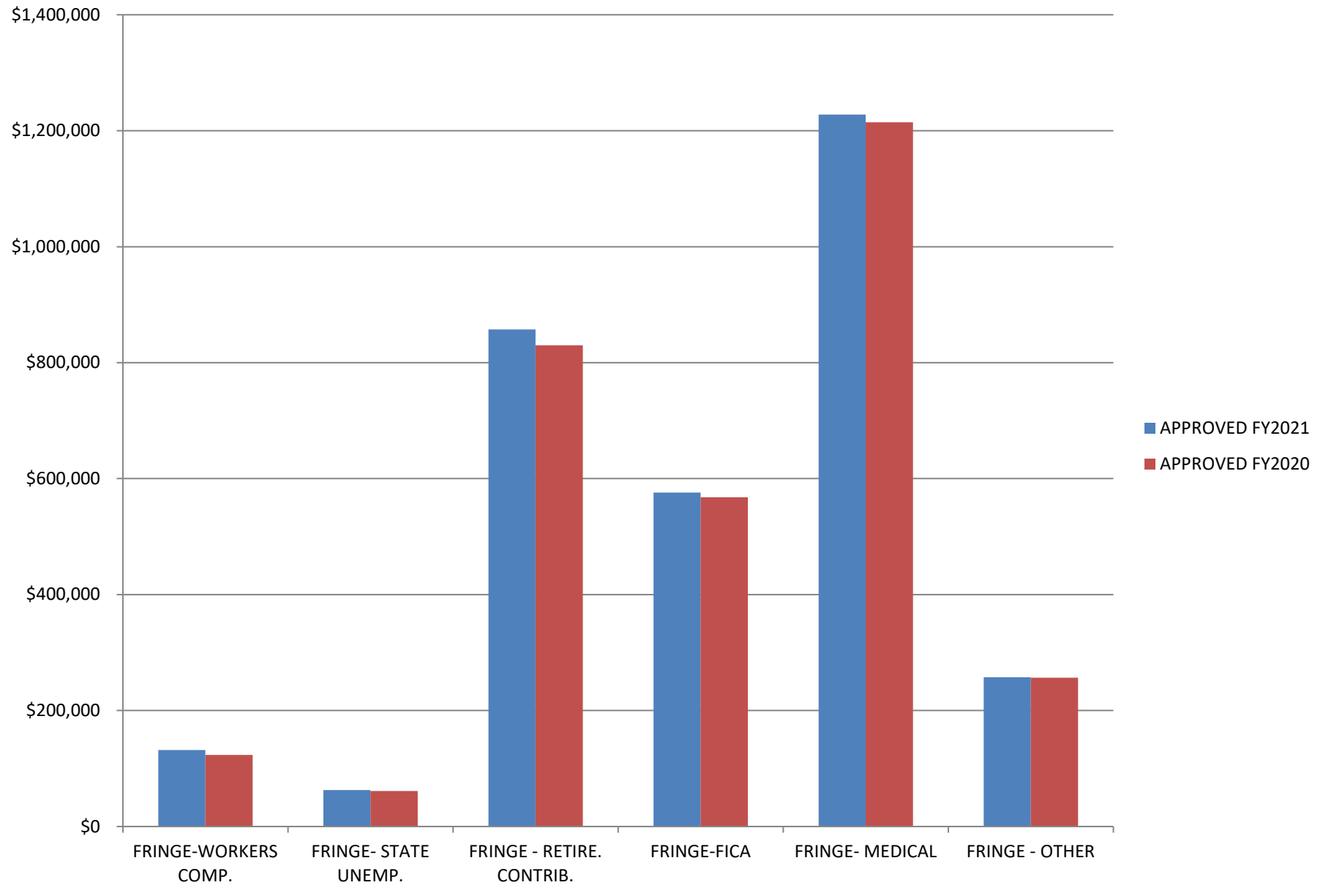
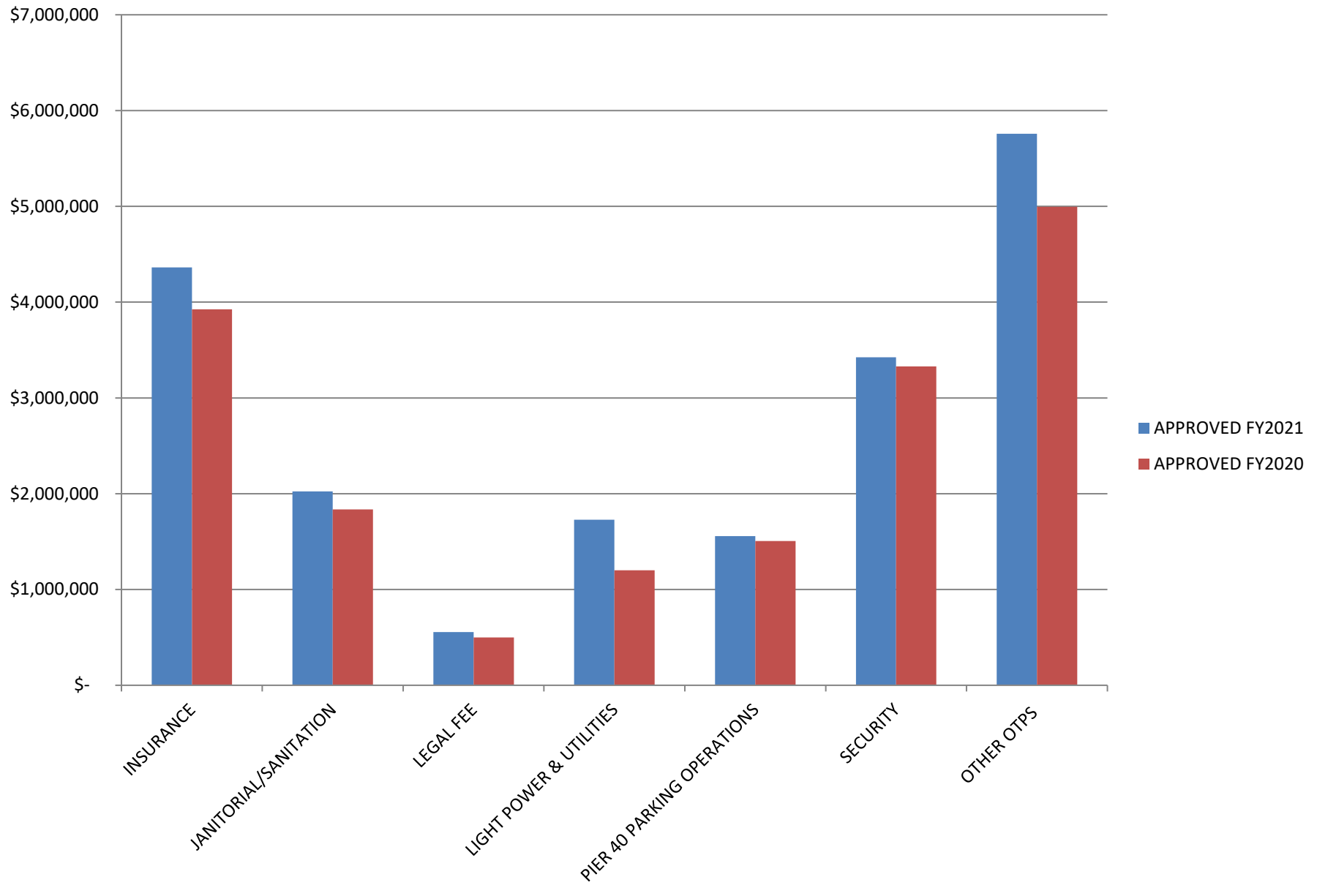


EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (OTPS) (COMPARISON FY 2021 APPROVED BUDGET VS FY 2020 APPROVED)

BUDGET CATEGORY	APPROVED FY 2021	APPROVED FY 2020	PROJECTED FY 2020	BUDGET CHANGE	PCT CHANGE	BUDGET CATEGORY	APPROVED FY 2021	APPROVED FY 2020	PROJECTED FY 2020	BUDGET CHANGE	PCT CHANGE
PROMOTION & PUBLIC RELATION	\$278,500	\$213,500	\$202,500	\$65,000	30%	PAYROLL FEES	\$37,500	\$35,000	\$35,000	\$2,500	7%
AUDITING FEE	\$175,000	\$175,000	\$150,000	\$0	0%	PHOTOGRAPHER	\$500	\$500	\$0	\$0	0%
AUTO MTNCE. & GASOLINE	\$63,250	\$83,500	\$48,160	(\$20,250)	-24%	PLANT MATERIALS	\$74,500	\$62,000	\$65,000	\$12,500	20%
AUTO SERVICE	\$25,000	\$25,000	\$25,000	\$0	N/A	POSTAGE	\$25,000	\$20,000	\$35,000	\$5,000	25%
FUEL	\$35,000	\$50,000	\$32,013	(\$15,000)	N/A	PRINTING & REPRODUCTION	\$133,676	\$148,176	\$105,176	(\$14,500)	-10%
BANK FEES	\$25,000	\$25,000	\$25,000	\$0	0%	REPAIRS & MTNCE - BLDG	\$80,000	\$80,500	\$83,500	(\$500)	-1%
BUSINESS MEALS	\$1,000	\$1,000	\$500	\$0	0%	REPAIRS & MTNCE - MARINE	\$15,000	\$15,000	\$16,000	\$0	0%
COMPUTER CONSULTANT	\$65,000	\$65,000	\$25,000	\$0	0%	REPAIRS & MTNCE- EQUIPT	\$101,800	\$98,800	\$30,000	\$3,000	3%
COMPUTER HARDWARE	\$110,000	\$35,000	\$35,000	\$75,000	214%	REPAIRS & MTNCE- OFFICE	\$0	\$0	\$0	\$0	N/A
COMPUTER SOFTWARE	\$264,110	\$191,610	\$191,610	\$72,500	38%	REPAIRS & MTNCE-OTHER	\$30,000	\$30,000	\$30,480	\$0	0%
EDUCATIONAL TRAINING	\$53,400	\$65,500	\$29,560	(\$12,100)	-18%	REPAIR & MAINT REC FACILITIES	\$0	\$0	\$0	\$0	N/A
EMPLOYEE RECRUITMENT	\$20,000	\$12,000	\$20,000	\$8,000	67%	SECURITY EQUIPMENT	\$15,500	\$16,600	\$16,000	(\$1,100)	N/A
FEES & MEMBERSHIP	\$11,500	\$13,535	\$11,625	(\$2,035)	-15%	SEMINARS & CONFERENCES	\$17,350	\$18,250	\$10,250	(\$900)	-5%
GENERAL CONSULTANT	\$1,776,875	\$1,273,319	\$816,586	\$503,556	40%	SIGNS & BANNERS	\$89,435	\$110,000	\$98,000	(\$20,565)	-19%
INTERNET	\$84,045	\$53,045	\$53,045	\$31,000	58%	SUBSCRIPTION	\$62,563	\$44,980	\$27,700	\$17,583	39%
INVESTMENT FEES	\$104,000	\$104,000	\$104,000	\$0	N/A	SUPPLIES	\$149,250	\$153,250	\$162,025	(\$4,000)	-3%
LANDSCAPING	\$31,000	\$33,000	\$40,000	(\$2,000)	-6%	TELEPHONE EQUIP/ACCESSORIES	\$13,000	\$36,000	\$15,000	(\$23,000)	-64%
LEASE EQUIPMENT/RENTAL	\$130,001	\$96,000	\$77,746	\$34,001	35%	TELEPHONE& ELECTRONIC COMMUNICATIONS	\$135,390	\$112,390	\$127,890	\$23,000	20%
TRAVEL	\$12,250	\$18,250	\$12,250	(\$6,000)	-33%	TOOLS	\$16,000	\$13,500	\$12,200	\$2,500	19%
MEETING EXPENSES	\$6,500	\$10,000	\$6,750	(\$3,500)	-35%	TOOLS REPAIR	\$1,500	\$1,500	\$750	\$0	N/A
MISC EXPENSE	\$10,000	\$10,000	\$2,500	\$0	0%	TRAFIC CONTROL EQUIPMENT	\$5,000	\$4,000	\$10,000	\$1,000	N/A
MOVIES	\$20,000	\$25,000	\$24,000	(\$5,000)	-20%	UNIFORM	\$63,260	\$63,260	\$65,500	\$0	0%
OFFICE SUPPLY	\$50,000	\$50,000	\$50,000	\$0	0%	VOLUNTEER EXPENSE	\$2,500	\$2,500	\$4,500	\$0	N/A
OTHER EXPENSES	\$5,900	\$2,850	\$1,075	\$3,050	107%						
OTHER OUTSIDE SERVICES	\$1,301,805	\$1,267,360	\$1,034,897	\$34,445	3%						
OVERNIGHT MAIL	\$30,100	\$30,100	\$12,209	\$0	0%						
						TOTAL OTPS	\$5,757,960	\$4,994,775	\$3,980,997	\$763,185	15%

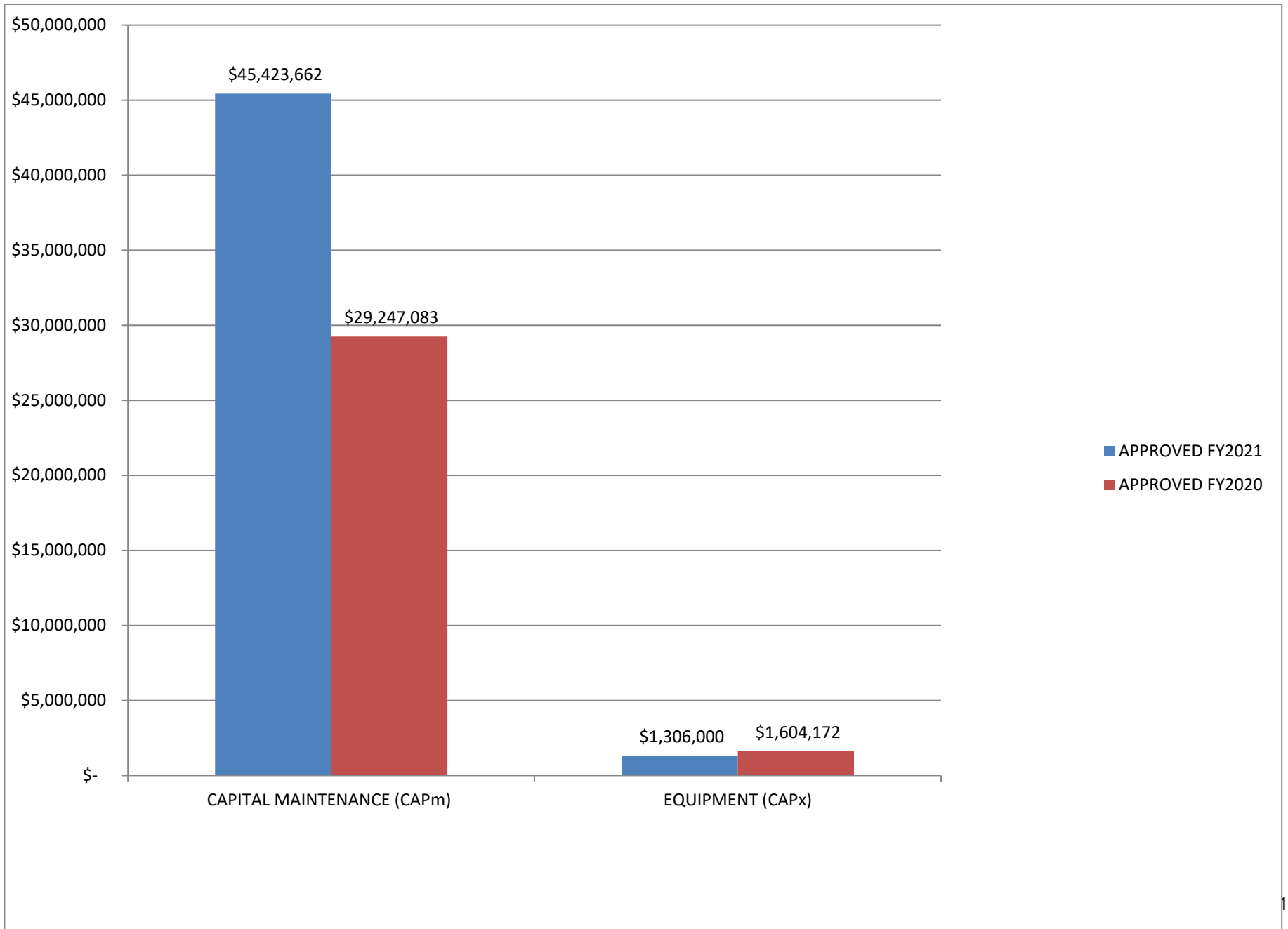
OTPS



HUDSON RIVER PARK TRUST -FY 2021

EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE FY 2021 APPROVED

Capital Equipment & Other		Capital Maintenance Marine	
MIS Equipment	\$5,000		
IT Hardware & Software	\$344,000	Reconstruction	\$81,191
Security Cameras & Access	\$625,000	Inspections	\$60,000
Vehicles & Equipment Other	\$82,000	Repairs	\$2,418,809
Furniture and Partitions	250,000	Subtotal	\$2,560,000
Subtotal	\$1,306,000		
Capital Maintenance - Upland Park and Piers		Capital Maintenance & Improvements- Buildings Pier 40*	
Playground Repairs	\$60,000	Pile Repair	\$19,482,744
Reconstruction	\$2,177,000	Roof Repair	\$12,777,860
Blg, Plumbing, Utility Repairs	\$290,890	Fire Protection	\$1,693,060
Fencing & Railing	\$500,000	Fields	\$790,000
Paving	\$575,608	Exterior	\$1,397,500
Grounds, Other	\$860,000	Building Other	\$2,259,000
Subtotal	\$4,463,498	Subtotal	\$38,400,164
		Total Capital Maintenance & Equipment	\$46,729,662



**Fiscal Year 2021
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 (State) public benefit corporation created under the Hudson River Park Act (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 (Board) 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 and concession fees, parking revenue from the Pier 40 garage, and certain user fees. This revenue is supplemented by contributions generated by private fundraising, Hudson River Park Friends (Friends), 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 current or future years.

In November 2019, all Department heads or their designees met with the Vice President of Finance to review their department's 2019-20 operating budget as of November 2019, confirm or modify projections for the remainder of the fiscal year, and to work together on the Preliminary Proposed 2020-21 Budget. As described below, both the Department heads and the Vice President of Finance continued to meet to discuss the Preliminary Proposed Budget, and information on the budget was exchanged as needed until presented to the Trust's Finance/Audit committees for review and Board for approval.

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 fiscal year approved budget;
- (b) Current year expenditure information to date from the Trust's Great Plains accounting system; and
- (c) Proposed department spending for the next fiscal year.

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 fiscal year actual (year to date) and projected actual expenses, and a blank column for the request for the next fiscal 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 next fiscal 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 budget meetings. New needs requiring justifications are discussed at the meetings, 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) and contract service providers (e.g., cleaning and security/public safety). 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 expenditure 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 projects not already approved by the Board and under contract are treated as a new need each budget year and reviewed with the Facilities Department and Design & Construction Department staffs. Capital maintenance expenditures in excess of net operating surplus 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 for the next fiscal year is prepared based on:

- (a) projected lease rent, concession fees 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 and reasonably expected new 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 Friends.

6) Personnel services budget for the next fiscal year is prepared after consultation with Department heads on program activity, existing staffing levels, the needs for both seasonal and permanent positions, and a review of 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 Chief Executive Officer. 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 reviewed 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 additional review by the Audit/Finance committee which then refers the Proposed Budget to the full Board for its review and approval.

Administration Department

In January 2020, the Chief Financial Officer and Vice President of Finance reviewed the Department's 2019-20 operating budget as of December 2019; confirmed projections for the remainder of the fiscal year, and worked together on the 2020-21 operating budget for review and approval by the Chief Executive Officer.

Lease and Parking Revenue

In November 2019, the Assistant Vice President of Property Management was advised by the Vice President of Finance to work on the FY 2021 budget for the lease and occupancy permit revenue schedule.

The Assistant Vice President follows a 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 escalations based on the terms of the permits, concession agreements and leases [some are based on percentage and others are based on Consumer Price Index adjustment];
- (e) Calculate projected PILOT fees for certain leases by referencing the NYC Department of Finance website for tax rates, assessment ratios, and tentative assessed values;
- (f) Calculate estimates for percentage revenue based on the current year actuals for tenants, concessionaires and permittees that pay on percentage of revenue basis;
- (g) Estimate rental/fee revenues based on new potential revenue contracts;
- (h) Prepare a reasonable estimate for vacancy and collections expense; and
- (i) Generate a new net lease schedule for the next fiscal year.

To have better control over income, the Assistant Vice President of Property Management 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 in January between Vice President of Finance and the Chief Financial Officer for the purpose of preparing the Preliminary Proposed Budget. A final review was conducted later in March to prepare the Proposed Budget.

§ 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 2021, operating revenue of \$30.1 million is budgeted to be \$4.2 million greater than operating expenses of approximately \$26.0 million. This budgeted operating surplus will be applied to unfunded costs attributable to ongoing capital maintenance needs of \$8.4 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, offsetting air rights proceeds, or contributions are secured, the Trust will have a deficit of \$4.2 million and experience a decrease in its reserves of an equivalent amount in FY 2021.

The discussion below and referenced exhibits compare the actual results of FY 2019, the approved FY 2020 budget, projected actual revenue and expenses for FY 2020, and proposed FY 2021 budget. Please note that the projected actual expenses for FY 2020 are preliminary and subject to revision as a number of accruals will require further adjustment. Staff will provide final FY 2020 actuals to the Finance/Audit committees and full Board when the fiscal year is closed and audited. In general, projected actual operating results for FY 2020 are expected to be more favorable than budget due to: (1) lower vacancy and collection expenses for leased and permitted space; (2) increased interest income; (3) lower personnel expenses as (a) a budgeted senior staff position was unfilled and other vacancies persisted longer, and (b) overtime for snow removal was not needed, (4) some special projects such as document management were deferred; (5) the use of outside legal counsel was significantly less than anticipated; (6) contracted services such as power washing was less than projected; (7) reimbursement revenue was higher than expected; and (8) portions of the Pier 40 pile repair capital maintenance project were deferred to FY 2021 as contractor performance lagged.

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

Exhibit 1 lists important budget categories and amounts for the proposed FY 2021 budget, the actuals results for FY 2019, the approved budget for FY 2020 and the projected actual results for FY 2020. Total gross revenue for FY 2020 is projected to be \$3.1 million greater than budget and total operating expenses \$1.5 million less than budgeted. Though impacted by the application of reimbursement revenue from governmental sources and use of dedicated restricted funds (primarily from air rights proceeds), the net surplus (deficit) after capital maintenance (CAPm) and capital equipment expenditures (CAPx) represents the Trust's "bottom line" on a pro forma 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 have a pro forma deficit of \$4.2 million in FY 2021. On a GAAP basis, which fully

recognizes depreciation and does not take into account the application of reimbursement revenue for capital maintenance, the Trust is budgeted to operate at a \$9.7 million deficit in FY 2021.

Exhibit 2 and accompanying pie charts provide the functional distribution of revenue and expenses projected for the current fiscal year and proposed under the FY 2021 budget. On a year over year budget basis, revenue from all sources is 10% less than budgeted FY 2020. This is primarily the result of COVID-19 related economic adjustments that are anticipated to adversely impact most sources of earned and other income. Revenue from leases, occupancy permits and concession agreements, and field and event fees is budgeted to decrease by 4%. A sharp decline in percentage rents and fees based on occupant business sales is expected. Parking revenue is budgeted to decrease by 3%. Contributions from Friends is budgeted at \$500,000, which is a decrease of \$600,000 from the budget amount for the current fiscal year. 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 expense categories, expenditures for direct park operations are budgeted to increase by 12%, while administration decreases by 2%, and parking operations increase by 3%. The increase in direct park operations results largely from new budgeted studies for the potential redevelopment of Pier 40, roll out of the Trust's new website, and an escalation in prevailing wage for cleaning service contractor employees. Overall personnel services are budgeted to increase by 2%, but the larger increase shown in the Preliminary Proposed Budget has been largely eliminated. Utility costs for FY 2021 are budgeted to increase by 44% over the prior year budget, but this represents only a 2% increase against the projected actual FY 2020 expense as the Trust has now implemented a better meter monitoring system to more accurately budget for this expense.

Exhibit 3 and accompanying bar chart provide a summary comparison showing differences between the proposed FY 2021 and approved FY 2020 budgets. Capital maintenance for upland and park piers shows a decrease of 58% reflecting the completion of bulkhead work north of Pier 40 in the Morton Street area and at the Pier 66a float bridge. Capital maintenance for Pier 40 is expected to double due to continuation of expanded pile restoration and additional repair projects such as the Pier 40 roof and façade.

Exhibit 4 and accompanying bar chart present the proposed FY 2021 budget and approved FY 2020 budget revenue categories and amounts, showing an overall decrease of 10%. As discussed above, lease and occupancy permit revenue is budgeted to decrease by 4%, to \$19.1 million. Fees from field use and events are budgeted to decline due to the impact of closures associated with the COVID-19 health crisis. Interest income is lower reflecting reduced yields on investments in short term securities.

Exhibit 5 and accompanying bar chart compare proposed FY 2021 and approved FY 2020 budgets for personnel services, including both direct payroll and fringe benefits increase of 2%. The increase in the personnel services budget reflects, in part, a budgeted headcount increase

from 82 (83 actual) to 84 full time positions. Nine new positions previously budgeted in the FY 2021 Preliminary Proposed Budget to reflect expanded responsibilities in operations, horticulture, maintenance, facilities, estuary lab, and administration have been reduced to one.

Exhibit 6 indicates that total OTPS expenses for FY 2021 are proposed to be increased by 15% as compared to the prior year budget. This results primarily from amounts budgeted for Pier 40 and Pier 76 engineering and planning studies.

Exhibit 7 lists \$46.7 million of capital expenditures budgeted for equipment and software at \$1.3 million, and capital maintenance at \$45.4 million. We provide a separate breakdown for capital maintenance for upland parks and piers at \$4.5 million, marine at \$2.6 million, and Pier 40 (including pile repair) at \$38.4 million. These capital maintenance amounts are “gross,” i.e., before reimbursement or application of restricted funds dedicated to Pier 40 infrastructure repair.

§ 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/Audit committees before the next fiscal year budget is presented 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.

	Actual	Projected Actual	Proposed Budget
	2019	2020	2021
Operating revenue:			
Lease & permit revenue	\$27,560,697	\$22,549,734	\$19,138,196
Parking revenue	\$7,580,553	\$7,639,563	\$7,535,628
Fees and other revenue	\$2,120,859	\$2,180,212	\$1,431,500
Contributions & Grants	\$3,283,130	\$2,000,000	\$1,825,000
Interest	\$1,889,522	\$3,376,130	\$1,477,872
Restricted for Capital	(\$2,250,000)	(\$1,350,000)	(\$1,250,000)
Total Operating Revenue	\$40,184,761	\$36,395,639	\$30,158,196
Operating expenses:			
Employee compensation and benefits	\$10,465,168	\$11,737,017	\$12,547,121
Other Expenses	\$22,759,975	\$24,374,321	\$27,329,576
Total Operating Expense	\$33,225,143	\$36,111,338	\$39,876,697
Note:			
(a) Employee compensation and benefits includes Personnel, Fringe Benefits and Other Post Employment Benefit expenses			
(b) Other Expenses includes OTPS and Depreciation expenses			

§ 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 = 84

Part-time employees = 5

Seasonal employees = 38

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, projected actual results were above budget and expenses below budget for current fiscal year.

§ 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 2021

§ 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.

CAPITAL PLAN - SOURCES & USES NEW PARK CONSTRUCTION								
Use of Funds (Capital Project)	Estimated Cost (\$ millions)	FY 2020-2021	NYC Available	NYS Available	Restricted Available	Private Available	Air Rights	Source Unknown
Pier 26 Park*	\$35.20	\$12.90	\$17.60	\$7.60		\$10.00		
Pier 26 Estuarium**	\$30.00	\$1.27		\$11.80		\$5.00		\$13.20
Gansevoort Park (including marine and buildings)**	\$73.10	\$10.55	\$50.00		\$23.10			
Pier 54 Connector*	\$21.00	\$0.84		\$18.00	\$3.00			
Pier 55 (HRPT Portion)*	\$21.20	\$6.54	\$17.00	\$3.70	\$0.50			
Pier 57 Open Space (Developer Construction)*	\$14.80	\$0.00				\$14.80		
W29th to W44th Incl Habitat Beach**	\$71.70	\$0.75	\$23.00	\$23.00			\$25.70	
Pier 97 Park (including marine platform and building)*	\$42.20	\$6.73		\$38.30			\$3.90	
Estuary Enhancements **	\$1.50	\$1.50		\$1.50				
Other Parkwide Projects**	\$6.10	\$6.10	\$6.10					
TOTAL	\$316.80	\$47.18	\$113.70	\$103.90	\$26.60	\$29.80	\$29.60	\$13.20

Note: Note: Where designs for capital projects have not yet been prepared, cost estimates are preliminary and based on previous construction in Hudson River Park, adjusted for inflation. Preliminary costs have not yet been estimated for public space creation and improvements at Pier 40 and Pier 76 as conceptual plans and programming for those areas have yet to be developed; potential infrastructure costs for the pile-supported Pier 76 have not yet been analyzed or estimates prepared. Certain bulkhead areas adjacent to identified projects have not yet been surveyed or their associated repair costs assessed. Costs assume a phasing schedule with annual escalations. Projects denoted with asterisk* are presently under construction, those with asterisk** are presently under planning and/or design.