



**MINUTES OF THE
AUDIT COMMITTEE
AND
FINANCE & INVESTMENT COMMITTEE
JOINT MEETING**

**March 23, 2021 at 12:30 pm
Pier 40, 353 West Street
New York, New York 10014
Virtual Meeting via Zoom**

Attendees:

Directors: Basil Seggos, Jeffrey Kaplan, Aloysee Heredia Jarmoszuk, Purnima Kapur, Lowell Kern, and Pedram Mahdavi for Director Been

HRPT Staff: Noreen Doyle, Daniel Kurtz, Sikander Zuberi, Christine Fazio

After introductions by Noreen Doyle, Daniel Kurtz discussed the Hudson River Park Trust's Proposed Budget for Fiscal Year 2022, which he explained is generally consistent with the Preliminary Budget shared with the Directors in January.

He began by addressing the current budget for Fiscal Year 2021 that ends on March 31, 2021, which coincides almost exactly with the first year of COVID and has been a challenge from a budget perspective. The Trust had adjusted downward the FY 2021 budget last March when closures due to COVID were expected to last only a few months. Unfortunately, COVID has had a much longer impact on everyone. Therefore, operating revenue are now projected to be 15% less than budget, with lease and occupancy revenue under by 20%. The Trust however also reduced operating expenses by \$5.1 million from the FY 2021 budget.

Mr. Kurtz shared a power point presentation prepared by Sikander Zuberi to then address the proposed FY 2022 budget. He explained that for FY 2022, the Trust is proposing a conservative revenue budget of \$28 million, which is still 7% less than the approved FY 2021 budget amount, though 7% greater than the projected actuals for FY 2021. Lease and occupancy revenue for FY 2022 is budgeted at \$16.4 million and includes a conservative 20% allowance from contract rent/fees for deferrals, vacancies and collections, but the Trust is still hopeful that there will be a stronger rebound and that more revenue will come in. He explained that total operating expenses for FY 2022 are budgeted at \$25.3 million and unreimbursed capital maintenance is \$6.1

million. This will result in a budgeted deficit after capital maintenance of approximately \$3.5 million, an amount which is available from the Trust's reserves. The most significant increases are for security and parking operations. The increase in parking reflects the anticipated expansion of available spaces in the early fall when the Pier 40 south shed roof work is completed. Mr. Kurtz also addressed the proposed capital maintenance and capital budget of \$34.7 million, the bulk of which is for capital maintenance at Pier 40.

The Directors asked a number of questions but overall agreed with the proposed Budget. Approval of the Proposed FY 2022 Budget is on the agenda for the next Board of Directors' meeting scheduled for March 25, 2021. Once approved, the Budget would be posted on the Trust's website.

The Directors then moved into Executive Session to address potential litigation and real estate transactional matters. No resolutions were made during the Executive Session.

After the Executive Session, the joint committees' meeting was adjourned at 2:00 pm.