



**MINUTES OF THE
FINANCE & INVESTMENT COMMITTEE MEETING**

**November 15, 2021 at 2:00 pm
Pier 40, 353 West Street
New York, New York 10014
Virtual Meeting via Zoom**

Attendees:

Directors: Vicki Been, Basil Seggos, Jeffrey Kaplan, Aloysee Heredia Jarmoszuk, Purnima Kapur, Lowell Kern, Michael Kuh, Idehen Aruede and Pedram Mahdavi

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

After introductions by Noreen Doyle, Kimberly Quinones summarized the six month financials for fiscal year 2022 that had been shared with the Directors. The Trust recorded total operating revenues of \$18.8 million and operating expenses, net of reimbursable expenses, of \$10.6 million, for a surplus of \$8.1 million before capital expenditures for the first six months of FY 22. Revenues were 67% and expenses were 42% of budgeted amounts for the full year. This surplus is currently higher than the \$2.7 million year-end surplus projected in the FY 22 budget. Spending for capital improvements and equipment totaled \$13.8 million or 40% of the amount budgeted for the full fiscal year.

Overall, the Trust is expected to have more revenue generation than projected when preparing the budget in the early 2021, but revenues are still down from pre-pandemic levels. The Trust is working to fill vacant staffing positions and capital spending is expected to increase during the second half of the fiscal year.

Ms. Quinones then reviewed budget variances greater than 5% as presented in the six-month update. The Directors asked a number of questions about the budget that Ms. Quinones answered.

Christine Fazio then explained that the Trust expected another increase in the general liability insurance premiums for the renewal year commencing on December 1, 2021 because the Trust has more construction occurring as compared to past years. The Trust is working with the Office of General Services and its broker at ways to reduce the overall costs, including having separate

policies for construction and Park operations and increasing the deductible paid per claim. The Trust will know the total costs in the next week and will inform the Directors accordingly.

Noreen Doyle then mentioned that the Trust is in the final stages of negotiating the new lease with Chelsea Piers and that it expected to commence the public process soon. As Chelsea Piers is one of the highest revenue sources for the Trust and Chelsea Piers provides many jobs and a service to the community, this is an important tenant. Christine Fazio explained some of the benefits of the new proposed lease for the Trust, including higher rent, increased insurance coverage, improved casualty language and an improved public walkway. Chelsea Piers benefits by having a longer term lease term that can improve its ability to obtain financing.

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 committee meeting was adjourned at 3:15 pm.