



# Hudson River Park Trust

**FISCAL YEAR 2016 APPROVED BUDGET  
MARCH 17th 2015**

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 - APPROVED FY 2016 BUDGET**

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HUDSON RIVER PARK TRUST - FY 2016 PROPOSED BUDGET

EXHIBIT 1 - REVENUE AND OPEX (COMPARISON FY APPROVED 2016, APPROVED 2015, PROJECTED ACTUAL 2015)

	APPROVED FY2016	APPROVED FY2015	PROJECTED ACTUAL FY2015 (PRELIMINARY)
<b>REVENUE</b>			
<b>LEASE &amp; OCCUPANCY PERMITS</b>	<b>9,917,905</b>	<b>9,429,639</b>	<b>9,565,630</b>
<b>PARKING, &amp; FEE REVENUE</b>			
FEES - GEN'L	1,700,000	1,650,000	1,592,993
FIELD FEES	300,000	250,000	279,645
PARKING INCOME (NET OF TAXES)	6,172,149	5,927,641	6,894,425
<b>PARKING &amp; FEE REVENUE</b>	<b>8,172,149</b>	<b>7,827,641</b>	<b>8,767,063</b>
<b>OTHER REVENUE</b>			
INTEREST	121,000	144,000	105,000
CONTRIBUTIONS	1,000,000	1,500,000	1,031,058
SPONSORSHIPS	400,000	125,000	384,421
OTHER INCOME	125,000	150,000	83,543
GRANTS	50,000	150,000	5,400
<b>TOTAL OTHER REVENUE</b>	<b>1,696,000</b>	<b>2,069,000</b>	<b>1,609,421</b>
<b>TOTAL REVENUE</b>	<b>19,786,054</b>	<b>19,326,280</b>	<b>19,942,114</b>
<b>EXPENSES</b>			
PAYROLL REG-FULL	5,063,896	4,924,277	4,775,358
PAYROLL - OVERTIME	68,500	63,500	51,640
PAYROLL PART TIME & SEASONALS	427,976	450,335	372,172
<b>SUBTOTAL DIRECT PAYROLL</b>	<b>5,560,372</b>	<b>5,438,112</b>	<b>5,199,170</b>
FRINGE-WORKERS COMP.	98,762	109,758	107,262
FRINGE- STATE UNEMP.	80,095	61,163	60,822
FRINGE - RETIRE. CONTRIB.	812,225	777,965	700,867
FRINGE-FICA	388,263	375,725	364,037
FRINGE- MEDICAL	759,087	734,167	723,600
FRINGE - OTHER	218,838	226,217	221,542
<b>SUBTOTAL FRINGE BENEFITS</b>	<b>2,357,269</b>	<b>2,284,995</b>	<b>2,178,130</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>7,917,641</b>	<b>7,723,107</b>	<b>7,377,300</b>
<b>OTHER THAN PERSONAL SERVICES (OTPS)</b>			
INSURANCE	717,650	682,776	682,776
JANITORIAL/SANITATION	1,100,000	1,024,000	1,024,000
LEGAL FEE	970,000	780,000	425,000
LIGHT POWER & UTILITIES	1,622,000	1,637,000	1,705,000
PIER 40 PARKING MANAGEMENT	971,873	884,999	823,282
SECURITY	2,600,000	2,600,000	2,100,000
OTHER OTPS	3,623,932	3,739,850	3,854,750
<b>SUBTOTAL OTPS</b>	<b>11,605,455</b>	<b>11,348,625</b>	<b>10,614,807</b>
<b>TOTAL OPEX (PERSONNEL AND OTPS)</b>	<b>19,523,096</b>	<b>19,071,732</b>	<b>17,992,107</b>
<b>NOI / OPERATING SURPLUS (PRE CAPx, NON-CASH EXPENSES)</b>	<b>262,958</b>	<b>254,548</b>	<b>1,950,007</b>
CAPITAL MAINTENANCE (CAPm)	6,857,690	7,284,516	4,431,454
EQUIPMENT (CAPx)	493,000	796,880	400,000
<b>SUBTOTAL OF CAPx AND CAPm</b>	<b>7,350,690</b>	<b>8,081,396</b>	<b>4,831,454</b>
<b>OPERATING SURPLUS (DEFICIT) AFTER CAPx &amp; CAPm</b>	<b>(7,087,732)</b>	<b>(7,826,848)</b>	<b>(2,881,447)</b>
NON-CASH, NON-OPERATING EXPENSES			
OTHER POST EMPLOYMENT BENEFITS	1,213,801	1,213,801	1,213,801
DEPRECIATION	10,738,562	10,024,277	10,024,277
<b>SUBTOTAL NON-CASH, NON-OPERATING EXPENSES</b>	<b>11,952,363</b>	<b>11,238,078</b>	<b>11,238,078</b>
<b>NOI (AFTER NON-CASH, NON-OPERATING EXPENSES)</b>	<b>(11,689,406)</b>	<b>(10,983,530)</b>	<b>(9,288,071)</b>

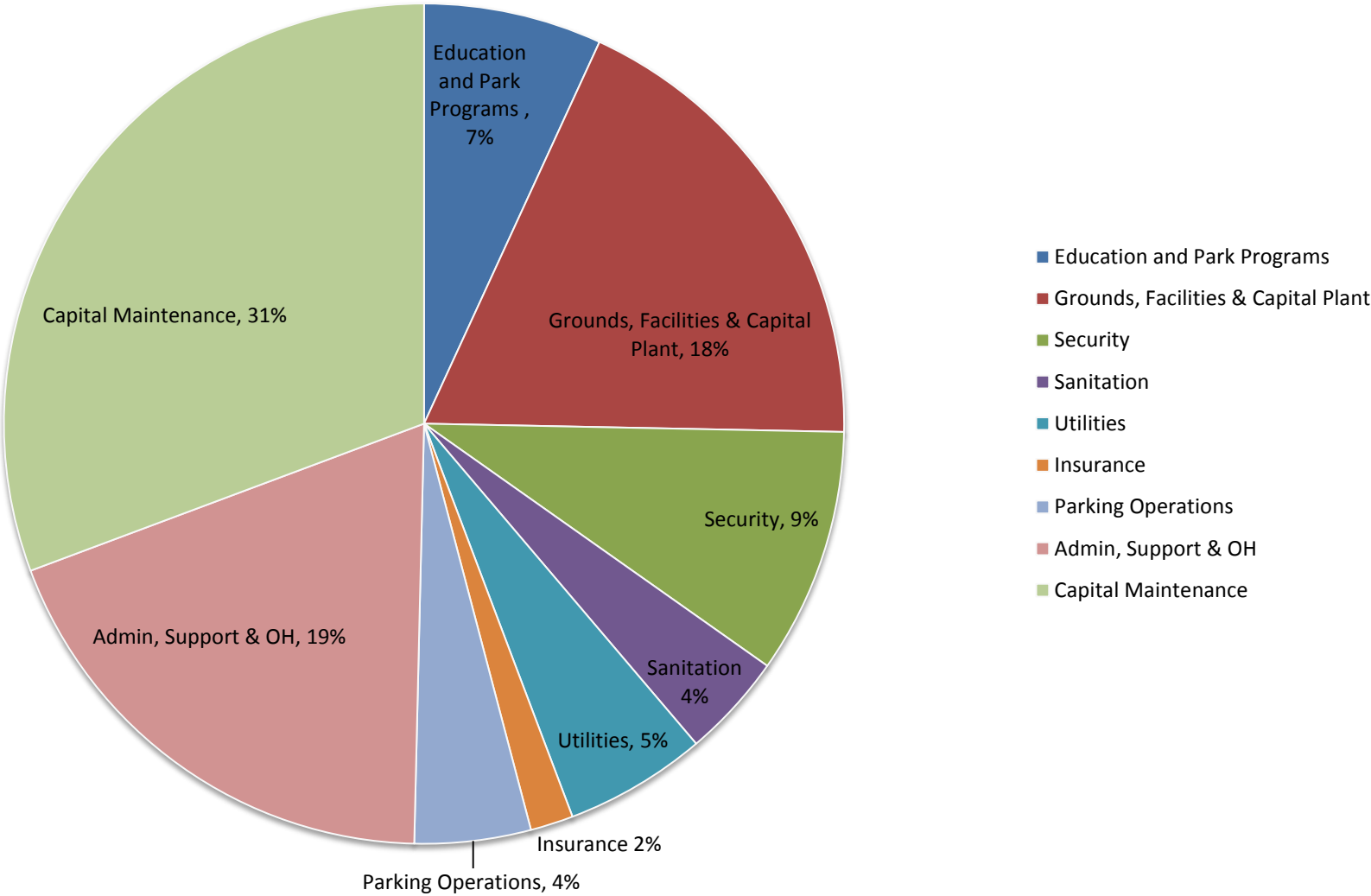
**EXHIBIT 2-SUMMARY REPORT - HUDSON RIVER PARK TRUST - 2016 APPROVED BUDGET VS. 2015 APPROVED BUDGET**

<b>HUDSON RIVER PARK</b>				
<b>FISCAL SUMMARY</b>				
	<b>Note</b>	<b>2016 FY Budget</b>	<b>2015 FY Budget</b>	<b>% Change in Budget</b>
<b>OPERATING REVENUE</b>	<b>1</b>	\$19,786,054	\$19,326,280	2%
<b>DIRECT PARK OPERATIONS</b>				
EDUCATION AND PARK PROGRAMS		\$2,006,107	\$1,759,449	14%
GROUND, FACILITIES & CAPITAL PLANT		\$4,930,945	\$5,064,907	-3%
SECURITY		\$2,600,000	\$2,600,000	0%
SANITATION		\$1,100,000	\$1,024,000	7%
UTILITIES		\$1,502,000	\$1,505,000	0%
INSURANCE (a)		\$717,650	\$682,776	5%
<b>TOTAL DIRECT PARK OPERATIONS</b>		\$12,856,703	\$12,636,132	2%
<b>PARKING OPERATIONS</b>		\$1,178,573	\$1,207,999	-2%
<b>ADMIN, SUPPORT &amp; OH</b>		\$5,487,820	\$5,227,601	5%
<b>TOTAL OPERATING (OPEX)</b>	<b>2</b>	\$19,523,096	\$19,071,732	2%
<b>OPERATING SURPLUS (DEFICIT)</b>		\$262,958	\$254,548	3%
<b>CAPx AND CAPm</b>	<b>3</b>	\$7,350,690	\$8,081,396	-9%
<b>TOTAL OPEX &amp; CAPM</b>		\$26,873,786	\$27,153,128	-1%
<b>ANNUAL SURPLUS (DEFICIT)</b>		<b>(\$7,087,732)</b>	<b>(\$7,826,848)</b>	
<b>NON OPERATING EXPENSE</b>	<b>4</b>	\$11,952,363	\$10,523,792	14%
<b>NOI (AFTER NON CASH TRANSACTIONS)</b>		<b>(\$11,689,406)</b>	<b>(\$10,269,244)</b>	
<b>Notes</b>				
		<b>2016 FY Budget</b>	<b>2015 FY Budget</b>	<b>% Change in Budget</b>
1 - Included in Operating Revenue				
Lease and Occupancy Permits		\$9,917,905	\$9,429,639	5%
Parking (b)		\$6,172,149	\$5,927,641	4%
Fees		\$2,000,000	\$1,900,000	5%
Contributions (c )				
Other (d)		\$1,000,000	\$1,500,000	-33%
Other (d)				
		\$696,000	\$569,000	22%
2 - Included in OPEX				
Payroll		\$5,560,372	\$5,438,112	2%
Fringe Benefits		\$2,357,269	\$2,284,995	3%
Total Personnel		\$7,917,641	\$7,723,107	3%
Full Time Permanent Employees ( e )				
		68	64	6%
3 - Included in CAPM (f)				
Equipment (Incl replacements)		\$493,000	\$796,880	-38%
Upland and Park Piers		\$2,762,690	\$2,285,358	21%
Marine Structures		\$1,275,000	\$450,000	183%
Pier 40		\$2,220,000	\$3,210,383	-31%
Sandy Repairs (Net FEMA)		600,000	\$1,338,775	-55%
4 - Non operating cost				
Other Post Employment Benefits		1,213,801.00	1,213,801.00	0%
Depreciation ( CAPx and CAPm)		10,738,562.43	9,309,991.00	15%
Total non operating cost		<b>11,952,363.43</b>	<b>10,523,792.00</b>	14%

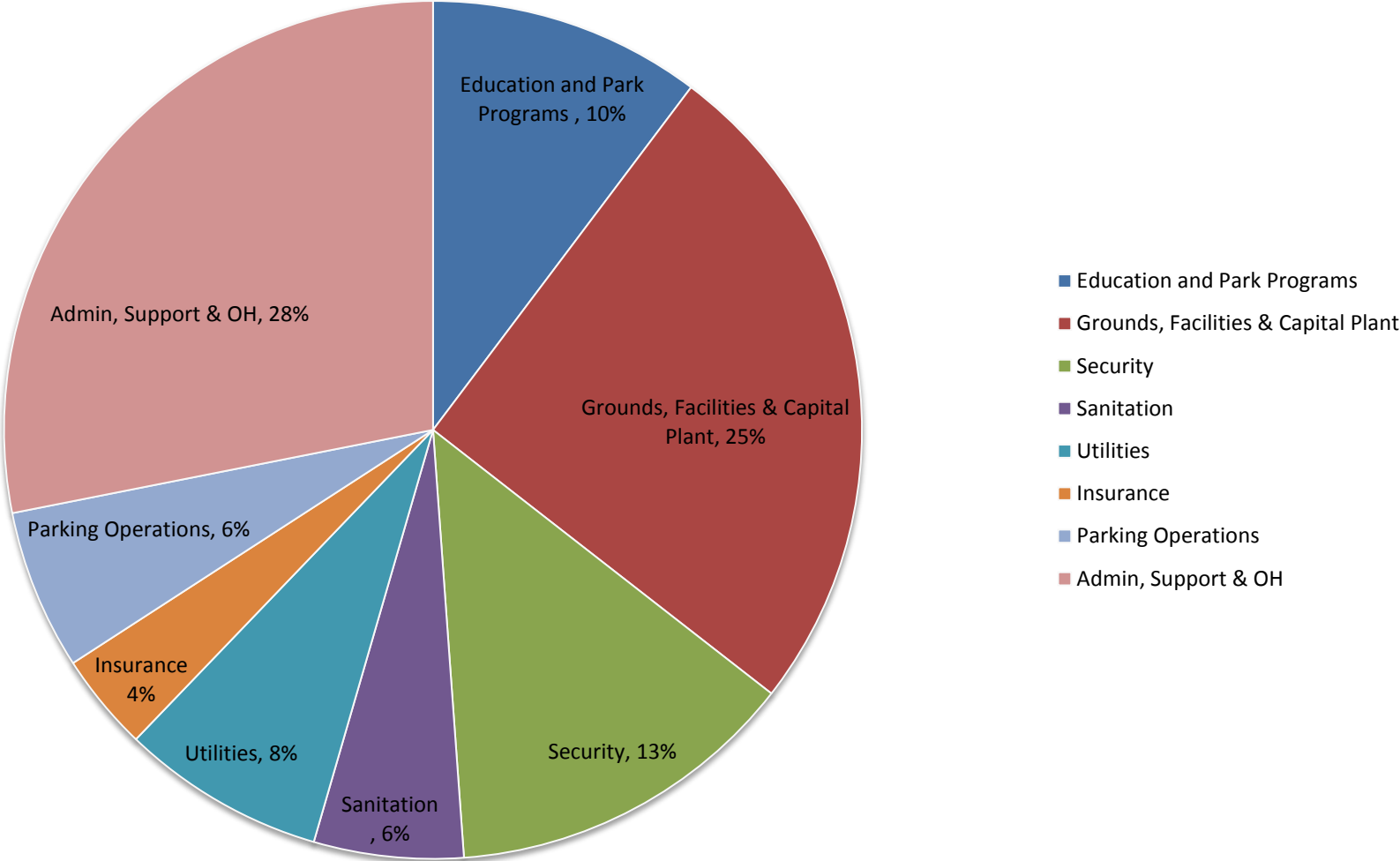
Additional Notes

- (a) CGL should be assumed by City and State per legislative amendment but is included here for six months
- (b) Reflects potential disruption due to ramp repairs.
- (c ) HRPT estimate based on projection by FoHRP
- (d) Reflects additional sponsorship income
- (e) Additional staff for Pier 54 project, compliance, security desk, maintenance, CMMS manager
- (f) See capital maintenance schedule

# 2016 DISTRIBUTION OF EXPENSES (INCLUDES CAPM)



# 2016 DISTRIBUTION OF EXPENSES (EXCLUDES CAPM)

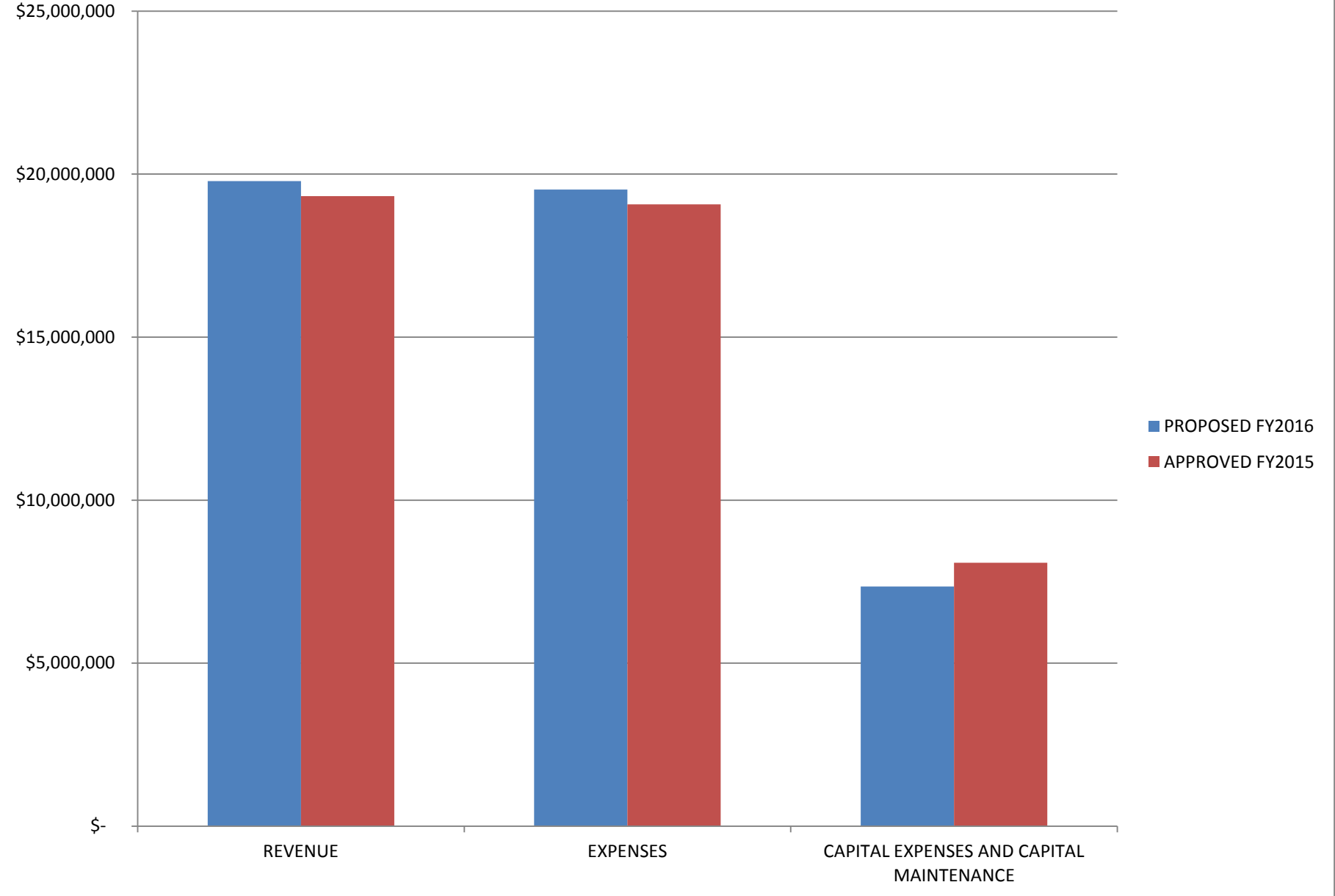


**HUDSON RIVER PARK TRUST - FY 2016**

**EXHIBIT 3 - BUDGET SUMMARY (COMPARISON FY 2016 APPROVED VS FY 2015 APPROVED)**

	<b>APPROVED BUDGET FY 2016</b>	<b>APPROVED BUDGET FY 2015</b>	<b>CHANGE</b>	<b>PCT CHANGE</b>
<b>OPERATING REVENUE (see Exhibit 4)</b>				
TOTAL LEASE, OCCUPANCY, FEES AND PARKING	\$18,090,054	\$17,257,280	\$832,774	5%
TOTAL OTHER REVENUE	\$1,696,000	\$2,069,000	(\$373,000)	-18%
<b>TOTAL OPERATING REVENUE</b>	<b>\$19,786,054</b>	<b>\$19,326,280</b>	<b>\$459,774</b>	<b>2%</b>
<b>PERSONNEL EXPENSES (see Exhibit 5)</b>				
PAYROLL	\$5,560,372	\$5,438,112	\$122,260	2%
FRINGE BENEFITS	<u>\$2,357,269</u>	<u>\$2,284,995</u>	<u>\$72,274</u>	<u>3%</u>
<b>TOTAL PERSONNEL</b>	<b>\$7,917,641</b>	<b>\$7,723,107</b>	<b>\$194,534</b>	<b>3%</b>
<b>OTHER THAN PERSONAL SERVICES (see Exhibit 6)</b>	<b>11,605,455</b>	<b>11,348,625</b>	<b>\$256,830</b>	<b>2%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$262,958</b>	<b>\$254,548</b>	<b>\$8,410</b>	<b>3%</b>
<b>CAPITAL EXPENSES (see Exhibit 7)</b>				
CAPITAL EXPENSES - EQUIPMENT	\$493,000	\$796,880	(\$303,880)	-38%
CAPITAL MAINTENANCE - UPLAND AND PARK PIERS	2,762,690	\$2,285,358	\$477,333	21%
CAPITAL MAINTENANCE - MARINE	1,275,000	\$450,000	\$825,000	183%
CAPITAL MAINTENANCE & IMPROVEMENTS- PIER 40	2,220,000	\$3,210,383	(\$990,383)	-31%
CAPITAL MAINTENANCE HURRICANE REPAIR (HRPT SHARE)	<u>600,000</u>	<u>\$1,338,775</u>	<u>(\$738,775)</u>	<u>-55%</u>
<b>TOTAL CAPITAL EXPENSES AND CAPITAL MAINTENANCE</b>	<b>\$7,350,690</b>	<b>\$8,081,396</b>	<b>\$8,069</b>	<b>0%</b>
<b>TOTAL OPEX AND CAPEX</b>	<b>\$26,873,786</b>	<b>\$27,153,128</b>	<b>(\$279,342)</b>	<b>-1%</b>
<b>OPERATING INCOME LESS CAPEX</b>	<b>(\$7,087,732)</b>	<b>(\$7,826,848)</b>	<b>\$739,116</b>	<b>-9%</b>

# SUMMARY



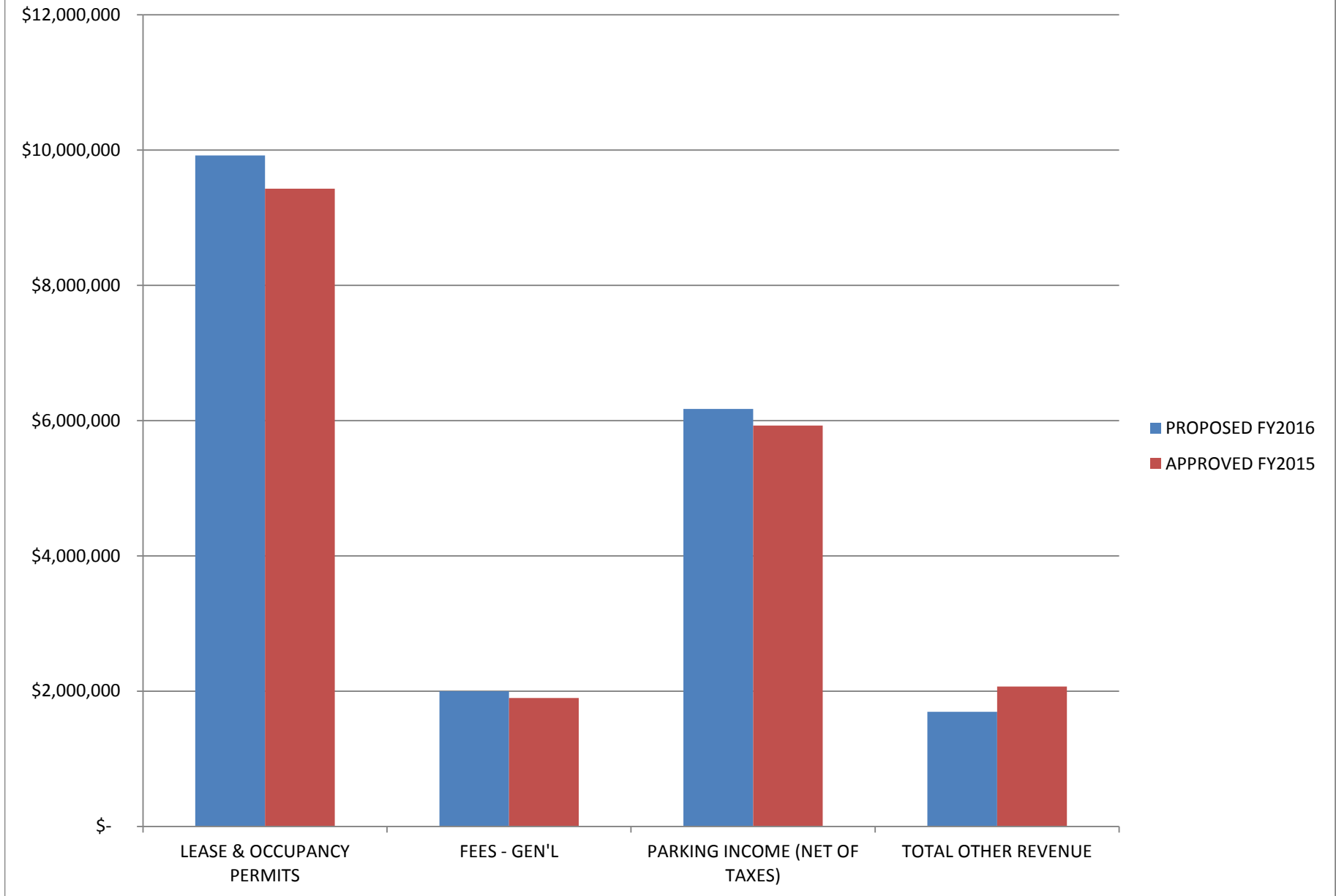


**HUDSON RIVER PARK TRUST - FY 2016**

**EXHIBIT 4 - REVENUE (COMPARISON FY 2016 APPROVED VS FY 2015 APPROVED)**

	<b>APPROVED FY 2016</b>	<b>APPROVED FY 2015</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
<b>LEASE &amp; OCCUPANCY PERMITS</b>	<b>\$9,917,905</b>	<b>\$9,429,639</b>	<b>\$488,266</b>	<b>5%</b>
<b>PARKING, &amp; FEE REVENUE</b>				
FEES - GEN'L	\$1,700,000	\$1,650,000	\$50,000	3%
FIELD FEES	\$300,000	\$250,000	\$50,000	20%
PARKING INCOME (NET OF TAXES)	<u>\$6,172,149</u>	<u>\$5,927,641</u>	<u>\$244,508</u>	<u>4%</u>
<b>PARKING &amp; FEE REVENUE</b>	<b>\$8,172,149</b>	<b>\$7,827,641</b>	<b>\$344,508</b>	<b>4%</b>
<b>OTHER REVENUE</b>				
INTEREST	\$121,000	\$144,000	(\$23,000)	-16%
CONTRIBUTIONS	\$1,000,000	\$1,500,000	(\$500,000)	-33%
SPONSORSHIPS	\$400,000	\$125,000	\$275,000	220%
OTHER INCOME	\$125,000	\$150,000	(\$25,000)	-17%
GRANTS	<u>\$50,000</u>	<u>\$150,000</u>	<u>(\$100,000)</u>	<u>-67%</u>
<b>TOTAL OTHER REVENUE</b>	<b>\$1,696,000</b>	<b>\$2,069,000</b>	<b>(\$373,000)</b>	<b>-18%</b>
<b>TOTAL REVENUE</b>	<b>\$19,786,054</b>	<b>\$19,326,280</b>	<b>\$459,774</b>	<b>2%</b>

# REVENUE

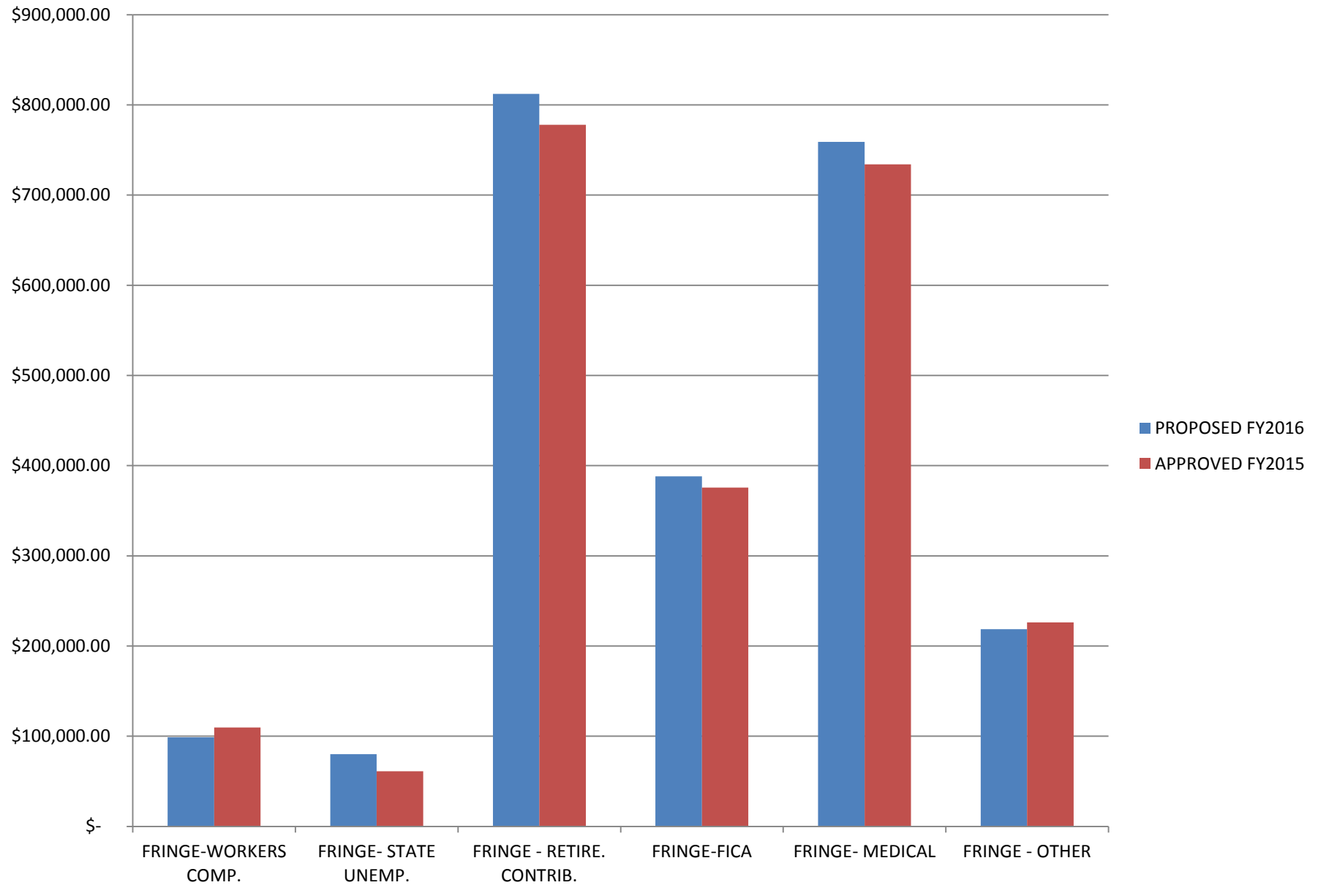


**HUDSON RIVER PARK TRUST - FY 2016**

**EXHIBIT 5 - PERSONNEL SERVICES (COMPARISON FY 2016 APPROVED VS FY 2015 APPROVED)**

	<b>APPROVED FY2016</b>	<b>APPROVED FY2015</b>	<b>\$ CHANGE</b>	<b>PCT CHANGE</b>
PAYROLL REG-FULL TIME	\$ 5,063,896	\$ 4,924,277	\$ 139,619	3%
PAYROLL - OVERTIME	\$ 68,500	\$ 63,500	\$ 5,000	7%
PAYROLL PART TIME & SEASONALS	\$ 427,976	\$ 450,335	\$ (22,360)	-5%
<b>SUBTOTAL PAYROLL</b>	<b>\$ 5,560,372</b>	<b>\$ 5,438,112</b>	<b>\$ 122,260</b>	<b>2%</b>
TUITION REIMBURSEMENT	\$ 12,500	\$ 12,500	\$ -	0%
FRINGE-VISION CARE	\$ 4,591	\$ 6,955	\$ (2,364)	-51%
FRINGE-DENTAL	\$ 48,000	\$ 50,160	\$ (2,160)	-5%
FRINGE-WORKERS COMP.	\$ 98,762	\$ 109,758	\$ (10,996)	
FRINGE- STATE UNEMP.	\$ 80,095	\$ 61,163	\$ 18,932	24%
FRINGE- DISABILITY	\$ 28,000	\$ 33,969	\$ (5,969)	
FRINGE - RETIRE. CONTRIB.	\$ 812,225	\$ 777,965	\$ 34,260	4%
FRINGE-FICA	\$ 388,263	\$ 375,725	\$ 12,537	3%
FRINGE-TRANSIT CHECK	\$ 74,520	\$ 73,440	\$ 1,080	1%
FRINGE- MEDICAL	\$ 759,087	\$ 734,167	\$ 24,919	3%
FRINGE - NY METRO - M TAX	\$ 48,227	\$ 46,193	\$ 2,033	4%
FRINGE - FLEXIBLE SPENDING	\$ 3,000	\$ 3,000	\$ -	0%
<b>FRINGE BENEFITS</b>	<b>\$ 2,357,269</b>	<b>\$ 2,284,995</b>	<b>\$ 72,274</b>	<b>3%</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 7,917,641</b>	<b>\$ 7,723,107</b>	<b>\$ 194,534</b>	<b>2%</b>

# FRINGE



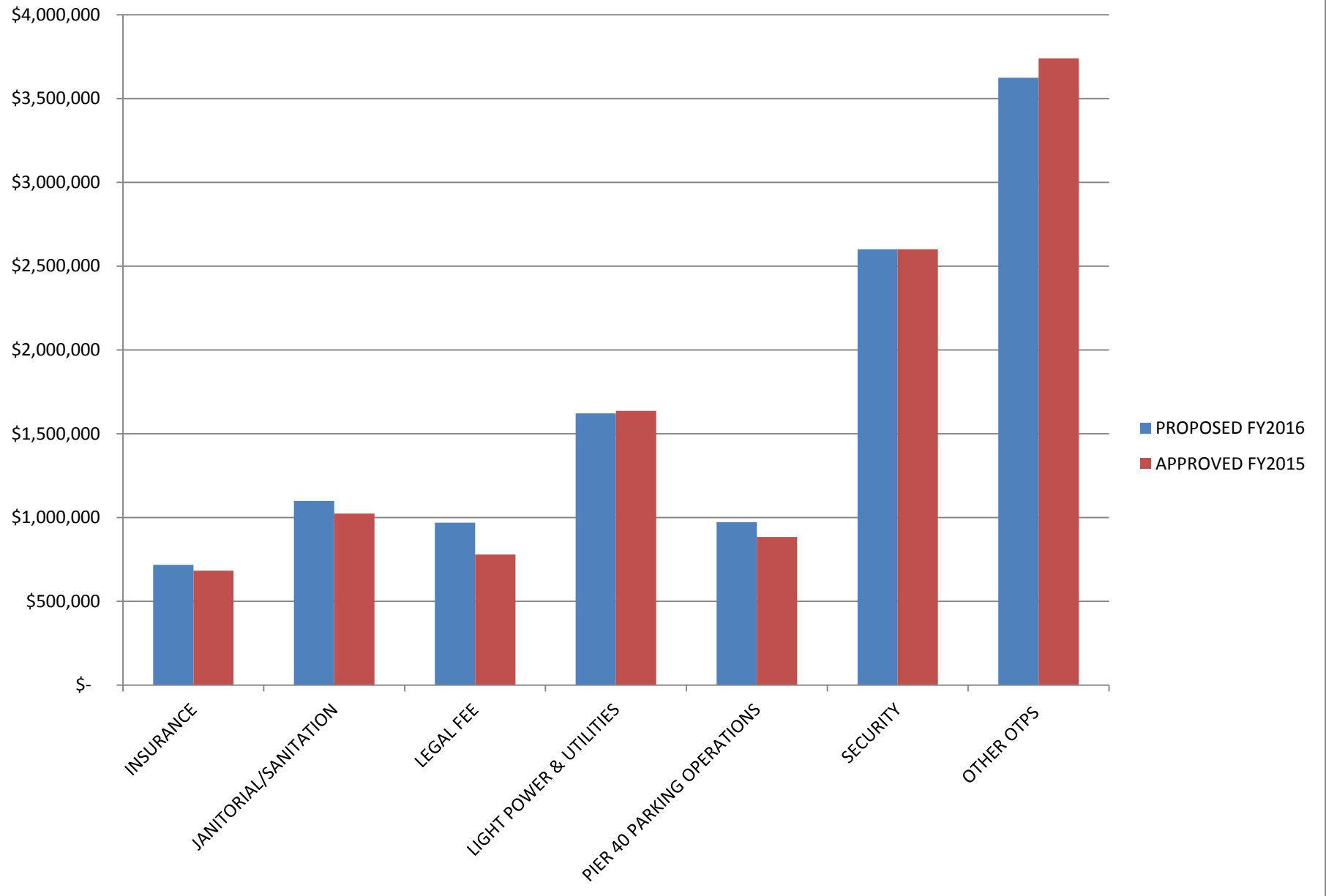
HUDSON RIVER PARK TRUST - FY 2016

EXHIBIT 6 - OTHER THAN PERSONNEL SERVICES (OTPS) (COMPARISON FY 2016 APPROVED VS FY 2015 APPROVED VS FY 20115 )

BUDGET CATEGORY	APPROVED FY 2016	APPROVED FY2015	\$ CHANGE	PCT CHANGE	BUDGET CATEGORY	PROPOSED FY 2016	APPROVED FY2015	\$ CHANGE	PCT CHANGE
PROMOTION	143,183	153,000	(9,817)	-6%	PAYROLL FEES	27,500	27,500	-	-
AUDITING FEE	130,000	132,000	(2,000)	-2%	PERFORMERS (7)	61,483	41,000	20,483	50%
AUTO MTNCE. & GASOLINE (1)	58,650	145,050	(86,400)	-60%	PHOTOGRAPHER	2,750	1,750	1,000	57%
AUTO SERVICE (1)	60,000	0	60,000	N/A	PLANT MATERIALS	102,000	90,000	12,000	13%
FUEL (1)	66,500	0	66,500	N/A	POSTAGE	21,000	23,200	(2,200)	-9%
BANK FEES	750	750	0	0%	PRINTING & REPRODUCTION (8)	169,000	149,750	19,250	13%
BUSINESS MEALS	2,250	2,250	0	0%	REPAIRS & MTNCE - BLDG ( 9)	120,000	245,500	(125,500)	-51%
COMPUTER CONSULTANT (2)	32,500	80,000	(47,500)	-59%	REPAIRS & MTNCE - MARINE (9)	25,000	20,000	5,000	25%
COMPUTER HARDWARE	50,000	56,650	(6,650)	-12%	REPAIRS & MTNCE- EQUIPT. (9)	52,710	90,500	(37,790)	-42%
COMPUTER SOFTWARE (3)	171,925	120,000	51,925	43%	REPAIRS & MTNCE- OFFICE (9)	2,000	-	2,000	N/A
EDUCATIONAL TRAINING	29,500	26,000	3,500	13%	REPAIRS & MTNCE-OTHER (9)	43,000	60,000	(17,000)	-28%
EMPLOYEE RECRUITMENT	5,000	5,000	0	0%	REPAIR & MAINT REC FACILITIES (9)	15,000	-	15,000	N/A
FEES & MEMBERSHIP	6,250	7,250	(1,000)	-14%	SECURITY EQUIPMENT	48,100	-	48,100	N/A
GENERAL CONSULTANT (2)	691,000	492,500	198,500	40%	SEMINARS & CONFERENCES	4,250	4,250	-	0%
INTERNET	34,320	35,000	(680)	-2%	SIGNS & BANNERS (8)	76,000	22,500	53,500	238%
LANDSCAPING	51,500	57,500	(6,000)	-10%	SUBSCRIPTION	11,150	20,150	(9,000)	-45%
LEASE EQUIPMENT/RENTAL (4)	96,300	113,700	(17,400)	-15%	SUPPLIES	250,300	282,300	(32,000)	-11%
TRAVEL	9,000	9,150	(150)	-2%	TELEPHONE EQUIP/ACCESSORIES (10)	30,600	20,000	10,600	53%
MEETING EXPENSES	5,000	5,500	(500)	-9%	TELEPHONE & ELECTRONIC COMMUNICATIONS	87,460	76,500	10,960	14%
MISC EXPENSE	15,100	15,000	100	1%	TOOLS	20,000	20,700	(700)	-3%
MOVIES	13,000	12,000	1,000	8%	TOOLS REPAIR	5,500	-	5,500	N/A
OFFICE SUPPLY	40,000	40,000	0	0%	TRAFFIC CONTROL EQUIPMENT	5,000	-	5,000	N/A
OTHER EXPENSES (5)	3,050	8,750	(5,700)	-65%	UNIFORM	34,500	37,500	(3,000)	-8%
OTHER OUTSIDE SERVICES (6)	676,650	978,500	(301,850)	-31%	VOLUNTEER EXPENSE (5)	8,000	-	8,000	N/A
OVERNIGHT MAIL	10,200	11,200	(1,000)	-9%					
					<b>TOTAL OTPS</b>	<b>3,623,932</b>	<b>3,739,850</b>	<b>(115,918)</b>	<b>-3%</b>

- (1) FY 2015 expense category distributed across accounts; combined increase due to additional vehicle count
- (2) Portion of FY 2015 expense category moved from IT to Operations and included as General Consultant
- (3) Additional software to control irrigation system; reallocation of accounting software from other account; new graphics software
- (4) Reduce port-o-san; eliminate unused IT allocation.
- (5) FY 2015 expense category distributed to volunteer expenses.
- (6) Portion relating to capital maintenance moved out of OTPS to that budget
- (7) Additional dance performance scheduled
- (8) Additional cost due to rebranding
- (9) FY 2015 expense category distributed across the accounts to better track expenses
- (10) Wireless telephone upgrade

# OTPS

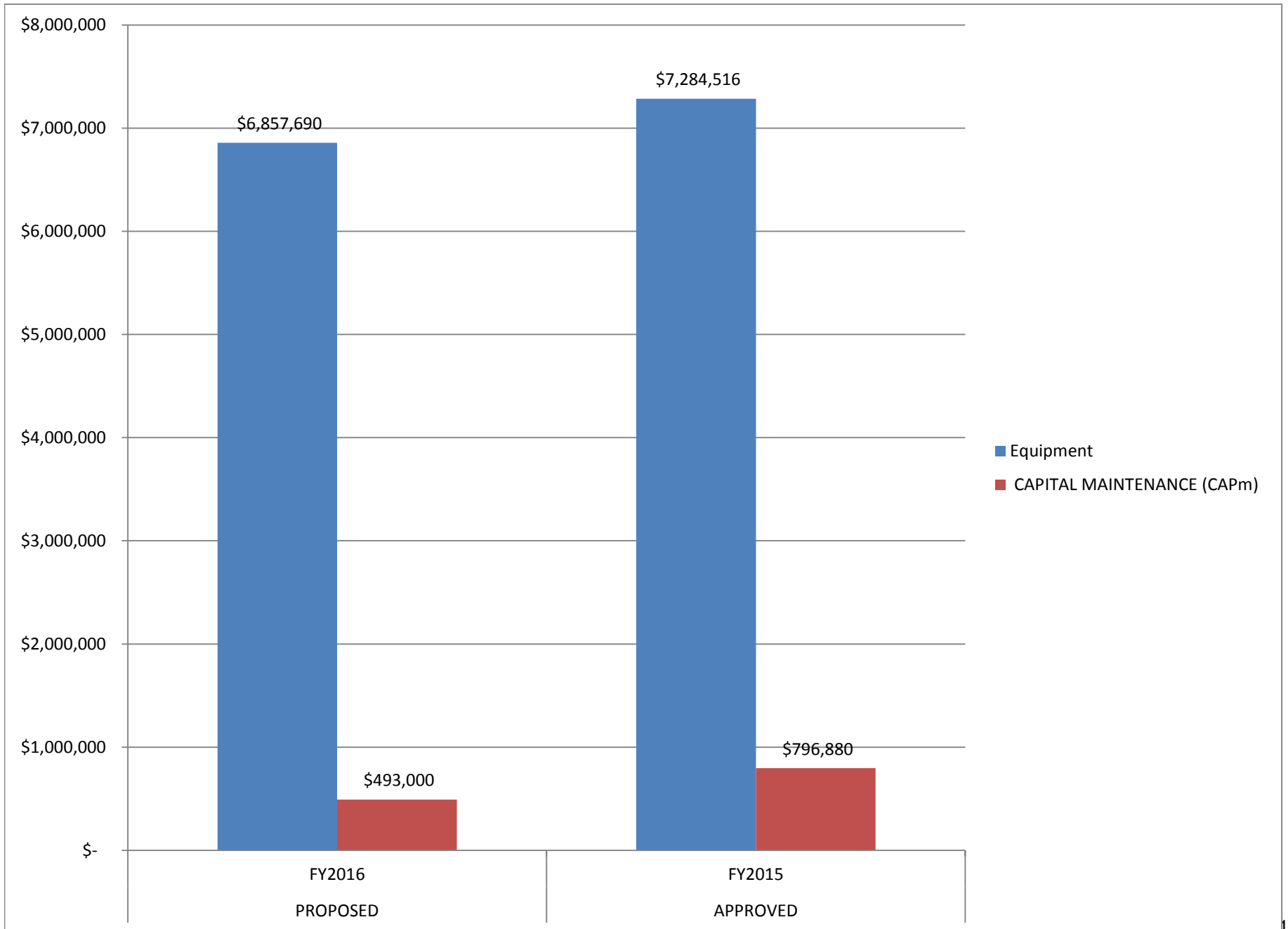


**HUDSON RIVER PARK TRUST -FY 2015**  
**EXHIBIT 7 - CAPITAL EXPENSES & CAPITAL MAINTENANCE FY 2016 APPROVED**

<b>Capital Equipment &amp; Software</b>		<b>Capital Maintenance Marine</b>	
Horticulture Equipment	68,500	Marine Structures Repairs	1,025,000
Marine Equipment	21,000	Marine Engineer Inspections and Misc Repairs	25,000
Operations Vehicles	41,000	Marine Engineering Analysis	225,000
MIS Equipment	-	Sandy Related Work (Non-Reimbursable)	<u>100,000</u>
IT Hardware	161,500	Subtotal	<b>1,375,000</b>
IT Software	40,000	<b>Capital Maintenance &amp; Improvements- Buildings Pier 40</b>	
Parking Equipment	85,000	Ramp and Roof Work (2)	775,000
Equipment Other	<u>76,000</u>	Sanitary & Plumbing Other	150,000
<b>Total Equipment and Software</b>	<b>493,000</b>	Fire Protection	450,000
<b>Capital Maintenance - Upland Park and Piers</b>		Lighting	75,000
TBTA Retrofit LED Bulb	250,000	Railings, Doors and Façade	75,000
Playground & Recreation Facility Restoration	405,000	Fields and recreational repairs	100,000
Park Furniture, Railing and Fencing	155,000	Garage Other	100,000
Maintenance Facilities Repairs & Upgrades	285,000	Building Other	170,000
Plumbing and Utility Repairs	535,000	Professional Services	325,000
Grounds	125,000	Sandy Related Work (Non-Reimbursable)	<u>200,000</u>
Paving and Surfaces	225,000	Subtotal	<b>2,420,000</b>
Infrastructure Repairs, Other	200,000	<b>Total Equipment and Capital Maintenance</b>	
Professional Services	475,000		7,350,690
Sandy Related Work (Non-Reimbursable)	<u>300,000</u>		
Subtotal	<b>3,062,690.10</b>		

Notes

1. Playground & Recreation Facility Restoration	1,040,000
NYC Council Funding	<u>(635,000)</u>
Net Playground & Recreation Facility Restoration	<u><u>405,000</u></u>
2. Ground	201,000
NYC Council Funding	<u>(76,000)</u>
Net Grounds	<u><u>125,000</u></u>
3. Ramp And Roof Work	1,500,000
NYC Council and BP Funding	<u>(725,000)</u>
Net Ramp And Roof Work	<u><u>775,000</u></u>





**March 17, 2015**  
**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 59<sup>th</sup> 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 which are then evaluated by the Trust’s 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, 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 Director of Finance.

Sources of information used in preparing the budget:

- Approved budgets for current year
- Current year expenditure information to date from the Trust's Great Plains accounting system

2) The Director of Finance distributes budget forms (in Excel) and instructions to the 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, 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 Director of Finance, with requests modified at a budget meeting. 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. Unused lines appearing in prior year departmental budgets are generally eliminated. Discretionary expenditure levels (e.g., programmatic items) are evaluated separately from generally fixed expenses lines (e.g., insurance and utilities). Director 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 PMDC 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 Director 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, Director 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 January 2015, the Public Programs Vice President met with the Finance department to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval.

A detailed timeline follows:

- First budget review between Public Programs and Finance took place on January 7th
- Public Programs staff reviewed the budget and recommended changes on January 8th
- Initial changes to individual line items were submitted to the Finance department on January 12th
- Additional changes were submitted to Finance on January 14th
- A final review of the budget by Public Programs and Finance took place on January 16<sup>th</sup>
- Supplemental items were added to the budget on March 5<sup>th</sup>

### **Operation and Maintenance Department (O&M)**

During the first half of January, the O&M Department senior staff met with Finance to review the Department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval. A detailed timeline follows:

- First budget materials provided for review were sent on January 6th
- O&M, IT and Finance met on January 8th to review transitioning certain MIS line items to O&M.
- Initial changes to individual line items and categories were submitted to and reviewed with Finance on January 16th.
- Changes and comments resulting from the meeting were submitted to Finance on January 17th.
- A final review of the budget by O&M and Finance took place on January 20th.

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### **Information Technology Department (IT)**

In January 2015, the IT Chief Information Officer met with the Finance department to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval.

A detailed timeline follows:

- First budget review between IT and Finance took place on January 9th
- IT staff reviewed the budget and recommended changes were agreed to by the staff on January 14th
- Initial changes to individual line items were submitted to the Finance department on January 16th
- Additional changes were submitted to Finance on January 16th
- A final review of the budget by IT and Finance took place on January 16<sup>th</sup>

### **Legal Department**

In January 2015, the Legal department General Counsel met with Finance to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval.

A detailed timeline follows:

- First budget review between Legal and Finance took place on January 9th
- Legal staff reviewed the budget and recommended changes were agreed to by the staff on January 19th
- Initial changes to individual line items were submitted to the Finance department on January 20th
- Additional changes were submitted to Finance on January 21th
- A final review of the budget by Legal and Finance took place on January 21th

### **Education Department**

In January 2015, the Education department met with the Finance department to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval. A detailed timeline follows:

- First budget review between Education and Finance took place on January 8th
- Education staff reviewed the budget and recommended changes were agreed to by the staff on January 9<sup>th</sup> to 14<sup>th</sup>
- Initial changes to individual line items were submitted to the Finance department on January 15th
- Additional change were submitted to Finance on January 15th
- A final review of the budget by Education and Finance took place on January 15<sup>th</sup>

### **Administration Department**

In January 2015, the CFO, Director of Human Resources met with the Finance Director to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval. A detailed timeline follows:

- First budget review meeting took place on January 5th
- CFO reviewed the budget with the President and changes were made on January 20th
- A final review of the budget took place on January 21<sup>st</sup>
- Supplemental items were added to the budget on March 5<sup>th</sup>

## **Lease and Parking Revenue**

In January 2015, the Property manager was advised by the CFO to work on the FY budget 2016 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 on monthly basis to review the accounts receivable aging report and reconciles lease schedule with sales report.

- A final review of the lease schedule and Finance took place on January 16<sup>th</sup>

## **Design and Construction Department**

The week of January 5th, 2015, the Design and Construction department met with Finance to review the department's 2014-15 operating budget as of December 2014; confirm projections for the remainder of the fiscal year, and produce the recommended 2015-16 operating budget for review and approval. A detailed timeline follows:

- First budget review between Finance and Design and Construction took place on January 7th
- Design and Construction staff reviewed the budget and recommended changes on January 8th
- Initial changes to individual line items were submitted to Finance on January 12th
- Additional change were submitted to Finance on January 14th
- A final review of the budget by Design and Construction and Finance took place on January 16<sup>th</sup>

**§ 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 2016, operating revenues of approximately \$19.78 million are projected to be approximately \$260,000 (1%) greater than operating expenses of approximately \$19.52 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 \$7.35 million. To the extent that budgeted operating and capital maintenance expenses are authorized and expended during the fiscal year, and no additional operating revenue or capital grants or contributions are secured, the Trust will experience a \$7.1 million reduction in its reserve fund in FY 2016.

The discussion below and attached exhibits compare the proposed FY 2016 budget, the approved FY 2015 budget, and estimated actual revenue and expenses for FY 2015. Please note that the projected actual expenses for FY 2015 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. Lastly, please note that some capital maintenance items are entered for budget purposes as contract values which may not be fully expended and recorded as such in the audited financial statements when issued.

In general, projected actual operating results for FY 2015 are expected to be more favorable than budget due to: (1) a positive variance in parking revenue reflecting recently renovated and reopened garage spaces and an extension by the City for UPS employee parking in connection with the construction of the NYCDOS Spring Street garage; (2) reduced personnel expenses due to temporarily unfilled position vacancies; (3) legal outside counsel fees being less than budgeted with a portion of such expenditures reimbursable from third parties; (4) decreased ordinary operating and capital maintenance costs because certain facilities were "off-line" during the pendency of Hurricane Sandy repair; and (5) reduced security costs resulting from a contract deferral for

increased NYC PEP staffing. In addition, Hurricane Sandy/Irene repair costs (net) were less than budgeted because of: (a) delays in permitting, engineering, designing and bidding some elements of infrastructure, and (b) a pledge by the State to cover a portion of costs not reimbursed by FEMA. Negative variances on revenue include a shortfall in contributions from FoHRP and from budgeted grant revenue. As a consequence of these results, we anticipate, on a net basis, an FY 2015 surplus of operating revenue less ordinary operating expenses of \$1.95 million and a net operating income (NOI) deficit (including capital maintenance and net Hurricane Sandy/Irene unreimbursable expenses) of \$3.1 million rather than a surplus of \$250,000 and deficit of \$7.8 million as budgeted.

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

**Exhibit 1** lists important budget categories and amounts for the proposed FY 2016 budget, budget FY 2015 and projected actual (preliminary) FY 2015 results. The net operating loss after capital maintenance (CAPm), capital equipment expenditures (CAPx) and net Hurricane Sandy/Irene costs represents the Trust's true "bottom line." Please note that, for accounting purposes under GASB, most CAPm and CAPx are properly investments in assets and not expenses. Exhibit 1 is the only exhibit which shows projected actual results; all other exhibits compare proposed FY2016 budget categories with the approved FY 2015 budget. For the reasons cited above, total revenue for FY 2015 is projected to be \$616,000 greater and total operating expenses \$1.1 million less than budgeted.

**Exhibit 2** and accompanying pie chart provide the functional distribution of revenue and expenses for the proposed FY 2016 budget. On a year over year basis, revenue from leases, occupancy permits and fees is budgeted to increase by 5% and parking revenue to increase by 4%; contributions from FoHRP are budgeted at 33% less than the FY 2015 amount. 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 increase by 14%. Please note that administration is 19% of all expenses and 27% of operating expenses less CAPm, CAPx and hurricane repairs.

**Exhibit 3** and accompanying bar chart provide a summary comparison showing differences between the proposed FY 2016 and approved FY 2015 budgets. The "other" revenue category shows a decrease of 18% as a result of the above noted decrease in budgeted revenue from FoHRP. The budget for capital maintenance for marine shows the largest increase (183%), as repairs to piles at Pier 64 are anticipated to be necessary.

**Exhibit 4** and accompanying bar chart present the proposed FY 2016 and approved FY 2015 revenue categories showing an overall increase of 2%. Lease and occupancy permit revenue is budgeted to increase by \$488,000, or 5%, to \$9.9 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. Chelsea Piers accounts for almost half of budgeted lease revenue. Other significant



lease revenue sources include Con Edison (at Pier 98) and Circle Line. Please note that we have budgeted a 5% allowance for vacancy and collections on lease and occupancy permit revenue. On a percentage basis, the largest revenue increase is budgeted to come from sponsorships. The Trust's Public Programs department is budgeting a 220% increase in sponsorship revenue based on inquiries and the result of a recent third party assessment of the Park's sponsorship assets.

**Exhibit 5** and accompanying bar chart compare proposed FY 2016 and approved FY 2015 budgets for personnel services including both direct payroll (2% increase) and fringe benefits (3% increase). The increase in the personnel services budget reflects: (1) a headcount increase from 64 to 68 full time positions, and (2) a 2% increase effective April 1, 2015 in the Trust's labor agreement with Local 30 of the International Union of Operating Engineers.

**Exhibit 6** and accompanying bar chart list Other than Personnel Services (OTPS) not otherwise included for the proposed FY 2016 and approved FY 2015 budget. Please note that the categories for certain expenses have been modified, discontinued, or moved to capital maintenance. Total OTPS expenses for FY 2016 are proposed to decrease by 3% 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 (\$3.1 million), marine (\$1.4 million), and Pier 40 (\$2.4 million). Budgeted amounts are net funding from NYC sources. Please note that an additional amount has been budgeted for professional design and construction management services for capital maintenance.

#### **§ 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>2014</u>	<u>Projected Actual</u> <u>2015</u>	<u>Budget</u> <u>2016</u>
<b>Operating revenue:</b>			
Lease & permit revenue	8,427,860	9,565,630	9,871,829
Parking revenue	6,226,649	6,894,425	6,172,149
Fees and other revenue	3,328,179	2,330,001	2,621,076
Contributions	1,623,372	1,031,058	1,000,000
Interest	152,846	121,000	121,000
<b>Total operating revenue</b>	<b>19,758,906</b>	<b>19,942,114</b>	<b>19,786,054</b>
<b>Operating expenses:</b>			
Employee compensation and benefits	6,670,864	7,377,300	7,917,641
Other Expenses	10,085,513	10,614,807	11,605,455
<b>Total Operating Expense</b>	<b>16,756,377</b>	<b>17,992,107</b>	<b>19,523,096</b>

§ 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 = 68

Part-time employees = 7

Seasonal employees = 32

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.**

<b>Hudson River Park Trust Capital Plan for Fiscal Year 2016 (Excludes Capital Maintenance and Storm Recovery)</b>	
<b>Capital Project</b>	<b>Fy -16 Capital Projects Estimated Amount</b>
Connector Project: Bloomfield to West 17th Street Site	\$7,500,000.00
Pier 54: Site Clearance	\$1,200,000.00
Pier 26 Landscape Architect	\$900,000.00
Gansevoort Peninsula: Landscape Architect	\$2,100,000.00
Segment 5: Construction Management Services	\$400,000.00
Pier 26: Lay-By Construction	\$165,000.00
Pier 26 Bldg: electrical construction work	\$150,000.00
Pier 97: pier railings	\$170,000.00
Seg. 3 & Seg. 5 : Lightpole Installation	\$280,000.00
Pier 26 Bldg: General Construction Work	\$50,000.00
Pier 26: Construction Management	\$450,000.00
Pier 54 and Connector Project: Landscape Architecture and other Professional Services	\$1,750,000.00
Seg.3 & Pier 26 Bldg: Landscape Architecture and other Professional Services	\$50,000.00
Project Management/Design Coordination Services	\$700,000.00
Segment 3: Construction Management Services	\$1,600,000.00
<b>Total</b>	<b>\$17,465,000.00</b>