



Hudson River Park Trust

SUPPORTING DOCUMENTS
OF BUDGET

March 31

2014

Part 203

Back Ground

Hudson River Park Trust (Trust) is a public benefit corporation authorized under the Hudson River Park Act (Act) approved by the Senate and the Assembly of the State of New York (State). The Act also created the Hudson River Park (Park). The Park is an area generally, from a line extending from the northern most bulkhead of Battery Park City to the northern boundary of 59th Street in New York City (City). Trust has authority over the planning, construction, operation, and maintenance of the Park. Under the Act, the State and City, with respect to its real property in the Park, granted the Trust a possessory interest in such real property for a term not to exceed 99 years. The Trust has a 13-member Board. The Governor and Mayor appoint five members each and the Manhattan Borough President appoints three members.

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 space for the request for the next budget year. The form also contains space for the Department head 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 the meeting. New needs require justifications discussed at 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 level on agency-wide basis. This also involves assessing whether the total of all departmental estimates are 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 retirement plan costs are analyzed on an employee by employee basis.
- 7) Once the various 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) Once all the required information is gathered 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 budget clears final review by the CFO and CEO it goes to the audit/finance committee. Included in the audit committee meeting are the CFO, EVP, CEO, Director of finance, General Counsel and five board members. They review it, discuss their questions suggestion. Once all their questions have been answered the audit/finance committee refers the budget to the full Board.