



Roosevelt Island Operating Corporation

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MEMO

TO: Susan G. Rosenthal / Board of Directors
FROM: Muneshwar Jagdharry, Comptroller
DATE: May 31, 2018
RE: **Public Authority Annual Report, Fiscal Year 2017-18**

Pursuant to Public Authorities Law § 2800, attached is the Roosevelt Island Operating Corporation's Public Authority Annual Report for the Fiscal Year April 2017 – March 2018, for your approval.



Roosevelt Island Operating Corporation

ANNUAL REPORT
FISCAL YEAR 2018



Public Authority Annual Report

Fiscal Year Ended March 31, 2018

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Background

The Roosevelt Island Operating Corporation of the State of New York ("RIOC") is a public benefit corporation and a political subdivision of the State of New York. RIOC was created by the New York State legislature, in 1984, to take responsibility, pursuant to a General Development Plan ("GDP"), for the development and operation of the 147 acres comprising the former Welfare Island, located in New York City's East River. RIOC assumed the role of the New York State Urban Development Corporation as lessee under a 99-year Master Lease (running until 2068) from the City of New York.

The GDP, which has been amended from time to time, provides for the development of housing, shops and community facilities for a mixed income, wheelchair accessible, residential neighborhood. As an island community, Roosevelt Island requires specialized operations and capital infrastructure maintenance such as an Aerial Tramway, a comprehensive garbage compacting system, and seawall improvements. RIOC supplements the very basic services provided by the City of New York, and provides specialized operations and capital improvements.

Pursuant to its enabling legislation, the RIOC Board of Directors is composed of nine members including the Commissioner of the New York State Division of Housing and Community Renewal, who serves as the chair; the New York State Director of the Budget; and seven public members nominated by the Governor of the State of New York with the advice and consent of the New York State Senate. Of the seven public members, two members are recommended by the Mayor of New York City, and five members must be residents. Throughout the Fiscal Year ended March 31, 2018, there were two vacancies on the RIOC Board of Directors.

I. MISSION STATEMENT

Created by the State of New York as a public benefit corporation, it is the mission of the RIOC to plan, design, develop, operate, maintain and manage Roosevelt Island.

Public Benefit

The Corporation is a political subdivision of the State of New York and additional stakeholders include the City of New York, residents, students, developers and commercial operators, workers and visitors to Roosevelt Island (the "Island"). The Corporation's stakeholders benefit from the

development, and preservation of properties and open spaces, as well as sharing in the economic growth of the Roosevelt Island community.

RIOC accomplishes its mission by practicing the following core values, which were adopted December 14, 2011:

- **Service**

We are committed to providing services that enhance the Island's mixed-use residential community, including public transportation, public safety, public works and parks and recreation.

- **Preservation**

The Corporation promotes the preservation, enhancement, and sustainable use of the Island's historical landmarks and other structures and open spaces.

- **Environmental Responsibility**

All new development, as well as maintenance of parks, public spaces, and other property under the Corporation's stewardship strives to employ the latest, cost-effective, high-performance environmental designs and techniques available.

- **Public Safety**

We are committed to protecting and serving the community by providing a safe and secure environment and enforcing local, state and federal laws.

- **Communication and Transparency**

We are committed to effectively communicating with our stakeholders and undertake to be open, honest and accountable in our relationships with everyone we work with and with each other.

- **Fiscal Responsibility**

We are committed to managing the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan, without reliance on state subsidies.

- **Innovation**

We thrive on creativity and ingenuity and strive to employ new, unique and innovative solutions to accomplish our mission.

- **Partnerships**

We strive to develop strategic partnerships with commercial enterprises, nonprofit organizations and institutions in the public and private sectors to meet the needs of our stakeholders and carry out our mission.

- **Governance**

The Corporation ensures good governance through compliance with its enabling legislation, corporate by-laws, General Development Plan, contractual obligations and all applicable federal, state, and local laws.

I. (i) Performance Goals:

- To promote, develop, and maintain the mixed-income residential community on Roosevelt Island.
- To provide an appropriate level of services to develop and maintain public facilities, open spaces and commercial facilities.
- To ensure good governance through compliance with its enabling legislation, corporate by-laws, General Development Plan, contractual obligations and all applicable Federal, State, and local laws.
- To manage the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan and to continue to operate without reliance on state subsidies.
- To provide a safe environment for the public and the Corporation's employees.
- To maintain and enhance the physical conditions of the Corporation's public facilities and open spaces.
- To promote a sustainable, innovative environment and to strive for island-wide green initiatives.
- To effectively communicate with all stakeholders.
- To partner with businesses, industry leaders and other government agencies to meet the needs of the Corporation's stakeholders.

I. (ii) Performance Measurement Report

See Attachment "A".

II. OPERATIONS AND ACCOMPLISHMENTS

The Board of Directors approved the Corporation's Budget FY 2017/2018 & Five Year Cash Projection On December 8, 2016, reflecting a projected "Net Income before Depreciation" of \$3,332,751 and "Net Loss after Depreciation" of \$658,355 and "Capital Expenditures for the Five Years Ending March 31, 2022" of \$81,095,000. For the fiscal year ended March 31, 2018, RIOC generated actual "Operating Income before Depreciation" of \$11,081,747 and "Change in Net Position" of \$7,410,467.

Seven (7) of the anticipated nine (9) buildings (collectively, the “Buildings”) of the Southtown Development Project have been completed. The Leases for Buildings 8 and 9 have been negotiated and were to have closed in December 2017 – a timeline that was necessary for The Hudson Companies and The Related Companies to satisfy all the necessary requirements of New York City programs providing additional financial support to the majority of the contemplated affordable housing units. However, the closing was delayed in anticipation of the new federal tax bill that passed in late December of last year. RIOC anticipates that the lease closings on both buildings are expected to occur during the third quarter of 2018. Should development fail to occur within the expected timeframe, RIOC is protected by a Letter of Credit in the amount of \$2,438,400.

As of March 27, 2014 (“Withdrawal Date”), Rivercross Tenants Corp. (“Housing Company”) exited the Mitchell-Lama program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties subsequently entered into arbitration and concluded with a settlement agreement, which was approved by RIOC’s Board on April 18, 2018, with authorization for a second amendment to the Restated Ground Lease, with an effective date of May 30, 2018 (“Effective Date”). Details of the settlement agreement are presented in the notes to the financial statement under section 2 (l) Subsequent Events on page 22, and the financial impact under section 4 (b) Ground Rents on page 26.

The Modernized Aerial Tramway (“Tram”), which was placed in service on November 31, 2010, is an efficient, safe, and relatively quick mode of transportation between Roosevelt Island and mid-town Manhattan. During the fiscal year ended March 31, 2018 total ridership on the Tram decreased again to 2,141,493 from 2,686,543 last year and Tramway revenues decreased by \$1,030,268 or 20% over the prior fiscal year ended March 31, 2017. The reduction in ridership may be attributed to reduced service during construction of the new Tram Platforms that occurred between September 2017 and early December 2017; difficulties collecting fares related to construction; the opening of the New York City Ferry in late August 2017 that now offers ferry service from Roosevelt Island to other shore points around Manhattan and Queens; and direct F train connections offered by the opening of the new 2nd Avenue subway line on January 1, 2017.

On March 1, 2017, following the issuance of a Request for Proposal and procurement process, RIOC entered into a five-year agreement (along with an optional five-year renewal) with Leitner-Poma for the operation and maintenance of the Tram. This contract ensures that the Tram continues to operate in a state-of-the-art condition. Additionally, any long-term repairs or overhauls that are needed will also be covered under the terms of this contract. All major Tramway capital projects will be approved by RIOC on an annual basis for the duration of the contract and will be budgeted for in RIOC’s ten-year Capital Plan.

In addition to securing the above agreement with Leitner-Poma, in February 2018, RIOC entered into a five-year agreement with Hardesty and Hanover, a qualified Engineering Consultant, to provide engineering consulting services for long-term overhaul and maintenance projects for the Tram. This contract will provide RIOC with independent engineering assessments, particularly for long-term overhaul projects with large price estimates. The contract duration is for four years (along with up to five optional one-year renewals), at an hourly rate with a minimum annual cost of \$50,000, and runs concurrently with Leitner-Poma’s Operation and Maintenance contract.

RIOC will soon complete necessary repairs to the Tram Platforms at a cost of \$2,266,145. This rehabilitation project repaired and resurfaced the existing platforms on both the Roosevelt Island and Manhattan Stations of the Tram.

These improvements included the installation of a new ADA-compliant access ramp on the North Ramp of the Tram on Roosevelt Island, as well as the removal of deteriorated top surfaces and waterproofing at both Tram Stations, while also conducting repairs of the structural slabs and metal columns; and replacing the top surfaces with new concrete slabs, new waterproofing, and new traffic coating. The project took place in three phases, the final phase of which was substantially completed in late November 2017, with additional work commencing on May 15, 2018 and expected to be completed in 30 days.

The Tram elevator on the Manhattan side of the Tram, located at 60th Street and Second Avenue, has lasted beyond its useful life. RIOC commissioned an architect to design a two-cab, glass elevator, replacing the existing elevator, and subsequently issued a Request for Proposal for construction bids. RIOC entered into contract with a qualified general contractor to execute this project on December 5, 2017. Mobilization for construction began in May 2018 and the work is anticipated to last for approximately 12 months. The new elevators will have an all glass façade improving the appearance and the functionality of the station. The estimated cost of this project is \$5.6 million dollars.

The New York City Economic Development Corporation expansion of the Citywide Ferry Service to Roosevelt Island launched in August 2017. The ferry service provides service to Astoria, Roosevelt Island, Long Island City, and Manhattan. RIOC and EDC worked together to create the design for the beautification of the upland portion of the ferry landing as part of its agreement with RIOC. All design and construction of the ferry dock and landing was undertaken and paid for by New York City and have yet to be completed.

The revitalization of Main Street and improvement of the retail spaces continues. On August 1, 2011 (“Commencement Date”), RIOC entered into a Master Sublease Agreement (“Agreement”) with Hudson Related Retail LLC (“HRR”) to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOC. RIOC receives an annual guaranteed rent of \$900,000 - increasing by 2% annually beginning on the first anniversary of the Commencement Date for the first five years and 2.5% annually thereafter - as well as participation in the profits of the Master Sub-Lessee. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its certified financial statements as of December 31, 2017, HRR invested \$3,250,807 and incurred a loss of (\$51,137). According to the Agreement, RIOC will share future profits equally once HRR is paid back its investment. HRR has yet to make any profit sharing payments.

Roosevelt Island was selected by the City of New York (“City”) for the site of the Cornell Tech Applied Sciences Graduate School (“Cornell”). The project, forecasted to be built in three phases over a twenty-year period, is located on the City’s Goldwater Hospital site (“Goldwater Site”). As a result of resolutions passed by the Board of Directors, RIOC worked with Cornell throughout Phase I construction and will continue coordination throughout all construction phases. RIOC

received, among other things, new roads and a new sewage system around the construction site as a result of its contributions to this project.

On December 21, 2013, the RIOC Board of Directors resolved, among other things, to amend its Master Lease with the City to exclude an additional 2.62 acres (“Parcel”) surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support capital infrastructure improvements on Roosevelt Island as determined in accordance with state budgetary procedure. A capital contribution of \$25,028,000 to the Roosevelt Island Capital Program is included in the New York State 2019 Capital Program and Financing Plan that has been approved by the legislature and signed by the Governor. In addition, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years).

Three of the five buildings in Phase I of the Cornell project, an academic building, a corporate co-location building, and graduate student housing, were completed in August 2017, and the campus officially opened for classes in the same month. Cornell has begun construction of the remainder of Phase I, which includes two additional buildings, an approximately 100-room hotel and an executive education center. This construction began in August 2017 and is projected to be completed within early 2020. Phases II and III of the Cornell project are not required to be proposed before 2027.

The Island’s residential population continues to increase as development projects are completed, necessitating infrastructure upgrades. In a three-phased project, Consolidated Edison Company of New York, Inc. (“Consolidated Edison”), installed a high pressure gas pipeline along Main Street and an electrical feeder cable and electrical wiring upgrades along the Queensboro Bridge.

The high pressure gas line supplies high pressure gas to the residents of Roosevelt Island, as well as RIOC facilities, including the AVAC building, Motorgate, and Sportspark. Moreover, the new electrical feeder cables allow for more efficient and reliable electrical service around the Island while mitigating certain failures that have occurred with the existing feeders in the past. These upgrades have also established a redundancy of gas and electricity on the Island in the event that gas or electricity from the main lines are disrupted, and substantially reduces potential hazardous conditions. As part of a final phase of this work, Consolidated Edison also connected the residential buildings along Main Street to this high-pressure gas line which is a considerable upgrade from the old low gas pressure system. Having completed all necessary upgrades for this project, Consolidated Edison restored all Z-Brick areas of Main Street where trenching was done to its original appearance before work began. Consolidated Edison contemplates additional upgrades for Roosevelt Island, but those plans are not anticipated to begin before 2020.

RIOC reopened its Sportspark facility in March 2017, after performing major repairs to the roof, skylights, boiler systems and pool; however, further renovations are contemplated. Indeed, RIOC will go to its Architectural and Engineering Panel in June 2018, seeking to renovate the men’s and women’s locker rooms, the workout/weight room, the windows and doors, as well as the HVAC system. Renovations will also add a more welcoming entrance on the west side, an update of the

façade, a repurposing of the facility's second floor – currently underutilized open space – providing for additional workout rooms where Zumba, yoga, and other types of aerobic classes may be held. This renovation project is expected to be completed in 2020 at an estimated total cost of \$12 million dollars.

In March 2017, RIOC issued a request for proposal seeking a qualified contractor with landmark restoration experience to perform renovations for the interior of Blackwell House, New York City's sixth oldest house and Roosevelt Island's oldest landmarked building. Following that procurement process, RIOC engaged a qualified general contractor to perform all necessary repairs, which began in August 2017. Repairs include stabilizing and waterproofing the building's infrastructure, installing new windows, and installing an ADA-compliant access ramp. At an estimated cost of \$1.2 million dollars, the project will restore the interior of the house to make it a community space for Roosevelt Island residents, as well as a tourism focal point of Main Street for visitors. Construction is expected to be completed in September 2018.

In March 2017, RIOC issued a request for proposal for the first phase of enhancements at its Youth Center, located on Main Street. Construction for the first phase was completed in October 2017 and included replacement of the roof and terrace. Phase II of this project continues with replacing the windows in the main room that overlooks the courtyard, modernizing and beautifying the layout and interior design of the facility, including upgrades to the bathrooms to conform to ADA standards, expanding the teaching kitchen, new lighting, doors and other critical measures. The total estimated cost of these projects is \$1.3 million dollars and completion is expected in December 2018.

RIOC commissioned a consulting engineer to update the repair and restoration documents for the Helix Ramp, including the main elevated platform at the top of the Helix. After the document updates were finalized last summer, RIOC issued a Request for Proposal seeking bids for construction. Following that bid process, RIOC engaged a qualified contractor to begin work on February 15, 2018. Spalling and concrete repairs will be made to all exposed areas of the flat plaza and the Helix Ramp, as well as all surrounding road-surface areas that exhibit structural "wear-and-tear". Protective road railings that have been damaged by impacts will also be repaired or replaced. The project is expected to be completed by August 2018 and will cost an estimated \$4.3 million dollars.

On March 13, 2018, RIOC issued a Request for Proposal, seeking architectural design services for a dedicated ramp for bicyclists traveling between the Roosevelt Island Bridge and street level on the Island, as well as a Bike Lane Promenade. Submissions were received on April 27, 2018 and the successful bidder will be expected to see the projects through from design through construction, which is anticipated to be approximately five years.

The Bike Ramp will improve safety for both cyclists and motorists and increase ease of access for cyclists coming onto the Island. The estimated cost is \$5 million dollars. RIOC intends to fund the project in part by use of a grant in the amount of \$2,936,705 in federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) – Congestion Mitigation and Air Quality (CMAQ) Improvement Program, with the remainder funded through RIOC's capital program. RIOC has also had discussions with select state and local officials concerning

additional contributions of capital funds. The project provides a vital link for cyclists between the Island and dedicated bike lanes in Queens and is expected to be used by Island residents, visitors and commuters.

The multi-phased, multi-year refurbishment of the Bus Garage was substantially completed in September 2017. The entire project, costing \$4.4 million dollars, included a full renovation of the maintenance garage and support areas, such as the restroom and locker facilities. It also included new offices housing RIOC's Department of Capital Projects and Planning (formerly known as the Department of Engineering), RIOC's Maintenance Department, and the Island transportation services staff.

Repairs to the South Point Park Seawall, extending from the northern tip of the park to the beginning of the Four Freedoms State Park on both the east and west sides, extending approximately 1600 linear feet, are in the planning and permitting phase. RIOC previously estimated that the repairs will cost approximately \$17.12 million dollars and these estimates are currently being updated. FEMA has deemed an estimated \$1,191,692.85 of expenses to be incurred for the repair of approximately 100 linear feet of seawall breached during Hurricane Irene as eligible for reimbursement at a Federal share of 75% of eligible costs. The project is scheduled to go out to bid later in calendar 2018.

RIOC is eligible to receive reimbursement from FEMA for damages to RIOC property and staff efforts to mitigate damage before and during Hurricane Sandy in October 2012, at a 90% Federal share. Related eligible expenses have been incurred in the amount of \$264,422. As of March 31, 2018, RIOC received \$246,617 in the aggregate.

Design drawings for the Seawall Railings Replacement project were finalized and approved by all requisite agencies/entities in March 2017. Following those approvals, RIOC issued a Request for Proposal for the construction phase of the project. The contract, following the procurement process and subsequent Board approval, was awarded and construction of the new Seawall Railings is underway. The entire Seawall Railings project, spanning approximately 3.5 miles of railings, is expected to be completed in February 2019. The total cost is currently estimated at \$8,740,000.

In 2014, the City of New York obtained a \$1.6 billion dollar federal commitment in funding by FEMA to repair and protect the City's public hospitals that were damaged during Hurricane Sandy. The allocation, as part of a citywide resiliency plan, includes Coler Hospital on Roosevelt Island. Coler Hospital, operated by HHC, provides rehabilitation and specialty nursing services to its residents. The City proposed building a berm near the northern end of Roosevelt Island in an effort to protect Coler Hospital from future, potentially catastrophic damage in the event of another super storm. RIOC and the City of New York entered into a Memorandum of Understanding for this project and have agreed to collaborate on best options of constructing a berm around Coler Hospital. The City is still conducting feasibility tests and assessments for this effort with RIOC's consent. Once the feasibility study is finalized, and it is determined that a berm is possible, RIOC will work with New York City to create an easement to implement this plan.

On February 15, 2018, RIOC issued a Request for Proposal seeking professional services from a qualified firm to redevelop and repair Octagon Field, one of Roosevelt Island's most popular

outdoor fields. Octagon Field is used by residents and visitors, from mid-March to mid-November for activities including soccer, football, lacrosse, and rugby. RIOC is seeking to replace the turf and redevelop the surrounding fixtures and facilities such as the comfort station, seating benches, security features and lighting design. The project is expected to last for one year from commencement, at an estimated cost of \$3.5 million dollars.

As further noted in Section VI of this report, RIOC's Capital Plan provides the framework to renew existing infrastructure, and maintain the quality of life for the Island's residents, workers, and visitors. The Corporation achieves this by making capital improvements and strategically acquiring capital assets that support essential services such as transit, sanitation, and public safety through a number of significant projects currently underway.

III. FINANCIAL REPORTS

III. (i) Audited Financials

The audited financial reports are attached – see Attachment “B”. This section provides an overview of the Statement of Revenue, Expenses and Changes in Net Position, and the Statements of Net Position.

RIOC's Statement of Revenue, Expenses and Changes in Net Position is used to report changes in the net position, including depreciation expense. Revenue reported here is based on a standard of recognition whereby revenue is recorded when earned. The Statement of Revenue, Expenses and Changes in Net Position detail program revenue by major source and expenses by natural classification and indicate the change in net position.

RIOC's total operating revenues for the fiscal year ended March 31, 2018 were \$34,347,714. For the fiscal year ended March 31, 2017, operating revenues increased by \$4,475,519 or 15% over the last fiscal year. This was mainly due to an increase in ground rent revenue of \$10,065,062 or 91%, mostly from the settlement with Rivercross in the amount of \$9,883,343 for exiting the Mitchell Lama program. The increase was offset by one-time transaction fee received in FY16-17 from the refinancing of the existing mortgage of MEPT Octagon LLC in the amount of \$1,733,775, the sale of a block of condominium units from Riverwalk 7 LLC to Memorial Sloan Kettering in the amount of \$2,011,335, and the sale of units in Island House; all one-time income realized in FY 16-17 that did not recur in FY 17-18. Tramway revenues decreased by \$1,030,268 or 20% due to reduced ridership and the temporary shutdown of portions of the Tramway for scheduled major overhauls and renovation of the Tramway platforms.

RIOC's total operating expenses for the fiscal year ended March 31, 2018 were \$26,937,247 and \$26,304,824 for the last fiscal year ended March 31, 2017, including depreciation of \$3,671,280 and \$3,201,584, respectively. For fiscal year ended March 31, 2018, total operating expenses before depreciation increased by \$162,727 or 1% over the last fiscal year.

The Statement of Revenue, Expenses, and Changes in Net Position using the modified accrual basis, reported an increase of \$7,410,467 to an ending balance of \$111,697,884 at March 31, 2018.

THE ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statement of Revenue, Expenses and Changes in Net Position
Year ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Operating revenues:			
Residential fees	\$1,597,203	6,223,217	-74%
Ground rent	21,134,048	11,068,986	91%
Commercial rent	1,616,027	1,608,345	0%
Tramway revenue	4,205,271	5,235,538	-20%
Public safety reimbursement	1,971,791	1,993,429	-1%
Transport/parking revenue	2,543,302	2,608,721	-3%
Interest income	163,154	133,012	23%
Unrealized Gain (Loss)	(29,384)	-	0%
Other revenues	<u>1,146,302</u>	<u>1,000,947</u>	<u>15%</u>
Total operating revenues	<u>34,347,714</u>	<u>29,872,195</u>	<u>15%</u>
Operating expenses:			
Personal services	12,522,916	12,235,986	2%
Insurance	1,851,010	1,703,176	9%
Professional services and legal services	1,223,322	820,660	49%
Management fees	4,991,085	4,636,373	8%
Telecommunications	137,156	141,801	-3%
Repairs and maintenance	509,275	336,184	51%
Vehicles maintenance	246,305	267,605	-8%
Equipment purchases/lease	162,442	1,534,458	-89%
Supplies/services	1,090,289	975,397	12%
Other expenses	<u>532,167</u>	<u>451,600</u>	18%
Total operating expenses excluding depreciation	<u>23,265,967</u>	<u>23,103,240</u>	1%
Operating income before depreciation	11,081,747	6,768,955	64%
Depreciation expenses	<u>(3,671,280)</u>	<u>(3,201,584)</u>	15%
Change in net position	<u>7,410,467</u>	<u>3,567,371</u>	108%
Total net position, beginning of year	104,287,417	100,720,046	4%
Total net position, end of year	\$ <u>111,697,884</u>	<u>104,287,417</u>	7%

On RIOC's Statement of Net Position at March 31, 2018 total assets of \$156,193,549 and deferred outflow of resources - pensions of \$1,122,734 exceeded total liabilities of \$45,405,669 and deferred inflows of resources - pensions of \$212,731 by \$111,697,883 (total net position). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$77,739,455, noncurrent assets totaling \$14,826,708, cash and cash equivalents totaling \$57,990,247 and other assets of \$5,637,139. Liabilities are comprised of accounts payable and accrued expenses of \$1,674,289, compensated absences of \$733,812, unearned revenues of \$36,701,164 (prepaid rents), other post-employment benefits of \$5,158,666, and other liabilities totaling \$1,137,738. Unearned revenues represent the prepaid ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms. Of total net position, \$16,829,640 is available to be used to meet ongoing capital obligations. Additionally, \$17,128,788 is available for ongoing operational expenses.

Total assets increased by \$8,716,585 or 5.91%. This was mainly due to the settlement with Rivercross in the amount of \$9,883,343 for exiting Mitchell Lama program. Details of that settlement agreement are presented in the notes to the financial statement under section 2(l) – Subsequent Events on page 22, and the financial impact under section 4(b) – Ground rents on page 26.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Net Position
March 31, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 4,356,629	4,707,376
Short-term investments	53,633,618	56,841,456
Receivables	5,595,896	520,830
Prepaid expenses	41,243	80,828
Total current assets	<u>63,627,386</u>	<u>62,150,490</u>
Noncurrent investments	10,010,270	9,989,121
Longterm Receivables	4,816,438	
Capital assets, net of accumulated depreciation	<u>77,739,455</u>	<u>75,337,353</u>
Total assets	<u>156,193,549</u>	<u>147,476,964</u>
Deferred outflows of resources - pensions	<u>1,122,734</u>	<u>2,065,057</u>
<u>Liabilities</u>		
Current liabilities - accounts payable and accrued expenses	1,674,289	558,338
Compensated absences	733,812	650,001
Unearned revenue	36,701,164	37,424,339
Postemployment benefits other than pension	5,158,666	4,510,404
Net pension liability - proportionate share - ERS	1,137,738	1,848,752
Other liabilities	<u>-</u>	<u>160</u>
Commitments and contingencies (note 9)		
Total liabilities	<u>45,405,669</u>	<u>44,991,994</u>
Deferred inflows of resources - pensions	<u>212,731</u>	<u>262,610</u>
Net position:		
Net investment in capital assets	77,739,455	75,337,353
Restricted for capital projects	16,829,640	19,715,202
Unrestricted	<u>17,128,788</u>	<u>9,234,862</u>
Total net position	<u>\$ 111,697,883</u>	<u>104,287,417</u>

III. (ii) Grant and Subsidy Programs

Included in “Other Expenses” are expenditures for public purpose grants of \$311,457 and \$217,000 for the years ended March 31, 2018 and 2017 respectively. The Roosevelt Island Youth Program, Inc. received \$175,000 each year to help fund operating expenses. The remaining grants were awarded to various Island-based not-for-profits upon evaluation of their applications and Board approval.

III. (iii) Operating and Financial Risks

RIOC is self-sustaining: it generates sufficient revenues from long term ground and commercial leases – residential fees, ground rent, commercial rent, and public safety fees; service fees from its Tramway and Parking Operations; and other revenues to fully meet its operational expenses. RIOC neither borrows nor depends on State or City appropriations and thus is minimally exposed to market, interest rate, and economic risks.

The Development Agreement for Southtown buildings (“Buildings”) seven (7) through nine (9) between The Hudson Companies and The Related Companies (“Developer”) and RIOC included a contingent de-designation (cancellation of project or portion of) fee of \$2,438,400. The Development Agreement is collateralized by a Guaranty Letter of Credit issued by Deutsche Bank Trust Company, NA in the amount of \$2,438,400 maturing on August 15, 2018, to be renewed annually. The Building 7 Lease was closed on October 10, 2013 and construction was completed on September 21, 2015. The Leases for Buildings 8 and 9 have been negotiated and were to have closed in December 2017 – a timeline that was necessary for the Developer to satisfy all the necessary requirements of New York City programs providing additional financial support to the majority of the contemplated affordable housing units. However, the closing was delayed in anticipation of the new federal tax bill that passed in late December of last year. RIOC anticipates that the Lease Closings on both buildings are expected to occur during the third quarter of 2018.

As set forth in Note 9(c) of the Notes to Financial Statements for March 31, 2018 and 2017, RIOC entered into an agreement with ESD for the repayment of certain Public Facilities Debt and Accrued Operating Deficit amounting to \$170,356,976 with a stated interest rate of 5.74%. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

III. (iv) Bond Ratings

RIOC does not issue bonds.

III. (v) Long-term Liabilities

RIOC has no long-term liability except post-employment benefits other than pension, which is described in section III. (v)(c).

III. (v)(a) Lease Obligations

RIOC has agreements with four (4) housing companies operating on the Island to sublease commercial space occupied by the housing companies. Rent expense for the years ended March 31, 2018 and 2017 were approximately \$132,694 and \$118,484, respectively.

III. (v)(b) Unearned Revenue

As of March 31, 2018 unearned revenue in the amount of \$36,701,164 reported in the Statement of Net Position represents amounts collected in advance for lease-related payments related to subsequent fiscal years. These amounts will be recognized as income on an annual basis over a period of the remaining fifty-one years on the ground lease for the City of New York expiring in 2068 under the accrual basis of accounting.

<u>Buildings</u>	<u>Balance at April 1, 2017</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance at March 31, 2018</u>
Octagon	\$2,450,588		(47,354)	\$2,403,234
Southtown Bldg #1	1,647,488		(31,835)	1,615,653
Southtown Bldg #2	1,572,060		(30,378)	1,541,682
Southtown Bldg #3	3,359,630		(64,920)	3,294,710
Southtown Bldg #4	4,380,210		(84,642)	4,295,568
Southtown Bldg #5	5,593,478		(108,087)	5,485,391
Southtown Bldg #6	8,609,474		(166,367)	8,443,107
Southtown Bldg #7	9,811,411		(189,592)	9,621,819
Total	<u>\$37,424,339</u>	<u>\$0</u>	<u>(\$723,175)</u>	<u>\$36,701,164</u>

III. (v)(c) Post-employment Benefits Other Than Pensions

RIOC provides continuation of medical coverage to administrative, non-represented employees (those categorized as M/C) that retire at age 55 or older with five (5) years of service with the Corporation or a combination of service with a previous NYS public employer and a minimum of one (1) year service with RIOC. The employee must meet the requirements for retiring as a member of the Employees Retirement System (“ERS”), and the employee must be enrolled in New York State Health Insurance Program. The Corporation contributes 88% for employees and 73% for an employee’s spouse.

The Corporation provides certain health care benefits for retired employees. Substantially all of the Corporation’s non-union employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the ERS, while working for the Corporation. The Corporation, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees.

Total expenditures charged to operations for the years ended March 31, 2018 and 2017 amounted to \$803,398 and \$774,318, respectively. At March 31, 2018, the liability for active and retired employees included in non-current accrued fringe benefits amounted to \$5,158,606.

RIOC currently pays for post-retirement health care benefits on a pay-as-you-go basis and has set aside assets in the amount of \$10,010,270 to meet this long term obligation.

IV. DEBT SCHEDULE

RIOC does not issue debt and thus does not have any bonds and notes outstanding.

V. COMPENSATION SCHEDULE

NAME	TITLE	SALARY	TOTAL COMPENSATION
Rosenthal, Susan	President & CEO	\$177,829	\$177,697
Flug, Jacqueline	Vice President /General Counsel	\$144,000	\$143,002
Quinones, Kimberly	Vice President / Chief Financial Officer	\$159,124	\$160,737
Haynes, Shelton	Vice President for Operations	\$159,124	\$160,895
Noone, Stephen	Assistant VP of Capital Projects and Planning	\$150,000	\$49,038
Jagdharry, Muneshwar	Comptroller	\$138,178	\$138,000
McManus, John B.	Director of the Public Safety Department	\$140,978	\$141,652
McDade, Claudia H.	Human Resources Director	\$129,753	\$129,588
Sanichar, Indranie	Director of Information Technology	\$127,830	\$123,075
Andreatta, Tamara	Director of Asset Management	\$125,000	\$4,808
*Biondi, Guy	Interim Director of Engineering	\$125,000	\$32,624
Fowler, Andrew	Director of Procurement	\$110,000	\$2,538
*Melendez, Luis	Director of Procurement	\$115,000	\$74,403
Robinson, Gretchen K.	Compliance Officer	\$125,380	\$125,221
Eliav, Arthur	Associate General Counsel	\$123,046	\$122,890
Opperman, Cyril	General Manager	\$122,166	\$123,844
Greene, Robert	Senior Project Manager	\$108,131	\$110,904

* By the close of the fiscal year, the following personnel were no longer employed by RIOC: (1) The Director of Engineering, Guy Biondi; (2) The Director of Procurement, Luis Melendez.

V. (i) Biographical Information

Biographical information for all specified employees is attached – see Attachment “C”.

VI. PROJECTS

RIOC did not undertake any Industrial Development Agency Projects (IDA Projects).

RIOC’s Capital Plan provides the framework to renew existing infrastructure, and maintain the quality of life for the Island’s residents, workers, and visitors. The Corporation achieves this by making capital improvements and strategically acquiring capital assets that support essential services such as transit, sanitation, and public safety. Significant projects in progress include:

- planning for the design and construction of a Helix Bike Ramp to allow individuals on bicycles the ability to descend onto Roosevelt Island in a safe manner, away from vehicular traffic, at an estimated construction cost of \$5 million;
- maintaining a state of good repair on the Island’s Aerial Tramway, including the construction of new ADA-compliant elevators on the Manhattan side of the Tramway at an estimated \$5.6 million;

- structural repairs to the Helix Ramp to repair and replace spalling and concrete repairs to exposed areas, as well as the flat plaza surrounding surface at an estimated cost of \$4.3 million;
- repairs of the windows of the Youth Center as well as to upgrade bathrooms for ADA-compliance as well as performing interior beautification of the kitchen and recreation rooms at an estimated total of \$1.3 million;
- repair and replacement of the island-wide Seawall Railing system, being performed in phases at an estimated cost of \$8.74 million;
- interior restoration of Blackwell House, a historical landmark as well as the adjacent open space surrounding the structure at an estimated cost of \$1.2 million;
- rehabilitation of the seawall around Southpoint Open Space for an estimated cost of \$17.12 million;
- repairs to the comfort station, repairs and replacement of existing turf and seating and lighting at Octagon Sports Field, at an estimated total cost of \$3.5 million;
- investments of over \$4 million in the AVAC system for major capital repairs.

VII. REAL PROPERTY

VII. (i) Real Property Disposition

RIOC did not make any qualifying dispositions.

VII. (ii) Real Property Acquisition

RIOC did not acquire any real property.

VII. (iii) Real Property Owned

The Roosevelt Island Operating Corporation

Real Property

For Period Ending March 31, 2018

a) Real property Owned:

	Net Asset Value	Note
AVAC	\$ 759,541	(1)
Blackwell House	\$ 1,343,958	(1)
Boathouse	\$ 7,180	(1)
Good Sheperd Chapel	\$ 1,671,807	(1)
Lighthouse	N/A	(2)
Motorgate	\$ 3,101,693	(1)
Renwick Ruins	\$ 3,669,294	(1)
Sportspark	N/A	(1)
Strecker Lab	N/A	(2)
Tramway	\$ 22,391,967	(1)
Total	<u>\$ 32,945,440</u>	

Note:

(1) Fair Market Value is currently not available

(2) Historical Landmarks- Undetermined

VIII. CODE OF ETHICS

As a New York State public benefit corporation, RIOC is vested with a public trust. In order to promote and maintain governmental integrity, each officer, director, and employee of RIOC must adhere to the standards and code of ethics set forth in the Code of Ethics approved by the Board of RIOC on March 25, 2010 (see Attachment "D") and in the State Code of Ethics and the Ethics in the Government Act, as well as all other laws and regulations.

IX. ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES

This statement certifies that the RIOC followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending March 31, 2018. RIOC is fully compliant with the New York State Governmental Accountability, Audit and Internal Control Act.

X. ENABLING LEGISLATION

On September 4, 1984, RIOC was organized pursuant to Chapter 899 of The New York Unconsolidated Law as a public benefit corporation to take responsibility, pursuant to a General Development Plan (“GDP”), for the development and operation of the 147 acres comprising the former Welfare Island, located in New York City's East River – see Attachment “E”.

XI. AUTHORITY AND ITS BOARD STRUCTURE

Pursuant to its enabling legislation, the RIOC Board of Directors is composed of nine members including the Commissioner of the New York State Division of Housing and Community Renewal, who serves as the chair; the New York State Director of the Budget; and seven public members nominated by the Governor of the State of New York with the advice and consent of the New York State Senate. Of the seven public members, two members are recommended by the Mayor of New York City, and five members must be residents.

XI. (i) Board Committees

See Attachment “F”.

XI. (ii) Board Meetings and Attendance

See Attachment “G”.

XI. (iii) Major Authority Units

RIOC is comprised of the following functional units: Administration, Finance, Human Resources, Information Technology, Legal, Community Relations, Engineering, Public Safety, Grounds, Maintenance, Warehouse, Bus Operations, Motor Pool, Permits & Film, and Sportspark.

XI. (iv) Number of Employees

RIOC has 127 employees (108 F/T and 19 P/T).

XII. CHARTER AND BY-LAWS

See Attachment “H”.

XIII. MATERIAL CHANGES IN OPERATIONS AND PROGRAMS

RIOC has not made any material changes to its operations and/or programs.

XIV. FINANCIAL PLAN

XIV. (i) Current and Projected Capital Budget

See Attachment “I”.

XIV. (ii) Operating Budget Report – Actual vs. Budgeted

See Attachment “J”.

XV. BOARD PERFORMANCE EVALUATION

Pursuant to Public Authorities Law sections 2800(1)(a)(15), 2800(2)(a)(15), and section 2824(7), the Annual Board of Directors Evaluations have been completed for the fiscal year.

XVI. NON-COMPETITIVE ACQUISITIONS

See Attachment “K”.

XVII. MATERIAL PENDING LITIGATION

RIOC is a defendant in various lawsuits. In the opinion of RIOC’s legal counsel, these suits should not result in judgments which in the aggregate would have a material adverse effect on RIOC’s operations.



**Roosevelt Island
Operating Corporation**

ANDREW M. CUOMO
Governor

SUSAN G. ROSENTHAL
President & CEO

BOARD OF DIRECTORS
RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
David Kraut
Howard Polivy
Michael Shinozaki

Roosevelt Island Operating Corporation Performance Measure Report as of March 31, 2018

1. **To promote, develop, and maintain the mixed-use residential community on Roosevelt Island.**

Pursuant to the guidelines specified in the Roosevelt Island General Development Plan, the Roosevelt Island Operating Corporation (“RIOC”) has promoted the development of approximately 5,226 units of housing, with the expected development of an additional 532 units. Of the built out units of housing stock, approximately 42% are currently affordable under Federal Section 8, New York State Mitchell-Lama, New York City Inclusionary Housing Programs, or qualifying units sold/rented as Middle Income Affordable Housing (see Table 1 below).

Table 1

Building	Units Developed	In Development	To Be Developed	Total Units	Units Developed as Affordable	Units Subsequently Converted To Market	Units Currently Affordable	Current Percentage Affordable
Manhattan Park	1,107			1,107	222		222	20%
Roosevelt Landings	1,003			1,003	1,003	425	578	58%
The Octagon	500			500	100		100	20%
Island House	400			400	400	43	357	89%
Southtown	1,468		532	2,000	697		572	39%
Westview	371			371	371		371	100%
Rivercross	377			377	377	377*	TBD	TBD
Total:	5,226	-	532	5,758	3,170	845	2,200	42%

Unit Counts and Percentages are Approximate.

**Ground lease allows for deferral of ground rent if maintenance fees exceed a specified level, not yet exceeded. Residents as of the date of the Mitchell Lama withdrawal, with incomes below 100% of AMI, will qualify for the deferrals.*

Of the total 3,170 affordable units originally developed above, 2,151 units in four developments (68% of those affordable units) were developed through the New York State Mitchell Lama (ML) Program in the mid-to-late 70s. The ML developers have the option after twenty years to exit the program, converting to a market rate building or adopting a new affordability plan. Three of these developments (Roosevelt Landings, Island House and Rivercross) have exited the ML program and the fourth (Westview) is currently in the midst of negotiating an exit from the program.

Roosevelt Landings, formerly known as Eastwood, exited the ML program in 2006. Units are now a mix of market rate, enhanced voucher, and Landlord Assistance Plan units, with rents that will convert to market rate upon vacancy. As of March 31, 2018, approximately 42% of the units have been converted to market rate units. The ground lease for Roosevelt Landings expires in 2068.

The ground lease for Island House was also extended to 2068 on September 28, 2012, upon exit from ML under a thirty-year Affordability Plan. This Plan provided a structure for the creation of a leasehold condominium and the conversion of the residential portion of the building to cooperative ownership. The conversion to cooperative ownership occurred on January 1, 2014, the first day of the year following the conversion in accordance with the terms of the lease. At least 65% of the units will either be sold as “affordable” CO-OPs or remain as affordable rentals. As of March 31, 2018, approximately 43 units converted to market rate.

As of March 27, 2014 (“Withdrawal Date”), Rivercross Tenants Corp. (“Housing Company”) exited the Mitchell-Lama program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties subsequently entered into arbitration and concluded with a settlement agreement, which was approved by RIOC’s Board on April 18, 2018, with authorization for a second amendment to the Restated Ground Lease, with an effective date of May 30, 2018 (“Effective Date”). Details of the settlement agreement are presented in the notes to the financial statement under section 2 (l) Subsequent Events on page 22, and the financial impact under section 4 (b) Ground Rents on page 26.

Westview is currently in the process of negotiating an exit from the ML program. Discussions are ongoing with the New York Department of Housing and Community Renewal, the Empire State Development Corporation and RIOC, regarding the terms of a proposed thirty year affordability plan, a tax equivalency payment agreement and a ground lease extension until 2068.

RIOC is also currently negotiating the terms of the ground leases for the remaining two buildings to be constructed in Southtown. These two buildings are expected to add approximately 532 units of housing, approximately 47% of which will be developed as affordable housing.

2. To provide the appropriate level of services that develop and maintain public facilities, open spaces, and commercial facilities.

As part of its mission, RIOC has sought to develop Roosevelt Island’s 147 acres through the creation of a Public Safety Department, and the development of a transit system, a sanitary system, pedestrian walkways, recreational facilities, open spaces, and roadways. The initial planners created a centralized parking facility that currently provides approximately 1,994 parking spaces for resident vehicles.

Transportation:

RIOC has improved its transportation services through renovations to the Aerial Tramway and the on-island mass-transportation program. A new Aerial Tramway became operational on November 31, 2010, providing increased ridership capacity and greater availability allowing for one cabin to continue operations in the event the other cabin is temporarily removed from service for preventative maintenance. The Tramway is also now more reliable, with redundant generators to power the system resulting in increased efficiency and capability.

Modernization projects include the replacement of the Tram station platforms in Manhattan and on Roosevelt Island which is expected to be complete in the spring of 2018 and the design and installation of

two new ADA-compliant elevators at the Manhattan station, which is currently in progress and expected to be completed in the spring of 2019.

Moreover, as later discussed in the “Infrastructure Maintenance/Projects” section of this document, RIOC procured the services of and entered into a five-year Maintenance and Operation agreement with Leitner-Poma of America O&M, Inc. for the operation of the Tram. This agreement includes major anticipated repairs that will be required over time in order to ensure that the Tram continues to operate in a state-of-the-art condition. Such repairs will be contemplated by RIOC on an annual basis for the duration of the contract and will be budgeted for in RIOC’s ten-year Capital Plan which will cover major structural and equipment replacements that are anticipated to be needed in the next ten years.

Ridership on the Tramway has generally increased over the last few years as a result of expanded development activity on the Island, namely Southtown, Cornell Technion and Four Freedoms State Park. This past fiscal year however, the Tramway shuttled about 2,141,493 riders between the Island and Manhattan, as compared to 2,686,543 the previous year. The reduction in ridership may be attributed to reduced service during construction of the new Tram Platforms that occurred between September 2017 and early December 2017; difficulties collecting fares while under construction; the opening of the New York City Ferry in late August 2017 that now offers ferry service from Roosevelt Island to other shore points around Manhattan and Queens; and direct F train connections offered by the opening of the new 2nd Avenue subway line on January 1, 2017.

RIOC also services the community of Roosevelt Island with an on-island, mass transportation bus system comprised of a fleet of both hybrid and low emission diesel buses, two of which were purchased this fiscal year. These buses are also wheelchair accessible and service the Island’s significant disabled population. The buses are free to all riders.

RIOC entered into a Memorandum of Understanding (“MOU”) with the New York City Economic Development Corporation to expand the Citywide Ferry Service to Roosevelt Island that launched in August 2017. The ferry services passengers to-and from Astoria, Long Island City, Roosevelt Island, and Manhattan. RIOC and EDC worked together to create the design for the beautification of the upland portion of the ferry landing, which New York City constructed as part of its agreement with RIOC. RIOC is responsible for maintaining the ferry landing’s surrounding landscape.

Public Facilities:

As part of its public facilities, Roosevelt Island has a public school, PS/IS 217, with an enrollment of about 602 students; and The Child School/Legacy High School, a government-funded private school, specializing in educating children with special needs. The Child School/Legacy High School serves approximately 300 students. The Island is also home to a community center, a senior center, and a New York Public Library (“NYPL”). As discussed below, the library will be relocated to a renovated space as part of a lease agreement and will be a larger and more aesthetically pleasing community space for Island residents.

Retail Spaces:

The revitalization of Main Street and improvement of the retail businesses are in progress. On August 1, 2011 (“Commencement Date”), RIOC entered into a Master Sublease Agreement (“Agreement”) with Hudson Related Retail LLC (“HRR”) to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOC.

RIOC receives an annual guaranteed rent of \$900,000 - increasing by 2% annually beginning on the first anniversary of the Commencement Date for the first five years and 2.5% annually thereafter - as well as participation in the profits of the Master Sub-Lessee. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its certified financial statements as of December 31, 2017, Hudson Related Retail LLC invested \$3,250,807 and incurred a loss of (\$51,137). According to the Agreement, RIOC will share future profits equally once HRR is paid back its investment. HRR has yet to recoup any of its investment and has not made any profit sharing payments.

Recreational Facilities/Spaces:

Sportspark is a recreational facility that RIOC developed to promote recreational activities among residents on Roosevelt Island. The facility includes a swimming pool, a full-size basketball court, a ping-pong room, and a weight room. RIOC also maintains open-air spaces for the same purpose, which includes Lighthouse Park, Octagon Soccer Field, Octagon Pony Field, Capobianco Field, Firefighters Field, and Southpoint Park. RIOC manages these recreational spaces and its Sportspark facility through a permitting process to ensure availability to Island residents. Run by RIOC personnel who manage the permitting process, this program allows for advance reservation for a variety of one-time and regularly scheduled events. Permits are also issued for the tennis courts and other open spaces, as well as for special uses such as mobile food vending, film and photography events. Although these spaces are available to residents and non-residents alike, permits are priced at resident and non-resident rates. The number of permit requests has slightly decreased as a result of Sportspark being closed during renovations and because RIOC offered more of its facilities and open spaces to the Island's community free-of-charge. RIOC also intends to renovate the Octagon Sports Field which will include the replacement of the existing field turf as well as the renovation of the comfort station. A new lighting design for the field and seating is also contemplated. These renovations will not begin before December 2018 and therefore should not restrict usage of the field. Similarly, RIOC plans to construct a new comfort station at Firefighter's Field but renovations should also not affect usage of that outdoor space.

Other recreational spaces on Roosevelt Island include Four Freedoms State Park, a memorial to honor President Franklin D. Roosevelt. This park, which is managed and operated by Four Freedoms Park Conservancy, is located on the southernmost tip of Roosevelt Island and opened in the fall of 2012. Four Freedoms State Park is a popular destination that just reached the 900,000 visitor mark and continues to gain in popularity.

RIOC is also in the process of renovating the Youth Center located on Main Street. This past fiscal year, RIOC repaired the roof and terrace of the Youth Center as well as the outer entry doors. Additional plans for further renovations include the replacement of windows in the main room overlooking the courtyard and the installation of new lighting, ADA compliant bathrooms, and upgrades to the teaching kitchen. These additional renovations will be implemented in phases and the entire project is expected to be completed this year.

RIOC has also sought the services of a landscaping company to provide landscaping services for all RIOC owned/operated grounds on Roosevelt Island. The one-year contract, costing an estimated \$196,000 dollars will include lawn manicuring, planting, and trimming. This service, currently being done in-house will allow RIOC staff to better tend to garbage removal, park maintenance and repairs, as well as other RIOC-sponsored events and other facility maintenance projects. RIOC also plans to procure a landscaper/arborist company, at an estimated \$300,000 dollars over three years, to provide tree mapping,

irrigation design for outdoor spaces, and soil testing services, which will aid the Corporation to care for its parks and other outdoor spaces, safely, and with more proactivity and efficiency.

RIOC expects to engage the services of a qualified firm in spring 2018 to perform resurfacing work at Blackwell Park, located behind 500 Main Street and the adjacent Lewis Field. The work is needed in order to repair areas of the park that have deteriorated due to weather and time. RIOC anticipates this project will take approximately 90 days to complete, at an estimated cost of \$120,000 dollars.

Finally, RIOC is in the process of renovating the interior of the Blackwell House, one of the oldest 18th century architectural houses in New York State. At an estimated cost of \$1.2 million dollars, the project entails restoring the interior of the house to make it a community space for Roosevelt Island residents as well as a tourist focal point of Main Street for visitors. Exterior work is also being done, including the stabilization and waterproofing of the building's infrastructure, installing new windows and installing an ADA-compliant access ramp, in order to make points of ingress and egress ADA-compliant. Construction is ongoing and RIOC expects that the project will be finished in September 2018.

Infrastructure Maintenance/Projects:

Repairs for the Helix Ramp are underway. RIOC has engaged a qualified contractor to perform spalling and concrete repairs to all exposed areas of the flat plaza and ramp, as well as all surrounding road-surface areas that exhibit structural "wear-and-tear". Protective road railings that have been damaged by impacts are also being repaired or replaced. The project is expected to be completed by August 2018 and is expected to cost \$4.3 million dollars.

On March 13, 2018, RIOC issued a Request for Proposal, seeking architectural design services for a dedicated ramp for bicyclists traveling between the Roosevelt Island Bridge and street level on the Island, as well as a Bike Lane Promenade. Submissions were received on April 27, 2018 and the successful architectural engineering team will be expected to design the Helix Bike Ramp as well as a Bike Lane Promenade, and also provide contract administration services through construction. The estimated cost of the ramp is \$5 million dollars. RIOC intends to fund the project in part by use of a grant in the amount of \$2,936,705 in federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) – Congestion Mitigation and Air Quality (CMAQ) Improvement Program. RIOC will fund the remainder of the project through its capital program.

RIOC developed and installed an Automated Vacuum ("AVAC") system to manage waste generated on Roosevelt Island. This AVAC system is an underground network of pipes that connects to residential buildings on the Island and disposes of garbage, eliminating the need for the majority of curb-side garbage pick-up. RIOC maintains AVAC by having it cleaned annually. Further, RIOC authorized diagnostic testing of the system for the purpose of assessing necessary upgrades and repairs. Minor repairs completed include upgrades for new panel boxes, rerouting existing low-voltage control cables and installing new control cables to the new panel boxes. An investment of over \$4 million dollars in major capital repairs is expected over the next year.

The Seawall Railings are also being replaced and/or repaired. RIOC completed the development of the related construction drawings in March 2017, and the construction phase of the project has started. The entire project is being performed in several phases, with each phase ranging from between 2 and 5 months for completion. Ultimately, the 3.5 miles of railings on Roosevelt Island is expected to be completed in February 2019 at a total cost currently estimated at \$8.74 million.

Repairs to the South Point Seawall, extending from the northern tip of the park to the beginning of the Four Freedoms State Park on both the east and west sides, extending approximately 1600 linear feet, are in the planning and permitting phase. RIOC previously estimated that the repairs will cost approximately \$17.12 million and these estimates are currently being updated. FEMA has deemed an estimated \$1,191,692.85 of expenses to be incurred for the repair of approximately 100 linear feet of seawall breached during Hurricane Irene as eligible for reimbursement at a Federal share of 75% of eligible costs. The project is scheduled to go out to bid later in calendar 2018.

Similarly, RIOC is eligible to receive reimbursement from FEMA for damages to RIOC property and staff efforts to mitigate damage before and during Hurricane Sandy in October 2012, at a 90% Federal share. Related eligible expenses have been incurred in the amount of \$264,422. As of March 31, 2018, RIOC received \$246,617 in the aggregate.

RIOC will soon complete necessary repairs, begun this past fall, to the Aerial Tramway station platforms on both the Roosevelt Island and the Manhattan sides. Construction included the installation of a new ADA-compliant access ramp on the North Ramp of the Roosevelt Island side Tram station, as well as the removal and repair of the structural slabs and metal columns at both Tram stations. RIOC also repaired or replaced deteriorated top surfaces and waterproofing at both stations with new concrete slabs, new waterproofing, and new traffic coating. The total cost of this project will be approximately \$2,266,145 dollars.

RIOC plans to replace the Manhattan-side Aerial Tramway elevators. The new glass elevators will add a beautiful landscape to the 61st Street and Second Avenue location, and also be ADA-compliant, equipped with LED lighting. The design drawings for this project were completed in April 2016 and a qualified contractor was also selected following a competitive procurement process. Mobilization on this project has just commenced and RIOC expects this project to take twelve months to complete before the new elevator becomes operational. The cost of construction is estimated to be \$5,600,000.

Roosevelt Island was selected by the City of New York ("City") for the site of the Cornell Tech Applied Sciences Graduate School ("Cornell"). The project, forecasted to be built in three phases over a twenty-year period, is located on the City's Goldwater Hospital site ("Goldwater Site"). As a result of resolutions passed by the Board of Directors, RIOC worked with Cornell throughout Phase I construction and will continue coordination throughout all construction phases. RIOC received, among other things, new roads and a new sewage system around the construction site as a result of its contributions to this project.

On December 21, 2013, the RIOC Board of Directors resolved, among other things, to amend its' Master Lease with the City to exclude an additional 2.62 acres ("Parcel") surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support Capital infrastructure improvements on Roosevelt Island as determined in accordance with State budgetary procedure. A capital contribution of \$25,028,000 to the Roosevelt Island Capital Program is included in the New York State 2019 Capital Program and Financing Plan that has been approved by the legislature and signed by the governor. In addition, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years).

Three of the five buildings in Phase I of the Cornell project, an academic building, a corporate co-location building, and graduate student housing, were completed in August 2017, and the campus officially opened for classes in the same month. Cornell has begun construction of the remainder of Phase I, which includes

two additional buildings, an approximately 100-room hotel and an executive education center. This construction began in August 2017 and is projected to be completed within early 2020. Phases II and III of the Cornell project are not required to be proposed before 2027.

3. [To ensure good governance through compliance with its enabling legislation, corporate By-laws, General Development Plan, contractual obligations and all applicable Federal, State, and local laws.](#)

RIOC has set forth Investment Guidelines, Lobbying Guidelines, Procurement Guidelines, Guidelines Regarding Acquisition and Disposal of Property, By-Laws, Policies for Senior Management, Travel Policies, Policies on Reporting Misconduct and Protection Against Adverse Personnel Action, Policies for Personally Owned Vehicle Usage, and Project Sunlight Policies.

RIOC's Compliance and Internal Controls Officer furthers these objectives and goals by implementing, maintaining and monitoring an internal controls program, conducting annual assessments, and preparing Internal Control Certificates, among other things. Additionally, the Internal Controls Officer is charged with implementing ongoing programs of training for RIOC directors, managers, and staff in internal controls, ethics, procurement practices, human resources, contract administration, and other relevant rules, issues, and best practices. Finally, the Internal Controls Officer also ensures that RIOC complies with statutes, regulations and policies, and as such, regularly consults with executive management regarding RIOC business and courses of action by adhering to RIOC's internal policies and State mandates.

4. [To manage the Corporation's resources with fiscal responsibility and efficiency through a single comprehensive process that is aligned with the Corporation's strategic plan and to continue to operate without reliance on State subsidies.](#)

RIOC's operating revenues were sufficient to meet its operating and capital needs for FY 2017-18, without currently relying on funds from the State of New York. The Corporation reported an operating profit, before depreciation, of \$11,081,747, which exceeds the budgeted amount of \$3,332,751 by \$7,748,996, or 232.5%. This was mainly due to an increase in ground rent revenue of \$10,065,062 or 91%, mostly from the settlement with Rivercross in the amount of \$9,883,343 for exiting the Mitchell Lama program. The increase was offset by a one-time transaction fee received in FY 16-17 from the refinancing of the existing mortgage of MEPT Octagon LLC in the amount of \$1,733,775, the sale of a block of condominium units from Riverwalk 7 LLC to Memorial Sloan Kettering in the amount of \$2,011,335, and the sale of units in Island House, all one-time income realized in FY 16-17 that did not recur in FY 17-18.

As set forth in Note 9(c) of the Notes to Financial Statements for March 31, 2018 and 2017, RIOC entered into an agreement with ESD for the repayment of certain Public Facilities Debt and Accrued Operating Deficit amounting to \$170,356,976 with a stated interest rate of 5.74%. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

5. [To provide a safe environment for the public and the Corporation's employees.](#)

The mission of the Roosevelt Island Public Safety Department ("PSD") is to provide a safe and secure environment for the residents, employees, business owners, community, and visitors of Roosevelt Island. PSD is a division of RIOC, and its Public Safety officers are the front-line problem solvers for the Roosevelt Island community. By working closely with the New York City Police Department's 114th Precinct, the New York City Fire Department, and Emergency Medical Services, PSD provides a 24-hour-a-day, seven-day-a-week presence on the Island. Because the Corporation has placed more emphasis on community-based policing and quality of life issues, the Island has one of the lowest crime rates per capita in New York City.

The Corporation has implemented software solution for critical PSD related records such as incident reporting and case management. RIOC also created an Emergency Operations Center (“EOC”), equipped with state of the art cameras and computer equipment for emergency response and contingency planning. RIOC continues to expand this system, which over the past year, has grown to include camera installations around the entire Island, monitored by PSD. The expansion of this program has been successful in crime prevention as well as increased collaboration and liaising with the 114th Precinct and other state and local law enforcement agencies. Moreover, RIOC installed cameras in the Cultural Center, also monitored by PSD, and employed a security/consulting firm to provide seven-day-a week security and building manager services to help coordinate facility use and ensure the safety of all its very diverse community groups and patrons.

RIOC also procured the services of a reputable consulting firm to conduct a “Situational Awareness and Demystifying Active Threats” training seminar in an effort to educate all RIOC employees on emergency response, preparedness, and tactical strategy in the event an active shooter event occurs on Roosevelt Island.

Also, in an effort to bring all members of RIOC’s PSD to a higher and similar level of skills and knowledge, RIOC has developed and implemented an updated training program for all members of PSD. The training commenced in January 2017 and will be ongoing. The training topics have included community policing, domestic violence, tactical patrol, and report writing. This training will improve community relations, morale and develop new skill for all officers.

6. To maintain and enhance the physical conditions of the Corporation’s public facilities and open spaces.

RIOC’s Capital Plan provides the framework to renew existing infrastructure, and maintain the quality of life for the Island’s residents, workers, and visitors. The Corporation achieves this by making capital improvements and strategically acquiring capital assets that support essential services such as transit, sanitation, and public safety. Significant projects in progress include:

- planning for the design and construction of a Helix Bike Ramp to allow individuals on bicycles the ability to descend onto Roosevelt Island in a safe manner, away from vehicular traffic, at an estimated construction cost of \$5 million;
- maintaining a state of good repair on the Island’s Aerial Tramway, including the construction of new ADA-compliant elevators on the Manhattan side of the Tramway at an estimated \$5.6 million;
- structural repairs to the Helix Ramp to repair and replace spalling and concrete repairs to exposed areas, as well as the flat plaza surrounding surface at an estimated cost of \$4.3 million;
- repairs of the windows of the Youth Center as well as to upgrade bathrooms for ADA-compliance as well as performing interior beautification of the kitchen and recreation rooms at an estimated total of \$1.3 million;
- repair and replacement of the island-wide Seawall Railing system, being performed in phases at an estimated cost of \$8.74 million;
- interior restoration of Blackwell House, a historical landmark as well as the adjacent open space surrounding the structure at an estimated cost of \$1.2 million;
- rehabilitation of the seawall around Southpoint Open Space for an estimated cost of \$17.12 million;
- repairs to the comfort station, repairs and replacement of existing turf and seating and lighting at Octagon Sports Field, at an estimated total cost of \$3.5 million; and
- investments of over \$4 million in the AVAC system for major capital repairs.

See the annexed Capital Plan at Exhibit A.

7. **To promote a sustainable, innovative environment and to strive for island-wide green initiatives.**

To limit the congestion caused by excess traffic, RIOC provides bus services using a fleet of hybrid and low emission diesel fuel buses that limit production of greenhouse gases (“GHG”). Further reductions to the already low GHG levels are expected because, as noted above, the elimination of the bus fares will reduce stop and idling times associated with GHG production. RIOC purchased two additional Clean Air Diesel buses in FY 16-17 to add to its fleet and previously purchased neighborhood electric vehicles to the extent possible to lessen dependence on fossil fuel vehicles for light duty usage by employees. RIOC has also co-sponsored a community-based Garden Club that manages a community garden on Roosevelt Island between the Octagon soccer field and the Pony baseball field. Among other activities, the Garden Club, through its “Go Green” initiative, sponsors a NYC Compost Project and recycling program designed to make our environment more ecologically responsible.

8. **To effectively communicate with all stakeholders.**

Notices are posted to all stakeholders in public view and on the RIOC web site for all Board of Directors and Committee meetings pursuant to the New York State Open Meetings Law. RIOC also recently upgraded its website to make it more user-friendly and simpler to obtain information about RIOC’s programs and other general event information. The new website also allows for individual departments to be responsible for department specific content, which allows for accurate reporting. Moreover, the website provides relevant information to stakeholders, such as community information and information about the Corporation’s operations and finances.

9. **To partner with businesses, industry leaders and other government agencies to meet the needs of the Corporation’s stakeholders.**

The fares for passengers riding the Aerial Tramway are collected on RIOC’s behalf via the Metro Card system through a partnership with New York City Transit, which promotes the efficiency of the system by connecting riders to the mass transit system of the greater urban area. As noted in item 2, page 3 of this report, RIOC has partnered with Hudson Related Retail to revitalize the Island’s commercial sector, thereby increasing stakeholder access to goods and services. Also, RIOC routinely coordinates with administrators of Four Freedoms State Park and Cornell Technion for the efficient planning of activities.

As mentioned in the Transportation section, RIOC also entered into a MOU with the New York City Economic Development Corporation to expand the Citywide Ferry Service to Roosevelt Island.

The City of New York has obtained a \$1.6 billion dollar federal commitment in funding by FEMA to repair and protect the City’s public hospitals that were damaged during Hurricane Sandy. The allocation, as part of a citywide resiliency plan, includes Coler Hospital on Roosevelt Island. Coler Hospital is a facility operated by HHC that provides rehabilitation and specialty nursing services to its residents.

The City has proposed building a berm near the northern end of Roosevelt Island in an effort to protect Coler Hospital from future, potentially catastrophic damage in the event of another super storm. In this regard, the City is currently conducting feasibility tests and taking soil samples for this effort with RIOC’s consent. Once the feasibility study is complete, and it is determined that a berm is possible, RIOC will work with New York City to create an easement to implement this plan.



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REPORT TO THE BOARD

June 12, 2018

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

We have audited the financial statements of Roosevelt Island Operating Corporation (RIOC), a component unit of the State of New York, as of and for the year ended March 31, 2018 and have issued our report thereon dated June 12, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated March 1, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Accounting Principles

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by RIOC are described in note 2 to the financial statements. We noted no transactions entered into by RIOC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting RIOC's financial statements were:

- Management's estimate of the accumulated depreciation is based on determining useful lives of assets.
- Collection of receivables - Receivables are stated at the amount management estimates will be collectible on outstanding balances. A valuation allowance is provided based on management's estimate of probable uncollectible amounts.

The Board of Directors
Roosevelt Island Operating Corporation
Page 2

- Net pension liability - Management's estimate of the net pension liability is calculated through information provided by the NYSE Employees and Local Employees Retirement System.
- OPEB liability - Management's estimate of postemployment benefits is calculated using assumptions for future years health care benefits and contributions on a pay as you go basis. Full detail of assumptions is located in note 10 of the financial statements.

We evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the combined financial statements were:

- The disclosure of retirement plans in note 7 to the financial statements.
- The disclosure of commitments and contingencies in note 9 to the financial statements.
- The disclosure of other postemployment benefits in note 10 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements detected as a result of our audit.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

The Board of Directors
Roosevelt Island Operating Corporation
Page 3

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to RIOC’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as RIOC’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, the schedule of funding progress - other postemployment benefits, the schedule of entity’s proportionate share of the net pension liability, and the schedule of entity’s employer pension contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The Board of Directors
Roosevelt Island Operating Corporation
Page 4

* * * * *

This information is intended solely for the use of the Board of Directors and management of RIOC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Financial Statements and Management's
Discussion and Analysis
March 31, 2018 and 2017
(With Independent Auditors' Report Thereon)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Roosevelt Island Operating Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Roosevelt Island Operating Corporation (RIOC), a component unit of the State of New York, as of and for the years ended March 31, 2018 and 2017, and the related notes to financial statements, which collectively comprise the RIOC's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to RIOC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RIOC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Roosevelt Island Operating Corporation as of March 31, 2018 and 2017, and the respective changes in net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 13 and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise RIOCI's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 12, 2018, on our consideration of RIOC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering RIOC's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 12, 2018

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2018

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Roosevelt Island Operating Corporation (RIOC) at March 31, 2018 and 2017, and the results of its operations for the years then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board for state and local governments. This MD&A should be read in conjunction with the audited financial statements and accompanying notes to financial statements, which directly follow the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: management's discussion and analysis (this section), basic financial statements and supplemental information. RIOC was created by the New York State Legislature in 1984 as a public benefit corporation charged with maintaining, operating, and developing Roosevelt Island. RIOC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities of the Corporation. These statements are presented in a manner similar to a private business. While additional information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that RIOC is properly performing its contractual obligations.

FINANCIAL ANALYSIS OF THE CORPORATION NET POSITION

The following is a summary of the RIOC's Statement of Net Position at March 31, 2018 and 2017 and the percentage changes between March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Current and investments	\$ 73,637,656	72,139,611	2%
Long-term receivables	4,816,438	-	100%
Capital assets, net	<u>77,739,455</u>	<u>75,337,353</u>	3%
Total assets	<u>156,193,549</u>	<u>147,476,964</u>	6%
Deferred outflows of resources - pensions	<u>1,122,734</u>	<u>2,065,057</u>	-46%
Liabilities	<u>45,405,669</u>	<u>44,991,994</u>	1%
Deferred inflows of resources - pensions	<u>212,731</u>	<u>262,610</u>	-19%
Net position:			
Net investment in capital assets	77,739,455	75,337,353	3%
Restricted for capital projects	16,829,640	19,715,202	-15%
Unrestricted	<u>17,128,788</u>	<u>9,234,862</u>	85%
Total net position	\$ <u>111,697,883</u>	<u>104,287,417</u>	7%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis, Continued

On RIOC's Statement of Net Position at March 31, 2018 total assets of \$156,193,549 and deferred outflow of resources - pensions of \$1,122,734 exceeded total liabilities of \$45,405,669 and deferred inflows of resources - pensions of \$212,731 by \$111,697,883 (total net position). Total assets are comprised of capital assets (e.g., buildings, machinery and equipment) totaling \$77,739,455, noncurrent assets totaling \$14,826,708, cash and cash equivalents totaling \$57,990,247 and other assets of \$5,637,139. Liabilities are comprised of accounts payable and accrued expenses of \$1,674,289, compensated absences of \$733,812, unearned revenues of \$36,701,164 (prepaid rents), other postemployment benefits of \$5,158,666, and other liabilities totaling \$1,137,738. Unearned revenues represent the prepaid ground rent revenue received for the Southtown and Octagon development projects that will be recognized over their respective lease terms. Of total net position, \$16,829,640 is available to be used to meet ongoing capital obligations. Additionally, \$17,128,788 is available for ongoing operational expenses.

Total assets increased by \$8,716,585 or 6%. This was mainly due to the settlement with Rivercross in the amount of \$9,883,343 for exiting Mitchell Lama program. See notes to the financial statements 2(l) and 4(b).

Decreases in the deferred outflows of resources - pensions in the amount of \$942,323 or 46% and deferred inflows of resources - pensions in the amount of \$49,879 or 19% are due to RIOC's compliance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68." See notes to the financial statements 2(k) for additional information and 7(c-h) for the financial statement impact of compliance on the financial statements.

OPERATING ACTIVITIES

RIOC's Statements of Revenues, Expenses and Changes in Net Position are used to report changes in the net position, including depreciation expense. Revenues reported here are based on a standard of recognition whereby revenues are recorded when earned. The Statements of Revenues, Expenses and Changes in Net Position detail program revenues by major source and expenses by natural classification and indicate the change in net position.

RIOC's total operating revenues for the fiscal year ended March 31, 2018 were \$34,347,714. For the fiscal year ended March 31, 2018, operating revenues increased by \$4,475,519 or 15% over the last fiscal year. This was mainly due to an increase in ground rent revenue of \$10,065,062 or 91%, mostly from the settlement with Rivercross in amount of \$9,883,343 for exiting the Mitchell Lama program. This increase was offset by one-time transaction fee received in FY16-17 from the refinancing of the existing mortgage of MEPT Octagon LLC in the amount of \$1,733,775, the sale of a block of condominium units from Riverwalk 7 LLC to Memorial Sloan Kettering in the amount of \$2,011,335, and the sale of units in Island House House; all one-time income realized in FY16-17 that did not recur in FY17-18. Tramway revenues decreased by \$1,030,267 or 20% due to reduced ridership and the temporary shutdown of portions of the Tramway for scheduled major overhauls and renovation of the Tramway platforms.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis, Continued

RIOC's total operating expenses for the fiscal year ended March 31, 2018 were \$26,937,248 and \$26,304,824 for the last fiscal year ended March 31, 2017, including depreciation of \$3,671,280 and \$3,201,584, respectively. For fiscal year ended March 31, 2018, total operating expenses before depreciation increased by \$162,728 or 1% over the last fiscal year.

The following summarizes RIOC's change in net position for the fiscal years ended March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Operating revenues:			
Residential fees	\$ 1,597,203	6,223,217	-74%
Ground rent	21,134,048	11,068,986	91%
Commercial rent	1,616,027	1,608,345	0%
Tramway revenue	4,205,271	5,235,538	-20%
Public safety reimbursement	1,971,791	1,993,429	-1%
Transport/parking revenue	2,543,302	2,608,721	-3%
Interest income	163,154	133,012	23%
Unrealized loss	(29,384)	-	0%
Other revenues	<u>1,146,302</u>	<u>1,000,947</u>	<u>15%</u>
Total operating revenues	<u>34,347,714</u>	<u>29,872,195</u>	<u>15%</u>
Operating expenses:			
Personal services	12,522,916	12,235,986	2%
Insurance	1,851,010	1,703,176	9%
Professional services and legal services	1,223,322	820,660	49%
Management fees	4,991,085	4,636,373	8%
Telecommunications	137,156	141,801	-3%
Repairs and maintenance	509,275	336,184	51%
Vehicles maintenance	246,305	267,605	-8%
Equipment purchases/lease	162,442	1,534,458	-89%
Supplies/services	1,090,289	975,397	12%
Other expenses	<u>532,168</u>	<u>451,600</u>	<u>18%</u>
Total operating expenses excluding depreciation	<u>23,265,968</u>	<u>23,103,240</u>	<u>1%</u>
Operating income before depreciation	11,081,746	6,768,955	64%
Depreciation expenses	<u>(3,671,280)</u>	<u>(3,201,584)</u>	<u>15%</u>
Change in net position	<u>7,410,466</u>	<u>3,567,371</u>	<u>108%</u>
Total net position, beginning of year	<u>104,287,417</u>	<u>100,720,046</u>	<u>4%</u>
Total net position, end of year	<u>\$ 111,697,883</u>	<u>104,287,417</u>	<u>7%</u>

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Management's Discussion and Analysis, Continued

CAPITAL ASSETS

The following summarizes RIOC's capital assets for the fiscal years ended March 31, 2018 and 2017 and the percentage change between fiscal years:

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Seawall	\$ 3,396,261	3,043,016	10%
Buildings	20,310,134	20,037,618	1%
Landmarks	6,643,207	6,395,508	4%
Vehicles and equipment	2,301,593	1,872,311	19%
Infrastructure	45,002,863	43,895,606	2%
Leasehold improvements	<u>85,397</u>	<u>93,294</u>	<u>-9%</u>
Total capital assets	\$ <u>77,739,455</u>	<u>75,337,353</u>	<u>3%</u>

The capital assets of \$77,739,455 presented in the financial statements have been depreciated using the straight-line method, effective from the date of acquisition. The increase of \$2,402,102 from the prior year is comprised of the addition of new capital assets of \$6,120,461 offset by annual depreciation of \$3,671,280, and the disposition of old capital assets in the amount of \$3,290,480 with the corresponding accumulated depreciation on assets disposed of \$3,243,401. Total depreciation expense for all capital assets amounted to \$3,671,280 and \$3,201,584 for the years ended March 31, 2018 and 2017, respectively. A more detailed analysis of RIOC's capital assets is presented in the notes to financial statements on pages 23-24.

INFRASTRUCTURE ASSETS

The amounts reported in the accompanying statements of net position for capital assets (net of depreciation) of RIOC of \$77,739,455 and \$75,337,353 at March 31, 2018 and 2017, respectively, do not include an amount for two infrastructure items: (1) the bulk of the seawall; and (2) Main Street (the road). Pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 34, addressing the capitalization of infrastructure assets, infrastructure assets dating from prior to 1980 are not required to be recognized. However, subsequent improvements to such infrastructure items have been capitalized.

ECONOMIC FACTORS AFFECTING RIOC'S FUTURE FINANCIAL POSITION

Seven (7) of the anticipated nine (9) buildings (collectively, the "Buildings") of the Southtown Development Project have been completed. The Leases for Buildings 8 and 9 have been negotiated and were to have closed in December 2017 - a timeline that was necessary for the Hudson Companies and the Related Companies to satisfy all the necessary requirements of New York City programs providing additional financial support to the majority of the contemplated affordable housing units. However, the closing was delayed in anticipation of the new federal tax bill that passed in late December of last year. RIOC anticipates that the lease closings on both buildings are expected to occur during the third quarter of 2018. Should development fail to occur within the expected timeframe, RIOC is protected by a Letter of Credit in the amount of \$2,438,400.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

As of March 27, 2014 ("Withdrawal Date"), Rivercross Tenants Corp. ("Housing Company") exited the Mitchell-Lama program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties subsequently entered into arbitration and concluded with a settlement agreement, which was approved by RIOC's Board on April 18, 2018, with authorization for a second amendment to the Restated Ground Lease, with an effective date of May 30, 2018 ("Effective Date"). Details of the settlement agreement are presented in the notes to the financial statement under section 2(l) Subsequent Events on page 22, and the financial impact under section 4(b) Ground Rents on page 26.

The Modernized Aerial Tramway ("Tram"), which was placed in service on November 31, 2010, is an efficient, safe, and relatively quick mode of transportation between Roosevelt Island and mid-town Manhattan. During the fiscal year ended March 31, 2018 total ridership on the Tram decreased again to \$2,141,493 from \$2,686,543 last year and Tramway revenues decreased by \$1,030,268 or 20% over the prior fiscal year ended March 31, 2017. The reduction in ridership may be attributed to reduced service during construction of the new Tram Platforms that occurred between September 2017 and early December 2017; difficulties collecting fares related to construction; the opening of the New York City Ferry in late August 2017 that now offers ferry service from Roosevelt Island to other shore points around Manhattan and Queens; and direct F train connections offered by the opening of the new 2nd Avenue subway line on January 1, 2017.

On March 1, 2017, following the issuance of a Request for Proposal and procurement process, RIOC entered into a five-year agreement (along with an optional five-year renewal) with Leitner-Poma for the operation and maintenance of the Tram. This contract ensures that the Tram continues to operate in a state-of-the-art condition. Additionally, any long-term repairs or overhauls that are needed will also be covered under the terms of this contract. All major Tramway capital projects will be approved by RIOC on an annual basis for the duration of the contract and will be budgeted for in RIOC's ten-year Capital Plan.

In addition to securing the above agreement with Leitner-Poma, in February 2018, RIOC entered into a five-year agreement with Hardesty and Hanover, a qualified Engineering Consultant, to provide engineering consulting services for long-term overhaul and maintenance projects for the Tram. This contract will provide RIOC with independent engineering assessments, particularly for long-term overhaul projects with large price estimates. The contract duration is for four years (along with up to five optional one-year renewals), at an hourly rate with a minimum annual cost of \$50,000, and runs concurrently with Leitner-Poma's Operation and Maintenance contract.

RIOC will soon complete necessary repairs to the Tram Platforms at a cost of \$2,266,145. This rehabilitation project repaired and resurfaced the existing platforms on both the Roosevelt Island and Manhattan Stations of the Tram.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

These improvements included the installation of a new ADA-compliant access ramp on the North Ramp of the Tram on Roosevelt Island, as well as the removal of deteriorated top surfaces and waterproofing at both Tram Stations, while also conducting repairs of the structural slabs and metal columns; and replacing the top surfaces with new concrete slabs, new waterproofing, and new traffic coating. The project took place in three phases, the final phase of which was substantially completed in late November 2017, with additional work commencing on May 15, 2018 and expected to be completed in 30 days.

The Tram elevator on the Manhattan side of the Tram, located at 60th Street and Second Avenue, has lasted beyond its useful life. RIOCI commissioned an architect to design a two-cab, glass elevator, replacing the existing elevator, and subsequently issued a Request for Proposal for construction bids. RIOCI entered into contract with a qualified general contractor to execute this project on December 5, 2017. Mobilization for construction began in May 2018 and the work is anticipated to last for approximately 12 months. The new elevators will have an all glass façade improving the appearance and the functionality of the station. The estimated cost of this project is \$5.6 million dollars.

The New York City Economic Development Corporation expansion of the Citywide Ferry Service to Roosevelt Island launched in August 2017. The ferry provides service to Astoria, Roosevelt Island, Long Island City and Manhattan. RIOCI and EDC worked together to create the design for the beautification of the upland portion of the ferry landing as part of its agreement with RIOCI. All design and construction of the ferry dock and landing was undertaken and paid for by New York City, and have yet to be completed.

The revitalization of Main Street and improvement of the retail spaces continues. On August 1, 2011 ("Commencement Date"), RIOCI entered into a Master Sublease Agreement ("Agreement") with Hudson Related Retail LLC ("HRR") to redevelop, improve, market, lease and professionally operate the Retail Spaces controlled by RIOCI. RIOCI receives an annual guaranteed rent of \$900,000 - increasing by 2% annually beginning on the first anniversary of the Commencement Date for the first five years and 2.5% annually thereafter - as well as participation in the profits of the Master Sub-Lessee. HRR was required to invest no less than \$2,365,000 in the aggregate in capital improvements during the first five years of the Agreement. According to its certified financial statements as of December 31, 2017, Hudson Related Retail LLC invested \$3,250,807 and incurred a loss of (\$51,137). According to the Agreement, RIOCI will share future profits equally once HRR is paid back its investment. HRR has yet to make any profit sharing payments.

Roosevelt Island was selected by the City of New York ("City") for the site of the Cornell Tech Applied Sciences Graduate School ("Cornell"). The project, forecasted to be built in three phases over a twenty-year period, will be located on the City's Goldwater Hospital site ("Goldwater Site"). As a result of resolutions passed by the Board of Directors, RIOCI worked with Cornell throughout Phase I construction and will continue coordination throughout all construction phases. RIOCI received, among other things, new roads and a new sewage system around the construction site as a result of its contributions to this project.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

On December 21, 2013, the RIOC Board of Directors resolved, among other things, to amend its' Master Lease with the City to exclude an additional 2.62 acres ("Parcel") surrounding the Goldwater Site so that it could be incorporated into the 9.8 acres being used for Cornell. As part of the surrender of the Parcel back to the City, the State made a commitment to fund an amount equivalent to \$1,000,000 annually for 55 years (escalating 2.5% every 10 years) with payment fully made by December 31, 2018 to support capital infrastructure improvements on Roosevelt Island as determined in accordance with state budgetary procedure. A capital contribution of \$25,028,000 to the Roosevelt Island Capital Program is included in the New York State 2019 Capital Program and Financing Plan that has been approved by the legislature and signed by the Governor. In addition, Cornell pays RIOC \$400,000 annually for 55 years, (increasing by 2% every 10 years).

Three of the five buildings in Phase I of the Cornell project, an academic building, a corporate collocation building, and graduate student housing, were completed in August 2017, and the campus officially opened for classes in the same month. Cornell has begun construction of the remainder of Phase I, which includes two additional buildings, an approximately 100-room hotel and an executive education center. This construction began in August 2017 and is projected to be completed within early 2020. Phases II and III of the Cornell project, are not required to be proposed before 2027.

The Island's residential population continues to increase as development projects are completed, necessitating infrastructure upgrades. In a three-phased project, Consolidated Edison Company of New York, Inc. ("Consolidated Edison"), installed a high pressure gas pipeline along Main Street and an electrical feeder cable and electrical wiring upgrades along the Queensboro Bridge.

The high pressure gas line supplies high pressure gas to the residents of Roosevelt Island, as well as RIOC facilities, including the AVAC building, Motorgate, and Sportspark. Moreover, the new electrical feeder cables allow for more efficient and reliable electrical service around the Island while mitigating certain failures that have occurred with the existing feeders in the past. These upgrades have also established a redundancy of gas and electricity on the Island in the event that gas or electricity from the main lines are disrupted, and substantially reduces potential hazardous conditions. As part of a final phase of this work, Consolidated Edison also connected the residential buildings along Main Street to this high-pressure gas line which is a considerable upgrade from the old low gas pressure system. Having completed all necessary upgrades for this project, Consolidated Edison restored all Z-Brick areas of Main Street where trenching was done to its original appearance before work began. Consolidated Edison contemplates additional upgrades for Roosevelt Island, but those plans are not anticipated to begin before 2020.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

RIOC reopened its Sportspark facility in March 2017, after performing major repairs to the roof, skylights, boiler systems and pool; however, further renovations are contemplated. Indeed, RIOC will go to its' Architectural and Engineering Panel in June 2018, seeking to renovate the men's and women's locker rooms, the workout/weight room, the windows and doors, as well as the HVAC system. Renovations will also add a more welcoming entrance on the west side, an update of the façade, a repurposing of the facility's second floor - currently underutilized open space - providing for additional workout rooms where Zumba, yoga, and other types of aerobic classes may be held. This renovation project is expected be completed in 2020 at an estimated total cost of \$12 million dollars.

In March 2017, RIOC issued a request for proposal seeking a qualified contractor with landmark restoration experience to perform renovations for the interior of Blackwell House, New York City's sixth oldest house and Roosevelt Island's oldest landmarked building. Following that procurement process, RIOC engaged a qualified general contractor to perform all necessary repairs, which began in August 2017. Repairs include stabilizing and waterproofing the building's infrastructure, installing new windows, and installing an ADA-compliant access ramp. At an estimated cost of \$1.2 million dollars, the project will restore the interior of the house to make it a community space for Roosevelt Island residents, as well as a tourism focal point of Main Street for visitors. Construction is expected to be completed in September 2018.

In March 2017, RIOC issued a request for proposal for the first phase of enhancements at its Youth Center, located on Main Street. Construction for the first phase was completed in October 2017 and included replacement of the roof and terrace. Phase II of this project continues with replacing the windows in the main room that overlooks the courtyard, modernizing and beautifying the layout and interior design of the facility, including upgrades to the bathrooms to conform to ADA standards, expanding the teaching kitchen, new lighting, doors and other critical measures. The total estimated cost of these projects is \$1.3 million dollars and completion is expected in December 2018.

RIOC commissioned a consulting engineer to update the repair and restoration documents for the Helix Ramp, including the main elevated platform at the top of the Helix. After the document updates were finalized last summer, RIOC issued a Request for Proposal seeking bids for construction. Following that bid process, RIOC engaged a qualified contractor to begin work on February 15, 2018. Spalling and concrete repairs will be made to all exposed areas of the flat plaza and the Helix Ramp, as well as all surrounding road-surface areas that exhibit structural "wear-and-tear". Protective road railings that have been damaged by impacts will also be repaired or replaced. The project is expected to be completed by August 2018 and will cost an estimated \$4.3 million dollars.

On March 13, 2108, RIOC issued a Request for Proposal, seeking architectural design services for a dedicated ramp for bicyclists traveling between the Roosevelt Island Bridge and street level on the Island, as well as a Bike Lane Promenade. Submissions were received on April 27, 2018 and the successful bidder will be expected to see the project through from design through construction, which is anticipated to be approximately five years.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

The Bike Ramp will improve safety for both cyclists and motorists and increase ease of access for cyclists coming onto the Island. The estimated cost is \$5 million dollars. RIOC intends to fund the project in part by use of a grant in the amount of \$2,936,705 in federal transportation funds awarded to RIOC through the Transportation Alternative Program (TAP) - Congestion Mitigation and Air Quality (CMAQ) Improvement Program, with the remainder funded through RIOC's capital program. RIOC has also had discussions with select state and local officials concerning additional contributions of capital funds. The project provides a vital link for cyclists between the Island and dedicated bike lanes in Queens and is expected to be used by Island residents, visitors and commuters.

The multi-phased, multi-year refurbishment of the Bus Garage was substantially completed in September 2017. The entire project, costing \$4.4 million dollars, included a full renovation of the maintenance garage and support areas, such as the restroom and locker facilities. It also included new offices housing RIOC's Department of Capital Projects and Planning, (formerly known as the Department of Engineering), RIOC's Maintenance Department, and the Island transportation services staff.

Repairs to the South Point Park Seawall, extending from the northern tip of the park to the beginning of the Four Freedoms State Park on both the east and west sides, extending approximately 1600 linear feet, are in the planning and permitting phase. RIOC previously estimated that the repairs will cost approximately \$17.12 million dollars and these estimates are currently being updated. FEMA has deemed an estimated \$1,191,692.85 of expenses to be incurred for the repair of approximately 100 linear feet of seawall breached during Hurricane Irene as eligible for reimbursement at a Federal share of 75% of eligible costs. The project is scheduled to go out to bid later in calendar 2018.

RIOC is eligible to receive reimbursement from FEMA for damages to RIOC property and staff efforts to mitigate damage before and during Hurricane Sandy in October 2012, at a 90% Federal share. Related eligible expenses have been incurred in the amount of \$264,422. As of March 31, 2018, RIOC received \$246,617 in the aggregate.

Design drawings for the Seawall Railings Replacement project were finalized and approved by all requisite agencies/entities in March 2017. Following those approvals, RIOC issued a Request for Proposal for the construction phase of the project. The Contract, following the procurement process and subsequent Board approval, was awarded and construction of the new Seawall Railings is underway. The entire Seawall Railings project, spanning approximately 3.5 miles of railings, is expected to be completed in February 2019. The total cost is currently estimated at \$8,740,000.

ROOSEVELT ISLAND OPERATING CORPORATION
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Management's Discussion and Analysis, Continued

In 2014, the City of New York obtained a \$1.6 billion dollar federal commitment in funding by FEMA to repair and protect the City's public hospitals that were damaged during Hurricane Sandy. The allocation, as part of a citywide resiliency plan, includes Coler Hospital on Roosevelt Island. Coler Hospital, operated by HHC, provides rehabilitation and specialty nursing services to its residents. The City proposed building a berm near the northern end of Roosevelt Island in an effort to protect Coler Hospital from future, potentially catastrophic damage in the event of another super storm. RIOC and the City of New York entered into a Memorandum of Understanding for this project and have agreed to collaborate on best options of constructing a berm around Coler Hospital.

The City is still conducting feasibility tests and assessments for this effort with RIOC's consent. Once the feasibility study is finalized, and it is determined that a berm is possible, RIOC will work with New York City to create an easement to implement this plan.

On February 15, 2018, RIOC issued a Request for Proposal seeking professional services from a qualified firm to redevelop and repair Octagon Field, one of Roosevelt Island's most popular outdoor fields. Octagon Field is used by residents and visitors, from mid-March to mid-November for activities including soccer, football, lacrosse, and rugby. RIOC is seeking to replace the turf and redevelop the surrounding fixtures and facilities such as the comfort stations, seating benches, security features and lighting design. The project is expected to last for one year from commencement, at an estimated cost of \$3.5 million dollars.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of RIOC's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chief Financial Officer, The Roosevelt Island Operating Corporation, 591 Main Street, Roosevelt Island, New York 10044.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Net Position
March 31, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 4,356,629	4,707,376
Short-term investments	53,633,618	56,841,456
Receivables	5,595,896	520,830
Prepaid expenses	41,243	80,828
Total current assets	63,627,386	62,150,490
Noncurrent investments	10,010,270	9,989,121
Long-term receivables	4,816,438	-
Capital assets, net of accumulated depreciation	77,739,455	75,337,353
Total assets	156,193,549	147,476,964
Deferred outflows of resources - pensions	1,122,734	2,065,057
<u>Liabilities</u>		
Current liabilities - accounts payable and accrued expenses	1,674,289	558,338
Compensated absences	733,812	650,001
Unearned revenue	36,701,164	37,424,339
Postemployment benefits other than pension	5,158,666	4,510,404
Net pension liability - proportionate share - ERS	1,137,738	1,848,752
Other liabilities	-	160
Commitments and contingencies (note 9)		
Total liabilities	45,405,669	44,991,994
Deferred inflows of resources - pensions	212,731	262,610
Net position:		
Net investment in capital assets	77,739,455	75,337,353
Restricted for capital projects	16,829,640	19,715,202
Unrestricted	17,128,788	9,234,862
Total net position	\$ 111,697,883	104,287,417

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Revenues, Expenses and Changes in Net Position
Years ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue:		
Residential fees	\$ 1,597,203	6,223,217
Ground rent	21,134,048	11,068,986
Commercial rent	1,616,027	1,608,345
Tramway revenue	4,205,271	5,235,538
Public safety reimbursement	1,971,791	1,993,429
Transport/parking revenue	2,543,302	2,608,721
Interest income	163,154	133,012
Unrealized loss	(29,384)	-
Other revenue	1,146,302	1,000,947
	<u>34,347,714</u>	<u>29,872,195</u>
Total operating revenue		
Operating expenses:		
Personal services	12,522,916	12,235,986
Insurance	1,851,010	1,703,176
Professional services and legal services	1,223,322	820,660
Management fees	4,991,085	4,636,373
Telecommunications	137,156	141,801
Repairs and maintenance	509,275	336,184
Vehicles maintenance	246,305	267,605
Equipment purchases/lease	162,442	1,534,458
Supplies/services	1,090,289	975,397
Other expenses	532,168	451,600
	<u>23,265,968</u>	<u>23,103,240</u>
Total operating expenses		
Operating income before depreciation	11,081,746	6,768,955
Depreciation expense	<u>(3,671,280)</u>	<u>(3,201,584)</u>
Change in net position	7,410,466	3,567,371
Net position at beginning of year	<u>104,287,417</u>	<u>100,720,046</u>
Net position at end of year	<u>\$ 111,697,883</u>	<u>104,287,417</u>

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Statements of Cash Flows
Years ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Receipts from tenants and customers	\$ 23,733,033	29,342,509
Payments related to employees	(11,572,051)	(11,305,003)
Payments to vendors	<u>(9,577,957)</u>	<u>(9,569,716)</u>
Net cash provided by operating activities	<u>2,583,025</u>	<u>8,467,790</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(6,120,461)	(9,390,569)
Sale (purchase) of noncurrent investments	3,207,838	(22,491,751)
Sale of short-term investments	<u>(21,149)</u>	<u>(449,421)</u>
Net cash used in capital and related financing activities	<u>(2,933,772)</u>	<u>(32,331,741)</u>
Net decrease in cash	(350,747)	(23,863,951)
Cash at beginning of year	<u>4,707,376</u>	<u>28,571,327</u>
Cash at end of year	<u>\$ 4,356,629</u>	<u>4,707,376</u>
Cash flows from operating activities:		
Change in net position	7,410,466	3,567,371
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	3,671,280	3,201,584
Loss on disposition of asset	47,079	1,202,851
Changes in:		
Receivables	(9,891,504)	193,490
Prepaid expenses	39,585	(29,080)
Deferred outflows of resources - pensions	942,323	(1,504,209)
Accounts payable and accrued expenses	1,115,951	208,009
Compensated absences	83,811	43,934
Unearned revenue	(723,175)	(723,176)
Postemployment benefits other than pension	648,262	677,391
Net pension liability - proportionate share - ERS	(711,014)	1,457,412
Other liabilities	(160)	(50,377)
Deferred inflows of resources - pensions	<u>(49,879)</u>	<u>222,590</u>
Net cash provided by operating activities	<u>\$ 2,583,025</u>	<u>8,467,790</u>

See accompanying notes to financial statements.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements

March 31, 2018 and 2017

(1) Organization

In 1969, the City of New York entered into a lease with the New York State Urban Development Corporation (UDC) for the development of Roosevelt Island. In May 1981, pursuant to a memorandum of understanding between UDC and the New York State Division of Housing and Community Renewal (DHCR), responsibility for Roosevelt Island was assigned to DHCR. DHCR then assigned all of its rights and responsibilities to Safe Affordable Housing for Everyone, Inc. (SAHE), a corporation under the direct control of the New York State Commissioner of Housing.

Effective April 1, 1981, SAHE, a Community Development Corporation (formed under Article (6) of the Private Housing Finance Law), became responsible for the day-to-day operation of the services and facilities of Roosevelt Island.

On September 4, 1984, Roosevelt Island Operating Corporation (RIOC or the Corporation) was organized pursuant to Chapter 899 of the New York Unconsolidated Law as a public benefit corporation. The responsibility for the operation, security and maintenance of Roosevelt Island was transferred from SAHE to RIOC on April 1, 1985.

Generally accepted accounting principles require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board (GASB) codification 2100, The Financial Reporting Entity, have been considered and there are no agencies or entities which should be, but are not, combined with the financial statements of RIOC. However, RIOC is considered a component unit of the State of New York.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

RIOC was created by the New York State Legislature in 1984 as a public benefit corporation charged with maintaining, operating, and developing Roosevelt Island. RIOC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities of the Corporation. These statements are presented in a manner similar to a private business. While additional information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that RIOC is properly performing its contractual obligations.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(a) Basis of Presentation, Continued

The financial statements of RIOC are prepared in accordance with generally accepted accounting principles (GAAP). RIOC's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements and Accounting Principles Board (APB) opinions issued before November 30, 1989, unless they conflict with GASB pronouncements.

(b) Adoption of New Accounting Standards

During the year ended March 31, 2017, the Corporation adopted GASB Statement No. 72 - "Fair Value Measurement and Application." This Statement provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest prior to unobservable inputs (Level 3). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the component units have the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are observable and significant to the overall fair value measurement.

(c) Budgetary Information

During the year ended March 31, 2018, RIOC did not request appropriations from the State of New York. Accordingly, budgetary information was not included in the notes to financial statements. However, the Board did approve an operating budget, which is included under supplementary information.

(d) Cash and Cash Equivalents

The following is a summary of cash and cash equivalents as of March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash - deposits	\$ <u>4,356,629</u>	<u>4,707,376</u>
Short-term investments:		
Certificates of deposit (CDARS)	31,612,460	31,519,721
Money market accounts	<u>22,021,158</u>	<u>25,321,735</u>
	<u>53,633,618</u>	<u>56,841,456</u>
Total cash and short-term investments	\$ <u>57,990,247</u>	<u>61,548,832</u>

RIOC defines cash and cash equivalents as short-term, highly liquid investments with purchased maturities of three months or less.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Cash Equivalents, Continued

The money market and cash accounts are secured by collateral securities held in escrow by JP Morgan Chase Bank, NA and managed by the National Collateral Management Group with market values totaling \$36,170,990 and \$39,320,676 as of March 31, 2018 and 2017, respectively.

Investments managed internally consist of certificates of deposit, "CDARS", a FDIC insured program administered by Amalgamated Bank, with purchased maturities of twelve months or less, and interest bearing cash deposit accounts. RIOC's investment guidelines limited its investments of funds primarily to obligations of the United States of America (United States Government Securities), the State of New York, high grade Corporate Securities or certificates of deposit. All cash and funds invested in certificates in any fiduciary bank or trust company must be secured at all times by United States Government Securities or obligations of the State of New York with a market value, combined with any FDIC coverage, at least equal to the amount of such deposits. Monies held by the Trustees are only secured by obligations guaranteed by the United States of America. The CDARS are stated at fair value using Level 2 valuations.

(d) Noncurrent Investments

This represents funds set aside to satisfy the obligation of the postemployment benefits other than pension under GASB Statement No. 45 and are invested in collateralized money market and CDARS and are fully insured or collateralized. The carrying amount of these investments are \$10,010,270 and \$9,989,121 for the years ended March 31, 2018 and 2017, respectively. The CDARS are stated at fair value using Level 2 valuations.

(e) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported on the statements of net position in the accompanying financial statements. Capital assets are defined by RIOC as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of RIOC are depreciated using the straight-line method over the following estimated useful lives:

Seawall (improvement of 1995)	73
Buildings	40
Building improvements	15
Infrastructure	50
Vehicles	10
Office equipment	5
Computer equipment	5
Leasehold improvements	15

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Compensated Absences

It is RIOC's policy to accrue for unused absences for all full time employees. Accrued compensatory time as of March 31, 2018 and 2017 were \$733,812 and \$650,001, respectively.

(g) Unearned Revenue

Unearned revenue reported in the statement of net position represents amounts collected in advance for lease-related payments pertaining to subsequent fiscal years. These amounts will be recognized as income on an annual basis over a period of the remaining fifty years on the ground lease for the City of New York expiring in 2068 under the accrual basis of accounting.

Breakdown is as follows:

<u>Buildings</u>	Balance at April 1, 2017	<u>Additions</u>	<u>Amortization</u>	Balance at March 31, 2018
Octagon	\$ 2,450,588	-	(47,354)	2,403,234
Southtown Bldg #1	1,647,488	-	(31,835)	1,615,653
Southtown Bldg #2	1,572,060	-	(30,378)	1,541,682
Southtown Bldg #3	3,359,630	-	(64,920)	3,294,710
Southtown Bldg #4	4,380,210	-	(84,642)	4,295,568
Southtown Bldg #5	5,593,478	-	(108,087)	5,485,391
Southtown Bldg #6	8,609,474	-	(166,367)	8,443,107
Southtown Bldg #7	<u>9,811,411</u>	<u>-</u>	<u>(189,592)</u>	<u>9,621,819</u>
Total	\$ <u>37,424,339</u>	<u>-</u>	<u>(723,175)</u>	<u>36,701,164</u>

(h) Public Purpose Grants

Included in "Other Expenses" are expenditures for public purpose grants of \$311,457 and \$217,000 for the years ended March 31, 2018 and 2017 respectively. The Roosevelt Island Youth Program, Inc. was granted \$175,000 each year to help fund operating expenses. The remaining grants were awarded to various Island-based not-for-profits upon evaluation of their applications and Board approval.

(i) Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Corporation has two items that qualify for reporting in this category, both related to pensions. The first item represents changes in the Corporation's proportion of the collective net pension liability (ERS System) and includes differences between expected and actual experience with regard to economic and demographic factors and the net difference between projected and actual investment earnings on pension plan investments. The second item is Corporation contributions to the pension system (ERS System) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation has one item that qualifies for reporting in this category. This item is related to pensions and represents changes in the Corporation's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Corporation's contributions and its proportion share of total contributions to the pension system not included in pension expense.

(k) Accounting and Financial Reporting for Pensions

The Corporation has adopted the provisions of GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transitions for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement No. 68." These Statements require the Corporation to report as an asset and/or liability its portion of the collective pension asset and/or liability in the New York State Employees' Retirement System. The implementation of the Statements also requires the Corporation to report a deferred outflow and/or inflow for the effect of the net change in the Corporation's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Corporation's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as deferred outflows are the Corporation contributions to the pension systems subsequent to the March 31, 2017 measurement date. See notes (7)c-h.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(1) Subsequent Events

As of March 27, 2014 (“Withdrawal Date”), Rivercross Tenants Corp. (“Housing Company”) exited the Mitchell-Lama program without settling the financial terms required under Amendment 1 to the Restated Ground Lease. The parties subsequently entered into arbitration and concluded with a settlement agreement, which was approved by RIOC’s Board on April 18, 2018, with authorization for a second amendment to the Restated Ground Lease, which was executed on May 30, 2018 (“Effective Date”).

Effective as of March 27, 2014 the Housing Company will pay an annual aggregate rent of \$2,500,000 (“Re-Set Ground Rent”). As of April 1, 2022, and on each fifth anniversary of that date thereafter, the Re-Set Ground Rent will increase by 10%.

With reference to the additional Re-Set Ground Rent to be paid by the Housing Company for the period from the Withdrawal Date to the Effective Date (the “Interim Period”), the Housing Company will pay RIOC an amount equal to the difference between (i) the sum of the Residential Ground Rent and the Commercial Ground Rent paid by the Housing Company under the Restated Ground Lease during the Interim Period, and (ii) the sum of \$1,300,000 for each year of the Interim Period, pro-rated as necessary for partial years. This amount will be paid to RIOC upon the Effective Date. In addition to the amount set forth in paragraph (a) above, the Housing Company will pay RIOC the sum of \$1,200,000 for each year of the Interim Period, pro-rated as necessary for partial years. This amount will be paid in fifteen (15) equal annual installments of principal, together with interest thereon from the Effective Date at the rate of four percent (4%) per annum, commencing on the first anniversary of the Effective Date, and on each anniversary of such date in subsequent years.

In addition, as of the Effective Date, RIOC will not be obligated to pay any Ground Rent, Basic Rent or Tax Equivalent for Commercial Space for the commercial spaces it is subleasing from the Housing Company, and the Housing Company will waive all claims for unpaid Ground Rent, Basic Rent or Tax Equivalent for Commercial Space, if any, under the Commercial Space Sublease for all periods prior to the Effective Date.

Housing Company will pay RIOC a transfer fee on all sales of apartments (both initial sales following the Withdrawal Date and all subsequent sales) equal to one percent (1%) of the gross sales price paid to the selling tenant-shareholder (the “Transfer Fees”). Transfer Fees for all sales occurring during the Interim Period will be paid to RIOC upon the Effective Date. Transfer Fees for each sale occurring after the Effective Date will be paid to RIOC at the time of the closing of such sale.

The Corporation has recognized a receivable of \$9,883,343 as of March 31, 2018, of which \$5,217,008 will be paid on the Effective Date, and \$4,816,438 to be paid in fifteen annual payments after the effective date, with interest at 4%.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(3) Capital Assets

Capital assets for the year ended March 31, 2018 are summarized as follows:

	Balance at April 1, <u>2017</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2018</u>
Capital assets:				
Seawall	\$ 4,187,768	411,092	-	4,598,860
Building and building improvements	54,266,065	1,993,879	-	56,259,944
Landmarks	14,782,697	467,949	-	15,250,646
Vehicles	5,221,444	119,936	(1,684,123)	3,657,257
Equipment	4,028,671	859,895	(1,606,357)	3,282,209
Infrastructure	56,686,590	2,267,710	-	58,954,300
Leasehold improvement	<u>118,457</u>	<u>-</u>	<u>-</u>	<u>118,457</u>
Total capital assets	<u>139,291,692</u>	<u>6,120,461</u>	<u>(3,290,480)</u>	<u>142,121,673</u>
Less accumulated depreciation:				
Seawall	(1,144,752)	(57,847)	-	(1,202,599)
Building and building improvements	(34,228,447)	(1,721,363)	-	(35,949,810)
Landmarks	(8,387,189)	(220,250)	-	(8,607,439)
Vehicles	(3,786,485)	(295,473)	1,644,486	(2,437,472)
Equipment	(3,591,319)	(207,997)	1,598,915	(2,200,401)
Infrastructure	(12,790,984)	(1,160,453)	-	(13,951,437)
Leasehold improvement	<u>(25,163)</u>	<u>(7,897)</u>	<u>-</u>	<u>(33,060)</u>
Total accumulated depreciation	<u>(63,954,339)</u>	<u>(3,671,280)</u>	<u>3,243,401</u>	<u>(64,382,218)</u>
Net capital assets	<u>\$ 75,337,353</u>	<u>2,449,181</u>	<u>(47,079)</u>	<u>77,739,455</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(3) Capital Assets, Continued

Capital assets for the year ended March 31, 2017 are summarized as follows:

	Balance at April 1, <u>2016</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2017</u>
Capital assets:				
Seawall	\$ 4,144,808	42,960	-	4,187,768
Building and building improvements	48,419,447	7,143,779	(1,297,161)	54,266,065
Landmarks	14,603,296	179,401	-	14,782,697
Vehicles	4,346,804	874,640	-	5,221,444
Equipment	3,886,579	142,092	-	4,028,671
Infrastructure	55,678,893	1,007,697	-	56,686,590
Leasehold improvement	<u>118,457</u>	<u>-</u>	<u>-</u>	<u>118,457</u>
Total capital assets	<u>131,198,284</u>	<u>9,390,569</u>	<u>(1,297,161)</u>	<u>139,291,692</u>
Less accumulated depreciation:				
Seawall	(1,087,780)	(56,972)	-	(1,144,752)
Building and building improvements	(32,953,613)	(1,369,144)	94,310	(34,228,447)
Landmarks	(8,170,122)	(217,067)	-	(8,387,189)
Vehicles	(3,525,161)	(261,324)	-	(3,786,485)
Equipment	(3,444,615)	(146,704)	-	(3,591,319)
Infrastructure	(11,648,509)	(1,142,475)	-	(12,790,984)
Leasehold improvement	<u>(17,265)</u>	<u>(7,898)</u>	<u>-</u>	<u>(25,163)</u>
Total accumulated depreciation	<u>(60,847,065)</u>	<u>(3,201,584)</u>	<u>94,310</u>	<u>(63,954,339)</u>
Net capital assets	<u>\$ 70,351,219</u>	<u>6,188,985</u>	<u>(1,202,851)</u>	<u>75,337,353</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(4) Operating Revenues, Basic Rent and Housing Company Reimbursement

Operating revenues in the accompanying statement of revenues, expenses and changes in net position consist of income derived from the following sources:

(a) Residential Fees

The net present value (NPV) fee for Octagon and Southtown buildings #1, 2, 3, 4, 5, 6 and 7 were collected in advance and recognized over the term of the lease - see above section 2(g) Unearned Revenue. Tax equivalent payments (TEP) are collected and recognized from Southtown buildings #5, 6 and 7 over the term of the lease. Condo sales fees are collected and recognized upon closing of a sale. TEP and NPV are fixed and the Condo fees vary according to sales.

(b) Ground Rent

Ground rents are derived from ground subleases between RIOC and various developers of housing on Roosevelt Island. Most of the ground subleases expire in 2068, which coincides with the expiration of the master lease between RIOC and New York City, the owner of Roosevelt Island. Ground rents account for nearly 46% of annual revenues. The two main sources of ground rents are Manhattan Park and Roosevelt Landings (formerly Eastwood). The other streams of ground rents are from Southtown Buildings #1, 2, 3, 4, 5, 6 and 7; Island House; Rivercross; and Octagon.

Manhattan Park - Under the terms of the ground sublease between RIOC and Roosevelt Island Associates dated August 4, 1986 and expiring in 2068, annual rent, which commenced on the Rent Commencement Date of January 1, 1991, consists of a base ground rent of \$100,000 and additional fixed ground rent of \$1,900,000, increasing \$100,000 annually through December 31, 2011. As of January 1, 2012 and continuing through December 31, 2026, annual ground rent consists of the base ground rent of \$100,000 and additional fixed ground rent of \$4,000,000. Beyond 2026 until expiration in 2068, the ground rent is based upon the appraised value of the property times an applicable percentage, which is the market rate of return. Ground rents earned under the terms of the ground sublease were \$4,100,000 for the years ended March 31, 2018 and 2017.

In addition to the ground rent mentioned above, RIOC received a percentage payment, which is based on a tiered percentage formula of Manhattan Park's gross income. As of January 1, 2012 and continuing through December 31, 2026, the percentage payment will increase by the excess of the applicable percentages of gross income over the sum of the prior year's fixed ground rent of \$4,100,000 and percentage rent of \$2,040,649. For the years ended March 31, 2018 and 2017, the percentage rent earned was \$2,040,649.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(4) Operating Revenues, Basic Rent and Housing Company Reimbursement, Continued

(b) Ground Rent, Continued

BSREP UA Roosevelt Landings (formerly Eastwood) - Pursuant to an Amended and Restated Lease between RIOCF and North Town Roosevelt, LLC ("North Town") dated September 21, 2006 (the "Eastwood Lease"), the base ground rent increased to \$1 million per year effective October 1, 2006, plus a percentage increase in accordance with annual rent rolls increases. Ground rents earned totaled \$1,663,243 and \$1,567,082 for the years ended March 31, 2018 and 2017, respectively.

Northtown Phase II Houses, Inc. (Island House) - The ground sublease between RIOCF and North Town Phase II Houses, Inc., dated October 30, 1972, was amended with the base rent increasing from \$136,000 to \$236,000 per year effective January 01, 2013 - increasing by 10% on each 5th anniversary for 30 years.

Northtown Phase IV Houses, Inc. (Rivercross) - Pursuant to the Second Amendment of the Restated Lease between RIOCF and Rivercross with an effective date of May 30, 2018 ("Effective Date"), the ground rent was reset to \$2,500,000 ("Re-Set Ground Rent") per year effective as of March 27, 2014. As of April 1, 2022, and on each fifth anniversary of that date thereafter, the Re-Set Ground Rent will increase by 10%. The amount earned through March 31, 2018 net of previous billings was \$9,883,343. Of this amount, \$4,816,438 will be paid in fifteen (15) equal annual installments of principal, together with interest thereon from the Effective Date at the rate of four percent (4%) per annum, commencing on the first anniversary of the Effective Date, and on each anniversary of such date in subsequent years

Ground rents for Southtown Buildings #1, 2, 3 and 4 and for a portion of Buildings #5, 6 and 7, as well as the Octagon were paid in advance and are reflected under note 2(g) Unearned revenue. Ground rents earned for Building #1-7 totaled \$2,546,358 and \$2,480,333 for the years ended March 31 2018 and 2017, respectively.

(c) Commercial Rent

On August 1, 2011, RIOCF entered into a Master Sublease Agreement with Hudson Related Retail LLC (HRR) to redevelop, improve, market, lease and professionally operate the Commercial Retail Spaces controlled by RIOCF. HRR will pay RIOCF an annual guaranteed rent of \$900,000 - escalating by 2% annually for the first five years and 2.5% annually thereafter, plus participation in the profits of HRR. According to the agreement, RIOCF will share future profits evenly once HRR is paid back its investment. According to its certified financial statements as of December 31, 2017, Hudson Related Retail LLC invested \$3,250,807 and incurred a loss of (\$51,137).

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(4) Operating Revenues, Basic Rent and Housing Company Reimbursement, Continued

(c) Commercial Rent, Continued

In addition, RIOC entered into a license with HCK Recreation, Inc. (“HCK”) on November 16, 1989 for the operation of a tennis facility, which was amended three times with the latest amendment requiring HCK to pay the greater of \$275,000 per annum or 10% of gross receipts for the period May 1, 2016 to April 30, 2021. Furthermore, on January 15, 2002, RIOC entered into an agreement with The Child School (“School”) to develop and operate the School. The agreement requires the School to pay \$275,000 per annum with an escalation in an amount equal to the percentage increase in the State’s Education Department tuition reimbursement received by the School.

(d) Tramway Revenue

During February 2004, RIOC entered into an agreement with The New York City Transit Authority (“NYCTA”) for revenue collection from the Tramway. In the agreement, RIOC receives from the NYCTA a fare of \$2.00 for all swipes of full-fare Metro Cards, including transfers, in turnstiles located in RIOC’s tram stations. The funds are transmitted to RIOC via electronic funds transfer and the NYCTA supplies appropriate reports for the reconciliation of the revenue and ridership. There is a franchise fee expense associated with this agreement that is $\frac{1}{2}$ of 1 percent of gross sales. Tramway revenues were \$4,205,271 and \$5,235,538 for the years ended March 31, 2018 and 2017, respectively.

(e) Public Safety Reimbursement

The intent of the initial agreements with the four original Mitchell-Lama housing projects (the “WIRE Projects”) was for RIOC to recoup approximately 50% of the cost of maintaining a public safety department on the Island. Accordingly, no less than 50% of such costs have been reimbursed by the WIRE Projects and are included in public safety reimbursement on the accompanying statements of revenues, expenses and changes in fund net position. Additionally, Manhattan Park, Southtown and the Octagon projects are responsible for their respective share of the cost of RIOC’s public safety department. Public safety reimbursements were \$1,971,791 and \$1,993,429 for the years ended March 31, 2018 and 2017, respectively.

(f) Transportation and Parking Fees

The Motorgate Garage, the Roosevelt Island parking facility, is managed by an agent, Central Parking System (“Central”). This agreement is cancelable by RIOC on 30-day notice and by Central on 180-day notice. Central collects the parking fees and pays the operating costs in connection with the management of the garage. The excess of parking revenues over operating costs is returned to RIOC. RIOC shares the Motorgate revenue with Roosevelt Island Associates, operator of Manhattan Park, with RIOC receiving 61% of the net income. RIOC’s share of Motorgate revenues totaled \$2,081,629 and \$2,124,315 for the years ended March 31, 2018 and 2017, respectively.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(4) Operating Revenues, Basic Rent and Housing Company Reimbursement, Continued

(f) Transportation and Parking Fees, Continued

Transportation revenues from the provision of bus services totaled \$122,915 and \$121,129 for the years ended March 31, 2018 and 2017, respectively. The cost of running the bus service totaled \$1,587,116 and \$1,661,266 for the same respective periods. Additionally, revenues from street parking meters for these periods totaled \$338,758 and \$363,277, respectively.

(g) Interest and Other Revenues

Interest income is derived from deposits that are either FDIC insured or collateralized by government securities according to the investment guidelines of the State of New York. Other revenues comprised of fees for usage of the sports fields and facilities.

(h) De-designation Fee Income

The Development Agreement for Southtown buildings (“Buildings”) seven (7) through nine (9) between the Hudson Companies and the Related Companies (“Developer”) and RIOC included a contingent de-designation (cancellation of project or portion of) fee of \$2,438,400. The Development Agreement is collateralized by a Guaranty Letter of Credit issued by Deutsche Bank Trust Company, NA in the amount of \$2,438,400 maturing on August 15, 2018, to be renewed annually. The Building 7 Lease was closed on October 10, 2013 and construction was completed on September 21, 2015. The Leases for Buildings 8 and 9 have been negotiated and were to have closed in December 2017 - a timeline that was necessary for Hudson Related to satisfy all the necessary requirements of New York City programs providing additional financial support to the majority of the contemplated affordable housing units. However, the closing was delayed in anticipation of the new federal tax bill that passed in late December of last year. RIOC anticipates that the lease closings on both buildings are expected during the third quarter 2018.

(i) Future Minimum Payments Due

Future minimum payments due to RIOC under current leases all with the housing companies and leases for commercial space are as follows:

Years ending <u>March 31</u>	Housing <u>Companies</u>	Commercial <u>Leases</u>
2019	\$ 14,337,510	1,644,241
2020	15,673,172	1,673,872
2021	16,407,099	1,710,451
2022	17,269,880	1,760,246
2023	<u>17,756,242</u>	<u>1,792,023</u>
Total	\$ <u>81,443,903</u>	<u>8,580,833</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(5) Management Agreements

The Roosevelt Island Tramway System is operated by Leitner-Poma of America, Inc., a subsidiary of Pomagalski S.A, the designer and builder of the modernized Tramway system, which went into operation on November 30, 2010. On March 1, 2017, RIOC negotiated a 5-year fixed fee operating agreement at an annual cost of \$4,100,000 with an increase of 3% every year.

RIOC also has a parking management agreement with Central Parking System (“Central”) for the management of Motorgate Garage. This agreement is cancelable by RIOC on 30-day notice and by Central on 180-day notice. RIOC pays a minimal annual management fee of \$40,000 and certain maintenance and operating costs in connection with the management of the garage.

(6) Income Taxes

RIOC is a public benefit corporation of the State of New York and as such is exempt from income tax under Section 115 of the Internal Revenue Code. Accordingly, no income taxes have been provided for in the financial statements.

(7) Retirement Plans

Retirement plans in which RIOC contributes are detailed as follows:

(a) Non-Union Employees

RIOC’s non-union employees participate in the New York State and Local Employees’ Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of ERS and for the custody and control of their funds. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Albany, New York 12244.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(a) Non-Union Employees, Continued

Funding Policy

ERS is contributory (3%) except for employees who joined the System before July 27, 1976.

Employees who joined the System after July 27, 1976, but prior to January 1, 2011, and have been members of the System for at least ten years, or have at least ten years of credited service are not required to contribute 3% of their salaries. Employee hired after January 1, 2011 shall contribute 3% of salary for the duration of employment. For Tier 6 employees, beginning April 1, 2013, contributions are as follows: Up to \$45K = 3%; \$45,001 to \$55K = 3.5%; \$55,001 to \$75K = 4.5%; \$75,001 to \$100K = 5.75%; Greater than \$100K = 6% for the entire duration of State employment. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulated fund.

New York State and Local Employees Retirement System (ERS) eligibility requirements:

Tier 1 (Member before July 1, 1973):

- a. For reduced pension benefits: Age 55 with 5 years of service.
- b. For full pension benefits: Age 55 with 20 years of service.

Tiers 2, 3, and 4 (Became a member after July 1, 1973):

- a. For reduced pension benefits: Age 55 with 5 years of service.
- b. For full pension benefits: Age 55 with 30 years of service or age 62 with 20 years of service.

Tier 5 (Became a member on or after January 1, 2010):

- a. For reduced pension benefits: Age 55 with 10 years of service.
- b. For full pension benefits: Age 62 with 10 years of service.

Tier 6 (Became a member on or after April 1, 2012):

- a. For reduced pension benefits: Age 55 with 10 years of service.
- b. For full pension benefits: Age 63 with 10 years of service.

RIOC is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were approximately:

March 31, 2016	\$ 480,350
March 31, 2017	\$ 465,927
March 31, 2018	\$ 459,071

RIOC has made the required contributions for each year.

(b) Union Employees

Union employees participate in separate defined contribution plans, which are administered by each union. RIOC contributed \$230,226 and \$256,767 for the years ended March 31, 2018 and 2017, respectively, to union employees' defined contribution plans.

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2018 and 2017, the Corporation reported the following liability for its proportionate share of the net pension liability for ERS which were measured as of March 31, 2017 and 2016, respectively. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Corporation's proportionate share of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Corporation.

Measurement valuation date	3/31/2017	3/31/2016
Net pension liability	\$1,137,738	1,848,752
Corporation's proportion of the Plan's net pension liability	0.0121085%	0.0115185%

For the years ended March 31, 2018 and 2017, the Corporation recognized pension expense of \$640,501 and \$641,720, respectively, for ERS. At March 31, 2018 the Corporation's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 28,511	172,772	9,342	219,139
Changes of assumptions	388,693	-	493,007	-
Net difference between projected and actual earnings on pension plan investments	227,252	-	1,096,781	-
Changes in proportion and differences between the Corporation's contributions and proportionate share of contributions	19,207	39,959	-	43,471
Corporation's contributions subsequent to the measurement date	<u>459,071</u>	<u>-</u>	<u>465,927</u>	<u>-</u>
Total	\$ <u>1,122,734</u>	<u>212,731</u>	<u>2,065,057</u>	<u>262,610</u>

ROOSEVELT ISLAND OPERATING CORPORATION
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Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Corporation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended</u>	<u>ERS</u>
2018	\$ 204,130
2019	204,130
2020	193,100
2021	(150,428)
2022	-
Thereafter	-

(d) Actuarial Assumptions

The total pension liability as of the March 31, 2017 measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2017
Actuarial valuation date	April 1, 2016
Investment rate of return, including inflation rate	7% compounded annually, net of expenses
Salary scale	3.8%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.5%
Mortality improvement	Society of Actuaries Scale MP-2014

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(d) Actuarial Assumptions, Continued

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	March 31, 2017	Long-term expected real rate of return
	<u>Target allocation</u>	<u>of return</u>
Asset type:		
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.75%
Real estate	10.00%	5.80%
Absolute return strategies	2.00%	4.00%
Opportunistic portfolio	3.00%	5.89%
Real assets	3.00%	5.54%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	(0.25%)
Inflation - indexed bonds	4.00%	1.50%

The real rate of return is net of the long-term inflation assumption of 2.50%.

(e) Discount Rate

The discount rate used to calculate the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(7) Retirement Plans, Continued

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Corporation's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Corporation's proportionate share of the net pension liability (asset)	\$ 3,633,709	1,137,738	(972,601)

(g) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)	
	3/31/2017	3/31/2016
Valuation date	3/31/2017	3/31/2016
Employers' total pension liability	\$ 177,400	172,303
Plan fiduciary net position	(168,004)	(156,253)
Employers' net pension liability	\$ <u>9,396</u>	<u>16,050</u>
System fiduciary net position as a percentage of total pension liability	94.7%	90.7%

(h) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of March 31, 2018 and 2017 represent the projected employer contribution for the period of April 1, 2017 through March 31, 2018 and April 1, 2016 through March 31, 2017, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

(8) Risk Management

RIOC purchases commercial insurance policies to adequately protect against potential loss stemming from general liability, vehicle liability, property damage, and public officials and employee liability. Coverages for the forthcoming fiscal year ended March 31, 2018 were appropriately increased to provide adequate protection for RIOC as follows:

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(8) Risk Management, Continued

<u>Coverages</u>	<u>2018-2019 Coverage Amount</u>
General liability - RIOC and Tram	\$125 million limit
Property	\$75 million limit
Boiler and machinery	\$100 million limit
Automobile	\$1 million limit
Public officials liability	\$5 million limit

(9) Commitments and Contingencies

Commitments and contingencies at March 31, 2018 and 2017 are detailed as follows:

(a) Leases

RIOC has agreements with four (4) housing companies operating on the Island to sublease commercial space occupied by the housing companies. Rent expense for the years ended March 31, 2018 and 2017 were approximately \$132,694 and \$118,484, respectively.

(b) Litigation

RIOC is a defendant in various lawsuits. In the opinion of RIOC's legal counsel, these suits should not result in judgments which in the aggregate would have a material adverse effect on RIOC's financial statements.

(c) Revenue Allocation Agreement - between New York State Urban Development Corporation (UDC), now known as the Empire State Development (ESD) and Roosevelt Island Operating Corporation (RIOC)

On August 3rd, 1988 ESD and RIOC entered into an agreement in the sharing of all revenues derived by RIOC in order for ESD to recover its investment in Roosevelt Island. The total amount invested in developing the Roosevelt Island infrastructure and funding of ESD's operating deficits prior to the assignment of operations to RIOC amounted to \$170,356,976 along with a stated interest rate of 5.74%. In addition, there are other State Operating Subsidies and State Capital Investments that were received and may have to be repaid under the terms of the Revenue Allocation Agreement. The agreement calls for revenues to be allocated in the following manner; (1) RIOC Operating Expenditures, (2) Satisfaction of UDC's Accrued Operating Deficit, (3) Satisfaction of UDC's Public Facilities Debt, (4) Satisfaction of other State Operating Subsidies, and (5) Satisfaction of other State Capital Investments. To date, no revenues have been allocated for the satisfaction of ESD debt other than "Tax Equivalency Payments" ("TEP") payments for Roosevelt Island's original affordable "Mitchell-Lama" buildings. ESD has acknowledged that there are significant projected future capital investments to be made by RIOC.

ROOSEVELT ISLAND OPERATING CORPORATION
 (A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions

The Corporation implemented the accounting and disclosure requirements of GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB) effective for its fiscal year beginning April 1, 2007.

Plan Description - The Corporation provides continuation of medical coverage to administrative, non-represented employees (those categorized as M/C) that retire at age 55 or older with five (5) years of service with the Corporation or a combination of service with a previous NYS public employer and a minimum of one (1) year service with RIOC. The employee must meet the requirements for retiring as a member of the NYS Employees Retirement System, and the employee must be enrolled in NYSHIP. The Corporation contributes 88% for employees and 73% for an employee's spouse.

The Corporation provides certain health care benefits for retired employees. Substantially all of the Corporation's non-union employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the New York State Employees' Retirement System, while working for the Corporation. The Corporation, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees.

Total expenditures charged to operations for the years ended March 31, 2018 and 2017 amounted to \$803,398 and \$774,318, respectively. At March 31, 2018, the liability for active and retired employees included in non-current accrued fringe benefits amounted to \$5,158,666.

The number of participants as of February 1, 2018 was as follows:

Active employees	44
Retired employees	11
Spouses of retired employees	<u>5</u>
Total	<u>60</u>

Funding Policy - The Corporation currently pays for post-retirement health care benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue. The funds have been set aside for this purpose and are discussed in note 2(d), but a trust has not been established. Currently, OPEB trusts are not allowed in New York State.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions, Continued

<u>Benefit Obligations and Normal Cost</u>	<u>2018</u>	<u>2017</u>
Actuarial accrued liability (AAL):		
Actuarial accrued liability	\$ 8,736,691	7,862,519
Less: Actuarial value of assets	<u> -</u>	<u> -</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>8,736,691</u>	<u>7,862,519</u>
Normal cost plus amortization of unfunded liability	\$ <u>817,820</u>	<u>786,573</u>
<u>Annual OPEB Cost and Net OPEB Obligation</u>		
Annual required contribution	\$ 817,820	786,573
Interest on net OPEB obligation	180,416	153,321
Adjustment to annual required contribution	<u>(194,838)</u>	<u>(165,576)</u>
Annual OPEB cost (expense)	803,398	774,318
Contribution made on a pay-as-you-go basis	<u>(155,136)</u>	<u>(96,927)</u>
Increase in net OPEB obligation	648,262	677,391
Net OPEB obligation at beginning of year	<u>4,510,404</u>	<u>3,833,013</u>
Net OPEB obligation at end of year	\$ <u>5,158,666</u>	<u>4,510,404</u>
Actuarial methods and assumptions:		
Valuation method		Entry Age Normal
Amortization period		30 years
Amortization method		Level percent of pay, open group
Interest rate		4.0%
Inflation rate		2.2%
Annual payroll growth rate		3.0%
Retirement rates		Later of age 65 and first eligibility
Healthcare cost trend:		
<u>Year</u>		<u>Medical Trend Rate</u>
2018		5.6%
2019		6.4%
2020		6.2%
2030		5.3%
2040		5.1%
2050		4.8%
Ultimate		3.8%

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(11) Pollution Remediation Obligations

In accordance with the GASB Statement No. 49 - "Accounting for Pollution Remediation Obligations," management has concluded that no obligating event has occurred that would require recognition of a future pollution remediation obligation in the accompanying financial statements.

(12) Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning April 1, 2018 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 82 - "Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73." This Statement, issued in March 2016, addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, which is the fiscal year beginning April 1, 2017 for the Corporation, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017, which is the fiscal year beginning April 1, 2018 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 83 - "Certain Asset Retirement Obligations." This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Governments that have legal obligations to perform certain future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning April 1, 2019 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(13) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 84 - "Fiduciary Activities." This Statement, issued in January 2017, established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning April 1, 2019 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 85 - "Omnibus 2017." This Statement, issued in March 2017, addresses issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, which is the fiscal year beginning April 1, 2018 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 86 - "Certain Debt Extinguishment Issues." This Statement, issued in May 2017, addresses issues related to in-substance defeasances occurring through repayment of debt from existing sources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, which is the fiscal year beginning April 1, 2018 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 87 - "Leases." This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019, which is the fiscal year beginning April 1, 2020 for the Corporation. Management is in process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)

Notes to Financial Statements, Continued

(13) Accounting Standards Issued But Not Yet Implemented, Continued

GASB Statement No. 88 - "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement, issued in April of 2018, requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning April 1, 2019 for the Corporation. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the Corporation.

ROOSEVELT ISLAND OPERATING CORPORATION
 (A Component Unit of the State of New York)
 Required Supplementary Information - Schedule of Funding Progress
 Other Postemployment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
February 1, 2018	\$ -	8,736,691	8,736,691	0%	3,494,884	249.98%
February 1, 2017	-	7,862,519	7,862,519	0%	3,291,106	238.90%
October 23, 2015	-	6,860,975	6,860,975	0%	2,714,505	252.75%

ROOSEVELT ISLAND OPERATING CORPORATION
 (A Component Unit of the State of New York)
 Required Supplementary Information
 Schedule of Entity's Proportionate Share of the Net Pension Liability
 Year ended March 31, 2018

NYSERS Pension Plan			
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Entity's proportion of the net pension liability	0.0121085%	0.0115185%	0.0115841%
Entity's proportionate share of the net pension liability	\$1,137,738	\$1,848,752	\$ 391,340
Entity's covered payroll	\$3,494,884	\$3,291,106	\$2,734,022
Entity's proportionate share of the net pension liability as a percentage of its covered - employee payroll	32.55%	56.17%	14.31%
Plan fiduciary net position as a percentage of the total pension liability	94.7%	90.7%	97.5%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Required Supplementary Information
Schedule of Entity's Employer Pension Contributions
Year ended March 31, 2018

	NYSERS Pension Plan					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 459,071	465,927	480,350	516,769	540,970	583,380
Contributions in relation to the contractually required contribution	<u>459,071</u>	<u>465,927</u>	<u>480,350</u>	<u>516,769</u>	<u>540,970</u>	<u>583,380</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Entity's covered employee payroll	\$ 3,494,884	3,291,106	2,734,023	2,665,135	2,662,409	2,906,547
Contributions as a percentage of covered employee payroll	13.14%	14.16%	17.57%	19.39%	20.32%	20.07%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Schedule of Operations by Department
Year ended March 31, 2018

	Total General Fund	General Fund						Public purpose fund	Capital fund	Reserved fund	Total
		Operations	Public Safety	Transportation	Parking	Parks/Rec.	Tram				
Revenue:											
Residential fees	\$ 573,235	573,235	-	-	-	-	-	-	710,522	313,446	1,597,203
Ground rent	20,734,048	20,734,048	-	-	-	-	-	-	400,000	-	21,134,048
Commercial rent	1,616,027	1,616,027	-	-	-	-	-	-	-	-	1,616,027
Tramway revenue	4,205,271	-	-	-	-	-	4,205,271	-	-	-	4,205,271
Public safety reimbursement	1,971,791	-	1,971,791	-	-	-	-	-	-	-	1,971,791
Transportation and parking	2,543,302	-	-	122,915	2,420,387	-	-	-	-	-	2,543,302
Interest income	39,271	39,271	-	-	-	-	-	-	3,777	120,106	163,154
Unrealized loss	-	-	-	-	-	-	-	-	(29,384)	-	(29,384)
Other revenue	1,146,302	384,808	-	-	-	761,494	-	-	-	-	1,146,302
Total revenue	32,829,247	23,347,389	1,971,791	122,915	2,420,387	761,494	4,205,271	-	1,084,915	433,552	34,347,714
Expenses:											
Personal services:											
Salaries	7,953,658	4,058,068	2,180,874	947,714	-	767,002	-	-	-	-	7,953,658
Temporary employees	138,517	120,614	-	-	-	17,903	-	-	-	-	138,517
Employee benefits	4,346,930	2,795,953	903,581	351,477	-	295,919	-	-	-	-	4,346,930
Compensated absences	83,811	83,811	-	-	-	-	-	-	-	-	83,811
Total personal services	12,522,916	7,058,446	3,084,455	1,299,191	-	1,080,824	-	-	-	-	12,522,916
Other than personal services:											
Insurance	1,851,010	1,668,377	-	-	-	-	182,633	-	-	-	1,851,010
Professional services	774,627	649,724	-	-	-	124,353	550	-	-	-	774,627
Management fees	4,991,085	-	-	-	843,043	-	4,148,042	-	-	-	4,991,085
Legal services	448,695	448,695	-	-	-	-	-	-	-	-	448,695
Telecommunications	137,156	137,156	-	-	-	-	-	-	-	-	137,156
Island improvements/capital plan	139,694	139,694	-	-	-	-	-	-	-	-	139,694
Repairs and maintenance	369,581	310,911	3,668	16,991	8,571	36,880	(7,440)	-	-	-	369,581
Vehicles maintenance	246,305	58,105	9,899	178,276	-	25	-	-	-	-	246,305
Equipment purchases/lease	162,442	150,141	662	7,562	-	3,279	798	-	-	-	162,442
Supplies/services	1,090,289	538,913	50,839	81,821	46,799	210,383	161,534	-	-	-	1,090,289
Other expenses	220,711	108,940	9,338	3,275	-	99,158	-	311,457	-	-	532,168
Total other than personal services	10,431,595	4,210,656	74,406	287,925	898,413	474,078	4,486,117	311,457	-	-	10,743,052
Total operating expenses, excluding depreciation	22,954,511	11,269,102	3,158,861	1,587,116	898,413	1,554,902	4,486,117	311,457	-	-	23,265,968
Operating income (loss) before depreciation	9,874,736	12,078,287	(1,187,070)	(1,464,201)	1,521,974	(793,408)	(280,846)	(311,457)	1,084,915	433,552	11,081,746
Depreciation expense	-	-	-	-	-	-	-	-	(3,671,280)	-	(3,671,280)
Operating income (loss)	\$ 9,874,736	12,078,287	(1,187,070)	(1,464,201)	1,521,974	(793,408)	(280,846)	(311,457)	(2,586,365)	433,552	7,410,466

ROOSEVELT ISLAND OPERATING CORPORATION
 (A Component Unit of the State of New York)
 Other Supplementary Information
 Schedule of Operations by Department
 Year ended March 31, 2017

	Total General Fund	General Fund						Public purpose fund	Capital fund	Reserved fund	Total
		Operations	Public Safety	Transportation	Parking	Parks/Rec.	Tram				
Revenue:											
Residential fees	\$ 4,318,344	4,318,344	-	-	-	-	-	-	1,591,427	313,446	6,223,217
Ground rent	10,668,986	10,668,986	-	-	-	-	-	-	400,000	-	11,068,986
Commercial rent	1,608,345	1,608,345	-	-	-	-	-	-	-	-	1,608,345
Tramway revenue	5,235,538	-	-	-	-	-	5,235,538	-	-	-	5,235,538
Public safety reimbursement	1,993,429	-	1,993,429	-	-	-	-	-	-	-	1,993,429
Transportation and parking	2,608,721	-	-	121,129	2,487,592	-	-	-	-	-	2,608,721
Interest income	31,363	31,363	-	-	-	-	-	-	7,617	94,032	133,012
Other revenue	1,000,947	530,287	-	-	-	470,660	-	-	-	-	1,000,947
Total revenue	27,465,673	17,157,325	1,993,429	121,129	2,487,592	470,660	5,235,538	-	1,999,044	407,478	29,872,195
Expenses:											
Personal services:											
Salaries	7,621,229	3,935,657	2,139,404	961,709	-	584,459	-	-	-	-	7,621,229
Temporary employees	164,678	132,769	-	-	-	31,909	-	-	-	-	164,678
Employee benefits	4,406,145	2,818,285	960,596	368,690	-	258,574	-	-	-	-	4,406,145
Compensated absences	43,934	43,934	-	-	-	-	-	-	-	-	43,934
Total personal services	12,235,986	6,930,645	3,100,000	1,330,399	-	874,942	-	-	-	-	12,235,986
Other than personal services:											
Insurance	1,703,176	1,511,927	-	-	-	-	191,249	-	-	-	1,703,176
Professional services	384,563	328,135	-	-	-	56,428	-	-	-	-	384,563
Management fees	4,636,373	-	-	-	801,296	-	3,835,077	-	-	-	4,636,373
Legal services	436,097	436,097	-	-	-	-	-	-	-	-	436,097
Telecommunications	141,801	141,801	-	-	-	-	-	-	-	-	141,801
Island improvements/capital plan	122,484	122,484	-	-	-	-	-	-	-	-	122,484
Repairs and maintenance	213,700	174,189	2,714	26,239	1,717	8,646	195	-	-	-	213,700
Vehicles maintenance	267,605	48,012	24,592	195,001	-	-	-	-	-	-	267,605
Equipment purchases/lease	1,534,458	1,505,231	3,026	17,404	-	3,052	5,745	-	-	-	1,534,458
Supplies/services	975,397	496,881	53,340	88,355	46,127	140,196	150,498	-	-	-	975,397
Other expenses	234,600	138,925	4,523	3,868	-	87,208	76	217,000	-	-	451,600
Total other than personal services	10,650,254	4,903,682	88,195	330,867	849,140	295,530	4,182,840	217,000	-	-	10,867,254
Total operating expenses, excluding depreciation	22,886,240	11,834,327	3,188,195	1,661,266	849,140	1,170,472	4,182,840	217,000	-	-	23,103,240
Operating income (loss) before depreciation	4,579,433	5,322,998	(1,194,766)	(1,540,137)	1,638,452	(699,812)	1,052,698	(217,000)	1,999,044	407,478	6,768,955
Depreciation expense	-	-	-	-	-	-	-	-	(3,201,584)	-	(3,201,584)
Operating income (loss)	\$ 4,579,433	5,322,998	(1,194,766)	(1,540,137)	1,638,452	(699,812)	1,052,698	(217,000)	(1,202,540)	407,478	3,567,371

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report
For the year ended March 31, 2018

	Actual	Budget	Favorable (Unfavorable)	
			Variance	Percent
Revenue:				
Residential fees	\$ 1,597,203	2,017,000	(419,797)	-21%
Ground rent	21,134,048	12,124,000	9,010,048	74%
Commercial rent	1,616,027	1,615,000	1,027	0%
Tramway revenue	4,205,271	5,715,000	(1,509,729)	-26%
Public safety reimbursement	1,971,791	1,958,000	13,791	1%
Transport/parking revenue	2,543,302	2,645,000	(101,698)	-4%
Interest income	163,154	106,000	57,154	54%
Unrealized loss	(29,384)	-	(29,384)	0%
Other revenue	1,146,302	1,789,000	(642,698)	-36%
Total revenue	34,347,714	27,969,000	6,378,714	23%
Expenses:				
Personal services (PS) :				
Salaries	7,569,544	8,329,477	759,933	9%
Salaries OT	384,114	343,000	(41,114)	-12%
Temporary employees	138,517	166,000	27,483	17%
Workers compensation and disability	221,235	352,391	131,156	37%
ER payroll taxes	686,882	730,192	43,310	6%
Health insurance	1,610,045	1,877,607	267,562	14%
Dental/vision	86,519	85,862	(657)	-1%
Pension	870,727	1,123,010	252,283	22%
Other employee benefits	871,522	383,438	(488,084)	-127%
Compensated absences expenses	83,811	-	(83,811)	-100%
Total personal services (PS)	12,522,916	13,390,977	868,061	6%
Other than personal services (OTPS) :				
Insurance	1,851,010	1,831,000	(20,010)	-1%
Professional services	753,974	1,156,917	402,943	35%
Marketing/advertising	20,653	25,500	4,847	19%
Management fees	4,991,085	4,550,000	(441,085)	-10%
Legal services	448,695	555,000	106,305	19%
Telecommunications	137,156	137,200	44	0%
Island improvements - capital plan	139,694	207,000	67,306	33%
Repairs and maintenance	239,928	317,000	77,072	24%
Repairs and maintenance equipment	49,825	31,000	(18,825)	-61%
Other repairs and maintenance	79,828	90,000	10,172	11%

(Continued)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report, Continued

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Expenses, Continued:				
Other than personal services (OTPS), continued:				
Vehicles gas	\$ 122,899	127,500	4,601	4%
Vehicles repair and maintenance	104,125	110,000	5,875	5%
Vehicles parts	19,281	32,000	12,719	40%
Equipment lease	27,531	23,000	(4,531)	-20%
Office equipment purchase	21,075	15,000	(6,075)	-41%
Equipment purchases	64,377	21,500	(42,877)	-199%
Other equipment purchases	49,459	1,000	(48,459)	-4846%
Exterminator	4,708	13,500	8,792	65%
Uniforms	49,239	64,500	15,261	24%
Light, power, heat	658,445	780,000	121,555	16%
Water and sewer	33,607	27,000	(6,607)	-24%
Office supplies	30,157	18,400	(11,757)	-64%
Parts and supplies	250,683	211,600	(39,083)	-18%
Service maintenance agreement	63,450	108,055	44,605	41%
Employee travel and meal	7,391	10,400	3,009	29%
Employee training	25,291	50,000	24,709	49%
Shipping	18,447	17,650	(797)	-5%
Subscriptions/membership	17,922	23,600	5,678	24%
Other expenses	362,165	603,950	241,785	40%
Island events - community relations	100,952	86,000	(14,952)	-17%
Total other than personal services (OTPS)	<u>10,743,052</u>	<u>11,245,272</u>	<u>502,220</u>	<u>4%</u>
Total expenses	<u>23,265,968</u>	<u>24,636,249</u>	<u>1,370,281</u>	<u>6%</u>
Operating income before depreciation	11,081,746	3,332,751	7,748,995	233%
Depreciation expense	<u>(3,671,280)</u>	<u>(3,991,106)</u>	<u>(319,826)</u>	<u>8%</u>
Net surplus (deficit)	<u>\$ 7,410,466</u>	<u>(658,355)</u>	<u>8,068,821</u>	<u>1226%</u>

ROOSEVELT ISLAND OPERATING CORPORATION

(A Component Unit of the State of New York)

Other Supplementary Information

Budget Variance Report

For the year ended March 31, 2017

	Actual	Budget	Favorable (Unfavorable)	
			Variance	Percent
Revenue:				
Residential fees	\$ 6,223,217	1,225,000	4,998,217	408%
Ground rent	11,068,986	11,080,000	(11,014)	-1%
Commercial rent	1,608,345	1,600,000	8,345	1%
Tramway revenue	5,235,538	5,976,000	(740,462)	-12%
Public safety reimbursement	1,993,429	1,888,000	105,429	6%
Transport/parking revenue	2,608,721	2,471,000	137,721	6%
Interest income	133,012	163,000	(29,988)	-18%
Other revenue	1,000,947	1,580,000	(579,053)	-37%
Total revenue	29,872,195	25,983,000	3,889,195	15%
Expenses:				
Personal services (PS) :				
Salaries	7,240,113	7,690,058	449,945	6%
Salaries OT	381,116	350,000	(31,116)	-9%
Temporary employees	164,678	175,000	10,322	6%
Workers compensation and disability	310,450	352,425	41,975	12%
ER payroll taxes	663,006	699,509	36,503	5%
Health insurance	1,613,389	1,641,583	28,194	2%
Dental/vision	79,981	80,975	994	1%
Pension	898,487	1,112,961	214,474	19%
Other employee benefits	840,832	435,389	(405,443)	-93%
Compensated absences expenses	43,934	-	(43,934)	-100%
Total personal services (PS)	12,235,986	12,537,900	301,914	2%
Other than personal services (OTPS) :				
Insurance	1,703,176	1,815,000	111,824	6%
Professional services	379,799	470,500	90,701	19%
Marketing/advertising	4,764	1,000	(3,764)	-376%
Management fees	4,636,373	4,250,000	(386,373)	-9%
Legal services	436,097	393,000	(43,097)	-11%
Telecommunications	141,801	140,300	(1,501)	-1%
Island improvements - capital plan	122,484	207,000	84,516	41%
Repairs and maintenance	95,569	357,500	261,931	73%
Repairs and maintenance equipment	43,718	31,000	(12,718)	-41%
Other repairs and maintenance	74,413	90,000	15,587	17%

(Continued)

ROOSEVELT ISLAND OPERATING CORPORATION
(A Component Unit of the State of New York)
Other Supplementary Information
Budget Variance Report, Continued

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Expenses, Continued:				
Other than personal services (OTPS), continued:				
Vehicles gas	\$ 107,122	212,000	104,878	49%
Vehicles repair and maintenance	149,819	114,500	(35,319)	-31%
Vehicles parts	10,664	41,000	30,336	74%
Equipment lease	1,480,268	14,000	(1,466,268)	-10473%
Office equipment purchase	15,529	11,500	(4,029)	-35%
Equipment purchases	28,702	31,500	2,798	9%
Other equipment purchases	9,959	4,000	(5,959)	-149%
Exterminator	2,196	24,000	21,804	91%
Uniforms	53,447	59,800	6,353	11%
Light, power, heat	604,375	763,000	158,625	21%
Water and sewer	30,612	47,000	16,388	35%
Office supplies	20,471	16,800	(3,671)	-22%
Parts and supplies	215,563	259,900	44,337	17%
Service maintenance agreement	48,733	127,600	78,867	62%
Employee travel and meal	7,453	6,000	(1,453)	-24%
Employee training	60,417	50,000	(10,417)	-21%
Shipping	18,583	17,900	(683)	-4%
Subscriptions/membership	22,202	14,700	(7,502)	-51%
Other expenses	255,758	354,100	98,342	28%
Island events - community relations	87,187	78,000	(9,187)	-12%
Total other than personal services (OTPS)	<u>10,867,254</u>	<u>10,002,600</u>	<u>(864,654)</u>	<u>-9%</u>
Total expenses	<u>23,103,240</u>	<u>22,540,500</u>	<u>(562,740)</u>	<u>-2%</u>
Operating income before depreciation	6,768,955	3,442,500	3,326,455	97%
Depreciation expense	<u>3,201,584</u>	<u>3,874,860</u>	<u>673,276</u>	<u>17%</u>
Net surplus (deficit)	<u>\$ 3,567,371</u>	<u>(432,360)</u>	<u>3,999,731</u>	<u>925%</u>



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**INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
 Roosevelt Island Operating Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Roosevelt Island Operating Corporation (RIOC), a component unit of the State of New York, as of and for the year ended March 31, 2018, and the related notes to financial statements, which collectively comprise RIOC’s basic financial statements, and have issued our report thereon dated June 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RIOC’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RIOC’s internal control. Accordingly, we do not express an opinion on the effectiveness of RIOC’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RIOC’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIOC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RIOC's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering RIOC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 12, 2018



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REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3
OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES,
RULES AND REGULATIONS OF THE STATE OF NEW YORK

The Board of Directors
Roosevelt Island Operating Corporation:

We have examined the Roosevelt Island Operating Corporation's (RIOCI), a New York State public benefit corporation, compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended March 31, 2018. Management is responsible for RIOCI's compliance with Section 201.3. Our responsibility is to express an opinion on RIOCI's compliance with Section 201.3 based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about RIOCI's compliance with Section 201.3. An examination involves performing procedures to obtain evidence about RIOCI's compliance with Section 201.3. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of RIOCI's compliance with Section 201.3, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the RIOCI complied in all material respects with Section 201.3 during the year ended March 31, 2018.

In accordance with Government Auditing Standards, we are required to report significant deficiencies in internal control, violations of provisions of laws, regulations, contracts, or grant agreements, and abuse that are material to RIOCI's compliance with Section 201.3 and any fraud or illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain views of management on those matters. We performed our examination to express an opinion on RIOCI's compliance with Section 201.3 and not for the purpose of expressing an opinion on internal control over compliance with Section 201.3 or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of RIOC management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 12, 2018



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June 12, 2018

CONFIDENTIAL

The Board of Directors
Roosevelt Island Operating Corporation

Dear Board Members:

We have completed our audit of the financial statements of the Roosevelt Island Operating Corporation (RIOC) for the year ended March 31, 2018. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. This report is intended solely for the information and use of the Board of Directors, management and others within RIOC. We now present for your consideration our comments and recommendations based upon observations made during our audit.

Uniform Guidance Procurement Requirements

RIOC will begin receiving substantial Federal assistance that requires changes in its procurement policies and procedures. These policy changes are in effect beginning with the fiscal year commencing April 1, 2018.

In December 2013, the US Office of Management and Budget (OMB) issued comprehensive grant reform rules titled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." With that issuance, there were important updates made to specific areas of Uniform Guidance. Procurement is one of the areas that had significant changes. For all non-Federal entities, the implementation date for the procurement standards 2 CFR 200.317 through 200.326 will start for fiscal years beginning on or after December 26, 2017.

Some of the general standards over procurement include:

- Every non-federal entity receiving federal awards must have documented procurement procedures that reflect federal law, Uniform Guidance standards, and any state regulations.

The Board of Directors
Roosevelt Island Operating Corporation
Page 2

- Entities should focus on the most economical solution during the procurement process, and must avoid using federal funds for the acquisition of unnecessary items. Organizations are encouraged to consider the use of shared services and intergovernmental agreements to foster greater economy and efficiency.
- Written conflict-of-interest policies are required. No employee or agent of the entity may participate in the selection, award, or administration of a contract funded by federal grant dollars if he or she has an actual or apparent conflict of interest.
- The organization must document the procurement steps and activities required to be completed. This includes the basis for the type of procurement, contract type, and the basis for the contractor selection and price.
- Ultimately, the recipient of federal awards must maintain an appropriate level of oversight to ensure that contractors perform in accordance with the terms of their contract.

The Uniform Guidance also requires full and open competition. Contractors who assist in drafting specifications for requests for proposals (RFP) must be excluded from competing for those opportunities. In addition, RFP specifications cannot have unreasonable requirements that are meant to limit competition. Also, procurements must be conducted in a manner that prohibits the use of geographical preferences in the evaluation of proposals, except in certain case where federal law explicitly requires or encourages geographic preference or when contracting for architectural and engineering services, provided that specifying geographic location leaves an appropriate number of qualified firms.

The Uniform Guidance outlines five methods of procurement:

- Micro-purchase: Purchases where the aggregate dollar amount does not exceed \$3,000 (or \$2,000 if the procurement is construction and subject to Davis-Bacon). When practical, the entity should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if management determines that the price is reasonable.
- Small purchase: Includes purchases up to the Simplified Acquisition threshold, which is currently \$150,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.
- Sealed bids: Used for purchases over the Simplified Acquisition Threshold, which is currently \$150,000. Under this purchase method, formal solicitation is required, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price. This method is the most common procurement method for construction contracts.

The Board of Directors
 Roosevelt Island Operating Corporation
 Page 3

- **Competitive proposals:** Used for purchases over the Simplified Acquisition Threshold, which is currently \$150,000. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
- **Noncompetitive proposals:** Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate.

We recommend that RIOC review its procurement practices to ensure that contracts are in compliance with these rules. While we have outlined many of the key requirements above, it is important to fully read the procurement sections of the Uniform Guidance, located at 2 CFR 200.317 through 200.326, to ensure compliance.

Previous Recommendation

We reviewed the disposition of recommendations included in our letter dated June 8, 2017. The following is a summary of the action taken by RIOC with regard to our recommendations.

Information Technology Concerns

Data Recovery - RIOC implemented a short-term solution and continues to research a Disaster Recovery solution that will best meet the needs of the Corporation.

Cyber Security - RIOC has reviewed and adapted the several Cyber Policies based on NYS ITS Security Policies. Copies of these policies can be found on the Corporation's file server.

Disaster Recovery and Business Continuity - RIOC is researching the Technology portion of Business Continuity that includes:

- Data protection - offsite backup storage or cloud base solutions.
- Provide reliable network that never fails with comprehensive planning, development and testing.
- Disaster/Recovery plan to ensure recovery of data within the timeframe of the plan.

The Board of Directors
Roosevelt Island Operating Corporation
Page 4

* * * * *

We take this opportunity to thank the staff of the Roosevelt Island Operating Corporation for the courtesy and cooperation extended to us during the audit. If you have any questions regarding the foregoing comments or wish any assistance in their implementation, please contact us at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

A handwritten signature in black ink, appearing to read "D. E. Zimmerman", is written over a light gray rectangular background.

Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer



Senior Staff as of March 31, 2018

Susan G. Rosenthal *President & CEO*

Susan G. Rosenthal, is President and CEO of the Roosevelt Island Operating Corporation (“RIOC”). Ms. Rosenthal is responsible for working in conjunction with the Board of Directors in implementing the strategic goals and objectives of the Corporation in unison with the Chair and enabling the Board to fulfill its governance function. Among other responsibilities, Ms. Rosenthal is responsible for the discharge of the executive and administrative functions and powers of the Corporation, and supervises and controls the business affairs of the Corporation.

Ms. Rosenthal is the former General Counsel to the New York State Department of Agriculture and Markets, where, for three years, she managed Counsel’s Office, including a penalty unit that assesses and enforces penalties under New York State Agriculture and Markets Law. During her tenure there, Ms. Rosenthal developed and coordinated a legislative program, and rules and regulations; she provided legal advice and representation to the Department’s officers; and also served as the Chief Ethics Officer to the Department. Prior to working for New York State, Ms. Rosenthal spent a career in private practice as a business and bankruptcy litigator. She is a former partner at Sheppard Mullin Richter & Hampton, LLP; Brown Raysman Millstein Felder & Steiner, LLP; and Winick & Rich, P.C. Ms. Rosenthal has published several articles in the *New York Law Journal* and *Equipment Leasing Today*; and has served as a Lecturer at Equipment Leasing and Finance Association’s annual conventions, to over 200 in house and outside counsel on hot topics in finance. She received her Juris Doctor from the New York University School of Law and she is admitted to practice in New York State courts, Federal Courts for the Southern, Eastern and Northern Districts, the United States Court of Appeals for the Second, Third, and Eleventh Circuits, as well as the United States Supreme Court.

Jacqueline P. Flug *Vice President & General Counsel*

Jacqueline P. Flug serves as the General Counsel and Vice President of RIOC. From 2012 to 2016 Ms. Flug served as the General Counsel to the New York State Liquor Authority. Prior to her tenure with the Authority, Ms. Flug served in the Office of the Mayor as the Administrator for the Assigned Counsel Plan for the Appellate Division First Department, a program that provides private counsel for indigent criminal defendants. Ms. Flug began her legal career in 2001 as an Assistant District Attorney in Bronx County where she prosecuted violent felonies and vehicular homicides.



Ms. Flug is the immediate past President of the Women's Bar Association of the State of New York and a past President of the Bronx Women's Bar Association. She also currently serves as the Vice President of the Judges and Lawyers Breast Cancer Alert (JALBCA).

Ms. Flug serves on the Judicial Hearing Officer Screening Committee for the Appellate Division, Second Department and the Central Screening Committee for the Appellate Division, First Department. Additionally, Ms. Flug has served on the Board of the National Organization for Women – NYC.

Ms. Flug received her Juris Doctor *cum laude* from New York Law School where she served as Executive Topics Editor of the New York Law School Journal of Human Rights. Ms. Flug received a B.A. in American Studies from SUNY Geneseo.

Kimberly Quinones
Vice President & Chief Financial Officer

Ms. Quinones is the Chief Financial Officer and VP for Financial Affairs for the Roosevelt Island Operating Corporation ("RIOC"). She oversees the finance, procurement and human resources areas at RIOC.

Ms. Quinones is a Public Finance banker with over thirty years of experience meeting the general fund and infrastructure financing needs of state and local governments, including some of the largest states and cities nationwide. Most recently, she managed the Western Region banking effort for Ramirez & Co., a privately-held securities firm based in New York.

Prior to 2002, Ms. Quinones was with Citigroup, Raymond James Financial and Prudential-Bache Capital Funding in New York, working with the City of New York, state agencies in the tristate area, and the Commonwealth of Puerto Rico.

Ms. Quinones also served in the public sector, in the office of the New York City Deputy Mayor for Economic Development and Planning in 1996-1997. She represented the Mayor's Office on the boards of the New York City Economic Development Corporation and the New York City Industrial Development Authority. She has also served as a gubernatorial appointee in New York and California.

Ms. Quinones holds a BA in Economics from Princeton University and is a past president of the Financial Women's Association of New York. She has served on the governing boards of the Municipal Forum and the Vanderbilt YMCA.



Shelton P. Haynes
Vice President for Operations

Shelton J. Haynes is the Vice President of Operations of the Roosevelt Island Operating Corporation (RIOC). He is responsible for the oversight of the Island's day-to-day functions as well as management of the Corporation's various administrative and operational departments. In addition, his role is to ensure that the corporation's operations and core functions effectively serve the needs of Roosevelt Island residents and other stakeholders, while complying with applicable laws and regulations. Mr. Haynes previously served as Chief Operating Officer at the Housing Authority of DeKalb County in Georgia, where he oversaw all agency operations, strategic and operational initiatives as well as the executive management team.

Under his leadership he was able to transform underperforming departments into high performing based on measurable key performance indicators and compliance audits. He received a Bachelor of Arts degree in Sociology from Hampton University.

Stephen Noone
Assistant Vice President for Capital Projects & Planning

Stephen Noone is a Landscape Architect who joined Roosevelt Island Operating Corporation in November of 2017. Stephen is passionate about public open space in urban areas and has been working in New York City since 2004 when he joined Michael Van Valkenburgh Associates, Landscape Architects. (MVVA). As a Senior Associate at MVVA, Stephen was Project Manager for many high profile and innovative projects including Brooklyn Bridge Park where he oversaw construction of the Pier 1, Pier 6, Empire Fulton Ferry, Pier 2, Pier 3 Uplands, and the John and Main Street sections of the Park. Also during his time at MVVA, Stephen mentored other PM's and oversaw their management of other waterfront parks including Hudson River Park. In 2015, Stephen first arrived on Roosevelt Island and joined the Capital Planning and Projects team at Cornell Tech and was in charge of the first phase of campus construction.

Stephen received his Associates of Applied Science Degree in Ornamental Horticulture and Landscape Design from Farmingdale State College in 1998 and his Bachelor of Science in Landscape Architecture from Colorado State University in 2002.



Gretchen K. Robinson
Compliance & Internal Controls Officer

Gretchen K. Robinson, Esq., is the Compliance and Internal Controls Officer of the Roosevelt Island Operating Corporation. Ms. Robinson's primary responsibilities are to create, implement, maintain and monitor RIOC's comprehensive program of Internal Controls and compliance with statutes, regulations, case law, policies and best practices concerning annual reporting, board governance, procurement, ethics and other statutory and regulatory requirements. Her duties also include working with RIOC staff to implement the compliance program, while monitoring the program on a continuous basis, and updating it when necessary. Further, Ms. Robinson also implements ongoing programs of training for RIOC directors, management and staff in internal controls, ethics, procurement practices, human resources, contract administration and other relevant rules, issues, and best practices.

Prior to joining RIOC, Ms. Robinson served as Executive Agency Counsel to the New York City Civilian Complaint Review Board. There, she administratively prosecuted members of the New York City Police Department, accused of misconduct. Ms. Robinson started her professional career as an Assistant District Attorney in Queens County, where she prosecuted robbery, burglary, assault, criminal possession of a weapon, and attempted murder cases. During her tenure in that office, Ms. Robinson also spent approximately two years in the Office's Appeals Bureau, where she drafted, argued, and successfully defended convictions before the Appellate Division, Second Judicial Department.

Ms. Robinson grew up in Washington, District of Columbia. She received her Juris Doctor degree from the American University Washington College of Law, and a Bachelor of Arts and Sciences in French and Anthropology from the University of Virginia. She has over a decade of trial and oral advocacy experience and is admitted to practice in New York State.

Claudia McDade
Director, Human Resources

Joining RIOC in 2006 with over 20 years of Human Resource and Payroll experience, Ms. McDade is a certified Human Resource Management Professional. Prior to joining RIOC, she gained experience in the private sector, primarily in banking and commercial airline services. Ms. McDade strongly believes that any corporation's greatest assets are its employees, and continues to endeavor at improving the work-life environment at RIOC.



Muneshwar Jagdharry
Comptroller

Muneshwar Jagdharry is a Certified Public Accountant with over 30 years of experience, specializing in the not-for-profit and governmental sectors. He graduated from Lehman College with a Bachelor of Science in Accounting; Baruch College with a Master of Business Administration in Finance; and Hunter College with a Master in Public Health.

Andrew Fowler
Director of Procurement

Andrew Fowler is a Certified Public Accountant and Certified Passive House Consultant. Prior to starting at RIOC in March 2018 he was the Financial Analyst at Cornell Tech tracking the budget for the construction of the Roosevelt Island campus. Previously he worked at Ernst and Young in San Francisco as an auditor. Mr. Fowler grew up in Northern New York State, received a Bachelor of Arts in International Relations from Pomona College, after which he spent several years working in Japan. He received his Master of Science in Accountancy from San Jose State University.

Indranie Sanichar
Director of Information Technology

Indranie Sanichar is the Director, Information Technology of the Roosevelt Island Operating Corporation. Her responsibilities include overseeing RIOC technology infrastructure and systems as well as technology initiatives. Ms. Sanichar has over 20 years of information technology experience in private, public, non-profits sector. She believes strongly in using technologies to develop interdepartmental relations, marketing and operations.

John B. McManus
Director of Public Safety

In June of 2013, John McManus became the Director of Public Safety for the Roosevelt Island Operating Corporation. In this capacity, Mr. McManus oversees a staff of 40 Public Safety Officers occupying various ranks. Mr. McManus is a strong supporter of the Community Policing Model of Law Enforcement, which focuses on building ties and working closely with members of the community.

John McManus brings 27 years of prior police management and supervisory experience with the NYPD, where he rose to the rank of Assistant Chief before retiring to become the Director of Security at the



World Trade Center/Port Authority of NY and NJ. In that capacity he was responsible for all security operations and emergency planning during the initial rebuilding phase at Ground Zero.

While at the NYPD, Mr. McManus served as Executive Officer to the Chief of Department and the Internal Affairs Bureau. He also commanded the NYPD Emergency Operations Center (EOC), where he oversaw emergency response efforts for the 9/11 disaster, floods, citywide power outages and other natural and unnatural disasters, and served as the Commanding Officer of the NYPD Operations Division which is responsible for planning all major events in NYC. A recognized expert in special event security planning, he was charged with planning the security for the Republican National Convention in 2004 and served as the NYPD Coordinator/Liaison to the Office of the Mayor for the NYC 2012 Olympic Bid.

During his tenure, Mr. McManus commanded three patrol precincts in NYC, each of which saw progressive crime reductions annually. Mr. McManus is known as an innovator and developed many new outreach programs while he was Precinct Commander, including programs targeting local at risk youths.

Mr. McManus received a Masters Degree in Communications from the NY Institute of Technology and a Certificate in Police Management from the Columbia University Graduate School of Business. He is a member of the American Academy for Professionals in Law Enforcement, National Law Enforcement Associates, American Society for Industrial Security (Board Member) and the International Association of Chiefs of Police (IACP). He maintains a Top Secret (SCI) National Security Clearance.

Cyril Opperman
Director of Operations

Cyril Opperman, 'Cy' as he is commonly known on the Island, is a lifelong and consummate New Yorker. Cy's strong work ethic manifested at 10 years of age, when his father allowed him to make his first delivery driving the family owned soda truck. From there, Cy continued to work throughout high school for the American Beverage Warehouse. Cy also mentored teens, coached basketball, and created schedules at the Lenox Hill Neighborhood House during this time.

In 1970, Cy gained his Class A commercial driver's license and joined AZ Trucking Company as a tractor-trailer driver, but his desire to help people pushed him to also become a National Registered EMT and licensed Respiratory Therapist with Keefe and Keefe ambulance company. Not quite satisfied, he also added CPR instructor to his repertoire.

In 1980, Cy switched gears and began his journey through the MTA. The "first stop" was as a Bus Operator, then he became a DMV 19A Dispatcher. It wasn't long before he advanced to



Superintendent- Training and Performance Division, then Assistant General Superintendent, and ultimately, Cy was promoted to General Superintendent before accepting the role of General Manager of Transportation at RIOC.

Cy's leadership skills and desire to help people are rivaled only by his work ethic. These traits quickly propelled him to the ranks of Director of Operations at the Roosevelt Island Operating Corporation, where he currently oversees day-to-day operations of island transportation, the grounds department, the Sportspark facility, the warehouse, Motorgate, and the Tramway.

Tamara Andreatta

Director of Asset Management

Tamara Andreatta joined RIOC in March 2018 and oversees the Maintenance and Warehouse Department. Prior to joining RIOC, Tamara worked for Cornell Tech as the Assistant Director of Facilities Management, managing the campus start up on the Roosevelt Island.

Tamara also worked at Cushman and Wakefield, first as the Critical Systems Manager for UBS Corporate Center and Wealth Management Americas in New Jersey and their offsite locations in North and South Americas. Responsibilities included overseeing the Critical Infrastructure for trading floors, office space and data centers as well as compliance to ISO 14001 standards. Tamara then worked on the NYU Langone account as Engineering Manager in charge of the operations and maintenance of 5 buildings in midtown Manhattan, representing about 2 million square foot, including Ambulatory Care Centers with Operating Rooms, the Perlmutter Cancer Center, a multi-tenant property with a Consulate and 2 Condominiums with Verizon. In addition to day-to-day activities, she was responsible for ensuring compliance to the Joint Commission, CMS and NFPA Life Safety standards.

Prior to Cushman and Wakefield, Tamara worked for EDF Renewable Services, the leading provider of renewable operations and maintenance services in North America. Tamara was the Area Maintenance Manager for Canada, in charge of 7 wind farms, producing more than 850 MW and electrical substations ranging from 120 kV to 315 kV. Tamara lead the implementation of the US company into Canada, by setting up the O&M department for company-owned assets, securing contracts with third-party owners and implementing the new CMMS for the company. Tamara also worked for the EDF group in similar roles in Minnesota and South of France.

Tamara holds a Master's in Mechanical Engineering from France, a certification in Business Foundations from The Wharton School and is LEED Green Associate. Experienced in Class A commercial property management, Tamara is focused on continuous improvement and safety, driven to achieve resource maximization, cost reductions and operational excellence.



Robert Greene

Senior Project Manager, Engineering Department

Robert Greene joined Roosevelt Island Operating Corporation as Project Manager in January 2008.

He has 25 years in the field of construction experience ranging from design to site management and construction/project management.

Prior to joining RIOC, Mr. Greene worked with the firm Management Consulting and Controls Group, Inc., (MCCGUSA, Inc.) as a Project Manager and the Secondary School Reform Project Unit for Ministry of Education/International Development Association (The World Bank), as the head of the Physical Infrastructural Unit.

He attained a Diploma in Architectural Technology and a Bachelor's Degree in Architecture from the University of Guyana and Masters in Construction Management at Polytechnic University of New York.

Former Senior Staff*

*By the close of the fiscal year, the following personnel were no longer employed by RIOC: (1) The Director of Engineering, Guy Biondi.; (2) The Director of Procurement, Luis Melendez.

ROOSEVELT ISLAND OPERATING CORPORATION

Code of Ethics

As a New York State public benefit corporation, the Roosevelt Island Development Corporation (the "Corporation") is vested with a public trust. In order to promote and maintain governmental integrity, each officer, director and employee of the Corporation must adhere to the standards and code of ethics set forth herein, in the Corporation's Employee Handbook, and in the State Code of Ethics and the Ethics in Government Act.

Rule with Respect to Conflicts of Interest

No director, officer or employee of the Corporation may have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

Standards

1. No director, officer or employee of the Corporation may accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties.
2. No director, officer or employee of the Corporation may accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
3. No director, officer or employee of the Corporation may disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
4. No director, officer or employee of the Corporation may use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the state for private business or other compensated non-governmental purposes.
5. No director, officer or employee of the Corporation may engage in any transaction as representative or agent of the Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.
6. No director, officer or employee of the Corporation may by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or

that he or she is affected by the kinship, rank, position or influence of any party or person.

7. Each director, officer or employee of the Corporation must abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
8. Each director, officer and employee of the Corporation must endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
9. No director, officer or employee of the Corporation employed on a full-time basis nor any firm or association of which such a director, officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such director, officer or employee, shall sell goods or services to any person, firm, corporation or association which is a party to any contract with the Corporation.
10. If any director, officer or employee of the Corporation shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity undertaken by the Corporation, he or she must file with the Secretary of the Corporation a written statement that he or she has such a financial interest in such activity, which statement shall be open to public inspection.
11. No director, officer or employee of the Corporation shall, directly or indirectly, seek or accept any loan or extension of credit from the Corporation or any subsidiary of the Corporation.

Violations

In addition to any penalty contained in any other provision of law any such officer, member or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.

Dated: March 25, 2010

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Mckinney's Consolidated Laws of New York Annotated Currentness
UNCONSOLIDATED LAWS (REFS & ANNOS)

TITLE 16. MUNICIPALITIES

CHAPTER 26. ROOSEVELT ISLAND OPERATING CORPORATION

§ 6385. Legislative declaration

The legislature hereby finds, determines and declares that: (a) the city of New York and the New York state urban development corporation have entered into a lease and related agreements providing for the urban development corporation to use its statutory powers to create on Roosevelt Island a new community which would retain and heighten the benefits of urban living while preserving a sense of scale and open space for Roosevelt Island residents and New York city as a whole; (b) the urban development corporation has constructed the first phase of the island's development, including public facilities, pursuant to a general development plan for Roosevelt Island, which plan is being updated and contemplates significant future development on the island, including the provision of additional housing, commercial, civic, recreational and other facilities; (c) it is in the public interest for the urban development corporation to transfer all of its rights and obligations with respect to the development, operation and supervision of both such existing and such proposed development to a public benefit corporation which shall be under the supervision of the commissioner of housing and community renewal; and (d) it is in the public interest that such a public benefit corporation plan, design, develop, operate, maintain and manage Roosevelt Island, that such corporation have vested in it such powers as are necessary or convenient to effectuate those functions and that the division of housing and community renewal be authorized to assist such corporation in the performance of its duties with respect to Roosevelt Island.

§ 6386. Definitions

As used in this act, the following terms shall have the following meanings:

1. "City" shall mean the city of New York.
2. "Commissioner" shall mean the commissioner of housing and community renewal.
3. "Corporation" shall mean the Roosevelt Island operating corporation created by section three of this act.

4. "Development subleases" shall mean (a) the sublease dated August first, nineteen hundred eighty between the urban development corporation and the city, (b) the ground lease, dated October thirtieth, nineteen hundred seventy-two, between the urban development corporation and North Town Phase II Houses, Inc., (c) the ground lease, dated April twenty-fifth, nineteen hundred seventy-three, between the urban development corporation and North Town Phase III Houses, Inc., and (d) the restated ground lease, dated November thirtieth, nineteen hundred seventy-seven, between the urban development corporation and Rivercross Tenants' Corporation.
5. "Division" shall mean the New York state division of housing and community renewal.
6. "Lease" shall mean the lease, dated December twenty-third, nineteen hundred sixty-nine, as heretofore or hereafter amended, among the city of New York, the New York state urban development corporation and the Roosevelt Island development corporation, pursuant to which the city leased substantially all of Roosevelt Island to the New York state urban development corporation for development substantially in accordance with the development plan referred to therein.
7. "Roosevelt Island" shall mean the island located in the East River, city and county of New York, extending from approximately fiftieth street to eighty-sixth street in Manhattan.
8. "Safe affordable housing for everyone, inc." shall mean the New York corporation organized under article six-A of the private housing finance law and under the supervision and control of the commissioner.
9. "Tramway franchise" shall mean the franchise for the Roosevelt Island tramway granted by the city to the urban development corporation on February nineteenth, nineteen hundred seventy-four.
10. "Urban development corporation" shall mean the New York state urban development corporation.

§ 6387. Establishment of corporation; organization of board

1. To effectuate the purposes and provisions of this act, there is hereby created the "Roosevelt Island operating corporation", which shall be a body corporate and politic constituting a public benefit corporation and a political subdivision of the state of New York.
2. The board of directors of the corporation shall be composed of nine members. One member shall be the commissioner, who shall serve as the chair; one member shall be the director of the budget; and seven public members shall be appointed by the governor with the advice and consent of the senate. Of the seven public members, two members, one of whom shall be a resident of Roosevelt Island, shall be appointed upon the recommendation of the mayor of the city; and four additional members shall be residents of Roosevelt Island. Each member shall serve for a

term of four years and until his or her successor shall have been appointed and shall have qualified, except that (a) two of the initial public members appointed by the governor, one of whom is a resident of Roosevelt Island, and the Roosevelt Island resident member appointed upon the recommendation of the mayor of the city shall serve for terms of two years each, and (b) the commissioner and the director of the budget shall serve so long as they continue to hold their respective offices. Any action taken by the directors of the corporation shall be taken by majority vote of the directors then in office. The elected public officials who represent Roosevelt Island shall be representatives to the board of directors of the corporation entitled to receive notice of and attend all meetings of such board but shall not be entitled to vote. Failure to give such notice shall not effect the validity of any action taken at a meeting of such board.

3. The governor may fill any vacancy which occurs on the board of directors of the corporation in a manner consistent with the original appointment. Any member of the corporation may be removed by the governor for cause, but not without an opportunity to be heard, in person or by counsel, in his defense, upon not less than ten days' written notice.

4. The commissioner and the director of the budget may each designate an officer or employee of his respective division to represent such member at meetings of the corporation. Such designation shall be by written notice filed with the chairman or the secretary of the corporation by the member making the designation, and may be revoked at any time by similar notice. Any representative so designated shall have the power to attend and to vote at any meeting of the corporation from which the member making the designation is absent with the same force and effect as if the member making the designation were present and voting. No such designation shall limit the right of the member making the designation to attend and vote in person at any meeting of the corporation.

5. A member of the corporation who is not an officer or employee of the state or the city shall not receive a salary or other compensation, but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a member. A member of the corporation who is not an officer or employee of the state or the city may engage in private employment, or in a profession or business, unless otherwise prohibited by law from doing so. Notwithstanding any other provision of law, general, special, or local, no officer or employee of the state or any civil division thereof shall be deemed to have forfeited, or shall forfeit such office of employment because of acceptance of membership in the corporation, or by virtue of being an officer, employee or agent thereof.

§ 6388. Powers of corporation

The corporation's powers shall be limited to carrying out the development, management and operation of Roosevelt Island. In carrying out such development, management and operation, the corporation shall have the power to:

1. Sue and be sued;
2. Have a seal and alter the same at pleasure;
3. Make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;
4. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this act;
5. Acquire in the name of the corporation by purchase, grant or gift, or by the exercise of the power of eminent domain pursuant to the eminent domain procedure law, or otherwise, real or personal property, or any interest therein deemed necessary or desirable for the development, management or operation of Roosevelt Island, including, without limitation, leasehold interest, air and subsurface rights, easements and lands under water at the site of Roosevelt Island or in the general vicinity thereof, and to subject such property or interest therein to a purchase money or other lien or security interest in connection with the acquisition and development thereof, provided that the corporation shall have no authority or power to issue any notes, bonds or other debt obligations, whether for the purpose of financing the development of Roosevelt Island or otherwise;
6. Hold and dispose of real or personal property for its corporate purposes;
7. Appoint officers, agents and employees, prescribe their duties and fix their compensation in accordance with a staffing and compensation plan submitted to and approved by the director of the budget;
8. Engage the services of private consultants on a contract basis for rendering professional and technical assistance advice;
9. Procure insurance against any loss in connection with its activities, properties and other assets, in such amount and from such insurers as it deems desirable;
10. Charge and collect fees, rents and other charges for the occupancy or other use of real or personal property or facilities owned, operated, managed or regulated by the corporation;
11. Accept any gifts or grants of money or property, or financial or other aid in any form, from the federal government, the state, or the city (or any instrumentality of any such government) or from any other source and, subject to the provisions of this act and other applicable law, to comply with any conditions of such assistance and execute any contracts or other instruments in connection therewith;

12. Invest any funds of the corporation, or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the corporation, in obligations of the state or the United States government or obligations the principal and interest of which are guaranteed by the state or the United States government, or in any other obligations in which the comptroller of the state is authorized to invest pursuant to section ninety-eight of the state finance law;

13. Enter into such agreements with the state, the urban development corporation and the city as the parties thereto deem appropriate to effectuate the provisions of this act;

14. Assume and perform the obligations and responsibilities of the urban development corporation under the lease, the tramway franchise, and all other contracts, leases, and agreements heretofore entered into by the urban development corporation relating to the development, management and operation of Roosevelt Island (except that the corporation shall not assume any of the rights, duties and responsibilities of the urban development corporation in relation to any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and exercise all of the rights of the urban development corporation with respect thereto; and

15. Do and perform all other acts necessary or convenient to carry out the foregoing in connection with the development, management or operation of Roosevelt Island.

§ 6389. Rules and regulations; approval of development plan amendments; applicability of local laws

1. The corporation shall promulgate such rules and regulations as it shall deem appropriate to provide an opportunity for residents of Roosevelt Island to comment upon any major amendment of the development plan for Roosevelt Island referred to in the lease at a public hearing held prior to its adoption by the corporation.

2. Any amendment of the development plan for Roosevelt Island referred to in the lease shall be subject to the review and approval of the director of the budget, and the corporation shall not enter into any agreement for the design or construction of any improvement provided for in any such amendment prior to such approval.

3. The requirements of all local laws, ordinances, codes, charters or regulations shall be applicable to the construction, alteration or improvement of any building or structure on Roosevelt Island, provided that the corporation may, in lieu of such compliance, determine that the requirements of the New York state uniform fire prevention and building code, formulated by the state fire prevention and building code council pursuant to article eighteen of the executive law, shall be applicable to such work. In the event of such compliance with the New York state uniform fire prevention and building code, the city shall have no power to modify any drawings, plans or

specifications for such work or for the plumbing, heating, lighting or other mechanical branches thereof, or to require that any person, firm or corporation employed on any such work perform the same except as provided by such plans and specifications or obtain any additional authority, approval, permit or certificate from the city in connection therewith.

§ 6390. Powers and duties of Urban Development Corporation; lease and tramway franchise

1. The corporation shall perform all obligations of the urban development corporation or any of its subsidiaries with respect to the development, management and operation of Roosevelt Island, including, without limitation, all such obligations arising under the lease and the tramway franchise.
2. The urban development corporation, the division and the corporation shall each use their best efforts to obtain any required consents to the assignment of the lease and the tramway franchise from the urban development corporation to the corporation and to any other assumption by the corporation of the obligations of the urban development corporation or any of its subsidiaries under any other contracts, leases, agreements or instruments entered into by the urban development corporation, or any such subsidiary, relating to the development, management or operation of Roosevelt Island (other than any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and, upon obtaining such consents, the corporation and the urban development corporation shall enter into such agreements and take such actions as shall be necessary to effectuate such assignments and assumptions, provided that in order to permit the urban development corporation to recover the investment which it has heretofore made in the development of Roosevelt Island, such agreements shall provide appropriate assurances satisfactory to the urban development corporation (a) for the prompt payment directly to the urban development corporation of (i) all sums from time to time due from lessees under the development subleases and (ii) all sums received by the corporation from the city in connection with the termination of the lease, and (b) for the amending or supplementing of the development subleases to the extent, if any, necessary to protect the rights of the holders of any mortgages on the leasehold interests created thereunder. Nothing in this act shall (a) constitute or authorize an assignment by the urban development corporation (or any subsidiary thereof) of any mortgage or security interest held by the urban development corporation (or any such subsidiary) on any real or personal property or interest therein on Roosevelt Island or any rights or obligations of the urban development corporation (or any such subsidiary) arising under any such mortgage or security agreement, (b) relieve the urban development corporation of any of its obligations under any bonds heretofore issued by the urban development corporation, or (c) otherwise affect the interests of the holders of any such bonds.
3. All revenues (other than state appropriations) derived from the contracts, leases, agreements or instruments assigned to or assumed by the corporation pursuant to subdivision two of this section shall be applied first to the payment of those obligations assigned to or assumed by the corporation.

4. The urban development corporation and the corporation are hereby authorized to enter into such agreements with the city as the corporation shall determine to be appropriate to amend, reform or supplement the lease (including the development plan referred to therein) and the tramway franchise in order to carry out the purposes of this act. The provisions of any general, special or local law notwithstanding, the city is hereby authorized, upon the approval of the board of estimate of the city, to enter into any such agreements with the corporation and the urban development corporation.

§ 6391. Equal employment opportunities

1. The corporation shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such action shall be taken with reference, but not be limited, to recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rate of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

2. The corporation shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the corporation's obligations hereunder.

3. The corporation shall state, in all solicitations or advertisements for employees placed by or on behalf of the corporation, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. The corporation shall seek meaningful participation by minority business enterprises in the programs of the corporation and shall actively and affirmatively promote and assist their participation in the corporation's programs, so as to facilitate the award of a fair share of contracts to such enterprises. For purposes hereof, "minority business enterprise" shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of publicly owned business, at least fifty-one per centum of the stock of which is owned by, citizens or permanent resident aliens who are Black, Hispanic, Asian, American Indian or women, and such ownership interest is real, substantial and continuing.

§ 6392. Indemnification; notice of claim

a. 1. The state shall indemnify and hold harmless the corporation, urban development corporation and safe affordable housing for everyone, inc., and pursuant to section seventeen of the public officers law, their respective officers, directors and employees, from and against any and all liability, claim, loss, damage, suit or judgment and any and all costs and expenses (including, but not limited to, counsel fees and disbursements) that such corporations or their officers, directors or employees may suffer or incur, whether before or after the date hereof, as a result of either (a) the development, management or operation of Roosevelt Island or (b) the performance or non-performance by the division of any of its obligations or duties with respect to Roosevelt Island. All of the provisions of section seventeen of the public officers law which are not inconsistent with this section shall apply to the officers, directors, and employees of such corporations, including the provisions relating to the defense by the attorney general or private counsel of any civil action and the payment of legal costs incurred in connection with the defense of any such action. Any member, officer or employee of such corporations seeking to be saved harmless or indemnified or to claim any other benefits available pursuant to this section or section seventeen of the public officers law shall comply with the procedural requirements of such section seventeen. As used in this section the terms “member”, “officer” and “employee” shall include a former member, officer or employee, his estate or judicially appointed personal representative.

2. A notice of claim, served in accordance with the provisions of section fifty-e of the general municipal law, shall be a condition precedent to the commencement of an action against the corporation, its officers, directors and employees. No such action shall be commenced more than one year after it has accrued, except that an action against the corporation for wrongful death shall be commenced within the notice of claim and time limitation provisions of title eleven of article nine of the public authorities law.

b. 1. Notwithstanding the provisions of section one hundred thirteen of the retirement and social security law and any other general, special or local law, the Roosevelt Island operating corporation shall provide to persons employed by the Roosevelt Island operating corporation any retirement, disability, death or other benefits provided or required pursuant to any agreement with a labor union of which its employees are members, and the Roosevelt Island operating corporation is hereby authorized to retroactively or in the future make such contributions as may be necessary to provide such benefits.

2. For purposes of the retirement and social security law, persons employed by the Roosevelt Island operating corporation and to whom the Roosevelt Island operating corporation provides any retirement, disability, death and other benefits required pursuant to any agreement with a labor union of which its employees are members, shall be deemed not to be employees of the Roosevelt Island operating corporation. Such other persons who are employees of the Roosevelt Island operating corporation as of the effective date of this act shall be eligible to receive credit under the retirement and social security law for previous service with the entities (or where applicable, their subsidiaries) made subject to section seventeen of the public officers law by subdivision a of this section.

§ 6393. Annual budget and report

1. On or before September fifteenth, nineteen hundred eighty-four and on each September fifteenth thereafter, the chairman of the corporation shall make and deliver to the director of the budget for his review a proposed budget for the operation of the corporation for the next fiscal year of the state. The chairman of the corporation shall also deliver a copy of such budget to the chairman of the senate finance committee and the chairman of the assembly ways and means committee at the same time that the budget is delivered to the director of the budget. The budget shall include the total amount needed for corporate purposes, including the funds required by the corporation for operation of Roosevelt Island facilities and improvements, the source of all funds that the corporation expects to receive and such other information as the director of the budget shall require. The governor shall recommend in his annual budget such appropriations to the corporation for its operations as he deems necessary.

2. The corporation shall submit to the director of the budget, chairman of the senate finance committee and chairman of the assembly ways and means committee, within ninety days after the end of its fiscal year, a complete and detailed report setting forth (a) its operations and accomplishments, and (b) its receipts and expenditures during such fiscal year in accordance with categories and classifications established by the corporation, with the approval of the director of the budget, for its operating and capital outlay purposes.

§ 6394. Future management study

The corporation shall also study the future operation and management of Roosevelt Island. Such study shall be completed by December thirty-first, nineteen hundred eighty-five.

§ 6394-a. Open space development prohibited

Notwithstanding any other provision of this act, or any other law to the contrary, on or after the effective date of this section, no further development or construction for other than park purposes shall be permitted on any real property which is identified as open space areas in the general development plan as amended May 10, 1990 and approved by the board of estimate of the city of New York on August 17, 1990 and referred to in the lease defined in subdivision six of section two of this act, and on such real property shall remain open space areas for the duration of the lease unless such development or construction includes the reconstruction, restoration, rehabilitation or preservation of the historic landmarks located in such open space areas and furthers the use of the areas surrounding the historic landmarks as open space areas. Open space areas, as used in this section shall be limited to Lighthouse park, Octagon park, Blackwell park, and South Point park.

§ 6395. Liability for corporate obligations; tax exemption

1. The obligations of the corporation shall not be debts of the state, and the state shall not be liable thereon, and such obligations shall not be payable out of any funds other than those of the corporation.
2. It is hereby found, determined and declared that the creation of the corporation and the carrying out of its purposes is in all respects for the benefit of the people of the state and is a public purpose, and that the corporation will be performing an essential governmental function in the exercise of the powers conferred upon it by this act. The corporation and its operations, property and moneys shall be free and exempt from taxation of every kind by the city and the state and any subdivision thereof. Except as hereinabove provided and except as may otherwise specifically be provided, nothing contained in this act shall confer exemption from any tax, assessment or fee upon any person, firm, corporation or other entity, or upon the obligations of any of them.

§ 6396. Division of Housing and Community Renewal; assistance and services

The corporation may from time to time request the division to perform such services and render such technical assistance to the corporation with respect to the development, management or operation of Roosevelt Island as the corporation deems necessary or convenient and may provide for the reimbursement to the division by the corporation of the reasonable cost of such services. The division is hereby authorized to perform such services and render such technical assistance as may be agreed upon between the division and the corporation pursuant to this section. In addition, the commissioner is hereby authorized to represent the corporation in any negotiations with the city concerning amendments or supplements to or reformations of the lease and tramway franchise as contemplated by section six of this act.

§ 6397. Operation of motor vehicles

In addition to any other power conferred upon it by this act, the corporation is hereby authorized to prescribe rules and regulations governing the operation (including the parking, standing or stopping) of vehicles on Roosevelt Island; provided however, that such rules and regulations shall not restrict access to any city facilities situated on Roosevelt Island nor unreasonably restrict parking by city of New York employees, their visitors and invitees. The violation of such rules or regulations shall be an offense punishable upon a first conviction thereof by a fine of not more than fifty dollars, upon a second within a period of eighteen months by a fine of not more than one hundred fifty dollars, and upon a third or subsequent conviction thereof within a period of eighteen months by a fine of not more than one hundred fifty dollars, or by imprisonment for not more than thirty days, or by both such fine and such imprisonment. For purposes of enforcement and administration of such rules and regulations, including but not limited to conferring jurisdiction with respect thereto upon the applicable courts and administrative tribunals, all provisions of law relating to, and rules or regulations of, the New York city department of transportation not inconsistent with this act shall be applicable.

§ 6398. Separability of provisions

If any section, clause or provision of this act or the application thereof shall be adjudged invalid, such judgment shall not affect or invalidate any other section, clause or provision of this act.

§ 6399. Transfer of appropriations

1. Notwithstanding the provisions of any general or special law, the director of the budget is authorized to transfer to the corporation from funds appropriated to the division for the fiscal year beginning April first, nineteen hundred eighty-four, the amount he determines necessary to carry out the provisions of this act, including providing for Roosevelt Island operations, capital improvement program and any other appropriate management expenses.

2. Notwithstanding the provisions of any general or special law, no part of such appropriations shall be available for the purposes designated until a certificate of approval of availability shall have been issued by the director of the budget and a copy of such certificate is filed with the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee. Such certificate may be amended from time to time, subject to the approval of the director of the budget, and a copy of each such amendment shall be filed with the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee.



ANDREW M. CUOMO
Governor

SUSAN G. ROSENTHAL
President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
David Kraut
Howard Polivy
Michael Shinozaki

**COMMITTEES OF THE BOARD OF DIRECTORS AS OF
March 31, 2018**

COMMITTEES MEMBERS

Audit Committee – Established February 11, 1999

Howard Polivy (Chair), David Kraut, and the DOB designee

Real Estate Development Advisory Committee – Established March 13, 2003

Howard Polivy (Chair), Vacant, and Margie Smith

Operations Advisory Committee – Established July 13, 2000

Michael Shinozaki (Chair), David Kraut, Margie Smith

Governance Committee – Established September 8, 2005

Margie Smith (Chair), David Kraut, Howard Polivy



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Howard Polivy
Michael Shinozaki

List of Board Meetings and Attendance for the 2017-18 Fiscal Year

LIST OF MEETINGS	1
APRIL 20, 2017	1
MAY 25, 2017	2
JUNE 21, 2017	2
AUGUST 9, 2017	2
SEPTEMBER 7, 2017	3
OCTOBER 19, 2017	3
DECEMBER 19, 2017	4
JANUARY 25, 2018	4
MARCH 1, 2018	4

[April 20, 2017](#)

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on April 20, 2017 at 5:30 p.m.

Directors Present:

Alex Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Michael Shinozaki	Director
Margaret Smith	Director

Directors Absent:

Howard Polivy	Director
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List of Board Meetings and Attendance for the 2017-18 Fiscal Year

May 25, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on May 25, 2017 at 5:30 p.m.

Directors Present:

Alex Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Directors Absent:

Margaret Smith ¹	Director
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June 21, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on June 21, 2017 at 5:30 p.m.

Directors Present:

Alex Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director
Margaret Smith	Director

August 9, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on August 9, 2017 at 5:50 p.m.

Directors Present:

Alex Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget

¹ Director Smith joined the Board meeting via teleconference during discussion of item #3 of new business. Ms. Smith was not counted toward the quorum and did not vote on any items before the Board.

List of Board Meetings and Attendance for the 2017-18 Fiscal Year

Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director
Margaret Smith	Director

September 7, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on September 7, 2017 at 5:30 p.m.

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Margaret Smith	Director

Directors Absent:

Michael Shinozaki	Director
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October 19, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on October 19, 2017 at 5:30 p.m.

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Margaret Smith	Director

Directors Absent:

Michael Shinozaki	Director
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List of Board Meetings and Attendance for the 2017-18 Fiscal Year

December 19, 2017

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on December 19, 2017 at 5:30 p.m.¹

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director
Margaret Smith	Director

January 25, 2018

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island, New York, on January 25, 2018 at 5:30 p.m.

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director
Howard Polivy	Director
Margaret Smith	Director

Directors Absent:

Michael Shinozaki	Director
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March 1, 2018

A meeting of the Board of Directors was held at the Manhattan Park Community Center, 8 River Road, Roosevelt Island, New York, on March 1, 2018 at 5:30 p.m.

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director
David Kraut	Director

List of Board Meetings and Attendance for the 2017-18 Fiscal Year

Howard Polivy	Director
Michael Shinozaki	Director
Margaret Smith	Director

ADOPTED JULY 1, 1985
AMENDED JANUARY 14, 1988
AMENDED MAY 11, 1989
AMENDED DECEMBER 1989
AMENDED JULY 12, 1990
AMENDED AS OF APRIL 14, 1994
AMENDED AS OF FEBRUARY 11, 1999
AMENDED JUNE 29, 2006
AMENDED MARCH 25, 2010

BY-LAWS
OF
ROOSEVELT ISLAND OPERATING CORPORATION

ARTICLE I

THE CORPORATION

Section 1. Description. The Roosevelt Island Operating Corporation (the "Corporation") is a body corporate and politic constituting a public benefit corporation and a political subdivision of the State of New York, created and having the powers and functions set forth in Chapter 899 of the Laws of 1984, as amended (the Roosevelt Island Operating Corporation Act) ("the Act").

Section 2. Offices. The principal office of the Corporation shall be located on Roosevelt Island, in the City, County, State of New York. The Corporation may also have offices at such other place or places within the State of New York as it may from time to time designate by resolution of its Board of Directors.

Section 3. Seal. The official seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its creation. Such seal may also include such other insignia as may be approved by the Corporation.

ARTICLE II

DIRECTORS

Section 1. Number. The business and affairs of the Corporation shall be managed by a Board of nine (9) directors that shall exercise all of the powers of the Corporation. The elected public officials who represent Roosevelt Island shall be representatives to the Board of Directors of the Corporation entitled to receive notice of and attend all meetings of such Board, but shall not be entitled to vote.

Section 2. Chairperson. The Commissioner of Housing and Community Renewal (the "Commissioner") shall be the Chairperson of the Board of Directors.

Section 3. Terms of Office. The selection of members of the Board of Directors and their tenures shall be as set forth in Section 3.2 of the Act.

Section 4. Property Interest of Directors. No director of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to or at the time of any liquidation or dissolution of the Corporation.

Section 5. Non-Liability for Debts. The private property of any director shall be exempt from execution or other liability for any debts of the Corporation and no director shall be liable or responsible for any debts or liabilities of the Corporation. Pursuant to Section 8 of the Act, the State shall indemnify and hold harmless the officers and directors of the Corporation from all liability as a result of their performance or non-performance of their duties with respect to the development, management or operation of Roosevelt Island.

Section 6. Compensation. A member of the Board of Directors of the Corporation is entitled to reimbursement for his or her actual and necessary expenses incurred in the performance of his or her official duties as a member. No director may receive any other salary or compensation for his or her services.

Section 7. Removal. Any member of the Board of Directors may be removed by the Governor for cause, after opportunity to be heard upon not less than 10 days notice.

ARTICLE III

MEETINGS

Section 1. Meetings. Meetings of the directors may be called by the Chairperson or upon request of three (3) or more of the directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairperson or the directors calling the meeting shall fix the time for the holding of the meeting. All meetings shall be at the office of the

Corporation or at such other place as the Board or the Chairperson may designate.

Section 2. Notice. Written notice of the time, place and purpose of any meeting of the directors shall be delivered to each director by the Secretary, if personally or by telefacsimile at least seventy-two hours prior thereto or if by mail at least ten days prior thereto. Written notices of all directors' meetings shall be delivered to the elected public officials who represent Roosevelt Island, as representatives to the board of directors, not less than two days prior thereto if delivered personally or five days prior thereto if delivered by mail. Failure to give notice to public officials shall not affect the validity of any action taken at a meeting. Any notices mailed hereunder shall be deemed to have been given when deposited in the United States mail addressed to the director, or representative, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 3. Quorum and Voting. A majority of the members of the Board then in office shall constitute a quorum; provided that if less than a majority of the directors is present at any meeting, the directors present may adjourn the meeting; and provided further that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. Any action taken by the Board shall be taken by a majority vote of the directors then in office.

Section 4. Order of Business. At the regular meetings of the Corporation the following shall be the order of business.

1. Call to Order.
2. Roll Call.
3. Approval of the minutes of the previous meeting. A copy of the minutes of the previous meeting shall be sent to each director not later than ten business days in advance of the meeting at which the same are to be considered, and, if no corrections or amendments are made therein, shall be deemed approved.
4. Old Business.
5. New Business.

6. Adjournment.

Section 5. Resolutions to be in Writing. All proposed resolutions shall be presented in writing to the directors present and, upon adoption, each resolution shall be copied in or attached to the minutes of the meeting.

Section 6. Manner of Voting. Voting on all questions at meetings shall be by roll call, and the yeas and nays shall be entered upon the minutes of such meeting, except that the election of officers may be by majority vote without the necessity of recording the individual votes upon the minutes.

Section 7. Approval of Resolutions without Meeting. Resolutions, which the Chairperson desires to be considered by the directors without holding a meeting thereon may be delivered in person or mailed to the business or home address of each director, and upon the written approval of such resolutions by a majority of the directors then in office, and less than three members dissenting, the same shall become effective as if introduced and passed at a meeting of the directors duly called and held.

Section 8. Proxies. Only the Commissioner of the Division of Housing and Community Renewal and the Director of the Budget may designate an officer or employee of such director's respective division to represent such director at meetings of the Board. Such designation shall be by written notice, filed with the Chairperson and Secretary of the Corporation, and may be revoked at any time by similar notice. Any representative designated hereunder shall be notified of all meetings of the Board and shall have the power to attend and vote at such meetings. However, the director making the designation may attend and vote at any meeting in place and stead of the designated representative.

Section 9. Waiver of Notice. Any director of the Board may waive in a signed writing any notice of a meeting required to be given by these By-Laws before or after such meeting, or at such meeting if such director shall be present at such meeting. The attendance of a director or representative to the Board at any meeting shall constitute a waiver of notice of such meeting by such director except in case a director shall attend a meeting and, prior thereto or at the commencement thereof, protest the lack of notice to him or

her. Notice of an adjourned meeting need not be given to any director present at the time of adjournment.

ARTICLE IV

OFFICERS

Section 1. Appointment. The officers of the Corporation shall be the Chairperson as provided in the Act, the President and Chief Executive Officer, the Vice President, the Chief Fiscal Officer, the Secretary, the Assistant Secretary, and the Treasurer, and such other officers or deputies of officers as may be determined by the Board from time to time to perform such duties as may be designated by the Board. None of the officers of the Corporation need be members of the Board unless otherwise required by applicable law. A person who is otherwise qualified may hold more than one office.

Section 2. Election and Term of Office. Except as otherwise provided in the Act, the officers shall be elected by resolution at a regular meeting of the Board. Each officer shall hold office, unless removed, until his or her successor shall have been elected. Except as otherwise provided in the Act, a vacancy in any office shall be filled by the Board.

Section 3. Removal of Offices by Directors. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4. Chairperson. The Chairperson shall preside at the meetings of the Directors. In addition, the Chairperson shall take a lead in the Board's oversight role, which includes setting the Board's agenda, managing the flow of information to the Board, coordinating the work of the Board's committees and serving as the primary liaison between the Board and senior management.

Section 5. President and Chief Executive Officer. The President and Chief Executive Officer:

- (a) shall be responsible for the discharge of the executive and administrative functions and powers of the Corporation, and shall supervise and control the business and affairs of the Corporation;
- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these By-Laws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- (c) shall in general perform all duties incident to the office of President and Chief Executive Officer.

Section 6. Vice President. In the absence of the President and Chief Executive Officer or in the event of his or her inability or refusal to act, the Vice President:

- (a) shall perform the duties of the President and Chief Executive Officer;
- (b) the Vice President shall also perform such other duties as from time to time may be assigned to him or her by the Board.

Section 7. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these By-Laws or as required by Law;
- (c) be custodian of the records of the Corporation;
- (d) keep a register of the names and post office addresses of all members of the board of directors and all of the elected officials who are representatives to the Board;

- (e) have general charge of the books of the Corporation;
- (f) keep on file at all times a complete copy of the Act and By-Laws of the Corporation containing all amendments thereto; and
- (g) in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to her or him by the Board.

Section 8. Treasurer. The Treasurer shall, subject to the guidance and direction of the President and Chief Executive Officer:

- (a) have charge and custody of and be responsible for all funds and securities of the Corporation;
- (b) be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these By-Laws;
- (c) act as controller of the Corporation and shall be in charge of the books and accounts, the accounting procedures and financial operations of the Corporation, and
- (d) in general perform all the duties incident to the office of Treasurer, and such other duties as from time to time be assigned to her or him by the Board or President.

Section 9. Compensation. The powers, duties and compensation, if any, of officers and employees shall be fixed by the Board, subject to the provisions of applicable laws and these By-Laws. No Chairperson who is also the President and Chief Executive Officer shall participate in determining the level of compensation or reimbursement, or time and attendance rules for the position of the President and Chief Executive Officer.

ARTICLE V
FINANCIAL TRANSACTIONS

Section 1. Approval of Activities. All of the activities of the Corporation shall be and remain subject to the supervision and control of the Board of Directors.

Section 2. Contracts. Except as otherwise provided in these By-Laws, the Board may authorize any officer or officers, agent or agents, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc.. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

Section 4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks, trust companies or other depositories as the Board may select.

Section 5. Fiscal Year. The fiscal year of the Corporation shall mean a twelve month period commencing April 1st of each and every year and shall end on the following March 31st.

Section 6. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or any special purpose of the Corporation.

Section 7. Loans. The Board of Directors shall not, directly or indirectly, including through a subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee of the Corporation.

ARTICLE VI

BOOKS, RECORDS, AUDITS AND REVIEWS

Section 1. Books and Records. The Corporation shall keep correct and complete books, records and accounts and shall also keep minutes of the proceedings of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the directors. All books and records of the Corporation may be inspected by the New York State Department of Audit and Control.

Section 2. Audits. The Corporation shall annually cause an audit to be performed by an independent certified public accountant.

ARTICLE VII

INDEMNIFICATION

Section 1. Defense and Indemnification of Directors, Officers and Employees of the Corporation. The Corporation confers the benefits of Section 18 of the Public Officers Law upon its directors, officers and employees and shall be held liable for the costs incurred under such provisions.

ARTICLE VIII

MISCELLANEOUS

Section 1. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations not inconsistent with law, the Act, or these By-Laws, as it may deem advisable for the management of the business and affairs of the Corporation.

Section 2. Standing and Advisory Committees. The Board of Directors shall, by resolution, establish a governance committee and an audit committee as standing committees, and by resolution, establish other standing and advisory committees. The purposes of these committees are to be specified in their adopting resolution. Standing and advisory committees shall serve at the pleasure of the Board of Directors. At least one member of the Board of Directors shall be appointed by the chairperson with the consent of the Board of Directors. Under no circumstances may the number of Directors serving on any standing or advisory committee be equal to the number of Directors needed for a quorum of a meeting of the Board of Directors then in office.

Section 3. Governance Committee. The governance committee shall be comprised of not less than three Directors who (1) are each independent, as such term is defined in Section 2825 of the Public Authorities Law; (2) shall constitute a majority on the committee; and (3) shall possess the necessary skills to understand the duties and functions of the governance committee; provided, however, that in the event that the Board has less than three independent members, the Board may appoint non-independent members to the governance committee, provided that independent members must constitute a majority of the members of the governance committee. It shall be the responsibility of the governance committee to keep the Board of Directors informed of current best governance practices; to review corporate governance trends; to recommend updates to the Corporation's corporate governance principles; to advise appointing authorities on the skills and experiences required of potential Board members; to examine ethical and conflict of interest issues; to perform Board self-evaluations; and to recommend by-laws which include rules and procedures for conduct of Board business.

Section 4. Audit Committee. The audit committee shall be comprised of not less than three Directors who (1) are each independent, as such term is defined in Section 2825 of the Public Authorities Law; (2) shall constitute a majority of such committee; and (3) shall possess the necessary skills to understand the duties and functions of the audit committee; provided, however, that in the event that the Board has less than three independent members, the Board may appoint non-independent members to the audit committee, provided that independent members must constitute a majority of the members of the audit

committee. The committee shall recommend to the Board of Directors the hiring of a certified independent accounting firm for the Corporation, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. Members of the audit committee shall be familiar with corporate financial and accounting practices.

ARTICLE IX

AMENDMENTS TO BY-LAWS

The By-Laws may be altered, amended, or repealed by a majority of the directors then in office at any meeting, provided notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or such requirement shall have been duly waived by all directors.

BYLAWS.10

The Roosevelt Island Operating Corporation (RIOC)
 APPROVED CAPITAL PLAN 2017/2018 (In Thousands)

	Projected Actual	Approved Budget	Approved Budget	Projected Budget	Budgets 2018-2027								
	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
1	Sports Fields/Parks												
	\$200	\$834	\$500	\$578	\$206	\$197	\$228	\$219	\$252	\$245	\$259	\$274	\$2,957
	504 Main Street Children's Reading Park												
		\$300	\$50	\$400	\$20		\$20		\$20				\$510
	Blackwell Park - Basketball Courts Resurfacing & Lighting												
		\$60											\$0
	Islandwide Playground equipment												
	\$50		\$200	\$20	\$21	\$23	\$25	\$28	\$31	\$34	\$37	\$41	\$460
	Miscellaneous Upgrades & Improvements - Reserve												
	\$150	\$364	\$150	\$158	\$165	\$174	\$182	\$191	\$201	\$211	\$222	\$233	\$1,887
	Octagon Park - Comfort Station Rehab												
		\$60											\$0
	Southpoint Park Landscaping												
		\$50	\$100										\$100
2	Historic & Landmark Structures												
	\$461	\$232	\$1,800	\$788	\$276	\$314	\$304	\$344	\$335	\$377	\$369	\$388	\$5,294
	Blackwell House Renovation (interior and porch)												
	\$212		\$900	\$25		\$25		\$25		\$25			\$1,000
	Blackwell House Renovation (exterior)												
		\$33		\$500									\$500
	Miscellaneous Upgrades & Improvements - Reserve												
	\$199		\$250	\$263	\$276	\$289	\$304	\$319	\$335	\$352	\$369	\$388	\$3,144
	Renwick Ruins - interim and long-term stabilization												
	\$50	\$199	\$650										\$650
3	Infrastructure Improvements												
	\$2,203	\$15,763	\$11,315	\$17,316	\$4,722	\$2,593	\$2,670	\$2,853	\$2,943	\$3,141	\$3,245	\$3,457	\$54,254
	36 Avenue Bridge Helix												
	\$200		\$300	\$150	\$300								\$750
	Bike Ramp												
	\$100		\$400	\$3,500									\$3,900
	Blackwell Park Plaza & Fountain												
	\$250	\$1,000	\$1,500	\$500									\$2,000
	Eastern Pier (Ferry Landing)												
	\$50		\$100										\$100
	Good Shepherd - Land & Streetscape												
	\$50			\$50		\$50		\$50		\$50		\$50	\$250
	Islandwide Road Improvements - Reserve												
	\$250	\$210	\$250	\$263	\$276	\$289	\$304	\$319	\$335	\$352	\$369	\$388	\$3,144
	Islandwide Sidewalk replacement, crosswalks												
	\$200		\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$295	\$310	\$2,516
	Islandwide Z Brick Replacement - Reserve												
	\$300	\$100	\$100	\$105	\$110	\$116	\$122	\$128	\$134	\$141	\$148	\$155	\$1,258
	Seawall - Islandwide Reserve												
	\$100		\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	\$1,276	\$1,340	\$1,407	\$1,477	\$1,551	\$12,578
	Seawall - Railings Replacement and Reserve												
	\$150	\$2,000	\$5,000	\$5,000	\$200	\$210	\$221	\$232	\$243	\$255	\$268	\$281	\$11,910
	Seawall - Southpoint Open Space Park												
	\$100	\$10,000	\$2,000	\$6,000	\$2,000								\$10,000
	Sewer Upgrades - Reserve												
	\$244	\$244	\$250	\$263	\$276	\$289	\$304	\$319	\$335	\$352	\$369	\$388	\$3,144
	Site Amenities - Benches, Waste Receptacles - Res.												
	\$87	\$87	\$90	\$95	\$99	\$104	\$109	\$115	\$121	\$127	\$133	\$140	\$1,132
	Utilities Infrastructure Improvements - Reserve												
	\$122	\$122	\$125	\$131	\$138	\$145	\$152	\$160	\$168	\$176	\$185	\$194	\$1,572
	West Drive Re-Paving												
		\$2,000											\$0
4	Facilities & Offices												
	\$8,415	\$7,062	\$11,795	\$1,465	\$1,538	\$1,615	\$1,696	\$1,780	\$1,869	\$1,963	\$2,061	\$2,164	\$27,946
	AVAC General Repair Reserve												
	\$500		\$500	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$6,289
	AVAC Improvements												
	\$50		\$250										\$250
	AVAC Interior Painting												
		\$300											\$0
	AVAC Mechanical/Piping - Reserve												
		\$244											\$0
	Miscellaneous Facilities & Offices - Reserve												
	\$115	\$115	\$120	\$126	\$132	\$139	\$146	\$153	\$161	\$169	\$177	\$186	\$1,509
	Motorgate Garage - Reserve												
	\$250	\$232	\$250	\$263	\$276	\$289	\$304	\$319	\$335	\$352	\$369	\$388	\$3,144
	Motorgate Garage South - Restoration												
			\$7,000										\$7,000
	SportsPark - Boiler Replacement												
	\$1,300												\$0
	SportsPark - Concrete Restoration and Reconstruction												
		\$410											\$0
	Sportspark - Electric												
		\$1,800											\$0
	Sportspark - HVAC												
	\$200	\$1,500	\$500										\$500
	Sportspark - Locker Rooms/Bathrooms/Ceilings/Floors												
			\$1,000										\$1,000
	Sportspark - Pool Repair/ Starting Blocks												
	\$250												\$0
	Sportspark - General Refurbishment												
			\$500										\$500
	Sportspark - Replace Windows and Doors												
		\$845	\$850										\$850

The Roosevelt Island Operating Corporation (RIOC)
 APPROVED CAPITAL PLAN 2017/2018 (In Thousands)

	Projected Actual	Approved Budget	Approved Budget	Projected Budget	Budgets 2018- 2027								
	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Sportspark - Roof & Façade Repair	\$3,700	\$1,500											\$0
Sportspark Rehabilitation - Reserve	\$500	\$116	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$6,603
Warehouse/Bus Garage Rehabilitation	\$1,500												\$0
Youth Center Refurbishment	\$50		\$300										\$300
5 Equipment & Vehicles	\$2,406	\$2,556	\$1,799	\$1,335	\$1,359	\$1,366	\$1,391	\$1,672	\$1,621	\$1,738	\$1,784	\$1,930	\$15,995
Admin - (2) GEMs	\$25	\$25				\$30				\$35			\$65
Bus - F-350 Pickup				\$40							\$60		\$100
Bus - Garage Lift	\$30	\$30											\$0
Bus - Hybrid Buses	\$950	\$1,050	\$998	\$1,047	\$1,100	\$1,155	\$1,212	\$1,273	\$1,337	\$1,404	\$1,474	\$1,547	\$12,546
Engineering - Ford Escape	\$25	\$25						\$33					\$33
Grounds - (1) Lawn Mower	\$25	\$25							\$25				\$25
Grounds - (2) Ford F130	\$50	\$50							\$26			\$28	\$54
IT - CPU & Monitor (Workstations)	\$20	\$20	\$20	\$21	\$10	\$5	\$5	\$10	\$5	\$5	\$5	\$6	\$92
IT - Disaster Recovery (on/offsite data storage)	\$150	\$150	\$75										\$75
IT - Firewall (Sonicwall & Implementation Prof Services)	\$10	\$10	\$10		\$20					\$30			\$60
IT - Inventor System Upgrade	\$120	\$120	\$15										\$15
IT - Multi-Function Units (Copier/Printer/Fax/Scanner)	\$50	\$50	\$0										\$0
IT - Plotter (Engineering)	\$5	\$5	\$30				\$10						\$40
IT - Security (access control - Camera)	\$100	\$100	\$50										\$50
IT - Security (access control - swipe cards)	\$150	\$150	\$150										\$150
IT - Servers Infrastructure	\$15	\$15	\$100	\$75				\$85				\$100	\$360
IT - Software Upgrades	\$60	\$60	\$60	\$66	\$69	\$73	\$77	\$80	\$84	\$89	\$93	\$98	\$789
IT - Storage System (Hardware)	\$10	\$10	\$10		\$5		\$5		\$5		\$5		\$30
IT - Telecom (Cables/Fiber to Connect to Data Center)	\$100	\$100	\$100										\$100
IT - Telecommunication (New Phone System)	\$200	\$200											\$0
IT - Upgrade of Network Switches & Hubs	\$30	\$30	\$100		\$30			\$30			\$40	\$40	\$240
IT - Website Redesign	\$100	\$100	\$20	\$10	\$10	\$20	\$10	\$10	\$10	\$30	\$10		\$130
IT - Wireless Access Point	\$10	\$10	\$3		\$10			\$10			\$10		\$33
Misc. Reserve	\$56	\$56	\$59	\$62	\$65	\$68	\$71	\$75	\$79	\$83	\$87	\$91	\$740
Motorpool - (2) GEMS /Utility Vehicles					\$40				\$50				\$90
Motorpool - Aerial Truck Lift	\$35	\$35								\$45			\$45
Outdoor Fitness		\$5											\$0
P.S. - 2 Vehicles	\$50	\$50						\$50					\$50
P.S. - Bicycles	\$8	\$8											\$0
P.S. - Gems (2)	\$12	\$12		\$14		\$15		\$16		\$18		\$20	\$83
P.S. - Radios	\$10	\$10											\$0
Sportspark Vehicle		\$25											\$0
Sportspark - Starting Block		\$20											\$0
6 Special Projects	\$0	\$355	\$150	\$150	\$0	\$300							
P.S. - Island Wireless Security Camera System		\$300	\$150	\$150									\$300
Other - Special Projects		\$55											\$0
7 Lighting & Signage	\$56	\$56	\$60	\$63	\$66	\$69	\$73	\$77	\$80	\$84	\$89	\$93	\$755
Street Light Replacement & Signage - Reserve	\$56	\$56	\$60	\$63	\$66	\$69	\$73	\$77	\$80	\$84	\$89	\$93	\$755
8 Tram	\$1,750	\$2,500	\$6,025	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$12,103

The Roosevelt Island Operating Corporation (RIOC)
 APPROVED CAPITAL PLAN 2017/2018 (In Thousands)

	Projected Actual	Approved Budget	Approved Budget	Projected Budget	Budgets 2018- 2027								
	2017	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Tram - Elevator Manhattan Station	\$500	\$1,250	\$2,000										\$2,000
Tram - Facilities (addition for operations and staff)		\$700											\$0
Tram - Platforms Roosevelt Island, Manhattan			\$3,500										\$3,500
Tram - Roof Replacement Manhattan Station	\$750												\$0
Tram - Capital Reserve	\$500	\$550	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$6,603
9 Southpoint Park	\$0	\$221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve	\$0	\$221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Miscellaneous	\$500	\$607	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$6,603
Reserve	\$500	\$607	\$525	\$551	\$579	\$608	\$638	\$670	\$704	\$739	\$776	\$814	\$6,603
TOTAL CAPITAL IMPROVEMENTS	\$15,991	\$30,186	\$33,969	\$22,796	\$9,324	\$7,369	\$7,637	\$8,286	\$8,508	\$9,025	\$9,358	\$9,935	\$126,208

The Roosevelt Lsland Operating Corporation (RIOC)
(A Component Unit of the State of New York)
Budget Variance Report
 For The Year Ended March 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>	
			<u>Variance</u>	<u>Percent</u>
Revenue				
Residential Fees Revenue	1,597,203	2,017,000	(419,797)	-21%
Ground rent	21,134,048	12,124,000	9,010,048	74%
Commercial Rent	1,616,027	1,615,000	1,027	0%
Tramway Revenue	4,205,271	5,715,000	(1,509,730)	-26%
Public Safety Reimbursement	1,971,791	1,958,000	13,791	1%
Transport / Parking Revenue	2,543,302	2,645,000	(101,698)	-4%
Interest Income	163,154	106,000	57,154	54%
Unrealized Gain (Loss)	(29,384)	0	(29,384)	0%
Other Revenue	1,146,302	1,789,000	(642,698)	-36%
Total revenue	<u>34,347,714</u>	<u>27,969,000</u>	<u>6,378,714</u>	<u>23%</u>
Expenses:				
Personal Services (PS) :				
Salaries	7,569,544	8,329,477	759,933	9%
Salaries-overtime	384,114	343,000	(41,114)	-12%
Temporary Employees	138,517	166,000	27,483	17%
Workers Compensation & Disability	221,235	352,391	131,156	37%
ER Payroll Taxes	686,882	730,192	43,310	6%
Health Insurance	1,610,044	1,877,607	267,563	14%
Dental/Vision	86,519	85,862	(657)	-1%
Pension	870,727	1,123,010	252,283	22%
Other Employee Benefits	871,522	383,438	(488,084)	-127%
Compensated Absences Expenses	83,811	0	(83,811)	0%
Total personal services (PS)	<u>12,522,916</u>	<u>13,390,977</u>	<u>868,061</u>	<u>6%</u>
Other Than Personal Services (OTPS) :				
Insurance	1,851,010	1,831,000	(20,010)	-1%
Professional Services	753,975	1,156,917	402,942	35%
Marketing / Advertisting	20,653	25,500	4,847	19%
Management Fees	4,991,085	4,550,000	(441,085)	-10%
Legal Services	448,694	555,000	106,306	19%
Telecommunications	137,156	137,200	44	0%
Island Improvements/Capital Plan	139,694	207,000	67,306	33%
Repairs & Maintenance	239,928	317,000	77,072	24%
Repairs & Maintenance Equipment	49,825	31,000	(18,825)	-61%
Other Repairs & Maintenance	79,829	90,000	10,171	11%
Vehicles Gas	122,899	127,500	4,601	4%
Vehicles Repair & Maintenance	104,125	110,000	5,875	5%
Vehicles Parts	19,281	32,000	12,719	40%
Equipment Lease	27,531	23,000	(4,531)	-20%
Office Equipment Purchase	21,075	15,000	(6,075)	-41%
Equipment Purchases	64,377	21,500	(42,877)	-199%
Other Equipment Purchases	49,458	1,000	(48,458)	-4846%
Exterminator	4,708	13,500	8,792	65%
Uniforms	49,239	64,500	15,261	24%
Light, Power, Heat	658,445	780,000	121,555	16%
Water & Sewer	33,607	27,000	(6,607)	-24%
Office Supplies	30,157	18,400	(11,757)	-64%
Parts & Supplies	250,683	211,600	(39,083)	-18%
Service Maintenance Agreement	63,450	108,055	44,605	41%
Employee Travel & Meal	7,391	10,400	3,009	29%
Employee Training	25,291	50,000	24,709	49%
Shipping	18,447	17,650	(797)	-5%
Subscriptions / Membership	17,922	23,600	5,678	24%
Other Expenses	362,164	603,950	241,786	40%
Island Events - Community Relations	100,952	86,000	(14,952)	-17%
Total other than personal services (OTPS)	<u>10,743,051</u>	<u>11,245,272</u>	<u>502,221</u>	<u>4%</u>
Total expenses	<u>23,265,967</u>	<u>24,636,249</u>	<u>1,370,282</u>	<u>6%</u>
Operating income before depreciation	11,081,747	3,332,751	7,748,996	233%
Depreciation expenses	3,671,280	3,991,106	319,826	8%
Net surplus (deficit)	<u>\$ 7,410,466</u>	<u>\$ (658,355)</u>	<u>\$ 8,068,821</u>	<u>1226%</u>

Procurement Transactions Bulk Load Worksheet
Version 1.8

Procurement Transaction
In accordance with Sections 2879 and 2824(a) of the Public Authorities Law, please provide the following information on each procurement contract that was active (open) at any time during the reporting period.

Columns whose names contain "*" are required and must have values for each record to be loaded. Do not enter blank lines, as a blank line (a line with no information) will be regarded as an error of the file.
This worksheet must be saved as type "csv" in order to be uploaded to PARIS. Select "Save As" from the "File" menu above and select "CSV (comma delimited)" as the file type.
Note: Most cells have some level of validation, however, validation in Excel only functions when you actually type data in the cell. It is recommended that you selectively check validation in rows that you have copied data into.

RIOC FY 17-18 Annual Report, Attachment K - Non Competitive Acquisitions

Vendor Name	Transaction Number	Description	Status	Type of Procurement	Award Process	Award Date	Renewal	Does the contract have an end date?	Start Date	End Date	Amount Expended For Fiscal Year	Amount Expended For Life To Date	Current or Outstanding Balance	Number of Proposals Received Prior to Award of Contract	Is the Vendor a Minority or Woman Owned Business Enterprise?	Is the Vendor a Minority or Woman Owned Business Enterprise?	Were MWBE firms solicited as part of this procurement process?	Number of bids or proposals received from MWBE firms	Exempt from the publication requirements of Article 4-c of the economic development law?	If yes, basis for exemption	Fair Market Value	Explain why the fair market value is less than the contract	Address Line 1	Address Line 2	City	State	Postal Code	Province/Region	Country	Country Name
ADAPT COMPUTER SERVICES INC @IMPACT	33029	ANNUAL RECORDS MANAGEMENT SYSTEM MAINTENANCE	Completed	Technology - Consulting/Development or Support	Authority Contract - Non-Competitive Bid	08/14/17	08/14/17	Y	03/31/18	03/31/18	\$ 5,100.00	\$ 5,100.00	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$100.00		600 BK COUNTY BLVD	SUITE 122	FARRINGDALE	NY	11730		USA	USA
ADAPT COMPUTER SERVICES INC @IMPACT	34738	IMPACT BOF TWAIR UPGRADE POB	Open	Technology - Software	Authority Contract - Non-Competitive Bid	02/22/18	02/22/18	Y	06/29/18	06/29/18	\$ 7,188.25	\$ 7,188.25	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$50,000		801 BK COUNTY BLVD	SUITE 122	FARRINGDALE	NY	11730		USA	USA
ADAP INC	32875	BI-CYCLE RAMP PROJECT	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	10/19/16	10/19/16	Y	03/31/18	03/31/18	\$ 10,000.00	\$ 7,970.00	\$ 2,430.00	1	NYS	N	N	0	Y	SOLE SOURCE	\$58,000		440 PARK AVENUE SOUTH	7TH FL	NEW YORK	NY	10036		USA	USA
ALL STAR ELECTRICAL SERVICES INC	33726	SPORTS PARK EMERGENCY ELECTRICAL REPAIRS	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	06/23/17	06/23/17	Y	06/29/17	06/29/17	\$ 34,739.92	\$ 34,739.92	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$4750.00		35 WEST 31ST STREET		NEW YORK	NY	10001		USA	USA
ALL STAR ELECTRICAL SERVICES INC	34036	REPAIR POWER OUTAGE AT MTOIRGANE STAROWELLS	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	11/19/17	11/19/17	Y	12/21/17	12/21/17	\$ 9,079.00	\$ 9,079.00	\$ -	1	NYS	N	N	0	Y	Emergency	\$900.00		35 WEST 31ST STREET		NEW YORK	NY	10001		USA	USA
AMOST CONSULTING INC	33993	PRACTICAL SOLUTIONS TRAINING	Completed	Consulting Services	Authority Contract - Non-Competitive Bid	03/29/17	03/29/17	Y	03/31/18	03/31/18	\$ 10,000.00	\$ 10,000.00	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$50,000		154 WALTON TERRACE		MONROE	NY	10506		USA	USA
BLACKBAUD	31711	THREE YEAR SERVICE AGREEMENT	Completed	Financial Services	Authority Contract - Non-Competitive Bid	03/07/16	03/07/16	Y	02/06/18	02/06/18	\$ 38,762.03	\$ 38,762.03	\$ -	1	Foreign	N	N	0	Y	Continuation Of Existing Services	\$676.00		PO BOX 60256		ATLANTA	GA	31193	296	USA	USA
BLACKBAUD	34633	10 PACK USER LICENSES FOR FINANCIAL EDGE	Completed	Financial Services	Authority Contract - Non-Competitive Bid	01/30/18	01/30/18	Y	03/31/18	03/31/18	\$ 13,000.00	\$ 13,000.00	\$ -	1	Foreign	N	N	0	Y	Continuation Of Existing Services	\$320.00		PO BOX 60266		ATLANTA	GA	31193	296	USA	USA
CERAMAT	33667	MONITORING OF FIREWALL SUPPORT	Completed	Technology - Software	Authority Contract - Non-Competitive Bid	06/09/17	06/09/17	Y	06/29/17	06/29/17	\$ 9,405.00	\$ 9,405.00	\$ -	1	Foreign	N	N	0	Y	SOLE SOURCE	\$400.00		PO BOX3204		DUBLIN	OH	43017		USA	USA
CIITEK SERVICES INC	32666	HIGHWAY LICENSE & MAINTENANCE RENEWAL	Completed	Technology - Software	Authority Contract - Non-Competitive Bid	05/08/17	05/08/17	Y	03/31/18	03/31/18	\$ 9,277.44	\$ 9,277.44	\$ -	1	Foreign	N	N	0	Y	SOLE SOURCE	\$277.44		15 REBETHANK DRIVE DEPT 1581		CHECKACK	IL	60632-2361		USA	USA
ELAN ENGINEERING	32705	SEAWALL RAISING	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	09/29/16	09/29/16	Y	12/31/17	12/31/17	\$ 163,200.00	\$ 151,180.11	\$ 12,019.89	1	NYS	N	N	0	Y	SOLE SOURCE	\$13200.00		476 HEALTH PLACE		HACKENSACK	NJ	07632		USA	USA
ENWAC BERIA S.A	29988	AVAC CARBIDE PIPE REPAIRS ON CALL EMERGENCY SERVICE	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	07/16/14	07/16/14	Y	03/31/18	03/31/18	\$ 110,234.00	\$ 92,152.73	\$ 18,101.27	1	Foreign	N	N	0	Y	SOLE SOURCE	\$10234.00		89YGGVAGEN 16-18	S-117 84	STOCKHOLM	NY	00000		Other	SWEDEN
ENWAC BERIA S.A	31785	AVAC CARBIDE PIPE REPAIRS	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	01/08/16	01/08/16	Y	03/31/18	03/31/18	\$ 600,000.00	\$ 75,033.75	\$ 178,299.00	1	Foreign	N	N	0	Y	SOLE SOURCE	\$600000.00		89YGGVAGEN 16-18	S-117 84	STOCKHOLM	NY	00000		Other	SWEDEN
ENWAC BERIA S.A	34954	REPLACE CONTROL VALVES IN AVAC SYSTEM	Open	Commodities/Supplies	Authority Contract - Non-Competitive Bid	01/11/18	01/11/18	Y	03/31/18	03/31/18	\$ 22,248.47	\$ -	\$ 22,248.47	1	Foreign	N	N	0	Y	SOLE SOURCE	\$50,000		89YGGVAGEN 16-18	S-117 84	STOCKHOLM	NY	00000		Other	SWEDEN
EQ FACILITY INC	33446	YEARLY EQ FACILITY YEARLY SCHEDULE FOR PREBIDS	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	04/12/17	04/12/17	Y	06/19/17	06/19/17	\$ 6,089.00	\$ 6,089.00	\$ -	1	NYS	N	N	0	Y	Continuation Of Existing Services	\$689.00		87 FREDRICK FARM BLVD		WOODSBURY	NY	11793		USA	USA
GERALD BORGENTE	34219	CONSULTANT FOR THE AVAC SYSTEM	Open	Consulting Services	Authority Contract - Non-Competitive Bid	10/24/17	10/24/17	Y	03/31/18	03/31/18	\$ 30,000.00	\$ 6,850.00	\$ 24,150.00	1	Foreign	N	N	0	Y	SOLE SOURCE	\$50,000		80 BAY STREET ARMONK TA		STATEN ISLAND	NY	10301		USA	USA
HANKS WEBB JAEGER	34046	TEMPORARY DIRECTOR OF ENGINEERING DEPT	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	06/30/16	06/30/16	Y	06/23/17	06/23/17	\$ 387,818.00	\$ 290,569.26	\$ 107,287.48	1	Foreign	N	N	0	Y	Emergency	\$87618.00		80 WALL WHIRMAN ROAD		MELVILLE	NY	11747		USA	USA
HERSCHE EQUIPMENT CO INC	33511	HANK YOUTHNESS TESTING	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	06/29/16	06/29/16	Y	06/29/17	06/29/17	\$ 978.00	\$ 978.00	\$ -	1	NYS	N	N	0	Y	Continuation Of Existing Services	\$782.00		42 FIELD STREET		WEST BABYLON	NY	11704		USA	USA
HERSCHE EQUIPMENT CO INC	33585	HANK YOUTHNESS TESTING	Open	Other Professional Services	Authority Contract - Non-Competitive Bid	09/18/17	09/18/17	Y	03/31/18	03/31/18	\$ 11,700.00	\$ 2,535.00	\$ 9,165.00	1	NYS	N	N	0	Y	Continuation Of Existing Services	\$1700.00		42 FIELD STREET		WEST BABYLON	NY	11704		USA	USA
HERSCHE EQUIPMENT CO INC	34343	CAS BOYTHNESS TESTING	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	11/21/17	11/21/17	Y	01/18/18	01/18/18	\$ 9,077.40	\$ 9,077.40	\$ -	1	NYS	N	N	0	Y	Continuation Of Existing Services	\$977.40		42 FIELD STREET		WEST BABYLON	NY	11704		USA	USA
HIGH TOUCH LLC	33880	INSTALL ROLL DOWN GATE AT MANHATTAN TRAM STATION	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	08/03/17	08/03/17	Y	08/14/17	08/14/17	\$ 5,968.25	\$ 5,968.25	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$968.25		P.O. BOX 410		YONKERS	NY	10710		USA	USA
LANSAN ENGINEERING AND ENVIRONMENTAL SERVICE INC	27356	SOUTHPOINT PARK GERRILL SURVEY	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	12/12/12	12/12/12	Y	03/31/18	03/31/18	\$ 479,000.00	\$ -	\$ 479,000.00	1	NYS	N	N	0	Y	Time of the Essence	\$479000.00		90 BOX 58463		PITTSBURGH	PA	15253	5606	USA	USA
MERE MECHANICAL CORP	33954	EMERGENCY REPAIRS TO HWY SYSTEM AT THE CULTURAL CENTER	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	09/18/17	09/18/17	Y	06/29/17	06/29/17	\$ 6,785.00	\$ 6,785.00	\$ -	1	NYS	N	N	0	Y	Emergency	\$785.00		98-01 NORTHERN BLVD		WOODSIDE	NY	11377		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	33707	SPORTS PARK EMERGENCY PLUMBING REPAIRS	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	06/22/17	06/22/17	Y	06/29/17	06/29/17	\$ 12,612.72	\$ 12,612.72	\$ -	1	NYS	N	N	0	Y	Emergency	\$812.72		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	34038	REPAIR SEWAGE STOPPAGE AT OCTAGON SOCCER FIELD	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	09/13/17	09/13/17	Y	09/18/17	09/18/17	\$ 67,685.83	\$ 67,685.83	\$ -	1	NYS	N	N	0	Y	Emergency	\$1685.83		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	34410	REPLACE EJECTION PUMP AT BOYS CENTER ROOM	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	12/04/17	12/04/17	Y	12/09/17	12/09/17	\$ 20,052.63	\$ 20,052.63	\$ -	1	NYS	N	N	0	Y	Emergency	\$2052.63		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	34426	REPAIR OF DOWN PIPE OFF HELIX RAMP	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	12/06/17	12/06/17	Y	01/25/18	01/25/18	\$ 5,449.47	\$ 5,449.47	\$ -	1	NYS	N	N	0	Y	Emergency	\$449.47		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	34659	REPLACE TOILET URINAL PIPING AND FLSHOMETERS AT SPARK	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	01/03/18	01/03/18	Y	01/18/18	01/18/18	\$ 7,173.21	\$ 7,173.21	\$ -	1	NYS	N	N	0	Y	Emergency	\$717.21		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NEW YORK PLUMBING AND HEATING COOLING CORP	34952	REPAIR OF DOWN PIPE OFF HELIX RAMP	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	02/08/18	02/08/18	Y	05/03/18	05/03/18	\$ 11,182.37	\$ 11,182.37	\$ -	1	NYS	N	N	0	Y	Emergency	\$1182.37		87-71 LEFFERTS BLVD		RICHMOND HILL	NY	11418		USA	USA
NYC TRANSIT AUTHORITY	34953	AGREEMENT TO REMOVE AND INSTALL MFA TURNSTYLES	Open	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	02/21/18	01/26/17	Y	03/31/18	03/31/18	\$ 64,461.00	\$ -	\$ 64,461.00	1	NYS	N	N	0	Y	SOLE SOURCE	\$24461.00		4 BROADWAY	8th FL	NEW YORK	NY	10004		USA	USA
SAFE TECH USA LTD	33347	FIRE ALARM SERVICE AGREEMENT	Completed	Other Professional Services	Authority Contract - Non-Competitive Bid	03/18/17	03/18/17	Y	03/31/18	03/31/18	\$ 5,560.00	\$ 5,560.00	\$ -	1	NYS	N	N	0	Y	Continuation Of Existing Services	\$560.00		110-33 14TH AVENUE	SUITE 200	WHITESTONE	NY	11107		USA	USA
SENTRY ELECTRIC LLC	33924	BANKERS ARMS FOR LAMP POOLS	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	09/14/17	09/14/17	Y	11/03/17	11/03/17	\$ 5,900.00	\$ 5,900.00	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$900.00		116 BUFFALO AVENUE		FRESHPORT	NJ	07024		USA	USA
STEPHEN MARTIN	34220	CONSULTED LUMINOUS APPLICATIONS FINING SERVICES	Completed	Design and Construction/Maintenance	Authority Contract - Non-Competitive Bid	12/29/17	12/29/17	Y	12/21/17	12/21/17	\$ 5,000.00	\$ 5,000.00	\$ -	1	NYS	N	N	0	Y	SOLE SOURCE	\$600.00		181 THOMPSON STREET		NEW YORK	NY	10012		USA	USA
TURTLE & HESSES INC	34257	PARTS FOR HANK CONTROL PANEL	Completed	Commodities/Supplies	Authority Contract - Non-Competitive Bid	11/01/17	11/01/17	Y	02/23/18	02/23/18	\$ 10,075.83	\$ 10,075.83	\$ -	1	NYS	N	N	0	Y	SOLE VENDOR	\$10075.83		1000 LOWER ROAD		INDLER	NJ	07036		USA	USA
WEST GROUP PAYMENT CENTER	30048	ACCESS TO ONLINE LEGAL RESEARCH LIBRARIES	Completed	Legal Services	Authority Contract - Non-Competitive Bid	08/09/14	08/09/14	Y	03/31/18	03/31/18	\$ 6,142.58	\$ 6,032.44	\$ 1,110.14	1	Foreign	N	N	0	Y	SOLE SOURCE	\$3032.44		PO BOX 6262		CAROL STREAM	IL	60107	6262	USA	USA
WEST GROUP PAYMENT CENTER	34044	ON LINE WESTLAW SERVICES	Open	Legal Services	Authority Contract - Non-Competitive Bid	09/12/17	09/13/17	Y	03/31/18	03/31/18	\$ 4,403.20	\$ 4,403.20	\$ -	1	Foreign	N	N	0	Y	SOLE VENDOR	\$4032.00		PO BOX 6262		CAROL STREAM	IL	60107	6262	USA	USA