

Capitalize Albany Corporation Finance & Investment Committee Meeting
MINUTES
January 20, 2015

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 8:30 a.m., Tuesday, January 20, 2015 at 21 Lodge Street.

The following were in attendance:

Committee Members:

Jeff Sperry
Bob Curley
John Vero
John Harris

Other:

Tom Owens

Staff:

Sarah Reginelli, Brad Chevalier, Mark Opalka and Chantel Burnash.

The regular meeting of the Capitalize Albany Corporation Finance & Investment Committee was called to order at 8:30 a.m.

Approval of Minutes for November 18, 2014 Finance & Investment Committee Meeting

The Committee reviewed the minutes of the November 18, 2014 meeting. Jeff Sperry made a motion for approval. Bob Curley seconded. The Committee agreed unanimously to approve the minutes.

4th Quarter Investment Update

Staff reviewed the 4th quarter investment report. In the fourth quarter the value of the investment portfolio of CAC increased by \$21,369.79 to \$3,411,362.16. Currently, cash and cash equivalents are approximately \$1.89 million or 59% of the portfolio; fixed income investments are approximately \$902,000 or 28% of the portfolio; and equities are approximately \$443,000 or 13% of the portfolio.

2014 Loan Debt Allowances

Staff reviewed the bad debt allowance rationale. Angela Boney's allowance percentage was kept at 75%. The borrower made payments of \$3,420 during 2014, but remains 10 months in arrears. Ace Holding's allowance remains at 100% for both CAC direct and Enterprise loans. No payments were made in 2014. Ten Broeck Manor's allowance remains at 50% of outstanding loan balance, with the principal being due in 2018. Albany Center for Economic Success' allowance remains at 100% and no payments were made in 2014. Historic Mansions Pastures LLC reduced its allowance by \$200,000. Steuben Place Partners' allowance remains at 100% and no payments were made in 2014. The Historic Albany Foundation paid its loan balance in

full but still owes accrued interest. The Center for Medical Science's allowance remains at 100% and no payments were made in 2014. There is no allowance on the remaining 22 loans.

Quarterly Financial Reports

Staff reviewed the 4th quarter financial reports with the Committee. On a pre-audit basis, through December 31, 2014, CAC had a net income of approximately \$1,461,000. This position compares favorably to the year-to-date budgeted net loss of approximately \$55,700. CAC had a net loss of approximately \$102,000 during the fourth quarter of 2013.

The significant variances between total budgeted revenue and expense activity through December 31, 2014 and total actual revenue and expense activity is being driven primarily by activity related to the sale of the ground lease at 677 Broadway and the sale of 245 Lark Street. These two transactions resulted in a gain of approximately \$1,450,000.

The year-to-date expenses are \$1,095,932 which is \$260,771 under the 2014 budget. The balance sheet contracted from \$15.5 million as of December 31, 2013 to \$15.4 million as of December 31, 2014. This change is primarily attributable to Impact Downtown Albany cash outlay of approximately \$149,640; depreciation of approximately \$210,000; reduction of bond indebtedness by approximately \$1,070,000 in principal payments; and the gain on sale of 677 Broadway ground lease and the sale of 245 Lark Street.

Other Business

Staff provided an update on the Downtown Albany BID's move into 21 Lodge Street. The move is completed and first month's rent has been received.

Staff also discussed the IDA's professional service and economic development agreements with CAC remains unchanged.

There being no further business the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 9:25 a.m.