



Tuesday, October 25, 2016
21 Lodge Street, Albany NY 12207
8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting
Agenda

1. Review of Minutes from the Regular Meeting of September 20, 2016
2. Guest Speaker: Andrew Kennedy, Center for Economic Growth (CEG)
3. Report of Executive Staff – Corporation Update
4. Report of Finance & Investment Committee
 - a. Quarterly Financial Report
 - b. Resolution 8-2016 2017 Budget Adoption
5. Report of Audit Committee
 - a. Update on Retention of Annual Auditors
 - b. Annual Review Conflict of Interest Policy
6. Report of Governance Committee
 - a. Resolution 9-2016 Annual Review of Property Disposition and Acquisition Policy
 - b. Resolution 10-2016 Annual Review Board & Committee member terms
7. Other Business
8. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, September 20, 2016

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, September 20, 2016 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	Jeff Sperry	Bob Curley	Michael Fancher
James Linnan	Dorsey Whitehead	Mark Sullivan	Anders Tomson participated via phone (participated via conference call but not counted for quorum purposes)
Susan Pedo	Matt Peter	John Vero	
Michele Vennard	John Harris	David Parente	

Other:

Thomas M. Owens, Esq.

Staff:

Sarah Reginelli, Brad Chevalier, Mark Opalka, Chantel Burnash, Ashley Mohl, Sabina Mora, Andy Corcione, and Mike Bohne.

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:02 a.m. The following directors were excused: Nancy Zimpher and Robert Jones.

Approval of Minutes for August 23, 2016 Board Meeting

The Board reviewed the minutes of the August 23, 2016 meeting. John Harris made a motion for approval. Dorsey Whitehead seconded. The Board agreed unanimously to approve the minutes.

Executive Session

A motion to enter into executive session was made by Michael Fancher, seconded by Bob Curley to discuss the employment history of certain individuals. The Board entered into executive session at 8:03 a.m. Board members, Counsel, Corporation President and Vice President remained in the room. The Board left executive session at 8:09 a.m. and returned to its regular session. No actions were taken in executive session.

Guest Speakers: Steven Longo & Darren Scott, Albany Housing Authority

Steven Longo and Darren Scott discussed a proposal to acquire and rehabilitate three properties for the purposes of offering job training and creating a space for a future employer.

Restore NY Discussion

The requested Restore NY funding will be used to showcase the potential of abandoned and underutilized properties participating in the Breathing Lights Program by rehabilitating buildings to offer job training and create “move-in ready” space for a future technology or industrial employer.

The Board expressed support for the proposed project submission for Restore NY funding and acknowledged the importance of addressing vacant, blighted and/or underutilized structures.

Professional Service Contract

Staff informed the Board that a new internal consultant from CFO for Hire will replace the current internal consultant. Staff does not anticipate the cost to exceed the amount outlined in the Corporation’s procurement policy. However if it should, Staff will work with the Finance Committee and will discuss with the Board.

Other Business

Staff updated the Board on the Re-Zone Albany initiative, which is now in the public comment period.

Staff discussed the City of Albany Housing Affordability Task Force, which is holding an upcoming public workshop to receive input regarding the need for affordable housing in the City.

Staff reminded the Board that the Corporation’s annual event will be in November.

Staff informed the Board that the Corporation’s Impact Downtown strategic plan received the International Downtown Association’s 2016 Downtown Achievement Award of Excellence. The Corporation is also receiving the International Economic Development Council’s 2016 Excellence in Economic Development Award for the Park South Urban Renewal Plan.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:03 a.m.

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: Capitalize Albany Corporation Board of Directors
FROM: Mark Opalka
RE: Capitalize Albany Corporation 3rd Quarter Financial Reports
DATE: October 25, 2016

BUDGET PERFORMANCE

On a pre-audit basis, through September 30, 2016, the Capitalize Albany Corporation (CAC) had net income of \$39,339. This position compares favorably to the year-to-date (YTD) budgeted net loss of \$254,480. CAC had net income of \$4,612 at September 30, 2015.

My comments below address those categories that deviate in excess of 5% from the YTD budget.

- ***YTD 2016 revenue is \$1,183,226 which is \$330,179 (39%) above the 2016 budget.***
 - ***Real Estate Income.*** Real Estate income is \$117,445 which is \$7,199 (7%) over budget. This positive variance is a direct result of monies received from the Riverfront Barge and Grill as part of their lease modification and settlement agreement.
 - ***Loan Interest Income.*** Loan interest income is \$68,470 which is \$4,516 (6%) under budget. This negative variance is a direct result mortgage interest that was budgeted for in the 2016 budget on a loan that was paid off in the fourth quarter of 2015.
 - ***Investment & Interest Income.*** Interest and Investment Income is \$94,232 which is 45,562 (94%) over budget. This positive variance is a direct result of market performance that occurred during the first three quarters of 2016 as well as higher interest earning on the Corporation's money market accounts.
 - ***Membership & Event Support.*** Membership and Event Support is \$32,250 which is \$7,250 (29%) over budget. This positive variance is a direct result of increased membership in 2016.
 - ***Project & Program Revenue.*** Project and Program revenue is \$238,500. This revenue is from grant monies received from the Main Street program as well as the Amplify Albany grant programs. These revenues have offsetting project and program expenses. This revenue was not budgeted for in the 2016 budget.

- **YTD 2016 expenses are \$1,143,887 which is \$135,960 (13%) above the 2016 budget.**
 - **Professional Fee Expense.** Professional fee expenses are \$197,235 or 7% under budget. The variance is attributable to lower legal, accounting, and IT expenses.
 - **Administrative Expense.** Administrative expenses are \$66,605 or 35% under budget. This variance is mainly attributable to lower office and insurance expenses as well as board opt-outs for strategic initiatives.
 - **Occupancy Expense.** Occupancy expenses are \$19,800 or 16% under budget. This variance is mainly attributable to lower utility costs incurred by the Corporation.
 - **Membership & Event Expense.** Membership and Event expenses are \$1,064 or 68% under budget. This is attributable to lower marketing expenses incurred during the first three quarters of 2016.
 - **Project & Program Expense.** Project and Program Expenses are \$227,250. This expense was for the disbursement of Main Street grant monies received during the first quarter as well as a Amplify Albany grant disbursement. These expenses were not budgeted for in the 2016 budget.

BALANCE SHEET

- At September 30, 2016, compared to December 31, 2015, unrestricted cash has increased by \$261,401.
- Restricted cash has increased \$38,957 due to loan repayments.
- Mortgage notes receivable has increased by \$117,206. This is a result of a loan closing in the third quarter offset by scheduled loan payment activity..
- Net investment in direct financing leases has been reduced by approximately \$156,949. This is due to scheduled lease payments, the largest of which are the payments from ACDA. Additionally, ACDA payments are applied to the principal amount of bonds outstanding for 200 Henry Johnson Boulevard.
- Liabilities have increased by approximately \$203,103. This is primarily due to deferred grant revenue received in the 2nd Quarter for the Amplify Albany and Retail Grant Programs.

CASH FLOW STATEMENT

- Currently, CAC's December 31, 2016 cash and cash equivalents are anticipated to decrease by \$232,884 to \$3.9 million. This decrease is primarily attributable to the budgeted loan disbursement which occurred during the third quarter of 2016.
- Projected 2016 cash flow provided by operational activities reflect scheduled project grants activity, receipt of payment under the CAIDA Professional Service Agreement, scheduled lease and rental receipts, and payment of various administrative expenses
- Cash used in capital and financing activities reflects scheduled debt service payments during 2016.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

	January 1, 2016 - December 31, 2016								
	Q3	YTD Actual	YTD Budget	Variance - \$	Variance - %	Oct -Dec 2016 Forecast	2016 Projection	Original Budget	Projected Variance from Budget
REVENUE									
General Economic & Community Development Support Income	\$ 62,500	\$ 305,043	\$ 305,043	\$ -	0%	\$ 192,400	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	41,496	117,445	110,246	7,199	7%	187,148	304,593	298,152	6,441
Professional Service Agreement Income	87,146	261,437	225,000	36,437	16%	87,146	348,582	300,000	48,582
Loan Interest Income	24,116	68,470	72,986	(4,516)	-6%	24,513	92,983	97,314	(4,331)
Fee Income	12,878	25,323	25,459	(136)	-1%	6,070	31,393	31,529	(136)
Direct Finance Lease Income	39,901	40,643	40,643	(0)	0%	6,999	47,642	47,643	(0)
Investment & Interest Income	18,922	55,487	48,670	6,817	14%	20,164	75,651	64,894	10,757
FMV Adj on Fidelity Inv	1,826	34,745	-	34,745	100%	-	34,745	-	34,745
G/L on Sale/Redemption	5,318	3,884	-	3,884	100%	-	3,884	-	3,884
Membership & Event Support	6,950	32,250	25,000	7,250	29%	7,500	39,750	33,500	6,250
TOTAL REVENUE	\$ 301,053	\$ 944,726	\$ 853,047	\$ 91,679	11%	\$ 531,940	\$ 1,476,666	\$ 1,370,475	\$ 106,191
EXPENSE									
Salaries Expense	\$ 189,244	\$ 588,306	\$ 621,065	\$ (32,759)	-5%	\$ 191,300	\$ 779,606	\$ 829,322	\$ (49,716)
Professional Fees	53,527	197,235	212,161	(14,926)	-7%	46,609	243,844	265,714	(21,870)
Administrative Expenses	10,146	66,605	102,501	(35,896)	-35%	27,937	94,542	126,940	(32,399)
Interest Expense	6,133	19,215	19,215	-	0%	11,106	30,321	24,594	5,727
Real Estate Expenses	8,640	25,847	25,993	(145)	-1%	11,897	37,746	37,270	476
Occupancy Expense	5,975	19,800	23,618	(3,818)	-16%	21,401	41,201	45,444	(4,243)
Bad Debt Expense (recovery)	-	(1,437)	-	(1,437)	100%	-	(1,437)	-	(1,437)
Membership & Event Expense	64	1,064	3,375	(2,311)	-68%	10,675	11,739	12,175	(436)
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 273,728	\$ 916,635	\$ 1,007,927	\$ (91,292)	9%	\$ 320,925	\$ 1,237,561	\$ 1,341,460	\$ (103,898)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ 27,324	\$ 28,091	\$ (154,880)	\$ 182,971	118%	\$ 211,016	\$ 239,105	\$ 29,016	\$ 210,089
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	0%	\$ 199,306	\$ 199,306	\$ 204,232	\$ (4,926)
NET INCOME (LOSS) AFTER DEPRECIATION	\$ 27,324	\$ 28,091	\$ (154,880)	\$ 182,971	118%	\$ 11,710	\$ 39,799	\$ (175,216)	\$ 215,015
PROJECT & PROGRAM REVENUE									
Amplify & Retail Grant Programs	\$ 2,250	\$ 2,250	\$ -	\$ 2,250	0%	\$ 397,750	400,000	\$ -	\$ 400,000
Downtown Tactical Plan	-	-	-	-	0%	-	-	-	-
New York Main Street	-	236,250	-	236,250	100%	-	236,250	-	236,250
Total Program Income	\$ 2,250	\$ 238,500	\$ -	\$ 238,500	0%	\$ 397,750	\$ 636,250	\$ -	\$ 636,250
PROJECT & PROGRAM EXPENSE									
New York Main Street	\$ -	\$ 225,000	\$ -	\$ 225,000	100%	\$ -	225,000	\$ -	\$ 225,000
Downtown Tactical Plan	-	-	100,000	(100,000)	0%	100,000	100,000	100,000	-
Amplify & Retail Grant Programs	2,250	2,250	-	2,250	0%	397,750	400,000	-	400,000
Total Program Expense	\$ 2,250	\$ 227,250	\$ 100,000	\$ 127,250	0%	\$ 497,750	\$ 725,000	\$ 100,000	\$ 625,000
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ -	\$ 11,250	\$ (100,000)	\$ 111,250	0%	\$ (100,000)	\$ (88,750)	\$ (100,000)	\$ 11,250
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ 27,324	\$ 39,341	\$ (254,880)	\$ 294,221	115%	\$ (88,290)	\$ (48,951)	\$ (275,216)	\$ 226,265

CAPITALIZE ALBANY CORPORATION
Comparative Balance Sheets
Pre-Audited Draft

Assets

Current Assets:

	September 30, 2016	Projected December 31, 2016	December 31, 2015
Cash and cash equivalents	\$ 4,423,598	\$ 3,929,315	\$ 4,162,197
Investments	3,505,151	3,520,158	3,437,044
Restricted cash	618,563	641,636	579,606
Mortgage notes receivable, net	2,547,534	2,485,423	2,430,328
Net investment in direct financing leases	364,041	364,962	520,990
Accrued interest receivable	30,480	40,407	45,103
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	26	100,000	100,020
Other receivables, net	123,116	87,140	88,131
Property held for investment and lease, net	2,396,208	2,220,725	2,396,208
Property and equipment, net	378,070	354,245	378,070
Other assets	652,243	651,935	658,891
Total assets	\$ 15,039,030	\$ 14,395,946	\$ 14,796,588

Deferred Outflows of Resources

	\$ -	\$ -	\$ -
--	------	------	------

Liabilities

Current Liabilities:

Accounts payable and accrued expenses	\$ 85,366	\$ 75,078	\$ 132,293
Due to the City of Albany	72,892	72,892	72,892
Unearned grant and other income	898,080	528,577	503,781
Bonds payable	2,205,000	2,030,000	2,350,000
Revolving loan fund liability	704,343	704,343	703,612
Unearned program support	77,147	77,147	77,147
Total liabilities	\$ 4,042,828	\$ 3,488,036	\$ 3,839,725

Deferred Inflows of Resources

	\$ -	\$ -	\$ -
--	------	------	------

Net Position

Net invested in capital assets	\$ 879,278	\$ 879,278	\$ 879,278
Restricted for:			
Debt service	171,466	171,466	171,466
CDBG eligible activities	123,033	123,033	123,033
Other program specific activities	5,412	5,412	5,412
Impact Downtown Albany	-	-	-
Unrestricted	9,817,013	9,728,720	9,777,671
Total net position	\$ 10,996,202	\$ 10,907,909	\$ 10,956,861

Capitalize Albany Corporation
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
Pre Audited Draft

	YTD 2016	Projected December 31, 2016	Year Ended December 31, 2015
Revenues			
Grant income and Contribution Income	\$ 541,293	\$ 1,133,693	\$ 674,487
Rental income	118,500	305,923	294,170
Other interest and investment income	133,704	160,593	94,077
Interest income on mortgage notes	68,470	92,983	91,889
Gain on sale of properties	-	-	-
Fees and other income	319,010	419,725	384,101
Total revenues	<u>1,180,977</u>	<u>2,112,916</u>	<u>1,538,724</u>
Expenses			
Salaries and fringe benefits	588,306	779,606	733,919
Program and project costs	251,849	941,404	502,438
Interest expense	19,215	30,321	29,825
Bad debt expenses (recovery)	(1,437)	(1,437)	(2,787)
Administrative Expenses	283,703	411,973	428,926
Total expenses	<u>1,141,636</u>	<u>2,161,867</u>	<u>1,692,321</u>
Excess of (expenses over revenues) revenues over expenses	39,341	(48,951)	(153,597)
Net Position, Beginning of Year	10,956,861	10,956,861	11,110,458
Net Position, End of Month	\$ 10,996,202	\$ 10,907,909	\$ 10,956,861

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

Cash Flows From Operating Activities

Cash received from customers
Cash received from grantors
Other operating cash receipts
Cash payments to suppliers and grantees
Cash payments to employees

Net cash provided by operating activities

Cash Flows From Capital and Related Financing Activities

Proceeds from sale of property held for sale
Purchase of property held for investment and lease
Purchase of property and equipment
Purchase of other assets including purchase options
Principal payments on bonds payable
Interest paid on bonds payable

Net cash used in capital and related financing activities

Cash Flows From Investing Activities

Interest on cash and cash equivalents and investments
Net decrease (increase) in restricted cash
Proceeds from sales and maturities of investments
Purchase of investments
Issuance of mortgage notes receivable
Repayments received on mortgage notes receivable
Principal payments received under direct financing leases

Net cash used in investing activities

Change in cash and cash equivalents

Cash and cash equivalents:
Beginning of year

End of year

Reconciliation of Excess of (Expenses Over Revenues)

Revenues Over Expenses to Net Cash Provided by

Operating Activities

Excess of (expenses over revenues) revenues over expenses
Adjustments to reconcile excess of (expenses over revenues)
revenues over expenses to net cash provided by
operating activities:
Depreciation and amortization
Adjustment for losses on mortgage notes and
other receivables
Gain on sale of property
Net realized and unrealized losses (gains) on investments
Interest income on cash and cash equivalents and
investments
Interest expense on bonds payable
Changes in:
Grants receivable
Other receivables, accrued interest receivable and
other assets
Accounts payable and accrued expenses
Due to the City of Albany
Unearned grant and other income
Revolving loan fund liability

Net cash provided by operating activities

	September 30, 2016	Projected December 31, 2016	December 31, 2015
	\$ 315,497	\$ 457,709	\$ 444,149
	936,324	1,159,220	695,981
	319,010	419,725	371,785
	(582,487)	(1,211,287)	(869,134)
	(588,306)	(779,606)	(733,919)
	<u>400,037</u>	<u>45,761</u>	<u>(91,138)</u>
	-	-	-
	-	-	-
	-	0	(6,878)
	-	-	-
	(145,000)	(320,000)	(300,000)
	(21,993)	(30,321)	(32,413)
	<u>(166,993)</u>	<u>(350,321)</u>	<u>(339,291)</u>
	55,402	75,612	63,146
	(38,957)	(62,030)	(64,077)
	2,232,149	2,090,209	1,954,644
	(2,261,417)	(2,134,483)	(2,001,078)
	(400,000)	(400,000)	(275,000)
	284,232	346,343	675,723
	156,949	156,028	150,530
	<u>28,357</u>	<u>71,679</u>	<u>503,888</u>
	261,401	(232,882)	73,459
	4,162,197	4,162,197	4,088,738
	<u>\$ 4,423,598</u>	<u>\$ 3,929,315</u>	<u>\$ 4,162,197</u>
	September 30, 2016	Projected December 31, 2016	December 31, 2015
	\$ 39,341	\$ (48,951)	\$ (153,597)
	-	199,308	207,555
	(1,437)	(1,437)	(8,946)
	-	-	-
	(38,840)	(38,840)	20,752
	(55,402)	(75,613)	(59,412)
	21,993	30,321	29,825
	-	-	-
	86,287	12,663	2,671
	(46,930)	(57,217)	(118,693)
	(6)	(0)	(25,636)
	394,300	24,796	11,248
	731	731	3,095
	<u>\$ 400,037</u>	<u>\$ 45,761</u>	<u>\$ (91,138)</u>

TO: Capitalize Albany Corporation Board of Directors
FROM: Mark Opalka
DATE: September 25, 2016
RE: Capitalize Albany Corporation Preliminary Draft 2017 Budget

Net income for 2017 before Depreciation Expense and Program Activity is budgeted to be approximately \$131,548. Overall, the preliminary budget anticipates a deficit of approximately \$164,450. The major contributors to this budgeted deficit are related to approximately \$168,000 depreciation and a strategic allocation of \$100,000 toward implementation of the Impact Downtown strategy.

The projected ending cash balance for 2016 is anticipated to be \$3,929,315. Given the proposed Draft Budget, the anticipated ending cash balance for 2017 would be \$3,408,440.

Below are identified significant revenue and expense variances for the projected 2017 budget compared to the 2016 approved budget.

2017 REVENUE ASSUMPTIONS:

Revenue derived from non-program activity is budgeted at approximately \$1.41 million.

- **Professional Service Income**

Professional Service Income is budgeted to be \$348,582 which is \$48,582 more than the 2016 approved budget. This is a direct result of the IDA approving an increase to the Professional Service agreement in 2016.

- **Investment & Interest Income**

Investment Income is budgeted to be approximately \$71,770 which is approximately \$6,875 higher than the 2016 approved budget. This is a direct result of higher interest rates being earned on the Corporation's money market account.

- **Direct Financing Lease Income**

Direct Finance Lease income is budgeted to be approximately \$23,100 which is \$24,545 lower than the 2016 approved budget. This is a direct result of the amortized lease payments that are scheduled to be made in 2017.

2017 EXPENSE ASSUMPTIONS:

Expense incurred from non-program activity is budgeted at approximately \$1.47 million.

- **Professional Fees**

Professional fees are budgeted to decrease 9% or approximately \$25,100 compared to the 2016 approved budget. The main component to this decrease is a change in providers resulting in lower budgeted accounting professional service expenses.

- **Administrative Expenses**

Administrative Expenses are budgeted to decrease 29% or approximately \$36,400 compared to the 2016 approved budget. This is directly attributed to the Board Member opt-outs.

- **Depreciation Expense**

Depreciation Expense for 2017 is budgeted to be approximately \$196,000. Of this amount, \$168,500 (86%) is attributable to the anticipated recording of depreciation expense for the Corning Preserve.

Capitalize Albany Corporation
2017 Budget Summary

	2016 Budget	2016 Projected	Variance 2016 Projected v. 2016 Budget	2017 Budget	Variance	
					2017 Budget v. 2016 Projected - \$	2017 Budget v. 2016 Projected - %
Revenue						
General Economic and Community Development Support Income	\$ 497,443	\$ 497,443	\$ -	\$ 497,443	\$ -	0.00%
Real Estate Income	298,152	304,593	6,441	298,709	(5,884)	-1.93%
Professional Service Agreement Income	300,000	348,582	48,582	348,582	-	0.00%
Lending Income	128,843	124,376	(4,467)	132,334	7,958	6.40%
Direct Financing Lease Income	47,643	47,643	(0)	23,098	(24,545)	-51.52%
Investment & Interest Income	64,894	114,280	49,386	71,766	(42,514)	-37.20%
Membership & Event Support	33,500	39,750	6,250	33,500	(6,250)	-15.72%
Total	\$ 1,370,475	\$ 1,476,667	\$ 106,191	\$ 1,405,432	\$ (71,235)	-4.82%
Expenses						
Salary & Benefits	\$ 829,322	\$ 779,606	\$ (49,716)	\$ 830,352	\$ 50,746	6.51%
Professional Fees	265,714	243,844	(21,870)	240,619	(3,225)	-1.32%
Administration Expenses	125,940	94,542	(31,399)	89,507	(5,035)	-5.33%
Interest Expense	24,594	30,321	5,727	13,712	(16,610)	-54.78%
Real Estate Expenses	38,270	37,746	(524)	39,085	1,339	3.55%
Occupancy Expense	45,444	41,202	(4,242)	47,909	6,707	16.28%
Membership & Event Expense	12,175	11,739	(436)	12,700	961	8.19%
Bad Debt (Recovery)	-	(1,437)	(1,437)	-	1,437	-100.00%
Total	\$ 1,341,460	\$ 1,237,563	\$ (103,897)	\$ 1,273,884	\$ 36,321	2.93%
Net Income/Loss Before Depreciation and Program Activity	\$ 29,016	\$ 239,104	\$ 210,089	\$ 131,548	\$ (107,556)	-44.98%
Depreciation	204,232	199,307	(4,925)	196,006	(3,301)	-1.66%
Net Income/Loss after Depreciation	\$ (175,216)	\$ 39,797	\$ 215,013	\$ (64,458)	\$ (104,255)	-261.97%
Program Activity						
<i>Program Revenue</i>						
New York Main Street	-	225,000	225,000	-	(225,000)	-100.00%
New York Main Street Admin Cost Recovery	-	11,250	11,250	-	(11,250)	-100.00%
Capitalize Albany Retail and Amplify Albany Grants	-	400,000	400,000	-	(400,000)	-100.00%
<i>Program Expenses</i>						
New York Main Street	-	(225,000)	(225,000)	-	225,000	-100.00%
Downtown Tactical Plan	(100,000)	(100,000)	-	(100,000)	-	0.00%
Capitalize Albany Retail and Amplify Albany Grants	-	(400,000)	(400,000)	-	400,000	-100.00%
Net Income (Loss) from Program Activity	\$ (100,000)	\$ (88,750)	\$ 11,250	\$ (100,000)	\$ (11,250)	12.68%
Net Income(Loss) after Depreciation and Program Activity	\$ (275,216)	\$ (48,953)	\$ 226,263	\$ (164,458)	\$ (115,505)	-51.05%

Capitalize Albany Corporation
Proposed 2017 Budget

	2015 Actual	2016 Budget	2016 Projected	2017 Budget	Variances					
					2016 Projected V. 2016 Budget		2017 Budget V. 2016 Budget		2017 Budget V. 2016 Projected	
					\$	%	\$	%	\$	%
REVENUE										
<i>General Economic and Community Development Support Income</i>										
CAIDA	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00			\$ -		\$ -	
ACDA	168,986.61	165,843.00	165,843.00	165,843.00	-		-		-	
Renaissance Support	51,700.00	51,700.00	51,700.00	51,700.00	-		-		-	
CHF - Redevelopment Support	29,900.00	29,900.00	29,900.00	29,900.00	-		-		-	
Total Support Income	\$ 500,586.61	\$ 497,443.00	\$ 497,443.00	\$ 497,443.00	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%
<i>Real Estate Income</i>										
Leases										
Quakenbush House	\$ 33,716.00	\$ 34,727.48	\$ 34,136.24	\$ 34,941.08	(591.24)		213.60		805	
Riverfront Bar & Grill	7,649.11	12,093.23	16,793.64	9,441.26	4,700.41		(2,651.97)		(7,352)	
DBID Lease	17,615.04	17,667.89	17,652.69	17,833.05	(15.20)		165.16		180	
Port of Albany	147,898.92	148,062.44	150,158.60	150,158.60	2,096.16		2,096.16		-	
174 North Pearl Street	-	-	-	-	-		-		-	
Licenses										
Albany Convention Center Authority- 10 Dallius Street	47,672.16	48,101.04	48,351.82	48,835.34	250.78		734.30		484	
Albany Parking Authority - Quakenbush Lot	37,500.00	37,500.00	37,500.00	37,500.00	-		-		-	
Gain on Sale of Property	-	-	-	-	-		-		-	
Total Real Estate Income	\$ 292,051.23	\$ 298,152.08	\$ 304,592.99	\$ 298,709.33	\$ 6,441	2.16%	\$ 557	0.19%	\$ (5,884)	-1.93%
<i>Professional Service Agreement Income</i>										
CAIDA	\$ 300,000.00	\$ 300,000.00	\$ 348,582.00	\$ 348,582.00	\$ 48,582.00		\$ 48,582.00		\$ -	
	-	-	-	-	-		-		-	
Total Professional Service Agreement Income	\$ 300,000.00	\$ 300,000.00	\$ 348,582.00	\$ 348,582.00	\$ 48,582	16.19%	\$ 48,582	16.19%	\$ -	0.00%
<i>Lending Income</i>										
Interest										
CDBG	\$ 513.56	\$ 1,290.00	\$ 1,314.54	\$ 980.00	\$ 25		\$ (310)		\$ (335)	
CAC Miscellaneous	89,619.09	92,148.00	88,191.90	101,178.00	(3,956.10)		9,030.00		12,986.10	
Ten Broeck	1,757.00	3,876.40	3,476.66	2,290.92	(399.74)		(1,585.48)		(1,185.74)	
Fees										
Commitment Fees	2,750.00	4,000.00	4,000.00	4,000.00	-		-		-	
Application Fees	(500.00)	250.00	500.00	250.00	250.00		-		(250.00)	
Legal Fees	3,040.00	3,000.00	3,000.00	3,000.00	-		-		-	
Enterprise Comm Admin Cost Allowance	27,984.55	24,279.00	23,892.90	20,635.00	(386.10)		(3,644.00)		(3,257.90)	
Other Fees	115.00	-	-	-	-		-		-	
Total Lending Income	\$ 125,279.20	\$ 128,843.40	\$ 124,376.00	\$ 132,333.92	\$ (4,467)	-3.47%	\$ 3,491	2.71%	\$ 7,958	6.40%

Capitalize Albany Corporation
Proposed 2017 Budget

	2015 Actual	2016 Budget	2016 Projected	2017 Budget	Variances					
					2016 Projected V. 2016 Budget		2017 Budget V. 2016 Budget		2017 Budget V. 2016 Projected	
					\$	%	\$	%	\$	%
<u>Direct Financing Lease Income</u>										
200 Henry Johnson Blvd.	\$ 55,413.72	\$ 46,313.15	\$ 46,313.15	\$ 22,403.14	\$ -		\$ (23,910.01)		\$ (23,910)	
170 Henry Johnson Blvd	2,119.15	1,329.69	1,329.68	694.66	(0.01)		(635)		(635)	
Other Interest Income	-	-	-	-	-		-		-	
	-	-	-	-	-		-		-	
Total Direct Financing Lease Income	\$ 57,532.87	\$ 47,642.84	\$ 47,642.83	\$ 23,097.80	\$ (0)	0.00%	\$ (24,545)	-51.52%	\$ (24,545)	-51.52%
<u>Investment & Interest Income</u>										
Investment Income										
Gain/Loss on Sale/Disposal of Investments	\$ 37,301.45	\$ -	\$ 3,883.97	\$ -	\$ 3,884		\$ -		\$ (3,884)	
Interest and Dividends - Fidelity	54,771.76	60,000.00	55,641.26	55,000.00	(4,358.74)		(5,000)		(641)	
Change in FV Mkt Adj on Fidelity Investments	(58,053.45)	-	34,745.04	-	34,745.04		-		(34,745)	
Interest Income										
Key Bank	66.11	308.00	0.59	-	(307.41)		(308)		(1)	
Kinderhook Bank	3.42	-	19,157.61	16,750.00	19,157.61		16,750			
First Niagara Bank	4,537.99	4,561.00	747.06	-	(3,813.94)		(4,561)		(747)	
Fidelity Cash Account	15.67	25.00	20.66	16.00	(4.34)		(9)		(5)	
Other interest	19.80	-	83.76	-	83.76		-		(84)	
Total Investment and Interest Income	\$ 38,662.75	\$ 64,894.00	\$ 114,279.95	\$ 71,766.00	\$ 49,386	76.10%	\$ 6,872	10.59%	\$ (40,106)	-35.09%
<u>Membership & Event Support</u>										
Membership Fees	\$ 28,875.00	\$ 25,000.00	\$ 31,250.00	\$ 25,000.00	\$ 6,250.00		\$ -		(6,250)	
Sponsorship Revenue	9,500.00	8,500.00	8,500.00	8,500.00	-		-		-	
Event Revenue	-	-	-	-	-		-		-	
Miscellaneous	20.00	-	-	-	-		-		-	
Total Membership & Event Support	\$ 38,395.00	\$ 33,500.00	\$ 39,750.00	\$ 33,500.00	\$ 6,250	18.66%	\$ -	0.00%	\$ (6,250)	-15.72%
TOTAL REVENUE	\$ 1,352,507.66	\$ 1,370,475.32	\$ 1,476,666.77	\$ 1,405,432.05	\$ 106,191	7.75%	\$ 34,957	2.55%	\$ (71,235)	-4.82%
<u>EXPENSES</u>										
<u>Salary & Benefits</u>										
Salaries	\$ 571,564.25	\$ 602,635.00	\$ 570,455.52	\$ 592,125.08	\$ (32,179)		\$ (10,510)		\$ 21,670	
Fringe Benefits	162,354.74	226,687.00	209,150.53	238,227.27	(17,536)		11,540		29,077	
Total Salary & Benefits	\$ 733,918.99	\$ 829,322.00	\$ 779,606.05	\$ 830,352.35	\$ (49,716)	-5.99%	\$ 1,030	0.12%	\$ 50,746	6.51%
<u>Professional Fees</u>										
Legal	\$ 52,841.70	\$ 60,000.00	\$ 60,443.75	\$ 60,000.00	\$ 443.75		\$ -		(444)	
Accounting	98,651.75	108,000.00	88,046.25	79,592.00	(19,954)		(28,408)		(8,454)	
ITS Contract	11,376.50	11,573.00	11,368.68	8,946.00	(204)		(2,627)		(2,423)	
Other	7,500.00	-	-	-	-		-		-	
Usherwood Contract	10,781.53	9,500.00	7,952.82	9,500.00	(1,547)		-		1,547	
City of Albany MOU	53,484.00	53,480.00	53,480.00	53,480.00	-		-		-	
Connectivity Support	9,199.68	11,000.00	10,370.00	16,729.00	(630)		5,729		6,359	
Fidelity Brokerage Fees	12,087.45	12,161.43	12,182.63	12,372.00	21		211		189	
Total Professional Fees	\$ 255,922.61	\$ 265,714.43	\$ 243,844.13	\$ 240,619.00	\$ (21,870)	-8.23%	\$ (25,095.43)	-9.44%	(3,225)	-1.32%

Capitalize Albany Corporation
Proposed 2017 Budget

	2015 Actual	2016 Budget	2016 Projected	2017 Budget	Variances					
					2016 Projected V. 2016 Budget		2017 Budget V. 2016 Budget		2017 Budget V. 2016 Projected	
					\$	%	\$	%	\$	%
<u>Administration Expenses</u>										
Supplies & Non-capitalized equipment	\$ 4,668.18	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ -		\$ -		\$ -	
Postage & Printing	2,715.04	2,820.00	2,696.37	2,820.00	(123.63)		-		124	
Dues & Subscriptions	3,109.00	3,449.00	3,449.00	2,900.00	-		(549)		(549)	
Filing Fees	1,370.00	1,000.00	1,460.00	1,000.00	460.00		-		(460)	
Insurance	28,354.08	31,861.24	27,641.30	29,719.00	(4,219.94)		(2,142)		2,078	
Training & Education	3,540.00	3,500.00	3,500.00	3,500.00	-		-		-	
Travel	5,206.39	7,500.00	7,500.00	7,500.00	-		-		-	
Miscellaneous	2,408.23	4,100.00	3,614.43	3,600.00	(485.57)		(500)		(14)	
Payroll Processing Fees	4,696.96	4,710.00	4,458.92	4,468.00	(251.08)		(242)		9	
Bank Service Fees	2,092.22	-	(1,614.43)	-	(1,614.43)		-		1,614	
Director Fees	32,000.00	55,500.00	30,600.00	24,000.00	(24,900.00)		(31,500)		(6,600)	
Meetings Expense	2,542.41	4,000.00	3,735.92	4,000.00	(264.08)		-		264	
Web Site Design and Maintenance	2,520.00	1,500.00	1,500.00	-	-		(1,500)		(1,500)	
Citywide Closing Costs & Legal Expenses	-	-	-	-	-		-		-	
Total Administration Expenses	\$ 95,222.51	\$ 125,940.24	\$ 94,541.51	\$ 89,507.00	\$ (31,399)	-24.93%	\$ (36,433)	-28.93%	\$ (5,035)	-5.33%
<u>Interest Expense</u>										
200 HJB	\$ 27,456.25	\$ 21,993.75	\$ 21,993.75	\$ 4,935.52	\$ -		\$ (17,058)		\$ (17,058)	
Port/Corning Bonds 2002	2,369.31	2,600.00	8,327.38	8,776.00	5,727		6,176		449	
Total Interest Expense	\$ 29,825.56	\$ 24,593.75	\$ 30,321.13	\$ 13,711.52	\$ 5,727	23.29%	\$ (10,882)	-44.25%	\$ (16,610)	-54.78%
<u>Real Estate Expenses</u>										
174 North Pearl Street	\$ 3,793.44	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ -		\$ -		\$ -	
Quackenbush House	200.00	1,500.00	1,500.00	1,500.00	-		-		-	
Albany Convention Center Authority- 10 Dallius Street	33,370.47	33,370.45	33,846.21	34,185.00	476		815		339	
Other	-	1,000.00	-	1,000.00	(1,000)		-		1,000	
Total Rental Property Expenses	\$ 37,363.91	\$ 38,270.45	\$ 37,746.21	\$ 39,085.00	\$ (524)	-1.37%	\$ 815	2.13%	\$ 1,339	3.55%
<u>Occupancy Expense</u>										
Utilities & Telephone	\$ 14,837.20	\$ 15,943.85	\$ 11,588.29	\$ 16,136.00	\$ (4,356)		\$ 192		\$ 4,548	
Maintenance, Repairs & Cleaning	22,441.25	28,000.00	28,113.69	30,273.00	114		2,273		2,159	
Renovations	159.54	1,000.00	1,000.00	1,000.00	-		-		-	
Supplies	105.87	500.00	500.00	500.00	-		-		-	
Total Occupancy Expenses	\$ 37,543.86	\$ 45,443.85	\$ 41,201.98	\$ 47,909.00	\$ (4,242)	-9.33%	\$ 2,465	5.42%	\$ 6,707	16.28%
<u>Sponsorship & Event Expense</u>										
Development Today/annual meeting	\$ 8,166.09	\$ 8,500.00	\$ 8,563.63	\$ 8,500.00	\$ 63.63		-		(64)	
Sponsorships	3,300.00	3,675.00	3,175.00	4,200.00	(500.00)		525		1,025	
Other Events	-	-	-	-	-		-		-	
Total Membership & Event Expense	\$ 11,466.09	\$ 12,175.00	\$ 11,738.63	\$ 12,700.00	\$ (436)	-3.58%	\$ 525	4.31%	\$ 961	8.19%
Bad Debt (Recovery)	\$ (2,787.11)	\$ -	\$ (1,437.01)	\$ -	\$ (1,437)		\$ -	100.00%	\$ 1,437	-100.00%
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 1,198,476.42	\$ 1,341,459.72	\$ 1,237,562.63	\$ 1,273,883.87	\$ (103,897)	-7.75%	\$ (67,576)	-5.04%	\$ 36,321	2.93%

Capitalize Albany Corporation
Proposed 2017 Budget

	2015 Actual	2016 Budget	2016 Projected	2017 Budget	Variances					
					2016 Projected V. 2016 Budget		2017 Budget V. 2016 Budget		2017 Budget V. 2016 Projected	
					\$	%	\$	%	\$	%
NET INCOME BEFORE DEPRECIATION AND PROGRAM ACTIVITY	\$ 154,031.24	\$ 29,015.60	\$ 239,104.14	\$ 131,548.18	\$ 210,089	724.05%	\$ 102,533	353.37%	\$ (107,556)	-44.98%
<i>Depreciation</i>										
Property & Equipment	\$ 19,969.90	\$ 16,606.64	\$ 11,600.41	\$ 8,695.74	\$ (5,006)		\$ (7,911)		\$ (2,905)	
174 N Pearl Street	-			-	-		-		-	
Quakenbush House	6,933.44	6,933.44	6,933.44	6,933.44	-		-		-	
Corning Preserve	168,549.09	168,549.09	168,549.09	168,549.09	-		-		-	
21 Lodge Street	12,100.47	12,142.33	12,224.01	11,827.58	81.68		(315)		(396)	
Total Depreciation	\$ 207,552.90	\$ 204,231.50	\$ 199,306.95	\$ 196,005.85	\$ (4,925)	-2.41%	\$ (8,226)	-4.03%	\$ (3,301)	-1.66%
NET INCOME AFTER DEPRECIATION	\$ (53,521.66)	\$ (175,215.90)	\$ 39,797.19	\$ (64,457.67)	\$ 215,013	-122.71%	\$ 110,758	-63.21%	\$ (104,255)	-261.97%
<i>Program Income</i>										
Blight to Betterment Downtown Tactical Plan	\$ 152,400.00	\$ -		\$ -	\$ -		\$ -		\$ -	
Contributions	\$ 21,500.00	-		-	-		-		-	
Regional Economic Development Council Grant		-		-	-		-		-	
CAIDA Grant		-		-	-		-		-	
New York Main Street										
Grant Income	-		225,000.00		225,000.00		-		(225,000)	
Grant Admin Cost Recovery			11,250.00		11,250.00		-		(11,250)	
Amplify Albany/Retail Grant Programs			400,000.00		400,000.00		-		(400,000)	
Other Program Income	12,315.92	-	-	-	-		-		-	
Total Program Income	\$ 186,215.92	\$ -	\$ 636,250.00	\$ -	\$ 636,250	100.00%	\$ -	100.00%	\$ (636,250)	-100.00%
<i>Program Expenses</i>										
Blight to Betterment Downtown Tactical Plan	\$ 142,180.00	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
Implementation	143,825.20	100,000.00	100,000.00	100,000.00	-		-		-	
Web Site Design and Maintenance	287.50	-	-	-	-		-		-	
New York Main Street			225,000.00		225,000		-		(225,000)	
Other Program Expenses			400,000.00		400,000		-		(400,000)	
Total Program Expenses	\$ 286,292.70	\$ 100,000.00	\$ 725,000.00	\$ 100,000.00	\$ 625,000.00	625.00%	\$ -	0.00%	\$ (625,000)	-86.21%
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (100,076.78)	\$ (100,000.00)	\$ (88,750.00)	\$ (100,000.00)	\$ 11,250	-11.25%	\$ -	0.00%	\$ (11,250)	12.68%
NET INCOME (LOSS) AFTER DEPRECIATION AND PROGRAM ACTIVITY	\$ (153,598.44)	\$ (275,215.90)	\$ (48,952.81)	\$ (164,457.67)	\$ 226,263	-82.21%	\$ 110,758.23	-40.24%	\$ (115,505)	235.95%

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

	Projected December 31, 2016	Projected December 31, 2017
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,929,315	\$ 3,408,440
Investments	3,520,158	3,580,158
Restricted cash	641,636	738,889
Mortgage notes receivable, net	2,485,423	2,751,565
Net investment in direct financing leases	364,962	192,302
Accrued interest receivable	40,407	40,407
Grants receivable	-	-
Receivables from the City of Albany and City agencies	100,000	100,000
Other receivables, net	87,140	87,140
Property held for investment and lease, net	2,220,725	2,045,242
Property and equipment, net	354,245	332,888
Other assets	651,935	652,176
Total assets	\$ 14,395,946	\$ 13,929,207
Deferred Outflows of Resources	\$ -	\$ -
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 75,078	\$ 72,298
Due to the City of Albany	72,892	72,892
Unearned grant and other income	528,577	559,074
Bonds payable	2,030	1,700,000
Revolving loan fund liability	704,343	704,343
Unearned program support	77,147	77,147
Total liabilities	\$ 1,460,067	\$ 3,185,754
Deferred Inflows of Resources	\$ -	\$ -
Net Position		
Net invested in capital assets	\$ 879,278	\$ 879,278
Restricted for:		
Debt service	171,466	171,466
CDBG eligible activities	123,033	123,033
Other program specific activities	5,412	5,412
Impact Downtown Albany	-	-
Unrestricted	9,728,720	9,564,266
Total net position	\$ 10,907,909	\$ 10,743,455

Capitalize Albany Corporation

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Pre Audited Draft

	<u>Projected December 31, 2016</u>	<u>Projected December 31, 2017</u>
Revenues		
Grant income and Contribution Income	\$ 1,133,693	\$ 497,443
Rental income	305,923	299,404
Other interest and investment income	160,593	94,169
Interest income on mortgage notes	92,983	104,449
Gain on sale of properties	-	-
Fees and other income	419,725	409,967
	<u>2,112,917</u>	<u>1,405,432</u>
Total revenues		
Expenses		
Salaries and fringe benefits	779,606	830,352
Program and project costs	941,404	317,767
Interest expense	30,321	13,712
Bad debt expenses (recovery)	(1,437)	-
Administrative Expenses	411,973	408,057
	<u>2,161,867</u>	<u>1,569,888</u>
Total expenses		
Excess of (expenses over revenues) revenues over expenses	(48,950)	(164,456)
Net Position, Beginning of Year	<u>10,956,861</u>	<u>10,907,911</u>
Net Position, End of Month	<u>\$ 10,907,911</u>	<u>\$ 10,743,455</u>

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	Projected December 31, 2016	Projected December 31, 2017
Cash Flows From Operating Activities		
Cash received from customers	\$ 457,709	\$ 429,392
Cash received from grantors	1,159,220	527,940
Other operating cash receipts	419,725	409,967
Cash payments to suppliers and grantees	(1,211,287)	(532,358)
Cash payments to employees	(779,606)	(830,352)
Net cash provided by operating activities	<u>45,761</u>	<u>4,589</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of property held for sale	-	-
Purchase of property held for investment and lease	-	-
Purchase of property and equipment	0	-
Purchase of other assets including purchase options	-	-
Principal payments on bonds payable	(320,000)	(330,000)
Interest paid on bonds payable	(30,321)	(16,491)
Net cash used in capital and related financing activities	<u>(350,321)</u>	<u>(346,491)</u>
Cash Flows From Investing Activities		
Interest on cash and cash equivalents and investments	75,612	71,766
Net decrease (increase) in restricted cash	(62,030)	(97,253)
Proceeds from sales and maturities of investments	2,090,209	2,074,017
Purchase of investments	(2,134,483)	(2,134,017)
Issuance of mortgage notes receivable	(400,000)	(400,000)
Repayments received on mortgage notes receivable	346,343	133,858
Principal payments received under direct financing leases	156,027	172,656
Net cash used in investing activities	<u>71,678</u>	<u>(178,973)</u>
Change in cash and cash equivalents	(232,882)	(520,875)
Cash and cash equivalents:		
Beginning of year	<u>4,162,197</u>	<u>3,929,315</u>
End of year	<u>\$ 3,929,315</u>	<u>\$ 3,408,440</u>

	Projected December 31, 2016	Projected December 31, 2017
Reconciliation of Excess of (Expenses Over Revenues) Revenues Over Expenses to Net Cash Provided by Operating Activities		
Excess of (expenses over revenues) revenues over expenses	\$ (48,951)	\$ (164,456)
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	199,308	196,841
Adjustment for losses on mortgage notes and other receivables	(1,437)	-
Gain on sale of property	-	-
Net realized and unrealized losses (gains) on investments	(38,840)	-
Interest income on cash and cash equivalents and investments	(75,613)	(71,766)
Interest expense on bonds payable	30,321	16,251
Changes in:		
Grants receivable	-	-
Other receivables, accrued interest receivable and other assets	12,663	-
Accounts payable and accrued expenses	(57,217)	(2,779)
Due to the City of Albany	-	-
Unearned grant and other income	24,796	30,498
Revolving loan fund liability	731	-
Net cash provided by operating activities	<u>\$ 45,761</u>	<u>\$ 4,589</u>

**RESOLUTION 8-2016
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the Capitalize Albany Corporation (CAC) has developed a Proposed Budget for 2017; and

WHEREAS, the Finance and Investment Committee has reviewed and recommends approval of this proposed budget;

NOW THEREFORE BE IT RESOLVED, that the CAC Board of Directors approves the 2017 Budget as presented.

Signed: _____
Sarah Reginelli
President

Date of Authorization: October 25, 2016

Prepared by Chantel Burnash



CAPITALIZE ALBANY
CORPORATION

MEMORANDUM

TO: Capitalize Albany Corporation Board of Directors
FROM: Sarah Reginelli
DATE: October 21, 2016
RE: Annual Conflict of Interest Declaration

Resolution 13-2004 established Capitalize Albany's Corporate Governance Policy. The Corporate Governance Policy created a Conflict of Interest Policy and requires the annual completion of a Conflict of Interest Declaration by the Capitalize Albany Board. Enclosed is a copy of the Conflict of Interest Policy and the Declaration. Please complete the Declaration and return to Mark Opalka's attention via fax (434-9846), email (mopalka@capitalizealbany.com) or mail (Capitalize Albany, 21 Lodge Street, Albany, NY 12207).

If you have any questions, please contact me at 434-2532 ext. 22. Thank you for your assistance.

Conflict of Interest Policy

A major strength of the Capitalize Albany Corporation (CAC) is the insight and knowledge provided by its Board of Directors. Due to their respective business/government positions, member of the CAC Board are active in the community and in business transactions within the City of Albany. Inevitably, perceived or real conflicts of interests and governance issues may arise. Conflict of interests (real and perceived) should not prevent an individual from serving as a director or staff member unless the extent of the interest is so significant that the potential for divided loyalty is present in a significant number of situations. CAC's **Conflict of Interest policy** requires that members of the Board of Directors and staff reveal any personal, family or business interests that they have, that, by creating a divided loyalty, could influence their judgment as it relates to CAC. **A conflict of interest exists** whenever an individual could benefit, directly or indirectly, from access to information or from a decision over which they might have influence, or, where someone might reasonably perceive there to be such a benefit and influence. Examples of possible conflict of interest situation with respect to CAC include, but are not limited to:

- A board or staff member has a personal or business relationship with the CAC as a supplier of goods or services or as a landlord or tenant
- A board or staff member has a direct or indirect interest financially in any contract entered into by CAC or accepts any gratuity, financial or otherwise, from any vendor of CAC
- A board or staff member has a personal or financial relationship with a client/borrower of CAC
- CAC is employing someone who is directly related to, or has a personal or financial relationship with, a board member or other staff member
- Conduct that is disloyal, disruptive, competitive, or damaging to CAC; for example, staff should not accept outside employment if that employment is to be conducted during the hours that the staff member is working for CAC, or if such employment conflicts with the effectiveness of the staff member's work for CAC
- A board or staff member is utilizing CAC information or services for their personal use
- A staff member is performing activities that are unrelated to CAC work during working hours
- A staff member of CAC shall not directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form.

Procedure for Handling an Actual, Perceived or Possible Conflict of Interest

1. The Board shall annually complete a “Conflict of Interest Declaration” which shall be reviewed by the CAC Governance/Audit Committees to determine if the potential for a conflict of interest exists. Additionally, prior to election of any new member of the Board, such member will complete/submit the declaration to the CAC Governance/Audit Committees.
2. In addition to the declaration submitted in accordance with #1 above, members of the Board and staff have a duty to disclose (as soon as practicable) any personal, family, or business interests that may, in the eyes of another person, influence their judgment.
3. The Board as a whole has a duty to disclose specific conflicts or interests to the CAC Governance Committee when that interest may affect the reputation or credibility of the organization, and to disclose the Board’s procedure for operating in the presence of such conflicts.
4. Board members and staff have a duty to recuse themselves from participating in any discussion and voting on matters on which they have a conflict of interest. Such exemptions should be recorded in minutes of meetings if normally kept.
5. Any business relationship between an individual (or a company where the individual is an owner or in a position of authority) and CAC, outside of their relationship as a Board or staff member, must be formalized in writing and approved by the Audit/Governance Committee and the full Board of Directors.

Annual Completion of Conflict of Interest Declaration

To: Capitalize Albany Corporation Nominating/Governance Committee
21 Lodge Street
Albany, NY 12207

This Annual Statement is made pursuant to the Conflict of Interest Policy of the Capitalize Albany Corporation. The undersigned has received a copy of the CAC Conflict of Interest Policy, has read and understands such policy, and has complied and agrees to comply with such policy. In addition to specific disclosures by the undersigned of actual or possible conflicts of interest as matters have arisen at meetings attended by the undersigned, please be advised of the following (indicate any other affiliations, boards, etc. that may lead to discloseable conflicts of interest; if none, please so state):

- 1. Please list primary employer and address:

- 2. Please list any office, trusteeships, directorship, position, or relationship of ANY nature (e.g. lawyer, lobbyist, consultant, etc.), whether compensated or not, held by you with any person, firm, corporation or other organization who or which is known by you have any matter pending or financial relationship with Capitalize Albany Corporation.

<u>Agency</u>	<u>Nature of Affiliation/Relationship</u>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

Name: _____

Signature: _____

Date: _____

**RESOLUTION 9-2016
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, pursuant to New York Public Authority Law §2896 (“PAL”), the Capitalize Albany Corporation has adopted written Property Disposition and Acquisition Policies (“Policies”); and

WHEREAS, pursuant to PAL, the Policies are to be “annually reviewed and approved by the governing body of the public authority”; and

NOW THEREFORE BE IT RESOLVED, that the attached Policies have been reviewed and approved.

Signed: _____
Sarah Reginelli, President

Date of Authorization: October 25, 2016
Prepared by: Chantel Burnash

**RESOLUTION 10-2016
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Article II (section 2) and Article III (section 2) of the bylaws of the Capitalize Albany Corporation (“CAC”) provide that the CAC Members shall, at their Annual Meeting, elect Directors to fill any vacancies on the CAC Board which exist due to expired terms or other reasons; and

WHEREAS, the CAC Annual Meeting is scheduled for November 22, 2016, and at such meeting the Members shall elect Directors to fill three (3) open Board positions for three (3) year terms effective from January 1, 2017 through December 31, 2019;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors, on recommendation of the Governance Committee, nominates the following candidates to the CAC Members for election to fill such three (3) Board positions:

James Stellar
Susan Pedo
Dorsey Whitehead

Signed: _____
Sarah Reginelli, President

Date of Authorization: November 22, 2016
Prepared by: Thomas M. Owens, Esq.