



**CAPITALIZE ALBANY**  
CORPORATION

**Tuesday, October 24, 2017**  
21 Lodge Street, 8:00 a.m.

**Capitalize Albany Corporation**  
**Board of Directors Meeting**  
**Agenda**

1. Review of Minutes from the Regular Meeting of September 26, 2017
2. Report of Executive Staff – Corporation Update
3. Report of the Finance & Investment Committee
  - a. Quarterly Financial Report
  - b. Resolution 10-2017 2018 Budget Adoption
  - c. RECKDE, LLC Update
4. Report of the Governance Committee
  - a. Resolution 11-2017 Annual Review Board & Committee member terms
  - b. Resolution 12-2017 Appointment of Secretary Officer Position
  - c. Resolution 13-2017 NYS Family Leave
5. Report of the Audit Committee
  - a. Update on Retention of Annual Auditors
  - b. Annual Review Conflict of Interest Policy
6. Other Business
  - a. Resolution 14-2017 CEG Professional Services Agreement
  - b. Board Events & Dates
7. Executive Session (if necessary)

**Capitalize Albany Corporation Board Meeting**  
**MINUTES**  
**Tuesday, September 26, 2017**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, September 26, 2017 at 21 Lodge Street, Albany, NY.

The following were in attendance:

**Board of Directors:**

Michael Castellana	Mark Sullivan	John Harris
David Parente	Jeff Sperry	John Vero
Susan Pedo	Robert Curley	
Karen Torrejon	Matthew Peter	

**Other:**

Thomas M. Owens, Esq.

**Staff:**

Sarah Reginelli, Mark Opalka, Joe Landy, Ashley Mohl, Andy Corcione, Chantel Burnash and Mike Bohne.

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:04 a.m. The following directors were excused: Michele Vennard, Anders Tomson, and Michael Fancher.

**Approval of Minutes for the September 14, 2017 Special Board Meeting**

The Board reviewed the minutes of the September 14, 2017 Special Board meeting. Matt Peter made a motion for approval. Susan Pedo seconded. The Board agreed unanimously to approve the minutes.

**Report of Executive Staff – Corporation Update**

**Communications Update:**

Staff gave an update on the Corporation’s Communications’ efforts. Staff informed the Board that Impact Downtown investors receive bi-weekly update emails and the Corporation’s current investors receive bi-monthly e-newsletters. Staff estimates the Corporation has received roughly \$70,000 worth of earned media coverage. Staff discussed increase in number of corporate investors and sponsorships for the Annual Event this year.

Karen Torrejon joined the meeting.

**Executive Update:**

Staff discussed the opportunity for the region to compete for Amazon’s selection of a location for its second headquarters. Staff stated that the Center for Economic Growth (CEG) hosted a meeting, which Staff attended, with Empire State Development, a site selector team, and regional partners to strategize the Capital Region’s proposed response.

Staff discussed the possible relocation of the Children’s Museum of Science and Technology (CMOST). CMOST is exploring their options. Staff informed the Board that a short term and long term task force committee has been formed to focus on this effort. Staff will be a part of both of these committees. The Board discussed the importance of creating a world class children’s museum in the region.

Staff provided an update on the possible City of Albany projects for submission for Restore NY funding this year. Staff informed the Board that the intent to apply deadline is October 13<sup>th</sup> and the full application is due in December.

Staff reviewed the status of active projects with the Board.

### **Report of the Finance & Investment Committee**

#### **Resolution 8-2017 RECKDE, LLC Loan Request Approval**

Staff discussed the proposed project at Dana Avenue and the loan request from RECKDE, LLC. After robust discussion, the Board agreed to approve a loan in the amount of \$500,000. The Board agreed that conversion to permanent financing would be considered separately at a future time upon the applicant’s request. The Board empowered the Finance Committee to review and approve any minor amendments to the terms including to the timing of the draw-down schedule. A motion to adopt the resolution, with the reflected changes made, was made by Robert Curley and seconded by Jeff Sperry. A vote being taken, the motion passed unanimously.

### **Liberty Park Redevelopment Update**

#### **Resolution 9-2017 ACCA**

Staff discussed the concept scenarios presented in Empire State Development’s 2017 feasibility study of Liberty Park. Staff informed the Board that Empire State Development’s team, members of the ACCA Board and counsel, and speakers from the general public have stated that an external agent would be needed to steer the redevelopment of the site. Staff informed the Board of the different entities that have lent their support for the Corporation to lead the successful redevelopment of these surplus properties. The Board discussed the importance of the redevelopment of Liberty Park highlighted by Impact Downtown Albany and Capital 20.20, and the Corporation’s ability to guide the redevelopment of the site to achieve its highest and best use. Staff and Counsel Owens reviewed the resolution with the Board. A motion to adopt the resolution was made by John Harris and seconded by Robert Curley. It was disclosed that both Sarah Reginelli and Michele Vennard serve on the ACCA Board of Directors and Counsel has determined there is no conflict of interest. A vote being taken, the motion passed unanimously.

The Board tasked the Governance Committee with creating a Liberty Park Committee. Board members were asked to reach out to Staff or Governance Committee members if interested in serving on the Liberty Park Committee.

### **Other Business**

None.

### **Executive Session**

A motion to enter into executive session was made by Jeff Sperry, seconded by John Harris to discuss the employment history of certain individuals. The Board entered into executive session at 9:20 a.m. Board members and Counsel remained in the room. The Board left executive session at 9:23 a.m. and returned to its regular session.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:23 a.m.

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

MEMORANDUM

TO: Capitalize Albany Board of Directors  
FROM: Mark Opalka  
RE: Capitalize Albany Corporation 3rd Quarter Financial Reports  
DATE: October 24, 2017

**BUDGET PERFORMANCE**

On a pre-audit basis, through September 30, 2017, the Capitalize Albany Corporation had net income of \$121,059. This position compares favorably to the year-to-date (YTD) budgeted net loss of \$35,411. Capitalize Albany Corporation had net income of \$31,893 at September 30, 2016.

My comments below address those categories that deviate in excess of 5% and greater than \$5,000 from the YTD budget.

- ***YTD 2017 revenue is \$955,602 which is \$79,525 (9%) above the 2017 budget.***
  - **Investment & Interest Income.** Interest and Investment Income is \$103,761 which is \$49,936 (93%) over budget. This positive variance is a direct result of market performance, primarily in the equity portion, of the Corporation's investment portfolio that occurred during the first three quarters of 2017.
  - **Loan Interest Income.** Loan Interest Income is \$65,214 which is \$13,123 (17%) under budget. This is a direct result of early loan payoffs which occurred in the first quarter of 2017.
  - **Membership & Event Support.** Membership and Event Support is \$38,405 which is \$13,405 (54%) over budget. This is a direct result of an investors taking advantage of the early bird discount to sponsor the Corporation's annual event as well the Corporation receiving more investor payments than was budgeted for.
  - **Project & Program Revenue.** Project and Program revenue is \$41,515. This revenue is from grant monies realized for the Amplify Albany grant program. These revenues have offsetting project and program expenses. This revenue was not budgeted for in the 2017 budget.
- ***YTD 2017 expenses are \$834,543 which is \$76,945 (8%) below the 2017 budget.***
  - **Salary & Fringe Expense.** Salary and Fringe expense are \$492,762 which is \$102,433 (17%) under budget under budget. This variance is attributable to lower staffing levels compared to 2016.

- **Professional Fee Expense.** Professional fee expenses are \$180,554 which is \$13,904 (7%) under budget. The variance is attributable to lower legal and accounting fees incurred by the Corporation.
- **Interest Expense.** Interest expenses are \$10,638 which is \$5,705 (116%) over budget. This variance is attributable to the 200 HJB accrued bond interest not being budgeted in the 2017 annual budget.
- **Administrative Expense.** Administrative expenses are \$59,400 which is \$5,233 (8%) under budget. The variance is attributable to lower office supply, director and meeting expenses.
- **Project & Program Expense.** Project and Program Expenses are \$41,515. This expense was for grant disbursements for the Amplify Albany and Downtown Retail grant programs. These expenses were not budgeted for in the 2017 budget.

## **LOANS**

- **Sixty State Place, LLC** – This borrower, who utilized funds from Capitalize Albany’s real estate loan fund, paid their loan in full in February.
- **Ten Broeck Loans** – Two Ten Broeck loans paid their loans in full during 2017.

## **BALANCE SHEET**

- At September 30, 2017, compared to December 31, 2016, unrestricted cash has increased by \$604,600.
- Restricted cash has increased \$56,211 due to loan repayments.
- Mortgage notes receivable has decreased by \$524,980. This is a result of a loan payoffs as well as loan payment activity.
- Net investment in direct financing leases has been reduced by approximately \$169,308. 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 been reduced by \$206,517. This is due to reduced accounts payable and principal payments applied against the Corporation’s bond indebtedness.

## **CASH FLOW STATEMENT**

- Currently, the Corporation’s December 31, 2017 cash and cash equivalents are anticipated to decrease by approximately \$232,088 to \$4,138,176. This decrease is primarily attributable to a budgeted loan disbursement that is projected to occur during the 4<sup>th</sup> Quarter of 2017 as well as projected Amplify Albany and Retail grant disbursements.

- Projected 2017 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 2017.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

	January 1, 2017 - December 31, 2017								
	3rd Qtr	YTD Actual	YTD Budget	Variance - \$	Variance - %	Oct -Dec 2017 Forecast	2017 Projection	Original Budget	Projected Variance from Budget
<b>REVENUE</b>									
General Economic & Community Development Support Income	\$ 62,500	\$ 292,506	\$ 305,043	\$ (12,537)	-4%	\$ 192,400	\$ 484,906	\$ 497,443	\$ (12,537)
Real Estate Income	40,188	111,650	110,085	1,565	1%	189,977	301,627	298,709	2,917
Professional Service Agreement Income	87,146	261,437	261,437	-	0%	87,146	348,582	348,582	-
Loan Interest Income	20,242	65,214	78,337	(13,123)	-17%	25,109	90,322	104,449	(14,127)
Fee Income	6,307	17,807	22,726	(4,919)	-22%	5,159	22,966	27,885	(4,919)
Direct Finance Lease Income	22,758	23,308	19,625	3,683	19%	3,472	26,780	23,098	3,682
Investment & Interest Income	19,920	59,440	53,825	5,616	10%	18,058	77,498	71,766	5,732
FMV Adj on Fidelity Inv	21,737	46,164	-	46,164	100%	-	46,164	-	46,164
G/L on Sale/Redemption	(384)	(1,844)	-	(1,844)	100%	-	(1,844)	-	(1,844)
Membership & Event Support	4,765	38,405	25,000	13,405	54%	-	38,405	33,500	4,905
<b>TOTAL REVENUE</b>	<b>\$ 285,180</b>	<b>\$ 914,087</b>	<b>\$ 876,077</b>	<b>\$ 38,010</b>	<b>4%</b>	<b>\$ 521,320</b>	<b>\$ 1,435,407</b>	<b>\$ 1,405,432</b>	<b>\$ 29,975</b>
<b>EXPENSE</b>									
Salaries & Fringe Expense	\$ 165,163	\$ 492,762	\$ 595,195	\$ (102,433)	-17%	\$ 199,738	\$ 692,500	\$ 830,352	\$ (137,852)
Professional Fees	47,236	180,554	194,457	(13,904)	-7%	46,158	226,712	240,619	(13,907)
Administrative Expenses	14,555	59,400	64,623	(5,223)	-8%	17,579	76,979	90,507	(13,528)
Interest Expense	1,725	10,638	4,933	5,705	116%	15,740	26,378	13,712	12,666
Real Estate Expenses	8,889	26,596	26,603	(7)	0%	11,701	38,297	38,085	212
Occupancy Expense	5,341	18,988	23,652	(4,664)	-20%	17,512	36,501	47,909	(11,409)
Bad Debt Expense (recovery)	-	1,017	-	1,017	100%	-	-	-	1,017
Membership & Event Expense	603	3,074	2,025	1,049	52%	9,730	12,803	12,700	103
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 243,513</b>	<b>\$ 793,028</b>	<b>\$ 911,488</b>	<b>\$ (118,460)</b>	<b>-13%</b>	<b>\$ 318,159</b>	<b>\$ 1,111,187</b>	<b>\$ 1,273,884</b>	<b>\$ (162,697)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 41,667</b>	<b>\$ 121,059</b>	<b>\$ (35,411)</b>	<b>\$ 156,470</b>	<b>-442%</b>	<b>\$ 203,161</b>	<b>\$ 324,220</b>	<b>\$ 131,548</b>	<b>\$ 192,672</b>
<b>DEPRECIATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>\$ 196,006</b>	<b>\$ 196,006</b>	<b>\$ 196,006</b>	<b>\$ -</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<b>\$ 41,667</b>	<b>\$ 121,059</b>	<b>\$ (35,411)</b>	<b>\$ 156,470</b>	<b>442%</b>	<b>\$ 7,155</b>	<b>\$ 128,215</b>	<b>\$ (64,458)</b>	<b>\$ 192,672</b>
<b>PROJECT &amp; PROGRAM REVENUE</b>									
Blight to Betterment	\$ -	\$ -	\$ -	\$ -	0%	\$ -	-	\$ -	\$ -
CACRC Grant	33,724	41,515	-	41,515	100%	329,351	370,866	-	370,866
New York Main Street	-	-	-	-	100%	-	-	-	-
<b>Total Program Income</b>	<b>\$ 33,724</b>	<b>\$ 41,515</b>	<b>\$ -</b>	<b>\$ 41,515</b>	<b>100%</b>	<b>\$ 329,351</b>	<b>\$ 370,866</b>	<b>\$ -</b>	<b>\$ 370,866</b>
<b>PROJECT &amp; PROGRAM EXPENSE</b>									
New York Main Street	\$ -	\$ -	\$ -	\$ -	100%	\$ -	-	\$ -	\$ -
Capitalize Albany Amplify and Retail Grants	33,724	41,515	-	41,515	100%	429,351	470,866	100,000	370,866
Impact Downtown Albany	-	-	-	-	-100%	-	-	-	-
<b>Total Program Expense</b>	<b>\$ 33,724</b>	<b>\$ 41,515</b>	<b>\$ -</b>	<b>\$ 41,515</b>	<b>#DIV/0!</b>	<b>\$ 429,351</b>	<b>\$ 470,866</b>	<b>\$ 100,000</b>	<b>\$ 370,866</b>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ -</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 41,668</b>	<b>\$ 121,059</b>	<b>\$ (35,411)</b>	<b>\$ 156,470</b>	<b>442%</b>	<b>\$ (92,845)</b>	<b>\$ 28,215</b>	<b>\$ (164,458)</b>	<b>\$ 192,673</b>



**CAPITALIZE ALBANY CORPORATION**  
**Comparative Balance Sheets**  
**Pre-Audited Draft**

**Assets**

Current Assets:

	September 30, 2017	Projected December 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 4,974,864	\$ 4,024,463	\$ 4,370,264
Investments	3,597,012	3,597,012	3,525,663
Restricted cash	695,987	713,571	639,776
Mortgage notes receivable, net	2,007,982	2,285,332	2,532,962
Net investment in direct financing leases	191,571	377,478	360,879
Accrued interest receivable	36,734	28,752	38,421
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	-	100,000	112,640
Other receivables, net	88,461	86,123	90,737
Property held for investment and lease, net	2,220,725	2,045,243	2,220,725
Property and equipment, net	354,246	333,722	354,246
Other assets	652,038	651,935	658,768

**Total assets**

\$ 14,819,620	\$ 14,243,632	\$ 14,905,081
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**Deferred Outflows of Resources**

\$ -	\$ -	\$ -
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**Liabilities**

Current Liabilities:

Accounts payable and accrued expenses	\$ 72,771	\$ 68,029	\$ 88,781
Due to the City of Albany	72,892	72,892	72,892
Unearned grant and other income	863,365	564,962	904,881
Bonds payable	1,880,000	1,700,000	2,030,000
Revolving loan fund liability	705,619	705,619	704,614
Unearned program support	67,369	67,369	67,365

**Total liabilities**

\$ 3,662,016	\$ 3,178,870	\$ 3,868,533
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**Deferred Inflows of Resources**

\$ -	\$ -	\$ -
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**Net Position**

Net invested in capital assets	\$ 854,971	\$ 854,971	\$ 854,971
Restricted for:			
Debt service	171,483	171,483	171,483
CDBG eligible activities	114,010	114,010	114,010
Other program specific activities	11,774	11,774	11,774
Impact Downtown Albany	-	-	-
Unrestricted	10,005,366	9,912,522	9,884,308
<b>Total net position</b>	<b>\$ 11,157,604</b>	<b>\$ 11,064,760</b>	<b>\$ 11,036,546</b>

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

	Year to Date September 30, 2017	Projected December 31, 2017	Year Ended December 31, 2016
Revenues			
Grant income and Contribution Income	\$ 334,021	\$ 855,772	\$ 775,344
Rental income	112,232	302,321	301,246
Other interest and investment income	126,486	147,904	159,003
Interest income on mortgage notes	65,214	90,322	93,114
Gain on sale of properties	-	-	-
Fees and other income	317,649	409,953	437,301
Total revenues	955,602	1,806,272	1,766,008
Expenses			
Salaries and fringe benefits	492,762	692,500	801,106
Program and project costs	70,581	688,845	466,535
Interest expense	10,638	26,377	29,529
Bad debt expenses (recovery)	1,017	1,017	6,997
Administrative Expenses	259,545	369,318	382,156
Total expenses	834,543	1,778,057	1,686,323
Excess of (expenses over revenues) revenues over expenses	121,059	28,215	79,685
Net Position, Beginning of Year	11,036,546	11,036,546	10,956,861
Net Position, End of Month	\$ 11,157,605	\$ 11,064,761	\$ 11,036,546

**CAPITALIZE ALBANY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**Pre-Audited Draft**

**Cash Flows From Operating Activities**

	September 30, 2017	Projected December 31, 2017	December 31, 2016
Cash received from customers	\$ 218,465	\$ 439,601	\$ 412,116
Cash received from grantors	293,511	516,858	1,164,756
Other operating cash receipts	317,649	409,953	417,737
Cash payments to suppliers and grantees	(235,531)	(872,305)	(690,116)
Cash payments to employees	(492,762)	(692,500)	(801,106)
Net cash provided by operating activities	<u>101,332</u>	<u>(198,393)</u>	<u>503,387</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	(149,999)	(330,000)	(320,000)
Interest paid on bonds payable	(18,879)	(26,377)	(32,308)
Net cash used in capital and related financing activities	<u>(168,878)</u>	<u>(356,377)</u>	<u>(352,308)</u>

**Cash Flows From Investing Activities**

Interest on cash and cash equivalents and investments	60,084	77,745	101,828
Net decrease (increase) in restricted cash	(56,211)	(73,795)	(60,171)
Proceeds from sales and maturities of investments	3,847,747	3,847,747	3,351,824
Purchase of investments	(3,874,776)	(3,874,776)	(3,395,389)
Issuance of mortgage notes receivable	-	(400,000)	(400,000)
Repayments received on mortgage notes receivable	525,997	648,647	298,713
Principal payments received under direct financing leases	169,305	(16,599)	160,182
Net cash used in investing activities	<u>672,146</u>	<u>208,969</u>	<u>56,987</u>

**Change in cash and cash equivalents**

**Cash and cash equivalents:**

<b>Beginning of year</b>	4,370,264	4,370,264	4,162,198
<b>End of year</b>	<u>\$ 4,974,864</u>	<u>\$ 4,024,463</u>	<u>\$ 4,370,264</u>

**Reconciliation of Excess of (Expenses Over Revenues)**

**Revenues Over Expenses to Net Cash Provided by**

**Operating Activities**

	September 30, 2017	Projected December 31, 2017	December 31, 2016
Excess of (expenses over revenues) revenues over expenses	\$ 121,059	\$ 28,215	\$ 79,685
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	196,006	199,306
Adjustment for losses on mortgage notes and other receivables	(1,017)	(1,017)	(2,785)
Gain on sale of property	-	-	-
Net realized and unrealized losses (gains) on investments	(44,320)	(44,320)	(45,054)
Interest income on cash and cash equivalents and investments	(60,084)	(77,746)	(100,195)
Interest expense on bonds payable	18,879	26,377	29,529
Changes in:			
Grants receivable	-	-	-
Other receivables, accrued interest receivable and other assets	10,696	21,120	4,002
Accounts payable and accrued expenses	(16,011)	(20,752)	(40,731)
Due to the City of Albany	112,640	12,640	(12,691)
Unearned grant, program support and other income	(41,515)	(339,920)	391,319
Revolving loan fund liability	1,005	1,005	1,002
Net cash provided by operating activities	<u>\$ 101,332</u>	<u>\$ (198,393)</u>	<u>\$ 503,387</u>

TO: Capitalize Albany Corporation Board of Directors  
FROM: Mark Opalka  
DATE: October 24, 2017  
RE: Capitalize Albany Corporation Preliminary Draft 2018 Budget

Net income for 2018 before Depreciation Expense and Program Activity is budgeted to be approximately \$103,990. Overall, the preliminary budget anticipates a deficit of approximately \$197,310. The major contributors to this budgeted deficit are related to approximately \$168,550 in depreciation related to the Corning Preserve and net expenses of \$100,000 toward the implementation of the Albany Skyway Project which is part of the Impact Downtown strategy.

The projected ending cash balance for 2017 is anticipated to be \$4,138,176. Given the proposed Draft Budget, the anticipated ending cash balance for 2018 would be \$3,569,460.

Below are identified significant revenue and expense variances for the projected 2018 budget compared to the 2017 approved budget.

### **2018 REVENUE ASSUMPTIONS:**

Revenue derived from non-program activity is budgeted at approximately \$1.39 million.

- **Real Estate Income**

Real Estate Income is budgeted to be approximately \$302,960 which is approximately \$4,255 higher than the 2017 budget. This is a direct result of rent increases which are scheduled to occur in 2018.

- **Lending Income**

Lending Income is budgeted to be approximately \$128,850 which is approximately \$3,480 lower than the 2017 budget. This is a direct result of loan payoffs which occurred in 2017.

- **Investment & Interest Income**

Investment Income is budgeted to be approximately \$75,890 which is approximately \$4,110 higher than the 2017 approved budget. This is a direct result of higher interest rates being earned on the Corporation's bank accounts.

- **Direct Financing Lease Income**

Direct Finance Lease income is budgeted to be approximately \$1,762 which is \$21,336 lower than the 2017 approved budget. This is a direct result of the Corporation's two remaining leases ending in the 1<sup>st</sup> Quarter of 2018.

**2018 EXPENSE ASSUMPTIONS:**

Expense incurred from non-program activity is budgeted at approximately \$1.28 million.

- **Salary & Benefit Expense**

Salary & Benefit Expense for 2018 is budgeted to be approximately \$869,260 which is approximately \$38,910 higher than the 2017 approved budget. This is attributable to budgeting for a full staff and salary increases of 3%.

- **Professional Fees**

Professional fees expense for 2018 is budgeted to be approximately \$235,790 which is approximately \$4,830 lower compared to the 2017 approved budget. This is attributable to lower accounting consulting fees being budgeted for in 2018.

- **Administrative Expenses**

Administrative Expenses are budgeted to be approximately \$66,980 which is approximately \$22,520 lower compared to the 2017 approved budget. This decrease is attributed to the elimination of director fees.

- **Depreciation Expense**

Depreciation Expense for 2018 is budgeted to be approximately \$201,300. Of this amount, \$168,550 (84%) is attributable to the anticipated recording of depreciation expense for the Corning Preserve. Additionally the Corporation is budgeting for a server replacement in 2018 as its current server is nearing end of life. This will add approximately \$5,290 of additional depreciation to property & equipment.

**Capitalize Albany Corporation  
Proposed 2018 Budget Summary**

	2017 Budget	2017 Projected	Variance 2017 Projected v. 2017 Budget	2018 Budget	Variance		Variance	
					2018 Budget v. 2017 Budget - \$	2018 Budget v. 2017 Budget - %	2018 Budget v. 2017 Projected - \$	2018 Budget v. 2017 Projected - %
<b>Revenue</b>								
General Economic and Community Development Support Income	\$ 497,443	\$ 484,906	\$ (12,537)	\$ 497,443	\$ -	0.00%	\$ 12,537	2.59%
Real Estate Income	298,709	301,626	2,917	302,963	4,254	1.42%	1,337	0.44%
Professional Service Agreement Income	348,582	348,582	-	348,582	-	0.00%	-	0.00%
Lending Income	132,334	120,288	(12,045)	128,854	(3,480)	-2.63%	8,566	7.12%
Direct Financing Lease Income	23,098	23,420	322	1,762	(21,336)	-92.37%	(21,659)	-92.48%
Investment & Interest Income	71,766	121,819	50,053	75,877	4,111	5.73%	(45,942)	-37.71%
Membership & Event Support	33,500	38,405	4,905	33,500	-	0.00%	(4,905)	-12.77%
<b>Total</b>	<b>\$ 1,405,432</b>	<b>\$ 1,439,047</b>	<b>\$ 33,614</b>	<b>\$ 1,388,981</b>	<b>\$ (16,451)</b>	<b>-1.17%</b>	<b>\$ (50,066)</b>	<b>-3.48%</b>
<b>Expenses</b>								
Salary & Benefits	\$ 830,352	\$ 692,500	\$ (137,852)	\$ 869,263	\$ 38,910	4.69%	\$ 176,762	25.53%
Professional Fees	240,619	229,810	(10,809)	235,790	(4,829)	-2.01%	5,980	2.60%
Administration Expenses	89,507	76,978	(12,529)	66,986	(22,521)	-25.16%	(9,992)	-12.98%
Interest Expense	13,712	25,273	11,561	15,742	2,030	14.81%	(9,531)	-37.71%
Real Estate Expenses	39,085	38,297	(788)	39,924	839	2.15%	1,627	4.25%
Occupancy Expense	47,909	40,899	(7,010)	44,837	(3,072)	-6.41%	3,938	9.63%
Membership & Event Expense	12,700	12,700	-	12,450	(250)	-1.97%	(250)	-1.97%
Bad Debt (Recovery)	-	1,017	1,017	-	-	100.00%	(1,017)	-100.00%
<b>Total</b>	<b>\$ 1,273,884</b>	<b>\$ 1,117,475</b>	<b>\$ (156,409)</b>	<b>\$ 1,284,992</b>	<b>\$ 11,108</b>	<b>0.87%</b>	<b>\$ 167,517</b>	<b>14.99%</b>
<b>Net Income/Loss Before Depreciation and Program Activity</b>	<b>\$ 131,548</b>	<b>\$ 321,572</b>	<b>\$ 190,023</b>	<b>\$ 103,989</b>	<b>\$ (27,559)</b>	<b>-20.95%</b>	<b>\$ (217,583)</b>	<b>-67.66%</b>
<b>Depreciation</b>	196,006	196,006	-	201,299	5,293	2.70%	5,293	2.70%
<b>Net Income/Loss after Depreciation</b>	<b>\$ (64,458)</b>	<b>\$ 125,566</b>	<b>\$ 190,023</b>	<b>\$ (97,310)</b>	<b>\$ (32,852)</b>	<b>50.97%</b>	<b>\$ (222,876)</b>	<b>-177.50%</b>
<b>Program Activity</b>								
<i>Program Revenue</i>								
Capitalize Albany Retail and Amplify Albany Grants	-	362,605	362,605	-	-	100.00%	(362,605)	-100.00%
Impact Downtown Plan (NY Parks Grant)	-	-	-	375,000	375,000	100.00%	375,000	100.00%
<i>Program Expenses</i>								
Impact Downtown Plan (Skyway Project)	(100,000)	(100,000)	-	(475,000)	(375,000)	375.00%	(375,000)	375.00%
Capitalize Albany Retail and Amplify Albany Grants	-	(362,605)	(362,605)	-	-	0.00%	362,605	-100.00%
<b>Net Income (Loss) from Program Activity</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ -</b>	<b>\$ (100,000)</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Net Income(Loss) after Depreciation and Program Activity</b>	<b>\$ (164,458)</b>	<b>\$ 25,566</b>	<b>\$ 190,023</b>	<b>\$ (197,310)</b>	<b>\$ (32,852)</b>	<b>19.98%</b>	<b>\$ (222,876)</b>	<b>-117.29%</b>

**Capitalize Albany Corporation**  
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	2016 Actual	2017 Budget	2017 Projected	2018 Budget	Variances						
					2017 Projected V. 2017 Budget		2018 Budget V. 2017 Budget		2018 Budget V. 2017 Projected		
					\$	%	\$	%	\$	%	
<b>REVENUE</b>											
<b><i>General Economic and Community Development Support Income</i></b>											
CAIDA	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00			\$ -		\$ -		
ACDA	178,380.00	165,843.00	153,306.00	165,843.00	(12,537.00)		-		12,537		
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	-		-		-		
<b>Total Support Income</b>	<b>\$ 509,980.00</b>	<b>\$ 497,443.00</b>	<b>\$ 484,906.00</b>	<b>\$ 497,443.00</b>	<b>\$ (12,537)</b>	<b>-2.52%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 12,537</b>	<b>2.59%</b>	
<b><i>Real Estate Income</i></b>											
<b>Leases</b>											
Quakenbush House	\$ 33,923.40	\$ 34,941.08	\$ 34,941.08	\$ 35,989.31	-		1,048.23		1,048		
Riverfront Bar & Grill	10,846.18	9,441.26	10,227.02	9,441.26	785.76		-		(786)		
DBID Lease	17,645.04	17,833.05	17,908.49	18,053.78	75.44		220.73		145		
Port of Albany	151,649.76	150,158.60	151,510.76	151,944.62	1,352.16		1,786.02		434		
<b>Licenses</b>											
Albany Convention Center Authority- 10 Dallius Street	48,351.82	48,835.34	49,539.11	50,034.50	703.77		1,199.16		495		
Albany Parking Authority - Quakenbush Lot	37,500.00	37,500.00	37,500.00	37,500.00	-		-		-		
<b>Gain on Sale of Property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>		
<b>Total Real Estate Income</b>	<b>\$ 299,916.20</b>	<b>\$ 298,709.33</b>	<b>\$ 301,626.46</b>	<b>\$ 302,963.47</b>	<b>\$ 2,917</b>	<b>0.98%</b>	<b>\$ 4,254</b>	<b>1.42%</b>	<b>\$ 1,337</b>	<b>0.44%</b>	
<b><i>Professional Service Agreement Income</i></b>											
CAIDA	\$ 348,582.00	\$ 348,582.00	\$ 348,582.00	\$ 348,582.00	\$ -		\$ -		\$ -		
<b>Total Professional Service Agreement Income</b>	<b>\$ 348,582.00</b>	<b>\$ 348,582.00</b>	<b>\$ 348,582.00</b>	<b>\$ 348,582.00</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>100.00%</b>	
<b><i>Lending Income</i></b>											
<b>Interest</b>											
CDBG	\$ 71.60	\$ 980.00	\$ -	\$ -	\$ (980)		\$ (980)		\$ -		
CAC Miscellaneous	91,219.98	101,178.00	88,354.89	104,157.00	(12,823.11)		2,979.00		15,802.11		
Ten Broeck	1,822.43	2,290.92	1,967.49	667.00	(323.43)		(1,623.92)		(1,300.49)		
<b>Fees</b>											
Commitment Fees	4,000.00	4,000.00	4,000.00	4,000.00	-		-		-		
Application Fees	500.00	250.00	1,250.00	250.00	1,000.00		-		(1,000.00)		
Legal Fees	3,000.00	3,000.00	3,000.00	3,000.00	-		-		-		
Enterprise Comm Admin Cost Allowance	23,556.03	20,635.00	21,716.09	16,780.00	1,081.09		(3,855.00)		(4,936.09)		
Other Fees	-	-	-	-	-		-		-		
<b>Total Lending Income</b>	<b>\$ 124,170.04</b>	<b>\$ 132,333.92</b>	<b>\$ 120,288.47</b>	<b>\$ 128,854.00</b>	<b>\$ (12,045)</b>	<b>-9.10%</b>	<b>\$ (3,480)</b>	<b>-2.63%</b>	<b>\$ 8,566</b>	<b>7.12%</b>	

**Capitalize Albany Corporation**  
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	2016 Actual	2017 Budget	2017 Projected	2018 Budget	Variances					
					2017 Projected V. 2017 Budget		2018 Budget V. 2017 Budget		2018 Budget V. 2017 Projected	
					\$	%	\$	%	\$	%
<b><u>Direct Financing Lease Income</u></b>										
200 Henry Johnson Blvd.	\$ 39,587.66	\$ 22,403.14	\$ 22,402.94	\$ 1,662.45	\$ (0.20)		\$ (20,740.69)		\$ (20,740)	
170 Henry Johnson Blvd	1,329.68	694.66	694.65	99.10	(0.01)		(596)		(596)	
Other Interest Income	89.77	-	322.48	-	-					
<b>Total Direct Financing Lease Income</b>	<b>\$ 41,007.11</b>	<b>\$ 23,097.80</b>	<b>\$ 23,420.07</b>	<b>\$ 1,761.55</b>	<b>\$ (0)</b>	0.00%	<b>\$ (21,336)</b>	-92.37%	<b>\$ (21,659)</b>	-92.48%
<b><u>Investment &amp; Interest Income</u></b>										
<b>Investment Income</b>										
Gain/Loss on Sale/Disposal of Investments	\$ (122.80)	\$ -	\$ (1,843.71)	\$ -	\$ (1,844)		\$ -		\$ 1,844	
Interest and Dividends - Fidelity	54,324.36	55,000.00	55,729.41	57,000.00	729.41		2,000		1,271	
Change in FV Mkt Adj on Fidelity Investments	45,014.77	-	46,164.05	-	46,164.05		-		(46,164)	
<b>Interest Income</b>										
Capital Bank	0.59	-	278.98	469.80	278.98		470		191	
Kinderhook Bank	19,342.90	16,750.00	21,433.94	18,346.97	4,683.94		1,597		-	
First Niagara Bank	747.06	-	-	-	-		-		-	
Fidelity Cash Account	17.52	16.00	55.84	60.00	39.84		44.00		4.16	
<b>Total Investment and Interest Income</b>	<b>\$ 119,324.40</b>	<b>\$ 71,766.00</b>	<b>\$ 121,818.51</b>	<b>\$ 75,876.77</b>	<b>\$ 50,053</b>	69.74%	<b>\$ 4,111</b>	5.73%	<b>\$ (42,855)</b>	-35.18%
<b><u>Membership &amp; Event Support</u></b>										
Membership Fees	\$ 31,750.00	\$ 25,000.00	\$ 29,825.00	\$ 25,000.00	\$ 4,825.00		\$ -		(4,825)	
Sponsorship Revenue	4,000.00	8,500.00	8,500.00	8,500.00	-		-		-	
Miscellaneous	2,349.00	-	80.00	-	80		-		(80)	
<b>Total Membership &amp; Event Support</b>	<b>\$ 38,099.00</b>	<b>\$ 33,500.00</b>	<b>\$ 38,405.00</b>	<b>\$ 33,500.00</b>	<b>\$ 4,905</b>	14.64%	<b>\$ -</b>	0.00%	<b>\$ (4,905)</b>	-12.77%
<b>TOTAL REVENUE</b>	<b>\$ 1,481,078.75</b>	<b>\$ 1,405,432.05</b>	<b>\$ 1,439,046.51</b>	<b>\$ 1,388,980.79</b>	<b>\$ 33,292</b>	<b>2.37%</b>	<b>\$ (16,451)</b>	<b>-1.17%</b>	<b>\$ (50,066)</b>	<b>-3.48%</b>
<b><u>EXPENSES</u></b>										
<b><u>Salary &amp; Benefits</u></b>										
Salaries	\$ 611,267.00	\$ 592,125.08	\$ 492,225.08	\$ 617,704.25	\$ (99,900)		\$ 25,579		\$ 125,479	
Fringe Benefits	189,838.82	238,227.27	200,275.22	251,558.25	(37,952)		13,331		51,283	
<b>Total Salary &amp; Benefits</b>	<b>\$ 801,105.82</b>	<b>\$ 830,352.35</b>	<b>\$ 692,500.30</b>	<b>\$ 869,262.50</b>	<b>\$ (137,852)</b>	-16.60%	<b>\$ 38,910</b>	4.69%	<b>\$ 176,762</b>	25.53%
<b><u>Professional Fees</u></b>										
Legal	\$ 54,662.50	\$ 60,000.00	\$ 55,613.50	\$ 60,000.00	\$ (4,386.50)		\$ -		4,387	
Accounting	87,337.75	79,592.00	70,726.00	75,120.00	(8,866)		(4,472)		4,394	
ITS Contract	7,792.40	8,946.00	8,946.00	9,288.00	-		342		342	
Other	-	-	10,000.00	-	10,000		-		(10,000)	
Usherwood Contract	7,952.82	9,500.00	8,238.76	9,500.00	(1,261)		-		1,261	
City of Albany MOU	53,484.00	53,480.00	53,480.00	53,480.00	-		-		-	
Connectivity Support	10,392.49	16,729.00	10,342.68	15,809.00	(6,386)		(920)		5,466	
Fidelity Brokerage Fees	12,248.50	12,372.00	12,463.38	12,593.01	91		221		130	
<b>Total Professional Fees</b>	<b>\$ 233,870.46</b>	<b>\$ 240,619.00</b>	<b>\$ 229,810.32</b>	<b>\$ 235,790.01</b>	<b>\$ (10,809)</b>	-4.49%	<b>\$ (4,828.99)</b>	-2.01%	<b>\$ 5,980</b>	2.60%



**Capitalize Albany Corporation**  
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	2016 Actual	2017 Budget	2017 Projected	2018 Budget	Variances					
					2017 Projected V. 2017 Budget		2018 Budget V. 2017 Budget		2018 Budget V. 2017 Projected	
					\$	%	\$	%	\$	%
<b><u>Administration Expenses</u></b>										
Supplies & Non-capitalized equipment	\$ 5,390.98	\$ 6,000.00	\$ 4,764.82	\$ 6,000.00	\$ (1,235)		\$ -		\$ 1,235	
Postage & Printing	2,569.21	2,820.00	2,526.26	2,820.00	(293.74)		-		294	
Dues & Subscriptions	2,700.00	2,900.00	2,349.00	2,435.00	(551.00)		(465)		86	
Filing Fees	1,460.00	1,000.00	245.35	1,000.00	(754.65)		-		755	
Insurance	27,948.97	29,719.00	30,678.70	31,591.00	959.70		1,872		912	
Training & Education	1,484.00	3,500.00	3,500.00	3,500.00	-		-		-	
Travel	1,942.15	7,500.00	7,500.00	7,500.00	-		-		-	
Miscellaneous	4,270.90	3,600.00	3,547.72	3,500.00	(52.28)		(100)		(48)	
Payroll Processing Fees	4,536.19	4,468.00	4,567.01	4,640.00	99.01		172		73	
Bank Service Fees	(995.58)	-	347.95	-	347.95		-		(348)	
Director Fees	31,500.00	24,000.00	13,500.00	-	(10,500.00)		(24,000)		(13,500)	
Meetings Expense	3,142.28	4,000.00	3,451.56	4,000.00	(548)		-		548	
<b>Total Administration Expenses</b>	<b>\$ 85,949.10</b>	<b>\$ 89,507.00</b>	<b>\$ 76,978.37</b>	<b>\$ 66,986.00</b>	<b>\$ (12,529)</b>	<b>-14.00%</b>	<b>\$ (22,521)</b>	<b>-25.16%</b>	<b>\$ (9,992)</b>	<b>-12.98%</b>
<b><u>Interest Expense</u></b>										
200 HJB	\$ 19,214.59	\$ 4,935.52	\$ 10,637.50	\$ 1,533.33	\$ 5,702		\$ (3,402)		\$ (9,104)	
Port/Corning Bonds 2002	10,314.32	8,776.00	14,635.00	14,208.66	5,859		5,433		(426)	
<b>Total Interest Expense</b>	<b>\$ 29,528.91</b>	<b>\$ 13,711.52</b>	<b>\$ 25,272.50</b>	<b>\$ 15,741.99</b>	<b>\$ 11,561</b>	<b>84.32%</b>	<b>\$ 2,030</b>	<b>14.81%</b>	<b>\$ (9,531)</b>	<b>-37.71%</b>
<b><u>Real Estate Expenses</u></b>										
174 North Pearl Street	\$ 1,592.90	\$ 2,400.00	\$ 2,400.25	\$ 2,400.00	\$ 0		\$ -		\$ (0)	
Quackenbush House	250.00	1,500.00	1,000.00	\$ 1,500.00	(500)		-		500	
Albany Convention Center Authority- 10 Dallius Street	33,846.23	34,185.00	34,896.72	\$ 35,024.15	712		839		127	
Other	-	1,000.00	-	1,000.00	(1,000)		-		1,000	
<b>Total Rental Property Expenses</b>	<b>\$ 35,689.13</b>	<b>\$ 39,085.00</b>	<b>\$ 38,296.97</b>	<b>\$ 39,924.15</b>	<b>\$ (788)</b>	<b>-2.02%</b>	<b>\$ 839</b>	<b>2.15%</b>	<b>\$ 1,627</b>	<b>4.25%</b>
<b><u>Occupancy Expense</u></b>										
Utilities & Telephone	\$ 11,166.73	\$ 16,136.00	\$ 11,655.00	\$ 12,939.00	\$ (4,481)		\$ (3,197)		\$ 1,284	
Maintenance, Repairs & Cleaning	20,931.33	30,273.00	29,244.38	30,398.00	(1,029)		125		1,154	
Renovations	-	1,000.00	-	1,000.00	(1,000)		-		1,000	
Supplies	-	500.00	-	500.00	(500)		-		500	
<b>Total Occupancy Expenses</b>	<b>\$ 32,098.06</b>	<b>\$ 47,909.00</b>	<b>\$ 40,899.38</b>	<b>\$ 44,837.00</b>	<b>\$ (7,010)</b>	<b>-14.63%</b>	<b>\$ (3,072)</b>	<b>-6.41%</b>	<b>\$ 3,938</b>	<b>9.63%</b>
<b><u>Sponsorship &amp; Event Expense</u></b>										
Development Today/annual meeting	\$ 6,410.93	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ -		-		-	
Sponsorships	1,250.00	4,200.00	4,200.00	3,950.00	-		(250)		(250)	
<b>Total Membership &amp; Event Expense</b>	<b>\$ 7,660.93</b>	<b>\$ 12,700.00</b>	<b>\$ 12,700.00</b>	<b>\$ 12,450.00</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (250)</b>	<b>-1.97%</b>	<b>\$ (250)</b>	<b>100.00%</b>
<b>Bad Debt (Recovery)</b>	<b>\$ 6,996.81</b>	<b>\$ -</b>	<b>\$ 1,017.00</b>	<b>\$ -</b>	<b>\$ 1,017</b>		<b>\$ -</b>	<b>100.00%</b>	<b>\$ (1,017)</b>	<b>-100.00%</b>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 1,232,899.22</b>	<b>\$ 1,273,883.87</b>	<b>\$ 1,117,474.84</b>	<b>\$ 1,284,991.65</b>	<b>\$ (156,409)</b>	<b>-12.28%</b>	<b>\$ 11,108</b>	<b>0.87%</b>	<b>\$ 167,517</b>	<b>14.99%</b>
<b>NET INCOME BEFORE DEPRECIATION AND PROGRAM ACTIVITY</b>	<b>\$ 248,179.53</b>	<b>\$ 131,548.18</b>	<b>\$ 321,571.67</b>	<b>\$ 103,989.14</b>	<b>\$ 189,701</b>	<b>144.21%</b>	<b>\$ (27,559)</b>	<b>-20.95%</b>	<b>\$ (217,583)</b>	<b>-67.66%</b>
<b><u>Depreciation</u></b>										
Property & Equipment	\$ 11,600.51	\$ 8,695.74	\$ 8,695.74	\$ 13,988.74	\$ -		\$ 5,293		\$ 5,293	
Quackenbush 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	12,224.01	11,827.58	11,827.58	11,827.58	-		-		-	

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	2016 Actual	2017 Budget	2017 Projected	2018 Budget	Variances					
					2017 Projected V. 2017 Budget		2018 Budget V. 2017 Budget		2018 Budget V. 2017 Projected	
					\$	%	\$	%	\$	%
<i>Total Depreciation</i>	\$ 199,307.05	\$ 196,005.85	\$ 196,005.85	\$ 201,298.85	\$ -	0.00%	\$ 5,293	2.70%	\$ 5,293	100.00%
<b>NET INCOME AFTER DEPRECIATION</b>	<b>\$ 48,872.48</b>	<b>\$ (64,457.67)</b>	<b>\$ 125,565.82</b>	<b>\$ (97,309.71)</b>	<b>\$ 189,701</b>	<b>-294.30%</b>	<b>\$ (32,852)</b>	<b>50.97%</b>	<b>\$ (222,876)</b>	<b>-177.50%</b>
<i>Program Income</i>										
<b>Downtown Tactical Plan</b>				-						
NY Parks Grant				\$ 375,000.00	-		\$ 375,000		\$ 375,000	
<b>New York Main Street</b>										
Grant Income	225,000.00		-	-	-		-		-	
Grant Admin Cost Recovery	11,250.00		362,604.66		362,604.66		-		(362,605)	
<b>Amplify Albany/Retail Grant Programs</b>	29,114.36	-	-	-	-		-		-	
<b>Other Program Income</b>	19,563.72	-	-	-	-		-		-	
<b>Total Program Income</b>	<b>\$ 284,928.08</b>	<b>\$ -</b>	<b>\$ 362,604.66</b>	<b>\$ 375,000.00</b>	<b>\$ 362,605</b>	<b>100.00%</b>	<b>\$ 375,000</b>	<b>100.00%</b>	<b>\$ 12,395</b>	<b>3.42%</b>
<i>Program Expenses</i>										
<b>Amplify Albany/Retail Grant Programs</b>	\$ 29,114.36	\$ -	\$ 362,604.66	\$ -	\$ 362,605		\$ -		\$ (362,605)	
<b>Downtown Tactical Plan</b>										
Implementation	-	100,000.00	100,000.00	475,000.00	-		375,000		375,000	
<b>New York Main Street</b>	225,000.00	-	-	-	-		-		-	
<b>Total Program Expenses</b>	<b>\$ 254,114.36</b>	<b>\$ 100,000.00</b>	<b>\$ 462,604.66</b>	<b>\$ 475,000.00</b>	<b>\$ 362,604.66</b>	<b>362.60%</b>	<b>\$ 375,000</b>	<b>375.00%</b>	<b>\$ 12,395</b>	<b>2.68%</b>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<b>\$ 30,813.72</b>	<b>\$ (100,000.00)</b>	<b>\$ (100,000.00)</b>	<b>\$ (100,000.00)</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>100.00%</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION AND PROGRAM ACTIVITY</b>	<b>\$ 79,686.20</b>	<b>\$ (164,457.67)</b>	<b>\$ 25,565.82</b>	<b>\$ (197,309.71)</b>	<b>\$ 189,701</b>	<b>-115.35%</b>	<b>\$ (32,852.04)</b>	<b>19.98%</b>	<b>\$ (222,876)</b>	<b>-871.77%</b>

**CAPITALIZE ALBANY CORPORATION**  
**Comparative Balance Sheets**  
**Pre-Audited Draft**

**Assets**

Current Assets:

	Projected December 31, 2017		Projected December 31, 2018
Cash and cash equivalents	\$ 4,138,176	\$	3,569,460
Investments	3,597,012		3,654,012
Restricted cash	713,571		801,728
Mortgage notes receivable, net	2,357,537		2,629,902
Net investment in direct financing leases	188,248		101
Accrued interest receivable	28,752		20,305
Grants receivable	-		-
Receivables from the City of Albany and City agencies	100,000		100,000
Other receivables, net	86,123		86,123
Property held for investment and lease, net	2,045,243		1,869,760
Property and equipment, net	333,722		334,370
Other assets	651,935		651,935

**Total assets**

**\$ 14,240,320**                      **\$ 13,717,694**

**Deferred Outflows of Resources**

**\$ -**    **\$ -**

**Liabilities**

Current Liabilities:

Accounts payable and accrued expenses	\$ 67,837	\$	62,025
Due to the City of Albany	72,892		72,892
Unearned grant and other income	564,492		594,988
Bonds payable	1,700,000		1,350,000
Revolving loan fund liability	705,619		705,619
Unearned program support	67,369		67,368

**Total liabilities**

**\$ 3,178,208**                      **\$ 2,852,892**

**Deferred Inflows of Resources**

**\$ -**    **\$ -**

**Net Position**

Net invested in capital assets	\$ 854,971	\$	854,971
Restricted for:			
Debt service	171,483		171,483
CDBG eligible activities	114,010		114,010
Other program specific activities	11,774		11,774
Impact Downtown Albany	-		-
Unrestricted	9,909,872		9,712,563
<b>Total net position</b>	<b>\$ 11,062,111</b>	<b>\$</b>	<b>10,864,801</b>

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

Revenues

Grant income and Contribution Income  
Rental income  
Other interest and investment income  
Interest income on mortgage notes  
Gain on sale of properties  
Fees and other income

Total revenues

Expenses

Salaries and fringe benefits  
Program and project costs  
Interest expense  
Bad debt expenses (recovery)  
Administrative Expenses

Total expenses

Excess of (expenses over revenues) revenues over expenses

Net Position, Beginning of Year

Net Position, End of Month

	Projected December 31, 2017	Projected December 31, 2018
	\$ 855,772	\$ 497,443
	302,321	303,063
	144,544	77,539
	90,322	104,824
	-	-
	416,953	406,112
	<b>1,809,912</b>	<b>1,388,981</b>
	692,500	869,263
	688,845	318,357
	25,273	15,742
	1,017	-
	376,712	382,929
	<b>1,784,347</b>	<b>1,586,291</b>
	25,565	(197,310)
	<b>11,036,546</b>	<b>11,062,111</b>
	\$ 11,062,111	\$ 10,864,801

**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, program support and other income  
Revolving loan fund liability

Net cash provided by operating activities

	Projected December 31, 2017	Projected December 31, 2018
	\$ 436,241	\$ 420,740
	516,388	527,940
	416,953	406,112
	(879,891)	(505,798)
	(692,500)	(869,263)
	(202,809)	(20,269)
	-	-
	-	-
	0	(26,464)
	-	-
	(330,000)	(350,000)
	(25,273)	(18,808)
	(355,272)	(395,272)
	77,745	76,199
	(73,795)	(88,157)
	3,847,747	2,074,017
	(3,874,776)	(2,131,017)
	(400,000)	(400,000)
	576,442	127,635
	172,630	188,148
	325,993	(153,175)
	(232,088)	(568,715)
	4,370,264	4,138,176
	\$ 4,138,176	\$ 3,569,460
	Projected December 31, 2017	Projected December 31, 2018
	\$ 25,565	\$ (197,310)
	196,006	201,299
	(1,017)	-
	-	-
	(44,320)	-
	(77,746)	(76,198)
	25,273	18,809
	-	-
	21,120	8,447
	(20,944)	(5,812)
	12,640	-
	(340,389)	30,497
	1,005	-
	(202,809)	(20,269)

**RESOLUTION 10-2017  
OF THE  
CAPITALIZE ALBANY CORPORATION**

**WHEREAS**, the Capitalize Albany Corporation (CAC) has developed a Proposed Budget for 2018; 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 2018 Budget as presented.

Signed: \_\_\_\_\_  
Sarah Reginelli  
President

Date of Authorization: October 24, 2017

Prepared by Chantel Burnash

**RESOLUTION 11-2017  
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 December 12, 2017, and at such meeting the Members shall elect Directors to fill nine (9) open Board positions for terms effective from January 1, 2018 through the dates specified below;

**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 eleven (11) Board positions:

<u>Name</u>	<u>Term</u>
Anders Tomson	December 31, 2020
R. Mark Sullivan	December 31, 2020
Karen Torrejon	December 31, 2020
Michael Fancher	December 31, 2020
Kristina Johnson	December 31, 2020
Havidan Rodriguez	December 31, 2020
Robert Curley	December 31, 2019
John Harris	December 31, 2019
Matthew Peter	December 31, 2019
Michele Vennard	December 31, 2018

Signed:

\_\_\_\_\_  
Michael Castellana, Chairperson

Date of Authorization:        October 24, 2017

**RESOLUTION 12-2017  
OF THE  
CAPITALIZE ALBANY CORPORATION**

**WHEREAS**, Article IV (section 2) of the bylaws of the Capitalize Albany Corporation (“CAC”) provide that the Board of Directors shall annually elect individuals to the corporate officer positions of President, Vice President (if any), Treasurer, and Secretary and such Board elected officers continue to serve in such positions until the next annual election or their resignation; and

**WHEREAS**, the individual most recently elected, and serving, as Secretary, Mr. Dorsey Whitehead, has resigned from CAC; and

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors elects Thomas M. Owens, Esq. to serve as Secretary until the next annual election of CAC officers.

Signed:

\_\_\_\_\_  
Michael Castellana, Chairman

Date of Authorization:        October 24, 2017



**RESOLUTION 13-2017  
OF THE  
CAPITALIZE ALBANY CORPORATION**

**WHEREAS**, the Board realizes that the successful implementation of Capitalize Albany Corporation's mission is due to Capitalize Albany Corporation being able to attract and retain talented and motivated officers and staff;

**WHEREAS**, the Capitalize Albany Corporation Board believes that attracting/retaining talented and motivated management and staff is due in part to the benefit programs offered to Capitalize Albany Corporation employees; and

**WHEREAS**, in 2016 Governor Cuomo signed into law a comprehensive Paid Family Leave Policy which begins on January 1, 2018; and

**WHEREAS**, following a review by the Capitalize Albany Corporation's Governance Committee, and based on the recommendations of the Capitalize Albany Corporation Governance Committee that the Corporation's employee benefit offerings include the NYS Family Leave Policy; and

**NOW THEREFORE BE IT RESOLVED**, that the Capitalize Albany Corporation President is authorized to amend/enhance the Capitalize Albany Corporation's Family and Medical Leave Policy by adding NYS Family Leave as an available benefit offered to its employees.

Signed: \_\_\_\_\_  
Sarah M. Reginelli  
President

Date of Authorization: October 24, 2017  
Prepared by: Mark Opalka



**CAPITALIZE ALBANY**  
**CORPORATION**

## **MEMORANDUM**

**TO:** Capitalize Albany Corporation Board of Directors  
**FROM:** Sarah Reginelli  
**DATE:** October 24, 2017  
**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 Chantel Burnash's attention via fax (434-9846), email (cburnash@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:

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- 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 14-2017  
OF THE  
CAPITALIZE ALBANY CORPORATION**

**WHEREAS**, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate the creation of new employment opportunities, retention of existing jobs and encouragement of investment that will expand the commercial and industrial tax base within the City of Albany; and

**WHEREAS**, on September 7, 2017, Amazon issued an open Request for Proposals seeking responses from regions within North America related to the site selection for Amazon’s second corporate headquarters which is estimated to involve the employment of as many as 500,000 employees and the potential capital investment of \$5 billion; and

**WHEREAS**, the Center for Economic Growth was tasked regionally with formulating the Albany/Capital Region’s response to the RFP, to be submitted to Amazon by Governor Cuomo’s as part of the state’s submittal of four responses each highlighting a different region in New York State; and

**WHEREAS**, in addition to CAC’s significant staff involvement, and due to the strategic importance of CEG’s efforts on behalf of the City of Albany which directly support CAC’s mission, CAC shall contribute \$10,000 towards the cost of developing and assembling the Albany/Capital Region response to the RFP; and

**NOW THEREFORE BE IT RESOLVED**, that the Board authorizes the President, to contribute \$10,000.00 in support of CEG’s costs/expenses related to the Albany/Capital Region RFP response.

Signed:

\_\_\_\_\_  
Michael Castellana, Chairman

Date of Authorization:           October 24, 2017



Tuesday, November 14th  
5:30 p.m. to 7:30 p.m.  
30 South Pearl Street, Penthouse

BUILDING  
FOR TOMORROW



5:30 p.m. - 7:30 p.m. Tuesday, November 14, 2017

Join the Capitalize Albany Corporation board to celebrate this year's citywide economic development accomplishments.

Before and following the program, attendees will have the unique opportunity to network with board members, elected officials, staff, and Capitalize Albany's investor base all in one place.

**BUILDING  
FOR  
TOMORROW**

Location: Berkshire Bank's office at  
30 South Pearl Street, Penthouse  
Albany, New York 12207

Schedule: 5:30-6:00 Registration & Networking  
6:00-7:30 Program & Networking  
Reception

Register: Complimentary by Friday, November 3rd  
Development@CapitalizeAlbany.com  
(518) 434-2532 ext. 19

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207