



Tuesday, October 22, 2019
21 Lodge Street, 8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting

Agenda

1. Review & Approval of Minutes from the Regular Meeting of September 24, 2019
2. Communications Update
 - a. Strategic Communications Results
 - i. Resolution 21-2019 – Strategic Communications
3. Report of the Finance & Investment Committee
 - a. Quarterly Financial Report
 - b. 2020 Budget
 - i. Resolution 22-2019 – 2020 Budget Adoption
4. Report of the Audit Committee
 - a. Update on Retention of Annual Auditors
 - b. Annual Review of Corporate Policies
 - i. Ethics Policy
 - ii. Conflict of Interest Policy
 - iii. Whistleblower Policy
 - c. Annual Conflict of Interest Declaration
5. Other Business
 - a. Review of Board and Committee Appointments
 - i. Resolution 23-2019 – Nomination of Directors for Election
 - b. Confidential Board Evaluation Forms
6. Report of Executive Staff – Corporation Update
7. Board Only or Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting
MINUTES
September 24, 2019

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Thursday, September 24, 2019 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	Michael Fancher	Jeff Sperry
Kaweeda Adams	John Harris	Michele Vennard
Bob Curley	David Parente	John Vero
Sonya del Peral	Susan Pedo	

Other: Thomas M. Owens, Esq.

Staff: Sarah Reginelli and Genevieve Zurowski

Excused: Heather Briccetti, Matt Peter, Havidan Rodriguez, Anders Tomson, and Karen Torrejon

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:01 a.m.

Approval of Minutes for the August 29, 2019 Special Board Meeting

The Board reviewed the minutes of the August 29, 2019 special board meeting. Jeff Sperry made a motion for approval, Sonya del Peral seconded. The Board agreed unanimously to approve the minutes.

Report of Executive Staff – Corporation Update

Staff informed the Board that the Draft 2020 Budget is in development and would be presented for their discussion and approval at the next Board meeting. Staff summarized the Finance Committee’s review of the Draft Budget at its previous meeting and requested that the Board begin reviewing the Draft Budget early due to the potential impact of anticipated 2020 transactions and potential new hires. Staff indicated that the Finance Committee recommended the Draft Budget to the Board for October approval, and will review any proposed changes at the October Finance Committee meeting. Staff provided a summary of national market trends and best practices learned from the recent Urban Land Institute Fall meeting. Staff updated the Board on ongoing matters related to Liberty Park.

Skyway Update

Staff informed the Board that the final design with NYSDOT is currently underway, and construction is anticipated to begin next year. The Skyway is anticipated to be opened in 2021.

DRI Update

Staff provided an update on the Downtown Revitalization (DRI), discussing the 12 awarded projects including one Corporation-led project, the Clinton Market Collective. The Board voiced their support for the potential economic impact of the awarded projects.

Communications Update

Staff detailed communications activity and outcomes over the course of 2019. Staff informed the Board about an increase in relevant news coverage, and an estimated \$200,000 worth of earned media coverage. Staff discussed an increase in audiences, including an increase in e-newsletter subscriptions and website traffic. Staff also provided an update on Annual Event sponsorships and annual investor registration. Staff indicated that, following the Board's recommendation at the last meeting, a solicitation process is moving forward for the selection of a firm to provide services related to strategic communications in order to support staff and strengthen communications outcomes. Staff will provide recommended firms following the solicitation process for Board discussion at the next meeting.

Report of Finance and Investment Committee

Land-banked Properties Adjacent to Palace Theatre

The Committee presented a request by the Palace theatre to acquire certain properties adjacent to the Palace Theatre, which had been long-term land-banked by Capitalize Albany in order to facilitate expansion of the Palace and associated economic impact.

a. *Resolution 20-2019 – Palace Theatre Land-banked Properties PSA*

Counsel reminded the Board of a previous disclosure by Michele Vennard of her role on the Board of Directors of the Palace. Michele Vennard recused herself from any discussion and voting on this matter, and exited the meeting room at 8:52 a.m. Chair Michael Castellana introduced the *Palace Theatre Land-banked Properties PSA (Resolution 20-2019)* to the Board. Staff and the Board discussed the terms and conditions of the PSA in detail. Staff noted that this topic was reviewed at the previous Finance Committee meeting and Board meeting. A motion to adopt the *Palace Theatre Land-banked Properties PSA (Resolution 20-2019)* was made by Bob Curley, and seconded by John Harris. A vote being taken, the motion passed with all other members voting aye. Following the vote, Michele Vennard was notified to re-enter the meeting room.

Other Business

Staff informed the Board that the Corporation's annual event would be held on November 13. Staff indicated that this year's event would celebrate the Corporation's 40th Anniversary and unprecedented achievements of 2019. The Board requested that New York State's significant role in so many local projects be highlighted at the event.

Executive Session

A motion to enter into executive session to discuss the employment history of certain individuals was made by Jeff Sperry, seconded by John Harris and unanimously approved. CAC staff exited the meeting room with the exception of the President, and Executive Session commenced at 8:58 a.m. Executive session ended at 9:01 a.m. on a motion made by John Harris seconded by Bob Curley and unanimously approved. No actions were taken during executive session.

There being no further business, the Capitalize Albany Corporation Board of Directors was adjourned at 9:14 a.m.

**RESOLUTION 21-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York’s Capital a vibrant place to thrive; and

WHEREAS, communicating effectively, proactively and strategically about the activities of CAC and programs and projects in the City of Albany is critical to furthering this mission; and

WHEREAS, the Corporation issued a public and regionally-distributed RFQ September 9, 2019 to identify a consultant to assist the Corporation with strategic communications priorities; and

WHEREAS, following staff receipt and review of four (4) responses to the RFQ, staff conducted interviews with and solicited proposals from all responding firms; and

WHEREAS, Capitalize Albany Corporation staff reviewed the four proposals received against the RFQ requirements, and recommended two qualified bidders for further review; and

WHEREAS, Capitalize Albany Corporation Board interviewed the two (2) bidders on October 22, 2019; and

WHEREAS, Capitalize Albany Corporation Board and staff recommends the selection of _____ as the consultant for a twelve-month (12) to deliver professional services related to strategic communications;

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation authorizes the President to negotiate and execute a contract at a cost not to exceed \$ _____ with _____ to serve as the consultant to deliver professional services related to strategic communications as outlined in the firm’s proposal.

Signed: _____
John Vero, Esq., Secretary

Date of Authorization: October 22, 2019

Prepared by Staff

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Board Member	Voting	Board Member	Voting	Board Member	Voting
Kaweeda Adams	_____	John Harris	_____	Anders Tomson	_____
Heather Briccetti	_____	David Parente	_____	Karen Torrejon	_____
Michael Castellana	_____	Susan Pedo	_____	Michele Vennard	_____
Bob Curley	_____	Matthew Peter	_____	John Vero	_____
Sonya del Peral	_____	Havidan Rodriguez	_____	Aye: 0; No: 0	
Michael Fancher	_____	Jeffrey Sperry	_____	Recused: 0	

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 22, 2019

BUDGET PERFORMANCE

On a pre-audit basis, through September 30, 2019, the Capitalize Albany Corporation had net income of \$39,928. This position compares favorably to the year-to-date (YTD) budgeted net loss of \$199,225. Capitalize Albany Corporation had net income of \$10,207 at September 30, 2018.

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

- ***YTD 2019 revenue is \$1,174,996, which is \$301,914 (35%) above the 2019 budget.***
 - **Professional Service Fee Income.** Professional Service Fee Income is \$295,671 which is 34,234 (13%) over budget. This variance is a direct result of the City of Albany Industrial Development Agency and the City of Albany Capital Resource Corporation Board of Directors approving an increase in the fee charged by the Corporation to provide professional services to both of these organizations.
 - **Loan Interest Income.** Loan Interest Income is \$45,027 which is \$34,644 (43%) under budget. This variance is a direct result of loan payoffs that occurred during 2018 with no loan closings YTD. The Corporation approved a \$500,000 loan 2019 but as of September 30th no loan disbursement has been made.
 - **Fee Income.** Fee Income is \$22,265 which is 6,600 (42%) over budget. This is a variance is primarily a direct result of fee income from the Enterprise Community loan program as a result of a loan payoff.
 - **Investment & Interest Income.** Interest and Investment Income is \$209,663 which is 140,988 (205%) over budget. This variance is due to gains realized in sales and redemptions of equities and fixed income investments as well as positive gains in the FMV of equities held in the Corporation's Investment Portfolio with Hugh Johnson Advisors. Additionally as part of an RFP that was issued in 2018 the Corporation has moved some of its unrestricted funds and invested these funds in fixed income securities and certificate of deposits which currently earns a higher yield then what the Corporation was previously earning.

- **Project & Program Revenue.** Project and Program revenue is \$157,458. This revenue is from grant monies realized for the Amplify Albany and façade grant programs. These revenues have offsetting project and program expenses.
- **YTD 2019 expenses are \$1,135,068 which is \$62,760 (6%) below the 2019 budget.**
 - **Salary & Fringe Expense.** Salary and Fringe expense are \$559,361 which is \$117,359 (17%) under budget. This variance is attributable to the Corporation budgeting for eight positions in 2019
 - **Professional Fee Expense.** Professional fee expenses are \$157,450 which is \$33,953 (18%) under budget. The variance is attributable to lower general legal, accounting and IT fees incurred by the Corporation year to date.
 - **Administrative Expense.** Administrative expenses are \$51,716 which is \$8,106 (14%) under budget. The variance is attributable to lower general office expenses that the Corporation has incurred year to date.
 - **Real Estate Expense.** Real Estate expenses are \$81,245 which is \$52,564 (183%) over budget. The variance is attributable to an emergency demolition which was needed to be performed at the Corporation's owned property located at 174 North Pearl Street.
 - **Occupancy Expense.** Occupancy expenses are \$23,996 which is \$9,986 (29%) under budget. The variance is attributable to lower maintenance costs that have been incurred year to date.
 - **Project & Program Expense.** Project and Program Expenses are \$265,457. This expense was for the grant disbursements for the Amplify Albany and Façade grant programs as well as due diligence expenses incurred for the Liberty Park project and for consulting work performed as part of the Skyway Project.

LOANS

- Richard Dobush (Enterprise Community) repaid his loan during the first quarter.
- Joyce Banks (Ten Broeck) repaid her loan during the second quarter.

BALANCE SHEET

- At September 30, 2019, compared to December 31, 2018, unrestricted cash has decrease by \$2,657,941. This is primarily a result of the Corporation moving a portion of its unrestricted fund balance to investments to seek higher yields.

- Investments increased by \$2,363,000. As noted above this is primarily a result of the Corporation moving a portion of its unrestricted balance to investments to seek higher yields.
- Restricted cash has increased \$75,437 due to scheduled payments and one loan payoff on the Corporation's Enterprise Community Loans.
- Mortgage notes receivable has decreased by \$103,230. This is a result of scheduled loan payment activity and a loan payoffs.
- Liabilities have decreased by \$398,380. This is primarily due to by reduced accounts payable and decrease in unearned grant revenue.

CASH FLOW STATEMENT

- Currently, CAC's December 31, 2019 cash and cash equivalents is anticipated to decrease by approximately \$3.16 million to \$2.74 million. This decrease is primarily attributable the movement of funds to the Corporation's investment portfolio, a budgeted loan disbursement that is projected to occur during 2019 as well as projected Amplify Albany, Retail Grant and Façade Grant disbursements.
- Projected 2019 cash flow provided by operational activities reflect scheduled project grants activity (primarily the receipt of fund from NYS ESD), 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 and capital purchases made during 2019.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

	January 1, 2019 - December 31, 2019									
	Q3	YTD Actual	YTD Budget	Variance - \$	Variance - %	Oct - Dec Adjustment Forecast	2019 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	36,330	108,809	109,092	(283)	0%	192,896	301,705	302,022	(317)	
Professional Service Agreement Income	98,557	295,671	261,437	34,234	13%	98,557	394,228	348,582	45,646	
Loan Interest Income	14,962	45,027	79,671	(34,644)	-43%	15,319	60,346	106,228	(45,882)	
Fee Income	2,161	22,265	15,665	6,600	42%	2,805	25,070	18,470	6,600	
Direct Finance Lease Income	-	-	-	-	0%	-	-	-	-	
Investment & Interest Income	34,985	100,537	68,675	31,862	46%	30,208	130,745	91,573	39,172	
FMV Adj on Fidelity Inv	8,181	41,483	-	41,483	100%	-	41,483	-	41,483	
G/L on Sale/Redemption	7,700	67,643	-	67,643	100%	-	67,643	-	67,643	
Membership & Event Support	625	31,060	33,500	(2,440)	-7%	5,000	36,060	33,500	2,560	
TOTAL REVENUE	\$ 266,001	\$ 1,017,538	\$ 873,082	\$ 144,456	17%	\$ 537,186	\$ 1,554,724	\$ 1,397,818	\$ 156,906	
EXPENSE										
Salaries & Fringe Expense	\$ 181,249	\$ 559,361	\$ 676,720	\$ (117,359)	-17%	\$ 309,841	\$ 869,202	\$ 938,966	\$ (69,764)	
Professional Fees	45,139	157,450	191,402	(33,953)	-18%	55,301	212,751	237,849	(25,098)	
Administrative Expenses	17,477	51,716	59,822	(8,106)	-14%	11,147	62,864	70,073	(7,209)	
Interest Expense	-	-	-	-	0%	20,493	20,493	20,493	0	
Real Estate Expenses	62,614	81,245	28,681	52,564	183%	27,171	108,416	41,328	67,088	
Occupancy Expense	7,012	23,996	33,983	(9,986)	-29%	13,421	37,417	45,809	(8,392)	
Bad Debt Expense (recovery)	-	(4,657)	-	(4,657)	0%	(10,000)	(14,657)	-	(14,657)	
Membership & Event Expense	-	500	2,000	(1,500)	0%	24,950	25,450	12,450	13,000	
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 313,492	\$ 869,611	\$ 992,608	\$ (122,996)	-12%	\$ 452,324	\$ 1,321,936	\$ 1,366,967	\$ (45,031)	
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (47,491)	\$ 147,927	\$ (119,525)	\$ 267,452	-224%	\$ 84,861	\$ 232,788	\$ 30,851	\$ 201,937	
DEPRECIATION	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ 199,541	\$ 199,541	\$ 199,541	\$ -	
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (47,491)	\$ 147,927	\$ (119,525)	\$ 267,452	224%	\$ (114,680)	\$ 33,247	\$ (168,690)	\$ 201,937	
PROJECT & PROGRAM REVENUE										
NYS ESD (Liberty Park)	\$ -	\$ -	\$ -	\$ -	0%	4,189,694	4,189,694	\$ -	\$ 4,189,694	
CACRC Grant	89,351	157,458	-	157,458	100%	(4,246)	153,211	153,211	-	
New York Parks (Skyway Project)	-	-	-	-	100%	-	-	-	-	
Total Program Income	\$ 89,351	\$ 157,458	\$ -	\$ 157,458	100%	\$ 4,185,448	\$ 4,342,905	\$ 153,211	\$ 4,189,694	
PROJECT & PROGRAM EXPENSE										
Liberty Park Expenses	\$ 59,305	\$ 79,181	\$ 29,700	\$ 49,481	167%	\$ 3,714,492	3,793,673	\$ 40,000	\$ 3,753,673	
Capitalize Albany Amplify and Retail Grants	118,169	186,276	-	186,276	100%	-	186,276	153,211	33,065	
Impact Downtown Albany (Skyway Project)	-	-	50,000	(50,000)	-100%	66,935	66,935	100,000	(33,065)	
Total Program Expense	\$ 177,474	\$ 265,457	\$ 79,700	\$ 185,757	233%	\$ 3,781,428	\$ 4,046,884	\$ 293,211	\$ 3,753,673	
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (88,123)	\$ (107,999)	\$ (79,700)	\$ (28,299)	-36%	\$ 404,020	\$ 296,021	\$ (140,000)	\$ 436,021	
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (135,614)	\$ 39,928	\$ (199,225)	\$ 239,153	120%	\$ 289,340	\$ 329,268	\$ (308,689)	\$ 637,958	

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

	September 30, 2019	Projected December 31, 2019	December 31, 2018
Assets			
Current Assets:			
Cash and cash equivalents	\$ 3,254,181	\$ 2,746,405	\$ 5,912,122
Investments	6,008,345	6,026,345	3,645,345
Restricted cash	697,275	6,502,943	621,838
Mortgage notes receivable, net	1,361,993	1,839,180	1,465,223
Net investment in direct financing leases	-	-	-
Accrued interest receivable	28,135	28,135	21,858
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	-	-	-
Other receivables, net	91,855	190,780	196,178
Property held for investment and lease, net	1,931,773	2,111,290	1,880,718
Property and equipment, net	359,512	335,454	336,241
Other assets	439,665	128,391	451,664
Total assets	\$ 14,172,734	\$ 19,908,923	\$ 14,531,187
Deferred Outflows of Resources	\$ -	\$ -	\$ -
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 89,525	\$ 50,758	\$ 369,590
Due to the City of Albany	59,521	59,521	72,892
Unearned grant and other income	836,742	6,522,358	944,200
Bonds payable	1,350,000	1,150,000	1,350,000
Revolving loan fund liability	675,992	675,992	673,479
Unearned program support	20,384	20,383	20,384
Total liabilities	\$ 3,032,165	\$ 8,479,012	\$ 3,430,545
Deferred Inflows of Resources	\$ -	\$ -	\$ -
Net Position			
Net invested in capital assets	\$ 856,001	\$ 856,001	\$ 856,001
Restricted for:			
Debt service	-	-	-
CDBG eligible activities	114,356	114,356	114,356
Other program specific activities	8,190	8,190	8,190
Impact Downtown Albany	-	-	-
Unrestricted	10,162,023	10,451,363	10,122,095
Total net position	\$ 11,140,570	\$ 11,429,910	\$ 11,100,642

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

Pre Audited Draft

	<u>Year to Date</u> <u>September 30, 2019</u>	<u>Projected</u> <u>December 31, 2019</u>	<u>Year Ended</u> <u>December 31, 2018</u>
Revenues			
Grant income and Contribution Income	\$ 462,501	\$ 4,840,348	\$ 1,003,131
Rental income	108,809	301,705	300,287
Other interest and investment income	209,663	239,871	68,581
Interest income on mortgage notes	45,027	60,346	74,358
Gain on sale of properties	-	-	69,555
Fees and other income	348,996	455,358	417,067
	<u>1,174,996</u>	<u>5,897,628</u>	<u>1,932,979</u>
Total revenues			
Expenses			
Salaries and fringe benefits	559,361	869,202	760,640
Program and project costs	347,202	4,335,232	1,102,460
Interest expense	-	20,493	22,554
Bad debt expenses (recovery)	(4,657)	(14,657)	-
Administrative Expenses	233,162	358,090	113,836
	<u>1,135,068</u>	<u>5,568,360</u>	<u>1,999,490</u>
Total expenses			
Excess of (expenses over revenues) revenues over expenses	39,928	329,268	(66,511)
Net Position, Beginning of Year	<u>11,100,642</u>	<u>11,100,642</u>	<u>11,167,153</u>
Net Position, End of Month	<u>\$ 11,140,570</u>	<u>\$ 11,429,910</u>	<u>\$ 11,100,642</u>

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	September 30, 2019	Projected December 31, 2019	December 31, 2018
Cash Flows From Operating Activities			
Cash received from customers	\$ 287,434	\$ 389,100	\$ 305,986
Cash received from grantors	357,556	10,744,292	755,485
Other operating cash receipts	348,996	455,358	405,960
Cash payments to suppliers and grantees	(864,484)	(1,926,670)	(750,913)
Cash payments to employees	(559,361)	(869,202)	(760,640)
Net cash provided by operating activities	<u>(429,859)</u>	<u>8,792,877</u>	<u>(44,122)</u>
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of property held for sale	-	-	700,000
Purchase of property held for investment and lease	(51,055)	(3,276,055)	(10,958)
Purchase of property and equipment	(23,271)	(23,271)	(20,243)
Purchase of other assets including purchase options	-	-	-
Principal payments on bonds payable	-	(200,000)	(350,000)
Interest paid on bonds payable	(5,942)	(23,368)	(25,621)
Net cash used in capital and related financing activities	<u>(80,268)</u>	<u>(3,522,694)</u>	<u>293,178</u>
Cash Flows From Investing Activities			
Interest on cash and cash equivalents and investments	90,348	113,118	61,886
Net decrease (increase) in restricted cash	(75,437)	(5,881,105)	105,226
Proceeds from sales and maturities of investments	10,865,734	10,883,234	2,238,428
Purchase of investments	(13,127,033)	(13,162,534)	(2,286,932)
Issuance of mortgage notes receivable	-	(500,000)	(100,000)
Repayments received on mortgage notes receivable	98,573	111,387	540,259
Principal payments received under direct financing leases	-	-	188,148
Net cash used in investing activities	<u>(2,147,814)</u>	<u>(8,435,900)</u>	<u>747,015</u>
Change in cash and cash equivalents	(2,657,941)	(3,165,717)	996,071
Cash and cash equivalents:			
Beginning of year	<u>5,912,122</u>	<u>5,912,122</u>	<u>4,916,051</u>
End of year	<u>\$ 3,254,181</u>	<u>\$ 2,746,405</u>	<u>\$ 5,912,122</u>

	September 30, 2019	Projected December 31, 2019	December 31, 2018
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	\$ 39,928	\$ 329,268	\$ (66,511)
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	3,069,541	189,785
Adjustment for losses on mortgage notes and other receivables	4,657	14,657	(11,107)
Gain on sale of property	-	-	(69,555)
Net realized and unrealized losses (gains) on investments	(101,700)	(101,700)	29,540
Interest income on cash and cash equivalents and investments	(90,348)	(113,119)	(67,220)
Interest expense on bonds payable	5,942	23,368	22,554
Changes in:			
Grants receivable	-	323,273	(311,269)
Other receivables, accrued interest receivable and other assets	110,043	(879)	(99,560)
Accounts payable and accrued expenses	(293,435)	(332,202)	275,598
Unearned grant, program support and other income	(107,458)	5,578,158	61,088
Revolving loan fund liability	2,513	2,513	2,535
Net cash provided by operating activities	<u>\$ (429,859)</u>	<u>\$ 8,792,877</u>	<u>\$ (44,122)</u>

Confidential Draft – For Discussion Purposes Only

TO: Capitalize Albany Corporation Board of Directors
FROM: Mark Opalka
DATE: October 22, 2019
RE: Capitalize Albany Corporation Preliminary Draft 2020 Budget

The Corporation is projecting a budgeted net loss for 2020 before Depreciation Expense and Program Activity to be approximately \$53,851. Overall, the preliminary budget anticipates a deficit of approximately \$408,045. The major contributors to this budgeted deficit are related to approximately \$168,000 in depreciation, an increase of \$170,710 over 2019 Budget in salary and benefits for expanded operations, net strategic expenses of \$100,000 toward the implementation of the Impact Downtown strategy, an increase of \$36,900 in increased professional fee expense and \$54,650 in net expenses related to the anticipated property management and operation of the Liberty Park area.

This budget also anticipates that the Corporation will close on a \$400,000 loan under the Corporation's real estate loan program.

The projected ending unrestricted cash balance for 2019 is anticipated to be \$2,746,405. Given the proposed Draft Budget, the anticipated ending unrestricted cash balance for 2020 would be \$1,914,190.

Please note that this preliminary budget is built on forecasting assumptions on program and project related expenses related to the Liberty Park project.

Below are identified significant revenue and expense variances for the projected 2020 budget compared to the 2019 approved budget.

2019 NON-PROGRAM REVENUE ASSUMPTIONS:

Revenue derived from non-program activity is budgeted at approximately \$1.53 million.

- **Real Estate Income**
Real Estate Income is budgeted to be approximately \$394,868 which is approximately \$92,846 higher than the 2019 budget. This is a direct result of a gain on sale of the Palace Properties offset by income related to parking in the Liberty Park area being reclassified into program and project income for 2020.
- **Lending Income**
Lending Income is budgeted to be approximately \$93,818 which is approximately \$30,880 lower than the 2019 budget. This is a direct result a reduction of the Corporation's loan portfolio which has occurred in prior years.

Confidential Draft – For Discussion Purposes Only

- **Professional Service Agreement Income**
Professional Service Agreement income is budgeted to be approximately \$394,230 which is approximately \$45,645 higher than the 2019 budget. This reflects an anticipated continuance of the current terms of the 2019 contract for services with the City of Albany IDA and CRC.
- **Investment & Interest Income**
Investment Income is budgeted to be approximately \$113,425 which is approximately \$21,852 higher than the 2019 approved budget. This is a direct result of higher interest rates being earned on the Corporation's bank and investment accounts as a result of the Corporation moving surplus unrestricted fund into higher yielding account.

2020 NON-PROGRAM EXPENSE ASSUMPTIONS:

Expense incurred from non-program activity is budgeted at approximately \$1.78 million.

- **Salary & Benefit Expense**
Salary & Benefit Expense for 2020 is budgeted to be approximately \$1,109,680 which is approximately \$170,715 higher than the 2019 approved budget. This is attributable to budgeting for an increase to nine full-time staff as well as promotions and market and merit based increases for existing positions do to an expansion in operational and program activity.
- **Professional Fees**
Professional fees expense for 2020 is budgeted to be approximately \$274,745 which is approximately \$36,895 higher compared to the 2019 approved budget. This increase is due to the Corporation seeking Professional Services for strategic communication services.
- **Real Estate Expenses**
Real estate expenses for 2020 is budgeted to be approximately \$4,000 which is approximately \$37,330 lower compared to the 2019 approved budget. This decrease is due to the anticipated elimination of license fees associated with property in the Liberty Park area.
- **Occupancy Expenses**
Occupancy expenses for 2020 is budgeted to be approximately \$75,400 which is approximately \$29,595 higher compared to the 2019 approved budget. This increase is due to anticipated increases in property maintenance costs that Corporation is anticipating due to a change in property managers.

Confidential Draft – For Discussion Purposes Only

- **Sponsorship and Event Expenses**
Sponsorship and Event expenses for 2020 is budgeted to be approximately \$25,450 which is approximately \$13,000 higher compared to the 2019 approved budget. This increase is due to the Corporation engaging an outside vendor to produce the Corporation's annual report for 2020.
- **Depreciation Expense**
Depreciation Expense for 2019 is budgeted to be approximately \$199,540. Of this amount, \$168,500 (84%) is attributable to the anticipated recording of depreciation expense for the Corning Preserve.

2020 PROGRAM INCOME AND EXPENSE ASSUMPTIONS:

- **Program Income**
Program Income is budgeted to be approximately \$998,673 for 2020. Approximately \$731,900 of this income is anticipated to be grant revenues received from NYS Empire State Development for expenses incurred by the Corporation for development of the Liberty Park area of the City of Albany. Additionally, approximately \$162,325 is anticipated to be received from parking operations in the Liberty Park area and \$104,445 is budgeted for grant income realized under the Amplify Albany, Downtown Retail and Façade grant programs.
- **Program Expenses**
Program expenses is budgeted to be approximately \$1,153,330 for 2020. \$100,000 is budgeted for continued implementation of the Impact Downtown Albany Plan. Approximately \$948,880 is budgeted for expenses related to the Liberty Park Development and \$104,445 is budgeted for anticipated grant awards to applicants under the Amplify Albany, Downtown Retail and Façade grant programs.

**Capitalize Albany Corporation
Draft 2020 Budget Summary**

	2019 Budget	2019 Projected	Variance 2019 Projected v. 2019 Budget	2020 Budget	Variance	
					2020 Budget v. 2019 Projected - \$	2020 Budget v. 2019 Projected - %
Revenue						
General Economic and Community Development Support Income	\$ 497,443	\$ 497,443	\$ -	\$ 497,443	\$ -	0.00%
Real Estate Income	302,022	301,705	(317)	394,868	93,164	30.88%
Professional Service Agreement Income	348,582	394,228	45,646	394,228	-	0.00%
Lending Income	124,698	85,417	(39,281)	93,818	8,401	9.84%
Direct Financing Lease Income	-	-	-	-	-	100.00%
Investment & Interest Income	91,573	239,871	148,298	113,425	(126,446)	-52.71%
Membership & Event Support	33,500	36,060	2,560	33,500	(2,560)	-7.10%
Total	\$ 1,397,818	\$ 1,554,724	\$ 156,906	\$ 1,527,282	\$ (27,441)	-1.77%
Expenses						
Salary & Benefits	\$ 938,966	\$ 869,202	\$ (69,764)	\$ 1,109,679	\$ 240,477	27.67%
Professional Fees	237,849	212,751	(25,098)	274,745	61,994	29.14%
Administration Expenses	70,073	62,864	(7,209)	74,713	11,850	18.85%
Interest Expense	20,493	20,493	-	17,143	(3,350)	-16.35%
Real Estate Expenses	41,328	108,416	67,088	4,000	(104,416)	-96.31%
Occupancy Expense	45,809	37,417	(8,392)	75,403	37,986	101.52%
Membership & Event Expense	12,450	25,450	13,000	25,450	-	0.00%
Bad Debt (Recovery)	-	(14,657)	(14,657)	-	14,657	-100.00%
Total	\$ 1,366,967	\$ 1,321,935	\$ (45,032)	\$ 1,581,133	\$ 259,198	19.61%
Net Income/Loss Before Depreciation and Program Activity	\$ 30,851	\$ 232,789	\$ 201,938	\$ (53,851)	\$ (286,639)	-123.13%
Depreciation/Impairment of Assets	199,541	199,541	-	199,541	-	0.00%
Net Income/Loss after Depreciation	\$ (168,690)	\$ 33,248	\$ 201,938	\$ (253,391)	\$ (286,639)	-862.12%
Program Activity						
<i>Program Revenue</i>						
Capitalize Albany Retail and Amplify Albany Grants	153,211	157,458	4,246	104,445	(53,013)	-33.67%
New York ESD Grant	-	4,189,694	4,189,694	894,228	(3,295,466)	-78.66%
<i>Program Expenses</i>						
Capitalize Albany Retail and Amplify Albany Grants	(153,211)	(157,458)	(4,246)	(104,445)	53,013	-33.67%
Downtown Tactical Plan	(100,000)	(100,000)	-	(100,000)	-	0.00%
Liberty Park Expenses	(40,000)	(3,793,673)	(3,753,673)	(948,882)	2,844,791	-74.99%
Net Income (Loss) from Program Activity	\$ (140,000)	\$ 296,021	\$ 436,021	\$ (154,654)	\$ (450,675)	-152.24%
Net Income(Loss) after Depreciation and Program Activity	\$ (308,690)	\$ 329,269	\$ 637,959	\$ (408,045)	\$ (737,314)	-115.57%

Capitalize Albany Corporation
Draft 2020 Budget

	2018 Actual	2019 Budget	2019 Projected	2020 Budget	Variances					
					2019 Projected V. 2019 Budget		2020 Budget V. 2019 Budget		2020 Budget V. 2019 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	165,843.00	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	\$ 497,443.00	\$ 497,443.00	\$ 497,443.00	\$ 497,443.00	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%
<i>Real Estate Income</i>										
Leases										
Quakenbush House	\$ 35,989.32	\$ 37,250.00	\$ 37,068.33	\$ 38,367.50	(181.67)		1,117.50		1,299	
DBID Lease	18,299.76	18,665.76	18,761.40	18,949.01	95.64		283.25		188	
Port of Albany	155,514.00	156,566.98	156,566.98	156,566.98	-		-		-	
Licenses										
Albany Management - 10 Dallius Street	51,018.97	52,039.35	51,808.08	-	(231.27)		(52,039.35)		(51,808)	
Albany Parking Authority - Quakenbush Lot	37,500.00	37,500.00	37,500.00	37,500.00	-		-		-	
Gain on Sale of Property	-	-	-	143,485.00	-		143,485.00		143,485	
Total Real Estate Income	\$ 300,322.05	\$ 302,022.09	\$ 301,704.79	\$ 394,868.49	\$ (317)	-0.11%	\$ 92,846	30.74%	\$ 93,164	30.88%
<i>Professional Service Agreement Income</i>										
CAIDA	\$ 348,582.00	\$ 348,582.00	\$ 394,228.00	\$ 394,228.00	\$ 45,646.00		\$ 45,646.00		\$ -	
Total Professional Service Agreement Income	\$ 348,582.00	\$ 348,582.00	\$ 394,228.00	\$ 394,228.00	\$ 45,646	13.09%	\$ 45,646	13.09%	\$ -	0.00%
<i>Lending Income</i>										
Interest										
CAC Miscellaneous	\$ 71,826.84	\$ 105,712.00	\$ 59,903.75	\$ 79,000.00	\$ (45,808.25)		\$ (26,712.00)		\$ 19,096.25	
Ten Broeck	2,531.43	516.00	442.52	-	(73.48)		(516.00)		(442.52)	
Fees										
Commitment Fees	1,500.00	4,000.00	5,000.00	4,000.00	1,000.00		-		(1,000.00)	
Application Fees	500.00	250.00	750.00	250.00	500.00		-		(500.00)	
Legal Fees	3,000.00	3,000.00	3,000.00	3,000.00	-		-		-	
Enterprise Comm Admin Cost Allowance	14,576.12	11,220.00	16,320.28	7,568.00	5,100.28		(3,652.00)		(8,752.28)	
Other Fees										
Total Lending Income	\$ 93,934.39	\$ 124,698.00	\$ 85,416.55	\$ 93,818.00	\$ (39,281)	-31.50%	\$ (30,880)	-24.76%	\$ 8,401	9.84%

Capitalize Albany Corporation
Draft 2020 Budget

	2018 Actual	2019 Budget	2019 Projected	2020 Budget	Variances					
					2019 Projected V. 2019 Budget		2020 Budget V. 2019 Budget		2020 Budget V. 2019 Projected	
					\$	%	\$	%	\$	%
<u>Direct Financing Lease Income</u>										
200 Henry Johnson Blvd.	\$ 1,914.58	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
Total Direct Financing Lease Income	\$ 1,914.58	\$ -	\$ -	\$ -	\$ -	100.00%	\$ -	100.00%	\$ -	100.00%
<u>Investment & Interest Income</u>										
Investment Income										
Gain/Loss on Sale/Disposal of Investments	\$ 57,340.31	\$ -	\$ 67,642.88	\$ -	\$ 67,643		\$ -		\$ (67,643)	
Interest and Dividends - Fidelity	66,479.18	72,000.00	86,960.79	80,000.00	14,960.79		8,000		(6,961)	
Change in FV Mkt Adj on Fidelity Investments	(86,880.22)	-	41,483.25	-	41,483.25		-		(41,483)	
Interest Income										
Capital Bank	464.58	475.73	469.18	440.00	(6.55)		(36)		(29)	
Community Bank	28,996.34	19,000.00	23,443.63	10,000.00	4,443.63		(9,000)			
Berkshire Bank	-	-	17,453.34	22,925.00	17,453.34		22,925		5,472	
Fidelity Cash Account	231.73	97.18	2,418.28	60.00	2,321.10		(37)		(2,358)	
Imprest Account	-	-	-	-	-		-		-	
Other interest	-	-	-	-	-		-		-	
Total Investment and Interest Income	\$ 66,631.92	\$ 91,572.91	\$ 239,871.35	\$ 113,425.00	\$ 148,298	161.95%	\$ 21,852	23.86%	\$ (113,003)	-47.11%
<u>Membership & Event Support</u>										
Membership Fees	\$ 28,750.00	\$ 25,000.00	\$ 27,400.00	\$ 25,000.00	\$ 2,400.00		\$ -		(2,400)	
Sponsorship Revenue	9,000.00	8,500.00	8,500.00	8,500.00	-		-		-	
Event Revenue	-	-	-	-	-		-		-	
Miscellaneous	51.08	-	160.00	-	160		-		(160)	
Total Membership & Event Support	\$ 37,801.08	\$ 33,500.00	\$ 36,060.00	\$ 33,500.00	\$ 2,560	7.64%	\$ -	0.00%	\$ (2,560)	-7.10%
TOTAL REVENUE	\$ 1,346,629.02	\$ 1,397,818.00	\$ 1,554,723.69	\$ 1,527,282.49	\$ 156,906	11.23%	\$ 129,464	9.26%	\$ (27,441)	-1.77%
<u>EXPENSES</u>										
<u>Salary & Benefits</u>										
Salaries	\$ 557,794.24	\$ 644,370.08	\$ 604,623.08	\$ 812,550.00	\$ (39,747)		\$ 168,180		\$ 207,927	
Fringe Benefits	202,845.60	294,595.80	264,579.03	297,129.08	(30,017)		2,533		32,550	
Total Salary & Benefits	\$ 760,639.84	\$ 938,965.88	\$ 869,202.11	\$ 1,109,679.08	\$ (69,764)	-7.43%	\$ 170,713	18.18%	\$ 240,477	27.67%
<u>Professional Fees</u>										
Legal	\$ 48,751.14	\$ 60,000.00	\$ 49,539.25	\$ 60,000.00	\$ (10,460.75)		\$ -		10,461	
Accounting	71,577.69	75,120.00	58,502.00	65,000.00	(16,618)		(10,120)		6,498	
ITS Contract	16,912.06	17,224.00	16,844.49	16,990.03	(380)		(234)		146	
Other	6,250.00	-	6,600.00	50,000.00	6,600		50,000		43,400	
Usherwood Contract/Repeat Business	9,783.00	10,076.00	5,840.00	6,015.00	(4,236)		(4,061)		175	
City of Albany MOU	53,480.00	53,480.00	53,484.00	53,584.00	4		104		100	
Connectivity Support	5,546.17	9,076.55	8,686.21	9,503.00	(390)		426		817	
Fidelity Brokerage Fees	12,872.81	12,872.45	13,255.08	13,652.73	383		780		398	
Total Professional Fees	\$ 225,172.87	\$ 237,849.00	\$ 212,751.03	\$ 274,744.76	\$ (25,098)	-10.55%	\$ 36,895.76	15.51%	\$ 61,994	29.14%

Capitalize Albany Corporation
Draft 2020 Budget

	2018 Actual	2019 Budget	2019 Projected	2020 Budget	Variances					
					2019 Projected V. 2019 Budget		2020 Budget V. 2019 Budget		2020 Budget V. 2019 Projected	
					\$	%	\$	%	\$	%
<i>Administration Expenses</i>										
Supplies & Non-capitalized equipment	\$ 5,785.30	\$ 6,000.00	\$ 4,959.25	\$ 6,000.00	\$ (1,041)		\$ -		\$ 1,041	
Postage & Printing	2,335.50	2,885.00	1,561.87	\$ 2,179.00	(1,323.13)		(706)		617	
Dues & Subscriptions	1,306.00	2,590.00	1,839.64	\$ 3,509.00	(750.36)		919		1,669	
Filing Fees	800.00	1,000.00	900.00	\$ 1,000.00	(100.00)		-		100	
Insurance	27,839.25	29,458.00	28,546.00	\$ 29,402.38	(912.00)		(56)		856	
Training & Education	3,913.26	4,500.00	4,500.00	\$ 5,400.00	-		900		900	
Travel	3,382.26	8,500.00	5,294.47	\$ 11,400.00	(3,205.53)		2,900		6,106	
Miscellaneous	1,743.34	4,500.00	4,500.00	\$ 4,620.00	-		120		120	
Payroll Processing Fees	4,864.39	4,640.00	4,717.35	\$ 4,903.00	77.35		263		186	
Bank Service Fees	35.00	-	45.00	-	45.00		-		(45)	
Meetings Expense	5,011.56	6,000.00	6,000.00	\$ 6,300.00	-		300		300	
Total Administration Expenses	\$ 57,015.86	\$ 70,073.00	\$ 62,863.58	\$ 74,713.38	\$ (7,209)	-10.29%	\$ 4,640	6.62%	\$ 11,850	18.85%
<i>Interest Expense</i>										
200 HJB	\$ 1,533.33	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
Port/Coming Bonds 2002	21,021.07	20,492.96	20,492.96	17,143.00	-		(3,350)		(3,350)	
Total Interest Expense	\$ 22,554.40	\$ 20,492.96	\$ 20,492.96	\$ 17,143.00	\$ -	0.00%	\$ (3,350)	-16.35%	\$ (3,350)	100.00%
<i>Real Estate Expenses</i>										
174 North Pearl Street	\$ 1,143.98	\$ 2,400.00	\$ 70,000.00	\$ -	\$ 67,600		\$ (2,400)		\$ (70,000)	
Quackenbush House	300.00	1,500.00	1,150.00	\$ 3,000.00	(350)		1,500		1,850	
Albany Convention Center Authority/ Liberty Sq Lease Paym	35,315.24	36,427.54	36,265.68	\$ -	(162)		(36,428)		(36,266)	
Other	-	1,000.00	1,000.00	\$ 1,000.00	-		-		-	
Total Rental Property Expenses	\$ 36,759.22	\$ 41,327.54	\$ 108,415.68	\$ 4,000.00	\$ 67,088	162.33%	\$ (37,328)	-90.32%	\$ (104,416)	-96.31%
<i>Occupancy Expense</i>										
Utilities & Telephone	\$ 13,583.09	\$ 13,722.00	\$ 11,934.00	\$ 13,803.00	\$ (1,788)		\$ 81		\$ 1,869	
Maintenance, Repairs & Cleaning	21,697.70	30,587.00	24,732.59	\$ 60,100.00	(5,854)		29,513		35,367	
Renovations	-	1,000.00	500.00	1,000.00	(500)		-		500	
Supplies	-	500.00	250.00	500.00	(250)		-		250	
Total Occupancy Expenses	\$ 35,280.79	\$ 45,809.00	\$ 37,416.59	\$ 75,403.00	\$ (8,392)	-18.32%	\$ 29,594	64.60%	\$ 37,986	101.52%
<i>Sponsorship & Event Expense</i>										
Development Today/annual meeting	\$ 7,226.77	\$ 8,500.00	\$ 21,000.00	\$ 21,000.00	\$ 12,500.00		12,500		-	
Sponsorships	500.00	3,950.00	4,450.00	4,450.00	500.00		500		-	
Other Events	-	-	-	-	-		-		-	
Total Membership & Event Expense	\$ 7,726.77	\$ 12,450.00	\$ 25,450.00	\$ 25,450.00	\$ 13,000	104.42%	\$ 13,000	104.42%	\$ -	0.00%
Bad Debt (Recovery)	\$ -	\$ -	\$ (14,657.00)	\$ -	\$ (14,657)		\$ -	100.00%	\$ 14,657	-100.00%
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 1,145,149.75	\$ 1,366,967.38	\$ 1,321,934.95	\$ 1,581,133.22	\$ (45,032)	-3.29%	\$ 214,166	15.67%	\$ 259,198	19.61%
NET INCOME BEFORE DEPRECIATION AND PROGRAM ACTIVITY	\$ 201,479.27	\$ 30,850.62	\$ 232,788.74	\$ (53,850.73)	\$ 201,938	654.57%	\$ (84,701)	-274.55%	\$ (286,639)	-123.13%
<i>Depreciation</i>										

Capitalize Albany Corporation
Draft 2020 Budget

	2018 Actual	2019 Budget	2019 Projected	2020 Budget	Variances					
					2019 Projected V. 2019 Budget		2020 Budget V. 2019 Budget		2020 Budget V. 2019 Projected	
					\$	%	\$	%	\$	%
Property & Equipment	\$ 2,438.43	\$ 11,590.00	\$ 11,590.00	\$ 11,590.00	\$ -		\$ -		\$ -	
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	11,864.71	12,468.00	12,468.00	12,468.00	-		-		-	
Total Depreciation	\$ 189,785.67	\$ 199,540.53	\$ 199,540.53	\$ 199,540.53	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%
NET INCOME AFTER DEPRECIATION	\$ 11,693.60	\$ (168,689.91)	\$ 33,248.21	\$ (253,391.26)	\$ 201,938	-119.71%	\$ (84,701)	50.21%	\$ (286,639)	-862.12%
<u>Program Income</u>										
Amplify Albany/Retail/Façade Grant Programs	\$ 194,418.91	\$ 153,211.34	\$ 157,457.70	\$ 104,445.00	\$ 4,246		\$ (48,766)		\$ (53,013)	
Liberty Park Grant Income	-	-	4,189,694.00	731,902.00	4,189,694.00		731,902		(3,457,792)	
Liberty Park Operating Income	-	-	-	162,326.16	-		162,326		162,326	
New York Main Street Grant Income	311,269.31	-	-	-	-		-		-	
Other Program Income	11,107.00	-	-	-	-		-		-	
Total Program Income	\$ 516,795.22	\$ 153,211.34	\$ 4,347,151.70	\$ 998,673.16	\$ 4,193,940	2737.36%	\$ 845,462	551.83%	\$ (3,348,479)	-77.03%
<u>Program Expenses</u>										
Amplify Albany/Retail/Façade Grant Programs	\$ 194,688.91	\$ 153,211.34	\$ 157,457.70	\$ 104,445.00	\$ 4,246		\$ (48,766)		\$ (53,013)	
Downtown Tactical Plan Implementation	415,025.75	100,000.00	100,000.00	100,000.00	-		-		-	
Other Program Expenses	-	-	-	-	-		-		-	
Liberty Park Expenses	54,831.14	40,000.00	3,793,673.00	948,882.00	3,753,673		908,882		(2,844,791)	
Total Program Expenses	\$ 664,545.80	\$ 293,211.34	\$ 4,051,130.70	\$ 1,153,327.00	\$ 4,246.36	1.45%	\$ 860,116	293.34%	\$ (53,013)	-1.31%
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (147,750.58)	\$ (140,000.00)	\$ 296,021.00	\$ (154,653.84)	\$ 4,189,694	-2992.64%	\$ (14,654)	10.47%	\$ (450,675)	-152.24%
NET INCOME (LOSS) AFTER DEPRECIATION AND PROGRAM ACTIVITY	\$ (136,056.98)	\$ (308,689.91)	\$ 329,269.21	\$ (408,045.10)	\$ 4,391,632	-1422.67%	\$ (99,355.19)	32.19%	\$ (737,314)	-223.92%

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

	Projected December 31, 2019	Projected December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,746,405	\$ 1,914,190
Investments	6,026,345	6,106,345
Restricted cash	6,502,943	5,838,981
Mortgage notes receivable, net	1,839,180	2,115,411
Net investment in direct financing leases	-	-
Accrued interest receivable	28,135	28,135
Grants receivable	-	-
Receivables from the City of Albany and City agencies	-	100,000
Other receivables, net	190,780	90,780
Property held for investment and lease, net	2,111,290	1,935,808
Property and equipment, net	335,454	311,396
Other assets	128,391	13,487
Total assets	\$ 19,908,923	\$ 18,454,533
Deferred Outflows of Resources	\$ -	\$ -
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 50,758	\$ 50,758
Due to the City of Albany	59,521	59,521
Unearned grant and other income	6,522,358	5,686,011
Bonds payable	1,150,000	940,000
Revolving loan fund liability	675,992	675,992
Unearned program support	20,383	20,387
Total liabilities	\$ 8,479,012	\$ 7,432,669
Deferred Inflows of Resources	\$ -	\$ -
Net Position		
Net invested in capital assets	\$ 856,001	\$ 856,001
Restricted for:		
Debt service	-	-
CDBG eligible activities	114,356	114,356
Other program specific activities	8,190	8,190
Impact Downtown Albany	-	-
Unrestricted	10,451,363	10,043,317
Total net position	\$ 11,429,910	\$ 11,021,864

Capitalize Albany Corporation

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Pre Audited Draft

	<u>Projected December 31, 2019</u>	<u>Projected 2020</u>
Revenues		
Grant income and Contribution Income	\$ 4,844,595	\$ 1,496,116
Rental income	301,705	251,383
Other interest and investment income	239,871	113,425
Interest income on mortgage notes	60,346	79,000
Gain on sale of properties	-	143,485
Fees and other income	455,358	442,546
Total revenues	<u>5,901,875</u>	<u>2,525,955</u>
Expenses		
Salaries and fringe benefits	869,202	1,109,679
Program and project costs	4,339,479	1,336,259
Interest expense	20,493	17,143
Bad debt expenses (recovery)	(14,657)	-
Administrative Expenses	358,090	470,920
Total expenses	<u>5,572,607</u>	<u>2,934,001</u>
Excess of (expenses over revenues) revenues over expenses	329,268	(408,046)
Net Position, Beginning of Year	<u>11,100,642</u>	<u>11,429,910</u>
Net Position, End of Month	<u>\$ 11,429,910</u>	<u>\$ 11,021,864</u>

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	Projected December 31, 2019	Projected December 31, 2020
Cash Flows From Operating Activities		
Cash received from customers	\$ 389,100	\$ 573,868
Cash received from grantors	10,748,539	659,770
Other operating cash receipts	455,358	442,546
Cash payments to suppliers and grantees	(1,930,917)	(1,592,729)
Cash payments to employees	(869,202)	(1,109,679)
Net cash provided by operating activities	<u>8,792,877</u>	<u>(1,026,224)</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	(3,276,055)	-
Purchase of property and equipment	(23,271)	-
Purchase of other assets including purchase options	-	-
Principal payments on bonds payable	(200,000)	(210,000)
Interest paid on bonds payable	(23,368)	(17,142)
Net cash used in capital and related financing activities	<u>(3,522,694)</u>	<u>(227,142)</u>
Cash Flows From Investing Activities		
Interest on cash and cash equivalents and investments	113,118	113,425
Net decrease (increase) in restricted cash	(5,881,105)	663,962
Proceeds from sales and maturities of investments	10,883,234	8,074,017
Purchase of investments	(13,162,534)	(8,154,022)
Issuance of mortgage notes receivable	(500,000)	(400,000)
Repayments received on mortgage notes receivable	111,387	123,769
Principal payments received under direct financing leases	-	-
Net cash used in investing activities	<u>(8,435,900)</u>	<u>421,151</u>
Change in cash and cash equivalents	<u>(3,165,717)</u>	<u>(832,215)</u>
Cash and cash equivalents:		
Beginning of year	<u>5,912,122</u>	<u>2,746,405</u>
End of year	<u>\$ 2,746,405</u>	<u>\$ 1,914,190</u>

	Projected December 31, 2019	Projected December 31, 2019
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	\$ 329,268	\$ (408,046)
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	3,069,541	199,540
Adjustment for losses on mortgage notes and other receivables	14,657	-
Gain on sale of property	-	-
Net realized and unrealized losses (gains) on investments	(101,700)	-
Interest income on cash and cash equivalents and investments	(113,119)	(113,430)
Interest expense on bonds payable	23,368	17,150
Changes in:		
Grants receivable	323,273	-
Other receivables, accrued interest receivable and other assets	(879)	214,908
Accounts payable and accrued expenses	(332,202)	-
Due to the City of Albany	-	(100,000)
Unearned grant, program support and other income	5,578,158	(836,346)
Revolving loan fund liability	2,513	-
Net cash provided by operating activities	<u>\$ 8,792,877</u>	<u>\$ (1,026,224)</u>

Budget Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 10/17/2019
 Status: UNSUBMITTED
 Certified Date: N/A

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets.

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year (Adopted) 2020	Proposed 2021	Proposed 2022	Proposed 2023
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$404,601.00	\$454,786.00	\$563,804.00	\$556,554.00	\$556,554.00	\$556,554.00
Rentals & Financing Income	\$325,186.00	\$325,121.00	\$473,868.00	\$362,053.00	\$346,930.00	\$343,783.00
Other Operating Revenues	\$118,412.00	\$35,900.00	\$33,500.00	\$33,500.00	\$33,500.00	\$33,500.00
Non-Operating Revenues						
Investment Earnings	\$67,022.00	\$243,625.00	\$113,425.00	\$106,959.00	\$107,965.00	\$109,024.00
State Subsidies / Grants	\$311,269.00	\$4,189,694.00	\$731,902.00	\$471,011.00	\$275,039.00	\$165,462.00
Federal Subsidies / Grants	\$14,576.00	\$16,320.00	\$7,568.00	\$3,709.00	\$1,106.00	\$0.00
Municipal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$415,843.00	\$569,054.00	\$520,288.00	\$415,843.00	\$415,843.00	\$415,843.00
Other Non-Operating Revenues	\$276,071.00	\$81,849.00	\$81,600.00	\$81,600.00	\$81,600.00	\$81,600.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$1,932,980.00	\$5,916,349.00	\$2,525,955.00	\$2,031,229.00	\$1,818,537.00	\$1,705,766.00
EXPENDITURES						
Operating Expenditures						
Salaries And Wages	\$557,794.00	\$604,623.00	\$812,550.00	\$828,801.00	\$845,377.00	\$862,285.00
Other Employee Benefits	\$202,846.00	\$264,579.00	\$297,129.00	\$303,072.00	\$309,133.00	\$315,316.00
Professional Services Contracts	\$225,173.00	\$212,751.00	\$274,481.00	\$285,558.00	\$286,522.00	\$287,497.00
Supplies And Materials	\$8,121.00	\$7,271.00	\$9,679.00	\$10,320.00	\$10,320.00	\$10,320.00
Other Operating Expenditures	\$373,058.00	\$430,479.00	\$369,427.00	\$358,340.00	\$360,054.00	\$361,450.00
Non-Operating Expenditures						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$22,554.00	\$20,493.00	\$17,143.00	\$13,542.00	\$9,823.00	\$5,923.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$194,919.00	\$153,211.00	\$104,445.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$415,026.00	\$3,893,673.00	\$1,048,882.00	\$603,367.00	\$371,776.00	\$265,462.00
Total Expenditures	\$1,999,491.00	\$5,587,080.00	\$2,933,736.00	\$2,403,000.00	\$2,193,005.00	\$2,108,253.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures	(\$66,511.00)	\$329,269.00	(\$407,781.00)	(\$371,771.00)	(\$374,468.00)	(\$402,487.00)

Budget Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 10/17/2019
Status: UNSUBMITTED
Certified Date:N/A

The authority's budget, as presented to the Board of Directors, is posted on the following website:

[Additional Comments](#)

**RESOLUTION 22-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the Capitalize Albany Corporation (CAC) has developed a Proposed Budget for 2020; 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 2020 Budget as presented.

Signed: _____
Sarah Reginelli
President

Date of Authorization: October 22, 2019

Prepared by Mark Opalka

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Board Member	Voting	Board Member	Voting	Board Member	Voting
Kaweeda Adams	_____	John Harris	_____	Anders Tomson	_____
Heather Briccetti	_____	David Parente	_____	Karen Torrejon	_____
Michael Castellana	_____	Susan Pedo	_____	Michele Vennard	_____
Bob Curley	_____	Matthew Peter	_____	John Vero	_____
Sonya del Peral	_____	Havidan Rodriguez	_____	Aye: 0; No: 0	
Michael Fancher	_____	Jeffrey Sperry	_____	Recused: 0	

CAPITALIZE ALBANY CORPORATION

CODE OF ETHICS

This Code of Ethics shall apply to all Directors and employees of the Capitalize Albany Corporation (CAC). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of CAC's Directors and employees and to preserve confidence in the CAC's mission.

Responsibility of Directors and Employees

- a. No Director or employee of CAC should accept other employment which will impair his/her independence of judgment in the exercise of his/her official duties. If such a condition exists, then such Director or employee should disclose such other employment to the Corporation and recuse himself/herself from participation in decision-making/voting related to the relevant matter.
- b. No Director or employee of CAC should accept employment or engage in any business or professional activity which will require him/her to disclose confidential CAC information which he/she has gained by reason of his/her CAC position or authority.
- c. Directors and employees shall manage all matters within the scope of the CAC's mission independent of any other affiliations or employment. Directors and employees employed by more than one entity shall strive to fulfill their professional responsibility to the CAC without bias and shall support the CAC's mission to the fullest.
- c. No Director or employee of CAC should disclose confidential CAC information acquired by him/her in the course of his/her CAC duties nor use such information to further his/her personal interests.
- d. No Director or employee of CAC should use or attempt to use his/her or her official position to secure unwarranted privileges or exemptions for himself/herself or others, including but not limited to, the misappropriation to himself/herself or to others of CAC property, services or other resources for non-CAC purposes.
- e. No Director or employee of CAC should engage in any transaction as representative or agent of CAC with any business entity in which he/she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his/her CAC duties. If such a condition exists, then such Director or employee should disclose that he/she possesses an interest that may present a conflict with his/her CAC duties and recuse himself/herself from participation in decision-making/voting related to the relevant matter.
- f. An Director or employee of CAC should not by his/her conduct give reasonable basis for the impression that any person can improperly influence him/her or unduly enjoy his/her favor in the performance of his/her official duties, or that he/she is affected by the kinship, rank, position or influence of any party or person. Directors and employees shall not accept or receive any gift or

gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of CAC business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official CAC act by the individual.

g. An Director or employee of CAC should abstain from making personal investments in enterprises which he/she has reason to believe may be directly involved in decisions to be made by him/her or which will otherwise create substantial conflict between his/her CAC duty and his/her private interest. Similar to (a) above, if such a condition exists, then such Director or employee should disclose that he/she possesses an interest that may present a conflict with his/her CAC duties and recuse himself/herself from participation in decision-making/voting related to the relevant matter.

h. An Director or employee of CAC should endeavor to pursue a course of conduct which will not raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her CAC duties and responsibilities.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all Directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The Board may designate an Ethics Director, who shall report to the Board and shall have the following duties:

- Provide counsel (in confidence or otherwise as requested) to CAC Directors and employees who seek advice about ethical behavior;
- Receive and investigate complaints about possible ethics violations;
- Dismiss complaints found to be without substance;
- Prepare an investigative report of findings for the President or designee or the Board;
- Record the receipt of gifts or gratuities of any kind received by a Director or employee (recipients of such gifts shall notify the Ethics Director within 48 hours of receipt of such gifts/gratuities)

Penalties

In addition to any penalty contained in any other provision of law, a CAC Director or employee who knowingly and intentionally violates the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Directors and employees are required to report possible unethical behavior by a Director or employee of the CAC to the Ethics Director. Directors and employees may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the CAC.

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/>
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Name: _____

Signature: _____

Date: _____

CAC Whistleblower Policy and Procedures

Purpose. It is the policy of Capitalize Albany Corporation (“CAC”) to afford certain protections to individuals who in good faith report violations of CAC’s Code of Ethics or other instances of potential wrongdoing. The Whistleblower Policy and Procedures set forth below are intended to encourage and enable employees to raise concerns in good faith within CAC and without fear of retaliation or adverse employment action.

Definitions.

“Good Faith”: Information concerning potential wrongdoing is disclosed in “good faith” when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.

“CAC Employee”: All CAC board members, and officers and staff employed whether full-time, part-time, employed pursuant to contract, employees on probation and temporary employees.

“Whistleblower”: Any CAC Employee who in good faith discloses information concerning wrongdoing by another CAC employee, or concerning the business of CAC.

“Wrongdoing”: Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by a CAC Employee (as defined herein) that relates to CAC.

“Personnel action”: Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

Section 1: Reporting Wrongdoing.

All CAC Employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of CAC; or a person having business dealings with CAC; or concerning the CAC itself, shall report such activity in accordance with the following procedures:

- a) The CAC Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to the CAC’s Board Chairman, or general counsel.
- b) All CAC Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
- c) The identity of the whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
- d) The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such

information to the Authorities Budget Office or an appropriate law enforcement agency where applicable.

e) Should a CAC Employee believe in good faith that disclosing information pursuant to Section 1(a) above would likely subject him or her to adverse personnel action or be wholly ineffective, the CAC Employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

Section 2: No Retaliation or Interference.

No CAC Employee shall retaliate against any Whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no CAC Employee shall interfere with the right of any other CAC Employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:

a) No CAC Employee who in good faith discloses potential violations of CAC's Code of Ethics or other instances of potential wrongdoing, shall suffer harassment, retaliation or adverse personnel action.

b) All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by CAC.

c) Any CAC Employee who retaliates against or had attempted to interfere with any individual for having in good faith disclosed potential violations of CAC's Code of Ethics or other instances of potential wrongdoing is subject to discipline, which may include termination of employment.

d) Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

Section 3: Other Legal Rights Not Impaired.

The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

a) Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, and State Finance Law § 191 (commonly known as the "False Claims Act).

b) With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide

the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety.

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Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: CAC Board of Directors
FROM: Capitalize Albany Corporation Staff
RE: Annual Conflict of Interest Declaration
DATE: October 22, 2019

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:

development@capitalizealbany.com
Capitalize Albany, 21 Lodge Street, Albany, NY 12207
fax 518-434-9846

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

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: CAC Board of Directors
FROM: Capitalize Albany Corporation Staff
RE: Review of Board Member Terms
DATE: October 22, 2019

As stated in Article II (section 2) and Article III (section 2) of the bylaws of the Capitalize Albany Corporation provide that the Capitalize Albany Corporation Investors (aka Members) shall, at their Annual Meeting, elect Directors to fill vacancies on the Capitalize Albany Corporation Board which exist due to expired terms or other reasons

The following Board members have terms that are expiring at the end of 2019:

Robert Curley
John Harris
Susan Pedo
Matt Peter
John Vero

The Board may nominate these Directors for appointment for terms effective from January 1, 2020. Upon nomination the Directors will be placed on the ballot for election by the Investors during the 2019 Annual Business Meeting which will be held on Tuesday December 17, 2019.

Following these nominations, the Governance Committee will review and propose the appointment of officers and committees as well as address any Board vacancies at an upcoming 2019 meeting.

Capitalize Albany Board of Directors, 2019							Committee Appointments						
Member	Office	Original App't	Last Elected	Term Expiration	Term	<i>Exec</i>	<i>Audit</i>	<i>Finance & Investment</i>	<i>Corp Govern. & Nominating</i>	<i>Membership</i>	<i>Liberty Park</i>	<i>Total</i>	
1	Anders Tomson	Vice Chair	6/8/1999	12/2017	12/2020	7th	1		Chair	1		3	
2	David Parente		6/21/2000	12/2015	12/2021	7th			1	Chair		2	
3	Robert Curley		6/25/2002	12/2017	12/2019	6th			1		1	2	
4	John Harris	Treasurer	5/27/2004	12/2017	12/2019	5th			1	Chair	1	3	
5	Michael Fancher		5/27/2004	12/2017	12/2020	5th		Chair				1	
6	Michele Vennard		7/27/2004	12/2018	12/2021	5th		1		1		2	
7	Jeff Sperry		4/25/2006	12/2018	12/2021	5th			1	1		2	
8	Michael Castellana	Chairman	4/22/2008	12/2018	12/2021	4th	1				1	2	
9	John Vero		6/26/2012	12/2018	12/2021	3rd			1			1	
10	Susan Pedo		6/25/2013	12/2016	12/2019	2nd		1			1	2	
11	Matt Peter		5/27/2014	12/2017	12/2019	2nd							
12	Karen Torrejon		5/23/2017	12/2017	12/2020	1st							
13	Havidan Rodriguez		10/24/2017	12/2017	12/2020	1st					1	1	
14	Kaweeda Adams		3/18/2018	12/2018	12/2021	1st							
15	Heather Briccetti		3/18/2018	12/2018	12/2021	1st							
16	Sonya del Peral		3/18/2018	12/2018	12/2021	1st							
							2	3	5	4	2	6	
							<i>Required by Charter:</i>						
	<u>Officers</u>							3	3	3			
	Sarah Reginelli	President; Ex-Officio on all Committees											
	Thomas Owens, Esq.	Secretary									Chair		
	Michael Castellana	Ex-Officio on all Committees											

**RESOLUTION 23-2019
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 17, 2019, and at such meeting the Members shall elect Directors to fill five (5) open Board positions for terms effective from January 1, 2020 through the dates specified below;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors nominates the following candidates to the CAC Members for election to fill such five (5) Board positions:

<u>Name</u>	<u>Term</u>
Robert Curley	December 31, 2023
John Harris	December 31, 2023
Susan Pedo	December 31, 2023
Matt Peter	December 31, 2023
John Vero	December 31, 2023

Signed: _____
Michael Castellana, Chairman

Date of Authorization: October 22, 2019

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Board Member	Voting	Board Member	Voting	Board Member	Voting
Kaweeda Adams	_____	John Harris	_____	Anders Tomson	_____
Heather Briccetti	_____	David Parente	_____	Karen Torrejon	_____
Michael Castellana	_____	Susan Pedo	_____	Michele Vennard	_____
Bob Curley	_____	Matthew Peter	_____	John Vero	_____
Sonya del Peral	_____	Havidan Rodriguez	_____	Aye: ; No:	
Michael Fancher	_____	Jeffrey Sperry	_____	Recused:	

Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Date Completed: _____