



CAPITALIZE ALBANY
CORPORATION

Thursday September 25, 2023
21 Lodge St., Albany, NY
11:30 a.m.

Capitalize Albany Corporation
Finance and Investment Committee Meeting

Agenda

Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.

1. Review of the minutes from the Finance & Investment Committee meeting of June 20, 2023
2. Financial Update
 - a) Quarterly Financial Report & Investment Review
3. 2024 Draft Proposed Annual Budget
4. Other Business
 - a) Clinton Market Update
 - b) Liberty Park Update
5. Executive Session (if necessary)

MINUTES



CAPITALIZE ALBANY
CORPORATION

Date of Meeting: June 20, 2023

Meeting: Capitalize Albany Corporation Finance & Investment Committee Meeting

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 1:00 p.m., June 20, 2023, at 21 Lodge St. Albany, NY 12207.

The following were in attendance:

Committee Members: John Vero, Anders Tomson, John Harris

Other: Thomas M. Owens, Esq., Tom Libertucci, Tom Wilson of TW&A Construction Management (via teleconference)

Staff: Sarah Reginelli, Thomas Conoscenti, Amy Horwitz

The meeting was called to order at 1:03 p.m. by Committee Chair Anders Tomson.

Review of the minutes from the Finance & Investment Committee meeting of April 24, 2023

The Committee reviewed the minutes of the meeting. John Harris made a motion for approval which was seconded by John Vero. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of April 24, 2023.

Clinton Market Collective Project – Modification Recommendation

Staff reported on its recommendation that based on unanticipated change order requests primarily due to unforeseen subsurface conditions and unforeseen increases in soft costs that cannot be covered by the approved budget funding, that the Corporation increase its financial support to the Clinton Market project from \$300,000 to \$610,000 required to complete Phase 1 construction. In addition, staff are requesting approval to enter into change orders that are within the proposed amended budget and to increase the contract amounts with Fuss & O'Neill (formerly PLACE Alliance) and TW&A Construction Management to \$390,000 and \$230,000 respectively, which have been updated in the recommended budget. Tom Wilson of TW&A, the construction manager and owner's representative for the project, participated via phone for the Committee's discussion. Following a robust and extended discussion, Anders Tomson asked for approval of positive recommendation to the Board to approve this budget modification. A motion for approval was made by John Harris and was seconded by John Vero. The motion was passed with all members voting aye. Tom Wilson left the meeting at 1:38 p.m.

Banking Services Update

Staff reviewed the various bank accounts held by the Corporation which noted the interest rates and the type of security for each account per the Committee's recommendation in April. The Committee encouraged staff to consider either engaging with account managers at each institution or preparing a banking services RFP to ensure that the Corporation is getting the best rates in the current environment. The Committee also discussed the Corporation's Investment Policy and its current practices alignment.

Liberty Park Update

Staff reported that the selected real estate development consulting team has been proceeding with the contracted development services scope, and that staff executed on the option structural analysis as budgeted. For a discussion regarding current litigation and the proposed acquisition, sale or lease of real property when publicity would substantially affect the value thereof, John Vero made a motion to enter Executive Session and was seconded by John Harris. The Committee voted unanimously to enter Executive Session at 1:50 p.m. and

Tom Libertucci left the meeting. John Vero made a motion to exit Executive Session and was seconded by John Harris at 2:12 p.m. It was noted that no action was taken during Executive Session.

Adjournment

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 2:12 p.m.

MEMORANDUM



CAPITALIZE ALBANY
CORPORATION

To: Capitalize Albany Finance Committee
From: Capitalize Albany Staff
Date: July 14, 2023
Re: Capitalize Albany 2nd Quarter 2023 Financial Reports

BUDGET PERFORMANCE

On a pre-audit basis, through June 30, 2023, Capitalize Albany Corporation had a net loss of \$127,357. The Corporation projected a year-to-date (YTD) budgeted net income of \$422,418. For comparison, the Corporation had a net loss of \$424,557 at June 30, 2023.

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

- **YTD 2023 revenue is \$1,479,958, which is \$215,033 (12.9%) below the 2023 budget.**
 - **Support income.** Support income is \$190,843 which is \$51,700 (21%) below budget. This is due to revenue not being received from Park South / College suites that was budgeted in Quarter 2.
 - **Investment & Interest Income.** Interest and Investment Income is a gain of \$163,241 which is \$121,783 over budget. This variance is primarily due to investment performance in the Corporation's investment portfolio.
 - **Project & Program Revenue.** Project and Program revenue is \$775,211. This revenue is from grant monies realized for the Amplify Albany and façade grant programs, the Liberty Park project as well Liberty Park operational income and estimated revenue for Clinton Markets. Most of these revenues have offsetting project and program expenses.
- **YTD 2023 expenses are \$1,607,315 which is \$335,017 (26%) above the 2023 budget.**
 - **Salary & Fringe Expense.** Salary and Fringe expense are \$585,188 which is \$91,560 (14%) under budget. This variance is attributable to the Corporation having lower staffing levels than what was budgeted during the first and second quarter of 2023.
 - **Administrative expenses.** Administrative expenses are \$56,642 which is \$9,640 over budget. This is due to paying a large dues invoice in Q2 that was budgeted for Q3.
 - **Occupancy Expenses.** Occupancy expenses are \$19,116 which is \$6,964 (27%) under budget. This is due to lower utility and maintenance expenses than budgeted.
 - **Project & Program Expense.** Project and Program Expenses are \$782,536. These expenses were for the grant disbursements for the Amplify Albany and Façade grant programs as well as expenses incurred for the Liberty Park and Clinton Market Collective projects.

BALANCE SHEET

- At June 30, 2023, compared to December 31, 2022, unrestricted cash has increased by \$21,227.
- Investments increased by \$143,257. This is primarily due to the investment performance in the Corporations LT equity portfolio.
- Restricted cash has increase by \$8,736 due to interest earned on the accounts
- Mortgage notes receivable has decrease by \$239,728. This is a result of scheduled loan payment activity.

| | January 1, 2023 - December 31, 2023 | | | | | | | |
|--|-------------------------------------|---------------------|---------------------|----------------|------------------------------|---------------------|---------------------|--------------------------------|
| | YTD Actual | YTD Budget | Variance - \$ | Variance - % | December Adjustment Forecast | 2023 Projection | Original Budget | Projected Variance from Budget |
| REVENUE | | | | | | | | |
| General Economic & Community Development Support Income | \$ 190,843 | \$ 242,543 | \$ (51,700) | -21% | \$ 247,575 | \$ 438,418 | \$ 490,118 | \$ (51,700) |
| Real Estate Income | 39,294 | 40,165 | (871) | -2% | 188,181 | 227,475 | 236,896 | (9,421) |
| Professional Service Agreement Income | 250,290 | 247,114 | 3,176 | 1% | 282,114 | 532,404 | 529,228 | 3,176 |
| Loan Interest Income | 34,829 | 19,608 | 15,221 | 78% | 19,608 | 54,437 | 39,216 | 15,221 |
| Fee Income | - | 7,250 | (7,250) | -100% | - | - | 7,250 | (7,250) |
| Direct Finance Lease Income | - | - | - | 0% | - | - | - | - |
| Investment & Interest Income | 76,955 | 41,458 | 35,497 | 86% | 39,874 | 116,829 | 82,916 | 33,913 |
| FMV Adj on Fidelity Inv | (98,638) | - | (98,638) | 100% | - | (98,638) | - | (98,638) |
| G/L on Sale/Redemption | 184,924 | - | 184,924 | 100% | - | 184,924 | - | 184,924 |
| Membership & Event Support | 26,250 | 27,000 | (750) | -3% | 4,750 | 31,000 | 33,500 | (2,500) |
| TOTAL REVENUE | \$ 704,747 | \$ 625,137 | \$ 79,610 | 13% | \$ 782,103 | \$ 1,486,850 | \$ 1,419,124 | \$ 67,726 |
| EXPENSE | | | | | | | | |
| Salaries & Fringe Expense | \$ 585,188 | \$ 676,748 | \$ (91,560) | -14% | \$ 676,754 | \$ 1,261,942 | \$ 1,353,502 | \$ (91,560) |
| Professional Fees | 162,968 | 159,330 | 3,639 | 2% | 113,140 | 276,108 | 277,859 | (1,752) |
| Administrative Expenses | 56,642 | 66,282 | (9,640) | -15% | 41,729 | 98,371 | 137,610 | (39,239) |
| Interest Expense | - | - | - | 0% | 1,285 | 1,285 | 1,285 | - |
| Real Estate Expenses | - | 165 | (165) | 100% | 2,321 | 2,321 | 2,486 | (165) |
| Occupancy Expense | 19,116 | 26,080 | (6,964) | -27% | 24,295 | 43,411 | 50,375 | (6,964) |
| Bad Debt Expense (recovery) | - | - | - | 100% | - | - | - | - |
| Membership, Event & Marketing Expenses | 865 | - | 865 | #DIV/0! | 27,500 | 28,365 | 27,500 | 865 |
| TOTAL EXPENSES BEFORE DEPRECIATION | \$ 824,779 | \$ 928,605 | \$ (103,826) | -11% | \$ 887,024 | \$ 1,711,803 | \$ 1,850,617 | \$ (138,814) |
| NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY | \$ (120,032) | \$ (303,467) | \$ 183,436 | -60% | \$ (104,921) | \$ (224,953) | \$ (431,493) | \$ 206,540 |
| DEPRECIATION | \$ - | \$ - | \$ - | #DIV/0! | \$ 206,822 | \$ 206,822 | \$ 206,822 | \$ - |
| NET INCOME (LOSS) AFTER DEPRECIATION | \$ (120,032) | \$ (303,467) | \$ 183,435 | 60% | \$ (311,743) | \$ (431,775) | \$ (638,315) | \$ 206,540 |
| PROJECT & PROGRAM REVENUE | | | | | | | | |
| Liberty Park | \$ 61,636 | \$ 307,081 | \$ (245,445) | -80% | 438,845 | 500,481 | \$ 614,162 | \$ (113,681) |
| Capitalize Albany Grant Programs and Clinton Markets Collective | 713,575 | 762,500 | (48,925) | 100% | 2,287,500 | 3,001,075 | 3,050,000 | (48,925) |
| PPP Loan Forgiveness | - | - | - | 100% | - | - | - | - |
| Total Program Income | \$ 775,211 | \$ 1,069,581 | \$ (294,370) | -28% | \$ 2,726,345 | \$ 3,501,556 | \$ 3,664,162 | \$ (162,606) |
| PROJECT & PROGRAM EXPENSE | | | | | | | | |
| Liberty Park Expenses | \$ 208,672 | \$ 218,696 | \$ (10,024) | -5% | \$ 265,963 | 474,635 | \$ 437,392 | \$ 37,243 |
| Capitalize Albany Grant Programs | - | 125,000 | (125,000) | -100% | \$ 171,820 | 171,819 | 250,000 | (78,181) |
| Clinton Market Collective | 573,864 | - | 573,864 | 100% | \$ - | 573,864 | 100,000 | 473,864 |
| Total Program Expense | \$ 782,536 | \$ 343,696 | \$ 438,840 | 128% | \$ 437,783 | \$ 1,220,318 | \$ 787,392 | \$ 432,926 |
| NET INCOME (LOSS) FROM PROGRAM ACTIVITY | \$ (7,325) | \$ 725,885 | \$ (733,210) | 101% | \$ 2,288,562 | \$ 2,281,238 | \$ 2,876,770 | \$ (595,532) |
| NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY | \$ (127,357) | \$ 422,418 | \$ (549,775) | 130% | \$ 1,976,819 | \$ 1,849,463 | \$ 2,238,455 | \$ (388,992) |

These financial statements omit substantially all disclosures required by US GAAP. They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.