



**CAPITALIZE ALBANY**  
CORPORATION

**Monday, January 22, 2024**  
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 November 13, 2023
2. Annual Review of Financial Reports
  - a) Quarterly Financial Report & Investment Review
  - b) Annual Real Property Report
  - c) Loan Allowances 2023
3. Annual Review of Corporate Policies
  - a) Review Finance Committee Charter
  - b) Review Investment Policy
  - c) Review Procurement Policy
4. Property Agreements
  - a) Olde English Pub Lease Assignment – 683 Broadway
  - b) Palace Theatre Agreement – 27 Clinton Ave, 27 ½ Clinton Ave, 29 ½ Clinton Ave, 168 North Pearl Street, 170 North Pearl Street, 174 North Pearl Street
  - c) 34 Hamilton Purchase & Sale Agreement
5. Other Business
  - a) Clinton Market Update
  - b) Liberty Park Update
6. Executive Session (if necessary)

# MINUTES



**CAPITALIZE ALBANY  
CORPORATION**

**Date of Meeting:** November 13, 2023

**Meeting:** Capitalize Albany Corporation Finance & Investment Committee Meeting

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The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held immediately following the Governance Committee meeting at 11:00 a.m., November 13, 2023 at 21 Lodge Street.

The following were in attendance:

*Committee Members:* Anders Tomson, John Harris and John Vero

*Excused:* none

*Other:* Thomas M. Owens, Esq.

*Staff:* Sarah Reginelli, Ashley Mohl

Chair Anders Tomson called the meeting of the Finance Committee to order at 12:41 p.m.

## **Review of the minutes from the Finance & Investment Committee meeting of October 16, 2023**

The Committee reviewed the minutes of the meeting. John Vero made a motion for approval and John Harris seconded. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of October 16, 2023.

## **Property Agreements**

### *Downtown Business Improvement District Lease Amendment – 21 Lodge Street*

Staff brief the Committee that the Downtown BID (DBID) lease at 21 Lodge Street expires at the end of 2023 with a three year renewal option and that conversations had been had with the DBID to renew the agreement, with the 2023 CPI increase waived. A discussion was had with the Committee regarding the DBID tenancy and proposed lease, including the potential financial impacts to the Corporation of maintaining the lease at the 2023 rent level. On a motion by John Vero, which was seconded by John Harris and voted unanimously in the affirmative, the Finance Committee provided a positive recommendation for amendment of the lease with DBID to provide for a one-year extension through December 31, 2024 and two (2) one-year options with the rent for 2024 equaling the 2023 rent, and any future year rent to be increased by CPI.

### *Olde English Pub Lease – 683 Broadway*

Staff updated the Committee that the current lessee at 683 Broadway and owner of the Olde English Pub had notified Corporation staff of intent to sell the business and a request to assign the lease to a contingent buyer. A discussion was had regarding the potential business sale and the existing lease, as any lease assignment is dependent on the approval of Capitalize Albany. The Finance Committee directed Staff and counsel to obtain supplemental financial and business information from the contingent buyer and any involved parties, as well as the proposed business plan for operations at 683 Broadway.

### *Palace Theatre Purchase & Sale Agreement (PSA) – 27 Clinton Avenue, 27 1/2 Clinton Avenue, 29 1/2 Clinton Avenue, 168 North Pearl Street, 174 North Pearl Street*

Staff briefed the Committee that representatives from the Palace Theatre have requested to close on the 2020 PSA for the Capitalize-Albany owned properties adjacent to their facility on North Pearl and Clinton Avenue. A discussion was had regarding the potential sale of the properties and financial implications to the Corporation. On a motion by John Harris, which was seconded by John Vero and voted unanimously in the affirmative, Finance

Committee provided a positive recommendation for amendment of the PSA and directed Staff and counsel to prepare an amendment which sets a new closing date and eliminates the financing portion of the PSA.

**Other Business**

None.

**Adjournment**

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 1:57 p.m.

	January 1, 2023 - December 31, 2023				Original Budget	Projected Variance from Budget
	YTD Actual	YTD Budget	Variance - \$	Variance - %		
<b>REVENUE</b>						
General Economic & Community Development Support Income	\$ 467,543	\$ 490,118	\$ (22,575)	-5%	\$ 490,118	\$ -
Real Estate Income	225,121	236,896	(11,775)	-5%	236,896	(9,038)
Professional Service Agreement Income	716,344	564,228	152,116	27%	564,228	128,000
Loan Interest Income	54,571	39,216	15,355	39%	39,216	10,368
Fee Income	-	7,250	(7,250)	-100%	7,250	(7,250)
Direct Finance Lease Income	-	-	-	0%	-	-
Investment & Interest Income	248,993	82,916	166,077	200%	82,916	73,417
FMV Adj on Fidelity Inv	3,539	-	3,539	100%	-	3,539
G/L on Sale/Redemption	184,924	-	184,924	100%	-	184,924
Membership & Event Support	32,500	33,500	(1,000)	-3%	33,500	(10,007)
<b>TOTAL REVENUE</b>	<u>\$ 1,933,535</u>	<u>\$ 1,454,124</u>	<u>\$ 479,411</u>	33%	<u>\$ 1,454,124</u>	<u>\$ 373,953</u>
<b>EXPENSE</b>						
Salaries & Fringe Expense	\$ 1,123,632	\$ 1,353,502	\$ (229,870)	-17%	\$ 1,353,502	\$ (196,037)
Professional Fees	302,791	277,859	24,932	9%	277,859	19,701
Administrative Expenses	74,431	137,610	(63,179)	-46%	137,610	(56,440)
Interest Expense	11,881	1,285	10,596	825%	1,285	-
Real Estate Expenses	-	2,486	(2,486)	100%	2,486	(500)
Occupancy Expense	51,139	50,375	764	2%	50,375	3,310
Bad Debt Expense (recovery)	-	-	-	100%	-	-
Membership, Event & Marketing Expenses	19,509	27,500	(7,991)	-29%	27,500	(5,000)
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<u>\$ 1,583,383</u>	<u>\$ 1,850,617</u>	<u>\$ (267,234)</u>	-14%	<u>\$ 1,850,617</u>	<u>\$ (234,966)</u>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<u>\$ 350,152</u>	<u>\$ (396,493)</u>	<u>\$ 746,645</u>	-188%	<u>\$ (396,493)</u>	<u>\$ 608,919</u>
<b>DEPRECIATION</b>	<u>\$ 192,328</u>	<u>\$ 206,822</u>	<u>\$ (14,494)</u>	-7%	<u>\$ 206,822</u>	<u>\$ -</u>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<u>\$ 157,824</u>	<u>\$ (603,315)</u>	<u>\$ 761,139</u>	126%	<u>\$ (603,315)</u>	<u>\$ 608,919</u>
<b>PROJECT &amp; PROGRAM REVENUE</b>						
Liberty Park	\$ 160,565	\$ 614,162	\$ (453,597)	-74%	\$ 614,162	\$ (7,319)
Capitalize Albany Grant Programs and Clinton Markets Collective	1,713,898	3,050,000	(1,336,102)	100%	3,050,000	(718,601)
BIG ARPA funds	188,465	-	188,465	100%	-	188,465
<b>Total Program Income</b>	<u>\$ 2,062,928</u>	<u>\$ 3,664,162</u>	<u>\$ (1,601,234)</u>	-44%	<u>\$ 3,664,162</u>	<u>\$ (537,455)</u>
<b>PROJECT &amp; PROGRAM EXPENSE</b>						
Liberty Park Expenses	\$ 165,532	\$ 437,392	\$ (271,860)	-62%	\$ 437,392	\$ 61,932
Capitalize Albany Grant Programs	271,732	250,000	21,732	9%	250,000	(99,199)
Clinton Market Collective	-	-	-	100%	-	-
<b>Total Program Expense</b>	<u>\$ 437,264</u>	<u>\$ 687,392</u>	<u>\$ (250,128)</u>	-36%	<u>\$ 687,392</u>	<u>\$ (37,267)</u>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<u>\$ 1,625,664</u>	<u>\$ 2,976,770</u>	<u>\$ (1,351,106)</u>	45%	<u>\$ 2,976,770</u>	<u>\$ (500,188)</u>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<u>\$ 1,783,488</u>	<u>\$ 2,373,455</u>	<u>\$ (589,967)</u>	25%	<u>\$ 2,373,455</u>	<u>\$ 108,731</u>

\*\*\*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.\*\*\*

**CAPITALIZE ALBANY CORPORATION PROPERTY**

<b>Parcel ID</b>	<b>Acres</b>	<b>Location</b>
76.34-2-32	0.06	21 Lodge Street
65.82-5-35	0.11	174 North Pearl Street
76.8-1-3	0.38	35 Spencer Street
76.27-1-25.1	0.03	Spencer Street
76.8-1-4	0.06	41 Montgomery Street
65.82-5-38	0.07	168 North Pearl Street
65.82-5-37	0.07	170 North Pearl Street
76.26-4-12	0.03	27 Clinton Avenue
76.26-4-11	0.03	27 1/2 Clinton Avenue
76.26-4-10	0.04	29 1/2 Clinton Avenue
76.26-4-15	0.44	Front of 11 Clinton Avenue
76.27-1-20	0.31	683 Broadway (1 Quackenbush Square)
76.42-5-21	0.02	58 Green Street
76.42-5-22	0.04	52-54 Green Street
76.42-5-23	0.07	50 Green Street
76.42-5-24	0.04	52 Hudson Street
76.42-5-25	0.07	50 Hudson Street
76.42-5-27	0.13	46 Hudson Street
76.42-5-28	0.01	37 Division St
76.42-5-29	0.03	41 Division St
76.42-5-30	0.04	43 Division St
76.42-5-31	0.04	45 Division St
76.42-5-32	0.04	47 Division St
76.42-5-33	0.04	49 Division St
76.42-5-34	0.3	10 Dallius Street
76.42-5-44	0.25	358 Broadway
76.50-1-3	0.04	56 Division St
76.50-1-4	0.03	54 Division St
76.50-1-5	0.03	52 Division St
76.50-1-6	0.04	57 Green St
76.50-1-7	0.01	57 1/2 Green St
76.50-1-8	0.04	59 Green Street
76.50-1-9	0.13	61 Green St
76.50-1-10	0.07	65 Green St
76.50-1-11	0.03	69 Green Street
76.50-1-12	0.02	65 Hamilton St
76.50-1-13	0.02	67 Hamilton St
76.50-1-14	0.02	60 Green Street
76.50-1-15	0.02	62 Green St
76.50-1-16	0.02	62 1/2 Green St
76.50-1-17	0.04	64 Green St
76.50-1-18	0.06	66 Green St
76.50-1-19	0.08	72 Green St
76.50-1-20	0.04	74 Green St
76.50-1-21	0.02	46 Division St
76.50-1-22	0.03	44 Division St
76.50-1-23	0.42	27 Dallius St
76.50-1-24	0.10	14 Dallius Street
76.50-1-25	0.04	22 Dallius Street
76.50-1-26	0.03	39 Hamilton Street
76.50-1-27	0.05	37 Hamilton Street
76.50-1-28	0.06	31 Hamilton Street
76.50-1-29	0.14	23 Liberty Street
76.50-1-30	0.10	28 Division Street
76.50-1-32	0.11	342 Broadway
76.50-1-33	0.25	338 Broadway
76.50-1-34	0.08	1 City Sq
76.50-1-35	0.01	330 Broadway Rear
76.11-1-7	0.44	3 City Square
76.11-1-8	0.14	2 E-Comm Sq
76.11-1-9	0.05	3 E-Comm Sq
76.11-1-10	0.29	310 Broadway
76.11-1-12	0.03	298 Broadway
76.11-1-13	0.09	5 Pruyn St
76.50-1-31	0.21	346 Broadway
	0.56	Corning Preserve
	5.36	Corning Preserve - 2002 Port Bonds/Improvements

## **CAC FINANCE & INVESTMENT COMMITTEE CHARTER**

The Finance & Investment Committee Charter was adopted by the Board of Directors of the Capitalize Albany Corporation (“CAC”) on March 31, 2009 and amended on January 26, 2016.

### **Purpose**

The purpose of the Finance & Investment Committee shall be to (1) ensure the financial health of CAC (2) ensure that CAC assets are protected and resources are used appropriately and (3) assist the Board in understanding CAC’s financial condition.

### **Scope of Responsibilities**

The CAC Finance & Investment Committee shall be responsible for the following:

- Project review
  - Review projects and recommend action for Board approval.
  - Review proposals for the issuance of debt.
- Involvement with CAC finance department management.
  - Work with management to ensure timely and accurate financial data is presented to the Board.
  - Review and recommend new or revised financial policies to the Board for approval.
- Budget Oversight
  - Provide guidelines for the development of the annual operating budget.
  - Review and recommend an annual operating budget for Board approval.
  - Review the financial performance of CAC against budget projections for the period to-date.
- Investment Oversight
  - Develop the investment policy for CAC and review this policy annually.
  - As necessary, recommend investment policy changes to the Board for approval.
  - Meet with the investment manager (if any) at least annually to review the performance. As appropriate, conduct a search for and select a new investment manager.
  - Coordinate with Audit Committee to deliver annual investment report to CAC Board of Directors.
- Meet with CAC staff or outside counsel, as necessary.
- Retaining, at the CAC’s expense, such outside counsel, experts and other advisors as the Finance & Investment Committee may deem appropriate, upon approval of said expenditure(s) by the CAC Board of Directors.

- Recommend any recommend changes to its Committee Charter to the Board.

The CAC Board will ensure that the Finance & Investment Committee has sufficient resources to carry out its duties.

### **Composition of Committee and Selection of Members**

The membership of the Committee shall be as set forth in accordance with and pursuant to Article IV, Section 9 of the Corporation's bylaws. The Finance and Investment Committee shall be comprised of not less than three (3) independent members. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past Finance and Investment Committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Finance & Investment Committee members shall possess or obtain a basic understanding of financial reporting, accounting, and auditing.

### **Meetings**

The Committee will meet a minimum of four times per year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. Meeting agendas will be prepared for every meeting and provided to Committee members in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

Members of the Committee, as well as the appropriate senior staff are expected to attend each committee meeting, in person or via telephone or videoconference.

The Committee may invite other individuals to attend meetings and provide pertinent information, as necessary.

## **GUIDELINES FOR INVESTMENTS CAPITALIZE ALBANY CORPORATION**

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Capitalize Albany Corporation (“CAC”).

### 1) Purpose.

These investment guidelines (“Guidelines”) are intended to:

- a) Establish a system whereby current funds on hand, in excess of immediate and near-term needs, are invested to assure that such investment assets are adequately safeguarded and collateralized.
- b) Assure that such investments are adequately liquid to meet the operational needs of the CAC;
- c) Assure that an adequate system of internal control is maintained; and
- d) Assure that such investments produce a reasonable rate of return.

The primary objectives of this portfolio are: (1) preservation of capital, (2) liquidity, and (3) prudent growth of principal.

### 2) Authorization and Management.

The Board Members of the CAC have delegated the authorization to make day-to-day investment decisions to the President and/or Controller (“Authorized Persons”), subject to the direction from the Board and/or Finance and Investment Committee. Detailed reports of the corporation’s investments will be provided to the Finance and Investment Committee and the Committee will provide a summary of such report/required actions to the Board at the next scheduled meeting.

These Authorized Persons are to make certain that all CAC investment decisions/actions conform to:

- a. section 2925 of the Public Authorities Law; and
- b. these Guidelines.

The Authorized Persons are authorized to deposit all funds received by the CAC (in excess of those needed for on-going operations) consistent with these guidelines. Additionally, subject to Board/Finance and Investment Committee Approval, a professional investment advisor (“Advisor”) may be retained to assist the CAC’s implementation of these Guidelines and the CAC may grant the advisor discretion to execute transactions within the context of these Guidelines. The advisor will be expected to act as a fiduciary at all times in the best interest of the CAC.



3) Investment Strategy.

CAC's investment objectives will be achieved primarily with fixed-income investments and, to a lesser extent, with quality equity investments. However, there is no requirement that the portfolio contain equities.

Fixed-income securities in the combined portfolios will include cash equivalents, short- and intermediate-term fixed-income securities. The portfolio will be allocated to these categories based upon cash flow needs as determined by CAC.

Equity investments will be well diversified, high grade and readily marketable.

The investment return on the short-term fixed-income portion of the portfolio will be measured against short-term U.S. Treasury Bills. The investment return on the intermediate-term fixed-income portion of the portfolio will be measured against the Barclays Intermediate Government Credit Index. The investment return on the equity portion of the portfolio, when appropriate, will be measured against the S&P 500.

**Asset Allocation\***

<i>Asset Class</i>	<i>Min. Wt.</i>	<i>Max. Wt.</i>	<i>Representative Index</i>
Equities	0%	15%	S&P 500 and MSCI EAFE
<i>Domestic</i>	<i>85%</i>	<i>100%</i>	S&P 500
<i>International**</i>	<i>0%</i>	<i>15%</i>	MSCI EAFE
Fixed Income	80%	95%	BCS Int. Govt./Credit***
Cash or Equivalents	5%	25%	Treasury Bill

\* The Asset Allocation requirements contained above are only intended to apply to those funds directed by the Finance and Investment Committee to be placed with the Advisor. All other funds of the Corporation are to be placed in the "Cash or Equivalents" category.

\*\* Only broadly diversified Exchange Traded Funds will be used for investing in international equities.

\*\*\* Or other broad-based bond market benchmark agreed upon by CAC.

4) Types of Investments.

a. Cash or Equivalents. The following types of cash or equivalents investments are approved:

1. Deposits in Savings, Checking and/or Money Market Type accounts of banks doing business in New York that are collateralized or fully insured by the FDIC as to principal and expected interest

b. Fixed Income. Subject to the conditions and restrictions contained in 4(b)(6) below, the following types of cash or fixed income investments are approved:

1. Obligation of the U.S. Treasury, AAA-rated U.S. Government Agencies and obligations guaranteed by the U.S. Treasury or AAA-rated U.S. Government agencies. There is no limit on these investments, except that no more than 15% of

the fixed-income segment can be invested in Government guaranteed mortgage pass through securities.

2. Certificates of Deposit collateralized or fully insured by the Federal Deposit Insurance Corporation as to principal and expected interest.
3. Corporate debt obligations as follows:
  - a. Commercial Paper; and
  - b. Short-Term Notes or Corporate Bonds

Commercial paper must be rated at least A1/P1 with a maximum maturity of nine months. Corporate notes and bonds must be rated at least A1 by Moody's or A+ by Standard and Poor's.

4. Tax-Exempt or Taxable Municipal Securities as follows:
  - a. Municipal notes and bonds;
  - b. Adjustable rate municipals; and
  - c. Tax-Exempt commercial paper.

Municipal obligations must be rated at least "A" (or the equivalent) by a nationally recognized credit rating agency. Insured obligations must have an underlying rating of at least "A".

5. Any obligation that is not guaranteed by the U.S. Government or one of its agencies is limited to 10% of the portfolio.

6. The Following Conditions and Restrictions Apply to Fixed-Income Investments:

- a. No less than 25% of the portfolio will possess a final maturity of one year or less.
- b. The maximum weighted average maturity of the fixed-income securities (exclusive of the portion of the portfolio that matures within one year) may not exceed four years.
- c. No less than 50% of the fixed-income securities must be obligations of the U.S. Treasury or Government Agency.
- d. Fixed income securities with a maturity, expected average maturity, or reset period greater than 10 years are prohibited.
- e. Fixed income or interest rate futures are prohibited.
- f. Risky or volatile derivative securities as commonly defined by the financial industry are prohibited.
- g. Zero coupon Treasury bonds are permitted.
- h. CMO securities of any type are not permitted.
- i. Cash reserves should be invested in interest bearing securities or in an appropriate money market fund or saving/checking account.

Since it is not a regular business practice for a written contract with respect to these types of investments, no written contract is required. The operating practices herein shall govern.

- c. Equity. Equity investments are to be chosen from the New York Stock Exchange, American Stock Exchange, the regional exchanges, or the national over-the-counter market. No more than 30% of the market value of the equity portion of the portfolio should be in any one industry and no more than 10% in any one security.
- d. Collateral and Securitization. Other than those investments identified in 4(a)(1) and 4(b)(2), no collateralization or securitization of the investments are required.
- e. Written Contracts. No written contracts are required for any of the approved CAC investments except for all normal and customary investment/account documents (e.g. account statements, etc.) which provide that CAC is the full and only owner of the respective investment.

5) Operating Procedures.

- a) Approvals: The Advisor will be consulted by the Authorized Persons prior to executing any investment transactions. Authorized Persons must approve all investment transactions before they are executed.
- b) Collateral: The custodian of all collateral involved in any investment transaction must be either the CAC or third party custodian acceptable to the CAC. If at any time the required collateral does not equal the value of the investment, the CAC shall inform the third party custodian of additional collateral required. If additional collateral is not added immediately by the third party custodian involved, the CAC shall demand the return of the amount invested. Any custodian or trustee of securities in any transaction of which the CAC is a principal may not relinquish control over such securities without written consent of the CAC and the bank. Whenever investments require collateralization, such investments must be collateralized by direct obligations of the United States or New York State Government or obligations the principal and interest of which are guaranteed by the United States, one of its agencies or New York State Government.
- c) Tracking and Accounting. CAC will account for investments in accordance with generally accepted accounting principles (GAAP) for all financial statements. CAC shall receive reports monthly from any custodian/bank holding CAC investments. The Controller will review such reports monthly and verify the principal amount and market values of all investments and collateral.

6) Guidelines Annual Review or Modifications.

- a) The CAC Finance and Investment Committee and Board will review these Guidelines at least annually and may by Board resolution modify these Guidelines at any time.

7) Reports and Audits.

a) Quarterly reports of investment activity and portfolio reporting will be provided to the CAC's Finance & Investment Committee and a summary of each such quarterly report will be provided by the Committee to the Board. At least annually, and additionally as determined by the CAC Finance & Investment Committee, a report on the investment portfolio and activity will be provided to the Board. The portfolio reporting will include an estimate of fair value (market value) as obtained from the Bloomberg, financial correspondents or nationally published sources. Also included will be the characteristics of each investment, the net change in fair value since the prior month-end, with summary information for the entire portfolio.

b) Any retained investment advisor will meet with the CAC Board at least annually to discuss the portfolio and any questions of the CAC Board.

c) Annual Investment Audit. Each year, the CAC shall cause its independent auditors to conduct an audit (the "Annual Investment Audit") regarding the CAC's investments. The Annual Investment Audit shall determine whether CAC has complied with:

1. its own investment policies; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the CAC's assets; and a system of adequate internal controls is maintained; and
2. applicable laws and regulations.

d) Annual Investment Report. The CAC Controller shall prepare and submit an annual investment report to the Board within 90 days after the close of each fiscal year of the CAC. Upon Board approval, the report shall be filed with the City of Albany and entered/certified into the Public Authority Reporting Information System ("PARIS"). Such report shall include the following:

1. The Guidelines required by Section 2925(3);
2. The results of the Annual Investment Audit described above;
3. The investment income results of the CAC; and
4. A list of the total fees, commissions or other charges paid for CAC investment associated services by the CAC since the date of the last investment report.

The Annual Investment Report shall be filed within ninety (90) days after the close of the CAC's fiscal year.

8) Criteria for Selection of Investment Banks or Firms and Brokers.

The following are criteria for the selection of Investment Banks or Firms and Brokers:

- a) Investment Banks or Firms and Brokers authorized to do business within New York State.
- b) Investment Banks or Firms and Brokers in business for over (5) five years.
- c) Investment Banks or Firms and Brokers that have demonstrated a proven record of returns, that meet or exceed the yield and total return generated from Treasury benchmarks.
- e) Investment Managers/Advisors must be registered with the Securities and Exchange Commission (SEC) while Investment Brokers/Dealers must be members in good standing with the Securities Investors Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA).

## CAPITALIZE ALBANY CORPORATION

### PROCUREMENT POLICY (NON-REAL ESTATE PROCUREMENTS)

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this procurement policy (the "Policy") is to outline the procurement policy of Capitalize Albany Corporation (the "Corporation") applicable to procurements of goods and services paid for by the Corporation for its own use and benefit.

SECTION 2. SECURING GOODS AND SERVICES. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods/services will be purchased in a competitive manner except for in the following circumstances: purchases costing less than \$5,000; purchases under state contracts pursuant to Section 104 of the General Municipal Law; purchases under county contracts pursuant to Section 103(3) of the General Municipal Law; or purchases pursuant to Section 4 of this Policy. Regardless of the estimated cost of any purchase of goods and/or services, the Corporation will seek to obtain the best value for the Corporation while meeting all relevant purchase requirements.

SECTION 3. METHOD OF PURCHASE. The following method of purchase will be used when required by this Policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$5,000-\$10,000	Price obtained by 2 verbal quotations with the approval of two CAC officers
\$10,001-\$50,000	Price obtained by 3 written/fax quotations with approval by two CAC officers
\$50,001 and above	Price obtained through issuance of Request For Proposals with award made by resolution of Board of Directors

(B) Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

(C) Documentation. Documentation is required of each action is taken in connection with each procurement. Documentation and an explanation is required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the reward will achieve savings or how the offeror was not responsible. A determination that the offeror is not responsible shall be made by the Corporation and may not be challenged under any circumstances.

SECTION 4. CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS NOT IN BEST INTEREST. This Policy may contain circumstances when, or types of procurements for which, in the sole discretion of the directors of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

(A) Professional Services. Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgement, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation (e.g., legal and accounting services) impact liability issues of the Corporation and its directors, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the Corporation regarding its liability and the liability of its directors are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and the directors of the Corporation. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); services of a physician; technical services of an engineer or architect engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of Corporation-owned property; real estate brokerage services; appraisers; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

(B) Emergency Purchases. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.

(C) Purchases of Secondhand Goods. Purchases of surplus and second-hand goods from any source. It is difficult to try to compare prices of used goods and a lower price may indicate an older product.

(D) Special Findings. In the event the Corporation determines that the solicitation of alternative proposals or quotations is not in the best interests of the Corporation pursuant to this Section 4, the Corporation shall approve such determination in writing by the: (i) President for procurements  $\leq$ \$50,000; or (ii) Board for procurements  $>$ \$50,000. Such written approval/resolution should include any findings described in this Section 4 related to such determination.

SECTION 5. POLICY REVIEW. This Policy will be reviewed and approved annually by the Board.