



**CAPITALIZE ALBANY**  
**CORPORATION**

**Monday, October 21, 2024**  
21 Lodge St., Albany, NY  
9:00 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 September 16, 2024
2. Financial Update
  - a) Quarterly Financial Report & Investment Review
  - b) 2025 Draft Proposed Annual Budget
3. Procurement Policy Modification & Annual Review
4. Other Business
  - a) Liberty Park Update
  - b) Clinton Market Update
5. Executive Session (if necessary)

# MINUTES



**CAPITALIZE ALBANY**  
**CORPORATION**

**Date of Meeting:** September 16, 2024

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

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The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 2:00 p.m. September 16, 2024 at 21 Lodge Street in Albany, New York.

The following were in attendance:

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

*Excused Members:* Richard Sleasman

*Other:* Tom Libertucci, BST; and Thomas M. Owens, Esq.

*Staff:* Andrew Biggane, Andrew Corcione, Maria Lynch, Ashley Mohl and Cassidy Roberts

Chair Anders Tomson called the meeting of the Finance Committee to order at 2:05 p.m.

## **Review of the minutes from the Finance & Investment Committee meeting of August 19, 2024**

The Committee reviewed the minutes of the previous meeting. John Vero made a motion for approval and John Harris seconded. The Committee voted unanimously to approve the minutes from the Finance & Investment Committee meeting of August 19, 2024.

## **Financial Update**

### *2025 Draft Proposed Annual Budget*

Staff and the Committee reviewed in detail the Draft Proposed Annual Budget for 2025. Staff noted that the Corporation is projecting a net loss of approximately \$186,000 before Depreciation and Program Activity, with an anticipated overall surplus of approximately \$678,000. The discussion noted the challenges of preparing the Corporation's budget, given the dynamic interest rate environment and the significant initiatives with large budgetary impacts that the Corporation is currently engaged in, but that Corporation leadership always prepares the budget based on known events.

Anders Tomson exited the meeting at 2:20 p.m. and returned at 2:21 p.m.

Staff and the Committee discussed budgeted expenses for 2025 related to required building maintenance/improvements at the Corporation's office at 21 Lodge Street in Albany. The Committee additionally discussed the importance of accounting for the acquisition costs related to the PSC, LLC condemnation proceeding in 2025, which were not included in the current budget draft.

Chair Tomson called for a motion to enter Executive Session to discuss pending litigation. A motion to move into Executive Session for a discussion regarding pending litigation was made by John Vero and seconded by John Harris. Tom Libertucci exited the meeting at 2:41 p.m. Upon a unanimous vote, the meeting moved to Executive Session at 2:41 p.m.

John Vero made a motion to exit the Executive Session and was seconded by John Harris. Following a unanimous vote, the meeting exited Executive Session at 3:00 p.m. Tom Libertucci returned at 3:00 p.m. Chair Tomson noted that no action was taken during Executive Session, and that the 2025 draft budget reflects anticipated, although uncertain, legal fees related to Liberty Park which is a best practice. The Chair further noted that the

draft budget including any proposed changes would be brought back to the Committee's next meeting for review and a positive recommendation prior to the October Board meeting.

#### **Other Business**

##### *Liberty Park Update – 34 Hamilton Purchase & Sale Agreement*

Chair Tomson called for a motion to enter Executive Session to discuss matters regarding pending litigation and obtain advice from Counsel. Tom Libertucci exited the meeting at 3:03 p.m. John Vero made a motion to enter Executive Session to discuss current litigation and was seconded by John Harris. Upon a unanimous vote, the Committee entered executive session at 3:03 p.m.

John Vero made a motion to exit the Executive Session which was seconded by John Harris. Following a unanimous vote, the meeting exited Executive Session at 3:45 p.m. John Vero exited the meeting at 3:45 p.m. The Chair then noted that no action was taken during the Executive Session.

#### **Adjournment**

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 3:46 p.m.

# MEMORANDUM



**CAPITALIZE ALBANY**  
CORPORATION

**To:** Capitalize Albany President  
**From:** Capitalize Albany Staff  
**Date:** October 15, 2024  
**Re:** Capitalize Albany 3rd Quarter 2024 Financial Reports

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## **BUDGET PERFORMANCE**

On a pre-audit basis, through September 30, 2024 Capitalize Albany Corporation had a net income of \$1,187,947. The Corporation a year-to-date (YTD) budgeted net income of \$1,103,132. For comparison, the Corporation had a net income of \$1,073,270 at September 30, 2023.

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

- ***YTD 2024 operating revenue is \$1,365,995 which is \$242,571 (22%) above the 2024 budget.***
  - **General economic support income.** General economic support income is \$329,499 which is \$24,456 (8%) above budget. This is due to timing differences in the budget of ACPHS redevelopment support and Park South / Renaissance support income.
  - **Professional Service Agreement Income.** Professional service agreement income is \$525,697 which is \$51,527 (11%) above budget. This is due primarily to an additional ARPA administration fee of \$10,191 and revenue on the Montgomery Street parking lot that was not budgeted.
  - **Investment & Interest Income.** Interest and Investment Income is \$409,529 which is \$185,339 over budget. This variance is primarily due to investment performance in the Corporation's investment portfolio.
  - **Project & Program Revenue.** Project and Program revenue is \$1,156,627. This revenue is from grant monies realized for the Amplify Albany and Façade grant programs, BIG grant program, the Liberty Park project as well Liberty Park operational income. This also includes \$256,333 for construction costs at Clinton Market. Most of these revenues have offsetting project and program expenses. All development costs for Clinton Market and Liberty Park are being capitalized. Gain on sale of property is \$143,379. This represents the sale of the Palace properties in March 2024.
- ***YTD 2024 operating expenses are \$1,118,332 which is \$289,053 (21%) below the 2024 budget.***
  - **Salary & Fringe Expense.** Salary and Fringe expense are \$700,476 which is \$332,241 (32%) under budget. This variance is attributable to the Corporation having lower staffing levels during the first 3 quarters of 2024 than was budgeted. In addition, new hires have not enrolled in the CAC health insurance program.
  - **Professional Fees.** Professional fees are \$270,054, which is \$42,744 (19%) over budget. This is due to increased legal, accounting and IT costs.

- **Project & Program Expense.** Project and Program Expenses are \$216,343. These expenses were for the grant disbursements for the Amplify Albany, Façade and BIG grant programs as well as operating expenses incurred for Liberty Park.

## **BALANCE SHEET**

- At September 30, 2024 compared to June 30, 2024, unrestricted cash has increased by \$62,000.
- Investments increased by \$869,772 compared to June 30, 2024. CAC transferred \$700,000 into the investment account during September. This is primarily due to the investment performance in the Corporation's portfolio. Total value of the investments at September 30, 2024 is \$7,400,061.
- Restricted cash has decreased by \$1,209,000. Total restricted cash balance at September 30, 2024 is \$3,290,907.
- Accounts Receivable at September 30, 2024 is \$313,563. The most significant part of this balance is \$255,804 due from NYS for Clinton Market reimbursements and \$24,257 from City of Albany for ARPA administration fees.

## **CASH FLOW STATEMENT**

- CAC's September 30, 2024 cash and cash equivalents decreased by \$883,332 to \$4.0 million.
- Cash flow provided by operational activities reflects scheduled project grant activity, receipt of payments under the CAIDA Professional services agreement, scheduled lease and rental receipts and payment of various administrative expenses.
- Cash used in capital financing activities reflects scheduled debt service payments and capital purchases made during 2024.
- Cash flow from investing activities reflects loan repayment activity, direct finance lease payments and investment activity.

	January 1, 2024 - September 30, 2024						
	YTD Actual	YTD Budget	Variance - \$	Variance - %	2024 Projection	Original Budget	Projected Variance from Budget
<b>REVENUE</b>							
General Economic & Community Development Support Income	\$ 329,499	\$ 305,043	\$ 24,456	8%	\$ 440,299	\$ 490,118	\$ (49,819)
Real Estate Income	56,229	56,239	(10)	0%	229,123	229,123	-
Professional Service Agreement Income	525,697	474,170	51,527	11%	722,563	662,228	60,335
Loan Interest Income	21,791	22,867	(1,076)	-5%	29,289	30,365	(1,076)
Fee Income	500	7,415	(6,915)	100%	500	7,415	(6,915)
Direct Finance Lease Income	-	-	-	0%	-	-	-
Investment & Interest Income	297,533	224,190	73,343	33%	372,263	298,920	73,343
FMV Adj on Fidelity Inv	110,893	-	110,893	100%	110,893	-	110,893
G/L on Sale/Redemption	1,103	-	1,103	0%	1,103	-	1,103
Membership & Event Support	22,750	33,500	(10,750)	-32%	45,750	33,500	12,250
<b>TOTAL REVENUE</b>	<u>\$ 1,365,995</u>	<u>\$ 1,123,424</u>	<u>\$ 242,571</u>	22%	<u>\$ 1,951,783</u>	<u>\$ 1,751,669</u>	<u>\$ 200,114</u>
<b>EXPENSE</b>							
Salaries & Fringe Expense	\$ 700,476	\$ 1,033,717	\$ (333,241)	-32%	\$ 1,045,050	\$ 1,378,291	\$ (333,241)
Approved At Risk Compensation Pool	-	-	-	0%	-	-	-
Administrative Expenses	95,779	91,188	4,591	5%	119,881	112,843	7,038
Interest Expense	-	-	-	0%	-	1,600	(1,600)
Real Estate Expenses	-	-	-	0%	3,000	3,500	(500)
Occupancy Expense	46,528	47,920	(1,392)	-3%	59,549	60,860	(1,311)
Bad Debt Expense (recovery)	-	-	-	0%	-	-	-
Membership, Event & Marketing Expenses	5,495	7,250	(1,755)	-24%	31,536	30,900	636
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<u>\$ 1,118,332</u>	<u>\$ 1,407,385</u>	<u>\$ (289,053)</u>	-21%	<u>\$ 1,605,391</u>	<u>\$ 1,892,742</u>	<u>\$ (287,351)</u>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<u>\$ 247,663</u>	<u>\$ (283,961)</u>	<u>\$ 531,624</u>	187%	<u>\$ 346,392</u>	<u>\$ (141,073)</u>	<u>\$ 487,465</u>
<b>DEPRECIATION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0%	<u>\$ 264,216</u>	<u>\$ 264,216</u>	<u>\$ -</u>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<u>\$ 247,663</u>	<u>\$ (283,961)</u>	<u>\$ 531,624</u>	187%	<u>\$ 82,176</u>	<u>\$ (405,289)</u>	<u>\$ 487,465</u>
<b>PROJECT &amp; PROGRAM REVENUE</b>							
Liberty Park	\$ 654,452	\$ 665,900	\$ (11,448)	-2%	754,535	\$ 754,535	\$ -
Capitalize Albany Grant Programs including BIG	102,463	-	102,463	100%	172,463	70,000	102,463
Gain (Loss) on sale of Property	143,379	-	143,379	100%	143,379	-	143,379
Clinton Market Collective	256,333	1,033,860	(777,527)	0%	256,333	1,050,792	(794,459)
<b>Total Program Income</b>	<u>\$ 1,156,627</u>	<u>\$ 1,699,760</u>	<u>\$ (543,133)</u>	-32%	<u>\$ 1,326,710</u>	<u>\$ 1,875,327</u>	<u>\$ (548,617)</u>
<b>PROJECT &amp; PROGRAM EXPENSE</b>							
Liberty Park Expenses	\$ 113,870	\$ 225,517	\$ (111,647)	-50%	278,517	\$ 278,517	\$ -
Capitalize Albany Grant Programs	102,473	-	102,473	100%	172,473	70,000	102,473
Clinton Market Collective	-	87,150	(87,150)	0%	9,990	130,725	(120,735)
<b>Total Program Expense</b>	<u>\$ 216,343</u>	<u>\$ 312,667</u>	<u>\$ (96,324)</u>	-31%	<u>\$ 460,980</u>	<u>\$ 479,242</u>	<u>\$ (18,262)</u>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<u>\$ 940,284</u>	<u>\$ 1,387,093</u>	<u>\$ (446,809)</u>	32%	<u>\$ 865,730</u>	<u>\$ 1,396,085</u>	<u>\$ (530,355)</u>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<u>\$ 1,187,947</u>	<u>\$ 1,103,132</u>	<u>\$ 84,815</u>	8%	<u>\$ 947,906</u>	<u>\$ 990,796</u>	<u>\$ (42,890)</u>

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

	9/30/24	12/31/2023
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 730,190	\$ 1,719,486
Investments	7,400,061	6,384,679
Restricted cash	3,290,907	3,184,933
Mortgage notes receivable, net	475,855	490,977
Net investment in direct financing leases	348,677	348,677
Accrued interest receivable	39,791	39,996
Grants receivable	-	850,930
Lease receivables	-	-
Other receivables, net	409,583	158,588
Property held for investment and lease, net	12,053,646	11,200,090
Property and equipment, net	308,934	308,932
Other assets	63,290	63,800
<b>Total assets</b>	<b>\$ 25,120,934</b>	<b>\$ 24,751,088</b>
<b>Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 103,913	\$ 437,796
Due to the City of Albany	59,521	59,521
Unearned grant and other income	2,427,218	2,931,925
Bonds payable	255,000	255,000
Revolving loan fund liability	755,934	735,451
Unearned program support	-	-
<b>Total liabilities</b>	<b>\$ 3,601,586</b>	<b>\$ 4,419,693</b>
<b>Deferred Inflows of Resources</b>	<b>\$ 1,336,587</b>	<b>\$ 1,336,587</b>
<b>Net Position</b>		
Net invested in capital assets	\$ 10,768,045	\$ 11,254,022
Restricted for:		
Debt service	-	-
CDBG eligible activities	115,320	115,320
Other program specific activities	-	-
Impact Downtown Albany	-	-
Unrestricted	9,299,391	7,625,466
<b>Total net position</b>	<b>\$ 20,182,756</b>	<b>\$ 18,994,808</b>

\*\*\*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**

## **STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

### **Pre Audited Draft**

	<b>Year to Date 9/30/24</b>	<b>Year Ended December 31, 2023</b>
Revenues		
Grant income and Contribution Income, including capital grant income	\$ 1,342,747	\$ 2,385,753
Rental income	56,229	412,440
Other interest and investment income	409,529	438,634
Interest income on mortgage notes	21,791	34,913
Gain on sale of properties	143,379	-
Fees and other income	548,947	747,068
	-	-
Total revenues	<b>2,522,622</b>	<b>4,018,808</b>
Expenses		
Salaries and fringe benefits	700,476	1,123,632
Program and project costs	221,212	562,370
Interest expense	-	11,881
Bad debt expenses (recovery)	-	45,321
Administrative Expenses	412,997	469,006
Total expenses	<b>1,334,685</b>	<b>2,212,210</b>
Excess of (expenses over revenues) revenues over expenses	<b>1,187,937</b>	<b>1,806,598</b>
Net Position, Beginning of Year	<b>18,994,808</b>	<b>17,188,210</b>
Net Position, End of Month	<b>\$ 20,182,745</b>	<b>\$ 18,994,808</b>

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

	Sept 30, 2024	December 31, 2023
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 975,692	\$ 595,624
Cash received from grantors	858,521	1,200,056
Other operating cash receipts	548,947	664,731
Cash payments to suppliers and grantees	(967,581)	(482,469)
Cash payments to employees	(700,476)	(1,123,632)
Net cash provided by operating activities	715,103	854,310
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from sale of property held for sale	-	-
Cash received from capital grant funding	-	1,069,532
Purchase of property held for investment and lease	(710,177)	(2,708,770)
Purchase of property and equipment	-	(6,336)
Purchase of other assets including purchase options	-	(539,056)
Proceeds from Paychex Protection Program	-	-
Principal payments on bonds payable	-	(240,000)
Interest paid on bonds payable	-	(11,881)
Net cash used in capital and related financing activities	(710,177)	(2,436,511)
<b>Cash Flows From Investing Activities</b>		
Interest on cash and cash equivalents and investments	203,182	226,986
Proceeds from sales and maturities of investments	-	5,384,034
Purchase of investments	(1,106,562)	(5,529,221)
Issuance of mortgage notes receivable	-	-
Repayments received on mortgage notes receivable	15,122	597,946
Principal payments received under direct financing leases	-	-
Net cash used in investing activities	(888,258)	679,745
<b>Change in cash and cash equivalents</b>	<b>(883,332)</b>	<b>(902,456)</b>
<b>Cash and cash equivalents and restricted cash:</b>		
Beginning of year	4,904,419	5,806,875
End of year	\$ 4,021,087	\$ 4,904,419
<b>Reconciliation of Excess of (Expenses Over Revenues)</b>		
<b>Revenues Over Expenses to Net Cash Provided by Operating Activities</b>		
Excess of (expenses over revenues) revenues over expenses	\$ 1,187,937	\$ 175,037
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	-	191,558
Adjustment for losses on mortgage notes and other receivables	-	45,322
Gain on sale of property	(143,379)	-
Net realized and unrealized losses (gains) on investments	(111,996)	(191,499)
Interest income on cash and cash equivalents and investments	-	(233,204)
Interest expense on bonds payable	-	11,881
Changes in:		
Grants receivable and other receivables	-	14,315
Lease receivables	-	299,432
Other receivables, accrued interest receivable and other assets	600,140	(52,608)
Accounts payable and accrued expenses	(333,373)	374,344
Due to the City of Albany	-	-
Unearned grant, program support and other income	(504,707)	414,285
Revolving loan fund liability	20,481	17,264
Deferred inflow of resources	-	(211,817)
Net cash provided by operating activities	\$ 715,103	\$ 854,310

## 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.