



BOARD OF DIRECTORS MEETING

December 4, 2019

2:30 PM

NFE East Boardroom, 4th floor

AGENDA

1. Call to order
2. Approval of Minutes of September 12, 2019 Meeting
3. Finance Committee
 - Lease Amendment – SUNY
4. New Business
5. Public Comment
6. Next Board of Directors meeting: TBD
7. Adjournment



MINUTES

Fort Schuyler Management Corporation Meeting of the Board of Directors September 12, 2019 – CNSE Nano Fab East Conference Room 2107

Directors present: Robert Samson, Robert Geer, Kristin Proud, Kenneth Tompkins, and Franklin Hecht

Staff: Douglas Grose – President, Scott Bateman –Treasurer, Cheryl Casey-Rose – Board Secretary, and Patricia Bucklin.

Guests: Emily Kunchala – Research Foundation for SUNY, Michael Frame (by video) – SUNY Poly Foundation, and Martin Dunbar (by phone) – KPMG.

1. Call to Order

- Chair Samson called the meeting of the Board of Directors of Fort Schuyler Management Corporation (FSMC) to order at 4:00 PM.
- Chair Samson welcomed Emily Kunchala of The Research Foundation and Michael Frame representing the SUNY Poly Foundation.
- Chair Samson asked if any directors had a conflict of interest, and if so, that the conflict be disclosed. There were none.

2. Review/approval of June 24, 2019 meeting minutes

- Chair Samson asked for a motion to approve the minutes. A motion was made by Robert Geer and seconded by Kenneth Tompkins. The minutes were approved as presented.

3. Audit Committee Report – Robert Samson

- Resolution No. 185 – Annual Audit Report

Motion: Kristin Proud

Second: Robert Geer

The Bylaws require that FSMC's financial records and accounts be audited annually, or at such other times as directed by the Board of Directors, by a certified public accountant or firm thereof designated for such purpose by the Board, and the Board is required to review

and approve the annual audit prior to submission to the appropriate agency and/or government entity.

FSMC's 2017-18 Annual Audit was conducted by KPMG, a certified independent accounting firm designated for such purpose by the Board, and a draft Audit with a clean opinion was submitted to the Audit Committee.

The FSMC Audit Committee adopted a resolution approving the 2018-19 Audit, subject to and conditional upon completion of the remaining items discussed with the Audit Committee by management and the certified independent accounting firm to the satisfaction of the Chair of the Audit Committee, and recommending that the Board approve the same actions.

Requested Action:

Chair Samson asked for a vote on the motion to adopt Resolution No. 185 approving the adoption of the 2017-18 Annual Audit, subject to and conditional upon completion of the remaining administrative items discussed with the Audit Committee by management and the certified independent accounting firm to the satisfaction of the Chair of the Audit Committee.

Discussion: None.

Motion: Kenneth Tompkins

Second: Robert Geer

Vote:

Ayes: 5, Nays: 0, Abstentions: 0.

The motion to adopt Resolution No. 185 was approved.

- Engagement of Auditor

Section 5 of Article VIII of FSMC's Bylaws provides that "[t]he financial records and accounts of the Corporation shall be audited annually, or at such other times as directed by the Board of Directors, by a certified public accountant or firm thereof designated for the purpose by the Board of Directors."

FSMC seeks authorization to engage KPMG to audit its financial statements and review its tax filings for the year ending June 30, 2019. The tax filings include IRS Forms 990 and 990T and NY CHAR 500 and CT-13.

KPMG has performed the FSMC audit since 2013 and reviewed its tax filings since 2010. Given KPMG's work on and familiarity with FSMC's finances and tax filings, which cover the same time period, KPMG has the unique knowledge and ability to perform the needed review in a thorough and expeditious manner. Accordingly, FSMC seeks to engage KPMG based on a single source justification to conduct its audit and review its tax filings for the

year ending June 30, 2019. There is no increase from the prior year in the base fee for the audit. There is a \$500 increase from the prior year in the fee for review of the tax filings.

The Audit Committee approved a resolution (1) approving the engagement of KPMG to audit FSMC's financial statements and review its tax filings for the year ending June 30, 2019, (2) authorizing the President and/or Treasurer to take any and all actions necessary and appropriate to effectuate such action, and (3) recommending that the Board approve the foregoing actions.

Requested Action:

Chair Samson asked for a motion to adopt a resolution approving the engagement of KPMG to audit FSMC's financial statements and review its tax filings for the year ending June 30, 2019 and authorizing the President and/or Treasurer to take any and all actions necessary and appropriate to effectuate such action.

Motion: Robert Geer
Second: Kristin Proud

Discussion: Franklin Hecht asked when the Fiscal Year 2019 audit is expected to be completed. Martin Dunbar of KPMG responded that consistent with previous years it is expected to be completed between November of 2019 and January of 2020.

Vote:
Ayes: 5, Nays: 0, Abstentions: 0.

The motion to adopt a resolution approving the engagement of KPMG to Audit FSMC's financial statements and tax filings for the year ending June 30, 2019 was unanimously approved as presented.

4. Finance Committee – Kristin Proud

- Resolution 186 – Annual Plan

Robert Samson asked for a motion to adopt Resolution 186 approving the Annual Plan

Motion: Kenneth Tompkins
Second: Robert Geer

The Bylaws of the Corporation, provide that there shall be submitted to the Board by the President, for its approval, an Annual Plan which shall set forth all anticipated revenues and expenditures and indicate (a) the current fiscal year, showing approved expenditure levels (including approved changes) and estimated income and expenditures through the end of each period; (b) the prior fiscal year, showing actual income and expenditures for such

period; and (c) the next ensuing fiscal year showing estimated income and proposed expenditures for each.

The 2019-20 Annual Plan was submitted to the Finance Committee of the Corporation upon the recommendation of management and Finance staff and, upon a motion duly made, was approved by the Finance Committee with a recommendation that it be approved by the Board of Directors.

Discussion: None.

Requested Action:

Chair Samson asked for a vote to adopt Resolution No.186 approving the Annual Plan.

Vote:

Ayes: 5, Nays: 0, Abstentions: 0.

The motion to adopt Resolution No. 186 approving the Annual Plan was unanimously approved as presented.

Kristin Proud thanked staff and Doug Grose for all the work that went into the Annual Plan.

5. New Business: None.
6. Public Comment: A man who identified himself as John Decatur stated that in July of 2018 NY CREATES was announced and asked about its status.
7. Next Board of Directors meeting: TBD.
8. Adjournment:
 - Chair Samson thanked the FSMC team and Board Member for their service. There being no further business to come before the Board, Chair Samson asked for a motion to adjourn. Kristin Proud moved to adjourn and Franklin Hecht seconded the motion. The meeting was adjourned at 4:12 PM.

Respectfully Submitted,

Cheryl Casey-Rose
Secretary of the Board

TO: Fort Schuyler Management Corporation Board of Directors
RE: Lease Extension

Background:

The State of New York, acting by and through the State University of New York (“SUNY”), and Fort Schuyler Management Corporation (“FSMC”) entered into an Amended and Restated Ground Lease dated as of May 1, 2010 (the "Ground Lease"), whereby FSMC leases from SUNY certain real property located at the Marcy Nanocenter site in Marcy, New York. The initial term of the Ground Lease is 30 years. The Ground Lease provides that upon FSMC’s request, SUNY will use its best efforts to seek and obtain any and all approvals necessary for an amendment to the Ground Lease which would permit an extension of the term.

FSMC has previously entered into subleases for certain portions of the leased premises and anticipates entering into additional subleases for terms longer than the remaining term of the Ground Lease, including a sublease to facilitate the recently announced project with Cree, Inc. Thus, FSMC seeks to amend the Ground Lease to extend the term as to that portion of the leased premises which is described as Parcels A-E (the "Extension Premises") so as to permit FSMC to continue to develop and sublease the Extension Premises (or portions thereof) as contemplated by the Ground Lease. The amendment would extend the term from 2040 to 2080.

The Finance Committee approved a resolution (1) approving the amendment to the Ground Lease under the terms stated above, (2) authorizing the President and/or Treasurer to take any and all actions necessary and appropriate to effectuate such action, and (3) recommending that the Board approve the same actions.

Requested Action:

Approve a resolution approving the amendment to the Ground Lease under the terms stated above and authorizing the President and/or Treasurer to take any and all actions necessary and appropriate to effectuate such action.