



BOARD OF DIRECTORS MEETING

December 13, 2017

9:30 AM

NFE 2107

AGENDA

1. Call to order
2. Approval of Minutes of October 17, 2017 Meeting
3. Chair/President's Report
4. Finance Committee Report
 - Resolution 167 – Approval of Annual Plan
 - Resolution 168 – Approval of Contract for Financial Advisory Services
 - Resolution 169 – Approval of Contract for Bond Counsel
5. New Business
6. Public Comment
7. Next quarterly Board of Directors meeting: TBD
8. Adjournment of regular meeting
9. Executive Session

MINUTES

Fort Schuyler Management Corporation Meeting of the Board of Directors October 17, 2017 – CNSE Nano Fab East Conference Room 2107

Directors present: Robert Samson – Chairman, Kristin Proud, Franklin Hecht, Ken Tompkins, Robert Geer

Staff: Robert Megna – President, Scott Bateman – Treasurer, Cheryl Casey-Rose – Board Secretary, Pat Bucklin

Guests: Kevin Younis - ESD, Emily Kunchala – RF SUNY

1. Call to Order

- Chair Samson called the meeting of the Board of Directors of Fort Schuyler Management Corporation (FSMC) to order at 3:15 p.m.
- Chair Samson welcomed Kevin Younis of ESD, Emily Kunchala of The Research Foundation, and Bob Geer as a representative of the SUNY Poly Foundation.
- Chair Samson asked if any directors had a conflict of interest that the conflict be disclosed. There was none.

2. Review/approval of July 19, 2017, meeting minutes

- The Board reviewed the meeting minutes of the July 19, 2017 meeting. A motion was made by Ken Tompkins and seconded by Bob Geer. The minutes were approved as presented.

3. Audit Committee Report – Robert Samson

- Engagement of Auditor for 2017 plan
- Chair Samson stated the Audit Committee met on August 7, 2017 and approved a motion to recommend that the Board engage KPMG to audit the financial statements for the year that ended on June 30, 2017. Martin Dunbar will be the audit partner in charge.
- Chair Samson asked for motion to authorize the President to engage KPMG to audit FSMC's financial statements. Kristin Proud moved and Bob Geer seconded the motion.
- Vote: Ayes: 5, Nays: 0, Abstentions: 0.
- The motion to authorize the President to engage KPMG to audit FSMC's FY 16-17 financial statements was unanimously approved.

4. Finance Committee Report – Kristin Proud

- Resolution 164 – Authorization for Contract with Whiting Turner as preferred construction contractor for manufacturing facility for Norsk Titanium USA.

The Board previously authorized (in 2015) the development, design, construction and fit-up of a facility in Plattsburgh and thereafter selected Whiting-Turner as the lead developer.

Discussion: Kevin Younis asked for clarification on the correct square footage of the project as referred to in the resolution. Bob Megna clarified that Resolution 164 refers to the original resolution authorizing the project and Resolution 161, which authorized the change of scope of the square footage of the project.

Franklin Hecht asked what assurance FSMC had that ESD would honor the financial commitment of the project. Kevin Younis stated that the project amount has already been awarded and is being disbursed on an as needed basis. Ken Tompkins asked if the contract has a contingency in place if there are problems. Bob Megna responded that there is a spending cap built in and that the contractor is required to come back to the Board for authorization to increase the cap and explain why.

Chair Samson asked for a motion to approve Resolution 164. Dr. Geer moved and Ken Tompkins seconded the motion.

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

Resolution 164 was unanimously approved.

- Resolution 165 – Authorization for Contract with The Pike Company for design fit-up work at Quad-C for Danfoss.

Pike was selected through the RFP process for design and general construction work at QUAD-C.

There was no discussion. Ken Tompkins moved to approve Resolution 165 and Franklin Hecht seconded the motion.

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

Resolution 165 was unanimously approved.

- Authorization for equipment purchase for AMRI in Buffalo
Chair Samson asked for a motion to introduce this item. Kristin Proud moved to introduce and provided some background on the item. She stated that FSMC seeks to purchase a Waters Supercritical Chromatography instrument for Albany Molecular Research Inc. (AMRI) to complete lab fit-up in the Conventus Building in Buffalo. The contract value is \$609,405.24. The procurement was completed

just prior to FSMC's new Procurement Guidelines Policy with a Single Source Justification based on standardization at AMRI.

Bob Megna reiterated that this is the final tool purchase of this project. Ken Tompkins stated that while he understands the rationale for the specialized equipment purchase he wondered what the policy and guidelines are for Sole Source Justification. Bob Megna explained that while dollar amount is relevant there are other justifications, like highly specialized equipment which cannot be purchased otherwise, and there are a set of procedures that the procurement staff follow to ensure all guidelines have been met. Kristin Proud stated that this piece of equipment, because it is unique, is important because it is needed to complement the other pieces of equipment in the lab. Dr. Geer asked whether because this is the final equipment purchase for this project, it closes out the Capital Grant for the project. Kevin Younis responded that ESD is very close to closing the grant.

Chair Samson asked for a second, Kristin Proud having previously moved to introduce the motion. Dr. Geer seconded the motion.

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

The motion to approve the purchase was unanimous.

5. President's Report – Robert Megna

- Resolution 166 – Recognition of Service of Michael Evke
Bob Megna shared that Mike Evke recently resigned from the Board of Directors. Mike had been a founding member of Fort Schuyler Management Corporation. Chair Samson asked for a motion to approve Resolution 166. Kristin Proud moved to approve the resolution and Dr. Geer seconded the motion.
Vote: Ayes: 5, Nays: 0, Abstentions: 0.
Resolution 166 passed unanimously.

6. New Business - none

7. Public Comment - none

8. Next Board of Directors meeting: TBD

9. Adjournment:

- There being no further business to come before the Board, Chair Samson asked for a motion to adjourn. Franklin Hecht moved to adjourn and Ken Tompkins seconded. The meeting was adjourned at 3:34 p.m.



2017-18 ANNUAL PLAN

I. Background

Fort Schuyler Management Corporation (FSMC) is an affiliate of the Research Foundation for the State University of New York (RF) and the SUNY Poly Foundation. FSMC is a not-for-profit company as defined by Section 501 (c)(3) of the Internal Revenue Code.

FSMC's mission is to help facilitate research and economic development activities related to the mission of SUNY and SUNY Polytechnic Institute (SUNY Poly) by purchasing, constructing, developing and managing facilities and promoting research.

FSMC's bylaws require an Annual Plan to be presented and adopted by the FSMC Board of Directors for each corporate fiscal year, which begins on July 1 and ends on June 30 of each year. The Annual Plan compares actual revenues and expenses of the current fiscal year to the amounts previously budgeted for the fiscal year, provides budgeted revenue and expenses for the upcoming fiscal year, and summarizes FSMC's fiscal year accomplishments.

II. Fiscal Year 2016-17 Accomplishments

FSMC's 2016-17 fiscal year was marked by significant changes in corporate governance designed to ensure greater transparency and accountability. FSMC's bylaws were amended to enable the President and CEO of Empire State Development to serve as a non-voting, advisory representative to the FSMC Board of Directors and to nominate one of the four directors appointed by each member. In addition, the amended bylaws provided for the creation of an Audit Committee with independent directors, for voluntary compliance with key provisions of the Open Meetings Law, and for the appointment of a corporate compliance officer.

The first meeting of the FSMC Board of Directors following the bylaw amendments was held on February 22, 2017 and the four new appointed directors attended this meeting. The total FSMC Board now has eight members. In addition, the Board passed a resolution appointing Robert

Megna, former New York State Budget Director, as President of the Corporation. The Board also passed resolutions adopting the following policies:

1. Acquisition and Disposition of Real Property Policy;
2. Conflicts of Interest and Related Party Transaction Policy;
3. Procurement Guidelines Policy;
4. Records Access Policy;
5. Whistleblower Policy and Procedures;
6. Risk Management and Insurance Policy; and
7. Debt Management Policy.

These policies and procedures are designed to guide all aspects of FSMC's operations.

At the May 10, 2017 meeting, the FSMC Board created a Finance Committee, with which it will work closely to develop and sustain a sound financial plan.

During the past fiscal year, FSMC was also engaged in several projects across the state. In particular, a highlight of the 2016-17 fiscal year was entering into a lease with Danfoss for the Quad-C facility in Utica. This lease was in conjunction with an agreement by Danfoss, GE Global Research (GEGR) and FSMC to establish the New York Power Electronics Manufacturing Consortium (NY-PEMC) Packaging Center located at the Quad-C facility. Danfoss is expected to employ at least 300 people at the Quad-C facility within the first five years of operation.

Several significant projects were also completed or nearly completed in Buffalo. The largest such project is the 1.2 million square foot solar manufacturing facility at Riverbend, which will be operated by Tesla and Panasonic and, over the next five years, is expected to create 3,460 new jobs in the State of New York, including 1,460 jobs in the City of Buffalo. Building construction is substantially complete, with Tesla and Panasonic already occupying the facility, hiring new employees, and installing production equipment.

Another initiative that is nearly complete is the Buffalo Medical Innovation and Commercialization Hub. This initiative includes the build-out of space in Buffalo's Conventus building for two health care industry companies: Albany Molecular Research, Inc. (AMRI) a global contract research and manufacturing organization that has been working with the pharmaceutical and biotechnology industries, and Athenex, Inc., a global biopharmaceutical company. This project includes 47,000 square feet of space for Athenex and 51,000 square feet of space for AMRI.

Additionally, FSMC is in the process of developing a manufacturing hub in Plattsburgh for Norsk Titanium, which will occupy approximately 170,000 square feet of space to produce titanium aircraft components. Norsk Titanium will be the sole tenant, and the project is expected to generate 383 high-tech jobs.

III. Summary of the Annual Plans for Fiscal Year 2016-17 and 2017-18

The Annual Plan for the 2016-17 fiscal year assumed a \$3.3MM budget surplus. FSMC's actual surplus was \$1.25MM, primarily due to higher than expected legal fees and taxes. The 2016-17 surplus is intended to be used to support operations in 2017-18.

The Annual Plan for the 2017-18 fiscal year assumes revenues of \$9.8MM, which includes a projected \$5.7MM in operating support, and expenses of \$10.9MM.

The FSMC 2017-18 budget was prepared on a conservative basis. We will continue to work diligently to improve FSMC's financial condition.



2017 -2018 Proposed Annual Plan Summary of Revenue and Expenses for All Facilities

				Proposed
Description	2015 - 2016 Actual	2016 - 2017 Budget	2016 - 2017 Actual	2017 -2018 Plan
Support and Revenue				
Building Rental	963,798	2,131,641	2,248,644	2,958,572
5 Year Loan	972,267	6,973,002	6,973,002	-
Insurance D&O	-	-	1,217,093	500,000
Insurance Casualty Losses	-	-	126,618	-
Operating Support	-	-		5,700,000
NYSERDA Rebates	570,658	750,000	568,449	700,000
Interest income	1,077	-	26,527	-
Total Support and Revenue	2,507,800	9,854,643	11,160,333	9,858,572
Operating Expenses				
Personnel	-	692,128	92,337	525,320
Operations	2,154,798	3,228,500	2,949,669	3,093,427
Utilities	145,865	694,178	310,953	95,851
Professional Fees	2,172,491	407,500	1,930,508	2,697,793
Taxes	100,137	100,137	947,045	1,040,852
Capital Projects / Purchases	-	-	-	1,800,000
Total Operating Expenses	4,573,291	5,122,443	6,230,512	9,253,243
Net Operating Income	(2,065,491)	4,732,200	4,929,821	605,329
Debt Service				
Principal	0	1,178,683	1,178,683	1,520,734
Interest	8,509	210,134	422,844	170,933
Total Debt Service	8,509	1,388,817	1,601,527	1,691,667
Budgeted Surplus (Deficit)	(2,074,000)	3,343,383	3,328,294	(1,086,338)
Prior Year Surplus (Deficit)			(2,074,000)	1,254,294
Budgeted Surplus Net of Prior Year			1,254,294	167,956

RESOLUTION OF THE BOARD OF DIRECTORS OF
FORT SCHUYLER MANAGEMENT CORPORATION

December 13, 2017

RESOLUTION NO: 167

ADOPTION OF 2017-18 ANNUAL PLAN

WHEREAS, the Fort Schuyler Management Corporation (the "Corporation") is charged with directing the management of the operations, property, affairs and concerns of the Corporation;

WHEREAS, pursuant to the Bylaws of the Corporation, there shall be submitted to the Board of Directors 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;

WHEREAS, a 2017-18 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;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, AS FOLLOWS:

SECTION 1: APPROVAL OF ANNUAL PLAN. The Fort Schuyler Management Corporation Board of Directors hereby approves the 2017-18 Annual Plan.

SECTION 2: PERIODIC REPORTS. Management shall provide periodic reports to the Board of Directors concerning the state of the finances of the Corporation.

SECTION 3: EFFECTIVE DATE. This resolution shall take effect immediately.

CERTIFICATION

FORT SCHUYLER MANAGEMENT CORPORATION
RESOLUTION NO: 167

The undersigned, being the duly elected and qualifying Secretary of FORT SCHUYLER MANAGEMENT CORPORATION (the "Corporation"), DOES HEREBY CERTIFY that the following constitutes a true and correct copy of a resolution adopted by the board of directors of the Corporation on December 13, 2017 adopting the 2017-18 Annual Plan, as it appears in the records of the Corporation in my possession as of the date hereof.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereto set my hand this day of 2017.

Secretary

To: Fort Schuyler Management Corporation Board of Directors
Re: Approval of Selection of Qualified Independent Financial Advisor and Authorization for a Contract

Request for Proposal:

In consultation with the Fuller Road Management Corporation (“FRMC”) and the Fort Schuyler Management Corporation (“FSMC”) Boards of Directors, FRMC and FSMC issued a joint Request for Proposals (“RFP”) dated June 28, 2017 and amended on July 13, 2017 for a financial services advisor to provide financial advice and guidance managing and structuring debt portfolios and to provide financial assistance on all financial aspects of the corporations. Three firms submitted proposals in response to the RFP. A five person Evaluation Committee conducted a review focused on quality, cost and efficiency pursuant to the criteria in the RFP.

Recommendation:

Based on the results of the scoring, the Evaluation Committee recommended the selection of PRAG as the Corporation’s financial advisor. The RFP process and award was conducted in accordance with FSMC’s Procurement Guidelines Policy. The Finance Committee of the Board of Directors of FSMC adopted a resolution approving the selection of PRAG as the qualified independent advisor and recommending that the Board approve the selection of PRAG as the qualified independent financial advisor and authorize the President and Treasurer, or either of them without the other, to enter into a contract for financial advisory services with PRAG.

Action Requested:

Adopt Resolution 168 approving the selection of PRAG as the qualified independent financial advisor and authorizing the President and Treasurer, or either of them without the other, to enter into a contract with PRAG for performance of the work in accordance with PRAG’s hourly rate schedule as specified in its response to the RFP or a periodic retainer if deemed more appropriate, with provision for negotiation of a flat rate fee in connection with a specific transaction if more appropriate.

RESOLUTION OF THE BOARD OF DIRECTORS OF
FORT SCHUYLER MANAGEMENT CORPORATION

December 13, 2017

RESOLUTION NO: 168

APPROVAL OF THE SELECTION OF A FIRM TO SERVE AS INDEPENDENT
FINANCIAL ADVISOR AND AUTHORIZATION FOR A CONTRACT

WHEREAS, the Fort Schuyler Management Corporation (the “Corporation”) benefits from the services of an independent financial advisor to provide periodic advice regarding the issuance, maintenance and adjustment of debt instruments issued to support the Corporation’s capital investments and provide technical financial assistance on all financial aspects of the Corporation; and

WHEREAS, the Corporation and the Fuller Road Management Corporation jointly issued a Request for Proposals (“RFP”) dated June 28, 2017 and amended on July 13, 2017 to procure the services of a qualified independent financial advisor to provide financial advice and guidance managing and structuring debt portfolios and to provide technical financial assistance on all financial aspects of the Corporation; and

WHEREAS, an evaluation committee reviewed the proposals submitted in response to the RFP according to the evaluation criteria in the RFP and the Procurement Guidelines Policy and recommended the selection of the Public Resources Advisory Group (“PRAG”) as the qualified independent financial advisor for the Corporation and the Fuller Road Management Corporation; and

WHEREAS, the Finance Committee of the Corporation approved a resolution approving the selection of PRAG as the qualified independent financial advisor and recommending that the Board approve the selection of PRAG as the qualified independent financial advisor and authorize the President and Treasurer, or either of them without the other, to enter into a contract with PRAG;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, AS FOLLOWS:

SECTION 1: SELECTION OF FIRM. The Fort Schuyler Management Corporation Board of Directors hereby accepts the recommendation of the evaluation committee of the proposals submitted in response to the RFP, as approved by resolution of the Finance Committee, and approves the selection of PRAG as the Corporation’s qualified independent financial advisor.

SECTION 2: CONTRACT AUTHORIZATION. The Fort Schuyler Management Corporation Board of Directors hereby authorizes the President and Treasurer, or either of them without the other, to approve and execute a contract with PRAG for performance of the work in accordance with PRAG’s hourly rate schedule as specified in its response to the RFP, with provision for

negotiation of a flat rate fee in connection with a specific transaction if more appropriate as determined by such officer.

SECTION 3: RATIFICATION. The Board hereby approves, confirms and ratifies all acts and transactions of any officers, employees or agents of the Corporation that were taken or made with respect to the qualified independent financial advisor.

SECTION 4: EFFECTIVE DATE. This resolution shall take effect immediately.

CERTIFICATION

FORT SCHUYLER MANAGEMENT CORPORATION
RESOLUTION NO: 168

The undersigned, being the duly elected and qualifying Secretary of FORT SCHUYLER MANAGEMENT CORPORATION (the "Corporation"), DOES HEREBY CERTIFY that the following constitutes a true and correct copy of a resolution adopted by the board of directors of the Corporation on December 13, 2017 authorizing the contract with the Independent Financial Advisor, as it appears in the records of the Corporation in my possession as of the date hereof.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereto set my hand this day of 2017.

Secretary

To: Fort Schuyler Management Corporation Board of Directors
Re: Authorization for a Contract for Bond Counsel Services

Request for Proposal:

In consultation with the FRMC and FSMC Boards of Directors, FRMC and FSMC issued a joint Request for Proposals (“RFP”) dated August 4, 2017 to procure outside legal counsel services in various practice areas, including bond counsel to provide advice regarding existing or new debt issued to support the Corporation’s capital investments and provide technical legal assistance with respect to specific transactions. Four firms provided proposals in response to the RFP.

Recommendation:

An evaluation committee reviewed the proposals submitted in response to the RFP according to the evaluation criteria in the RFP and the Procurement Guidelines Policy and recommended that two firms be pre-qualified to provide such bond counsel services to the Corporation based on the anticipated volume of work. Allocation of general or specific assignments would be based on suitability, including among other factors, appropriateness of the firm’s identified expertise and cost.

The FSMC Finance Committee approved a resolution authorizing the President and Treasurer, or either of them without the other, to enter into a contract with the highest scoring firm, Harris Beach PLLC.

Action Requested:

Adopt Resolution 169 authorizing the Corporation, based on the recommendation of the evaluation committee of the proposals submitted in response to the RFP and the resolution approved by the Finance Committee, to enter into a contract with Harris Beach PLLC for performance of the work in accordance with its hourly rate schedule as specified in its response to the RFP, with provision for negotiation of a flat rate fee in connection with a specific transaction if more appropriate.

RESOLUTION OF THE BOARD OF DIRECTORS OF
FORT SCHUYLER MANAGEMENT CORPORATION

December 13, 2017

RESOLUTION NO:169

AUTHORIZATION FOR A CONTRACT FOR BOND COUNSEL SERVICES

WHEREAS, the Fort Schuyler Management Corporation (the “Corporation”) benefits from the services of bond counsel to provide advice regarding existing or new debt issued to support the Corporation’s capital investments and provide technical legal assistance with respect to specific transactions; and

WHEREAS, the Corporation and the Fuller Road Management Corporation jointly issued a Request for Proposals (“RFP”) dated August 4, 2017 to procure outside legal counsel services in various practice areas, one of which was bond counsel, to provide advice regarding existing or new debt issued to support the Corporation’s capital investments and provide technical legal assistance with respect to specific transactions; and

WHEREAS, an evaluation committee reviewed the proposals submitted in response to the RFP according to the evaluation criteria in the RFP and the Procurement Guidelines Policy and recommended that two firms be pre-qualified to provide such bond counsel services to the Corporation based on the anticipated volume of work, with allocation of general or specific assignments based on suitability, including among other factors, appropriateness of the firm’s identified expertise and cost; and

WHEREAS, the Finance Committee of the Corporation approved a resolution authorizing the President and Treasurer, or either of them without the other, to enter into a contract to provide bond counsel services with the highest scoring firm, Harris Beach PLLC;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, AS FOLLOWS:

SECTION 1: CONTRACT AUTHORIZATION. The Fort Schuyler Management Corporation Board of Directors hereby authorizes the Corporation, based on the recommendation of the evaluation committee of the proposals submitted in response to the RFP and the resolution approved by the Finance Committee, to enter into a contract with Harris Beach PLLC for performance of the work in accordance with its hourly rate schedule as specified in its response to the RFP, with provision for negotiation of a flat rate fee in connection with a specific transaction if more appropriate as determined by the President or Treasurer.

SECTION 3: CONTRACT EXECUTION. The Fort Schuyler Management Corporation Board of Directors hereby authorizes the President and Treasurer, or either of them without the other, to approve and execute the contract with the selected firm.

SECTION 4: RATIFICATION. The Board hereby approves, confirms and ratifies all acts and transactions of any officers, employees or agents of the Corporation that were taken or made with respect to the approved bond counsel.

SECTION 5: EFFECTIVE DATE. This resolution shall take effect immediately.

CERTIFICATION

FORT SCHUYLER MANAGEMENT CORPORATION
RESOLUTION NO: 169.

The undersigned, being the duly elected and qualifying Secretary of FORT SCHUYLER MANAGEMENT CORPORATION (the "Corporation"), DOES HEREBY CERTIFY that the following constitutes a true and correct copy of a resolution adopted by the board of directors of the Corporation on December 13, 2017 authorizing the contract with Bond Counsel, as it appears in the records of the Corporation in my possession as of the date hereof.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereto set my hand this day of 2017.

Secretary