

FOR CONSIDERATION

March 27, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Budget

REQUEST FOR: Authorization to Adopt Annual Operating Budget including Subsidiary Operating Support for Fiscal Year (FY) 2012-2013 and to Take Related Actions

BACKGROUND

State Finance Law requires that prior to the commencement of each fiscal year the Directors of the Empire State Development Corporation (ESDC or the Corporation) adopt an annual operating budget. This budget includes certain support provided to subsidiaries and for the operations of the Regional Economic Development Councils. It pertains only to operating costs and not to programmatic appropriations included in the Governor's proposed FY 2012-2013 Executive Budget. All subsidiary operating and capital budgets must also be presented separately to, and approved by their respective Boards within the same time frame.

As indicated in the attached budget document, the expense for personal services is inclusive of the cost of fringe benefits and the Corporation's annual contribution to the New York State Retirement System. Please note that the amount of contribution increased last fiscal year as a result of lower than expected rates of return on the fund balance and is forecasted to remain at that higher level in FY 2012-2013.

Public Authorities Law Section 2975 directs the Division of Budget to assess an amount to each public authority for recovery of central governmental services. It is estimated that this year's government assessment fee of \$3.45 million will remain at the prior year's level.

If changes are required following the adoption of the State's FY 2012-2013 Budget, a modified annual operating budget will be presented to the Directors at a later date.

In addition to the operating budget, we are also seeking approval of the Corporation's FY 2012-2013 non-programmatic capital expense budget of \$624,000. Included in this component of the budget is the purchase of network equipment and related software, modifications to the ESD website, software licenses and upgrades to data communications equipment.

The details of the proposed FY 2012-2013 ESDC operating and non-programmatic capital expense budgets are attached to these materials for your review.

REQUESTED ACTION

The Directors are requested to adopt the Corporation's proposed Annual Operating Budget for FY 2012-2013 and approve the Non-Programmatic Capital Expense Budget for FY 2012-2013 as set forth in the attachments and to delegate authority to the appropriate officers to take related actions.

ATTACHMENTS

Proposed Annual Operating Budget for FY 2012-2013 including subsidiary operating support

Proposed Non-Programmatic Capital Expense Budget for FY 2012-2013

March 27, 2012

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – (the “Corporation”) Authorization to Adopt Annual Operating Budget

RESOLVED, that the Corporation hereby adopts the Annual Operating Budget for FY 2012-2013 including subsidiary operating support and approves the Non-Programmatic Capital Expense Budget for FY 2012-2013, based upon the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”); and be it further

RESOLVED, that the proper corporate officers be, and they hereby are, authorized to take related actions as he or she may, in his or her sole discretion, deem necessary or proper to effectuate the foregoing.

New York State Urban Development Corporation d/b/a
 Empire State Development Corporation
 Annual Operating Budget
 Including Subsidiary Operating Support
 for Fiscal Year 2012-2013

EXPENSES

<u>Personal Services (including fringe benefits)</u>	\$ 28,027,500
<u>Other Post Employment Cost</u>	\$ 4,100,000
<u>Non-Personal Services</u>	.
Occupancy Expenses	\$ 10,057,000
Government Assessment Fee	3,450,000
Repairs/Maintenance/Property Management/Other	
Outside Services/Expenses	978,997
Computers, Software & Telephone	841,617
Legal/Consulting/Accounting Fees	807,000
Office Supplies&Expenses/Printing/Advertising	401,426
Insurance	338,300
Travel & Meals	305,660
On-Line Services, Seminars, Dues & Subscriptions	146,200
<u>Total Non-Personal Services</u>	<u>\$ 17,326,200</u>
<u>Total Personal and Non-Personal Expenses</u>	<u>\$ 49,453,700</u>
<u>Total Subsidiary Operating Support</u>	<u>\$ 3,143,661 (a)</u>
GRAND TOTAL - ALL EXPENSES	<u>\$ 52,597,361</u>

FUNDING SOURCES

Housing/Other Revenue/Asset Sale Proceeds	\$ 45,438,364
Economic Development Income & Other Fees	5,000,000
Recovered Expenses	<u>2,158,997</u>
GRAND TOTAL - FUNDING SOURCES	<u>\$ 52,597,361</u>

(a) Consists of operating expenses for ECHDC, HCDC Corporate, HRTDC, QWDC & USAN.
 ESDC does not provide operating support for all other subsidiaries.

New York State Urban Development Corporation d/b/a
Empire State Development Corporation
Subsidiary Operating Support
for Fiscal Year 2012-2013

EXPENSES

<u>Personal Services (including fringe benefits)</u>	\$	<u>2,461,762</u>
<u>Non-Personal Services</u>		
Occupancy Expenses	\$	153,000
Other Outside Services/ Expenses		122,370
Insurance		112,094
Professional Fees		100,595
Office Supplies & Expenses/Printing/ Advertising		90,230
Computers, Software & Telephone		67,560
On-Line Services, Seminars, Dues & Subscriptions		19,050
Travel & Meals		<u>17,000</u>
<u>Total Non-Personal Services</u>	\$	<u>681,899</u>
<u>Total Personal and Non-Personal Expenses</u>	\$	<u><u>3,143,661</u></u>

Note:

Consists of operating expenses for ECHDC, HCDC Corporate, HRTDC, QWDC & USAN.
ESDC does not provide operating support for all other subsidiaries.

New York State Urban Development Corporation d/b/a
Empire State Development Corporation
Non-Programmatic Capital Expense Budget
for Fiscal Year 2012-2013

EXPENSES

Dell ESX Server- for VM Environment DR	\$ 30,000.00
VSphere Server for Development Application/database environment at NYC	30,000.00
VSphere Server for FMS DR environment at New Windsor	30,000.00
CPU Card for 8600 Connectivity switch	11,500.00
Engineering Services to assist with migration of FMS and other applications to Virtualized environments	15,000.00
Storage Shelf- for NetApp FAS 3140	22,000.00
Dell ESX Server- for VM Environment NYC	30,000.00
VM Solution for FMS Test Environment	30,000.00
UPS Power Supplies	12,000.00
Console KVM Switch	6,000.00
Dell Servers	15,000.00
Replacement laptops	22,500.00
ESD Website	200,000.00
Miscellaneous Software	45,000.00
SQL Server licenses, SQL Cals & Windows OS Licenses	15,000.00
Microsoft Enterprise Agreement	65,000.00
Miscellaneous Data Communications Equipment Upgrades	45,000.00
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GRAND TOTAL - ALL EXPENSES	<u><u>\$ 624,000.00</u></u>