



AGENDA

Board of Directors of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Monday, November 13, 2017
5:00-6:00 p.m.

Staff Invited: George Bellas, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, and Eric Shrago

1. Call to order
2. Public Comments – 5 minutes
3. Mitigation Plan to Address the Recently Approved Budget – 55 minutes
4. Adjourn

*Denotes item requiring Board action

Join the meeting online at <https://global.gotomeeting.com/join/276384021>

Or call in using your telephone:
Dial (646) 749-3122
Access Code: 276-384-021

Next Regular Meeting: Friday, December 15, 2017 from 9:00-11:00 a.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



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Board of Directors Meeting

November 13, 2017

Board of Directors

Agenda Item #1

Call to Order

Board of Directors
Agenda Item #2
Public Comments

Board of Directors

Agenda Item #3

Mitigation Plan to Address the Recently Approved Budget

Mitigation Plan

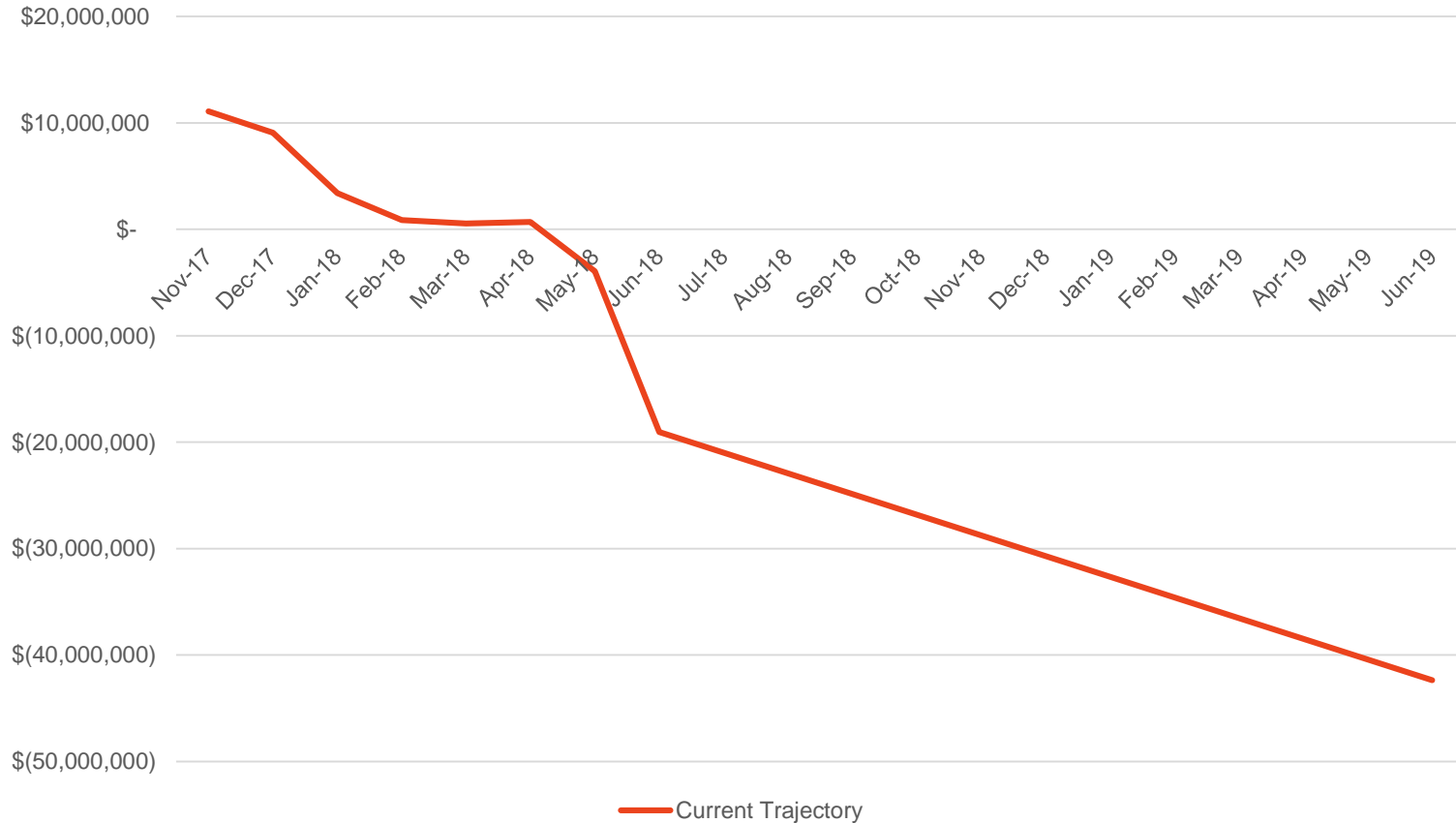
Issues to Cover



1. **Current Situation** – the current situation for the FY 2018 budget given the sweeps, including burn rate and when the organization runs out of cash – George and Bert
2. **Actions to Remedy the Situation** – concepts to reduce operating expenses and increase revenues to cope with the sweeps and make progress towards maintaining mission – Bryan and Eric (Operations), Brian (Commitments), and Bert (Capital Investment)
3. **Assets** – resources we have on the balance sheet, that can be used to raise capital for further revenue generating investments
4. **Covenants and Guarantees** – restrictions on the balance sheet given agreements with private investment partners

Current Situation

Cash Projections



The ratepayer and RGGI sweeps have put the Green Bank in a negative cash flow position in May 2018

Actions to Remedy Situation

Progress Towards Maintaining Mission

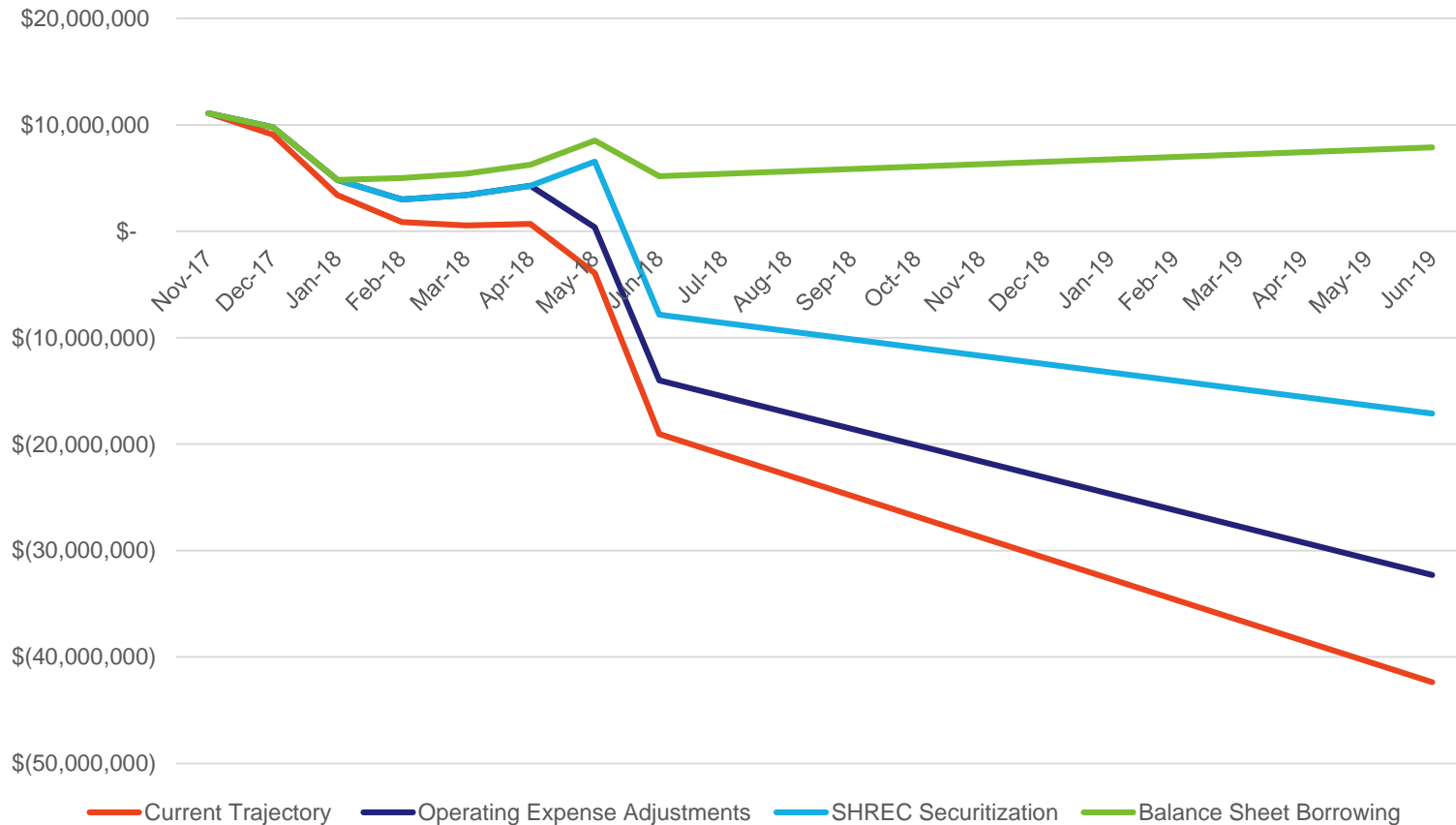


#	Action	Type	Targeted Amount	Timing
1	↓ Non-Personnel Related Oper. Exp.	P&L	(\$3.2M)	Immediate
2	↓ Personnel Related Oper. Exp. (non-staff)	P&L	(\$285K)	Immediate
3	↓ Personnel Related Oper. Exp. (staff)	P&L	TBD	Immediate
4	Cancel R&D Initiatives	P&L	(\$555K)	Immediate
5	Cancel Outstanding Commitments	Balance Sheet	-	Q1 2018
6	Transfer Outstanding Commitments	Balance Sheet	-	Q1 2018
7	Borrow to Offset Incremental New Cap. Inv.	Balance Sheet	Up to \$25M	Q1 2018
8	Borrow from Existing Assets	Balance Sheet	Up to \$25M	Q1 2018
9	Incentive Mgt (i.e., RSIP) / Securitization	Balance Sheet	\$15M	Q2 2018
10	Sell Assets	Balance Sheet	\$0	As Needed
11	Cancel Sublease at 865 Brook Street	P&L	(\$36K)	CY 2018

Management has a plan of attack to cope with the sweeps and make progress towards maintaining mission

A Plan Forward

Actions to Remedy the Situation



Management has a strategy of reducing expenses and increasing revenues to remain cash flow positive through the sweeps while minimizing impact on job creation and clean energy deployment

Assets

Balance Sheet Resources



Loan Portfolio (as of September 30, 2017)	Capital
Notes & Bonds <ul style="list-style-type: none">▪ Clean Fund▪ HAC-PACE	\$3,328,530 \$1,805,688
Solar Lease I	\$8,052,541
Non-C-PACE Loan Portfolio	\$23,514,345
C-PACE Loan Portfolio	\$23,309,864
Total Loan Portfolio	\$60,010,968

Non-current assets can be used for various financing strategies (i.e., Actions 7, 8, and 10) to raise capital and increase revenues

Covenants

Restrictions on Balance Sheet



Covenants	Amount
SL2 – Pledged to Maintain Liquid Assets (Cash and Accounts Receivable)	\$4,000,000
SL3 – Pledged to Maintain Liquid Assets (Cash and Accounts Receivable)	\$1,000,000

Guarantees

Restrictions on Balance Sheet



Guarantor	Beneficiary	Type of Obligation	Maximum Amount of Guaranty	Obligations Guaranteed (as of 9/30/17)
CGB	HDF	Commercial and consumer loan products	\$5,000,000	\$1,310,875
CGB	Webster Bank	Commercial loans	\$5,000,000	-
CGB	TRF	Non-revolving term loan	\$2,510,837	\$1,898,194
CGB	Webster Bank	Limited to \$600,000 on revolving credit of \$6,000,000	\$6,000,000	\$600,000
CGB	Webster Bank	Line of Credit	\$300,000	\$300,000
CEFIA Holdings	CHFA	Promissory note upon issuance of QECB for SSHP	\$1,895,807	\$1,816,815
Total			\$15,306,644	\$5,925,883
Less Restricted Cash in Pledge Accounts				<u>(\$1,203,352)</u>
Guarantees Not Supported by Cash in Reserve Account				\$4,722,531

Next Steps

Plan of Attack



1. **End of the Week** – staff to propose actions to remedy the situation (Actions 1 through 5 and 11) to the Budget and Operations Committee at a special meeting
2. **Next Week** – Budget and Operations Committee to recommend to the Board of Directors review and approval of revised FY 2018 budget requiring immediate action at a special meeting
3. **December 15, 2017** – next regularly scheduled meeting we discuss strategies for managing the balance sheet to generate revenues

Board of Directors

Agenda Item #4 – Adjourn