CONNECTICUT GREEN BANK
Board of Directors
Draft Minutes
Friday, December 15, 2017

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the "Green Bank")** was held on December 15, 2017 at the office of the Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope board room.

1. **Call to Order**

Catherine Smith, Chairperson of the Green Bank, called the meeting to order at 9:02 a.m. Board members participating: Rob Klee (by phone), John Harrity, Betsy Crum, Bettina Bronisz, Gina McCarthy, Matt Ranelli, Reed Hundt (by phone), Kevin Walsh (by phone), and Mary Sotos (Department of Energy and Environmental Protection).

Members Absent: Tom Flynn and Eric Brown

Others Attending: Mike Trahan, Henry Link, Guy West, and Mike Pilon

Staff Attending: George Bellas, Eric Shrago, Bert Hunter, Bryan Garcia, Mackey Dykes, Kerry O'Neill, Dale Hedman, Brian Farnen (by phone), Kim Stevenson, Craig Connolly, Matt Macunas, Cheryl Samuels, Rick Ross, Chris Magalhaes (by phone), Ben Healey (by phone), Andrea Janecko, and Barbara Waters

2. **Public Comments**

There were no public comments.

3. **Consent Agenda**

Upon a motion made by John Harrity and seconded by, Betsy Crum, the Consent Agenda was approved unanimously.

Resolution #1

Motion to approve the minutes of the Board of Directors Meeting for December 1, 2017.

Resolution #2

Motion to approve the Regular Meeting Schedule of the Board of Directors for 2018.

4. Infrastructure Sector Program

a. Farm Waste to Energy – AD Project Guarantee

Bert Hunter discussed the Infrastructure Sector matter before the board. He stated that the Board had previously approved the Farm Waste to Energy AD Project. He advised that due to the uncertainty in Washington they have a concern that the grants and funding that comes from Farm Credit East, the USDA and others may be impacted, so moving forward with "approval in principle" to signal for Farm Credit East would be important and enable them to move forward with their approval for the project and keep financing on track. Also, due to the sweep of funds by the State budget, staff was doing everything possible to conserve liquidity and discussed with Farm Credit East credit enhancement from the Green Bank using a Green Bank guaranty instead of subordinated debt. Farm Credit East is amenable to the Green Bank guaranty which is part of the discussion for the Board to consider. "Approval in principle" – Mr. Hunter explained – is being requested because not all project variables have been firmed up. Once these project elements are confirmed, staff will return to the Board for final approval.

Chris Magalhaes provided an overview of the project. He stated that it is a 450kw system on a dairy farm. Mr. Magalhaes said that there would be approximately 390 cows utilized for waste as well as food-based waste. He stated that the capital cost is $3.5 million with a potential to add $750,000 if the "depackager" option is selected. He noted that the Green Bank's exposure would be capped at 20% of the project's capital cost. He stated that they would come back to the Board with the final specs. He noted that the Green Bank would be acting as a guarantor.

Upon a motion made by Betsy Crum and seconded by, Bettina Bronisz, the Board voted unanimously in favor.

Resolution #3

WHEREAS, in early 2013, Green Bank released a rolling Request for Proposals in the third round of solicitations for anaerobic digestion projects to participate in a statutorily mandated AD Pilot program, an initiative aimed at reducing landfill waste through the recycling of organics and helping to promote sustainable practices and economic prosperity of Connecticut farms and other businesses by using organic waste with on-site anaerobic digestion facilities to generate electricity and recoverable heat;

WHEREAS, Ag-Grid Energy, LLC submitted the Fort Hill Ag-Grid Anaerobic Digestion Facility proposal to develop in the City of Thompson a 450-kW anaerobic digestion project and, after a thorough review, was selected as a project that is consistent with the AD Pilot Program, Green Bank Comprehensive Plan and in the best interests of ratepayers;

NOW, therefore be it:

RESOLVED, that the President of Green Bank and any other duly authorized officer of Green Bank is authorized to execute and deliver definitive documentation materially based on the term sheet set forth in this due diligence package for financial support in the form of up to $850,000 of a loan guaranty, contingent on confirmation to the Board (or the Deployment Committee), at a subsequent meeting of the Board or Deployment Committee, and based on updated project details and financing contingencies, and as he or she shall deem to be in the interests of Green Bank and the ratepayers;

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to affect the above-mentioned legal instruments; and

RESOLVED, that the Board's approval is conditioned upon the completion of Green Bank staff's due diligence review, including Green Bank's review and reasonable satisfaction with all project documentation that Green Bank is not a party to.

5. **Residential Sector Program**

   a. **PosiGen – Bridge Loan Extension**

Ben Healey discussed the bridge loan extension for PosiGen. He stated that they are requesting an extension due to the change in conditions for advancing investment from the tax equity investor, and PosiGen not having the free cash to pay back the loan. Mr. Healey said that they are recommending an extension of 12 months. He stated that based on the existing collateral and cash flow analysis, there is sufficient cash associated with the system to pay back at 3.5% over 20 years. Commissioner Smith questioned if there will be any impact to the Green Bank if they defer on the cash. Bert Hunter stated that there is not. Mr. Hunter said that they didn't factor in the payment from this facility by year-end. He stated that it is not included in the cash flow stream under the budget figures being submitted to the board today.

Kevin Walsh voiced his concern about the tax equity conditions catching PosiGen off guard. He stated that as they received tax equity, the Green Bank should be reducing the loan. He questioned if the Green Bank's total exposure was $8.5 million. Ben Healey stated yes. He said that they had used some of their tax equity to reduce the loan.

Kevin Walsh questioned what the nature of the collateral is. Ben Healey stated that they have 1300 systems in the cash flow analysis, with the net flow associated with them, as well as, UCC's on all of them.

Commissioner Smith questioned the repayment structure. Ben Healey stated that PosiGen had proposed the repayment schedule. He indicated that it offered a significant portion of the company's free cash through 2018.

Matt Ranelli questioned what the basis is for understanding the delay in getting the systems turned on as opposed to installation. Ben Healey stated that they have reviewed and knew the collateral is there. Kerry O'Neill noted that they receive a monthly pipeline with status. She said that they have a lot of visibility into the pipeline. Dale Hedman stated that that's one of the three steps to finish the Green Bank's process to give them the PBI incentive.

Kevin Walsh stated that they should have controls in place to ensure that the company is not taking out equity distributions. Ben Healey noted that the cash is being caught at the SPV level. He stated that the structure is lending to the managers of the entities with upstreaming only for approved purposes. He said that they are preventing all leakage.

Betsy Crum stated that there is a need for bridge funding around tax equities. She advised that this is a growing need. She said that it is not unreasonable to look for an additional interest rate for the additional term.

Commissioner Smith reminded staff of the suggestions by Director Walsh, and

Mr. Hunter confirmed that staff would review the agreements to ensure that cash flow is protected at the SPV level.

The Board voted unanimously in favor or the request.

<u>Resolution #4</u>

WHEREAS, the Connecticut Green Bank ("Green Bank") has a mandate to deploy its resources to benefit all ratepayers, including low and moderate income ("LMI") residential households;

WHEREAS, the Green Bank has an existing and successful partnership with PosiGen, Inc. (together with its affiliates and subsidiaries, "PosiGen") to support PosiGen in delivering a solar lease and energy efficiency finance offering to LMI households in Connecticut, which includes a Green Bank debt capital facility (the "Loan") advanced as a bridge loan towards PosiGen closing on tax equity financing in 2017;

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank, is authorized to amend the Loan with terms and conditions consistent with the memorandum submitted to the Board dated December 8, 2017, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to effect the above-mentioned legal instruments.

6. **<u>Commercial, Industrial, and Institutional Sector Program</u>**

   b. **Board of Regents – Commercial Solar PV PPA**

Ben Healey discussed the CREB's for CSCU Solar. He stated that they are structuring the Green Bank's first Green Bonds for State projects. Mr. Healey noted that this would be a quarter of a million dollars in savings annually for the

CSCU colleges. He said that the Green Bank has experienced significant cuts, but nonetheless, they have been working with Bank of America to keep the projects moving. He stated that Bank of America is less comfortable with the structure due to the sweeps and budget reductions to the CSCU system. He said that Bank of America is now requiring the use of the SCRF. He stated that the second part is the authority to issue bonds in 2017 into escrow. Bert Hunter noted that they are talking to counsel regarding closing the escrow matter. . Mr. Farnen said that they could figure this out in the near term, but we would still need authorization from the Board as a gating issue to move forward with this project in 2017. Bert Hunter stated that the IRS approved the $9.1 million allocation in Clean Renewable Energy Bonds.

Bryan Garcia stated that they pulled together all of the data to access about $12 million of Federal CREB's (the CSCU bonds and the bonds for the Meriden hydroelectric project). He said that they are trying to bring resources back from the Federal government to lower energy costs for Connecticut ratepayers.

Bettina Bronisz questioned if closing in escrow will require the SCRF. Bert Hunter stated that no, however, the wouldn't be able to release funds from escrow until the SCRF is in place. He said that again, they would discuss this matter with counsel.

Kevin Walsh stated that Bank of America has a group that does true project financing. Ben Healey noted that they've navigated these projects within the bank between the two groups. Bert Hunter indicated that they were making considerable progress on these bands being purchased on the merits of the power purchase agreement and ZREC cash flows until the sweep and the cuts to the CSCU system. Commissioner Smith questioned if it would help to Bank of America to show sustainability following approval by the Board. Bert Hunter stated that because they would need to close the bonds by year end, there simply wouldn't be adequate time for Bank of America to give the Green Bank's sustainability plan consideration. He also noted that changing the indenture after issuing the bonds could be deemed a reissuance because it would change the issue date – which could void the Federal benefits. Mr. Hunter said that they should continue talks with them if the bonds end up being issued after year end (i.e., if tax reform is stalled, fails or does not eliminate tax credit bonds). To a question from the Board, he stated that once the bonds are priced and issued that there will be a prepayment premium of 2% if any of the bonds had to be prepaid. Ben

Healey noted that approval would include the ancillary documents in the memo that the Board members should have received, including a project support agreement to back the self-sufficiency finding for the SCRF as was done for the Meriden project.

Bettina Bronisz questioned if escrow bonds will have a debt service reserve as required by the SCRF. Bert Hunter stated yes. He said that unless they are comfortable with the risk, they would have the right to take back from the escrow, with a prepayment penalty of 2%.

John Harrity questioned if the project falls under the “lead by example” program. Commissioner Smith stated yes. Mr. Harrity noted that this is a big win for Connecticut and the Green Bank to demonstrate how energy costs for state buildings can be reduced as a result of these projects at CSCU.

Bryan Garcia stated that the team worked hard to develop a PPA for the CSCU system. He noted that the goal is while working with Commissioner Klee and DEEP, to lift the PPA structure over to state facilities to further support renewable energy projects. He stated that they are making steady progress in identifying other financing vehicles like energy savings agreements that could be standardized with CSCU with the potential to be brought forth to the wider state facilities.

Bert Hunter stated that the bonds would be eligible for the PURA buy down. He said that with the Federal Tax Credit benefit, it would bring the interest rate down to 1.41% for 20 years.

Reed Hundt stated that in light of not just the cash flow breakeven, but the income breakeven, this is crucial to the revenue streams. Bert Hunter noted that that is a good point and that they will get the project economics to the board once the projections are finalized. He stated that they review all of the projects’ economics for economic viability before bringing to the Board.

Upon a motion made by John Harrity and seconded by, Gina McCarthy, the Board voted unanimously in favor.

Resolution #5

WHEREAS, at its September 28, 2017 meeting, the Connecticut Green Bank ("Green Bank") Board of Directors (the "Board") previously authorized the issuance of Clean Renewable Energy Bonds ("CREBs") to support the installation of various solar projects for the benefit of the Connecticut State College and University ("CSCU") system;

WHEREAS, Banc of America Public Capital Corp. ("BAPCC"), as the proposed purchaser of the CREBs, has requested that this issuance incorporate the support of the Special Capital Reserve Fund ("SCRF"); and

WHEREAS, uncertainty at the federal level makes it advantageous to issue the CREBs in calendar year 2017;

NOW, therefore be it:

RESOLVED, that the Board affirms the previous approvals granted at its September 28, 2017 meeting with respect to this proposed CREBs transaction;

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to secure the issuance of CREBs utilizing the SCRF, provided the Green Bank complies with all statutory requirements for the SCRF, which will require among other things (1) State of Connecticut Office of Policy and Management approval, (2) an opinion of sufficiency as set forth in the Connecticut General Statutes ("CGS"), and (3) approval by the Office of the State Treasurer and other documentation required under the CGS; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instruments.

7. **Sustainability Plan to Address the State Budget Sweeps**

Commissioner Smith thanked the team for their hard work and many hours spent going through the different options addressing the sweeps that occurred in the State Budget. She stated that they would present a sustainable path forward. She said that she had asked them to think about how to get on a sustainability path and to that point of break even on the core business as soon as possible. She stated that they had gone through the RSIP and SHERC cash flows at a special meeting previously on December 1, 2017. She said that they would look at the core business of clean energy finance in detail today. She stated that they want to make sure that everyone understands clearly the two businesses the Green Bank administers – incentives (e.g., RSIP and SHREC) and investments (e.g., clean energy finance). She stated that they are looking for endorsement and direction. She said that there would be some additional changes before final approval. She noted that the team has tried to use just the cash on hand and look towards sustainability from profitable new investments without borrowing.

Bryan Garcia went into more detail on the Sustainability Plan. He stated that it had been a month and a half of hard work with the senior staff, Chair and Vice Chair, and other members of the Board of Directors. Bryan noted that the team has been working very hard to put a plan on the table. He stated that everyone knows the situation that the State is in. He said that they have looked at what they've been able to achieve over the last six years and that they have achieved exceptional results in private investment, job creation, reduction of energy burden through clean energy deployment, and greenhouse gas emission reductions – all resulting in the State of Connecticut and the Connecticut Green Bank winning the "Innovations in American Government Awards" from the Ash Center at the Harvard Kennedy School. He discussed the investment that the Green Bank has made into Clean Energy, as well as the deployment of Clean Energy for Connecticut. He also explained the jobs that were created and the lessening of the energy burden on households and businesses. He stated that an extra benefit is confronting global Climate Change, right in their community. John Harrity noted that the Green Bank has done so well, and that people don't understand the programs, and that they are the folks that are making the decisions to chop it.

Bryan Garcia stated that they recognize that they run and operate two businesses. For the Residential Solar Investment Program, the Green Bank pays incentives upfront or through performance over a six year period. They also have to cover administrative costs and pay financing costs. He stated that the challenge is that they pay all of those costs, for the most part upfront or over the near-term. He said that to keep things moving, they are taking away resources from the core business that could be invested in clean energy finance for projects or programs. He stated that on the Investment side that this is the core of what they do – clean energy finance. He said that they use resources in a way to finance projects in partnership with private capital at an appropriate risk-adjusted return. He stated that they have some programs that they are administering, with a mindset that we're going to invest in partners to generate a return. He said that they have some principles that they use through the process. He stated that there is no doubt, they are moving forward and maintaining their mission and statutory purpose. He said that there are going to be hard choices with respect to reducing operating expenses. He stated that in managing that process, they are going to need to be compassionate, thoughtful and methodical about reducing operating respects as it applies to personnel. He stated that they must significantly reduce operating expenses to put the organization back on solid financial ground and on a pathway to breakeven and eventually sustainability. He said that to be breakeven, they are going to have to restructure their core business. He noted that this plan assumes that public funds are not counted as revenues. He stated that they focused their first six years operating the Green Bank with a focus on leveraging limited public funds to attract and mobilize more private investment. He said that they are now going to think about sustainability to support their operations to get to a breakeven point with greater return expectations and less leverage.

Matt Ranelli stated that he is not against break even or profitability, but he is cautious because he doesn't feel that it's in their mission. He said that they are good principles, but worries about them for all of the decisions. He stated that they do need to adjust to a new reality, but that new reality doesn't mean that there will not be public ratepayer dollars. He said that they need to continue to fight for the funds. Commissioner Smith stated that many Board members agree, however she has guided the team to think about not seeing an increase in support from where it stands currently. She said that they need to plan for a future that they can survive if it doesn't go back up again. She stated that they would be break even if they can get their core business to a place to cover operating expenses. She said that she feels that that is a positive place to be. She stated that these are important goals to reach. She stated that they are not giving up on the leverage side. She said that they want to pull back in a little bit to get to that breakeven point. She stated that the balancing act is prudent. She stated that they are not overly aggressive on the cutting side, but it strikes a balance to remain true to their underlying mission.

Gina McCarthy stated that when you look at what you cut as a company, you look at how you reflect the services that you provide and you project yourself. She stated that there is no worse time than today in the United States for states like Connecticut to abandon its public mission. She noted that this is not consistent with this state's mission. She questioned how the state is going to rebound if it doesn't reflect its values. Commissioner Smith stated that it's important that they raise these issues. Gina McCarthy noted that this is a very thoughtful approach to dealing with the situation, but she's not accepting it as a given. She stated that she is cautious. She said that with the abandonment of the Federal incentives, it's going to have a tremendous impact overall on the commitment to energy efficiency and renewable energy. She stated that they need to make the case.

John Harrity stated that he agreed with both Matt Ranelli and Gina McCarthy. He said that he doesn't want anyone in the Legislature to see that the Green Bank is doing fine with the money going away. Reed Hundt stated that he endorses both Bryan Garcia's and Commissioner Smith's views. He noted that the Green Bank needs to be self-sustaining for operating expenses. He said that it's a difficult job for a Green Bank to try to break even and also be a grant-making organization. He stated that it's not possible to run a business at the same time as making grants. He said that they need to convince the Government to provide subsidies and grants.

Bryan Garcia stated that their focus is on sustainability versus leveraging limited public funds to attract multiples of private capital. He noted that the weighted average return is assumed to be 5% over a 10-year term. He stated that programs which were grant programs were turned into low-interest lending programs. He stated that those are not going to generate the monies they need going forward to achieve breakeven or be consistent with a sustainability strategy. He said that they had extraordinary progress helping underserved communities to access Green Energy. He noted that the recent sweeps have put that development at risk. He stated that Commissioner Klee saw this as an important area of continued investment and decided to put DEEP resources in to keep that progress moving forward. Commissioner Smith said that with Commissioner Klee's support the Green Bank could find a way to support these programs in underserved communities, specifically for low-to-moderate income single and multifamily properties. She stated that there would be some programs that they cannot do anymore. Bryan Garcia said that they need to be mindful of how they use their resources going forward to generate increasing revenues to cover their operating expenses.

Bryan Garcia stated that by FY2019 and beyond their proposed annual investments per the current model will be $8 million. He said that they still want to innovate and open up new markets. He stated that they would be making other investment opportunities as long as the risk-adjusted return achieved of the investment portfolio delivered on the sustainability pathway. He stated that they are looking at a not-for-profit affiliate as a way of putting capital to work to attract more private investment in this flexible structure, continue to deliver impact for underserved market segments in Connecticut including low-to-moderate income communities, and helping to lower the Green Bank's operating expenses. They are proposing reducing personnel and non-personnel related operating expenses 27% from FY 2018 to FY 2019. He stated that the revised budget being proposed for FY 2018 puts them on a pathway to achieving this. He said that they took a look at realizing operational efficiencies by transferring some of the staff over to a non-profit affiliate. He stated that they got a couple of sources of external funding coming back, SL1working capital, Kresge Loan, and DEEP support of $5 million for the low income and multi-family. He stated that sustainability is the right choice to move forward to allow them to fight for the ratepayer public resources.

Bettina Bronisz questioned if the cash that they have on hand can be used for anything. George Bellas stated yes, this is unrestricted/unencumbered cash. Bettina Bronisz questioned if they can squeeze out any additional funds from other accounts. George Bellas stated that he would have to defer to legal counsel as to whether the Green Bank could use those funds since they are considered restricted and subject to contractual obligations.

Matt Ranelli questioned why the current graph is so different than the previous one and asked if it included operational costs. Commissioner Smith stated that yes, and that the RSIP is not included in the current model because it has been stripped out as its own self-contained business with the SHREC.

Bryan Garcia discussed the affiliate avenue which was addressed in the Strategic Retreat. The Board of Directors had requested in January that the staff look into the creation of a private entity (e.g., Community Development Financial Institution as is allowed by statute) to increase the organization's flexibility to access private capital, increase impact in Connecticut, and achieve greater operational efficiencies. Kerry O'Neill said that a market scan identified evident gaps. She stated that they are filling those gaps in Connecticut. Ms. O'Neill noted that in Connecticut they are operating at a significant scale with respect to underserved markets in comparison to other leading states. She said that to be sustainable, they need to be operating on a more substantial level. Ms. O'Neill stated that when they look at limited resources and limited investment available at the Green Bank, they need to attract a specific type of investor to leverage with the DEEP money. She said that they need to attract other investors to be able to scale up multi-family for example. She stated that they need to come up with a non-profit affiliate to help, since these investors are reluctant to invest in the Green Bank given the state budget challenges and recent sweeps. She said that the Green Bank would immediately start to reap operating savings on reduced overhead of staff now working at the Affiliate. She stated that they believe that this is how to keep these products in the market and growing for Connecticut.

Commissioner Smith stated that they are not asking for approval, they just want direction. She noted that this makes sense to keep moving forward with the programs and to look for different sources of funding. John Harrity questioned if this is safe regarding the Legislature. Commissioner Smith stated that they don't need their approval. Brian Farnen noted that it is not required but we would seek an ethics opinion in an abundance of caution. He said that this affiliate is to benefit the State of Connecticut.

Betsy Crum stated that she supports this approach, saying that it creates a level of protection. She stated that it would provide the ability for the Green Bank to do more mission work. She questioned if there is a way to set it up so that the State cannot take funds in the future.

Matt Ranelli stated that he too supports this approach. He noted that the work that's been done in the LMI area is one of the most powerful areas of accomplishment for the Green Bank. He stated that without that effort, it just would not happen. He said that there would be a gap year over year. He stated that he's worried about the Systems Benefit charge, stating that it comes from everyone, including low income ratepayers. He said that there are fundamental questions. He questioned if they must serve all of the sectors that it comes from. He also stated that if they put all of the underserved market programs into the affiliate, they'll need to remain committed to guiding policies that benefit the LMI market.

Commissioner Smith stated that in the Governance Model, they would need to make sure that the policy direction is clear.

Reed Hundt stated that his concern is that they are taking an existing business and creating three businesses. He noted that the most lucrative is the RSIP business. He said that some products could be self-sustaining, and other products can never be autonomous. He stated that it's important to recognize the inherent conflict among the three organizations. He said that in the case of the core business, they want that to be self-sustaining. The question he raised was, why is there a core business, why would they not move everything over to the affiliate and not spend money on the non-self-sustaining activities.

Commissioner Smith discussed the future structure and what the team envisions. She stated that the purpose of setting up the affiliate is not in conflict. She said that it's a way to raise additional funding and continue the Green Bank's mission of serving underserved market segments in Connecticut.

Gina McCarthy stated that her concern is that it looks like they're taking away one of the most important reasons that a Green Bank is created. She said that she feels it's strange to have Government entity shifting over to a non-profit. Ms. McCarthy stated that she's worried about the signal that this sends. She said that they need to be able to explain why. Betsy Crum noted that this protects and could enhance significantly the Green Bank's ability to serve low and moderate-income areas. She stated that the structure would be essential.

Commissioner Smith stated that they need to make sure that they're getting some funding back on the use of the Green Bank's capital. Gina McCarthy said that she supports this, but she feels that they need to articulate the strategy as being more beneficial than what they are looking at.

Kerry O'Neill suggested that they think about the LIME Loan. She stated that the Green Bank supports that product but Capital for Change administers this on behalf of the Green Bank. She noted that that is the model for the affiliate. They are still Green Bank programs, but the Green Bank is asking a non-profit to run the programs.

Commissioner Smith stated that the Resolution needs a slight modification.

Gina McCarthy thanked Commissioner Smith and Commissioner Klee for investing the time and effort in working with the senior staff to work through these difficult issues.

Upon a motion made by Bettina Bronisz and seconded by Commissioner Smith, the Board voted unanimously in favor.

Resolution #6

RESOLVED, that the Board of Directors of the Connecticut Green Bank (Green Bank) approve of the budget mitigation strategy consistent with the Sustainability Pathway Strategy as set forth in this memorandum dated December 15, 2017 and **Attachment A**.

RESOLVED, that the Board of Directors of the Green Bank direct the Green Bank staff to present a detailed business plan, budget and transition plan for certain employees to a non-profit affiliate for the review and consideration of the Board no later than the end of the First Quarter of 2018.

RESOLVED, that the Board of Directors of the Green Bank authorize the President of the Green Bank and any other duly authorized officer of the Green Bank to (i) permanently eliminate positions from the Green Bank workforce consistent with the Sustainability Pathway Strategy as set forth in this memorandum dated December 15, 2017 and **Attachment A** and (ii) offer a severance package consistent with the Green Bank's Severance Policy to employees that are not transitioning to the non-profit affiliate.

8. <u>Communication Strategy</u>

With limited time left for a full discussion on communication strategy, Craig Connelly provided a high-level overview of the Communication Strategy. He stated that they need to articulate their message to the Legislature, create a tactical calendar, and define the communication objectives for their crucial stakeholders. Mr. Connelly said that they would draft key messages and reference materials. He advised that the messages will be delivered in many ways, including Online PR, Social Media, as well as through the Press. Mr. Connelly stated that they are going at this in a very methodical way. He requested that if the media contact anyone that they make the communications staff aware of the request, to provide the most accurate up to date information.

Bryan Garcia stated that they need to continue to speak about the situation and educate people on what the Green Bank is.

Craig Connolly stated that they are going to try to get their funding back and to ward off any future sweeps. He said that they would continue to provide the necessary information to influence the Legislature to restore their funds. Mr. Connelly went on to discuss the communication with their stakeholders. He explained that they need to leverage their networks to assist in the coming months. Mr. Connelly addressed the sample talking points that reflect an accurate position of where the Green Bank is today and what their priorities are. He explained that the Green Bank's priorities are what they have always been. This has not changed.

Bettina Bronisz requested that they periodically update the Board on the outreach and its success. Brian Farnen stated that they would do that.

Gina McCarthy voiced her concern over the talking points stating that she feels that there needs to be more communication on how this has adversely affected the Green Bank. She stated that they need to let folks know about all the cuts that have to be made to keep them on a secure footing. Commissioner Klee agreed, stating that they need to recognize that they are a bank and that there are partners and that there have been some serious impacts. He stated that they need to have a clear indication of how severe the cuts were.

John Harrity stated that they need to communicate that they are addressing Climate Change and that in that process, they are creating jobs in the State. He said that they need to get the Legislators to understand that the Green Bank is a sacred institution and that they are addressing important things that benefit the State.

9. <u>Adjourn</u>

Upon a motion made by Bettina Bronisz and seconded by, Betsy Crum, the meeting was adjourned at 11:09 a.m.

Respectfully Submitted,

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Catherine Smith, Chairperson