

**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK
Minutes – Regular Meeting**

Friday, June 9, 2017
3:00 PM - 4:30 PM

A regular meeting of the Budget and Operations Committee (“Budget Committee”) of the Board of Directors of the Connecticut Green Bank (the “Green Bank”) was held on June 9, 2017, at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT.

1. **Call to order:** Commissioner Klee called the meeting to order at 3:03 p.m.

Members Attending: Rob Klee (Chair) & Norma Glover (by phone)

Staff Attending: Bryan Garcia, George Bellas, Eric Shrago, Brian Farnen, Bert Hunter, Jane Murphy, and Cheryl Samuels

2. **Public Comments:**

There were no public comments.

3. **Approve Meeting Minutes for May 26, 2017 Regular Meeting:**

Upon a motion made by Norma Glover, and seconded by Commissioner Klee, the Meeting Minutes for May 26, 2017 were unanimously approved.

Resolution #1

Motion to approve the minutes of the Budget and Operations Committee meeting for May 26, 2017.

Second. Discussion. Vote

4. **FY 2018 – Expenses, Investments, and Financial Statements:**

Eric Shrago discussed FY 2018, expenses, investments, and financial statements. He stated that they are doing about \$34 million in loans. He discussed revenues, stating that they may need to make adjustments if something does happen in Hartford with the budget. He stated that they are coming in line with where they were last year. He stated that they are just under, looking at general expenses of about \$20 million.

Commissioner Klee commented that it is generally a flat budget. He questioned if there were any big increases or decreases. Eric Shrago stated that they have no huge swings either way.

Jane Murphy provided an overview on the RGGI Auction funds.

Norma Glover questioned the C-PACE closing fees. Eric Shrago stated that they had originally forecasted them to be much higher. He stated that they are expecting it to be a much lower number.

Commissioner Klee stated that there are no expenses that seem to be jumping out in terms of dollars. He stated that it looks like they are cutting their consulting advisory fees. Eric Shrago stated that it has to do with how they have prioritized things.

Eric Shrago discussed the program budgets. He stated that they've come down from what was budgeted last year. He stated that it's a similar story in Multi-Family. He stated that C&I has decreased by about half a million dollars. He stated that they are still rebuilding the pipeline.

Norma Glover questioned what falls under infrastructure. Eric Shrago stated, Anaerobic Digesters, RSIP support for micro grids, etc. Commissioner Klee provided an overview on the legislative session. He stated that there are several different places where those types of infrastructure are potential opportunities for the Green Bank.

Bert Hunter stated that they are working with manufacturers on a variety of projects within the state and on the 30 Megawatt of fuel cell projects that was just passed. He stated that the impact will be on the FY19 budget.

Eric Shrago discussed staffing and the net increase of 3 headcount. He stated that they are planning to convert two temporary positions to permanent, with an addition to the account staff as well, along with an additional program associate. Bryan Garcia stated that they are close to closing the PPA on Middlesex Community College providing the contingency of adding one of the temporary positions to permanent.

Eric Shrago stated that they have another conversion from a program associate to support the residential side. Bryan Garcia stated that they have her as a consultant, but by legal standards, she should be a staff member.

Norma Glover questioned if there was a backup plan, since they don't know how much of a hit they will take from the budget. Bryan Garcia stated that they are looking at options regarding the Republican proposal. He stated that they are working closely with the Governor's office.

Bryan Garcia stated that they should do the distressed community allocation. He stated that about 25% - 30% of projects are located in distressed communities.

Eric Shrago provided an overview of the Research and Development Budget. He stated that they are continuing to develop products around renewable heating and cooling and alternative fuel vehicles.

Bryan Garcia discussed the Green Bonds. He stated that they are setting it aside to work with the Alliance to Save Energy to pull it all together for C-PACE. He stated that they are setting aside money to issue Green Bonds this year.

Eric Shrago discussed Studies and Innovation. Bryan Garcia stated that they are working with NYSERDA on Renewable Thermal Technology. He stated that they've partnered with the two utilities. He stated that they've got a number of steps from research and that they are putting them into operation. He stated that they've set aside some funds for online instrumentation to help build confidence in the market, in terms of how well systems are running. He stated that they propose matching a potential \$100,000 Harvard Ash Center prize with \$100,000 of Green Bank funds to develop the Green Bank Academy.

Norma Glover questioned if it will be possible at some point to sell the service of how the Green Bank in CT is set up. Bryan Garcia stated that that is part of the conversation that they will start to hear, how they will take the lessons that they are learning. He stated that that will be part of the July Board Meeting.

Bryan Garcia stated that they want to do a full study on the energy burden reduction. He stated that they will look at the full energy picture for a home, including transportation fuel.

Eric Shrago discussed the core partners. He stated that Adnet is new on the list. He stated that they provide IT services.

Bryan Garcia stated that their strategy on Solarize is to privatize the model. Brian Farnen stated in regards to the recommended professional service agreements, that this recommendation or future Board approval does not absolve any applicable competitive RFP requirements under our Operating Procedures. Bryan Garcia stated that they should see how many came through RFP's.

Eric Shrago discussed the new salary structure and grades. Bryan Garcia stated that they had presented this to Commissioner Smith and that she requested that they have a special meeting to discuss the structure. Commissioner Klee questioned if the current staff fit into the structure or if they are outside of the ranges. Eric Shrago stated that there are a handful of staff that are at the end of the range, but it's small. Norma Glover questioned how they had come up with this structure. Eric Shrago stated that he will defer that to Kardas Larson when they have their meeting. Eric Shrago stated that they have budgeted for a 3% merit increase.

Upon a motion made by Norma Glover, and seconded by Commissioner Klee, the Resolution passed unanimously.

Resolution #2

RESOLVED, the Connecticut Green Bank's (Green Bank) Budget and Operations Committee recommends that the Green Bank Board of Directors approve the Fiscal Year 2018 Targets and Budget;

RESOLVED, the Budget and Operations Committee recommends that the Board of Directors authorizes Green Bank staff to extend the professional services agreements (PSAs) currently in place with:

- i. Adnet Technologies, LLC
- ii. Archaeological & Historical Services, Inc.
- iii. Clean Power Research, LLC
- iv. Cortland Capital Services
- v. EnergySage Inc.
- vi. Forsyth Street
- vii. Green and Healthy Homes Initiatives
- viii. Locus Energy LLC
- ix. METIS, Financial Network, Inc.
- x. New Ecology
- xi. OpFocus

- xii. Opinion Dynamics
- xiii. Paul Horowitz
- xiv. SmartPower Inc.
- xv. Strategic Environmental Associates
- xvi. Sustainable Real Estate Solutions, Inc.
- xvii. CT Housing Coalition
- xviii. Wegowise

For fiscal approved year 2018 with the amounts of each PSA not to exceed the applicable approved budget line item

RESOLVED, the Budget and Operations Committee recommends that the Board of Directors authorize and empower the proper Green Bank officers to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to execute these extensions.

Second. Discussion. Vote

5. Adjourn:

Upon a motion made by Norma Glover, and seconded by, Commission Klee, the meeting was adjourned at 4:03 p.m.

Respectfully Submitted,

Commissioner Klee, Chairperson