

**BUDGET AND OPERATIONS COMMITTEE OF THE  
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY  
Minutes – Regular Meeting  
Friday, May 16, 2014**

A regular meeting of the Budget and Operations Committee (“Budget Committee”) of the Board of Directors of the **Clean Energy Finance and Investment Authority (the “CEFIA”)** was held on May 16, 2014, at the office of the Clean Energy Finance and Investment Authority, 845 Brook Street, Rocky Hill, CT 06067.

**1. Call to Order:** The meeting was called to order at 2:10 p.m. Budget Committee members participating: Mun Choi (by phone) and Commissioner Rob Klee (by phone) and Norma Glover (by phone).

Staff Attending: George Bellas, Mackey Dykes, Brian Farnen (by phone), Bryan Garcia, Cheryl Samuels, Andrea Janecko, David Goldberg and Suzanne Kaswan.

Others Attending: Alex Kragie (by phone) and Albert Monroe, DEEP Chief of Staff (by phone)

**2. Public Comments:**

There were no public comments.

**3. Approval of Meeting Minutes:**

The Budget Committee members were asked to consider the minutes from the April 17, 2014 meeting.

**Upon a motion made by Mr. Klee, seconded by Mr. Choi, the Budget Committee members voted unanimously in favor of adopting the minutes from the April 17, 2014 meeting as presented.**

**4. Revised Salary Ranges:**

Mr. Dykes explained that in the fall of 2012 CEFIA along with CI commissioned a study with Buck Associates to conduct a comparison study of CEFIA salaries to private and non-profit/government entities’ salaries. The study evaluated CEFIA’s market position to base salary and base plus bonuses. The results were weighted to reflect CEFIA’s valuable benefits package. Buck Consultants found that, with a few exceptions, the weighted CEFIA base salaries are within an acceptable range, defined by Buck to be plus or minus ten percent, of the market median. However, when compared to total cash compensation (base salary plus bonus), several positions fell short of this range. .

A question was asked should CEFIA be compared to financial institutions since CEFIA does not provide bonuses. Ms. Kaswan stated that concerning program salaries bonuses are not a factor. However, within the finance sector, bonuses should be factored for considered median. A question was asked if CI used the same methodology for their salary evaluation. Ms. Kaswan answered "yes" and further explained that CI brought their evaluation to the board in November of 2013 which received board approval. Most positions on CEFIA and CI side of the house fell into the acceptable ranges but were asking for a recommendation to change the salary ranges for the Director I positions and above. Mr. Dykes explained a diagram of CEFIA's schedule of positions, which is divided into three divisions (Corporate, Program and Investment) and several grade levels. Bryan Garcia further explained that in grades 1-4 (Admin to Associate Manager), skillsets across all three divisions were the same so the ranges are the same. Grades 5- executive grade (Manager Officer) have specialized skillsets so the ranges in the investment division are larger to reflect a more competitive market. A question was asked how will these work in terms of staff promotions and opportunities for advancement and what would be the process that determines the minimum and maximum if that person gets promoted. An example of how it would work was given to the members and further explained by Ms. Kaswan that compensation increase is determined through evaluation of responsibilities and position expectations. Promotions are typically granted a 5 percent increase however, other factors may be considered. Mr. Dykes provided an example of a hypothetical promotion scenario of a Director I. Overall, the new ranges allow for growth and employee retention. A statement was made that within the State of CT system there is a 5 percent cap on salary increases with zero regulated flexibility. A question was asked if the 5 percent cap on increases in state agencies was for all staff or does it apply to managers and above. It was believed that this cap applied across the board. Mr. Dykes explained the midpoint of the new ranges is still staying below the market midpoint for salaries. This action will not change anyone's salary and is intended to increase senior and executive salary ranges to make CEFIA more competitive in recruiting. This new structure will allow for a more natural, even progression through the career ladder. A question was asked if this policy will be put in place after the committee and board approval. Mr. Garcia stated that if approved the policy will be put in practice on June 20<sup>th</sup> following board approval. If the committee moves forward, revised minimum and maximum compensation for director levels and above will be implemented according to the BUCK Study. A question was asked if position descriptions will reflect new duties and progression. Mr. Garcia answered "yes" and standardized across the organization, progression will be allowed laterally across staff. A question was asked if this was too structured for a quasi-public agency. Mr. Garcia answered that he doesn't feel it's too structured and that this is a good way to organize where we've come because it establishes an appropriate career path for staff moving up and enhances opportunities for young professionals who want to grow. It's a good solid path for attraction and retention of staff within a defined structure.

**Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Budget Committee members voted unanimously in favor of adopting the following resolution regarding the Revised Salary Ranges.**

**RESOLVED**, the Clean Energy Finance and Investment Authority's Budget and Operations Committee recommends that the CEFIA Board of Directors approve the salary ranges for Director I level positions and above outlined in Attachment A.

**5. Comprehensive Plan Outline and Discussion:**

Mr. Dykes made reference that at the previous meeting of the Budget and Operations Committee, it was mentioned that CEFIA's Comprehensive Plan and FY15 budget would be discussed at the next B&O meeting. He stated that as the organization changes the budget also changes. Mr. Garcia stated that per section 99 of PA11-80, CEFIA needed to put together a comprehensive plan. Mr. Garcia explained the process of pulling the pieces together and provided an overview of the comprehensive plan starting with the organization, public policy, stakeholders, financing and marketing. He stated that the plan was more robust than the last plan and will act as a good blueprint for CEFIA as CEFIA becomes a model for other states. Mr. Garcia further explained that staff is looking at the Comprehensive Energy Strategy, Integrated Resources Plan, Conservation and Load Management plan, and gas expansion plans to help guide us. Mr. Klee commented that from the outline it looks like an enormous document and huge undertaking and offered support from DEEP. Mr. Garcia stated that the DEEP staff has been great and engaging in discussions on the pending IRP and how to go about focusing on certain products. Mr. Garcia stated that he would send the comprehensive plan to DEEP for review. Mr. Dykes added that CEFIA is more mature than we were with the first comprehensive plan but still not at a level of market maturity to set two year targets so the plan would include just FY15 targets and budget.

Several other metrics and key performance indicators will be implemented to track progress to targets and Mr. Garcia added that the plan is going to be a plan that helps guide CEFIA going forward. Mr. Garcia mentioned that CEFIA is also going to start building out more robust information and data platforms. Mr. Klee commented that it seems to be an enormous document and a huge undertaking and recommended a clear executive summary.

**6. Fiscal Year 2015 Budget Outline and Discussion:**

Mr. Dykes explained the budget outline and changes and asked the committee members for feedback. He stated that CEFIA is doing better about building around each sector doing a better job of capturing product costs. . The big changes that CEFIA wanted to bring to the committee and board is structure change to our accounting staffing. Currently our accounting is outsourced to CI. CEFIA is growing and ramping up products so CEFIA wants to bring the treasury/accounting function of the organization in house. It makes sense to have expertise in house and not share or split these responsibilities. George Bellas along with his staff of three would become CEFIA employees. . George and his staff would physically move over and come work

for CEFIA at 100 percent salary, except for one who would devote 25% of their time to CI. George explained that he is only doing venture capital items for CI and that he and his team are mostly doing work for CEFIA. Mr. Dykes stated that having George and his team at CEFIA would be very helpful to the financing work that he and his team are currently performing for CEFIA. Mr. Garcia added that CI's Executive Director is in agreement and recognizes the benefits of having accounting in house and that together CI and CEFIA will work on an appropriate transition. Mr. Klee agreed and complimented George on the work that he does for the organization. Mr. Choi also agrees and supports the move of George and his team to CEFIA.

A question was asked when CEFIA would formally be called "The Green Bank". Mr. Garcia answered that once the Governor signs the statute we become the "Connecticut Green Bank" legally. CEFIA will start a rebranding effort around our new name that will be led by the incoming Marketing Director. Mr. Dykes added that all branding is still CT Clean Energy and that we want to take advantage of name change to reorient ourselves to look more like a financial institution. He mentioned that CI's model happened all at once in a coordinated fashion and that although it will take some time for CEFIA we want to remodel our brand and logos, website, etc. and that CEFIA is looking forward to the transition.

#### **7. Other Business:**

Mr. Garcia commented that he has been working alongside Mackey Dykes for almost two years to the day and that as you can see Mackey does an extraordinary amount of work for the organization. Mackey came to CEFIA as a Chief of Staff and has helped build the organization by attracting and retaining talent. Mr. Garcia stated that Mackey is an operations expert dealing with all elements of operations and doing an outstanding job. Mr. Garcia mentioned that he will have a conversation with Commissioner Smith to promote Mackey to Vice President of Operations and hoping to have a proposal at the next Budget and Operations meeting. Mr. Choi agreed with Mr. Garcia's assessment of Mackey.

#### **8. Adjourn:**

**Adjournment:** Upon a motion made by Mr. Choi, seconded by Mrs. Glover, the Budget Committee members voted unanimously in favor of adjourning the May 16, 2014 meeting at 3:09 p.m.

Respectfully submitted,

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Robert Klee, Chairperson of Budget  
Committee