

**BUDGET AND OPERATIONS COMMITTEE OF THE
CONNECTICUT GREEN BANK**

Minutes – Regular Meeting

Thursday, June 11, 2015

9:00 AM – 10:30 AM

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 11, 2015, at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT.

1. **Call to order:** Norma Glover called the meeting to order at 9:03 a.m.

Members Attending: Rob Klee (Chair), Mun Young Choi, and Norma Glover

Staff Attending: Bryan Garcia, Mackey Dykes, George Bellas, and Cheryl Samuels

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 27, 2015 and the May 29, 2015 meetings.

Upon a motion made by Mun Young Choi, seconded by Rob Klee, the Budget Committee members voted unanimously in favor of adopting the minutes from both, the April 27, 2015 and May 29, 2015 meetings.

Resolution #1

Motion to approve the minutes of the Budget and Operations Committee meeting for April 27, 2015 and May 29, 2015.

4. **Fiscal Year 2016 Budget:**

Mackey Dykes provided an update on RGGI and the last auction, which took place last week. Norma Glover asked for clarification regarding the budget and if it is what the Green Bank looks like today. Mackey Dykes confirmed. Mackey advised that a portion of the state's energy efficiency RGGI funds had been shifted to the Green Bank to make up for the sweep of funds to the general fund. He advised that there have been seven auctions from 2013 through 2015. He also advised that they are short on being made whole for the sweep, but less short than anticipated. Bryan Garcia advised that they had 93% of the \$25.4 million transferred to the General Fund covered by additional RGGI allowance proceeds, but it's still a loss. He also advised that it was originally proposed that \$30.4 million be taken from the Green Bank back in 2014 –and that it was reduced by \$5 million and that additional RGGI allowance proceeds would make up the \$25.4 million difference.

Mackey Dykes highlighted the fact that the committee had not been happy with the profit/loss statement showing a negative number. He went on to explain the three options for the budget. The first being the original budget. The second being cuts in the operating budget, expenses and RSIP. The third option is incorporating authorized bond proceeds into the budget. Rob Klee advised that they need to act fast to show intent to utilize the funds to make sure they don't do away with the bond fund. He advised that when a fund is dormant for three years or more they sweep it. He advised that they let them know their plan so as to preserve the fund.

Bryan Garcia highlighted the Small Business sector. He explained that they are trying to build this sector and to attract local lenders as a second pool of resources. He advised that they are going to the Board regarding a new partnership with a solar leasing company, PosiGen. This company will focus on low and moderate income customers. Norma Glover questioned how this company was discovered. Bryan Garcia advised that the company came through an RFP.

Bryan Garcia provided an overview of the Renewable Energy and Efficient Energy Program and the Green Loan Guarantee Program.

Rob Klee asked if they could fund the tech schools through the bonds instead of rate payer funds. Bryan Garcia advised that they will look into that, but it seems appropriate.

George Bellas provide an overview of the cash based profit and loss statement. Norma Glover questioned why option three is so different than the other two. George Bellas advised that they have included the bond funds as revenue which do not have to be repaid. He explained that option two is pretty much a break even by reducing expenses. Rob Klee again, voiced his concern that the bond commission could sweep the fund if it has been inactive for three years or more. George Bellas explained that they would need to go to the bonding commission to get the funds allocated. Rob Klee advised that option three is very uncertain, because the fund could be swept. George Bellas explained that they should look at option two as a fall back, but option three is the preferred one. Mackey Dykes explained that option three is really option two, only with the bond funds added in. Bryan Garcia advised that they will try to ensure that the fund is not swept. He explained that they will plan a process to work with the governor's office. He also explained that without the revenues, option two would stand. Mackey Dykes agreed and explained that option two is little bit better than a break even. He also explained that expenses in options two and three are lower due to decreases in operating expenses and RSIP. Bryan Garcia advised that they should approve option two and direct the staff to work to maintain authorization and work to approve the allocation of bond funds for option three.

Mackey Dykes provided an overview on staffing. He explained that they are looking to add four new positions. Mun Young Choi asked what the salary ranges would be. Mackey Dykes stated that he would need to send those around. Norma Glover asked if he could also send the percentage increase from year to year as well. Rob Klee agreed that the position requests were reasonable.

Mackey Dykes provided an overview on office space. Norma Glover stated that she felt that it was backward thinking to go to more office space instead of an open concept. Bryan Garcia, based on a similar investment made by the New York Green Bank, advised that it would be far too much of an investment to go to an open concept. Bryan Garcia did explain that they are looking to move to a more family friendly type of company with potential future revisions to the telecommuting policy, but he didn't feel that they're at that point as of yet. Mun Young Choi explained that if investing \$67,000 makes the space that they need and that if it increases productivity it would be worth the investment. Rob Klee questioned how the space would be configured in Rocky Hill if the space were to be expanded. Mackey Dykes

explained that they would have both meeting and collaborative space. Mun Young Choi asked if they would be acquiring additional office space whether or not they received the bond funds. Mackey Dykes advised that yes, they would. Mackey Dykes also requested that while they consider approving the budget that they also give authorization to extend the contracts with the programmatic vendors that they currently use. After a short tour around the office, the B&O Committee moved the motion.

Upon a motion made by Rob Klee and seconded by Norma Glove, the committee voted unanimously to approve the budget.

RESOLVED, the Connecticut Green Bank's Budget and Operations Committee recommends that the CGB Board of Directors approve the Fiscal Year 2016 Targets and Budget Option 2;

RESOLVED, the Connecticut Green Bank's Budget and Operations Committee recommends that the CGB Board of Directors approve the reallocation of American Recovery and Reinvestment Act State Energy Program funds outlined in the "Schedule of Credit Enhancements" in the Fiscal Year 2016 budget.

RESOLVED, that the Connecticut Green Bank's Budget and Operations Committee recommends that the Board directs staff to maintain the authorization for the Green Connecticut Loan Guaranty Program and the Renewable Energy and Efficient Energy Finance Program;

RESOLVED, that the Connecticut Green Bank's Budget and Operations Committee recommends that the Board directs staff to bring back a program proposal for review and approval at the July 17, 2015 meeting for the use of proceeds of the Green Connecticut Loan Guaranty Program and the Renewable Energy and Efficient Energy Finance Program;

RESOLVED, that the Connecticut Green Bank's Budget and Operations Committee recommends that the Board directs staff to bring back a revised budget if the funds from the Green Loan Guaranty Fund and the Renewable Energy and Efficient Energy Finance Program are allocated by the state bond commission;

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

- i. METIS, Financial Network, Inc.;
- ii. Concord Servicing Corporation;
- iii. EnergySage Inc.;
- iv. Archaeological and Historical Services, Inc.;
- v. True South Renewables, Inc.;
- vi. Clean Power Research, L.L.C.;
- vii. Locus Energy, LLC;
- viii. SmartPower, Inc.; and
- ix. Sustainable Real Estate Solutions, Inc.

for the remainder of fiscal year 2016 with the amounts of each PSA not to exceed the applicable approved budget line item; and

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

5. Adjournment:

Upon a motion made by Rob Klee, seconded by Mun Young Choi, the Budget and Operations Committee members voted unanimously in favor of adjourning the June 11, 2015, meeting at 10:40 a.m.

Respectfully submitted,

Robert Klee, Chairperson of Budget
Committee