

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

**Minutes – Regular Meeting**

Thursday, August 24, 2017

11:00 a.m. - 12:30 p.m.

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 August 24, 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 11:02 a.m.

Members Attending: Rob Klee (Chair) & John Harrity

Staff Attending: Brian Farnen, Cheryl Samuels, Suzanne Kaswan, Eric Shrago, and George Bellas

Others Attending: Jerry Kardas, & Janet Scott

2. **Public Comments:**

There were no public comments.

3. **Approve Meeting Minutes for June, 9 2017 Regular Meeting:**

**Upon a motion by Commissioner Klee, and seconded by John Harrity, the Meeting Minutes for June 9, 2017 were approved unanimously.**

**Resolution #1**

Motion to approve the minutes of the Budget and Operations Committee meeting for June 9, 2017.

Second. Discussion. Vote

4. **Revised Salary Ranges:**

Suzanne Kaswan provided an overview of the Compensation Analysis study conducted by KardasLarson LLC. The Green Bank reviews compensation every three to five years by conducting a benchmark compensation analysis. She stated that they had put out an RFP and had bids from several providers. KardasLarson LLC was selected due to their expertise, approach to conducting the analysis and their competitive bid.

Jerry Kardas provided an overview on KardasLarson, LLC including a description of the firm’s services and the professional expertise of their staff. He explained that the

analysis was completed over a year. He stated that there were five tasks defined in the RFP, and KardasLarson responded to all of those five, which were a review of job descriptions, an external benchmark compensation survey, recommendations on the development of a new compensation structure, assessing and redesigning the incentive plan, and also determining the financial impact of their recommendations.

Janet Scott discussed the job descriptions and the FLSA review stating that they had reviewed the job descriptions for 37 positions to determine if they were appropriately classified as exempt or non-exempt in accordance with FLSA guidelines. She stated that they had also performed an external compensation survey, looking at 30 Public Quasi and Public Non-Quasi, and private organizations. She stated that the analysis yielded reportable data on only 10 of the 37 positions due to the number of responses received to the benchmark compensation survey. She stated that after KardasLarson met with management of the Green Bank they decided to utilize compensation data from a number of other sources to supplement the data that was received in response to the benchmark compensation survey.

Jerry Kardas stated that between the customized benchmark compensation study and the supplemental compensation data, they were able to develop a comprehensive set of benchmarks for all of the positions in the Connecticut Green Bank. They studied both private and public compensation data and determined that for most CGB positions, the private and public data should be weighted equally. However, due to our investment positions being more closely comparable to private sector positions, they should be weighted as 20% public sector and 80% private sector. Commissioner Klee questioned why the difference. Jerry Kardas stated that after looking at the duties and comparing it to the private sector, there was a very close match and they determined that it should be that the private sector should have a higher weighting for our investment positions. Suzanne Kaswan stated that despite weighting benchmark data differently for the investment group, those positions still fit into one simplified salary structure.

Jerry Kardas discussed the proposed structure, stating that there are Grades 11 – 21, with a consistent 60% range. Commissioner Klee questioned why there was a 15% and 20% midpoint difference as you get higher in the Grades. Jerry Kardas stated that it's slightly higher in the higher Grades. Janet Scott stated that it's typical in the market. John Harrity stated that mid-range from lowest to highest is a multiple of five, he questioned if that was typical. Jerry Kardas stated that it depends on the industry and the organization.

Janet Scott discussed the incentive plan structure. She stated that after conversations with the Green Bank management team, they made the decision to not move forward with it due to the State of Connecticut's current fiscal crisis at this time.

Jerry Kardas discussed the financial impact analysis. He stated that there were only a few positions that needed to be looked at. He stated that the only changes were position in Grade, but no salary changes. He stated that the recommended financial impact is minimal. He stated that the Connecticut Green Bank has solid benchmarks to ensure their Compensation Structure is fair and equitable. He explained that the new Grade

Structure is easier to implement and administer. Commissioner Klee questions if the new structure allows for more lateral movement. Eric Shrago stated that it makes lateral movement easier. Jerry Kardas stated that it will allow more opportunities to increase salary without having to change the job title.

Commissioner Klee questioned if they currently have anyone on staff that is above the recommended grade for their position. Suzanne Kaswan stated that with the adoption of the recommended salary structure, they do not, but they would typically handle that by leaving them where they are and if the time comes for a merit increase, they would pay them out in a lump sum.

John Harrity questioned if there was an education benefit for the staff of the Green Bank. Suzanne Kaswan stated that CGB's Continuing Education Policy pay up to \$10,000 per year for Undergraduate studies and Master's Degrees. George Bellas stated that it is based on the credit hours taken.

Janet Scott stated that the proposed Grade Structure is simpler than CGB's previous structure and will be easier to communicate to staff and prospective employees. She stated that the Green Bank should consider adopting a Compensation Philosophy.

John Harrity questioned if the Green Bank operates independently from the State with respect to proposed salary increases. Commissioner Klee stated that they do, but that they are mindful of what the State is doing. George Bellas stated that there have been years where the Board has followed what the State was doing and did not recommend increases. John Harrity stated that the work that the Green Bank does is substantially different than what is done in the State. He stated that he feels that the Green Bank is an organization that competes against the private sector.

Jerry Kardas stated that they have recommended modifications to two job descriptions in order to ensure they are appropriately classified in accordance with FLSA guidelines and that CGB has modified these specifications in accordance with their recommendation. He stated that all of the staff is compensated appropriately within their ranges for their positions. He stated that they are looking for authorization to move ahead with the new structure.

Jerry Kardas discussed some additional work that the Green Bank had requested assistance with that was beyond the scope of the initial RFP. He stated that they were asked to conduct a compensation analysis by race, ethnicity, and gender. He stated that they were also asked to develop a job grades map, which is a guide for to follow and describes the various levels in an organization with regard to the skills and competencies required at each level. He stated that they were also asked to provide some support at the Board Meetings, as well as to prepare an overall summary report.

Janet Scott stated that they had looked at the analysis by race, ethnicity, and gender, and compared staff within EEO categories. She stated that when they plotted and looked at individual staff, they were putting folks into a bracket to compare them, looking at the

same level of responsibility. She stated that they looked at trends. She stated that they found no patterns of disparate pay. She also stated that it's pretty equal in male to female and that it's particularly diverse in top management. Janet Scott stated that there were two cases from the EEO race, gender and ethnicity compensation analysis that were identified for follow-up. She stated that they worked with HR regarding these 2 cases and it was determined that the compensation analysis was due to experience of the incumbents and not due to any other factors. She stated that they made recommendations for improving job descriptions. She stated that they made a recommendation to make sure that the titles are consistent with other HR records including the payroll system.

Jerry Kardas discussed the Job Grades Map. The job grades map is a chart that describes the various job grades in an organization and the skills and competencies required for each grade. He stated that it's a great discussion tool manager and use with their employees to demonstrate how they can progress in an organization. Commissioner Klee questioned if this will be incorporated with the performance evaluation process. Suzanne Kaswan stated that they would like to use this in order to plan goals for employees to gain the skills and competencies to advance to the next level. She stated that it will be a helpful tool to lay out guidance and expectations.

Commissioner Klee questioned how it is possible to jump from Grade 14 to 15 if prior managerial experience is required. He questioned if it is difficult to move. Suzanne Kaswan stated that they do a good job of continuing education and giving staff a chance to take on some managerial responsibilities (for example, supervising interns) prior to being promoted to the managerial level. She stated that they are able to promote people because they give them specific opportunities to handle projects.

Jerry Kardas stated that they suggest that the Green Bank adopt a formal Compensation Philosophy. John Harrity questioned what a formal philosophy would look like. Jerry Kardas stated that it's a short statement of how they feel the organization feels employee should be compensated. Commissioner Klee asked if he could provide an example. Jerry Kardas stated that it's very simple, four or five sentences and would reflect the organization's commitment to compensating staff considering a variety of factors, including the mission of helping the greater good, the value of benefits, etc. Suzanne Kaswan stated that they will work with Kardas Larson and submit a compensation philosophy statement to the Board for approval.

**Upon a motion made by John Harrity, and seconded by Commissioner Klee, the Committee approved the resolution, to bring the new structure to the Board.**

## **Resolution #2**

**WHEREAS**, per the Operating Procedures and Section VII Personnel Policies of the Connecticut Green Bank, grade classifications for each job title are established by the President, subject to Board approval,

**WHEREAS**, pursuant to the Succession Plan developed by the President of the Connecticut Green Bank, there is a need to conduct a market compensation analysis every 3 to 5 years,

**WHEREAS**, through a competitive Request for Proposals (RFP), the Connecticut Green Bank engaged KardasLarson to conduct a compensation study that benchmarks the current salaries of staff at the Connecticut Green Bank with other comparable public and private organizations to determine market competitiveness of compensation,

**NOW THEREFORE** the following be resolved

**RESOLVED**, the Connecticut Green Bank's Budget and Operations Committee recommends that the CGB Board of Directors approve the grade classifications and salary ranges for the positions outlined in Attachment A.

5. **Adjourn:**

**Upon a motion made by John Harrity, and seconded by Commissioner Klee, the meeting was adjourned at 12:15 p.m.**

Respectfully Submitted,

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Commissioner Klee, Chairperson