



**AUDIT, COMPLIANCE AND GOVERNANCE COMMITTEE
OF THE CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Wednesday, March 11, 2020
8:30 – 9:00 a.m.

A regular meeting of the Audit, Compliance and Governance (“ACG”) Committee of the Connecticut Green Bank (the “Green Bank”) was held on Wednesday, March 11, 2020 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope Board Room.

Committee Members Present: Michael Li (phone), Matt Ranelli (phone), Lonnie Reed (phone)

Committee Members Absent: Thomas Flynn

Staff Attending: Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Matt Macunas, Cheryl Samuels, Ariel Schneider, Eric Shrago

Others present: None

1. Call to Order

- Matt Ranelli called the meeting to order at 8:36 a.m.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for October 25, 2019

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 25, 2019.

Upon a motion made by Lonnie Reed and seconded by Michael Li, the ACG Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Proposed Revisions to Bylaws

- Brian Farnen summarized the proposed revisions to the Bylaws in response to the independent audit of the Connecticut Port Authority in 2019 as outlined in the presentation.
 - Lonnie Reed noted that the revisions make sense and the benefit of being proactive to further codify what the Green Bank already does.
 - Matt Ranelli asked about inclusion of the statement of mission and the Treasurer position. He expressed concern about the lack of a proper outline of duties as well the verbiage of its inclusion. He suggested the duties may fall within the Budget and Operations Committee. Brian Farnen responded that the intent is to have a Treasurer but its inclusion as written is to allow the Green Bank flexibility should there be a lapse in the position being filled since the Board of Directors positions are on a volunteer basis.
 - Bryan Garcia stated that the Secretary and the proposed Treasurer descriptions in the Bylaws, both are sparse but there are certain expectations anyways (e.g., official meeting minutes for the Secretary). He noted wanting to develop charters for those positions to be specific about roles.
 - Matt Ranelli asked staff to consider further whether the Treasurer position should be tied to the Budget & Operations Committee and to make considerations to the Board.

Resolution #2

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (“Green Bank”) Bylaws, the Audit, Compliance & Governance (“ACG”) Committee is charged with the review and approval of, and in its discretion recommendation to the Board of Directors (“Board”) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

NOW, therefore be it:

RESOLVED, that the Audit, Compliance, and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Green Bank Bylaws.

Upon a motion made by Michael Li and seconded by Lonnie Reed, the ACG Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Proposed Revisions to BOD Ethical Conduct Policy

- Brian Farnen summarized that from the third party Connecticut Port Authority audit, the Green Bank wants to take lessons learned to improve Ethics Policy in a similar manner to improving our Bylaws, and once finalized, intends to have Board members each sign the Ethics Policy.
- The group discussed the need of the Board members to sign the Ethics Policy compared to their requirements as officers of the State and State employees but in the end agreed that it would benefit the Green Bank.

Resolution #3

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (“Green Bank”) Bylaws, the Audit, Compliance & Governance (“ACG”) Committee is charged with the review and approval of, and in its discretion recommendation to the Board of Directors (“Board”) regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

NOW, therefore be it:

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board for approval the proposed draft revisions to the Board of Directors and Advisory Committee Members Ethical Conduct Policy.

Upon a motion made by Lonnie Reed and seconded by Michael Li, the ACG Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

6. Green Bond Framework

- Eric Shrago walked through the proposed Green Bond framework which summarizes the Green Bank’s intentions to certify its bond issuances as “green”, and which runs parallel to the Master Trust Indenture. The Green Bank will use the Climate Bonds Initiative (CBI)’s Standard as the primary standard for certification. When that isn’t applicable, they will use the Green Bonds Standard. Eric emphasized implementing this type of framework is best practice in sustainability certifications.
- The Green Bank is working on implementing a programmatic certification with CBI to allow for more efficient issuances. The Connecticut Green Bank will be 21st organization globally to implement this structure for green bonds.
 - Lonnie Reed asked if the carbon dioxide savings goals of an issuance are the Green Bank’s goals in terms of percentages, and not the requirements for certification. Eric answered yes, the Green Bank sets its own goals. CBI sets minimum standards by technology for certification.
 - Michael Li asked for an example of another organization using the programmatic certification. Eric listed the NY Housing Authority, the NY MTA, Bay Area Rapid Transit, the City and County of San Francisco, as well as some Australian, German, and other international organizations.
 - Matt Ranelli asked if this methodology is part of the Green Bank’s bond indenture, or if it is separate and able to be adjusted later on. Eric clarified it is completely changeable if need be, but it is about expressing the Green Bank’s intentions.

Resolution #4

WHEREAS, The Connecticut Green Bank seeks to provide transparency to the general public and set the standard in impact assessment;

WHEREAS, The Connecticut Green Bank intends to issue bonds with greater frequency and wishes to do so more efficiently;

NOW, therefore be it:

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval on its consent agenda the proposed Green Bond Framework.

Upon a motion made by Michael Li and seconded by Lonnie Reed, the ACG Committee voted to approve Resolution 4. None opposed or abstained. Motion approved unanimously.

7. Update on Statutory Report status for 2019

- Matt Macunas summarized that the Green Bank is entirely caught up on required statutory reporting. There were no questions.

8. BOD Membership Terms Update

- Bryan Garcia summarized the current appointed positions and their status. He explained that Brenda Watson was appointed by Speaker Aresimowicz and would be taking over for Betsy Crum, and while other terms have technically expired, the Green Bank is awaiting new appointments to be assigned. There were no questions.

9. Legislative Update

- Matt Macunas summarized the Green Bank's contribution and involvement with the list of bills it has provided public testimony for, regardless if the Green Bank proposed it or if it originated by a state agency.
- Lonnie Reed asked about bill HB 5505. Matt Macunas answered that he hasn't had time to update staff on it as it was just announced today, but thanked Lonnie for her diligence.
- The Committee discussed some questions and intents of the list of bills.

10. Adjourn

Upon a motion made by Lonnie Reed and seconded by Michael Li, Audit, Compliance and Governance Committee Meeting adjourned at 9:20 a.m.

Respectfully submitted,

Matthew Ranelli, Chairperson