



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

Tuesday, May 18, 2021
8:30 a.m. – 9:30 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on May 18, 2021.

Due to COVID-19, all participants joined via the conference call.

Committee Members Present: Thomas Flynn, Michael Li, Matt Ranelli, Lonnie Reed

Committee Members Absent: None

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

Others present: None

1. Call to Order

- Matt Ranelli called the meeting to order at 8:31 am.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for October 15, 2020

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 15, 2020.

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

4. Status of the APA Audit for FY2018 & FY2019 Report Out

- Brain Farnen summarized the main findings of the FY2018 and FY2019 Report Outs. This regarded submitting quarterly financial reports, severance payments, and staff timesheet approvals. All issues have been addressed and resolved. Bryan Garcia explained more details about the severance package findings. Eric Shrago expanded on the payroll approvals.
 - Thomas Flynn asked for clarification about the severance package findings and Bryan Garcia responded. The group discussed the severance process as the auditors believed best compared to what the Green Bank believed to be best.
 - Thomas Flynn asked for clarification about the timesheet approval process. Eric Shrago responded that he sends regular reminders to supervisors so that they are approving timesheets instead of him, as the last stop approval.
 - Matthew Ranelli commented that the timely quarterly reporting being set straight is pleasant to hear.
 - Thomas Flynn asked for an update as to whether the quarterly reporting are still up to date, and this info is provided to the Committee. Brian Farnen noted it is part of the ACG presentation and we will continue to do so.

5. Proposed Update to Tuition Reimbursement Benefit

- Eric Shrago summarized the proposed change from a Tuition Reimbursement program to a more encompassing Education Assistance program, allowing for student loan assistance as allowed in the CARES Act.
 - Matthew Ranelli asked how the BOC Committee responded, and Eric Shrago answered that they did meet and did recommend the Resolution.
 - Thomas Flynn asked about the turnover rate at the Green Bank in recent years. Eric Shrago answered he did not have an exact answer but believed it was under 10% turnover. Thomas Flynn asked about employee tuition reimbursement use, and Eric Shrago answered that in the last 2 years, those enrolled finished their degrees.
 - Thomas Flynn asked if this expanded the amount issued per person or kept the \$10,000 limit per year and Eric Shrago stated the limit remains the same.
 - Thomas Flynn asked if the degree that the loan was taken for has to be approved or related to the degree that is used in their job function, and Eric Shrago responded that the tuition reimbursement loan does have to be approved. Thomas Flynn asked who does the approvals and Eric Shrago stated it was himself, but Thomas Flynn stated that the verbiage seemed too vague as to what qualifies for approval.
 - Thomas Flynn stated he would not be against paying off some student debt but is hesitant due to the possibility of someone being hired, having debt paid off, and then leaving the organization. Matthew Ranelli stated he agrees with Thomas Flynn and that they do not believe it solves a problem that the Green Bank currently has. The group further discussed the benefits and detriments of education versus experience in terms of salary, equity, and other topics.
 - Michael Li brought up some points about hiring within State guidelines and an alternative option of offering the loan repayment instead of salary increase through the annual review process, though Eric Shrago stated the CARES Act may prohibit the alternative. However, he also stated that if a company has a retention problem, resolving that is a bigger issue and avoiding it in the first place may be better.
 - Lonnie Reed recommended tabling the Resolution until a future ACG Meeting can be held to discuss instead of bringing it to the Board without recommendation especially since the BOC Committee did recommend it.

Resolution #2

WHEREAS, pursuant to Section 5.2.2 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance and Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors (Board) regarding employee policies and oversight of the administrative functions of the organization; and

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee is reviewing this recommendation for recommendation of approval to the Board at its May 12, 2021 meeting;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook presented on May 18, 2021.

No vote was made on Resolution 2 so more information could be gathered and rediscussed.

6. Proposed Methodology to Assess Equity Impact and Reach to Vulnerable Communities

- Eric Shrago summarized the framework used to evaluate equity and how it is framed within State guidelines and the newly defined Vulnerable Communities. He explained what Vulnerable Communities covers and explained the Green Bank's goal to be able to further define how it impacts those communities.
 - Matthew Ranelli commented that the definition may need to be modified to remove the "as further defined by DEEP" due to legislative delegation, and asked that in using the census track numbers, if the Green Bank keep track of the auditing of the census tracks to see if the data lines up. Eric Shrago noted that it is an interesting concern and said it may be possible in the future. Michael Li noted that he had similar concerns but found that the census tracks are generally homogenous. He also stated there was a study done that evaluated the census tracks, it found that the data was good, and he offered to locate the study again for the group.

Resolution #3

WHEREAS, the Connecticut Green Bank has long sought to gage and assess the reach of its programs in terms of their equity and inclusion; and

WHEREAS, the State of Connecticut has adopted the definition set forth in Public Act 20-05 of Vulnerable Community; and

WHEREAS, the Green Bank established Incentive and Financing Program goals for investment and benefits in these Vulnerable Communities by 2025; and

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 recommendations to the Board of Directors (Board) regarding organizational policies and procedures;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends the Board of Directors of the Green Bank approval of the above methodology for assessing the equity and inclusion of the organization's Incentive and Financing Programs including, but not limited to, the number of projects, investment, and deployment in Vulnerable Communities.

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

7. Legislative and Regulatory Policy Update

- Brian Farnen gave the legislative update and discussed several bills being presented and included in the current session. He also gave an update to the regulatory activity.
 - Lonnie Reed asked about bill 6441 and if there are any backup legislative vehicles in place for the Green Bank's portion of it in case that bill does not move forward. Brian Farnen stated there was not but that he will be talking to Matt Macunas later today about it.

8. Update on Statutory Report Status

- Brian Farnen gave a brief update to the statutory reports in that they have all been made submitted on time.

9. BOD Membership Status Update

- Brian Farnen summarized the Board Membership status and noted that Eric Brown and Matthew Ranelli will likely leave this year after successful multiple terms on the Board. New recommendations are being discussed, and the transitions should be smooth.

10. Adjourn

Upon a motion made by Thomas Flynn and seconded by Lonnie Reed, the Audit, Compliance and Governance Committee Meeting adjourned at 9:33 am.

Respectfully submitted,

Matthew Ranelli, Chairperson