



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

Tuesday, January 18, 2022
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 January 18, 2022.

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

Committee Members Present: Jeffrey Beckham, Thomas Flynn, Matt Ranelli, Lonnie Reed

Committee Members Absent: None

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

Others present:

1. Call to Order

- Thomas Flynn called the meeting to order at 8:32 am.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for October 12, 2021

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 12, 2021.

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

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4. Review 2020 – 2021 SOC 2 Audit Report

- Eric Shrago summarized the history of the Service Organization Control Type 2 (SOC2) audit, which evaluates the company's controls in relation to data and privacy. He summarized the process and what is reviewed and noted that the Green Bank received a favorable opinion in full compliance.
 - Thomas Flynn asked what the plan is going forward, and Eric Shrago stated that typically the audit is performed every year and that has been the case.
 - Matt Ranelli asked if there were any recommendations that came out the report. Eric Shrago stated that there were a handful of small suggestions made and will be more thoroughly reviewed in an upcoming debrief meeting. As for more formal recommendations, there were none.

5. Update on the Selection of Audit Firm for Audit Services for FY2022

- Jane Murphy summarized the recommendations for new audit firms which submitted proposals. An internal team was assembled to review and evaluate the proposals, and PKF O'Connor Davies was selected. She summarized the review process.
 - Thomas Flynn noted that he was not part of the process at all and did not know that PKF O'Connor Davies was a possible option, but he has had positive experiences with them through the Town of Fairfield.
 - Thomas Flynn asked what the timing of the next audit would be. Jane Murphy responded that during May, pre-work will be done to get a better understanding of the Green Bank. Confirmations will also be done, and they will be given a Trial Balance in August. The financial statements, footnotes, and various levels of review will be completed within 120 days of the close, so usually by October 31.

Resolution #2

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval PKF O'Connor Davies to perform professional audit services for the Connecticut Green Bank for the fiscal years 2022, 2023, and 2024.

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

6. Discussion of Key Organizational Metrics

- Bryan Garcia summarized the financial reporting background and proposed a change to the level of detail maintained in financial reports. The goal is to make a more streamlined approach focused on key metrics can that be more easily communicated. The benefits would be an easier ability to resonate with political leaders and stakeholders by highlighting more efficient use of public resources, the pursuit of organizational sustainability, and effective investments to achieve impact. He asked if the Committee members had any additional suggestions.
 - Lonnie Reed stated she thinks the adjustment is smart as to not distance the Green Bank from its audience because of lofty vocabulary. Matt Ranelli also agreed but said he would like to know the detailed metrics, in addition to the

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streamlined approach. He suggested a category for benefit multipliers, such as funding projects for municipalities or other public entities.

- Thomas Flynn agreed with Matt Ranelli that the Board of Directors should receive a more detailed report, and that should be available alongside a more public-relations style document. He noted the importance of including the financial metrics as well.
- Lonnie Reed commented that the fine-tuning of metrics in relation to key districts would also be helpful in communicating effectively with legislators. Eric Shrago noted that there has been a lot of district-level reporting in the past but asked for assistance to fine-tune it even more so that it can be as impactful as possible.
- Bryan Garcia commented that he will have more recommendations ready for proposal at the next ACG Committee meeting.
- Bert Hunter added that he thinks the individual-investor level of participation should also be highlighted, as the citizens of Connecticut have really begun investing in their communities.

7. Legislative and Regulatory Policy Update

- Matt Macunas summarized the plan for the next legislative short session. One is for C-PACE financing for EV chargers and resilience improvements, and the other is to allow for longer school board contracting terms for electric school buses to provide zero-emissions transportation. Brian Farnen added that this did not seem the session to ask for anything major because of the recently awarded expanded scope to include environmental infrastructure.
- Brian Farnen reviewed the 2021 Regulatory Activity which includes addressing battery storage, residential tariffs, non-residential tariffs, shared clean energy facilities, and grid modernization. Matt Macunas summarized the details of each piece in more detail.

8. Update to Statutory Report Status

- Brian Farnen summarized the history of the statutory reporting process and noted that all the statutory reporting requirements have been done on time in the past year.
 - Thomas Flynn asked if there are any anticipated timeliness issues given the change in auditors. Jane Murphy responded that in relation to financial reporting, it should be on time. It was redesigned to be faster and more efficient, so there are no anticipated issues. Brian Farnen responded that the update to the process has also streamlined the non-financial reporting process so there are no concerns for those reports.

9. Adjourn

Upon a motion made by Lonnie Reed and seconded by Jeffrey Beckham, the Audit, Compliance and Governance Committee Meeting adjourned at 9:24 am.

Respectfully submitted,

Thomas Flynn, Chairperson