



**BUDGET, OPERATIONS, AND COMPENSATION COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Wednesday, June 7, 2023
2:00 p.m. – 3:30 p.m.

A regular meeting of the Budget, Operations, and Compensation Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on June 7, 2023.

Committee Members Present: John Harrity, Robert Hotaling, and Adrienne Houël

Committee Members Absent: Lonnie Reed, Brenda Watson

Staff Attending: Joe Buonannata, Sergio Carrillo, Shawne Cartelli, Brian Farnen, Bryan Garcia, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present: None

1. Call to Order

- John Harrity called the meeting to order at 2:06 pm.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes from May 10, 2023

Resolution #1

Motion to approve the meeting minutes of the Budget, Operations, and Compensation Committee from the meeting on May 10, 2023.

Upon a motion made by Robert Hotaling and seconded by Adrienne Houël, the Budget, Operations, and Compensation Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. FY 2024 Budget Plan – Budget and Targets

- Eric Shrago reviewed the proposed goals for the Financing programs, Incentive programs, and total overall including the expected social impact in terms of greenhouse gas reduction and job years created.
 - Robert Hotaling asked for clarification about the job years metric. Eric Shrago responded the job years is only estimated based on the approved methodology and isn't extensively comprehensive but is based on the Jobs Study that is researched with DECD review.
- Eric Shrago summarized the proposed Revenue section of the budget which was discussed in the previous meeting. He continued with the explanation of the Operating Expenses, breaking down the numbers for Incentive Programs, Financing Programs, and Compensation and Benefits.
 - Robert Hotaling asked about the projections of what the new hiring positions will bring in for revenue. Eric Shrago responded that the Green Bank hasn't done that kind of calculation in the past due to the more team focused approach, as well as there not being an exact sales staff. He also explained the organization is undertaking a handful of larger CRM projects completed so that staff can look at this type of calculation. Bryan Garcia added that the Green Bank's earned revenues are increasing and covering operating expenses, which is rare for government entities, and that is in part due to the focus on organizational sustainability but noted that the calculation could be determined going forward.
- Eric Shrago reviewed the Operating Expenses.
 - John Harrity asked if there was a way to research how to reduce the cost of ground source heat pumps under the R&D budget. Bryan Garcia responded that it may be best to raise the issue at the Joint Committee for investigation under the CL&M Plan, so the R&D budgeting would then support such a study. Adrienne Houël added that in Bridgeport there are many seminars being done to educate people about heat pumps, but the focus is usually on air source heat pumps because of the differential in cost, and supports John Harrity's suggestion to research how to reduce those barriers.
- Eric Shrago summarized the overall budget which includes an increase in net revenues and decrease in operating expenses.
 - Robert Hotaling asked for clarification about the large reduction in CGB Grant expenses. Eric Shrago responded that approximately \$5 million was budgeted for last year, well before the Inflation Reduction Act passed, which was intended to be used as matching grants to match federal funds, but the opportunity was not needed. He also stated the Green House Gas Reduction Fund is also highly sought after for federal funding to the Green Bank, among other sources. Bryan Garcia added that its also difficult to track when the different agencies release their RFPs but he has been recently utilizing an application to more easily view everything, and work with DEEP and PURA bi-weekly to review everything and maximize their ability to identify opportunities.
- Eric Shrago highlighted the numbers for the Battery Storage program, which may need adjustments in the future, and for Non-Operating Expenses for ARRA funds which should be completed by the end of next year.
- Eric Shrago summarized the Investments for FY2024 including for Multifamily, LMI Programs, Solar PPA, SBEA, and the CE Finance Programs.
 - Robert Hotaling asked for clarification about the unspecified line. Eric Shrago responded that 2 years ago, the Capital Solutions RFP was issued and then he explained what that program is and that it is debt. Robert Hotaling asked if the Green Bank is in the senior debt position and what the quality of the collateral is.

Eric Shrago answered it is dependent on the project but is typically subordinated debt. Bryan Garcia pointed out that the amount of investment is going to generate principal and interest returns over time and then explained the overall target of the Green Bank from an interest-income annual basis.

- John Harrity commented that the Green Bank has been very successful in putting itself in a good position to not overstep into the private market while still helping a great number of people through its various programs without overspending public funds as well as help encourage other programs to take off.
- Eric Shrago reviewed the proposed Strategic Partners.
 - John Harrity asked about the Strategic Partners, are any of them Connecticut based. Eric Shrago responded that many of the vendors are and listed which ones are.
- Eric Shrago requested that when presented to the Board, the budget include the \$150,000 which was accidentally omitted for FuelCell origination expenses.

Resolution #2

WHEREAS, Section 5.2.2 of the Bylaws of the Connecticut Green Bank's requires the recommendation of the Budget, Operations, and Compensation Committee of the annual budget to the Connecticut Green Bank Board of Directors;

RESOLVED, the Budget, Operations, and Compensation Committee recommends that the Board of Directors authorizes Green Bank staff to enter into new or extend existing professional services agreements (PSAs) with the following, contingent upon a competitive bid process having occurred in the last three years (except Inclusive Prosperity Capital):

- I. Adnet Technologies, LLC
- II. Alter Domus (formerly Cortland)
- III. Clean Power Research, LLC
- IV. Craftsman Technology Group, LLC
- V. C-TEC Solar, LLC
- VI. DNV, GL (includes what was formerly ERS)
- VII. Go, LLC
- VIII. Guidehouse (formerly Navigant)
- IX. Inclusive Prosperity Capital, Inc.
- X. PKF O'Connor Davies
- XI. Strategic Environmental Associates

For fiscal year 2024 with the amounts of each PSA not to exceed the applicable approved budget line item.

NOW, therefore be it:

RESOLVED, that the Budget Operations, and Compensation Committee Green Bank Board hereby recommends approval to the Board of Directors the: (1) the FY2024 Targets and Budget, and (2) the PSAs with the 11 strategic partners set forth above.

Upon a motion made by Robert Hotaling and seconded by Adrienne Houël, the Budget, Operations, and Compensation Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Executive Session – Personal Matters

Upon a motion made by Adrienne Houël and seconded by Robert Hotaling, the Budget, Operations, and Compensation Committee voted to move into Executive Session to discuss personnel related matters. None opposed or abstained. Motion approved unanimously.

The BOC Committee entered Executive Session at 3:14 pm.

The BOC Committee returned from Executive Session at 3:33 pm.

Resolution #3

WHEREAS, Section 5.3.2 of the Bylaws of the Connecticut Green Bank’s (Green Bank) charges the Budget, Operations, and Compensation Committee with the oversight of human resources policies and practices;

NOW, therefore be it:

RESOLVED, that the Budget Operations, and Compensation Committee of the Green Bank Board hereby recommends approval of the discussed severance agreement.

Upon a motion made by Adrienne Houël and seconded by Robert Hotaling, the Budget, Operations, and Compensation Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

6. Adjourn

Upon a motion made by Robert Hotaling and seconded by Adrienne Houël, the Budget, Operations, and Compensation Committee Meeting adjourned at 3:36 pm.

Respectfully submitted,

John Harrity, Chairperson