



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

Tuesday, October 7, 2025
8:30 a.m. – 9:30 a.m.

A regular meeting of the Audit, Compliance, and Governance Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on October 7, 2025.

Committee Members Present: Thomas Flynn, Matthew Ranelli, Lonnie Reed

Committee Members Absent: Joanna Wozniak-Brown

Staff Attending: Priyank Bhakta, Joe Buonannata, Shawne Cartelli, James DeSantos, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Cheryl Lumpkin, Jane Murphy, Tyler Rubega, Ariel Schneider, Eric Shrago, Dan Smith

Others present: Katherine Patnaude and Vinay Singh from PKF O’Connor Davies

1. Call to Order

- Thomas Flynn called the meeting to order at 8:33 am.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for May 13, 2025

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for May 13, 2025.

Upon a motion made by Tom Flynn and seconded by Matthew Ranelli, the Audit, Compliance, and Governance Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Annual Comprehensive Financial Report (ACFR) Review

- Katherine Patnaude from PKF O’Connor Davies summarized the overall highlights and financial statement highlights of the ACFR for FY 2025 including revenue trends, expense

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trends, net position trends, and required communications. She noted the Green Bank received an Unmodified Opinion on its financial statements and there were no uncorrected misstatements or material corrected misstatements. She summarized the future considerations including GASB 103 and GASB 104.

- Tom Flynn thanked the PKF O'Connor Davies team for their effort and then Jane Murphy and the Accounting team for another successful audit.
- Tom Flynn asked what the current total reserve balance for loan losses is. Katherine Patnaude responded it is \$25.4 million. Tom Flynn asked regarding the one borrower having financial difficulties if the total is fully reserved. Jane Murphy responded regarding that borrower that one loan is fully reserved, another has an at-risk portion that has been reserved for and the last has no reserve because it is secured by cash flows.
- Brian Farnen commented that the Green Bank is continuing a comprehensive review of investments. Bryan Garcia added that the Green Bank's financial sustainability is very important and all the lessons learned help the team improve that sustainability. He noted that in quarterly reports for the Board there will be a new addition of a schedule for loan loss reserves and a perspective on how the reserves are looked at in context of where the risks might be.
- Tom Flynn asked the auditors if there was any area of more concern than it was in prior years or any areas that would require focus that aren't reportable. Katherine Patnaude responded that there was not, and everything looks really good.
- Lonnie Reed asked for an update on the Green Liberty Bonds and Notes. Bert Hunter summarized an update to the Green Liberty Bonds which had an issuance in the prior week and had been oversubscribed by 2.6 times, so there was strong demand.

Resolution #2

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed draft Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2025.

Upon a motion made by Tom Flynn and seconded by Matthew Ranelli, the Audit, Compliance, and Governance Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Under \$500,000 and No More in Aggregate than \$1,000,000 – Staff Approved Transactions: Proposed Process Change

- Mackey Dykes summarized the history, process, and proposed increase for the Staff Aggregate Approval Authority to be \$2,000,000. Bert Hunter added that the transactions included fall within an established program. Mackey Dykes clarified that the approved program frameworks are for C-PACE and for the Solar Loan, though there haven't been any transactions for the Solar Loan and historically it's all been under C-PACE so that would continue to be the majority.
 - Matthew Ranelli and Tom Flynn expressed their agreement that the time has finally come to adjust those limits.

Resolution #3

WHEREAS, the Connecticut Green Bank (the "Green Bank") Board of Directors (the "Board") has authorized Green Bank staff to evaluate and approve funding requests under \$500,000, provided such requests are made pursuant to an established approval process,

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require the signature of a Green Bank officer, are consistent with the Green Bank's Comprehensive Plan, fall within the approved fiscal budget, and remain within an aggregate limit not to exceed an amount updated from time to time (the "Staff Approval Policy for Projects Under \$500,000"); and

WHEREAS, Green Bank staff seeks a recommendation from the Deployment Committee to the Green Bank Board to increase the aggregate not to exceed limit;

WHEREAS, on September 3, 2025, the Deployment Committee recommended that the Board approve an increase of the aggregate not to exceed limit of the Staff Approval Policy for Projects Under \$500,000 from \$1,000,000 to \$2,000,000.

NOW, therefore be it:

RESOLVED, that the Deployment Audit, Compliance and Governance Committee recommends that the Board approve an increase of the aggregate not to exceed limit of the Staff Approval Policy for Projects Under \$500,000 from \$1,000,000 to \$2,000,000.

Upon a motion made by Matthew Ranelli and seconded by Tom Flynn, the Audit, Compliance, and Governance Committee voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

6. Legislative Process

- James Desantos discussed adherence to the Legislative Process Document and current status, which is within the (1) Pre-Session phase and noted there are no issues to present to the ACG Committee at this time, but if anything comes up as the process continues then it will be presented and discussed. He gave updates in relation to the Executive Branch Agencies Legislative Proposals, PURA, and a tentative Special Session.
 - Lonnie Reed asked if there has been any change to the lack of a PURA appointment and James Desantos responded that no, there have been no changes.
 - Tom Flynn asked when the changes within PURA start to affect the Green Bank and its mission. Brian Farnen responded he thinks there is still a fair amount of time before it becomes a pressing issue. James Desantos added that mid-December is when things might become more strained. The group discussed the potential timeline and other complications further.

7. Employee Handbook Revisions

a. College Tuition Reimbursement

- Joe Buonannata summarized the history and proposed revision to the Employee Handbook to extend and increase the Student Loan reimbursement policy as part of the Educational Assistance policy.
 - Matthew Ranelli asked if there is any information about how many staff members have used the Student Loan Reimbursement benefit and how much has been spent on that overall. Joe Buonannata responded that 25 staff have used the program over the years and just over \$298,000 has been spent.
 - Tom Flynn asked how many of those employees have been retained and Joe Buonannata responded 3 of the employees are no longer with the Green Bank. Tom Flynn asked about the turnover rate for the company overall and Eric Shrago responded

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it is about 3% per year, so the percentage of those who have left after receiving the benefit over the last 5 years is lower. Tom Flynn asked for an analysis of the turnover rate to see if the program is having the desired effect to increase retention. Eric Shrago said he would analyze further and follow up on it. Matthew Ranelli asked for additional breakdown of categories of employees using the benefit. Lonnie Reed asked the team to include any positive contributions from the employees who have received the benefit and are still with the Green Bank. Eric Shrago said the Green Bank team will present this information with the policy adjustment proposal at the next Board of Directors meeting.

Resolution #4

WHEREAS, pursuant to Section 5.2.1 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, all governance and administrative matters affecting the Green Bank, including but not limited to the Green Bank Employee Handbook;

NOW, therefore be it:

RESOLVED, that the ACG Committee hereby recommends that the Board of the Green Bank approve of the revisions to the Green Bank Employee Handbook specifically presented on October 7, 2025 and as described in the memorandum to the ACG Committee dated September 30, 2025.

Upon a motion made by Tom Flynn and seconded by Matthew Ranelli, the Audit, Compliance, and Governance Committee voted to approve Resolution 4 with the additional instruction that the information requested by Tom Flynn be presented at the next Board Meeting. None opposed or abstained. Motion approved unanimously.

8. Governance

- Brian Farnen noted are no revisions at this time and summarized the discussions that came up during the review process. He noted the 2025 Statutory Reporting are complete and in compliance.

9. Board of Directors Membership Status Update

- Brian Farnen noted the Board Membership is full and attendance has not been an issue.

10. Adjourn

Upon a motion made by Tom Flynn and seconded by Matthew Ranelli, the Audit, Compliance, and Governance Committee Meeting adjourned at 9:19 am.