

Montgomery County Green Bank Board of Directors Meeting

Wednesday June 14th at 1:30pm
Montgomery County Chamber of Commerce | 51 Monroe St, Suite 1800 | Rockville, MD

Board of Directors Meeting Minutes

1. MCGB Chairman Bert Hunter called the meeting to order at 1:38 pm.

Roll call confirmed the attendance of:

- Hope Brown, VP and Chief Compliance Officer, Calvert Funds
- Lisa Feldt, Director, Montgomery County DEP
- Michael Gergen, Partner, Latham & Watkins (partial attendance by phone)
- Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Brian Marconi, Senior Manager, Cohn Reznick LLP
- Bonnie Norman, Principal, Chief Marketing Officer, E3 International LLC
- Bob Sahadi, Director, Energy Efficiency Finance Policy, Institute for Market Transformation
- Stacy Swann, Founding Partner, Climate Finance Advisors, Benefit LLC
- Alex Espinosa, Director, Montgomery County Department of Finance
- Bill Parsons, Executive Director, JDRF Greater Chesapeake and Potomac Chapter
- Zach Marks, Assistant Director, Housing Opportunities Commissions

Quorum met.

Other meeting attendees included:

- Alex Kragie, Coalition for Green Capital
- Stan Edwards, Montgomery County DEP
- Mary Casciotti, Montgomery County Department of Finance

Guests:

- Marne Carrol, One Energy Renewables
- Todd Nedwick, National Housing Trust

2. **Public Introductions and Comment** – There were no public introductions or comment at this point in the meeting.

3. **Approval of Agenda**

Mr. Hunter moved to amend and approve the agenda with amendments: moving MCGB look-ahead, DEP staff update, resolution appointing new special advisor to the board, and recognition of Coalition for Green Capital in before the closed session.

4. **Approval of April meeting minutes**

Ms. Feldt commented that under reports due to the County, the County Executive should be added to the list of reports due, and the characterization of “extensive” describing the reports is inaccurate and should be clarified. Ms. Swann also noted that there were some mis-

characterizations about who had been in-person in the meeting, that there was lack of clarity over who seconded the adoption of a closed session resolution, around Mr. Parsons' comments under the Product Development session, and around Mr. Kragie's comments under the Fundraising and Finance session. Ms. Swann has submitted edits and comments that will be incorporated before these minutes are finalized. Mr. Hunter proposed adoption of the April meeting minutes with the discussed edits, Mr. Parsons seconded. Unanimously approved, with Mr. Espinosa abstaining because of his absence from the meeting.

5. Administrative Business

MCGB look ahead: Mr. Kragie noted that this new agenda item is a re-work of a previous agenda item (MCGB activity report). Since the MCGB activity report often overlapped with the report-outs from the working groups, this agenda item will now be a more forward-looking document which will set the agenda for the work to be done between upcoming board meetings.

Mr. Kragie noted he will work with the Board to finalize the budget between now and the June 14th meeting. The same process will apply for the workplan and the director election plan. Mr. Kragie will also develop an internal controls policy, based off of a draft that has been developed with input from Ms. Casciotti, Mr. Espinosa, and Lenny Moore (Montgomery County Controller). He will work with the Audit and Budget work group to complete this task.

Product development efforts over the next month will have a special emphasis on contractor engagement.

The MCGB will also continue the website and branding process. MCGB is live with its initial splash page, and will continue along with development of website and brand. In addition, the MCGB will need to begin the process of hiring a communications director, and build out capacity necessary to meet obligations under the Town Creek grant. Mr. Hunter requested that MCGB develop a position description and build out a workplan for that hire over the next month, and have it ready for approval at the Board meeting on June 14th. Mr. Hunter said there will need to be a separate committee for hiring a communications director. Ms. Swann asked whether we must hire a position or if we can hire services. Mr. Kragie noted the Town Creek proposal included the hiring of a communications director. Ms. Swann asked if one of the hires that the new Executive Director ("ED") brings on can have a portion of their job be communications work. Mr. Hunter requests the formation of a committee for hiring communications director, which should consist of Ms. Norman, Ms. Swann, Mr. Sahadi, and Mr. Kragie. Ms. Feldt suggested the new ED should be involved in the process.

DEP Staff Report: Mr. Edwards noted that there is a bill before County Council to exempt community solar from the County's energy tax. The Council Committee suggested delaying implementation of the exemption until July 1, 2018. In addition, the DEP is finalizing a task order with the University of Maryland to understand energy efficiency uptake barriers in restaurants. Lastly, DEP met with David Petr at the Montgomery County Economic Development Corporation to talk about DEP. Mr. Edwards noted that there might be opportunities to co-locate an office with them. Ms. Feldt also noted a successful ribbon cutting ceremony with the Department of Finance for their first CPACE project.

R.3: Appointment of Stan Edwards as Special Advisor

A MOTION to appoint Stan Edwards of the Montgomery County Department of Environmental Protection as the Special Advisor to the Montgomery County Green Bank Board of Directors, per the Bylaws of the Montgomery County Green Bank.

Resolution is moved by Mr. Hunter, seconded by Ms. Swann, adopted unanimously.

Mr. Hunter expressed the continuing appreciation of the Board for the continuing efforts of Coalition for Green Capital ("CGC") and the services being provided to the Montgomery County Green Bank, particularly as the organization enters a transitional period as MCGB is bringing on its first ED. Mr. Hunter commented on the need to have a handover of many activities. There will also be a need for Mr. Kragie to introduce the new ED to various stakeholders that the MCGB has established relationships with. Mr. Hunter asked Mr. Kragie to express the MCGB's appreciation for everything the CGC has been doing for the MCGB to CGC Executive Director Jeff Schub, and Mr. Hunter noted that he spoke with Mr. Schub and expressed this thanks personally, but would like it to be expressed on the record at the Board meeting. Mr. Hunter noted that CGC is happy to continue their services month-to-month as is expressed in the standing Memorandum of Understanding between the two organizations. Mr. Parsons suggested that Mr. Schub and Reed Hundt should be on the list of introductions that are made since they are key stakeholders in the larger Green Bank movement.

R.2: Adoption of a Closing Statement to proceed into a Closed Session

This closing statement was prepared by DEP Staff, Stan Edwards, and, I, Bert Hunter, Chairperson of the Board of Directors attests to its compliance with the Maryland Open Meetings Act.

Per § 3-305(d) of the Maryland Open Meetings Act, I move to convene a closed session.

In this closed session, the Board will discuss the following matters:

- Matters related to the selection of the ED/CEO/President of the MCGB per the "personnel matters" exception § 3-305(b)(1). The reason for closing the meeting is to consider approval of an offer of employment for the candidate selected by the Board to be the ED/CEO/President of the MCGB subject to a) approval of said offer of employment, b) acceptance by the candidate of the approved offer employment, and c) matters related to the recruitment process.
- Matters related to correspondence with the Maryland Department of Labor, Licensing, and Regulation regarding the official name of the MCGB. This matter is closed in order to gain advice from our legal counsel.

Resolution was moved by Mr. Hunter, seconded by Ms. Norman.

All in Favor: 11

All Opposed: 0

[Note: Minutes must be kept during the closed session but are sealed (and can be kept by the Secretary). After the closed session, the MCGB must disclose what actually transpired in the

closed session in as much detail as it can without disclosing the information that the claimed exception permitted the public body to keep confidential.]

6. Administrative Business (continued)

Mr. Hunter requested that Mr. Kragie send the workplan and budget to the full BOD for comment in advance of the June 14th Board meeting. Mr. Kragie gave a high-level overview of the workplan document, which is being proposed to the Board in advance of scheduled adoption at the June 14th Board meeting. Mr. Kragie noted that the workplan has been circulated previously and has benefitted from the input of many Board members. Ms. Norman said that the timeline for the exploration of establishment of a CDFI is incorrect, and the initiation of the exploration of the creation of an ancillary or subsidiary organization should be shifted to Q1-Q2 of FY 2018. Ms. Norman also highlighted the need to include next steps with key affinity groups in the list of fundraising activities.

Mr. Kragie expressed appreciation to Mr. Marconi and Ms. Casciotti for working with him to develop an initial draft budget. Mr. Kragie noted that the budget is built off the MCGB's workplan. He noted that it is a lean budget due to restrictions in the MCGB's County contract, and that the program investment strategy is to establish a consistent level of funding for loan loss reserve programs and implement a ramp-up in funding for direct loans to be extended by the MCGB. This strategy is meant to demonstrate the potential (i.e. leverage ratio) of the organization in the shorter-term, and build out a more fiscally sustainable platform for operations in the longer term. Mr. Kragie also suggested that any budget that is adopted at the June 14th Board meeting be adopted as a dynamic budget that can be revised on a quarterly basis in order to allow for any adjustment of strategy from the incoming ED. Mr. Kragie walked the Board through the various tabs of the budget spreadsheet, and then requested that further input be delivered to him in advance of the June 14th Board meeting. Mr. Espinosa also emphasized that it will be important to track budget vs. actual statistics.

7. General Business

Product Development Work Group Update:

Mr. Sahadi noted that the MCGB has made a good deal of progress on the MCGB's single family and commercial loan loss reserve programs. Mr. Sahadi noted progress with the MCGB's credit union partner. He also said that the MCGB is spending a good deal of time on building out a contractor network on both the residential single-family and commercial programs.

For the MCGB's commercial loan loss reserve program, Mr. Sahadi noted that there has been a great deal of progress with two of the County's largest community banks, who are now in the pipeline of the MCGB's product development program. Mr. Sahadi noted how pleased the MCGB was that the community banks had existing customers that could be targeted through MCGB programs.

On the multifamily front, MCGB is awaiting guidance from the Housing Opportunities Commission ("HOC"). Mr. Marks noted that HOC has engaged Enercon to evaluate all their properties to determine which will work best for energy upgrades. Mr. Marks also noted that HOC has met with the Montgomery County Department of General Services (DGS), who said that DGS would be willing to assist HOC with development of energy projects at Bauer Park and Stewarttown facilities. In addition, there is a downtown Silver Spring project (Elizabeth Sqaure) that could be assisted by DGS as well. Ms. Feldt asked for connection between these projects and

the MCGB. Mr. Marks said that the original idea was to have MCGB support energy upgrades in Bauer Park, and the County was incorporated into this project because of an adjacent facility that could potentially receive excess generation from any project at Bauer Park. Mr. Marks noted that HOC wants to create an energy company (ESCO) that can be funded with bonds.

Ms. Norman also noted that Bracken Hendricks of Urban Ingenuity has requested a meeting on MCGB initiatives.

Governance Work Group Update:

Ms. Brown commented that the Governance work group is in the process of determining what the slate of Directors for the MCGB will look like as Directors roll off in the coming years. Ms. Brown is expecting to have the Director Election Plan adopted at the June 14th Board meeting. Ms. Brown would like to touch base with individual directors before the June Board meeting. Ms. Brown also indicated that there will need to be coordination through the Governance work group to propose Board leadership in advance of the June 14th Board meeting.

Mr. Hunter indicated his willingness to serve as Chair of the Board for an additional year, but also indicated his willingness to hand over the Chair position to another Board member if requested. Mr. Hunter asks that Board members indicate to Ms. Brown preferences for officers. Mr. Hunter also announced that due to increasing personal commitments, Mr. Parsons has communicated his desire to finish his service to the MCGB at the end of June. As a result, there will be a vacancy to be filled for the new FY. Mr. Hunter suggested that the MCGB announce this vacancy. Ms. Swann asked that the director and officer election plan be separated from the recruitment process for a new Board member since, although Mr. Parsons indicated that his preference is to leave the BOD as soon after the end of FY 2017 as possible, he indicated his willingness to extend beyond that if necessary. Ms. Feldt recognized the current Board leadership, especially Mr. Hunter, for their dedication and amount of time invested in the organization.

Ms. Brown proposed amended bylaws as presented in BOD materials, and noted that the only material changes are the re-wording that allows for the new Director terms to take effect. Mr. Hunter noted that there had been some discussions in closed session that could affect the bylaws, and in addition there would be change in the title of the officer from Executive Director to CEO. Mr. Hunter suggested that bylaw amendments be held off until the June 14th Board meeting, and Ms. Brown agreed.

Ms. Brown reported that suggested COI policy changes are housekeeping with the exception of one material change involving Directors who seek staff positions being required to resign from their Director position in order to do so.

R.5: Adoption of amended Conflict of Interest Policy

By recommendation of the Governance Work Group, A MOTION TO ADOPT an amended Conflict of Interest Policy.

Ms. Brown made a motion to adopt an updated Conflict of Interest policy, Ms. Feldt seconded, resolution is passed unanimously.

Fundraising and Finance Work Group Update:

Ms. Norman noted that MCGB is already operationalizing a grant from Town Creek, and has followed up with Town Creek about the possibility of introductions to affinity groups that

represent foundations that might be interested in learning more about the MCGB. Ms. Norman also noted that the website and branding process is fully underway with Brightlight, and Ms. Norman urged BOD members to be actively engaged in the process. Ms. Feldt asked for an update on vision statements. The Board requested that vision statements be brought back forward to the Board for the next Board meeting.

8. Additional Items

None

9. Adjournment

Mr. Hunter made a motion to adjourn. Ms. Brown seconded. Meeting adjourned at 4:56 pm.

The Green Bank Board of Directors are scheduled to meet at the Montgomery County Chamber of Commerce:

- **Wednesday, June 14, 2017 from 1:30-5:00pm**
- **Wednesday, July 19, 2017 from 1:30-5:00pm**

For inquiries about the Green Bank Board of Directors, to access meeting materials, or for information about attending a meeting, please contact Stan Edwards at stan.edwards@montgomerycountymd.gov