

Montgomery County Green Bank Corporation (“MCGB”) 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 Research and Management /Calvert Funds
- Lisa Feldt, Director, Montgomery County Department of Environmental Protection (“DEP”)
- Michael Gergen, Partner, Latham & Watkins (by phone)
- Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- 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 (by phone)
- Alex Espinosa, Director, Montgomery County Department of Finance
- Zach Marks, Assistant Director, Housing Opportunities Commissions (by phone)

Quorum met.

Board members not present:

- Brian Marconi, Senior Manager, Cohn Reznick LLP
- Bill Parsons, Executive Director, JDRF Greater Chesapeake and Potomac Chapter

Other meeting attendees included:

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

Guests:

- Todd Nedwick, National Housing Trust
- Emmyrich Meneses Vicente, PNC Bank

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

3. **Approval of Agenda**

Ms. Brown moved to approve the agenda, Ms. Feldt seconded the motion. Mr. Deyo offered

that items for office lease and repayment of HOC loan should be added to the budget discussion. Motion with these amendments passed unanimously among Directors present.

4. Approval of May meeting minutes

Ms. Norman moved to approve the May meeting minutes, Ms. Brown seconded the motion. Motion passes unanimously among Directors present.

R.1: Approval of Minutes

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for May 10th, 2017.

All in Favor: 9

All Opposed: 0

5. Administrative Business

Introduction of CEO Tom Deyo: Mr. Hunter remarked that it was a pleasure to have Mr. Deyo with the organization, and noted that the full Board expressed its support and enthusiasm for Mr. Deyo as he begins his work with the MCGB.

R.2: Account Signature Authority for CEO Thomas Deyo

A MOTION TO APPROVE the addition of CEO Thomas Deyo as an authorized signer on all Montgomery County Green Bank accounts.

All in Favor: 9

All Opposed: 0

Mr. Deyo introduced the press release that will be released on Thursday June 15th, 2017 that announces his new position with the MCGB. Mr. Sahadi commented that the release should be amended to note that the date of creation of the MCGB was as August of 2016 to reflect the date the MCGB was designated as the County's official Green Bank. Ms. Feldt also noted that the word "mission" should be changed so as not to present an alternate mission statement against the official mission statement of the organization.

MCGB look ahead: Mr. Kragie commented that the main focus of the upcoming month will be working with Mr. Deyo to become acclimated to his new position, as well as making additional progress on product development.

DEP Staff Report: Mr. Edwards reported that June 1, 2017 was the reporting deadline for buildings 50,000 square feet and greater under the County's Commercial Building Benchmarking Law. This is the first reporting deadline for buildings between 50,000 square feet and 250,000 square feet. The October 2017 Benchmarking Annual Report will have building specific data on buildings 250,000 square feet or larger, which were due to file their 2nd benchmarking report on June 1st. The October 2018 report will have building specific

data for all buildings subject to the law that are 50,000 square feet or greater. The County's benchmarking law does not apply to multi-family properties.

FY 18 Work Plan for Adoption: Mr. Kragie presented the MCGB's FY 2018 Work Plan for adoption by the Board of Directors. Mr. Kragie noted that the Work Plan had been originally presented to the Board in February 2017, and has been reviewed frequently by the full Board of Directors. Mr. Deyo offered minor edits to the Work Plan. Ms. Brown made a motion to adopt the MCGB FY 18 Work Plan, and the motion was seconded by Mr. Sahadi. Motion passed unanimously among Directors present.

R.3: Adoption of MCGB FY 18 Work Plan

A MOTION TO ADOPT a Fiscal Year 2018 Work Plan for the Montgomery County Green Bank.

All in Favor: 9

All Opposed: 0

FY 18 MCGB Annual Operating Budget for Adoption: Mr. Kragie presented a proposed FY 18 Annual Operating Budget for the MCGB. He noted that this budget had been reviewed by all of the Directors on the Board on several occasions, and Mr. Deyo had also been consulted on the budget. Mr. Kragie and Mr. Deyo also noted that there was a proposed change to the MCGB's Standard Operating Procedures (SOPs) that related to the percent or dollar amount of change to a specific line item requiring Board approval. The Board requested that this particular amendment to the SOPs be considered further and brought forward at a future Board meeting for consideration. Mr. Espinosa asked that specific definitions be provided on the numerator and denominator of the percent of funds dedicated to administrative functions in the assumptions tab. Mr. Espinosa also requested that line numbers be added into the spreadsheet for ease of use.

Mr. Deyo presented on office space options for the MCGB and the Board agreed with the selection of 155 Gibbs Street in the downtown Rockville Incubator shared workspace location. Mr. Deyo also presented for consideration repayment of the HOC Promissory Note which was approved by the Board.

Ms. Feldt made a motion to adopt the FY 18 MCGB Annual Operating Budget, the motion was seconded by Ms. Norman. The motion passed unanimously among Directors present.

R.4: Adoption of MCGB FY 18 Annual Operating Budget

A MOTION TO ADOPT the Fiscal Year 2018 Annual Operating Budget for the Montgomery County Green Bank, subject to the adjustments recommended by the Board at the June 14, 2017 Board of Directors meeting.

All in Favor: 9

All Opposed: 0

6. General Business

Product Development Work Group Update: Mr. Sahadi commented that there had been progress along all product development tracks for the MCGB: single family residential, multifamily, and commercial. In the commercial space, the MCGB has explored potential pilot product characteristics with two community banks in the region and has active conversations

with other financial institutions. Initial interest from these community banks for this type of product was both for new customers and existing customers as clients. Mr. Sahadi also noted that there had been discussions around strategies for MCGB to support the County's CPACE program. For the residential single family product, Mr. Kragie noted that a credit union had indicated their continuing interest in a program with a target to re-engage in August. For the multifamily product, Mr. Sahadi noted that there was an emerging opportunity with a nonprofit solar installation organization that could support solar on Montgomery County multifamily sites.

Fundraising and Finance Work Group Update: Ms. Norman led the Board through a summary of the current status of the organization's partnership and strategy development next steps. Mr. Kragie then presented an internal controls policy to the Board for adoption. Mr. Kragie noted that the Audit and Budget Work Group, especially Mary Casciotti, had played a key role in the creation of this document, and that the full Board had seen the document frequently during its creation process. Mr. Espinosa made a motion to adopt the MCGB Internal Controls Policy, and Ms. Brown seconded the motion. The motion passed unanimously among Directors present.

R.5: Adoption of MCGB Internal Controls Policy

By recommendation of the Audit and Budget Work Group, A MOTION TO ADOPT an Internal Controls Policy for the Montgomery County Green Bank.

All in Favor: 9
All Opposed: 0

Next, Ms. Norman led a discussion of tagline options for the MCGB. After discussion of the various options presented to the Board in a Tagline and Vision Statement summary document, the Board chose to adopt the tagline "Your partner for clean energy investment" pending review by legal counsel, with a fallback option of "Your partner for clean energy." Ms. Brown made a motion to approve the tagline and alternate tagline, and Mr. Sahadi seconded the motion. The motion was passed unanimously among Directors present.

R.5a: Adoption of a tagline for the MCGB

By recommendation of the Fundraising and Finance Work Group, pending review by legal counsel, A MOTION TO ADOPT the tagline "Your partner for clean energy investment," with a back-up option of "Your partner for clean energy" for the Montgomery County Green Bank.

All in Favor: 9
All Opposed: 0

There was further discussion around vision statement options for the MCGB. There was also discussion of modification to the mission statement to include reference to the County's GHG emissions reduction goal. Final decisions about the mission and vision statement were tabled until the July Board meeting. The Board also agreed that the organization should use .org as its domain name, and retain .com as an alternative.

Following this discussion, Mr. Kragie presented the MCGB's financial statements, and detailed the management review of current FY17 financial statements process that had already occurred and been presented to Mr. Marconi. Mr. Kragie noted that a partial payment for the MCGB's Professional Liability Insurance premium had been supported by a Board member, and that this would be reimbursed by the MCGB in the near future. Mr. Deyo noted that staff was preparing an RFP to secure an accounting firm

that would provide a third party review of financial statements after the conclusion of FY 17 as well as conduct a from-inception audit after the conclusion of FY 18.

Governance Work Group Update: Ms. Brown introduced an amended set of bylaws for consideration by the Board. The amendments to the bylaws included the following: adding “Corporation” to organization’s name, replacing the term “Executive Director” with the term “Chief Executive Officer,” adding language that would allow for the proposed Director election plan detailed below, adding language related to the resignation of Directors, and permitting to two Vice Chairs to be appointed. Mr. Sahadi proposed a motion to adopt the amended bylaws (conditional on review by the County Council), and Ms. Feldt seconded the motion. The motion passed unanimously among Directors present.

R.6: Conditional Adoption of Amended MCGB Bylaws

By recommendation of the Governance Work Group, A MOTION TO ADOPT amended Bylaws, pending a 60-day review period to the County Council and County Executive, at which point, upon no further suggested amendments by the County Council or County Executive, the Bylaw amendments are officially adopted.

All in Favor: 9

All Opposed: 0

Ms. Brown then introduced a proposed Director Term Election plan, which sets forth the process for Directors to serve their terms as delineated in the bylaws of the organization. Ms. Norman made a motion to approve the Director Term Election plan, and Mr. Espinosa seconded the motion. The motion passed unanimously among Directors present.

R.7: Approval of MCGB Board of Directors Term Election Plan

By recommendation of the Governance Work Group, A MOTION TO APPROVE a Board of Directors Term Election Plan.

All in Favor: 9

All Opposed: 0

Ms. Brown then noted that she had spoken with all members of the Board, and the consensus was that the Board would like to continue with the existing leadership structure for the Board. Ms. Feldt made a motion to elect Board members and leadership as detailed below, and Mr. Sahadi seconded the motion. The motion passed unanimously among all Directors present.

R.8: Election of Directors and Leadership

RESOLVED, that the following persons are elected to the Board of Directors of the Montgomery County Green Bank, with terms as specified in the approved Board of Directors Term Election Plan:

- Hope Brown, VP and Chief Compliance Officer, Calvert Research and Management/Calvert Funds
- Alex Espinosa, Director of the Montgomery County Department of Finance
- Lisa Feldt, Director, Montgomery County Department of Environmental Protection
- Michael Gergen, Partner, Latham & Watkins
- Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Brian Marconi, Senior Manager, CohnReznick LLP

- Zachary Marks, Assistant Director of New Development, Housing Opportunities Commission
- Bonnie Norman, Principal, Chief Marketing Officer, and COO of E3 International
- Bill Parsons, Executive Director, JDRF Greater Chesapeake Region
- Bob Sahadi, Director, Energy Efficiency Finance Policy, Institute for Market Transformation
- Stacy Swann, CEO and Founding Partner, Climate Finance Advisors LLC

RESOLVED, that Bert Hunter is elected to a one year term as Chairman of the Board of Directors.

RESOLVED, that Stacy Swann is elected to a two year term as Vice Chair of the Board of Directors.

RESOLVED, that Bonnie Norman is elected to a two year term as Vice Chair of the Board of Directors.

RESOLVED, that Hope Brown is elected to a two year term as Secretary of the Board of Directors.

All in Favor: 9

All Opposed: 0

Ms. Brown then noted that the Governance Work Group recommends the creation of a Nominating Committee to fill the seat of Mr. Parsons when he departs the Board. Ms. Brown commented that a number of Directors had reached out to her about their interest in being involved with the committee, and if there is any further interest Directors should reach out to her directly. Ms. Brown made a motion to create a Nominating Committee, Ms. Norman seconded the motion. The motion passed unanimously among Directors present.

R.9: Creation of a MCGB Board of Directors Nominating Committee

By recommendation of the Governance Work Group, A MOTION TO CREATE a Nominating Committee, composed of a sub-group of members of the MCGB Board of Directors, for the purpose of future nominations of candidates for Directors of the Montgomery County Green Bank.

All in Favor: 9

All Opposed: 0

Ms. Brown then proposed amendments to the MCGB’s Conflict of Interest policy, none of which were material changes. Ms. Brown made a motion to adopt the amended Conflict of Interest Policy, and Ms. Norman seconded the motion. The motion passed unanimously among Directors present.

R.10: Adoption of Amended MCGB Conflict of Interest Policy

By recommendation of the Governance Work Group, A MOTION TO ADOPT an amended Conflict of Interest Policy for the Montgomery County Green Bank.

All in Favor: 9

All Opposed: 0

Ms. Brown then introduced an amended set of Standard Operating Procedures (SOPs) for the MCGB on behalf of the Governance Work Group. The Board requested that language around Board approval on dollar and percent of overage spending on individual line items of the budget be struck from consideration at this time and further considered and brought back to the Board at a future Board meeting. The Board also requested that staff add language to the SOPs that details the process for Board review and approval of amendments to an approved annual budget and to bring this to the July board meeting. Mr. Sahadi

made a motion to adopt the amended SOPs, with the amendments as discussed at the meeting. Mr. Espinosa seconded the motion. The motion passed unanimously among Directors present.

R.11: Adoption of Amended MCGB Standard Operating Procedures

By recommendation of the Governance Work Group, A MOTION TO ADOPT amended Standard Operating Procedures for the Montgomery County Green Bank.

All in Favor: 9

All Opposed: 0

7. Additional Items

Ms. Brown requested that a Board governance calendar be developed for the Board. The Board also directed Mr. Deyo to prepare and submit the required annual report to the County.

8. Adjournment

Ms. Brown made a motion to adjourn. Ms. Feldt seconded. Meeting adjourned at 4:21 pm.

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

- **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