

# **Montgomery County Green Bank Corporation (“MCGB”) Board of Directors Meeting – Special Meeting**

**Tuesday, October 24, 2017 at 8:00 am**

Telephone Conference Call

## **Board of Directors Meeting Minutes**

### **1. MCGB Vice Chair Bonnie Norman called the meeting to order at 8:00 am**

Roll call confirmed the attendance of:

- Hope Brown, VP and Chief Compliance Officer, Calvert Research and Management /Calvert Funds
- Michael Gergen, Partner, Latham & Watkins
- Bonnie Norman, Principal, Chief Marketing Officer, E3 International LLC
- Bob Sahadi, Director, Energy Efficiency Finance Policy, Institute for Market Transformation
- Lisa Feldt, Director, Montgomery County Department of Environmental Protection (“DEP”)
- Brian Marconi, Senior Manager, Cohn Reznick LLP
- Stacy Swann, Founding Partner, Climate Finance Advisors, Benefit LLC
- Alex Espinosa, Director, Montgomery County Department of Finance
- Zach Marks, Assistant Director, Housing Opportunities Commissions

**Quorum met.**

Board members not present:

- Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Bill Parsons, independent consultant

Other meeting attendees included:

- Tom Deyo, MCGB
- Alex Kragie, Coalition for Green Capital
- Stan Edwards, Montgomery County DEP
- Mary Casciotti, Montgomery County Department of Finance
- Jane Willeboordse – New Ecology
- Kristine Babock – DC DOEE

### **2. Approval of Agenda**

Ms. Brown made a motion to approve the agenda for the October 24, 2017 Board of Directors meeting. Ms. Swann seconded the motion.

All approved motion.

### **3. Discussion on Commercial Loan Loss Reserve – Projected Capital**

Mr. Sahadi presented on the status of the Commercial Loan for Energy Efficiency and Renewables (CLEER) product and the response of several lenders to the proposal presented to the Product Development Work Group in September 2017. Presently, MCGB is moving forward with a proposal offered by Ascentium Capital, and that the Product Development Work Group plans to bring this lender's proposal to the Board for consideration of approval under a Loan Loss Reserve Agreement at the November 15, 2017 Board meeting. Mr. Sahadi indicated MCGB expects to bring the CLEER product to market in January 2018 with at least one lender and expects to have one or more other lenders join by that time or later in 2018. Mr. Deyo presented a projection for MCGB capital that would likely need to be devoted to the CLEER product. Mr. Deyo sized the initial MCGB capital commitment for the Loan Loss Reserve of up to \$300,000 if three lenders were to participate; the maximum capital over the course of the program would be \$1.5 million if each lender were to originate \$10 million in loans in the CLEER program. Mr. Deyo indicated that approval of a capital allocation for each lender would be sought when each lender is approved under the program. Ms. Feldt asked about the timing for the program. Mr. Deyo responded that the intent was to get approval of Ascentium at the November 2017 Board meeting, close on documents with Ascentium thereafter, train contractors in December 2017, and have the product in the market at beginning of 2018. Ms. Norman asked if the product would be timely for the market. Mr. Deyo responded that contractors indicated having a product at beginning of year would be useful as commercial businesses undertake their annual capital planning at that time and this would fit with that cycle.

### **4. Discussion on Draft Human Resources Manual and Summary of Benefits**

Mr. Deyo presented on the status of the draft MCGB Employee Manual prepared by Paychex and previously circulated to the Board. Mr. Deyo summarized the significant employee benefits that would be included in the manual including sick days, holidays, vacation, disability benefits, etc. Mr. Deyo noted that the next steps would be to send Paychex a redlined version of the manual incorporating edits received from Board members and the benefits outlined in the summary, and that a final version of the manual would be presented to the Board for adoption at the November 15th Board meeting. Mr. Deyo asked if the Board if they agree with the next steps and the Board directed Mr. Deyo to pursue this course. The Board also asked that Mr. Deyo provide benchmarks of other similar organizations on the following items: disability benefits (including maternity leave), vacation leave, vacation accrual, and FMLA. The Board will review this information prior to approving the final manual.

## **Closed Session:**

### **R.1. Closing Statement**

This closing statement was prepared by CEO, Tom Deyo, and I, Bonnie Norman, Vice Chairperson of the Board of Directors, attest 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 Board recruitment and staffing of the Montgomery County Green Bank, per the "personnel matters" exception §3-305(b)(1), and consultant selection under the "procurement" exception. §3-305(b)(14). The reason for closing the meeting is to discuss recruitment of members for the Board of Directors, potential communication consultant selected through competition, and MCGB staffing compensation and benefits for positions, and the process for determining the same.

All in Favor: 9

All Opposed: 0

### **5. Discussion of Recommendation to Board of Directors for a New Director to Replace Departing Director Mr. Parsons**

Ms. Swann presented the process undertaken by the Board Recruitment Committee, consisting of Ms. Swann, Ms. Brown, Mr. Espinoza, Mr. Taylor, and Mr. Parsons, to review submissions of 12 applications for the MCGB Board of Directors. After consideration of each and interviews conducted of the top two finalists, the Board Recruitment Committee recommended Marcene Broadwater to fill the seat expected to be vacated by Bill Parsons. The Board reviewed and evaluated the process and the candidates background.

### **R.2: Adoption of New Board of Director Member**

By recommendation of Ms. Swann, A MOTION TO approve Marcene Broadwater as a new director to fill a position being vacated by Bill Parsons on the Board of Directors.

Mr. Espinoza made a motion to approve the resolution, Mr. Gergen seconds. Motion passes unanimously among all directors present.

All In Favor: 9

All Opposed: 0

### **6. Discussion on Recommendation and Approval for Communications Consultant**

Mr. Deyo presented the recommendation to the Board for the selection of Brightline Strategies as MCGB's communication consultant. Mr. Deyo summarized the process for review of the initial submissions and then in-person interviews with the finalist candidates. The Initial Review

Committee included a team of one Board member from Fundraising and Finance Work Group, an adjunct member of the MCGB team, the CEO, and MCGB's consultant. Based on reviews by the Initial Review Committee of the seven responses submitted by the September 8th deadline, the Initial Review Committee identified three finalists for consideration. This Initial Review was followed by a call with the three finalists, and a request that each submit a portfolio and consider how they would respond to MCGB priorities. An in-person interview was subsequently conducted by a Finalist Review Committee made up of three members of the Initial Review Committee, including an adjunct member of the MCGB team, the CEO, and MCGB's consultant. Each finalist was questioned on their submitted portfolios and their strategy for meeting MCGB priorities. The Finalist Review Committee was unanimous in recommending Brightline Strategies to the Fundraising and Finance Work Group as the preferred consultants. After reference checks, the Finalist Review Committee presented the recommendation to the Fundraising and Finance Work Group which unanimously agreed to send Brightline Strategies to the Board for approval. Mr. Espinoza inquired as to how the time and materials budget would be managed and how the scope would be embedded in the contract. A flat fee was suggested as a better approach. Mr. Deyo indicated this would be part of discussion with contractor. Ms. Feldt asked that the overall Town Creek budget be circulated to all Board members as the communication fee was being paid from that resource.

### **R.3: Adoption of Selection MCGB Communications Consultant**

By recommendation of Ms. Norman, the lead of the Finance and Fundraising work group, A MOTION TO approve Brightline Strategies as the MCGB communication consultant subject to successful negotiation of a contract within 10% of approved FY18 budget.

Mr. Marconi made a motion to approve the resolution, Ms. Swann seconds. Motion passes unanimously among all directors present.

All In Favor: 9

All Opposed: 0

### **7. Discussion on Staffing**

Mr. Deyo presented on the status of the open Director of Operations position. Mr. Deyo indicated interviews had been conducted with three candidates using a panel of Mr. Deyo and outside executives at two CDFIs. The panel had identified the preferred candidate. Mr. Deyo was also planning to present an update on the product development manager function to Board Leadership in the near future.

### **Adjournment**

Ms. Swann proposed a motion to adjourn, seconded by Mr. Sahadi. The motion passes unanimously among Directors present.