

# **Montgomery County Green Bank Board of Directors Convening and Meeting**

**Thursday, September 14, 2016 at 2:30pm**

Ozone Conference Room, Department of Environmental Protection  
255 Rockville Pike, Ste 120, Rockville, MD 20850

## **Montgomery County Green Bank Board of Directors Meeting**

### **1. Call to Order**

Interim Chairperson Feldt called the meeting to order at 2:40 pm.

### **2. Roll Call of Board of Directors**

Roll call confirmed the attendance of:

- Hope Brown, VP and Chief Compliance Officer, Calvert Funds
- Alex Espinosa, Director, Montgomery County Department of Finance (FIN)
- Lisa Feldt, Director, Montgomery County Department of Environmental Protection (DEP)
- Michael Gergen, Partner, Latham & Watkins
- Bert Hunter, Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Brian Marconi, Senior Manager, CohnReznickLLP
- Zachary Marks, Assistant Director of New Development, Housing Opportunities Commission
- Bonnie Norman, Chief Marketing Officer, E3 International
- Bill Parsons, Executive Director, JDRF
- Bob Sahadi, Director, Energy Efficiency Finance Policy, Institute for Market Transformation
- Stacy Swann, Founding Partner, Climate Finance Advisors LLC

#### **Quorum met.**

Other meeting attendees included:

- Alex Kragie, Program Director, Coalition for Green Capital
- Michelle Vigen, Senior Energy Planner, Montgomery County DEP
- Stan Edwards, Division Chief, Montgomery County DEP
- Lindsey Shaw, Commercial Energy Program Manager, Montgomery County DEP
- Mary Casciotti, Senior Management and Budget Specialist, Montgomery County FIN
- Katie Kellenberger, Coalition for Green Capital
- Nick Kline, Program Director, Coalition for Green Capital (by phone)
- Eric Heintz, M&T Bank, member of the public

- Gerard Neely, Maryland PACE Manager, PACE Financial Servicing, member of the public

### 3. Public Comment

Eric Heintz introduced himself to the Board as the manager of M&T's solar program.

### 4. Approval of the Agenda

Director Swann proposed moving Election of Officers after the Bylaws discussion. **Director Hunter moved to approve the agenda with the amendment to move the Election of Officers after Unfinished Business. Director Parsons seconded. The agenda was approved unanimously.**

A later revision was made to move the Staff Report following Unfinished Business; motion was unanimously approved. **Hunter moved to amend the agenda and Director Brown seconded. The further revision was approved unanimously.**

### 5. Approval of July 28, 2016 Minutes

Director Norman noted that she had proposed edits to the meeting minutes regarding the Statement of Purpose prior to the meeting, but the edits were not incorporated in the printed draft meeting minutes. Norman asked that her edits be included with the approval of the minutes.

Staff Note: Per Norman's edits, the corrected first paragraph of the July 28<sup>th</sup> meeting notes, under subhead (b) Statement of Purpose and Goals/Metrics is altered to read as follows:

*Norman suggested that the Green Bank's mission also reflect, consistent with the language and ideas from the 2015 Paris Climate Conference (COP 21), strengthening climate resiliency, which is supported by the clean energy technologies of distributed generation, and microgrids. The Board agreed that finalizing the "elevator pitch" for the organization is a key first step.*

**Hunter moved to approve the proposed meeting minutes with Norman's revision. Director Brown seconded. Minutes were approved with pending amendment.**

### **Resolution #1: Approval of Minutes (Item 5)**

Motion to approve the minutes of the Board of Directors Meeting for July 28, 2016

### 6. Unfinished Business and General Orders

#### a. Bylaws

Prior to the meeting, staff compiled and summarized comments on the draft bylaws submitted via email. Comments were summarized in the meeting,

additional comments were added, and staff was directed to work with Board members advance the work on the Bylaws. The Board discussed the following revisions:

- The Board asked staff to work with Director Marconi on the annual audit statement.
- **CDFI Language:** The legislation outlines Green Bank funding sources, which covers Federal sources of funding including CDFI-designated funding (up to \$2 million Treasury dollars annually). Pursuing CDFI designation could limit other sources of funding, but presents a number of benefits. Director Swann suggested CDFI designation could be pursued in tandem or as a subsidiary of the Green Bank in the future. The Board determined that CDFI language be dropped from the Bylaws and Standard Operating Procedures (SOP).
- **Article 2.1:** Hunter recommended adding “financial institutions” to the Powers section. **Swann moved to approve the edit. Director Parsons seconded.**
- **Article 2.4:** Norman highlighted that the Secretary position has no term limit. **Staff will make this position term limit and succession process consistent with other Director positions.**
- **Article 2.6:** Per the discussion about Director appointments, the Board approved the “appointed or elected” language proposed by Hunter.
- **Article 2.7:** Regarding the definition of term length, Norman suggested 1-year term with an option to renew for 1 year, as serving for 4-5 years isn’t healthy for a Board. Swann recommended a 2-year term for the initial Board members to set up the organization, then staggered 1-year terms once an Executive Director is established. Parsons agreed with 2- year staggered terms. There was also a mention of addressing removal Board members who are not contributing to the Board. Staff noted that the Michigan Saves organization elects Directors for 3-year terms, then re-elects for 1-, 2-, or 3-year to create staggered terms. **The Board moved to keep the bylaws more generic and develop a separate document with a roster and staggered terms.** Hunter recommended changing the number of Directors to “shall be no less than 5 and no more than 11”.
- **Article 3.3:** Hunter’s revisions to the Acting Executive Director to cover all instances where this position is needed. The Board agreed with this edit.
- **Article 3.5:** The CFO and CIO will report to the Executive Director equally, thus no edits are needed.
- **Article 12.1:** Latham and Watkins confirmed that the existing language allows the Green Bank to operate and manage existing obligations if the charter is revoked/not renewed.
- **Bylaws Definitions:** Hunter’s revisions accepted.

**Staff will make edits to the bylaws, work with a Governance Work Group (established later in the meeting) and send a revised version to the Board for review.**

**i. Naming Issue with “Green Bank”**

Staff Vigen reported that based on an initial conversation with the Maryland Department of Labor, Licensing, and Regulation about applicability of the Financial Institution Act of Maryland, the Montgomery County Green Bank organization cannot use the word “Bank” in the organization name or incorporation documents. The word “Bank” is limited to entities that are chartered and regulated by the state to function as a bank. State law preempts the local legislation establishing a Green Bank. The Board unanimously agreed to avoid state regulatory reporting requirements associated with using bank in the name.

Director Hunter recommended that the Board keep branding in mind when developing a new name. Staff committed to doing due diligence regarding the use of legal and promotional references to the Green Bank organization. Coalition for Green Capital has asked their pro bono counsel for guidance.

Swann proposed establishing an ad hoc Naming Working Group to determine whether a name change is needed, alternative names, process for changing the name, and what documents need revisions. **Swann (lead), Hunter, and Marconi volunteered to serve on this Working Group. Staff will send out the Financial Institution Act of Maryland article and potential alternative names for the Green Bank.**

**b. Fundraising**

The fundraising materials (draft elevator pitch, draft slide deck, and list of foundations) will be reviewed by the ad hoc Fundraising Work Group.

**7. New Business**

**a. Conflict of Interest Policy/Statement**

The conflict of interest materials will be reviewed by the Governance Work Group (ad hoc).

**b. Standard Operating Procedures (SOP)**

Prior to the meeting, staff compiled and summarized comments on the draft SOP submitted via email. The Board discussed the following revisions:

- Director Brown suggested that the initial SOP have tighter Board supervision. The Governance Committee can revise SOPs to be more flexible after the Green Bank procedures and processes have been established. Brown also recommended dividing the SOPs by topic (e.g., HR policies, funds received, lending/investing).
- **Affirmative Action Plan:** Swann suggesting adding an HR Box to include relevant hiring and employment requirements and procedures. Board agreed.
- **Form 1023:** The Board confirmed that no Director has any relationships

with any other Director. Staff will continue to work on this form.

- **Officers:** Director Sahadi noted that the selection of Officers should be made by the Board, not the Executive Director. Board agreed.
- **Work Plan and Financial Assistance:** The Board agreed that the Work Plan (aka. Work Program in the legislation) would reflect any market changes and the funding may shift to different projects over time. Eventually, the SOPs should reflect guidance on a lending policy dependent on the Work Plan goals and funding received by foundations, including a degree of flexibility as well as percentage carve-outs for certain projects. At this time, Swann noted that there is not enough information about the menu of programs available to the Green Bank to dedicate percentages of funding to specific initiatives.
- **Article IV:** For stronger Board oversight, the Executive Director may adopt policies and procedures with Board approval (not in consultation with the Board), Additionally, staff will include a section on applicability of procedures to all Board members, staff, etc.
- **Budget (Article V):** The Board agreed that 90 days prior to the end of the fiscal year, the Executive Director will prepare a proposed annual operating budget for Board approval. The Budget and Operations Committee will review the first budget draft before the budget is presented to the full Board. Budget revisions and overages to the Board- authorized amounts (\$10K or higher per line item) must be approved by the Board. The Executive Director will provide quarterly budget updates to the Board.
- **CDFI (Article VI):** Delete this section per earlier bylaws discussion.
- **Procurement Procedures (Articles VIII and IX):** Staff Casciotti noted that Article VIII is inconsistent with the responsibilities of the Executive Director. Staff will address. Chairperson Feldt requested that staff research whether County procurement requirements apply to the Green Bank. Swann noted that the procurement guidelines in the SOP is a good start. Parsons highlighted the concerns related to limiting conflicts around sole-source contracting, as well as the procurement procedures for professional services. Staff will research County procedures and provide recommendations on possible expected procedures of the green bank.

Further SOP work has been delegated to Ad Hoc Governance Working Group.

## 8. Closed Session

Due to time constraints, the Board will hold the Closed Session at the next meeting.

## 9. Election of Officers

The Board held elections for the Chair and Vice Chair positions, as the initially adopted bylaws permit the Interim Chairperson Feldt to serve for two Board meetings. Feldt brought some topics to the Board's attention for consideration prior to the election proceedings, including Montgomery County residency, time commitment, and qualities

that the Board would like to see in its leadership. Hunter offered to run as an initial/transitional Board Chair through the first Fiscal Year, as Hunter recommended that the next established Chair should be a County resident.

**Parsons made a motion to elect Hunter as an initial/transitional Chair and for Swann and Norman to serve as co-Vice Chairs through the end of the fiscal year (June 2017). Brown seconded. The Board unanimously approved.**

**Resolution #2: Election of Officers (Item 7)**

WHEREAS, the Interim Director calls for the elections of Board Officers.

WHEREAS, elections were held at the Board of Directors meeting on September 14, 2016.

NOW, therefore be it:

RESOLVED, the following persons are elected to the office(s) indicated next to their names to serve until their successor(s) shall be duly elected, unless he or she resigns, is removed from office or is otherwise disqualified from serving as a Director of this Board, to take their respective office(s) immediately upon such appointment:

<u>Office</u>	<u>Name</u>
Chair	Bert Hunter
Co-Vice-Chair	Stacy Swann
Co-Vice Chair	Bonnie Norman

RESOLVED, that the officers of this corporation are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

The Board agreed that it would be unfair for the Secretary position to record meeting minutes, as they would be too removed from the discussion. Staff will continue to take meeting minutes, and the Secretary will review minutes among other administrative tasks. The Board will elect a Secretary at a future meeting.

In addition to the Chair and Vice Chair positions, the Board organized a number of ad hoc working groups to provide recommendations on the draft documents and review topics that require in-depth discussion:

- **Naming Working Group:** to determine whether a name change to “Montgomery County Green Bank” is needed, what documents need to be changed, the process that needs to occur to change the organization’s name, and brainstorm alternative organization titles.
  - **Members:** Swann (lead), Hunter, and Marconi
- **Governance Working Group:** to review the Bylaws, Conflict of Interest Policy, SOP and other foundational governance documents; guide staff in revising and

finalizing these documents for eventual board approval.

- **Members:** Brown (lead), Gergen, and Marks.
- **Will review and finalize Bylaws and COI Policy and Statement**
- **Will work to complete SOP draft, including developing an “HR Box” for SOPs, ideally including:**
  - Affirmative Action Plan
  - At-will employment policy
  - Performance review plan
  - Determination of violations that are course for disciplinary action
  - Flex work policies
- **Fundraising Working Group:** to review the draft fundraising documents, Statement of Purpose (one-page elevator pitch), slide deck, and list of foundations.
  - **Members:** Norman (lead), Hunter, Parsons, and Marks. Norman to serve as lead.
- **Other Work Groups Envisioned for the Future:**
  - **Work Plan/Strategic Planning Working Group:** to begin developing the work plan, develop the suggested mission statement, propose priorities and sequencing, and review DEP’s upcoming residential financing product. Members TBD.
  - **Hiring Committee for the Executive Director:** to review the position description, advertise the position, consider resumes, and serve as the interview panel. To be revisited in January 2017. Members TBD.

## 10. Information Items/Announcements

### a. HOC projects

Due to time constraints, the Board did not review the HOC projects, but can discuss at a future meeting.

### b. DEP Staff Report

Due to time constraints, the Board did not review the DEP Staff Report but Directors can review the written summary following the meeting.

### c. CGC Staff Support

Kragie approached the Board with a discussion about CGC’s pro bono level of support. To continue the current level of staff support through October without funding would draw attention away from other CGC projects. Swann requested that CGC clarify the terms of their support of the County’s Green Bank. Hunter also suggested that limited resources funding could be borrowed against the eventual Green Bank seed funding for CGC’s services.

**Parsons requested the Board’s support to personally pursue \$25,000 of funding to secure interim staff support for CGC. The Board unanimously**

agreed to Parsons' request.

**The Board asked whether CGC could locate a donor to match the \$25,000 level of support, and for CGC to clarify scope of work and the length of staff support this would provide the Board.**

**d. Scheduling**

The next Board meetings are scheduled for **October 20<sup>th</sup> at 2:30 pm and November 29<sup>th</sup> at 2:30 pm.** Location will be announced in the coming weeks.

Staff proposed additional meeting dates through 2017 (see list below). Directors should contact staff immediately if they have a conflict with any proposed dates.

**11. Adjournment**

**Meeting adjourned at 6:00 pm.**

Staff proposed the following meeting times for the next Green Bank Board of Directors meetings (note: dates not confirmed at this meeting):

- **Thursday, October 20<sup>th</sup>, 2016, 2:30 – 5:30 pm EDT – Location TBD**
- **Tuesday, November 29<sup>th</sup>, 2016, 2:30 – 5:30 pm EST – Location TBD**
- **Thursday, January 26<sup>th</sup>, 2017, 2:30 – 5:30 pm EST – Location TBD**
- **Tuesday, March 14<sup>th</sup>, 2017, 2:30 – 5:30 pm EST – Location TBD**
- **Tuesday, May 16<sup>th</sup>, 2017, 2:30 – 5:30 pm EST – Location TBD**
- **Thursday, August 3, 2017, 2:30 – 5:30 pm EST – Location TBD**
- **Thursday, November 9<sup>th</sup>, 2017, 2:30 – 5:30 pm EST – Location TBD**

For inquiries about the Green Bank Board of Directors, to access meeting materials, or for information about attending a meeting, please contact Michelle Vigen, [michelle.vigen@montgomerycountymd.gov](mailto:michelle.vigen@montgomerycountymd.gov).

REVISED AND ADOPTED 9 19 18