

Montgomery County Green Bank Board of Directors Meeting

Planning Session: Thursday, January 26, 2017 at 9:00 am
Business Meeting: Thursday, January 26, 2017 at 1:30 pm
Montgomery County Chamber of Commerce | 51 Monroe St, Suite 1800 | Rockville, MD

DRAFT Planning Session Meeting Summary

Board Members, consisting of a quorum, convened at 9:15am with a short welcome by Tushar Kansal, facilitator from the Consensus Building Institute. Each member introduced themselves, their background, and what brought them to serve on the Board.

The following were in attendance for some or part of the Planning Session:

- 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
- Brian Marconi, Senior Manager, Cohn Reznick LLP (by phone)
- Zachary Marks, Assistant Director of New Development, Housing Opportunities Commission
- Bonnie Norman, Principal, Chief Marketing Officer, E3 International LLC
- Bob Sahadi, Director, Energy Efficiency Finance Policy, Institute for Market Transformation (by phone)
- 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
- Lindsey Shaw, Energy Program Manager, Montgomery County DEP (by phone)
- Mary Casciotti, Senior Management and Budget Specialist, Montgomery County Department of Finance

Mr. Kansal presented summary findings from the feedback and data gathering the Board completed and the group discussed questions and topics around impact, the extent to which financial sustainability is a goal vs. a constraint, the focus on energy savings, and defining a vision and hope to get results out the door. Context about the County's climate goal was also provided.

Ms. Vigen presented on Milestones achieved thus far, outlining the history and the progress of the legislated establishment of the Green Bank since June 2015. She spoke about key components of its history and progression, offering a moment for the group to appreciate what its accomplished so far, and what that list of milestones could look like in the future. The Board asked that the work groups be added and their accomplishments listed - especially if/when we make the Annual Work Program ("Work Plan") document public.

Board members broke-out into three groups to discuss the vision of the MCGB, they were asked to return with a statement based on their conversation. Mr. Kansal compiled the three different versions of the vision statements and walked the group through conversations about common themes and

elements of the different statements. The group also discussed how the various metrics previously identified fit into the context of the vision statements that were identified by the group.

After a short break, Mr. Kansal directed the group into different groups based on elements of an in-development Work Plan. The groups represented work to be done in: Product development, Identity and Branding, Fundraising and Finance, and Operation Capacity. Thoughts were collected from two rounds of rotating group discussions, and notes will be compiled in a synthesis from the Planning Session and distilled by staff into a first draft of a Work Plan.

The group reconvened for a re-cap, summary, and sharing of thoughts. The main focus of this conversation was on how the MCGB begins to achieve the impact that it has envisioned in this session. Mr. Kansal wrapped up the group with the next steps, and the group adjourned for lunch at 12:35pm.

DRAFT 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
- 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 LLC
- Alex Espinosa, Director, Montgomery County Department of Finance

Quorum met.

Other meeting attendees included:

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

Guests:

- Leanne Tobias, Malachite LLC
- Nalin Meegama, Continental Capital

2. Public Introductions and Comment – There were no public introductions or comment at this point in the meeting. (The Chair provided opportunity at the end of the meeting.)

3. Approval of Agenda

Ms. Swann moved to amend and approve the agenda, moving 6d up to the top of the agenda and designating as a Closed Session. Mr. Gergen seconded. The agenda was approved unanimously.

[6d. Naming WG Update]

Mr. Hunter read the Closing Resolution: This closing statement was prepared by DEP Staff, Michelle Vigen, and, I, Bert Hunter, Chairperson of the Board of Directors attests to its compliance with the Maryland Open Meetings Act. Per § 3-305(a)(7) of the Maryland Open Meetings Act, I move to convene a closed session.

The topic to be discussed is correspondence with the Department of Labor, Licensing, and Regulation regarding the name of our organization. We close this session to gather advice from our legal counsel, Michael Dow.

Bert Hunder moved the motion, and Hope Brown seconded. All in Favor: 9; All Opposed: 0

The Board went into Closed Session.

4. Approval of November 29th Meeting Minutes

Ms. Norman noted that she sent minor non-substantial edits. With that amendment, Ms. Brown moved to adopt the minutes with those edits, Ms. Swann seconded, the minutes were adopted.

R.1: Approval of Minutes

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for November 29th, 2016

5. Administrative Business

Staff Report: Mr. Kragie provided a brief update on the work staff had done with the different Work Groups, but left the detailed discussion to be had in the Business Section of the meeting.

DEP Staff Report: Ms. Vigen reported that the County Executive had made the decision to release, this FY17, \$3.05 million of the first tranche of Customer Investment Fund from the Settlement Agreement negotiated between the County and multiple parties and Pepco and Exelon. A meeting has been set between the County and the MCGB Leadership to go through the scope of work and terms of a drafted contract (the likely vehicle by which the County will transfer funds). A supplemental appropriation process will need to be completed with the County Council to authorize the funds. Ms. Vigen also reported that the County Executive also plans to release \$3.05 million of funds with the regular FY18 budget cycle. Lastly, Ms. Vigen and Ms. Feldt spent the prior day with the Public Service Commission at a hearing regarding the Most Favored Nation clause of the Settlement Agreement. The Commission may make a decision that could result in additional funds for the County, and possibly then, the MCGB.

Planning Session Summary: Mr. Hunter provided a short summary of the morning's Planning Session. Several members of the Board met, facilitated by Tushar Kansal, from Consensus

Building Institute. The morning started with a summary of accomplishments and milestones, and moved into a visioning exercise for the Green Bank. Several themes were identified. The group then broke into groups to chart priorities for our FY18 Work Plan, and ended up with the key elements for the work plan, much of which was supported by the Work Groups. Vigen and Kragie will provide drafts back to the Board ahead of the next Board Meeting (February 22, 2017) based on the anticipated ~\$6 million and potential funding opportunity with the Town Creek Foundation. Mr. Hunter also suggested developing an operational and capital plan. Ms. Vigen suggested that the Board Leadership provide the overall guidance and delegate specific areas of the Work Plan to the appropriate Work Groups.

Ms. Feldt highlighted the discussion around the intersection of the Green Bank and the County's goals to reduce GHG emissions by 80% by 2050.

6. General Business

6a. Product Development WG

Mr. Sahadi summarized the work of the Product Development Work Group - that they are exploring a first move on multifamily in partnership with HOC. They are also developing a single family product guidance document based on Connecticut, Michigan, and help from Harcourt Brown and Carey. On the commercial side, they spoke with Ascentium, a lender working in Michigan and providing their own platform.

Mr. Sahadi outlined a possible timeline, with a hopeful project with HOC by summer; development of a single-family product by maybe fall, still this year; and the commercial program is unknown, could be very quick or take longer.

In terms of next steps, discussions are underway with HOC about a couple projects. In terms of next steps for single-family, staff has provided the interested credit unions some documentation they requested. Staff will next be in touch with MD-DC-CUA about convening and connecting with the credit unions again. Hunter suggested staff bring together MI and CT credit union and program contacts for the local CUs. This will allow the CUs to ask questions and get them comfortable, ahead of asking them to negotiate the details of the program.

Mr. Hunter also suggested we keep in close connection with the utilities. Ms. Vigen noted that the commercial product overview has been shared with William Ellis from Pepco's energy efficiency program, and he looks forward to providing any feedback.

Ms. Swann asked whether the MCGB is considering partnering with Montgomery County Community Development Financial Institutions. Ms. Swann suggested that staff engage with local Community Development Financial Institutions such as City First.

6b. Recruitment WG

Ms. Feldt provided an update about the recruitment of the Executive Director. Over 40 applications have been received. She would like to invite each from the Board to be involved in some part of the recruitment process, and the Board will be making this final decision. She reported we are still researching salary range and Mr. Hunter asked about benefits.

The Recruitment Work Group will meet in mid February and provide an update at the February meeting.

Ms. Vigen was asked to speak with Lily Chi, Assistant Chief Administrative Officer about EDC salary and benefits.

Mr. Sahadi raised a question about what skills or background might be the most priority. Ms. Feldt responded that the first ranking will allow an evaluation across the various activities and responsibilities of the position.

6c. Fundraising and Finance WG

Ms. Norman summarized the activities of the Fundraising and Finance Work Group and noted several products to present to the Board. A Partnerships document outlines a number of key stakeholders relevant to different components of the Green Bank's progress. A Potential Funding Sources outlines a number of incoming and potential resources. Mr. Kragie summarized the USDA's Rural Utilities Services programs and CDFI opportunities. Ms. Norman then summarized progress made with Town Creek Foundation and Mr. Kragie provided an overview of conversations thus far. A meeting has been scheduled for February 2nd with Board Leadership and Town Creek Foundation.

Ms. Norman moved Resolution 2, authorizing the Board Leadership to create, submit, and execute on a Letter of Intent and a full proposal to the Town Creek Foundation for charitable funds for the MCGB. Mr. Marconi seconded and the motion was passed.

R.2: Authorize Board Leadership to Develop a Letter of Intent and Final Proposal for the Town Creek Foundation

By recommendation of the Leadership of the Board of Directors, A MOTION TO AUTHORIZE THE BOARD LEADERSHIP TO CREATE, SUBMIT, AND EXECUTE ON a Letter of Intent and a full proposal to the Town Creek Foundation for charitable funds for the Montgomery County Green Bank.

Ms. Feldt made a note that we should be inclusive of our name alternatives as a potential recipient of funds.

Mr. Marconi and Mr. Kragie briefed the BOD on the agreement with the Connecticut Green Bank accounting agreement, which will produce more refined and detailed financial reporting.

Mr. Espinosa congratulated the Board on their receipt of pro bono support and asked if we're tracking the level of service and value of services. Mr. Gergen recommended we ask for hours from our pro bono services. Mr. Kragie noted they could survey pro bono services for hours and value.

Ms. Norman also announced a second foundation is interested in learning more about our work, a connection provided by Mr. Parsons.

Mr. Hunter asked if we had a date for receipt of HOC funding. Mr. Kragie said he was countersigning today but had not established the date. Mr. Hunter asked that Mr. Kragie relay that our next major invoice is February 15th.

Mr. Hunter also asked about our 1099 form. Staff reported that IRS has received the application and should expect some type of response within the next few months.

[6d. Naming Work Group – moved to front of meeting]

6e. Governance Work Group

Ms. Brown shared that the Work Group updated the Conflict of Interest Policy and Statement. She noted the updated language around the *de minimis* threshold and that they drew from the County's language. She also noted the options available when there is a conflicted transaction - either to resign or to take other action to resolve the conflict. The Board discussed some clarification around the language regarding thresholds, and came to a satisfactory understanding of the policy.

Mr. Hunter found a small revision - references to sections (Mr. Kragie noted). Mr. Brown also called attention to the COI Statement.

Ms. Brown moved for Resolution 3, the adoption of amended Conflict of Interest Policy and Conflict of Interest Signature Page. Mr. Espinosa seconded and the motion passed. Board members subsequently signed and turned signature pages into staff.

R.3: Adoption of amended Conflict of Interest Policy and Conflict of Interest Signature Page

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

Mr. Brown provided an update on the Standard Operating Procedures. They are reviewing with counsel and should be ready to present at the February 22, 2017 meeting.

7. Additional Items

Mr. Hunter invited introductions and comments by the public. Ms. Tobias raised the question about the Small Business Administration's Green Loan Program. Mr. Hunter asked the Product Development Work Group to take a closer look. Ms. Tobias has the program director's name and contact information and would forward to staff.

Ms. Vigen noted the Feb 22nd meeting, that it is a quick turn around, and the Montgomery County Chamber of Commerce has initiated the idea of a meet-and-greet between the two boards. Ms. Feldt also recommended a letter of appreciation to come from Mr. Hunter and Ms. Feldt. Ms. Vigen said she would draft something.

Ms. Brown asked if interview questions had been developed. Ms. Feldt and Ms. Vigen responded that they are being developed, along with a scenario for final candidates.

Ms. Swann asked about developing an investment review process, in light of the Board seeking to make a decision about a first product or investment. Mr. Hunter noted that Connecticut Green Bank has some investment review processes. Ms. Swann also noted we might want to do the first one or two deals as a whole board. Mr. Hunter asked the Board to consider creating an investment committee and asked Mr. Kragie to present some options.

Ms. Brown said her new company, Eaton Vance, provides funding to boards that their officers serve on.

8. Adjournment

Ms. Norman made a motion to adjourn. Ms. Swann seconded. Meeting adjourned at 3:56 pm.

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

- **Wednesday, February 22, 2017 from 1:30-5:00pm**
- **Wednesday, April 5, 2017 from 1:30-5:00pm**
- **Wednesday, May 10, 2017 from 1:30-5:00pm**
- **Wednesday, June 14, 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 Michelle Vigen, michelle.vigen@montgomerycountymd.gov.

Revised and adopted 9 19 18