

**Montgomery County Green Bank Board of Directors Meeting  
Wednesday June 19, 2019 at 1:30 PM**

Montgomery County Green Bank | 155 Gibbs St | Rockville, MD 20850

**Board of Directors Meeting Minutes**

**1. Montgomery County Green Bank (“MCGB”) Board of Directors (“Board”) Vice Chair Stacy Swann called the meeting to order at 1:35 PM.**

Roll call confirmed the attendance of the following:

- Ms. Hope Brown (Board Secretary), Vice President and Chief Compliance Officer, Calvert Funds (By phone until her departure at 4:22 PM)
- Mr. Michael Gergen, Partner, Latham & Watkins (By phone)
- Mr. Robert Hagedoorn, Chief of Fiscal Management, Department of Finance, Montgomery County
- Mr. Bert Hunter (Board Chair), Executive Vice President and Chief Investment Officer, Connecticut Green Bank (By phone at 1:37 PM)
- Mr. Brian Marconi, Partner, Cohn Reznick LLP (By phone)
- Ms. Marcene Mitchell, Global Head, Climate Strategy and Business Development, IFC/World Bank Group
- Ms. Bonnie Norman (Board Vice Chair), President, E3 International, LLC (By phone)
- Mr. Adam Ortiz, Director, Department of Environmental Protection, Montgomery County
- Mr. Robert Sahadi, Managing Principal, GreenSpace Investment
- Ms. Stacy Swann (Board Vice Chair), CEO and Founding Partner, Climate Finance Advisors, Benefit LLC

**A quorum was present.**

Absent Board members:

- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission

Other meeting attendees included:

- Mr. Thomas Deyo, CEO, MCGB
- Ms. Rosemarie Sabatino, Director of Business Operations, MCGB
- Mr. Joshua Myers, Administrative Assistant, MCGB
- Mr. Stan Edwards, Special Advisor to MCGB, Montgomery County Department of Environmental Protection (“DEP”)
- Ms. Lindsey Shaw, Montgomery County DEP
- Ms. Mary Casciotti, Montgomery County Department of Finance
- Ms. Michal Freedman, Sierra Club of Montgomery County

## **2. Public Introductions and Comment**

Ms. Swann asked if any members of the public were present and offered them the opportunity to introduce themselves. One member from the public, Ms. Michal Freedman, was present. Ms. Freedman commented that she was a member of the Sierra Club of Montgomery County. She stated that she was engaged with the MCGB before it existed and is attending to continue to be engaged and informed on what the MCGB is doing.

Ms. Swann welcomed her and then turned everyone's attention to the agenda for the meeting.

## **3. Approval of the Agenda**

Ms. Swann reviewed the proposed agenda and requested that any comments or additions to the agenda be brought forward. Mr. Deyo noted that the agenda was revised to remove the planned closed session from the agenda.

With no other comments or concerns raised, Ms. Swann asked for a motion to approve the agenda.

Mr. Ortiz moved the motion; Mr. Hagedoorn seconded.

The motion was passed with a unanimous voice vote.

## **4. Approval of Meeting Minutes**

Ms. Swann then asked Ms. Brown to introduce the minutes for approval. Ms. Brown asked if anyone had any comments or concerns regarding the May 1, 2019 Board meeting minutes. Mr. Edwards asked that the spelling of the name of the member of the public who attended the meeting be corrected.

Ms. Brown then asked if there were any comments to the June 4, 2019 Board meeting minutes. None were offered.

With no further comments or concerns voiced, Ms. Brown asked for approval of the minutes.

Ms. Norman moved the motion to approve the minutes from both prior Board meetings; Mr. Hunter seconded.

### **R1: Approval of Minutes for the May 1, 2019 and June 4, 2019 BOD Meetings**

A MOTION TO APPROVE the minutes of the Board of Directors Meetings for May 1, 2019 and June 4, 2019.

All in Favor: 10  
All Opposed: 0  
Abstained: 0

## **5. Administrative Business**

Ms. Swann then turned the meeting over to Mr. Deyo to present the CEO Report to the Board. Mr. Deyo began the report by discussing the Fiscal Year 2019 (“FY19”) success statement, which had been requested by the Board at its last meeting. He confirmed the closing of an agreement to work with the Latino Economic Development Center (“LEDC”), a local Community Development Financial Institution (“CDFI”), which will be a boon to the Commercial Loan for Energy Efficiency and Renewables (“CLEER”) program. Mr. Deyo explained that LEDC will be a great collaborative partner and that the MCGB is excited for them to offer CLEER locally. LEDC will also allow MCGB to bring competitive financing that will benefit owners of small properties or those that need smaller sized loans.

Mr. Deyo announced that a collaborative group that the MCGB had been a part for the past several months was awarded a generous grant from the Town Creek Foundation. The collaborative, focused on equitable solar energy programs, is now in discussions on how the funding would be allocated among the partners. He stated that the MCGB should receive over \$500,000 from the award.

The MCGB is also being recognized as a collaborative partner with other green banks. The MCGB has shared documents as well as start-up experience with representatives from both Washington, DC and Arlington County as they work to establish their own green banks.

Mr. Deyo announced that the MCGB’s first CLEER loan being originated by Revere Bank was waiting for final documents and signatures but would be completed within the week. Mr. Deyo noted that these activities show that the MCGB is making progress, gaining momentum and getting into the marketplace.

Mr. Deyo updated the Board on MCGB funding, confirming that capital had been received from the County. Mr. Deyo then updated the Board on MCGB’s various outreach and stakeholder initiatives. MCGB is convening a regional green bank meeting of local government entities to coordinate on clean energy financing programs and the effort has been met with great interest. MCGB also attended a local affordable housing conference, meeting County Executive Elrich, Senator Van Hollen and Congressman Raskin. The MCGB also interacted with Councilmembers Glass and Hucker at Greenfest. Additionally, the MCGB has been working with McAndrew Company on ways to get its message out to audiences about its products. Mr. Deyo updated the Board on its regular communications, such as the monthly newsletters. Mr. Deyo finished the CEO report by presenting the FY19 Work Plan to the Board with updates on where the MCGB stood on achieving its goals as it moves into FY20.

Ms. Swann then asked Mr. Edwards to provide the DEP staff update. Mr. Edwards informed the Board that the County’s benchmarking data is now available on the DEP website. Staff is currently working to analyze it. The calendar year 2018 benchmarking deadline was June 1st.

Mr. Edwards added that the DEP is working with Councilman Hucker on a benchmarking bill. The bill will expand benchmarking requirements to include multifamily properties. DEP staff met with the Apartment and Office Building Association (“AOBA”), which raised concerns about including apartment buildings, which require tools to increase their energy efficiency.

Mr. Edwards finished his report by informing the Board that the DEP had released a solicitation for climate change work groups.

## **6. General Business**

### **a. Partnerships & Funding Discussion**

Ms. Swann then moved the meeting onto the Partnerships and Funding Committee report. Ms. Swann asked Mr. Deyo if he could provide highlights for Partnership and Funding as Ms. Norman was attending the meeting via phone.

Mr. Deyo updated the Board on the additional County funding, confirming that funds had been disbursed by the County in early May after the County contract was signed in April. More details would be provided to the Board during the Finance and Operations Committee section of the meeting.

Mr. Deyo provided details on the Town Creek Foundation award to the collaborative group of which the MCGB is a member. The collaboration was awarded \$3 million for use over four years as part of the Town Creek Foundation's Heroic Challenge Grant. The MCGB will be using the funds to advance solar energy within the County, particularly to low- to moderate-income residents. Mr. Deyo also updated the Board on a potential grant from another major funder. A decision will likely not be made until early in the MCGB's FY20.

Mr. Deyo continued by informing the Board that the MCGB had contracted marketing and promotion services of the McAndrew Company, a local communications and marketing firm. They had already done outreach to the MCGB CLEER Participating Lenders and Authorized Contractors, and the MCGB staff had a meeting to discuss their findings and answer questions. Discussion will continue regarding the approach to messaging by the McAndrew Company.

Ms. Norman noted that the Board is excited about the Town Creek Foundation award, but that she would like to do a strategic fundraising plan to seize on this momentum and identify other programmatic ways to leverage it with other donors. Ms. Norman spoke about a significant number of contacts that had not been focused on. She was hopeful for more participation of Board members to support fundraising outreach and donor identification. Ms. Norman suggested getting a few Board members together and to help develop a strategy.

### **b. Product Investments Discussion**

Ms. Swann then moved the meeting to Mr. Sahadi for the Product Investments report.

Mr. Sahadi started by offering congratulations for the MCGB's first CLEER transaction closing and noted that the pipeline was beginning to grow. The MCGB also has advanced the single-family residential effort with another potential lender, as well as the affordable multifamily technical assistance initiative. Mr. Sahadi also indicated how pleased he was that the MCGB has added a locally-focused new lender, LEDC, to help meet the energy efficiency and renewable energy financing needs throughout the County, but in particular the underserved and

underbanked commercial enterprises within the County. Mr. Sahadi then asked Mr. Deyo if he would provide more details to the Board.

Mr. Deyo agreed that transactions take time to come to fruition as we had been hearing from the contractor network and our green bank peers across the country. With one deal closing, there are a couple other deals moving along, both of which are potentially large transactions with residential condominium associations. Mr. Deyo expressed hope that at least one of these would close during the summer. Mr. Deyo noted that an additional benefit of the first transaction closing is that it aids the MCGB in speaking to contractors because the MCGB can now provide a concrete understanding of the quick turnaround for a deal to close.

Mr. Deyo added that the MCGB had worked on two outreach efforts regarding CLEER, a training session at the Commission on Common Ownership Communities (“CCOC”) to board members of associations, and a webinar to congregation representatives with the Interfaith Power and Light and the Faith Alliance for Climate Solutions. The webinar was recorded so it can be provided to others, particularly faith-based groups looking for green energy solutions. The MCGB will also look at additional opportunities to present at future CCOC trainings.

Mr. Deyo then asked Ms. Sabatino to update the Board on the residential energy efficiency and renewable energy loan program. Ms. Sabatino described the effort, including that the MCGB has two credit unions with which it is currently working. One will provide secured loans with a national lender and potentially designed around a program the Connecticut Green Bank is working on with the lender; the other is with a regionally-headquartered lender with a branch in the County and which will provide unsecured loans.

### **c. Finance and Operations Discussion**

Ms. Swann then moved the meeting to Mr. Marconi for a Finance and Operations Committee Report.

Mr. Marconi began by summarizing the May and June 2019 Finance and Operations Committee meetings, which reviewed the May 2019 financials and final drafts of the FY20 budget and the FY20 Work Plan. He noted that after their review, the Committee approved to them for submission to the Board for consideration. Mr. Marconi noted that Mr. Deyo had included these materials in the Board package and asked Mr. Deyo to provide a review of the documents.

Mr. Deyo then presented the Board with an overview of the financials for May 2019. Mr. Deyo described for the Board the financial standing of the MCGB with the recent County contract now in place and the funding fully received.

Mr. Deyo asked if there were any questions about the May financials; there were none. The meeting moved onto discussing the FY20 budget.

Mr. Deyo explained to the Board that the FY20 budget had been developed over several months with Committee input. The budget package included the budget, organizational structure, and Work Plan documents. The budget considered the influx of the new County funds coming into the MCGB from the new County contract, and included initial concept for additional staff and

operating resources considered necessary to help manage these new funds. Mr. Deyo noted, however, that this should be considered an interim budget as the added funding and programs resulting from Town Creek Foundation grant and Board review of staffing needs of the organization with the new County funding may result in changes to the budget as we enter FY20. Any changes resulting from these considerations will be brought to the Board at a future FY20 Board meeting for approval of a revised FY20 budget.

Mr. Deyo also noted that he created an impact sheet, at the request of Mr. Hunter, to show the Board and the public the MCGB's potential impact. The concept shown in the materials for the budget was designed around potential opportunities and an estimated amount of deal closings. Mr. Deyo then answered questions from the Board concerning the FY20 budget.

At the conclusion of Mr. Deyo's review and with no further questions, Ms. Swann introduced the motion to adopt the MCGB FY20 annual operating budget. Ms. Swann asked if there were any comments. Mr. Sahadi requested that the minutes reflect that the budget was discussed as an interim document that would be revised after the structures were established around the considerations Mr. Deyo had mentioned.

Ms. Swann then read the following resolution:

**R.4: Adoption of MCGB FY 20 Annual Operating Budget**

A MOTION TO ADOPT a Fiscal Year 2020 Annual Operating Budget for the Montgomery County Green Bank as presented at the June 19, 2019 Board meeting.

Ms. Mitchell moved the motion; Mr. Hagedoorn seconded.

All in Favor: 9 (Ms. Norman had temporarily departed the meeting.) A roll call vote was taken for those on the phone with Mr. Hunter, Ms. Brown, Mr. Marconi, and Mr. Gergen voting approval.)

All Opposed: 0

Abstained: 0

Ms. Swann next directed the meeting to the adoption of the FY20 Work Plan.

Mr. Deyo explained how the FY20 Work Plan was organized and the Board discussed it in detail.

Ms. Norman rejoined by phone at 3:40 PM.

Ms. Brown requested that the agenda be changed to address the Governance-related matters prior to her departure from the meeting.

**e. Governance**

Ms. Swann transitioned the meeting to Governance matters and read the following resolution:

**R.6: Election of Directors and Leadership**

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

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

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

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

Mr. Sahadi moved the motion; Mr. Hagedoorn seconded.

A roll call vote was taken for this resolution as follows:

All in Favor: Mr. Sahadi  
Mr. Marconi  
Mr. Gergen  
Ms. Mitchell  
Mr. Hagedoorn  
Mr. Ortiz  
All Opposed: None  
Abstained: Mr. Hunter, Ms. Norman, Ms. Swann, Ms. Brown

Mr. Deyo then briefed the Board on the proposed changes to the MCGB's Standard Operating Procedures. He asked whether there were any comments or concerns from the Board members. None were raised. Mr. Hagedoorn said he had reviewed the proposed changes and was supportive of them.

Ms. Swann read the following resolution:

**R.7: Adoption of Policy Changes**

A MOTION TO ADOPT proposed changes to each of the following policies as presented at the June 19, 2019 Board meeting:

- Standard Operating Procedures
- Internal Controls

Mr. Hagedoorn moved the motion; Mr. Sahadi seconded.

All in Favor: 10 (A roll call vote was taken for those on the phone with Mr. Hunter, Ms. Brown, Mr. Marconi, Ms. Norman, and Mr. Gergen voting approval.)  
All Opposed: 0  
Abstained: 0

**c. Finance and Operations Discussion (Continued)**

Ms. Swann transitioned the meeting back to consideration of the FY20 Work Plan by asking the Board whether there was a need to go through each line item, as the Board members had already seen drafts of the document in committee. No Board member asked for a detailed walk through.

Ms. Brown departed the meeting at 4:22 PM.

Ms. Mitchell provided an overall comment on the FY20 Work Plan, telling Mr. Deyo that it was very thorough, but it lacked a sense of priority or proportion pertaining to each task and project listed in the Work Plan. The Board agreed that such prioritization would be useful and asked that the elements be identified with an A, B, C level of priority. Mr. Hunter also asked that each of the items in Product Development be identified with the County Contract Task so that it would be clear that all Tasks were covered.

The Board agreed that a final Work Plan could be submitted to all Board members with these changes and that Board Leadership could have the final sign off on the Work Plan with these edits.

With no more comments, Ms. Swann asked that Resolution Five, adoption of the FY20 Work Plan be moved.

**R.5: Adoption of MCGB FY 20 Work Plan**

A MOTION TO ADOPT a Fiscal Year 2020 Work Plan for the Montgomery County Green Bank as presented at the June 19, 2019 Board meeting.

Mr. Sahadi moved the motion; Mr. Hagedoorn seconded.

All in Favor: 9 (A roll call vote was taken for those on the phone with Mr. Hunter, Mr. Marconi, Ms. Norman, and Mr. Gergen voting approval.)

All Opposed: 0

Abstained: 0

Ms. Swann then asked for a motion to adjourn the meeting.

Mr. Ortiz moved the motion; Mr. Gergen seconded.

The Board unanimously approved the motion to adjourn.

The meeting adjourned at 4:29 PM.