

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

155 Gibbs St; 4<sup>th</sup> Floor Conference Room | Rockville, MD 20850

**Board of Directors Meeting Minutes**

**1. Montgomery County Green Bank (“MCGB”) Board of Directors (“Board”) Chair Bert Hunter called the meeting to order at 1:38 PM.**

Roll call confirmed the attendance of the following:

- Mr. Michael Gergen, Partner, Latham & Watkins (By phone)
- Mr. Robert Hagedoorn, Chief of Fiscal Management, Department of Finance, Montgomery County (by phone)
- Mr. Bert Hunter (Board Chair), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission
- Ms. Marcene Mitchell, Global Head, Climate Strategy and Business Development, IFC/World Bank Group
- Ms. Bonnie Norman (Board Vice-Chair), President, E3 International, LLC
- Mr. Robert Sahadi, Managing Principal, GreenSpace Investment (by phone and in person)
- Ms. Stacy Swann (Board Vice-Chair), CEO and Founding Partner, Climate Finance Advisors, Benefit LLC

**A quorum was present.**

Absent Board members:

- Ms. Hope Brown (Board Secretary), Vice President and Chief Compliance Officer, Calvert Research and Management/Calvert Funds
- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Mr. Adam Ortiz, Director, Department of Environmental Protection, Montgomery County

Other meeting attendees included:

- Mr. Thomas Deyo, CEO, the MCGB
- Ms. Rosemarie Sabatino, Director of Business Operations, the MCGB
- Mr. Joshua Myers, Administrative Assistant, the MCGB
- Lindsey Shaw, Manager, Energy and Sustainability Programs, Department of Environmental Protection (“DEP”), Montgomery County
- Mr. Reuven Walder, Energy and Sustainability Expert, during Clean Energy Advantage Program discussion
- Ms. Stephanie Riddick, Sierra Club

## 2. Public Introductions and Comment

At the beginning of the meeting the Board offered any members of the public the chance to introduce themselves. Ms. Stephanie Riddick introduced herself, stating she was representing the Sierra Club and attending to stay informed on the progress of the MCGB.

## 3. Approval of the Agenda

Mr. Hunter asked if anyone had any adjustments to the agenda. Mr. Deyo requested an addition to the Finance and Operations section. The Board accepted the addition and Mr. Hunter stated the agenda would stand as presented and adjusted.

## 4. Administrative Business

Mr. Hunter asked for a motion to approve the minutes from the September 11, 2019 Board of Directors meeting.

### **R1: Approval of Minutes for the September 11, 2019 BOD Meeting**

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for September 11, 2019.

Ms. Swann moved the motion; Ms. Mitchell seconded.

All in Favor: 6

All Opposed: 0

Abstained: 2 (Marks and Gergen)

Mr. Hunter asked for a motion to approve the minutes from the October 24, 2019 Board of Directors Special Meeting.

### **R2: Approval of Minutes for the October 24, 2019 BOD Special Meeting**

A MOTION TO APPROVE the minutes of the Board of Directors Special Meeting for October 24, 2019.

Ms. Swann moved the motion; Ms. Mitchell seconded.

All in Favor: 7

All Opposed:

Abstained: 1 (Marks)

After the approval of the minutes Mr. Deyo presented the CEO Report and stated that the MCGB is gaining momentum in the market. Mr. Deyo reported that the MCGB was finalizing a second large transaction under the Commercial Loan for Energy Efficiency and Renewables (“CLEER”) Program, and that the MCGB is completing the implementation details with the two lender partners for the Clean Energy Advantage Program, which opens new avenues of business for the MCGB in residential clean energy. Mr. Deyo also provided updates on work underway with a community solar project and a commercial solar PPA product.

Mr. Deyo further reported that the MCGB had convened a commercial and industrial sector workshop in October, along with DEP, that had over 80 contractor, property owner, utility, and lender participants to discuss approaches for undertaking energy efficiency in Commercial and Industrial properties. It was the MCGB's first real foray into being the convener of large audiences on these topics, and it gave stature for MCGB to be seen in that space.

After the CEO report Ms. Shaw provided the DEP update:

- Calendar year 2019 benchmarking data is available online for download. While the compliance rate went up to 63%, DEP continues to work towards increasing the number of building owners reporting data.
- A new employee, Emily Curly, has been hired and will be working with Mr. Edwards and Ms. Shaw on commercial energy programs. Ms. Curly will be providing data management support for the Benchmarking Law.
- Eric Coffman's position is now open and available. Ms. Shaw asked that if any members of the Board knows anyone interested in becoming the Chief of Energy and Sustainability for the County, that they should encourage the individual to apply.

## 5. **General Business**

### a. **MCGB Product and Investments Discussion**

Mr. Deyo updated the Board on the Takoma Overlook project and presented the two components for which Board approval was needed: pre-approval for a loan above the CLEER Program's limit, and a separate bridge loan to the borrower. Key points from the discussion include:

- For the CLEER loan to include monitoring reports for debt service coverage ratios, an activity-based progress report during construction, and to obtain a final sources and uses budget for the project.
- The memorandum should also be edited to reflect the bridge loan being paid ahead of the CLEER loan.

Mr. Hunter asked for a motion to approve the variance to Revere Bank's Commercial Loan for Energy Efficiency and Renewable Energy Loss Reserve Agreement.

#### **R4: Approval of a variance to Revere Bank's Commercial Loan for Energy Efficiency and Renewable Energy Loss Reserve Agreement dated February 22, 2018 to provide pre-approval by MCGB for a loan above \$250,000.**

A MOTION TO APPROVE a variance to the Commercial Loan for Energy Efficiency and Renewable Energy ("CLEER") Loss Reserve Agreement with Revere Bank dated February 22, 2018, as amended, that would allow MCGB to provide a pre-approval to Revere Bank for a loan of up to \$850,000 with such compliance requirements and terms as presented to and discussed by the Board on November 19, 2019 and allow such loan to be placed in the CLEER portfolio for Revere Bank and be covered by the Loss Reserve Agreement.

Ms. Mitchell moved the motion; Ms. Swann seconded. A roll call vote was taken for this resolution as follows:

Mr. Hunter – Aye  
Mr. Gergen – Aye  
Mr. Marks – Aye  
Mr. Hagedoorn – Aye  
Ms. Mitchell – Aye  
Ms. Swann – Aye  
Ms. Norman – Aye  
Mr. Sahadi - Aye

All in Favor: 8  
All Opposed: 0  
Abstained: 0

The Board moved to the next resolution.

Mr. Hunter asked for a motion to approve participation in a loan to Takoma Overlook Condominium Association.

**R.5: Approval of MCGB Transaction/Investment No. 6: Participation in a loan to Takoma Overlook Condominium Association of up to \$450,000.**

A MOTION TO APPROVE a) MCGB to purchase a 75% participation in a City First Enterprises Inc. loan up to \$450,000 arranged by the Montgomery County Green Bank and originated by City First Enterprises Inc. to the Takoma Overlook Condominium Association to support an energy performance improvement project at the Takoma Overlook property under the terms for such loan and participation as presented to the Board on November 19, 2019; b) delegation to the MCGB Board Leadership final approval of legal documents associated with this loan and participation purchase provided the Board Leadership does not identify material items that would require Board approval; and c) for Tom Deyo, CEO, to execute such legal agreements on behalf of MCGB.

Mr. Sahadi moved the motion; Ms. Norman seconded. A roll call vote was taken for this resolution as follows:

Mr. Hunter – Aye  
Mr. Gergen – Aye  
Mr. Marks – Aye  
Mr. Hagedoorn – Aye  
Ms. Mitchell – Aye  
Ms. Swann – Aye  
Ms. Norman – Aye  
Mr. Sahadi - Aye

All in Favor: 8  
All Opposed: 0

Abstained: 0

Mr. Walder joined the meeting at 3:30 PM.

Ms. Sabatino then reviewed the upcoming Clean Energy Advantage (“CEA”) Program launch and introduced Mr. Walder to the Board. Mr. Walder is working with the MCGB to promote the CEA Program. Mr. Walder provided a summary of his experience and background. Ms. Sabatino noted that Mr. Walder has been critical in developing the CEA Program contractor recruitment materials and developing a list of contractors to target. Mr. Walder added that he has relationships with all the utilities in the area. Mr. Walder outlined his approach to working with contractors and addressed the benefits the CEA Program could offer the contractor community. Mr. Walder departed the meeting.

#### **b. MCGB Partnerships and Funding Discussion**

Mr. Deyo presented a summary of the fundraising activities and accomplishments of MCGB over the past two years. Mr. Deyo also presented a strategic concept for the FY20 fundraising effort which would concentrate on building the story for MCGB and laying groundwork for fundraising in the next two years, but that FY20 would be a lower key effort in fundraising given the string of success shown in FY19 and the interest of MCGB to focus on production goals and less on fundraising.

A Board member proposed that fundraising in FY20 should be the focus of Board members and that MCGB staff should focus on using funds already received, and the Partnerships and Funding Committee should be used to track and facilitate fundraising discussions. Another Board member indicated that the Partnerships and Funding Committee would seek to have a strategic planning session in 2020 regarding fundraising. Another Board member urged more broad thinking beyond foundations, to, for example, corporations. The members of the public in attendance were asked for their thoughts and they offered a number of suggestions to the Board.

Mr. Deyo next highlighted the upcoming December 12 event at the Glencock Office Building to announce and celebrate the first CLEER transaction. This building is owned by several conservation-minded nonprofits that align with the MCGB’s mission. Several Montgomery County officials committed to attend and help celebrate the work of this building and the role the MCGB played in the energy savings work.

Mr. Deyo provided additional detail about the Benchmarking Workshop that the MCGB and DEP convened on October 23, including that 15-20 property owners, along with many contractors and the utilities, participated. Of particular note was that during the meeting, one participant raised the challenges of submetering to a condominium community. Subsequently, DEP hosted a meeting with that participant, who sent a thank you note to the MCGB for their participation.

Mr. Deyo finished the update by stating that the implementation of Salesforce is almost completed.

**c. Finance and Operations**

Mr. Deyo updated the Board first on a proposed new procedure makes the review of the financials more efficient. As the Finance and Operations Committee reviews the MCGB financial statements prior to each Board meeting, it is proposed that a subset be presented at Board meetings to that provide the Board with an overview of the finance and operations status of the MCGB. There was no objection and Mr. Deyo reviewed the subset of financial statements current through October 2019.

Mr. Deyo requested a change to the Cash Management Policy to make a one-time adjustment to the Cash Allocation Guidance of that policy for distribution of funding among the banking and treasury accounts. The adjustment was recommended to secure a higher return as treasury rates had fallen. After discussion about the interest rate to be received and a request that the new allocation be reviewed in six months to ensure that returns are being maximized, the Board requested the change be approved as a waiver to the current Cash Allocation Guidance instead of as a permanent change.

Mr. Hagedoorn moved the motion and Mr. Hunter seconded. A voice vote was taken and the waiver request was unanimously approved.

A Board member then provided an update to the Board on the status of the Chief Investment Officer hiring process.

Mr. Hunter requested a motion to adjourn the meeting.

Ms. Swann moved the motion; Ms. Norman seconded.

The motion passed unanimously by voice vote.

The meeting ended at 4:43 PM.