

**Montgomery County Green Bank
Board of Directors Meeting
By Teleconference
Wednesday, September 16, 2020 at 1:30 PM**

Board of Directors Meeting Minutes

1. Call to Order and Roll Call

Bonnie Norman, Board Chair of the Montgomery County Green Bank (“Green Bank”) Board of Directors (“BOD” or “Board”), called the Board meeting to order at 1:36 pm. The meeting was conducted by teleconference in consideration of the COVID-19 pandemic.

Roll call confirmed the attendance of the following:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission (HOC)
- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, GreenSpace Investment
- Ms. Stacy Swann , CEO and Founding Partner, Climate Finance Advisors, Benefit LLC
- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Brian Marconi, Partner, Cohn Reznick LLP
- Ms. Marissa Ramirez, Senior Community Climate Strategy Manager, National Resources Defense Council
- Ms. Hope Brown, Vice President and Chief Compliance Officer, Calvert Research and Management/Calvert Funds (Joined at 1:54 PM)
- Mr. Adam Ortiz, Director, Department of Environmental Protection (DEP), Montgomery County (Joined at 1:54 PM)
- Ms. Marcene Mitchell (Board Vice-Chair), Global Head, Climate Strategy and Business Development, IFC/World Bank Group (joined call at 2:25)
- Mr. Michael Coveyou, Director of Finance, Department of Finance, Montgomery County (Joined at 2:30 PM)

A quorum was present.

Other meeting attendees included:

- Mr. Thomas Deyo, CEO, Montgomery County Green Bank
- Mr. Stephen Morel, Chief Investment Officer, Montgomery County Green Bank
- Ms. Cindy McCabe, Residential Solar Manager, Montgomery County Green Bank
- Ms. Jean Moyer, Business Operations Manager, Montgomery County Green Bank
- Mr. Joshua Myers, Administrative Specialist, Montgomery County Green Bank

- Mr. Stan Edwards, Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection (Joined at 2:00)
- Ms. Mary Casciotti, Montgomery County Department of Finance
- Mr. Scott Dicke, WA Analytics, Member of the Public
- Ms. Stephanie Riddick, Member of the Public
- Ms. LaToya Thomas, Brick and Story, consultant (Joined at 2:40).

2. Public Introductions and Comment

Ms. Norman introduced Ms. Marissa Ramirez, a new Board Member for the Montgomery County Green Bank. Ms. Norman asked Ms. Ramirez to introduce herself and then invited all Board members to introduce themselves.

Ms. Norman noted that the meeting was publicly announced, and the public was provided an ability to attend by phone. Two members of the public joined the call.

3. Approval of the Agenda

Ms. Norman asked if anyone had any additional adjustments to the agenda. None were voiced. The agenda for the meeting was approved.

4. Approval of Meeting Minutes

Mr. Hunter presented the minutes of the prior meetings for consideration of approval.

Mr. Hunter read the resolution for the June 24, 2020 minutes.

R1: Approval of Minutes for the June 24, 2020 BOD Meeting

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for June 24, 2020.

Mr. Hunter asked if there were any Board member had any questions or wanted to adjust the minutes. None were voiced.

Ms. Norman moved the motion; Ms. Swann seconded. No member raised items for discussion.

A voice vote was taken.

All in Favor: 6

All Opposed: 0

Abstained: 1 (Marissa Ramirez)

5. Administrative Business

Ms. Norman then commenced the Administrative Business portion of the meeting.

Ms. Norman asked Mr. Deyo to summarize his CEO Report.

Mr. Deyo reviewed the current Green Bank products in the market. Mr. Deyo started with the Commercial Loan for Energy Efficiency and Renewables (CLEER) where the Green Bank has worked with the Sandy Spring Bank, formerly Revere Bank, to close two loans with a third is closing in days. These three loans amount to over \$2 million worth of projects and more are in the pipeline. Mr. Deyo concluded that though CLEER was envisioned to fill a gap in lending with smaller Commercial loans, it seems to have found its niche in larger loans, particularly for common ownership properties.

Mr. Deyo then noted that the Clean Energy Advantage (CEA), the Green Bank's residential product, has been out since February 2020 and has had two geothermal loans closed and has six solar projects in the pipeline coming through the County Solar Coop. Mr. Deyo added that due to COVID-19 the energy efficiency work which CEA also supports had been halted due to contractors being unable to enter homes. With the County entering Phase 3 of reopening, it is thought that this energy efficiency side of CEA will pick-up.

Mr. Deyo concluded with summaries on the Small Business Energy Savings Support program which has had its first loan approved, the continuation of work on creating a Commercial Solar PPA program which is undergoing a new structure and potential partnership, and the execution of direct debt investments in community solar and common ownership communities which the Green Bank has been working.

Mr. Deyo finished by introducing two new staff members for the Green Bank: Ms. Cindy McCabe, the Residential Solar Program Manager and Ms. Jean Moyer, the Business Operations Manager.

Ms. Brown and Mr. Ortiz joined at 1:54 PM.

Mr. Ortiz provided a brief update for the Board on County activity, including work with a consultant on the County's climate plan and progress on benchmarking for next year where the County is seeing a compliance rate of 80%.

6. General Business

a. Product Development

Ms. Norman moved the meeting to Product Development.

Mr. Sahadi stated it has been quite a productive year for the Green Bank. He reiterated the items Mr. Deyo had mentioned in his CEO Report. Mr. Sahadi then asked Mr. Morel to provide a more detailed update.

Mr. Morel started with review of a Market Environmental Scan that looked at health and safety property improvement measures being considered by various property owners and

managers, and where such measures have varying energy efficiency / energy usage impacts. Mr. Morel completed the presentation with a set of questions that the Green Bank might consider regarding the relationship of energy efficiency and healthy building measures and Green Bank investment.

Mr. Morel then reviewed production results and opportunities for Green Bank products. He noted the progress made on CLEER and Clean Energy Advantage, and the upcoming Small Business Energy Savings Support loan. Mr. Morel also noted that the current pipeline had over \$15 million in opportunities across commercial, residential, and renewable energy sector projects. While not all of this will come through, it does represent a growing connection of the Green Bank to the community. Mr. Morel also noted that an important part of the production and opportunities is coming from common ownership communities and from the Green Bank's technical assistance program to this sector.

Mr. Edwards joined at 2:00 PM

Ms. Marcene Mitchell joined the meeting at 2:25 PM

Mr. Mike Coveyou joined the meeting at 2:30 PM.

a. Partnership and Funding

Ms. Norman moved the meeting to the partnership and funding session and noted that this session would include information which would support the strategic discussion to follow.

Mr. Deyo reviewed updates for Partnership and Funding, starting with the USDA loan program to which the Green Bank is applying and is a competitive program that could provide resources for commercial lending across the County. Mr. Deyo indicated that this application will revert to the Board in November for approval but asked if there were any general questions. Mr. Edwards asked if funds required a specific energy savings amount. Mr. Deyo responded that there are no specific energy savings requirement, but simply that projects show energy savings and that the loans made be the most cost effective and not overburden the borrowers.

Ms. LaToya Thomas from Brick and Story, a consultant to the Green Bank, joined the meeting at 2:40

Mr. Deyo introduced Ms. Thomas who is working with the Green Bank to provide an assessment on the Green Bank's communication strategies and how to better convey a consistent the message on the Green Bank story and to a broad set of audiences.

Ms. Thomas discussed her work as a communications consultant. She informed on how to think about the factors that go into creating an effective story. Ms. Thomas then reviewed her initial assessment of the Green Bank story drawn from several discussions with staff and select Board members. She reviewed the various messages heard on mission and narrative, the audiences, and the objectives for the story. She then presented her summary assessment

of what was working and where work was required to create a more effective story to reach Green Bank partners and audiences. Ms. Thomas concluded with the next steps over the next few weeks to drive deeper into strategy and prioritize the work and tools that the Green Bank should take to better tell its story. A discussion followed with the Board around the review and the assessment conclusions.

Ms. Norman then moved the meeting into a strategic discussion with the Board around how to think about getting to the next level for the Green Bank and the strategic areas that the Green Bank should consider in getting to this next level. Ms. Norman started by reviewing the current Board mission statement which had been modified at the last Board meeting to include directives on equity and diversity. The Board held a robust exchange of ideas on topics of equity, health, products, target audiences, renewable energy, and the relationship between the Green Bank and the County.

Mr. Coveyou left the meeting at 3:30

b. Finance and Operations Discussion

Ms. Norman moved the meeting into the Finance and Operations discussion. Mr. Marconi introduced the session.

Mr. Deyo reviewed the financials as of July 2020. The Finance and Operations Committee had reviewed the financials in detail earlier in September and the Board was provided a summarized version built off of the details. Mr. Deyo stated the Green Bank has \$24.3 million in net assets. He noted that this is consistent with what the Green Bank had at the end of the fiscal year in June 2020. Mr. Deyo continued, stating the Green Bank is on par with about \$50,000 in expenses each month. That amount will be increasing with the additions of Ms. McCabe and Ms. Moyer to the staff.

Mr. Deyo noted that the recent agreement with City First Enterprises requires the Green Bank to capitalize an account at City First Bank for \$500,000. As this account with City First Bank would be in a lower yield account, the Green Bank looked to move funds from a lower yield money market account to the City First Bank account. Such a transfer would push the total allocation of Green Bank investments in banks to just above 66% which is above the approved 65% allocation for banks per the Cash Management Policy. Mr. Deyo obtained the approval of the Chair of the Board and Chair of the Finance Committee to exceed the 65% for this transfer. Per the Policy, the Board must be notified for full approval. Mr. Deyo asked if there were any objections to having exceeded the 65% maximum of the cash allocation policy. No objections were voiced.

Mr. Deyo then noted that the first draft of the audit and 990 is progressing with the initial draft audit having been received on September 8. The audit and 990 will be brought to the Finance and Operations Committee in October and then to the full Board for approval on November 5.

c. **Governance**

Ms. Norman then moved the meeting into the Governance discussion.

Ms. Brown presented a PowerPoint on roles and responsibilities of Board members.

Ms. Ramirez left the meeting at 4:12 PM

Ms. Brown then presented the new Conflict of Interest Policy for the Green Bank for all Board members and staff.

Ms. Brown stated she would like to come back during the Board meeting in November and discuss the various disclosures made by Board members as part of the Conflict Of Interest statements to make sure everyone is aware of the various Board member external relationships.

Ms. Norman then read the resolution for the Conflict of Interest policy.

R.2: Adoption of Conflict of Interest Policy Changes

A MOTION TO ADOPT proposed changes to each of the following policies as presented at the September 16, 2020 Board meeting:

- Conflict of Interest Policy
- Conflict of Interest Attestation

Ms. Swann moved the motion; Ms. Mitchell seconded. No member raised items for discussion.

A voice vote was taken.

All in Favor: 9

All Opposed: 0

Abstained: 0

Ms. Norman noted to the public that the Board would move to closed session and then close the Board meeting while in closed session.

Ms. Norman then read the resolution to move the meeting into closed session.

R.3. Closing Statement

This closing statement was prepared by CEO, Tom Deyo, and I, Bonnie Norman, 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 the staffing of the Montgomery County Green Bank, per the “personnel matters” exception §3-305(b)(1). The reason for closing the meeting is to discuss compensation and benefits for positions, and the process for determining the same.

Mr. Hunter moved the motion; Ms. Mitchell seconded. No member raised items for discussion.

A voice vote was taken.

All in Favor: 7
All Opposed: 0
Abstained: 0

The meeting then moved into closed session at 4:26 pm.

In attendance during the closed session were the following directors:

Bonnie Norman, Vice Chair (BODL)
Marcene Mitchell, Vice Chair (BODL)
Bob Sahadi, Vice Chair (BODL)
Bert Hunter, Secretary (BODL)
Stacy Swann
Hope Brown
Zach Marks
Brian Marconi

The directors present discussed the overall assessment of the CEO’s performance, approved the report of the CEO assessment team for the Fiscal Year ended 6/30/20, and approved an increase in CEOs’ compensation within budgetary limits, for the fiscal year commencing July 1, 2020.

The Board then voted unanimously to end the closed session and immediately closed the Board meeting following the end of the closed session.

A voice vote was taken.

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

The Board meeting ended at 4:39 pm.