

**Montgomery County Green Bank
Board of Directors Meeting
By Teleconference
Wednesday, April 20, 2022, at 1:30 PM**

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Board of Directors Meeting Minutes

1. Call to Order and Roll Call

Robert Sahadi, Vice Board Chair of the Montgomery County Green Bank (“Green Bank”) Board of Directors (“BOD” or “Board”), called the Board meeting to order at 1:38 PM. The meeting was conducted by teleconference in consideration of the COVID-19 pandemic.

Roll call confirmed the attendance of the following:

- Mr. Bert Hunter (Board Secretary), Executive Vice President and Chief Investment Officer, Connecticut Green Bank
- Mr. Brian Marconi, Partner, Cohn Reznick LLP (Joined at 1:50 PM)
- Mr. Kyle Danish, Partner, Van Ness Feldman
- Ms. Marcene Mitchell (Board Vice-Chair) Senior Vice President, Climate Change, World Wildlife Fund
- Mr. Robert Sahadi (Board Vice-Chair), Managing Principal, GreenSpace Investment
- Ms. Marissa Ramirez, Director, Community Strategies, National Resources Defense Council
- Adriana Hochberg, Climate Change Officer, Montgomery County, Acting Director, DEP (Joined at 2:27 PM)
- Mr. Michael Coveyou, Director of Finance, Department of Finance, Montgomery County
- Ms. Stacy Swann, CEO and Founding Partner, Climate Finance Advisors, Benefit LLC (Joined at 2:25 PM)
- Mr. Zachary Marks, Director of Development, Housing Opportunities Commission

A quorum was present. Meeting started at 1:38 pm.

Not Present:

- Ms. Bonnie Norman (Board Chair), President, E3 International, LLC

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, Montgomery County Green Bank
- Mr. Rokas Beresniovos, Montgomery County Green Bank
- Ms. Tyniah McDuffie, Montgomery County Green Bank
- Ms. Jean Moyer, Montgomery County Green Bank
- Mr. Joshua Myers, Montgomery County Green Bank
- Mr. Stan Edwards, Special Advisor to Montgomery County Green Bank, Montgomery County Department of Environmental Protection
- Ms. Mary Casciotti, Montgomery County Department of Finance
- Ms. Nancy Feldman, Montgomery County, Department of Fiscal Management

2. Public Introductions and Comment

Mr. Sahadi began the meeting by asking if any members of the public were present. No one from the public had joined at that time. The meeting moved on to the approval of the agenda.

3. Approval of the Agenda

Mr. Sahadi asked if anyone had any additional adjustments to the agenda. None were voiced.

Mr. Hunter moved a motion to approve the agenda; Mr. Danish seconded.

A voice vote was taken, and the motion passed unanimously.

4. Approval of the Meeting Minutes

Mr. Hunter asked for a motion to approve the minutes from March 18, 2022, Board of Directors meeting.

R1: Approval of Minutes for the March 18, 2022, BOD Meeting

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for March 18, 2022.

Mr. Sahadi moved the motion; Ms. Ramirez seconded.

No comments were made.

A voice vote was taken on the motion, and the motion passed unanimously.

All in Favor: 6

All Opposed: 0

Abstained: 1 (Mr. Marks was absent from the meeting.)

Mr. Hunter asked for a motion to approve the minutes from April 8, 2022, Board of Directors meeting.

R2: Approval of Minutes for the April 8, 2022, BOD Meeting

A MOTION TO APPROVE the minutes of the Board of Directors Meeting for April 8, 2022.

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

No comments were made.

A voice vote was taken on the motion, and the motion passed unanimously.

All in Favor: 5

All Opposed: 0

Abstained: 2 (Mr. Coveyou and Ms. Ramirez were absent from the meeting.)

5. Administrative Business

Mr. Sahadi moved the meeting into Administrative Business where Mr. Deyo provided the Board with an update from the CEO.

Mr. Deyo's presentation provided an overview of the ten Green Bank programs launched by the Green Bank from CLEER in March of 2018 to the new Access Solar program in March 2022 that support the Montgomery County in achieving its climate and energy goals. Mr. Deyo also presented a new website to the Board which had just gone live. It includes a ticker on the homepage detailing the metrics of the Green Bank's work which presently showed 741 households supported, \$9,800,000 in funded projects and 1,063 metric tons of greenhouse gas emissions avoided annually by those projects.

Mr. Deyo presented a number of highlights for the Board on work done by the Green Bank since the Board meeting in January, including the Green Bank having received a \$250,000 grant from GM to support EV charging at affordable rental properties, the Access Solar rooftop solar program for low- and moderate-income households launched in March 2022, and the closing of three projects. Mr. Deyo noted that the Green Bank contracted a new auditor and acquired a new loan servicing software to support portfolio management. Mr. Deyo also reviewed a campaign of completed digital ads to spread awareness of what the Green Bank is doing in the market.

Mr. Morel then provided an update on Products and Investments. Mr. Morel noted several accomplishments including the closing of a new CLEER plus a participation loan with Sandy Spring Bank at a condominium property at 8101 Connecticut and strong interest from two national lenders to collaborate on CLEER and participation loans. Mr. Morel also pointed to the Green Bank's relationship with City First Enterprises (CFE) that continues to grow demonstrated by a recent agreement to add capital to the existing agreement and development of a second agreement for a larger amount of investment. Mr. Morel stated that the recently closed solar transaction at Hampshire Towers used the existing agreement with CFE. Mr. Morel closed by sharing a snapshot of the production pipeline approaching the end of FY22.

Mr. Brian Marconi joined the meeting at 1:52 PM

Mr. Edwards then provided an update to the Board from the Department of Environmental Protection (DEP). Mr. Edwards stated the Building Energy Performance Standards legislation from Bill 16-21 had been adopted unanimously by the County Council on April 19, 2022. The County also unanimously passed Bill 46-21 for C-PACE enhancements on March 25, 2022.

The County Executive's recommended FY23 operating budget includes funding for nine new positions and more than \$4 million in operating budget funding across a range of climate related activities.

Mr. Sahadi then moved the meeting onto General Business, starting with the Partnerships and Funding section of the agenda.

6. General Business

a. Partnerships and Funding

Mr. Deyo updated the Board on the County budget to fund the Green Bank through the recently enacted County legislation that directs support for the Green Bank with 10% of the Fuel Energy Tax. Mr. Deyo noted that the proposed County budget for FY23 included the Green Bank with an estimated \$18 million dollars in the next fiscal year.

Ms. Stacy Swann joined the meeting at 2:25 PM

Ms. Hochberg joined the meeting at 2:27 PM

Mr. Deyo also informed the Board of a recent \$250,000 GM grant to support installation of EV Charges at affordable housing properties.

The meeting then moved onto the FY21-26 Strategic Plan and a vote on its implementation.

b. FY21-26 Strategic Plan

Mr. Sahadi introduced the FY21-26 Strategic Plan, stating it was a deliberate and diligent process to formulate the plan. Mr. Sahadi thanked Ms. Ramirez for moving the process along and stated the agenda item for today was to approve the plan.

Ms. Ramirez noted that the Board edits requested from the previous meetings review of the strategic plan had been incorporated into the meeting materials distributed to Board members.

Ms. Ramirez reviewed the sections of the strategic plan. Mr. Hunter added that all strategic planning committee comments were reflective of his views and he is comfortable with the document. No members outside of that committee voiced a comment or question.

Mr. Deyo noted the topline key performance indicators of the plan, including \$200 million in project value and \$80 million of Green Bank capital in clean energy and resiliency investments; a 2.5:1 leverage to other private capital; elimination of 50,000 tons of greenhouse gas (GHG) emissions annually; and equitable access elements of supporting 2,000 low to moderate income (LMI) households with \$30 million in project value in Equity Emphasis Areas.

Mr. Sahadi spoke on the Manage Organizational Growth section of the Strategic Plan, stating this plan's goals and objectives and the need to deploy the County funding call for the Green Bank to grow its staff where the Green Bank has been conservative before.

Mr. Hunter asked if Mr. Deyo was bringing a request to grow staff to the Board at this meeting. Mr. Deyo stated that a request for an increase in staff was included in the draft budget presentation to be made at this Board meeting.

Ms. Ramirez reviewed the evaluation and monitoring within the plan. A quarterly check in is written into the plan to review where progress stands on plan objectives. Ms. Hochberg reflected that the County considers the Climate Action Plan to be a strategic document and will incorporate it into the annual work plan and stated objectives. Mr. Hunter noted that the process would fit well with what the Green Bank is doing since a number of objectives mirror the Climate Action Plan from the County. Mr. Ramirez stated that the Green Bank will also have an annual work plan to support the Strategic Plan.

The discussion continued with a review of glossary terms for the plan and the annual plan.

Mr. Sahadi stated that Ms. Norman, Chair of the Green Bank, wished to relay her thanks for all the hard work and dedication put into developing the strategic plan.

Mr. Sahadi requested the Board take up a motion to approve the plan.

R3: Approval of the FY23-25 Strategic Plan for the Montgomery County Green Bank.

A MOTION TO APPROVE the FY23-25 Strategic Plan for the Montgomery County Green Bank as substantially presented to the Board of Directors at the April 20, 2022 Board of Directors Meeting. The Board delegates to the Strategic Plan Committee ("SPC") completion of any residual items required to finalize the plan provided that any items deemed as material changes to the Strategic Plan by the SPC will be brought to the Board for approval.

Ms. Swann moved the motion; Mr. Danish seconded.

A roll call vote was taken, and the motion passed unanimously.

All in Favor: 9 (Mr. Marks was absent for the vote.)

All Opposed: 0

Abstained: 0

Mr. Sahadi then moved the meeting onto Finance and Operations and the review of the FY23 budget.

c. Finance and Operations

Mr. Deyo presented an initial review of the FY23 Budget to the Board. He stated the budget has been reviewed twice with the Finance Committee and its comments have been included in this budget, and that the budget had also been reviewed twice by Board Leadership and its comments were included as well. Mr. Hunter affirmed that the comments of the Committees had been included in the documents. Mr. Deyo noted that the presentation was to gain the full Board input before a final budget is to be presented at the June Board meeting.

Mr. Deyo also informed the Board that the Green Bank has been asked to make a presentation to the County Council as part of the County's budget process for including \$18 million in fund to the Green Bank. A part of that presentation is a submission of materials that will include information on the draft FY23 Green Bank budget that is being reviewed by the Board at this meeting. Mr. Deyo noted that the materials submitted to the County Council will become part of the public record.

Mr. Deyo's presentation started with a review of progress on the FY22 budget's large vision and quantitative goals noting that the Green Bank has achieved great success in achieving those major vision goals.

Mr. Deyo followed with a review of the key drivers for the FY23 Budget which included the \$18 million in new County Capital, key markets such as commercial, faith-based, and residential, and a doubling of production numbers between FY22 and FY23 related to the increase in capital.

Mr. Deyo noted that the plan requires new staffing. He also stated that new staff take time to absorb what the Green Bank does to become effective producers, that deals take time to reach decision points, and that the need to focus on deployment on the large capital investment from the County will necessitate more direct investment in assets that will require more operational staff to handle. Mr. Morel followed with an analysis on using FY22 metrics to determine a staff sizing that suggested 13 to 19 new Full Time Employees (FTE) would be needed to meet the production goals.

Mr. Deyo then reviewed a new draft of the Green Bank's organizational chart considering these needs that shows the Green Bank proposal to 8 new FTE to reach 15 in FY23 and another 2 FTE in FY24. Mr. Deyo reviewed the organization chart with the positions and a proposed aggressive timeline for hiring the positions quickly in the fiscal year. Mr. Deyo also reviewed an alternative hiring timeline which would delay several positions until later in the fiscal year. Mr. Deyo stated that the proposed budget used the more aggressive timeline as the expected need to hit the ground running was paramount to reaching the production goals.

Mr. Deyo reviewed the budget details to cover the production and staffing increases. Mr. Deyo noted that the budget included \$94,000 in expenses to support a recruitment firm for several key positions.

Mr. Deyo noted that the budget would be approved at the June Board meeting, but that he was seeking permission to begin posting the jobs in the next month related to the proposed organizational chart. This process would help begin the effort to find potential recruits and then be ready to hire when the budget was approved. No action would be taken without a budget approval, and no offers made. This was sought given the need to be working hard from the beginning of the fiscal year to meet the significant increase in production goals.

The Board extensively discussed the requested approach and identified concerns for the approach to proceed before a budget was approved. The Board considered how to be able to proceed on postings but with controls to not extend offers to candidates given the budget and final organizational chart and timing of hires is to be approved in June. Following the discussion, a resolution was drafted that would provide Green Bank staff with ability to proceed under certain conditions.

Mr. Marconi departed the meeting 4:03.

R5: Approval of FY23 Recruitment Posting & Process with Stipulation Of No Hiring Until FY23

A Motion to grant Tom Deyo, CEO,

- a) to proceed with the posting and recruitment process of new potential hires related to the “FY23 proposed hiring scheme for July and August positions” as presented at the April 20, 2022, BOD meeting,
- b) that no offer letters shall be made until the FY23 budget is approved by the Board including the approval of the timetable for all new hires in FY23,
- c) that Tom Deyo, CEO, may engage recruitment firms in consultation with Board Leadership to support the recruitment process while staying within a \$100,000 budget limit and
- d) keep Board Leadership apprised of the status of the process.

Mr. Hunter moved the motion; Ms. Hochberg seconded.

A roll call vote was taken, and the motion passed.

All in Favor: 8 (Ms. Mitchell was absent for the vote)
All Opposed: 0
Abstained: 0

Mr. Sahadi moved the meeting to Governance to approve the updated conflict of interest form for the Board.

d. Governance

Mr. Danish reviewed the updated Board Conflict-of-Interest form. He specified changes were made to avoid even the appearance of a conflict of interest. It also expands conflicts of interest to include spouses or family members.

Mr. Danish requested a vote on the resolution to approve the new policy and form.

R.4: Approval of the revised Montgomery County Green Bank Conflict of Interest Policy and Form

A MOTION TO APPROVE the revised Montgomery County Green Bank Conflict of Interest Policy and Conflict of Interest Form as presented to the Board of Directors at the April 20, 2022, Board of Directors Meeting with an effective date for the Conflict Of Interest Policy as of the April 20, 2022 Board meeting.

Ms. Hochberg moved the motion; Ms. Ramirez seconded

A roll call vote was taken, and the motion passed unanimously with one abstention from Mr. Coveyou.

All in Favor: 8
All Opposed: 0
Abstained: 1 (Mr. Coveyou)

7. Adjournment

Mr. Sahadi requested a motion to adjourn the meeting.

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

A voice vote was held, and the motion passed unanimously.

The meeting ended at 4:19 PM.