



ENERGY IMPROVEMENT CORPORATION, LDC

Board Meeting Minutes: August 23, 2016

PRESENT:

Chris Burdick
Michael A. Genito
Dana Levenberg (arrived 8:20)

Warren Lucas
Joe Mareane (remote)
Charles B. Strome, III

ABSENT:

Steve Neuhaus

Peter Parsons

Other Attendees:

Kathryn Hoenig
Alain Pierroz

Mark Thielking
Linda Whitehead

A meeting of the Board of Directors of EIC was held on Tuesday, August 23, 2016.

ACTING SECRETARY

On a motion by Chris Burdick and seconded by Charles B. Strome, III, it was unanimously agreed that Linda Whitehead, EIC Corporate Counsel, will act as secretary for this meeting. All in favor, so be it,

RESOLVED that Linda Whitehead, EIC Corporate Counsel will act as secretary for this meeting.

Ayes: 5

Nays: 0

A roll call was taken and the meeting was called to order at 8:07am by Charles B. Strome, III, Chair of the meeting.

MINUTES

On a motion by Chris Burdick and seconded by Charles B. Strome, III, it was unanimously agreed to approve the minutes of the June 29, 2016 meeting of the Board of Directors meeting. All in favor, so be it

RESOLVED that the minutes of the June 29, 2016 EIC Board of Director meeting is approved and accepted by the Board of Directors, of which a copy is attached. (*Attachment A*)

Ayes: 5

Nays: 0

MEMBERSHIP

Mark Thielking provided an overview of EIC membership and the stage various municipalities are at in joining EIC. He stated that Suffolk County has completed the membership process and is seeking approval as a member at this meeting and that Nassau and Albany Counties will be looking to join EIC in the near future. He also stated that he would like to re-engage with Yonkers.

SUFFOLK COUNTY

Having met all of the EIC membership requirements and having been reviewed and approved by EIC legal counsel, and on a motion made by Warren Lucas and seconded by Chris Burdick,

it was unanimously agreed to approve Suffolk County as EIC's newest member. All in favor, so be it

RESOLVED that the EIC Board of Directors present at this meeting approve Suffolk County as EIC's newest member.

Ayes: 5

Nays: 0

ENERGIZE REVENUE OUTLOOK

Mark Thielking reviewed the status of the various EIC grants: Cleaner Greener, Existing Facilities Program, Behavioral Demonstrations Grant, and Solarize Westchester and also EIC's assets and project revenue status. He stated that increased project flow is necessary to drive revenues and he also discussed the challenges posed by the as well the 10% financing limit under Article 5-L definition, noting that legislative amendments would be needed to change that and also to allow Community Solar/RNM. Mr. Thielking also reviewed the upcoming RFQ for programmatic project developers that EIC expects to issue in September. The Board also discussed the level of financings that EIC would need to reach cover expenses and also reviewed the project pipeline and expectations for the coming years.

The Board then discussed whether the 3rd party sales force will work, and if EIC can ultimately be self-sustaining – is this a realistic goal? Is the purpose of EIC to drive revenue or more about the mission, the reduction of energy consumption, etc. The possibility of additional grants was discussed and that a grant writer would need to be hired to do this. It was also discussed that the program really needs additional financial support from the state to make it work and that perhaps the elected members of the Board and the members should be pushing the state for support, pointing out that the state of Connecticut funds the Connecticut PACE program. A sustainable recurring source of funds is necessary.

The Board **also** recommended that EIC staff put together an analysis of annual recurring revenues necessary to build sufficient EIC project pipeline for the Board members to discuss with New York State officials when seeking financial assistance for EIC.

The Board then discussed whether it was important to keep the residential program going and how to fund it. NYSEDA has indicated it should be ramped down and is not going to support the residential program going forward. It was agreed that the residential program is important. After discussing the various options for increasing EIC revenues and also funding the residential program, the Board recommends that EIC prepare a budgetary plan for sources of alternative funds to support EIC's residential program for those municipalities that already have an Energize NY Residential program as well as for members who are interested in starting a Energize NY Residential program, like New Rochelle.

MODIFICATION OF FIRST NIAGARA CREDIT DOCUMENTS

Mark Thielking stated that the Board will be receiving a Unanimous Written Consent shortly to approve a modification and renewal of EIC's warehouse line of credit with First Niagara. He said that the main change is an increase in the line from \$3 million to \$4.675 million.

PUBLIC COMMENT - None

On a motion by Michael A. Genito and seconded by Charles B. Strome, III, it was unanimously agreed that, there being no business before the Board, the meeting is adjourned at 9:20am.

The next meeting of the EIC Board of Directors will be held on September 21, at 9:00am SUNY Orange, 1 Washington Center, Tower Board Rm (#509), Newburgh, NY 12550.



ENERGY IMPROVEMENT CORPORATION, LDC
Board Meeting Minutes: June 29, 2016

A meeting of the Board of Directors of EIC was held on Wednesday, June 29, 2016, at the Energize Offices at 2051 Baldwin Road, Yorktown Heights, NY.

ROLL CALL

A roll call was taken and the meeting was called to order at 8:01am by Charles B. Strome, III, Chair.

Board Members Present:

Chris Burdick
Michael A. Genito
Dana Levenberg
Warren Lucas

Peter Parsons
Joe Mareane (video conf)
Charles B. Strome III

ABSENT: Steve Neuhaus

OTHERS PRESENT:

Mike Castracan
Alain Pierroz
Kathryn Hoenig

Mark Thielking
Linda Whitehead

MINUTES

On a motion by Chris Burdick and seconded by Dana Levenberg, it was unanimously agreed to approve the minutes from the April 6, 2016 Annual Meeting of the Board of Directors. All in favor, so be it

RESOLVED that the EIC Board of Director's meeting minutes of 4/6/16 is approved and accepted by the Board of Directors of which a copy is attached. (*Attachment A*)

Ayes: 7 Nays: 0

CERTIFICATE OF APPRECIATION

On a motion by Charles B. Strome III and seconded by Chris Burdick, it was unanimously agreed to approve Mark Thielking to prepare and present on behalf of the Board a Certificate of Appreciation to Dan Killourhy for his outstanding service to the Energy Improvement Corporation. All in favor, so be it

RESOLVED that the Board approves Mark Thielking to prepare and present a Certificate of Appreciation to Dan Killourhy of which a copy is attached. (*Attachment B*)

Ayes: 7 Nays: 0

446 BROADWAY, KINGSTON FINANCING

Mike Castracan provided the Board with an overview of the proposed financing of a \$12,000 solar installation at 446 Broadway in the City of Kingston, and on a motion by Chris Burdick and seconded by Dana Levenberg, it was unanimously agreed to approve 446 Broadway in Kingston financing:

WHEREAS, the Energy Improvement Corporation (the "Corporation") is a New York not for profit corporation established as a local development corporation pursuant to section 1411 of the Not-For-Profit Corporation Law, for the purpose of assisting Participating Municipalities (as defined herein) in implementing Article 5-L of the General Municipal Law ("Article 5-L") thereby promoting the public good by reducing greenhouse gas emissions, mitigating the effect of global climate change and lessening the burdens of government; and

WHEREAS, Article 5-L authorizes the governing body of the Participating Municipality, by Local Law (as defined herein), to "establish a sustainable energy loan program using federal grant assistance or federal credit support available for this purpose (the "Program") and to provide financing to the owners of real property ("Property Owner") located within the Participating Municipality to finance the installation of "renewable energy systems" and "energy efficiency improvements" as well as the costs of an "energy audit" or a "renewable energy system feasibility study" (as all those terms are defined in Article 5-L and referred to herein as the "Energy Improvements"); and

WHEREAS, "Participating Municipality," as referred to herein, means the City of Kingston, which has: (1) established by local law ("Local Law"), pursuant to Article 5-L, the Energize NY Benefit Financing Program (the "Program") to provide financing to Property Owners located within the Participating Municipality to finance Energy Improvements through Finance Agreements (as hereinafter defined); and (2) executed the municipal agreement, which authorizes the Corporation to act on behalf of the Participating Municipality to carry out the Program and to enter Finance Agreements with Property Owners for financing energy improvements under the Program (the "Municipal Agreement; and

WHEREAS, pursuant to the Local Law, a Property Owner who is qualified to participate in the Program and chooses to undertake and finance Energy Improvements under the Program is required to enter into a finance agreement with the Corporation acting on behalf of the Participating Municipality (the "Finance Agreement"); and

WHEREAS, pursuant to the Municipal Agreement, the Corporation is responsible for, among other things, the receipt and review applications submitted by a Property Owner within the Participating Municipality for financing of Energy Improvements, the approval or disapproval of such applications in accordance with underwriting procedures and requirements established by the Corporation and the execution of Finance Agreements on behalf of the Participating Municipality, which Finance Agreements shall set forth the terms and conditions for the disbursement and repayment of financing and the duties and obligations of each Property Owner and the Corporation with respect to the acquisition, construction and installation of Energy Improvements; and

WHEREAS, the Board of Directors has reviewed the Finance Agreement and Summary Term Sheet attached hereto as Exhibit A and determined that the Energy Improvements to be financed thereunder comply with the Program and has further reviewed the terms and conditions set forth in such Finance Agreement for the disbursement and repayment of financing and the duties and obligations of the Property Owner and the Corporation with respect to the acquisition, construction and installation of the Energy Improvements; and

WHEREAS, the Board of Directors has reviewed the Form of Proposed Notice of Sale to Bank of America Leasing Corporation (BALC) and the Draft Bond Specification relating to the financing to be provided by the Corporation to the property owner specified in the attached Finance Agreement, copies of which are attached as Exhibits B and C, respectively; and

WHEREAS, the Board of Directors has reviewed the Rate Lock Agreement with Bank of America Leasing Corporation, attached hereto as Exhibit D, and determined that it is advisable to enter into the Rate Lock Agreement in order to limit the Corporation's exposure to interest rate fluctuations in conjunction with the financing specified in the attached Finance Agreement and has reviewed the terms and conditions set forth in such Rate Lock Agreement; and

WHEREAS, based upon the aforesaid review, the Board of Directors now desires to authorize the execution and delivery of the Finance Agreement, the Proposed Notice of Sale to the Bank of America Leasing Corporation and the Draft Bond Specification attached hereto upon the terms and conditions set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the unanimous vote of the Board of Directors, as follows:

1. Approval and Authorization. The terms and conditions set forth in the Finance Agreement, the Form of Proposed Notice of Sale, the Bond Specification Agreement and the Rate Lock Agreement, attached hereto as Exhibits A, B, C, and D, respectively, are hereby approved and the Executive Director or other authorized officer of the Corporation is hereby authorized and directed to execute and deliver the Finance Agreement, the Proposed Notice of Sale, the Bond Specification Agreements and the Rate Lock Agreement attached hereto.

2. Ratification. All actions previously taken by the officers of the Corporation to carry out the intent and purposes of the actions set forth in this Resolution are hereby ratified and affirmed.

Ayes: 7 Nays: 0

PROJECT DEVELOPMENT REFERRAL AGREEMENT

On a motion by Chris Burdick and seconded by Warren Lucas, it was unanimously agreed to approve the Project Development Referral Agreement which will set forth the compensation to be paid to the third party project developers and help to eliminate some of the project soft costs for EIC and have project developers deliver turn-key projects to EIC for underwriting. All in favor, so be it

RESOLVED that the Board approves Mark Thielking to enter into a Project Development Referral Agreement as needed to have project developers deliver turn-key projects to EIC for underwriting. (*Attachment C*)

Ayes: 7 Nays: 0

Alain Pierroz provided an overview of the financial reports for March through May, 2016. A monthly report of current/previous month review, a year to date report and an actual vs budget report was provided as well as a consolidated report and individual division reports. The Board agrees to review the consolidated report at the Board meetings, but suggests posting the individual division reports in a place accessible by the Board so they can be reviewed when necessary.

It was also suggested that future meeting materials be organized with agenda item number indicated on the backup material to help identify the corresponding material for each item and for the material to be in one document. The Board recommends the unanimous written consent have electronic signature capability which will be addressed for future consents.

Upcoming Financings. **Mark Thielking** updated the Board on the status of prospective new EIC members such as Suffolk County, Yonkers, the Central Region and Harrison. He also

reviewed upcoming financings: a Peekskill project, Temple Israel in Croton, Soundview Apartments in New Rochelle, all of which may need approval via Unanimous Written Consent prior to the next meeting of the Board. Mark Thielking also reviewed recent modifications made to the Finance Agreement; the revised version was used for the Kingston financing.

Modification of First Niagara Credit Documents. Mark Thielking discussed the proposed increase in the First Niagara warehouse line, the renewal of the demand line of credit and the development of a short term loan product, which will pair-up with Federal tax credits on solar projects. Mark stated that First Niagara is working on a modification agreement to our existing agreements with the bank to reflect these changes, which likely will be distributed to the Board for unanimous written consent prior to the next Board meeting.

Meeting with NYSERDA President. Mark Thielking discussed with the Board the recent meeting with NYSERDA President, John Rhodes, which included an outline of Energize member outreach services, and commercial property owner support. Also discussed at the meeting was NYSERDA's plans to allocate resources to help with member outreach and assume some of outreach responsibilities. Mark Thielking also stated that NYSERDA has agreed to develop a simplified, high-level technical pathway for projects to proceed.

PUBLIC COMMENT - None

On a motion by Chris Burdick and seconded by Peter Parsons, and all in favor, there being no further business before the Board, the meeting ended at 9:52am.

At the request of the meeting Chair, Charles B. Strome, III, it is recommended the Board meet prior to the next regular meeting in September to discuss and review the RFQ for Programmatic Project Developers and future revenue opportunities. The Board secretary will poll the Board for an agreeable date at 8am in August to meet at the Energize office in Yorktown Heights.

The next regularly scheduled meeting of the EIC Board of Directors is set for September 21st at 9am at a location to be determined in Orange County.