

**MINUTES OF MEETING
OF GOVERNANCE AND HUMAN RESOURCE COMMITTEE OF
NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

JUNE 26, 2018

1359 BROADWAY, NEW YORK, NY

At a meeting of the Directors of the New York City Energy Efficiency Corporation (“NYCEEC”) comprising the Governance and Human Resource Committee of NYCEEC (the “Committee”), held at 1359 Broadway, New York, NY, at approximately 8:00 a.m. on June 26, 2018, the following Directors and Officers of NYCEEC were present:

- Jeff Brodsky, a Director of NYCEEC
- Greg Hale, a Director of NYCEEC (by telephone)
- Fred Lee, Vice President / Director, Legal and Business Development of NYCEEC
- Susan Leeds, Co-President / CEO of NYCEEC
- Curtis Probst, Co-President / CEO of NYCEEC
- Bruce Schlein, a Director of NYCEEC

Also present by invitation was Jennifer Loftus of Astron Solutions. The meeting was called to order at 8:09 a.m.

The first order of business was the Committee’s approval of the minutes of the April 20, 2018 committee meeting. Mr. Hale made a motion to approve, which was seconded by Mr. Brodsky. The motion passed.

The next order of business was the Committee’s approval of NYCEEC’s bylaws update. As Mr. Lee explained, the updates were needed due to the updated Nonprofit Revitalization Act and NYCEEC’s move to a Co-President / CEO leadership structure. Mr. Brodsky requested clarifications on the reason for the changes to the law, to which Mr. Lee provided more detail. Mr. Hale made a motion to approve, which was seconded by Mr. Brodsky. The motion passed. Following the passage of this motion, Mr. Lee left the meeting.

Discussion then ensued regarding the Co-President / CEO resolution drafted following the April 20, 2018 HR & Governance Committee meeting. Mr. Brodsky expressed his support for the leadership structure and how it is being successfully executed.

To begin the next order of business, Ms. Leeds presented her overall budget amounts for staff salary increases and 2018 bonuses. Both salary increases and bonuses will be below the amounts that NYCEEC budgeted, due to organizational performance, staff performance, and some individual employees’ lengths of service during the year. Ms. Leeds reminded the committee that although the overall budget for bonuses is 10% of salaries, actual payout amounts will vary, based on individual employee and overall NYCEEC performance. The bonuses are not an entitlement, but rather the result of a thoughtful process focused on reviewing actual performance. In addition, NYCEEC is in capital conservation mode and faces some challenges due to impaired loans. However, the organization is looking forward to the future, particularly with the greater integration of a formal risk management

function in recent months. That said, the majority of the risk / reward equation should be borne by NYCEEC's officers, rather than the staff. NYCEEC's staff must remain motivated and impassioned to ensure future organizational success. Mr. Brodsky concurred with this approach, which maintains consistency with past years and recognizes the influence of accountability in total rewards payouts. Mr. Probst provided additional insight into overall organizational performance and change over the last year, and the need to recognize staff employee performance.

Following the conclusion of the staff compensation analysis discussion and other committee questions, the meeting shifted to the disqualified persons market analysis process & results. Ms. Loftus provided high level background on and findings from the 2018 study.

Ms. Leeds provided her joint recommendations with Mr. Probst for salary and bonus adjustments for Jay Merves and Fred Lee, highlighting their performance during the last year. Ms. Leeds' / Mr. Probst's recommendations were approved by the committee.

Discussion then followed regarding the proposed working hours for Ms. Leeds following her return from leave in mid-July 2018. Ms. Leeds had originally requested a 30 hour workweek. Upon further research and reflection, a 32 hour workweek appears to best fit both organizational and personal needs. Discussion ensued, following which Mr. Brodsky made a motion to approve a 32 hour workweek for Ms. Leeds moving forward. The motion was seconded by Mr. Schlein, and approved.

The meeting was adjourned at 8:45 a.m.

Respectfully submitted,

Jennifer Loftus
Secretary of the Meeting