



**Regional Greenhouse Gas Initiative, Inc.  
Minutes of Board of Directors' Meeting**

**September 23, 2009**

The Annual Meeting of the Directors of the Regional Greenhouse Gas Initiative, Inc., a Delaware non-profit corporation (the “Corporation”), was held on Sept 23, 2009 at the Schaefer Tower, 6 St. Paul Street, Baltimore MD, pursuant to written notice sent to each Director via email on Friday, September 18, 2009.

The meeting was called to order by the Chair, Alexander Grannis, at approximately 4:10 pm on September 23, 2009.

**Persons in Attendance**

The following Directors, constituting a quorum, were present for the meeting:

Amey Marrella, CT  
Philip Cherry for Collin O’Mara, DE  
Arnetta McRae, DE  
David Littell, ME  
Sharon Reishus, ME  
Shari T. Wilson, MD  
Susanne Brogan, MD  
Laurie Burt, MA  
Philip Giudice, MA  
Clifton Below, NH  
Robert Scott for Thomas Burack, NH  
Christopher Sherry for Mark Mauriello, NJ  
Marjorie Kaplan for Jeanne Fox, NJ  
Alexander B. Grannis, NY  
Garry Brown, NY  
W. Michael Sullivan, RI  
Dick Valentinetti for Jonathan Wood, VT  
Mary Jo Krowleski for James Volz, VT

In addition, James Volz of Vermont was present by telephone.

Philip Cherry was appointed to serve as an alternate director on behalf of Mr. O’Mara; Robert Scott was appointed to serve as an alternate director on behalf of Mr. Burack; Christopher Sherry was appointed to serve as an alternate director on behalf of Mr. Mauriello; Marjorie Kaplan was appointed to serve as an alternate director for Ms. Fox; Dick Valentinetti

was appointed to serve as an alternate director for Mr. Wood; and Mary Jo Krowleski was appointed to serve as an alternate director for Mr. Volz.

The written designations of the alternates were duly received and are attached to the minutes of this meeting.

Also present by invitation were the following people: Joe Fontaine, Lois New, Kevin Hale, Rachel Evans, Jim Brooks, Allison Rose, Diane Franks, Jean Guzetti, Nicole Singh, Paul Ghosh-Roy, Emilee Pierce and Jonathan Schrag as Executive Director.

### **Quorum of Directors**

The Secretary, Mr. Below, stated that a quorum of the Directors was present. Ms. Pierce and Mr. Below kept the minutes of the meeting.

### **Introduction from the Chair**

The Chair thanked all participants for joining the meeting. Mr. Grannis noted that RGGI, Inc. is now two years old with two years of accomplishments. Mr. Grannis welcomed the newest member of the RGGI, Inc. team, Offset Program Manager, Paul Ghosh-Roy.

### **June 15, 2009 Meeting Minutes**

Mr. Below stated that the draft of the Minutes of the Special Meeting of the Board of Directors held on June 15, 2009 had been submitted to each director prior to the meeting. After a brief discussion, and on motion duly made (by Susanne Brogan) and seconded (by Alexander Grannis), the Minutes were unanimously approved.

### **Executive Committee Report**

Mr. Below presented the Minutes of the Executive Committee meetings of July 27, 2009 and August 24, 2009 and the Draft Minutes of the Executive Committee meeting of September 14, 2009. In particular, Mr. Below called the Board's attention to the approved fiscal policies, the Request for Services: Accounting Services Contract and to modifications to the Bank of New York Mellon account that were made to mitigate additional retroactive FDIC charges on deposits.

### **Audit Committee Report**

Ms. Wilson, on behalf of Mr. Burack, gave a report on the Audit Committee's activities. Condon, O'Meara, McGinty and Donnelly began the 2008 audit in April and filed an extension on the IRS 990 and NY State CHAR 500, now due November 15, 2009. Ms. Wilson confirmed that the audit had been reviewed and accepted by the Executive Committee and drew the Board's attention to the inclusion of Auction 2 financial security in the financial statements. Ms. Wilson also addressed the 2008 Management Letter, and informed the Board that Executive Committee had worked with the Executive Director and BTQ Financial to provide comprehensive responses.

**Finance Committee Report**

**2009 Year-to-Date Financial Report**

Mr. Giudice gave the report of the Finance Committee, including the 2009 Year-to-Date Financial Report prepared by BTQ Financial, dated 9/17/09, a copy of which is attached. Mr. Giudice noted that RGGI, Inc. has under-spent in a number of areas, including personnel and legal fees.

**2010 Proposed Budget**

Mr. Giudice then provided an overview of the 2010 Proposed Budget, which was developed with the oversight of the Finance Committee. The following budget highlights were reported:

- The elimination of cost-of-living salary increases and the addition of a line item for merit-based salary increases controlled by the Executive Committee.
- Surpluses will be rolled over into 2010.
- Minimal growth in personnel expenses is expected in 2010.
- Professional fees are predicted to increase slightly with a potential rise in accounting and legal costs.
- Overall operating costs are expected to remain relatively flat.
- Within program expenses, a new \$100,000 line item was added for general consultation services related to program evaluation.

The Board discussed the following budget items in greater detail:

The Board discussed the possibility of allocating funds to RGGI, Inc. for state agency staff and RGGI, Inc. Director's travel. Administrative and technical issues of such a policy were explored. The desire for a standard travel policy was expressed by the Board. It was decided that the Executive Committee would address this issue and the Executive Director would develop a policy for Director and state agency staff travel.

The Board discussed the new program expense line item of \$100,000 for consultation services. The discussion led to a question by Mr. Brooks regarding the potential for unplanned operating expenses, such as unexpected legal fees. Mr. Schrag explained that with regard to legal expenses, RGGI, Inc. is on a \$5,000 monthly retainer and already has budgeted for an additional \$40,000 contingency.

The Board discussed the \$136,000 allocated to offsets training was evaluated. It was decided that the Executive Committee will consider the allocation of these funds pending completion of the offsets application materials and development of the offsets program.

Mr. Giudice discussed the current staff needs of RGGI, Inc. and strongly recommended the addition of an administrative coordinator position. Mr. Giudice made a motion to modify the budget to include a travel policy and to add a RGGI, Inc. administrative position. Ms. Brogan seconded. Mr. Sullivan made a motion to cap the salary of the administrative position at \$50,000

plus fringe benefits. Ms. Wilson seconded the motion. Upon motion duly made and seconded, it was unanimously

**RESOLVED** that the 2010 Proposed Budget is approved with a recommended modification to include an administrative coordinator position with a 2010 annual salary not to exceed \$50,000 plus fringe benefits.

**Nominations Committee Report**

Ms. Wilson gave a report of The Nominations Committee, which addressed Board Officer and Executive Committee elections. Ms. Wilson recommended a transition date of November 1, 2009 to allow for the necessary paperwork with banks to be completed.

Mr. Below made a motion to accept the recommendation of the nominating committee, with the new officers assuming positions on November 1, 2009. The motion was seconded by Mr. Grannis. The issue of a staggered term was also addressed after the motion – and the Board decided to consider it in the future. Upon motion duly made and seconded, it was unanimously

**RESOLVED** that the following-named persons are elected to the offices set forth beside their respective names, to serve until the next annual meeting of the Directors and until their successors are duly elected and qualified:

Chair: David Littell  
First Vice Chair: Clifton Below  
Second Vice Chair: Pete Grannis  
Secretary: W. Michael Sullivan  
Treasurer: Susanne Brogan  
Member At Large: Mark Mauriello  
Member At Large: Laurie Burt

And the aforementioned Officers will also comprise the Executive Committee.

Finance Committee  
Susanne Brogan (Treasurer and Chair)  
Michael Sullivan  
Garry Brown  
Phil Giudice

Audit Committee  
Tom Burack (Chair)  
Shari Wilson  
Arnetta McRae  
Steve Chadwick  
Susan Carlson

The Board discussed Special Committees. The Executive Director proposed the creation of an overarching program committee to function as the platform for state staff to discuss program implementation issues. The committee would consist of staff from each state. The appropriate roles and responsibilities of such a committee were discussed, with a consensus that the Committee would allow each state to provide ongoing input to program implementation. Mr. Below made a motion to abolish the special committees and establish a “Staff Program Committee,” with the Executive Director as Chair. Mr. Giudice seconded the motion. Upon motion duly made and seconded, it was unanimously

**RESOLVED** that the Program Committee be reconstituted as the Staff Program Committee and be the only Special Committee of RGGI, Inc. and it is hereby authorized to provide information and support to the Executive Director and to deliberate and make recommendations to the Executive Committee, and to the entire Board as appropriate, as to major issues related to the implementation of the CO<sub>2</sub> Budget Trading Programs and the operation of RGGI, Inc.; and be it further

**RESOLVED** that the Committee shall be chaired by the Executive Director and the members, subject to the policies of RGGI, Inc. shall be the Executive Director, such other persons as the Board from time to time selects to serve at the discretion of the Board, and the following individuals:

Chris Nelson, Phil Cherry, Jim Brooks, Diane Franks, Miles Mitchell, William Lamkin, Rachel Evans, Joe Fontaine, Christopher Sherry, Lois New, Mike Sheehan, Patricia Desnoyers, Kevin Hale, Frank Stevenson, Dick Valentinetti and Ed McNamara.

Mr. Sullivan made a motion to amend the motion such that members would be required to sign confidentiality agreements, and their membership would not come into effect until they had signed. Mr. Littell seconded the motion.

Mr. Grannis made a motion to accept the resolution as amended. Motion seconded by Mr. Littell.

**New Business**

There being no other business before the Directors, and with unanimous consent, Mr. Grannis adjourned the meeting at 6pm.

Respectfully submitted,



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W. Michael Sullivan, Secretary