Meeting Minutes: Minnesota Climate Innovation Finance Authority Board of Directors

Date: 10/15/2025
Minutes prepared by: Parisa Rostamkhani
Location: MPCA Office Conference Room #100 / Hybrid Meeting

Attendance:

- The meeting began at approximately 9:31 a.m.
  - Present: Kumar, Teiken, Nelmark, Haagenson, Benjamin, Kohlasch, Fowler, Warmuth, Wyckoff, Mills, Sultanova,
    - Lisa Hughes proxy for Kevin McKinnon
  - Absent: Perushek

Approval of Agenda:

- Motion: Kohlasch, Second: Teiken
- Unanimous approval- roll call vote

Approval of August 20, 2025, Board Meeting Minutes:

- Motion: Fowler, Second: Kohlasch
- Unanimous approval - roll call vote

Communications & Engagement Update:

- Mo Schriner gave an update on the website for MnCIFA
    - Web developer: NightHawk-MNIT Master contract developer
      - Andrea Douglas
    - Project timeline: Launching to go live on November 12, 2025.
    - Website design workshop: Three personas served by website.
      - Clients – current and potential
      - Partners
      - Critical observers
      - BOD – three web pages
      - Project pages
  - An overview was given on the Quarter 3 Public Meeting that was held on September 20.
    - Targeted invites/ attendees:
      - BOD members in person
      - Online: Over 40 Zoom attendees
    - Presenters:

- Public Sector Consultants: Julie Bennett, Kevin Bain – info on Michigan, Connecticut GBs.
- Collective Clean Energy Fund (Colorado's green bank): Dave Harris
- GB50: Franz Hochstrasser, S2 Strategies
- Key insights
- Next quarterly public meeting has a tentative date of January 8, 2026

Legislative Update (MnCIFA "ask"):

- Mo has been assisting with Government affairs, including engagement, by setting up meetings with legislative staff and government affairs officers from other state agencies. Eric Horent is assisting on the financial side by working closely with MMB and the fiscal services teams at Commerce, who MnCIFA intersects via the signed MOU. Margaret Kelly is providing her expertise as a former state budget director and is bringing experience to the legislative process.
- December's board meeting will have more details, specifically on where MnCIFA is at in coordinating with the Governor's office
- Kari gave an overview of the Governor's Executive Order 25-10 on State agencies combating fraud.

Credit Committee:

- Arpita gave an overview on the Lending Policies and Procedures.
    - Time to right size policies and procedures to team size and structure.
    - Standardized and appropriate gates to ensure efficiency of small staff resources
        - Carba example
    - Re-envisioning the role of the Board and Credit Committee
    - Borrower Confidentiality (Enterprise)
    - Timeline:
        - Draft Framework and Outline: Presented at December Board Meeting
        - Final Policies published: End of Q1
    - Policies will be the backbone to implement strategy items (Q1 and Q2 2026).
        - Capitalization
        - Products
        - Sector and Community Strategy (Q2 Solicitation for projects).
    - Overview of Request for Information on Tax Credit Changes:
        - Purpose:
            - Understand the challenges facing the renewable energy industry and consumers with the changes in the tax credits
            - Develop outreach and financing solutions based on responses
        - Responses:
            - 14 Respondents, including: 9 solar developers, 1 ESCO, 2 municipalities, 1 utility, and 1 non-profit.
        - TDLR Summary:

        - Larger developers will be able to continue executing projects at a higher cost to the end customer
        - Smaller developers and non-profits serving underserved communities will/are struggling
        - Supply chain is still rationalizing with potential intense competition for FEOC-compliant equipment.
  - Enterprise Credit Memo:
    - MnCIFA is proposing a $5 million loan to finance the construction of Enterprise Energy's Community Solar project located in Owatonna, MN.
        - Motion to approve the $5 million loan to Enterprise: Fowler, Second: Wyckoff
        - Unanimous approval- roll call vote

Finance Update:

- Eric Horent gave an update on MnCIFA's recent activities with loan servicing. There is a Financial Admin assistant who will be joining MnCIFA in November. He also gave an overview of the FY 26 budget.
  - Financial platform
  - Electronic Payment System/Payment portal
    - Timeline: 60-120 days according to U.S. Bank.
    - Likely to be on longer side of range because of system testing.
  - Set up accounts for payments
  - Completed loan amortization schedules for all existing loans
- Loan Amortization Schedule: All current projects:
  - 9 current projects are expected to generate $3.94M in revenue
    - Revenue: interest payments, principal repayment, and origination fee
    - Average annual return: approximately 4%
    - Interest rates range from: 2.50% to 5.52%
  - Until FY 28: Accrued interest > paid interest
    - Interest payments are typically deferred for some time after closing.
    - After FY26, one (large) loan with deferred interest drives the result.
  - Bulk of revenue in FY27-FY29
    - Consistent with typical loan structure and duration (3-5 years).
- Upcoming Loan Servicing Activities
  - Quarterly meetings with projects
    - Review amortization schedule
    - Update on payments/payment system
    - (Impact of federal shutdown)
  - Loan monthly reports
  - Processes and procedures
- FY 26 Budget: Revenues
  - Cash – based: $3,634,491
  - Accrual – based: $5,503,456

    - Investment Income:
        - based on MMB's budget forecast methodology.
    - Current Projects' Income:
        - based on mortgage amortization schedule.
    - New Projects' Income:
        - Assumption: $35M in projects for FY26.
        - Interest rate: 4.5%. half of accrued interests are paid.
- FY 26 Budget: Expenditures
    - $3,326,342
        - Personnel Expenditures
            - Accounts for all existing and additional staff.
        - Operating Services
            - Majority of budgeted expenses in this category ($500K) are for the new office (technology, furniture, furnishing).
            - One–time expenditures.
        - Professional/Technical Services:
            - Contracts for consultants, MOUs (AGO, Department of Commerce), and financial/loan system.
            - AGO: $120K ($600K in MOU).
            - Consultants: $650K (technical expertise, environmental expertise, regulatory expertise).
- Other budget activities:
    - 5–year base budget (in conjunction with MMB).
    - Contract Management Policy
    - Budget Requests
    - Annual Audit
    - First draft for the methodology of the origination fee

Governance Committee Update:

- Bali Kumar opened the floor for nominations and self-nominations for the office of the chair:
    - Nomination for Bali Kumar as Chair of Office: Haagenson, Second: Kohlasch
        - Unanimous approval – roll call vote
    - Nomination for Tessa Haagenson as Office of Vice Chair: Fowler, Second: Kohlasch
        - Unanimous approval – roll call vote
- Bali gave an update on the annual performance review for Executive Director, Kari Groth Swan.
- Discussion on board meeting times. A survey will be sent to members to pick a potential new day and time. The cadence for the board meetings will be every other month.

- Amy John gave an update on the policies that were created. A data practices policy was created, which was emailed to the Governance Committee. There will be a place on the new webpage for the public to submit data practices requests.

Executive Director Report:

- Kari gave her update as Executive Director of MnCIFA:
    - 4 positions are being finalized, which are 2 Loan Officers, a Staff Attorney, and a Finance Admin Assistant.
    - A staff retreat happened on October 1, where MnCIFA staff gave their 3, 6, and 12-month personal goals.
    - Continuing to participate in the work groups around philanthropy and capitalization structure with CGC and GB50. Kari will be participating with Julia Nelmark at the Opportunity Finance Network in Washington D.C., the week of October 20.

Other Business & Discussion for the Board:

- No discussion.

Motion to Adjourn:

- Motion: Kumar, Second: Wyckoff
- Unanimous approval – roll call vote
- Meeting ended approximately 12:02 p.m.