



Revolving Loan Fund Proposal

Overview:

The Sustainable Revolving Loan Fund aims to:

- Reduce greenhouse gas emissions
- Act as a catalyst in creating a more sustainable and ultimately a carbon neutral campus
- Empower students, faculty, staff, and administration to be proactive in contributing to campus sustainability efforts by inviting them to submit project proposals
- Provide a mechanism where the institution can invest in itself through conservation and efficiency measures. Capitalize on the long-term profitability of sustainability projects by covering these initial costs while securing the return they produce for future initiatives, making such projects much more feasible
- Show self-funding sustainability projects are a crucial part of fiscal stability

Eligible Projects:

Projects should achieve one of the aims above through measures such as

- Reduce energy use
- Reduce water use
- Reduce sewage or storm water runoff
- Reduce pollutants
- Improve operations
- Educate occupants
- Install renewable energy

Directors:

The directors will make all decisions of selection, allocation of funds, financing, approve all cost savings, implementation of projects, as well as consider all special instances. The directors will consist of:

- The Vice President of finance and administration
- The chair of the environmental studies department
- The facilities director
- The head of the sustainability office
- A student senator will serve as a director. If there is a sustainability senator, they will be granted the position. If not the senate will decide who will sit on the committee.

Optional Members:

Due to the difficulty associated with attending meetings, an invitation may be sent with selection based upon consensus from the other directors. The directors should consider alumnus/alumnae with relevant interests and experience. Should a proposal come up where additional expertise is required, the board may grant a one-time invite to serve as a director (no voting power).

- The board of trustees will be presented with the opportunity to seat one person as a director.
- An alumnus/ae, may serve as a director. An invite for a two year term will be sent to an alumnus/ae.

The directors of the revolving loan fund will meet three times per school year. They will not meet during the summer unless it is absolutely necessary to review a project with a deadline (i.e. a grant, or state incentive).

Procedures:

Proposals:

Part of sustainability is equity, therefore proposals may be generated by any student, staff, faculty, administrator, or anyone else associated with the college. It is highly recommended that proposals be completed with collaboration from the sustainability office and/or facilities management office. Proposals are to be submitted online in as much detail is possible.

Once a proposal is submitted it will be reviewed by the sustainability office. Additional information will be requested until the proposal is complete and satisfactory. Then it will be sent to the directors by email for individual review. Directors will bring their concerns to the meeting where the proposal may be discussed and modified in its management strategy, implementation, and finances. If at all possible, the person who proposed the project to be considered should present their project and answer questions related to their project. Once modified, the proposal will be voted on verbally. An effort should be made to reach a consensus. If a consensus cannot be reached, two thirds vote will be sufficient to pass a proposal.

Upon approval, implementation should be reviewed and carried out in timely fashion.

Completed projects, finances and payments, should be well documented, compiled, and records shall be kept by sustainability office.

Methods:

Directors are encouraged to discuss projects and proposals, and may listen to project inquiries, however, all projects must be submitted through application to be voted upon and if voted upon favorably by the directors, implemented.

Communication before meetings should be via email. In an effort to promote transparency, all proposals that will be granted funds will be posted on the sustainability website. Also the directors will report decisions made to the sustainability committee.

Bundling of projects by the directors is highly encouraged. Once all projects with a quick return (or short term payback) have been completed, other projects are less attractive and occasionally rejected despite a payback and a carbon reduction. Bundling allows two projects to be placed in the same project proposal. The funding is then joined, as are finances, payback period, etc. It is recommended to the directors that if quick return payback on a project is proposed that it be partnered with another slower payback project in order to achieve the best results and to save money and decrease emissions in the long term.

Finances:

The initial money in the fund will be allotted by the business office. After initial contribution the fund should be self-sustaining; the fund will replenish itself through 0% interest loans which (except on rare occasion) generate cost savings and will grow by extending those cost savings beyond initial loan amounts.

Cost savings will accrue to the fund and the College of St. Benedict by the following formula:

i). 90% of all cost savings will be paid back into the fund until 120% of the loan is repaid. Example: If a loan of \$10,000 is granted and saves \$2000 per year, \$1800 is paid to the fund until \$12,000 (inflation adjusted) is placed in the fund.

ii). Inflation will be taken into account with all repayments. The Bureau of Labor Statistics inflation calculator shall be used.

iii). Whenever possible, exact cost savings should be calculated. When extremely tenuous or impossible to determine cost savings, an educated estimate should be generated and brought before the directors for approval. Directors will determine if exact savings should be used or if an estimate is appropriate.

iv). If at all possible, federal and state incentives should be taken advantage of in order to expand the cost savings and maximize project scope.

v). Projects with a short term payback will be more likely to be granted funding. Projects with 5-8 years are acceptable, and longer than 8 years will be less likely to be granted funding. On occasion, certain projects that have longer than an 8 year payback, or extremely rare cases- don't produce a payback will be approved by 2/3rds majority provided it either:

1. Is highly visible and will promote sustainable efforts in other areas
2. Has exceptional educational opportunities
3. Will produce other highly appealing ancillary benefits

vi). The board may approve by consensus a finance mechanism for a particular project other than the one out-lined above, should the nature of the proposal or existing conditions merit such a change. The board may also modify existing payment plans by consensus at the request of the cost-savings recipient, as long as the alternative maintains the long-term financial viability of the fund. Special flexibility should be given in cases where energy cost pressures, such as unexpectedly high fuel prices, result in the need for a modification, as in allowing the

cost saver to receive a higher percentage of the cost-savings immediately by deferring more of the payment into the future. Requests for such plan modifications, with an alternative proposal, can be proposed to the board by the financial recipient of a project's cost-savings. This is most likely to be used for longer term payback options (8 years or more) where 50% of cost savings replenish the RLF until 130% of the loan is repaid.

vii). Cost savings should be calculated in accordance with the fiscal year (July-June). All savings should be added into the fund once a year on July 1st.

Funds for projects may be used for:

1. Materials and products
2. Professional work, installation, or design. Whenever possible costs should be minimized by in-house installation.
3. Proposal development, research and testing or monitoring equipment. If a project seems feasible but requires initial funding, the directors may approve funds to determine if the project is indeed feasible. Again, whenever possible, costs should be minimized by using students and faculty to develop proposals, research, test, and for data collection.
4. Community education, conservation efforts, outreach, and publicity—costs should be minimized if possible
5. Staff and work—the board may approve a salary by consensus—if possible, for a student employment position—for a work position(s) for a designated project(s) should conditions merit and the added cost still yields cost-savings despite the salary. The fund should accept a minor loss should such a position yield dramatic benefits to campus sustainability or show potential to lead to other projects with better financial potential {see Finances v}. 3}.

Funds should not be used for:

1. Fossil Fuels: Funds should not invest in any project using fossil fuels, unless the project leads to a significant net decrease in the consumption of fossil fuels and greenhouse gas emissions.
2. Non-renewable Resources: Funding should never be invest in or used to develop projects using technologies such as nuclear energy, large-hydroelectric dams, toxic building materials, and other unsustainable practices.
3. Renewable Energy tags/offsets: Funding should not be used for the purchase of green tags, renewable energy certificates, or other offsets.
4. Budget Shortfalls: Funding should never be used to cover college budget shortfalls
5. Staffing/Salaries: Funds must never be used for the following: faculty or staff salary or wages except in association with a project.

The directors may amend this charter at any time by consensus.