

**MINUTES OF THE JANUARY 15, 2015 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Nowak called the January 15, 2015 meeting of the members of the Finance Authority of Maine to order at 9:01 a.m. at the Finance Authority of Maine, 5 Community Drive, Augusta, Maine.

Chair Nowak noted for the record that the members had received an Agenda and Notice of Meeting (*see Certificate of Mailing attached as Appendix 1*), and that notices of the meeting had been published in certain newspapers throughout the state (*see Affidavits of Publication attached as Appendix 2*).

**A. CALL TO ORDER**

**A1: Ascertainment of Quorum**

Chair Nowak called the roll of the members and noted that there were sufficient members present for the purpose of beginning the meeting.

Those members present were as follows:

Raymond Nowak, Chair  
James Violette, Jr., Vice Chair (*entered the meeting at 12:00 p.m.*)  
Cheri Walker, Treasurer  
Jonathan Block  
George Gervais  
Terry Hayes  
James Howard  
Patrick Keliher  
Larry Mitchell  
Rosaire Pelletier  
Richard Roderick  
Susan Snowden

Those members absent:

Reis Hagerman  
Gregory Miller  
Christopher Pierce

Staff present:

Bruce Wagner, Chief Executive Officer  
Christopher Roney, General Counsel  
Charles Emmons, Senior Commercial Loan Officer  
Carlos Mello, Director of Business and Finance  
Elizabeth Vanderweide, Director of Business Development/Marketing  
Martha Johnston, Director of Education  
William Norbert, Governmental Affairs & Communications Manager

Lisa Brown, Human Resource Manager  
Katryn Gabrielson, Deputy General Counsel  
Scott Weber, Senior Credit Officer  
Roxanne Broughton, Commercial Loan Officer  
Scott Bursey, Commercial Loan Officer  
Jennifer Cummings, Senior Workout Officer  
Angela Dostie, College Savings Program Manager  
Adele Bickford, Executive/Legal Assistant

Guests Present:

Scott Knoll, Anania and Associates Investments  
Peter Anania, Anania and Associates Investments  
Marc Lamare, Elmet Technologies  
Andy Nichols, Elmet Technologies  
Brian Whitney, Maine Technology Institute (MTI)/Dept. of Economic Development

Chair Nowak advised members that because there is a lengthy agenda, the board will hear the Action Items first. All other items will be heard if time permits.

**B1: Approval of the Report of the Executive Committee Meeting of December 18, 2014**

**C: CEO's and STAFF REPORT**

**C1: CEO's Report**

**C2: Strategic Plan**

**C3: Omnibus Poll Results**

**C4: Legislative Update**

**C5: Major Business Expansion Program Standards**

**C6: Outreach Update**

**C7: Monthly Update for Board on Lumber, Wood, and Paper Industry**

**D: ACTION ITEMS**

**D1: Elmet Acquisition, LLC d/b/a Elmet Technologies – CLI and ERLP**

*Ms. Snowden exited the meeting for a conflict of interest at 9:03 a.m.*

*Commissioner Keliher exited the meeting at 10:08 a.m.*

*Commissioner Keliher re-entered the meeting at 10:13 a.m.*

*Treasurer Walker exited the meeting at 11:13 a.m.*

*Mr. Howard exited the meeting at 11:13 a.m.*

*Treasurer Walker re-entered the meeting at 11:15 a.m.*

*Mr. Howard re-entered the meeting at 11:15 a.m.*

Mr. Wagner advised that an Executive Session is requested due to the confidentiality of the information and its effect on others.

**Mr. Mitchell moved to enter into Executive Session to discuss matters for which confidentiality has been requested and the disclosure of which the Authority has determined would have a harmful business effect, and to consult with counsel to discuss legal rights and duties of the Authority. The motion was seconded by Commissioner Gervais and approved by a vote of 10 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session #1 at 9:04 a.m.*

*Members exited Executive Session #1 at 9:33 a.m.*

Mr. Bursey introduced Peter Anania, key investor and President of Anania and Associates Investment Co., Andy Nichols, Scott Knoll, and Marc Lamare of Elmet Acquisitions, LLC. Representatives of Citizens and People's United banks were unable to attend. Mr. Bursey referred members to the handout outlining the current status of the loan requests and reviewed the materials provided. The requests being considered are for pro-rata Commercial Loan Insurance (CLI) of 88% on a 60 day \$5 million loan and for a \$1 million Economic Recovery Loan Program (ERLP) loan. In addition, Anania and Associates Investment Company (AAI) will give \$1 million in equity and \$2 million for a line of credit at closing. There are currently 213 people employed in Lewiston at the Elmet facility, and 170 jobs will be retained as a result of the \$15 million asset purchase. Key issues are essentially the 100% insurance via CLI, the banks required pay-out in 60 days, and the waiver of personal guarantees.

Mr. Bursey and the guests from Elmet requested an Executive Session to further discuss the transaction and for the guests to make their presentation to the board. A request was made by the Borrower and approved by the Board to have Brian Whitney of MTI remain for the Executive Session.

**Commissioner Gervais moved to enter into Executive Session to discuss matters for which confidentiality has been requested and the disclosure of which the Authority has determined would have a harmful business effect. The motion was seconded by Treasurer Walker and approved by a vote of 10 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session #2 at 9:47 a.m.*

*Members exited Executive Session #2 at 10:08 a.m.*

Mr. Bursey reiterated that staff is recommending approval based on an additional \$3 million in capital being added, a change in the timeline from 60 days to 12 months and other conditions listed in the memo given to members as a handout.

**Treasurer Walker moved to enter into Executive Session to discuss matters for which confidentiality has been requested and the disclosure of which the Authority has determined would have a harmful business effect. The motion was seconded by Commissioner Gervais and approved by a vote of 9 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session #3 at 10:10 a.m.*

*Members exited Executive Session #3 at 11:10 a.m.*

Mr. Wagner responded to the issue of a closing in 60 days. He stated that staff is firm with their position of requiring a 12 month period for the closing on the asset sale because there is no strong likelihood of another lender taking out the financing in 60 days. He would come back to the board with any material changes.

Commissioner Gervais suggested that the board go into Executive Session without the applicant or related parties present.

**Commissioner Gervais moved to enter into Executive Session to discuss issues with Counsel regarding the legal rights and duties of the Authority, and to discuss matters for which confidentiality has been requested and the disclosure of which the Authority has determined would have a harmful business effect. The motion was seconded by Mr. Roderick and approved by a vote of 10 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session #4 at 11:12 a.m.*

*Members exited Executive Session #4 at 11:45 a.m.*

*Applicant and related parties re-entered the meeting at 11:45 a.m.*

Mr. Roney advised that the two Resolutions before the board should be voted on separately.

**A motion was made by Mr. Pelletier and seconded by Mr. Howard to approve the Resolution, and to authorize an Economic Recovery Loan in the amount of \$1,000,000 to Elmet Acquisitions, LLC as recommended by staff and as presented. The motion was approved by a vote of 10 in favor, 0 opposed and 1 abstention (Susan Snowden).**

#### **R-01-15-15-01**

**A motion was made by Commissioner Gervais and seconded by Mr. Mitchell to approve the Resolution and to authorize loan insurance for a \$5,000,000 term loan for Elmet Acquisitions, LLC as recommended by staff and as presented. The motion was approved by a vote of 10 in favor, 0 opposed and 1 abstention (Susan Snowden).**

#### **R-01-15-15-02**

### **B: CHAIR'S REPORT**

#### **B2: CEO Evaluation**

**Mr. Mitchell moved to enter into Executive Session to discuss a personnel matter. The motion was seconded by Mr. Howard and approved by a vote of 10 in favor, 0 opposed and 0 abstentions.**

*Staff, except Ms. Brown, exited the meeting to allow board members to discuss a personnel matter.*

*Ms. Snowden re-entered the meeting at 12:00 p.m.*

*Vice Chair Violette entered the meeting at 12:00 p.m.*

Board discussion ensued.

*Staff re-entered the meeting at 12:44 p.m.*

*Several members exited the meeting between 12:00 p.m. and 12:44: Susan Snowden, Cheri Walker, George Gervais and Patrick Keliher.*

### **A2: Approval of December 18, 2014 Board Meeting Minutes**

**A motion was made by Vice Chair Violette and seconded by Mr. Howard to approve the minutes of the December 18, 2014 board meeting. The motion was approved by a vote of 7 in favor, 0 opposed and 1 abstention (Terry Hayes).**

**R-01-15-15-03**

### **D2: Approval for Rulemaking – Ch. 314, Amendment 7, Regional Economic Development Revolving Loan Program (REDRLP)**

The amendment to the Rule is being implemented to incorporate changes to the Program enacted by the Legislature.

**A motion was made by Treasurer Hayes and seconded by Mr. Block to approve Rule Ch. 314, Amendment 7, Regional Economic Development Revolving Loan Program, for rulemaking.**

The legislation governing this rule would broaden, at CEI's urging, the flexibility and use of the REDRLP funds to boost some limits, such as loan limits and to allow for other projects, e.g., mixed-use and value-added natural resource enterprises.

**The motion was approved by a vote of 8 in favor, 0 opposed and 0 abstentions.**

**R-01-15-15-04**

### **D3: FY 2015 Budget Amendment**

Ms. Johnston referred members to the memo in their board packets, which provides the background for the request to amend the FY 15 Budget. A matrix lists the sponsorships and/or contributions for which FAME requires an additional allocation. A sponsorship to MTI as an exhibitor in their tradeshow has already occurred. A contribution to MaineCAN would support the partial cost of funding a project coordinator position to a previously all-volunteer group. The services to be

provided are: a directory of providers; best practices symposium and doubling of sites for College Application Week. Included in the amendment are funds for a sponsorship to the Maine Community College System. At the request of a board member, Ms. Johnston will provide an update to the board that will include target numbers and impact. Ms. Johnston added that staff is looking at changing the procedure to allow more flexibility. It would allow staff to bring things to the board after the fact and would include a provision to provide periodic updates to the board.

**A motion was made by Treasurer Hayes and seconded by Mr. Pelletier approve the amendment to the FY 15 as presented. The motion was approved by a vote of 8 in favor, 0 opposed and 0 abstentions.**

**R-01-15-15-05**

**COMMISSIONERS' & TREASURER'S UPDATES**

The meeting adjourned at 12:59 p.m.

Respectfully submitted,

James Violette, Jr., Vice Chair