

**MINUTES OF THE AUGUST 16, 2018 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the August 16, 2018 meeting of the members of the Finance Authority of Maine to order at 9:08 a.m. at the Finance Authority of Maine, 5 Community Drive, Augusta, Maine.

Chair Violette 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**

Chair Violette 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:

James Violette, Jr., Chair  
Richard Roderick, Vice Chair  
David Daigler, Treasurer  
Jonathan Block  
Teresea Hayes  
James Howard  
Larry Mitchell  
Timothy Nightingale  
Raymond Nowak  
Rosaire Pelletier  
Christopher Pierce  
Cheri Walker

Those members absent:

Denise Garland  
Patrick Keliher

Staff present:

Bruce Wagner, Chief Executive Officer  
Charles Emmons, Director of Commercial Lending  
Carlos Mello, Chief Risk Officer  
Jonathan Harvell, Chief Information Officer  
Elizabeth Vanderweide, Director of Business Development and Marketing  
William Norbert, Governmental Affairs and Communications Manager  
Lisa Brown, Human Resource Manager  
Katryn Gabrielson, Deputy General Counsel

Jennifer Cummings, Senior Workout Officer  
Rita Fournier, Education Programs Manager  
Eva Giles, College Savings Plan Manager  
Shelly Desiderio, Chief Accounting Officer  
Holly Maffei, Financial Analyst  
Mary Dyer, Financial Education Officer  
Abigail Sowers, VISTA  
Roxanne Broughton, Commercial Loan Officer  
Ellen Curtiss, Credit Analyst  
Adele Bickford, Executive/Legal Assistant

Guests Present:

Jed Troubh, Thompson's Point Development  
Chris Thompson, Thompson's Point Development

**A2: Approval of June 21, 2018 Board Meeting Minutes**

A motion was made by Treasurer Daigler and seconded by Treasurer Hayes to approve the minutes of the June 21, 2018 Board meeting. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-08-16-18-01

**B: CHAIR'S REPORT**

**B1: Acceptance of the Report of Executive Committee Meeting of June 21, 2018**

A motion was made by Vice Chair Roderick and seconded by Treasurer Daigler to accept the Report of the Executive Committee meeting of June 21, 2018. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-08-16-18-02

**B2: Acceptance of the Report of the Risk Management & Audit Committee Meeting of June 28, 2018**

A motion was made by Mr. Block and seconded by Mr. Mitchell to accept the Report of the Risk Management & Audit Committee meeting of June 28, 2018. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-08-16-18-03

**C: CEO and STAFF REPORT**

**C1: CEO Report**

Mr. Wagner referred members to the CEO report in their packets. In response to a question, he noted that the changes to the EB-5 Program affects communication and the order in which fees are collected.

The U.S. Department of Education is conducting an audit of FAME's cybersecurity in connection with FAME's periodic approval to continue with the Federal Family Education Loan Program (FFELP), which is experiencing attrition at a slower rate than originally predicted.

Members affirmed plans for a Midcoast October board retreat.

Mr. Wagner reminded members of the November Annual Meeting. The guest speaker will address how millennials are customers and how different generations are related.

The Governor has put forth the names of nominees for termed out FAME board members: Vice Chair Roderick has agreed to return for a second term. The other four members are: Blue Keim, Andy McGadney, Holly Ferguson and Eric Lusk.

### **C1a: Articles of Interest**

Included in board packet.

### **C1b: EB-5 Policy Review**

Mr. Mello referred members to EB-5 Policy Manual in their packets that provides the framework for EB-5 and the established key criteria for the consideration of projects. The five criteria are: viability of the underlying project; public benefit; developer experience; developer access to additional sources of capital to supplement EB-5 financing; and developer's ability to complete project should EB-5 financing be delayed or prove untenable. Mr. Mello emphasized that no more than 30% of the total project cost will be provided by EB-5 funding.

### **C2a: Education Quarterly Review**

Mary Dyer, in the absence of Martha Johnston, provided highlights to the Education Quarterly Report in the board packet. Ms. Dyer introduced Abigail Sowers who is FAME's VISTA volunteer. Ms. Dyer presented some key initiatives: training for college access, financial aid and school counseling professionals to provide a preview of the FAFSA and the financial aid process; organizations in Massachusetts and Illinois have contracts in place for Claim Your Future; ECMC has been selected to provide default prevention services to fill the void left by SALT and IGrad will replace SALT's financial wellness services; a \$10 million bond has been issued to provide fixed rate Maine Loans; and the NextGen 529 Plan has seen significant growth in the Direct Series.

### **C3a: WatchDesk Report**

*Chair Violette exited the meeting for conflict of interest at 10:14 a.m.*

*Mr. Nowak exited the meeting for a conflict of interest at 10:19 a.m.*

*Chair Violette re-entered the meeting at 10:19 a.m.*

*Mr. Nightingale exited the meeting for a conflict of interest at 10:21 a.m.*

*Mr. Nowak re-entered the meeting at 10:22 a.m.*

Members went into Executive Session to allow Ms. Cummings to provide some detail to specific loans.

**Mr. Block moved to enter into Executive Session to discuss records including financial statement or tax return obtained or developed by the Authority in connection with any monitoring or servicing activity by the Authority pertaining to any financial assistance to be provided by or with assistance of the Authority (10 MRSA §975-A(2)(D)). The motion was seconded by Treasurer Daigler and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session No. 1 at 10:15 a.m.*

*Members exited Executive Session No. 1 at 10:29 a.m.*

### **C3b: Statistical Reports and Updates**

*Mr. Nightingale re-entered the meeting at 10:29 a.m.*

*Vice Chair Roderick exited the meeting at 10:29 a.m.*

*Mr. Pelletier exited the meeting at 10:30 a.m.*

*Vice Chair Roderick re-entered the meeting at 10:31 a.m.*

*Mr. Pelletier re-entered the meeting at 10:35 a.m.*

*Ms. Walker exited the meeting at 10:35 a.m.*

*Ms. Walker re-entered the meeting at 10:38 a.m.*

Members discussed the targeted focus areas of EB-5 and those of FAME, which are different. Staff is cognizant of industry concentrations when reviewing loan applications.

**BREAK: 10:39 AM – 10:44 AM**

### **D: ACTION ITEMS**

#### **D1: Request for FAME Direct Loan – Forefront Commons I, LLC**

*Mr. Block exited for a Conflict of Interest at 10:44 a.m.*

*Mr. Nightingale exited for a Conflict of Interest at 10:44 a.m.*

*Chair Violette exited the meeting at 11:30 a.m.*

*Chair Violette re-entered the meeting at 11:33 a.m.*

Ms. Broughton introduced Chris Thompson and Jed Troubh of Thompson Point Development who are requesting \$495,000 for a project which will also include a construction loan from Bangor Savings Bank. FAME's loan would be utilized to renovate a building to house management services for Forefront Commons properties as well as demolition and site work after a current Thompson's Point occupant relocates. Mr. Thompson provided an historic overview of Thompson's Point and its multi-purpose growth potential and public benefit. Discussion ensued regarding parking revenues to be used as a means of loan repayment.

**Mr. Howard moved to enter into Executive Session to discuss records for which confidentiality has been requested by the owner or the person to whom it pertains, and as to which the Authority determines the information in which gives the owner/user an opportunity to obtain business or competitive advantage over another person who does not have access to the information other than through the Authority, or that access to the information by others would results in a business or competitive disadvantage, loss of business, or other significant detriment (10 MRSA §975-A(2)(B). The motion was seconded by Treasurer Daigler and approved by a vote of 10 in favor, 0 opposed and 2 abstentions (Jonathan Block and Timothy Nightingale).**

*Members entered Executive Session #2 at 11:18 a.m.*

*Members exited Executive Session #2 at 11:32 a.m.*

Mr. Wagner advised members that he had made a site visit to Thompson's Point and made his decision to approve by considering character, cash, collateral, credit and capital. Mr. Wagner expressed his confidence in management's ability to attract excellent tenants and emphasized the public benefit of the project.

Executive Session was requested by Chair Violette.

**Vice Chair Roderick moved to enter into Executive Session to discuss records for which confidentiality has been requested by the owner or the person to whom it pertains, and as to which the Authority determines the information in which gives the owner/user an opportunity to obtain business or competitive advantage over another person who does not have access to the information other than through the Authority, or that access to the information by others would results in a business or competitive disadvantage, loss of business, or other significant detriment (10 MRSA §975-A(2)(B). The motion was seconded by Treasurer Daigler and approved by a vote of 10 in favor, 0 opposed and 2 abstentions (Jonathan Block and Timothy Nightingale).**

*Members entered Executive Session #3 at 11:41 a.m.*

*Members exited Executive Session #3 at 11:42 a.m.*

**A motion was made by Vice Chair Roderick and seconded by Mr. Howard to approve the loan request by Forefront Common I, LLC as presented. The motion was approved by a vote of 9 in favor, 1 opposed (Teresea Hayes) and 2 abstentions Jonathan Block and Timothy Nightingale).**

**R-08-16-18-04**

**D2: Approval of Strategic Plan**

*Mr. Pelletier exited the meeting at 11:44 a.m.*

*Ms. Walker exited the meeting at 11:44 a.m.*

*Mr. Nightingale re-entered the meeting at 11:45 a.m.*

*Ms. Walker re-entered the meeting at 11:45 a.m.*

Chair Violette stated that the Strategic Plan is consistent with previous discussions and has captured the thoughts expressed by board members in a previous special board meeting called for strategic planning. A timeline setting forth milestones and metrics will be provided at the September board meeting.

**A motion was made by Mr. Howard and seconded by Mr. Mitchell to approve the FY 2019-2021 Strategic Plan as presented. The motion was approved by a vote of 9 in favor, 0 opposed and 1 abstention (Timothy Nightingale).**

**R-08-16-18-05**

**D3: Adoption of Rule Ch. 1, Amendment 6 – Bylaws and Administration of the Finance Authority of Maine**

*Mr. Block re-entered the meeting at 11:48 a.m.*

Rule Ch. 1, Bylaws and Administration of the Finance Authority of Maine is being amended to include changes to the Conflict of Interest policy resulting from previous board discussions. The board previously approved the rule for rulemaking and no comments were received during the comment period. It is before the board for adoption.

**A motion was made by Mr. Howard and seconded by Mr. Mitchell to adopt Rule Ch. 1, Bylaws and Administration of the Finance Authority of Maine, as presented. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.**

**R-08-16-18-06**

**D4: Approval of Information Security Policy**

The Information Security Policy, which pertains primarily to cybersecurity, was reviewed by the Risk Management and Audit Committee in June. Their edits have been incorporated into the Policy that is before the board for approval with their recommendation for approval.

**A motion was made by Mr. Mitchell and seconded by Mr. Howard to approve the Information Security Policy as presented. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.**

**R-08-16-18-07**

**D5: Approval of Fiduciary and Capitalization Policy – Education Funds**

*Mr. Nowak exited the meeting at 11:53 a.m.*

*Ms. Walker exited the meeting at 11:53 a.m.*

The Fiduciary and Capitalization Policy – Education Funds policy was reviewed by a joint meeting of the Risk Management and Audit and Education committees on June 28, 2018. There were no revisions to the policy and recommendation for approval by the full board was made by all members present.

**A motion was made by Treasurer Hayes and seconded by Mr. Howard to approve the Fiduciary and Capitalization Policy – Education Funds as presented. The motion was approved by a vote of 9 in favor, 0 opposed and 0 abstentions.**

**R-08-16-18-08**

**D6: Approval of CEO Performance Appraisal Policy**

A draft of the CEO Performance Appraisal policy, which provides target dates for the review process, was provided to the Executive Committee. There were no changes. The last date referring to the CEO performance goals was determined to be redundant and will be removed from the policy.

**A motion was made by Mr. Howard and seconded by Treasurer Daigler to approve the CEO Performance Appraisal policy as amended. The motion was approved by a vote of 9 in favor, 0 opposed and 0 abstentions.**

**R-08-16-18-09**

**D7: Approval of Contributions, Memberships, Sponsorships Policy**

Ms. Vanderweide advised that there have not been any changes to the Contributions, Memberships, Sponsorships policy in statute or in policy.

**A motion was made by Mr. Howard and seconded by Mr. Mitchell to approve the Contributions, Memberships, Sponsorships Policy as presented. The motion was approved by a vote of 9 in favor, 0 opposed and 0 abstentions.**

**R-08-16-18-10**

**Finance**

**C4a: Scorecard Performance Pay-out**

Ms. Brown reported that most of the FY 2018 Scorecard goals were met except Lender Debt, which fell slightly below target. A pay-out will be made from a \$94,000 incentive pool.

**C4c: Preliminary FY 2018 Financial Results**

Tabled.

**C4d: Quarterly Contributions, Sponsorships & Donations Report**

Tabled.

**C4b: Investment Portfolio Asset Allocation Strategy**

Mr. Mello asked for board support to go out to an RFP for a new investment manager to implement a new investment allocation strategy as outlined in the board packet. He received support for the RFP process.

**COMMISSIONERS' & TREASURER'S UPDATES**

None.

Discussion ensued regarding numbering and blank page issues in the board packet. It was suggested that Mr. Harvell be contacted for help and that each document be numbered individually.

**E: OPEN TIME FOR UNFINISHED BUSINESS**

None.

There was a motion to adjourn made by Treasurer Daigler and seconded by Mr. Howard. It received unanimous approval.

The meeting adjourned at 12:13 p.m.

Respectfully submitted,

Richard Roderick, Vice Chair