

**MINUTES OF THE DECEMBER 13, 2018 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the December 13, 2018 meeting of the Finance Authority of Maine to order at 9:10 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  
Teresea Hayes  
Larry Mitchell  
Timothy Nightingale  
Rosaire Pelletier  
Christopher Pierce

Those members absent:

Jonathan Block  
Denise Garland  
James Howard  
Patrick Keliher  
Raymond Nowak  
Cheri Walker

Staff present:

Bruce Wagner, Chief Financial Officer  
Christopher Roney, General Counsel  
Katryn Gabrielson, Deputy General Counsel  
Charles Emmons, Director of Commercial Lending  
Carlos Mello, Chief Risk Officer  
Martha Johnston, Director of Education  
William Norbert, Governmental Affairs and Communications Manager  
Elizabeth Vanderweide, Director of Business Development and Marketing  
Lisa Brown, Human Resource Manager

Reis Hagerman, Education Products Officer  
Mary Dyer, Financial Education Officer  
Abigail Sowers, VISTA member  
Scott Weber, Senior Credit Officer  
Shelly Desiderio, Chief Accounting Officer  
Adele Bickford, Executive/Legal Assistant

Guests Present:

Brian Boland, ND Paper  
Kris Eimicke, Pierce Atwood  
Randy Chicoine, ND Paper

### **A1: Call to Order**

### **A2: Approval of November 15, 2018 Board Meeting Minutes**

Vice Chair Roderick noted an error regarding the vote for Executive Session for Item C3a (Watch Desk). The number of abstentions should read: 1(Timothy Nightingale).

Treasurer Hayes questioned if the CEO's compensation is public record and should be recorded in the minutes. It has not been the practice to do so in the past. It was acknowledged that the CEO's compensation is public information. Because of privacy and the fact that it was not discussed in public session, the actual compensation is not included in the minutes.

**A motion was made by Vice Chair Roderick and seconded by Mr. Mitchell to approve the minutes of the November 15, 2018 Board meeting as amended. The motion was approved by a vote of 8 in favor, 0 opposed and 0 abstentions.**

### **R-12-13-18-02**

Treasurer Hayes requested that the CEO compensation figure be provided to her since it did not appear in the Executive Session minutes. Ms. Brown will provide the information requested.

### **A3: CEO Performance Review**

Members entered Executive Session in order to discuss the CEO performance review. Staff was dismissed.

**Treasurer Daigler moved to enter into Executive Session for discussion or consideration of a personnel matter (CEO evaluation) in which public discussion could reasonably be expected to cause damage to the reputation or the individual's right to privacy would be violated (1 MRSA §405(6)(A). The motion was seconded by Vice Chair Roderick and was approved by a vote of 8 in favor, 0 opposed and 0 abstentions.**

*Members entered Executive Session No. 1 at 9:15 a.m.*

*Members exited Executive Session No. 1 at 10:05 a.m.*

**BREAK: 10:05 a.m. – 10:10 a.m.**

**D: ACTION ITEMS**

**D3: Consideration of New Markets Capital Investment Program Certification Application for Investments in ND OTM LLC (Old Town): Stonehenge Community Development 124, LLC; CCG Sub-CDE 44, LLC; Enhanced Capital New Market Development Fund 58, LLC; Community Development Funding XXII, LLC; UA Sub-CDE XXV, LLC**

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

*Treasurer Daigler exited the meeting at 10:44 a.m.*

*Treasurer Daigler re-entered the meeting at 10:46 a.m.*

Mr. Roney introduced Randy Chicoine and Brian Boland of Nine Dragons (ND) and Kris Eimicke of Pierce Atwood. Before the board are six certification applications from six companies seeking New Market Tax Credits for their proposed investments in ND OTM LLC. The \$32 million project would re-start and operate a pulp manufacturing facility at the site of the closed Old Town Mill in Old Town, Maine.

Mr. Boland provided a brief overview of the parent company, Nine Dragons, which previously purchased the assets of Catalyst Paper in Rumford, Maine along with a facility in Wisconsin and operations in Dayton, Ohio. There have been 2 additional purchases in West Virginia prior to this project in Old Town. A handout providing a project description, financing and community impact was provided to members.

Mr. Roney reiterated those elements necessary to be present in order for the board to approve certification for investments in ND OTM, LLC: Authority must determine that investments qualify as qualified equity investments; 85% of the proceeds from the transaction must be used for the described investments; investment must be made in a qualified community development entity (CDE); investment must be made to a qualified low-income community doing business within the state; and the CDE must meet the definition of a qualified community development entity and continue to meet that definition.

Mr. Pelletier motioned to consider and to approve the six resolutions as a group. Mr. Mitchell seconded both motions.

Mr. Roney referred members to the six resolutions in their board packets, noting one change; the investment amount in UA Sub-CDE XXV, LLC should read \$4,642,546.65.

**Mr. Pelletier moved to approve the Resolutions Certifying an Investment by US Bank NA in Stonehenge Community Development 124, LLC; CCG Sub-CDE 44, LLC; Enhanced Capital New Market Development Fund 58, LLC; Community Development Funding XXII, LLC; UA Sub-CDE XXV, LLC as amended. The motion was seconded by Mr. Mitchell and approved by a vote of 7 in favor, 0 opposed and 1 abstention (James Violette).**

**R-12-13-18-03**

**D1: Approval of Bond Resolution – GIGME01, LLC (Revenue Obligation Securities Program)**

*Chair Violette re-entered the meeting at 10:47 a.m.*

*Chair Violette exited the meeting at 10:48 a.m.*

*Mr. Pelletier exited the meeting at 10:48 a.m.*

*Chair Violette re-entered the meeting at 10:50 a.m.*

GIGME was formed by an industrial group to purchase the Village Green Ventures, a solid waste entity in Brunswick Landing, Brunswick, Maine. This bond, \$6.6 million (tax exempt) and \$10.4 million (taxable) will be used to renovate an existing digester and to purchase a second digester. The bonds carry no liability or credit enhancement to FAME. A public hearing was held with no comments received, there is no detriment to competitors and it meets all statutory requirements. A project description was provided as a handout.

**Treasurer Hayes moved to approve the Resolution authorizing the issuance and sale of up to \$6,600,000 tax-exempt Resource Recovery Revenue Bonds (GIGME01, LLC Project) Series 2019A, and up to \$10,400,000 Taxable Resource Recovery Revenue Bonds (GIGME01, LLC Project) Series 2019B of the Finance Authority of Maine; authorizing and approving the execution and delivery of an indenture, a loan agreement and such other documents and matters necessary or convenient in connection therewith. The motion was seconded by Mr. Mitchell and approved by a vote of 7 in favor, 0 opposed and 0 abstentions.**

**R-12-13-18-04**

**D2: Approval of Bond Resolution – Dirigo Center Development, LLC (Revenue Obligation Securities Program)**

*Mr. Pelletier re-entered the meeting at 10:55 a.m.*

A short video describing the proposed multi-use project in Westbrook, Maine was viewed. In order for the project to receive tax exempt bond proceeds, Dirigo Center Development (DCD) must provide public infrastructure improvements. This will be accomplished through improvements to two turnpike exits and intersections. Additionally, the Metro bus service will lease roads within the site to further establish eligibility for bond tax exempt treatment. The source of repayment will be from Tax Increment Financing (TIF) revenues. There is no state or FAME liability or public funds being used.

**Vice Chair Roderick moved to approve the Resolution authorizing the issuance and sale of up to \$16,300,000 Convertible Capital Appreciation Revenue Securities (City of Westbrook Rock Row Center Project ) Series 2018, of the Finance Authority of Maine; authorizing and approving the execution and delivery of an indenture, a development agreement, a bond purchase agreement and a tax compliance certificate; authorizing and approving the delivery**

**of a preliminary limited offering memorandum and a final limited offering memorandum; and other matters in connection therewith. The motion was seconded by Treasurer Hayes and approved by a vote of 7 in favor, 0 opposed and 1 abstention (Timothy Nightingale).**

**R-12-13-18-01**

For full disclosure, Mr. Roney advised that an attempt by an unidentified party is being made to stop the project.

**D4: Approval for Adoption of Rule Ch. 611, Amendment 17 – Maine Education Savings Program (NextGen)**

Ms. Gabrielson presented Rule Ch. 611, Maine Education Savings, Program, Amendment 17 for adoption. The board gave approval for rulemaking in October. No comments were received during the public comment period. The Rule is being amended to conform it to the federal and state tax codes and also to change its name in keeping with recent state statutory changes.

**Vice Chair Roderick moved to approve adoption of Rule Ch. 611, Amendment 17, Maine Education Savings Program. The motion was seconded by Treasurer Hayes and approved by a vote of 8 in favor, 0 opposed and 0 abstentions.**

**R-12-13-18-05**

**B: CHAIR'S REPORT**

Chair Violette thanked Treasurer Hayes for her work on the FAME board.

**B1: Acceptance of the Report of the Education Committee Meeting of November 1, 2018**

*Chair Violette exited the meeting at 11:09 a.m.*

Ms. Johnston provided an overview of the Education Committee meeting of November 1, 2018 as provided in the minutes in the board packet: proposed underwriting change for Maine Private Education Loan Network (MPELN), changes to NextGen Grant terms and conditions, Maine Loan bond issuance and creation of a policy for use of NextGen fees, which will come to board for approval.

Ms. Johnston introduced Reis Hagerman, a former FAME employee, who will be helping with commercialization of Claim Your Future.

Ms. Dyer advised that an Employee Financial Wellness program will be launched in 2019 as noted in the minutes.

**A motion was made by Treasurer Daigler and seconded by Mr. Pelletier to accept Report of the Education Committee Meeting of November 1, 2018 as presented. The motion was approved by a vote of 7 in favor, 0 opposed and 0 abstentions.**

**R-12-13-18-06**

## **B2: Acceptance of the Report of the Business Committee Meeting of November 6, 2018**

Mr. Emmons recapped what was presented at the November board meeting. The minutes were provided to members that included the WatchDesk Report, Statistics, and Lending Policy revisions, which will be taken up again before coming to the board. Mr. Norbert provided an update to possible future legislation.

**A motion was made by Treasurer Hayes and seconded by Mr. Mitchell to accept Report of the Business Committee Meeting of November 6, 2018 as presented. The motion was approved by a vote of 7 in favor, 0 opposed and 0 abstentions.**

**R-12-13-18-07**

## **C: CEO and STAFF REPORTS**

### **C1: CEO Report**

Mr. Wagner highlighted some items from his CEO Report. He asked members for their input to fill the vacant board seats that will occur with the change in administration and reiterated that a new legislative committee, Innovation, Development and Economic Advancement Committee (IDEA), which resulted from a split up of the Labor, Commerce, Research and Economic Development Committee (LCRED), will be responsible for the oversight of FAME. He also referred to micro-credentialing as an important strategic area for FAME.

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

Included in board packet.

### **C1b: Claim Your Future Update**

Ms. Vanderweide reviewed the handout outlining the commercialization of Claim Your Future (CYF), the proceeds of which are targeted to provide funding for financial education for Maine residents. There have been two sales to date to: American Student Assistance (ASA, a former SALT partner) and Illinois Student Assistance Commission (ISAC), Illinois' equivalent of FAME Education.

Mr. Hagerman listed the market segments and sales projections as presented in the handout that FAME is targeting: state agencies, 529 plans, four year colleges, credit unions, and other alternative organizations, with an estimated total income over five years at \$4.5 million.

### **C2b: Estimated Family Contribution (EFC)**

*Mr. Pelletier exited the meeting at 11:45 a.m.*

Ms. Johnston reminded members that staff has come to the board in the past for approval of use of NextGen fee revenues to supplement the Maine State Grant funds in support of the Estimated

Family Contribution cut-off. Board approval is not required since NextGen funds are no longer being used. The EFC for 2020 is 4500, which is the same as last year.

### **C2c: NextGen Maximum Contribution**

Ms. Johnston referred members to the memo in board materials outlining the means by which the maximum contribution to NextGen is determined. The Chief Executive Officer has increased the maximum contribution from \$475,000 to \$500,000 for calendar year 2019. The Advisory Committee was made aware of the change to the maximum contribution and it is being brought to the board for information purposes only.

### **C2a: Maine Loan**

Ms. Johnston continued her presentation of FAME's Education Programs that she was unable to complete due to a time constraint at the November board meeting. Members were provided an overview of the materials, which includes the Maine State Grant Program, Claim Your Future, College Access & Financial Education Outreach, and NextGen, before returning to some questions involving the Maine Loan that were raised at the November meeting.

At the suggestion of Mr. Wagner, the discussion slated for the Maine Loan was re-scheduled to the January board meeting.

### **C3: Strategy by Committee**

*Treasurer Hayes exited the meeting at 12:23 p.m.*

*Treasurer Hayes re-entered the meeting at 12:25 p.m.*

Mr. Wagner referred members to the Critical Success Factors for each board committee in their board packets, which are break-out elements of the Strategic Plan as they relate to each committee. It will give the committees the opportunity to do a deeper dive than what is done at board meetings. Each Overview has been sent to the committee chair for review with the expectation that the chair will report back to the board after the committee meets.

## **COMMISSIONERS' AND TREASURER'S UPDATE**

Treasurer Hayes stated that she is working with Henry Beck, who is the Treasurer-elect, to transition the duties of the office.

The meeting adjourned at 12:30 p.m.

Respectfully submitted,

Richard Roderick, Vice Chair