

**MINUTES OF THE APRIL 18, 2019 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the April 18, 2019 meeting of the Finance Authority of Maine to order at 9:05 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  
Henry Beck  
Denise Garland for Heather Johnson  
James Howard  
Larry Mitchell  
Rosaire Pelletier  
Christopher Pierce  
Cheri Walker  
Jonathan Block  
Timothy Nightingale

Those members absent:

Patrick Keliher  
Raymond Nowak

Staff present:

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

Scott Weber, Senior Credit Officer  
Shelly Desiderio, Chief Accounting Officer  
Kim Bard, Executive/Legal Assistant

Guests Present:

Jonathan Tower, Arctaris Capital Partners

**A: CALL TO ORDER**

**A1: Ascertainment of Quorum**

**A2: Approval of March 21, 2019 Board Meeting Minutes**

A motion was made by Treasurer Daigler and seconded by Mr. Howard to approve the minutes of the March 21, 2019 Board meeting. The motion was approved by a vote of 11 in favor, 0 opposed and 1 abstentions.

**B: CHAIR'S REPORT**

**B1 Acceptance of the Report of the Executive Committee Meeting of March 21, 2019.**

A motion was made by Treasurer Daigler and seconded by Treasurer Daigler to approve the Report of the Executive Committee Meeting of March 21, 2019. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

**B2: Acceptance of the Report of the Business Committee Meeting of April 3, 2019.**

A motion was made by Mr. Howard and seconded by Vice Chair Roderick to approve the Report of the Business Committee Meeting of April 3, 2019. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

**B3: Acceptance of the Report of the Education Committee Meeting of April 4, 2019.**

A motion was made by Ms. Walker and seconded by Mr. Pelletier to approve the Report of the Education Committee Meeting of April 4, 2019. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

**C: CEO and STAFF REPORTS 9:11**

**C1: CEO's Report**

Mr. Wagner reported work is being done on the October Retreat. The state's economic development plan will be largely complete by that time and will give the Board an opportunity to look in on the plan and have a good discussion. One consideration for the location is the Waterville area. The Board is open for suggestions for other locations, particularly to the north.

The budget will be reviewed by the executive committee in May and will come before the Board in June with a final budget.

There is a proposal for a state bank. Mr. Norbert reported a similar bill has been presented to three prior legislatures. Mr. Nightingale stated there is sufficient existing banking infrastructure that can otherwise address the objectives of this proposal. There are many concerns about it and Mr. Wagner will testify for FAME in opposition of the bill.

The Maine Loan volume is tracking 20% above last year and is growing. Mr. Wagner stated the commercial loan insurance volume is recovering. Organizationally, we are fully staffed with Mr. Emmons continuing until June.

The full report can be found in the Board packet.

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

The articles of interest can be found in the Board packet. There were no questions or comments.

### **C2: Legislative Update 9:25**

Mr. Norbert reported it is a busy legislative season. Things are going very well and we are getting unanimous votes in support of our bills. FAME's budget with increased Maine State Grant funds and increased Opportunity Maine marketing funds passed in IDEA Committee and is tabled in Appropriations Committee. The Seed Capital Tax Credit received increased support in committee but awaits a funding decision in Appropriations Committee later. MBE repeal was unanimously supported as well as the Dental Ed program revisions and Family Development Accounts Program transfer. FAME recently met with Governor's office staff to discuss what we do and Mr. Wagner's work on state economic development plan. There is reason to believe we will be up next with the Governor's office for appointing Board members. Mr. Norbert reminded members and staff FAME Day at the Legislature is June 4. The state bank issue was addressed in the CEO report.

### **C3: Education Quarterly Update 9:35**

Ms. Johnston reported she and Ms. Tappan will be meeting with the University of Maine system enrollment management team to talk about verification melt and summer melt. There is an effort to be in regular touch with the higher education community. It is a good opportunity to let them know of the good work FAME is doing.

Ms. Johnston noted it is the height of the application season – some education programs had a deadline of February 1<sup>st</sup> and others fall on May 1<sup>st</sup>.

The Board packet contains the statistical outlines for the following: presentations and events; activity for financial education workshops and training; Maine Private Education Loan Network; state loan and grant programs; Maine Loan, Maine Medical Loan, and Maine Consolidation Loan; NextGen 529.

Ms. Johnston stated that she and Ms. Tappan were approached by the Mitchell Institute to prepare a presentation for them on student loan debt. They will present to their Scholarship and Research Committee on May 7<sup>th</sup>.

*Chair Violette exited the meeting at 9:36 a.m.*

*Chair Violette re-entered the meeting at 9:39 a.m.*

*Mr. Beck exited the meeting at 9:50 a.m.*

*Mr. Beck re-entered the meeting at 9:55 a.m.*

**C4: Opportunity Zones Presentation by Jonathan Tower, Arctaris Capital Partners 10:02**

Mr. Towers presented to the Board regarding potential Opportunity Zone investments in Maine. In addition to the information contained in the Board packet, Mr. Towers gave examples of some successes seen in Michigan. The Board was given the opportunity to ask questions about FAME providing credit enhancements to qualified investments through its commercial loan insurance programs.

*Mr. Pelletier exited the meeting at 10:05 a.m.*

*Mr. Pelletier re-entered the meeting at 10:07 a.m.*

*Mr. Nightingale exited the meeting at 10:32 a.m.*

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

**BREAK: 10:45 a.m. – 10:52 a.m.**

**D: ACTION ITEMS 10:52**

**D1: Approval of Bond Resolution – Husson University (Revenue Obligation Securities Program)**

Mr. Roney advised that a Bond Resolution for a \$4 million Husson University Revenue Obligation Securities Bond is before the board for approval. The bond will be used to finance a new Wellness Learning Center. The request and resolution can be found in the board packet.

**Mr. Howard moved to approve the resolution. The motion was seconded by Mr. Nightingale and approved by a vote of 11 in favor, 0 opposed and 0 abstentions. (Mr. Daigle was not present)**

**R-4-18-19-01**

**D2: Policy Review and Approval 10:55**

Mr. Mello presented the Board with proposed business lending policy revisions. These revisions were heard by the Board at the previous meeting and the Board requested the Business Committee continue its review. The Business Committee convened on April 3, 2019 and accepted the revisions.

Regarding credit directives, Mr. Violette suggested publishing them on the website. Mr. Mello will collaborate with his colleagues and report back to the Board. Mr. Block proposed a compromise allowing the Board to make considerations outside of the published directives.

The policy revisions are located in the board packet.

**Mr. Howard moved to approve the policy revisions as presented. The motion was seconded by Mr. Block and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.**

*Mr. Daigle re-entered the meeting at 11:12 a.m.*

**R-4-18-19-02**

**D3: Maine Education Savings Program/NextGen 529**

Mr. Roney reported that in late March, FAME received additional checks from the U.S. Securities and Exchange Commission (SEC). The staff is seeking approval to apply the funds to various portfolios as outlined in the board packet.

**A motion was made by Vice Chair Roderick and seconded by Mr. Pelletier to approve the application funds as presented. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.**

**R-4-18-19-03**

**D4: Investment Advisory Firm – Recommendation and Approval**

Mr. Mello reported that FAME is seeking a new investment advisory firm to help FAME invest in a diversified, multi-asset class portfolio, whose assets have the opportunity to appreciate or strive to generate a higher yield than the current portfolio.

FAME received four proposals from qualified firms. The criteria utilized in evaluating the responses and the staff's assessments are outlined in the Board packet. FAME staff recommends the retention of PCA (aka, Meketa) as the investment advisor for FAME.

**Mr. Beck moved to approve retaining PCA as the investment advisor for FAME as recommended by staff. The motion was seconded by Mr. Mitchell and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.**

**R-4-18-19-04**

**D5: 3<sup>rd</sup> Quarter Investment Purchases and Sales**

Ms. Desiderio reported the 3<sup>rd</sup> quarter investment purchases and sales was reviewed with the Risk Management and Audit Committee. They recommended ratification of the transactions as outlined in the handout.

**Mr. Mitchell moved to approve the 3<sup>rd</sup> quarter investment purchases and sales as reported. The motion was seconded by Mr. Howard and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.**

**R-4-18-19-05**

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

A motion was made by Mr. Pierce and seconded by Mr. Howard to adjourn the meeting.

The meeting adjourned at 11:42 a.m.

Respectfully submitted,

Richard Roderick, Vice Chair