

**MINUTES OF THE JUNE 20, 2019 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the June 20, 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, Chair
Henry Beck
Jonathan Block
James Howard
Blue Keim
Larry Mitchell
Timothy Nightingale
Rosaire Pelletier
Richard Trafton
Cheri Walker
Lee Webb

Those members absent:

David Daigler
Heather Johnson
Patrick Keliher
Christopher Pierce

Staff present:

Bruce Wagner, Chief Executive Officer
Katryn Gabrielson, Deputy General Counsel
Charles Emmons, Special Projects
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: Kris Eimicke, Esq., Pierce Atwood

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of May 16, 2019 Board Meeting Minutes

A motion was made by Mr. Howard and seconded by Mr. Mitchell to approve the minutes of the May 16, 2019 Board meeting. The motion was approved by a vote of 8 in favor, 0 opposed and 2 abstentions (Mr. Keim and Mr. Trafton)

R-6-20-19-01

B: CHAIR'S REPORT

B1: New Member Introduction

Mr. Violette introduced the new members, Blue Keim, Richard Trafton and Lee Webb. They will be serving on the following committees: Business, Risk Management & Audit, and Education, respectively. Mr. Norbert stated confirmations for additional board members will take place in the fall.

B2: Acceptance of the Report of the Executive Committee Meeting of May 16, 2019.

A motion was made by Mr. Mitchell and seconded by Mr. Violette to approve the Report of Executive Committee meeting of May 16, 2019. The motion was approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

R-6-20-19-02

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

A motion was made by Mr. Walker and seconded by Mr. Howard to approve the Report of the Education Committee Meeting of April 4, 2019. The motion was approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

R-6-20-19-03

B3: Acceptance of the Report of the Business Committee Meeting of June 12, 2019.

A motion was made by Mr. Nightingale and seconded by Mr. Howard to approve the Report of the Business Committee Meeting of June 12, 2019. The motion was approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

R-6-20-19-04

C: CEO and STAFF REPORTS

C1: CEO's Report

Mr. Wagner reported there is a summit today on the strategic planning for the state and all are welcome to attend.

Mr. Wagner indicated he wanted to update the board on issues related to the FFELP Program in executive session.

Mr. Howard moved to enter into Executive Session to consult with counsel concerning matters where premature general public knowledge would clearly place the Authority at a substantial disadvantage (10 MRSA § 975-A(3)(d)(ii)). The motion was seconded by Mr. Mitchell and approved by a vote of 11 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 1 at 9:27 a.m.

Members exited Executive Session No. 1 at 9:38 a.m.

Mr. Wagner informed the board he will be attending a meeting with the Harold Alfond Foundation (HAF) on July 17. In preparation there has been a review of NextGen so far as it relates to working with HAF. There is also a meeting with the Alfond Scholarship Foundation on July 12.

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

Mr. Norbert reported the legislature adjourned. FAME had a very good session – four out of five bills were unanimously supported. The Seed Capital Tax Credit bill was carried over. The budget was a great success and \$3 million more was allocated for adult learners. Opportunity Maine also received additional funding. Mr. Norbert shared there is a new loan program for immigrants in the workforce in the amount of \$700 per person. All bond requests were carried over.

C3a: WatchDesk Report

Ms. Cummings reported Maine Huts and Trails is the only loan that has had significant changes.

Mr. Howard moved to enter into Executive Session to discuss records including any 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 provided or to be provided by or with assistance of the Authority (10 MRSA §975-A(2)(D)). The motion was seconded by Ms. Walker and approved by a vote of 11 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 2 at 9:49 a.m.

Members exited Executive Session No. 2 at 9:54 a.m.

The WatchDesk Portfolio report can be found in the board packet.

C3b: Snapshot

Mr. Weber offered to take questions by exception. Mr. Weber and Ms. Cummings explained commercial loan insurance - CLI (leveraged insurance and pro rata) as well as the online application program (OLA) and direct loan products. The CLI portfolio snapshot can be found in the board packet.

C4: Casco Bay Vending Loan

Mr. Emmons reported the board requested a review of the larger loans and this is the second of those presentations. The exposure has greatly reduced since the origination of the loan and it has been paid as agreed. Per Mr. Violette's inquiry, there was no site visit; the information was received from the bank. Mr. Violette suggested a first-hand look in the future.

Mr. Nightingale exited the meeting at 10:06

Members entered Executive Session No. 3 at 10:09 a.m.

Mr. Howard moved to enter into Executive Session to discuss records including any 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 provided or to be provided by or with assistance of the Authority (10 MRSA §975-A(2)(D)). The motion was seconded by Mr. Mitchell and approved by a vote of 10 in favor, 0 opposed and 0 abstention.

Members exited Executive Session No. 3 at 10:19 a.m.

Mr. Nightingale reentered the meeting at 10:19

The memo, credit analysis and associated spreadsheets can be found in the board packet.

Break: 10:25-10:35 a.m.

D: ACTION ITEMS

D2: Approval of Certification Application, Maine New Markets Capital Investment Program, New Markets Investment 117, LLC (an affiliate of Local Initiatives Support Corporation) related to an investment into affiliate of Millinocket Memorial Library

Mr. Block exited the meeting at 10:35 a.m.

Ms. Gabrielson advised that before the board for consideration is approval of the Certification Application of New Markets Investment 117, LLC (NMI, an affiliate of Local Initiatives Support Corporation) related to a \$1,326,441.90 Qualified Equity Investment to be used for a Qualified Low Income Community Investment by NMI of approximately \$1,275,000 in a to-be-formed affiliate of Millinocket Memorial Library, under the Maine New Markets Capital Investment Program. The memo and associated documents, as well as a draft resolution can be found in the board packet.

The guest present was Kris Eimicke, Esq. from Pierce Atwood who represents the investor, Bangor Savings. He described the project and offered information surrounding technical issues.

Mr. Trafton moved to approve the resolution. The motion was seconded by Mr. Howard and approved by a vote of 9 in favor, 0 opposed and 1 abstentions. (Mr. Keim)

R-6-20-19-01

Mr. Block reentered the meeting at 10:48 a.m.

D1: Approval of Bond Resolution – Maine Veterans’ Homes (Revenue Obligation Securities Program) 10:48 a.m.

Mr. Nightingale exited the meeting at 10:48 a.m.

Ms. Gabrielson advised that a Bond Resolution approving a \$20 million Maine Veterans’ Homes Revenue Obligation Securities Bond is before the board for consideration. The bond will be used to finance the construction and equipping of an approximately 179,000 square-foot, 138-bed, residential and long term care facility consisting of four two-story buildings, including three residential housing buildings, together with costs of issuance of the Securities (the “Project”). The request and resolution can be found in the board packet.

Mr. Trafton moved to approve the resolution. The motion was seconded by Mr. Pelletier and approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

R-6-20-19-02

Mr. Nightingale reentered the meeting at 10:53 a.m.

D4: NextGen 529™ Program Modifications 10:55 a.m.

Ms. Giles advised the members that her presentation would be about proposed changes to NextGen. The proposals and a resolution are found in the board packet.

Mr. Beck moved to enter into Executive Session to discuss information contained in records of the Authority which are declared confidential by statute (1 MRSA §405(6)(F); 1 MRSA §402(3)(A)). The motion was seconded by Mr. Howard and approved by a vote of 11 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 4 at 10:56 a.m.

Mr. Beck exited the meeting at 11:12 a.m.

Mr. Beck reentered the meeting at 11:14 a.m.

Members exited Executive Session No. 4 at 11:28 a.m.

Mr. Mitchell moved the resolution modify the program substantially as described in executive session. The motion was seconded by Mr. Block and approved by a vote of 10 in favor, 1 opposed and 0 abstentions. (Mr. Keim opposed)

R-6-20-19-03

D3: FY20 Budget Package 11:30 a.m.

Ms. Desiderio presented the annual budget for fiscal year 2020. She walked the board members through the bridging statement line by line reviewing FY18 actuals through FY19 forecast and then the FY20 budget. The budget, associated documents and charts can be found in the board packet.

Mr. Pelletier exited the meeting at 11:30 a.m.

Mr. Pelletier reentered the meeting at 11:43 p.m.

Mr. Pelletier moved to approve the FY2020 budget as presented. The motion was seconded by Mr. Howard and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-6-20-19-04

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

Chair Violette asked for staff, with the exception of Mr. Wagner, to be excused so that the board could speak without the staff present. The board discussed the relationship between staff and board, generally, for the benefit of the new members.

Staff members exited the meeting.

At 11:15 the meeting continued to discuss other topics not discussed during the meeting. Present at this portion of the meeting was CEO Bruce Wagner and following members:

Chair Violette
Henry Beck
Larry Mitchell
Jonathan Block
Timothy Nightingale
James Howard
Cheri Walker
Lee Webb
Richard Trafton
Blue Keim
Rosaire Pelletier

The budget process was discussed, and a consensus was reached that the Directors would like to see a summary of the assumptions used to create the budget and well as an assessment risk. The detail should be included in an Appendix. CEO Wagner agreed to prepare a cover letter in the future summarizing those items and presenting the budget at a higher summary level. A discussion to place regarding the establishment of a committee to develop the budget, but no definitive conclusion was reached.

Rosaire Pelletier left the meeting at noon.

Regarding staffing, CEO Wagner state that he was pleased with the success that FAME had in attracting talent for open positions. He also stated that has was pleased with Staff performance and felt they were meeting their commitments.

A motion was made by Henry Beck and seconded by James Howard to adjourn the meeting. The meeting adjourned at 12:10 pm.

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Respectfully submitted,

James Violette, Chair