

**MINUTES OF THE MAY 16, 2019 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Vice Chair Roderick called the May 16, 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.

Vice Chair Roderick 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**

Vice Chair Roderick 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:

Richard Roderick, Vice Chair  
David Daigler, Treasurer  
Henry Beck  
Heather Johnson  
Larry Mitchell  
Rosaire Pelletier  
Christopher Pierce  
Jonathan Block  
Timothy Nightingale  
Meredith Mendelson for Patrick Keliher  
Ray Nowak

Those members absent:

James Violette, Chair  
Cheri Walker  
James Howard

Staff present:

Bruce Wagner, Chief Financial 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:

Mike Faloon, Neighborly  
Erin Austin, Neighborly

## **A: CALL TO ORDER**

### **A1: Ascertainment of Quorum**

### **A2: Approval of April 18, 2019 Board Meeting Minutes**

**A motion was made by Treasurer Daigler and seconded by Mr. Pelletier to approve the minutes of the April 18, 2019 Board meeting. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.**

**R-5-16-19-01**

### **A3: Board Members Update**

Mr. Wagner reported the governor nominated four people for board assignments. The hearing is set for May 23, 2019. As of the day of this meeting, one person did withdraw. Mr. Wagner noted this is Mr. Nowak's last meeting.

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

### **B1: Acceptance of the Report of the Risk Management and Audit Committee Meeting of April 4, 2019.**

**A motion was made by Mr. Mitchell and seconded by Mr. Beck to approve the Report of the Risk Management and Audit Committee Meeting of April 4, 2019. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.**

**R-5-16-19-02**

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

### **C1: CEO's Report**

Mr. Wagner reported in addition to the board members update given previously, Cheri Walker's CPA slot is still unfilled.

The state strategic economic plan is moving along and recommendations were submitted to the governor last week. The strategic goals are outlined in the board packet. There will be a convening

on June 20 at the Civic Center and board members are invited to attend. The purpose is to have a more in depth discussion with a larger group of people. Mr. Wagner noted outside experts will be engaging with the group so as to get a broad, diversified perspective on the progress of the economic plan.

Mr. Wagner briefed the board on changes with FAME's health plan. There is a rate increase of 3.84% but we have a better plan with expanded coverage.

Organizationally, FAME will be welcoming a new commercial loan officer next month- Kimberly Getchell. She comes to us from Gorham Savings Bank and will work closely with Charlie Emmons for the next few months. Also noted is Rita Fournier's retirement in October. Her role will be filled by Jennifer Lanphear. Jennifer's role will be filled by Taylor (Banister) Hersom and Taylor's position in Customer Service has been posted.

Regarding business, the MBE for St. Croix Tissue has been paid off. Mr. Wagner noted FAME would be able to fund this size project in the future with a CLI guarantee if the legislature approves an increase to our limits during this session.

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.

### **C1b: October Retreat**

Mr. Wagner reported there is discussion of holding the retreat in the Waterville area on October 16-17, 2019. This will be an opportunity for this board to have a deeper discussion surrounding the economic plan. Some of the experts the team is bringing in may be attending the retreat.

### **C1c: Loan Terms Transparency**

Mr. Webber created and submitted a FAME Commercial Loan Insurance Guidelines handout which can be found in the board packet. Ms. Cummings noted it is a result of feedback from board members who were interested in putting FAME's policies on the website so borrowers have access. This is an effort to meet that request. Several board members indicated positive reactions to the document.

### **C2: Legislative Update**

Mr. Norbert reported the end of the session is coming and there is still a lot of hard work to be done. Our agency bills have been receiving bi-partisan support. The IDEA committee still has work to do as they explore the student debt relief bills and a possible revamp of all health profession loans. Mr. Norbert noted the state bank bill was killed again.

### **C3: Keeley Crane Review and Update** 9:37 a.m.

Ms. Cummings reported the Keely Crane request originally came in from Camden National Bank as a complete company debt restructure. The company had been working without a banking partner or

line of credit for nine years. At FAME's last annual review it was found the company had achieved what they had set out to do with the loan, generating revenue growth and increased margins with the further benefit of added employees with well-paying jobs. They exceeded their projections over the year and as a result the bank came back and requested a decrease in the level of insurance, down to 50%. The full update can be found in the board packet.

*Mr. Nightingale exited the meeting at 9:37 a.m.*

*Mr. Nightingale re-entered the meeting at 9:45 a.m.*

*Ms. Johnson exited the meeting at 9:44 a.m.*

*Ms. Johnson re-entered the meeting at 10:53 a.m.*

#### **C4: Quarterly Financial Review 9:47**

Ms. Desiderio presented the Fiscal 2019 Financial Review documents for the 3<sup>rd</sup> quarter. She walked the board through the bridging statement outlining the budget, actuals, and the forecast for year end. Mr. Pierce asked for clarification surrounding professional fees. It was explained to the board by Ms. Desiderio and Mr. Wagner that FAME outsources for design/creative services. These services do not warrant an in-house FTE. Audit and advisory services and legal fees also contribute to the professional fee total. The complete report can be found in the board packet.

Ms. Johnston addressed a question from Mr. Roderick about grant monies being moved around for NextGen. Ms. Johnston explained, in general, that they are looking at modifying the matching grant programs beginning January 1, 2020. With regard to any reserves, there is discussion about spending down while maintaining a buffer. This is in accordance with current policy.

#### **C5: Budget Assumptions**

Ms. Desiderio reported the budget assumption grid is a new tool being used to outline confidence level and impact. This visual tool and the proposed FY 2020 budget can be found in the board packet.

*Mr. Daigler exited the meeting at 9:59 a.m.*

*Mr. Daigler re-entered the meeting at 10:01 a.m.*

*Ms. Mendelson exited the meeting at 10:04 a.m.*

*Ms. Mendelson re-entered the meeting at 10:06 a.m.*

#### **C6: Legal Update – Identity Theft Report**

Ms. Gabrielson reported there were no instances of “red flags” under the Identity Theft Prevention Program May 1, 2018 to April 30, 2019.

#### **C7: FAME Education Micro Site**

Ms. McQuilkin showed the board the new FAME Education Micro Site and walked them through various pages. She noted the images are quick to load and the pages contain pictures of children from Maine. The website can be found at [www.fame-education.com](http://www.fame-education.com).

**BREAK: 10:18 a.m. – 10:28 a.m.**

**C8: Neighborly guest presenters, Mike Faloon and Erin Austin 10:30 a.m.**

Ms. Cummings shared that FAME is seeking to expand partnership opportunities with other lending organizations. Neighborly is an investment firm exploring the possibility of investing in broadband in Maine. They are a potential CLI customer for FAME.

Mr. Faloon and Ms. Austin proceeded to walk the group through a comprehensive PowerPoint presentation. Maine's broadband infrastructure is lacking and Mr. Faloon stated Neighborly believes they have a model that works. Every industry requires connectivity and more companies are moving toward remote job opportunities. The growth has outpaced the current capacity and Neighborly is seeking to move Maine, noted to be currently the second worst state in broadband coverage, to the best.

Neighborly's customer is the service provider. Their model allows service providers to access a large number of consumers; the goal is 50 communities and pilots are underway. The power of choice on the networks means competitive pricing. Mr. Faloon reported the operator is neutral and will be a Maine-based company. The reach and marketing plan was outlined for the board and there were no additional questions for Mr. Faloon or Ms. Austin.

**D: ACTION ITEMS**

**D1: Approval of Bond Resolution – Coastal Resources of Maine (Revenue Obligation Securities Program) 10:13 a.m.**

Mr. Roney advised that a Bond Resolution for an \$8 million Coastal Resources of Maine Revenue Obligation Securities Bond is before the board for approval. The bond will be used to finance a portion of the construction costs for a new waste and recycling facility in Hamden, Maine. The request and resolution can be found in the board packet.

**Mr. Pelletier moved to approve the resolution. The motion was seconded by Mr. Block and approved by a vote of 10 in favor, 0 opposed and 0 abstentions. (Ms. Johnson was not present)**

**R-5-16-19-03**

**D2: Approval of Bond Resolution – Hebron Academy (Revenue Obligation Securities Program)**

Mr. Roney advised that a Bond Resolution for a \$12 million Hebron Academy Revenue Obligation Securities Bond is before the board for approval. The bond will be used to refinance the costs of

construction of an athletic facility, and a loan used to finance the construction of a science education building and improvements to an ice arena. The request and resolution can be found in the board packet.

**Mr. Beck moved to approve the resolution. The motion was seconded by Mr. Mitchell and approved by a vote of 10 in favor, 0 opposed and 0 abstentions. (Ms. Johnson was not present)**

**R-5-16-19-04**

**D3: Amendment to FAME 457(b) Deferred Compensation Plan**

Ms. Gabrielson presented a proposed amendment to the board that would allow contributing employees to make what are known as “Roth” contributions, and to elect in-plan Roth rollovers of current assets. The request and resolution can be found in the board packet.

**Mr. Mitchell 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. (Ms. Johnson was not present)**

**R-5-16-19-05**

**COMMISSIONERS’ AND TREASURER’S UPDATE**

A motion was made by Mr. Nowak and seconded by Mr. Daigler to adjourn the meeting.

The meeting adjourned at 11:10 a.m.

Respectfully submitted,

Richard Roderick, Vice Chair