

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

Chair Violette called the July 18, 2019 meeting of the Finance Authority of Maine to order at 9:09 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
David Daigler, Treasurer
Jonathan Block
James Howard
Blue Keim
Larry Mitchell
Timothy Nightingale
Rosaire Pelletier
Christopher Pierce
Richard Trafton

Those members absent:

Heather Johnson
Patrick Keliher
Cheri Walker
Lee Webb

Staff present:

Bruce Wagner, Chief Executive Officer
Christopher Roney, General Counsel
Charles Emmons, Special Projects
Carlos Mello, Chief Risk Officer
Jonathan Harvell, Chief Information Officer
Martha Johnston, Director of Education
William Norbert, Governmental Affairs and Communications Manager
Elizabeth Vanderweide, Director of Business Development and Marketing

Lisa Brown, Human Resources Manager
Jennifer Cummings, Director of Business Programs
Scott Weber, Senior Credit Officer
Shelly Desiderio, Chief Accounting Officer
Eva Giles, College Savings Program Manager
Kim Bard, Executive/Legal Assistant

Guest:

Jake Nash

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of June 20, 2019 Board Meeting Minutes

Mr. Trafton pointed out there was no executive committee meeting and the post-meeting minutes were in fact part of the board meeting. It was determined the words “executive committee” would be struck from the minutes.

A motion was made by Mr. Howard and seconded by Mr. Nightingale to approve the minutes of the June 20, 2019 Board meeting with the noted change. The motion was approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

Mr. Trafton stated he did not leave the meeting as indicated on the minutes. That notation will be removed from the document.

R-7-18-19-01

B: CHAIR’S REPORT

B1: Executive Committee Meeting Minutes of June 20, 2019 – N/A

B2: Acceptance of the Report of the Education Committee Meeting of April 4, 2019.

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

The minutes indicated a date of June 6, 2019 and were amended to reflect the actual date of April 4, 2019.

R-7-18-19-02

C: CEO and STAFF REPORTS

C1: CEO’s Report - Verbal 9:20 a.m.

Mr. Wagner reported on Arctaris and Opportunity Zone funding. He noted that each opportunity they bring forward needs to be vetted and approved through our normal underwriting process.

Mr. Wagner noted there would not be an August board meeting. He reported on last fiscal year. FAME had a strong year and experienced significant growth as is reflected on our income statements.

Mr. Wagner and Ms. Johnston recently attended the Harold Alfond board of trustees meeting. The NextGen program is being utilized by 40% of the eligible population. Of those, 20% of the grantees are making regular contributions. Maine is at a rate 10 times higher than other states.

The board retreat will be held on October 16 & 17, 2019. The plan is to host the event at Thomas College. Amanda Rector, the state economist, will be the guest speaker. The emphasis will be on the integration of education and economic growth with the state. Visits will be made to Colby, Kennebec Valley Community College, and customer sites. Mr. Violette suggested that the board also connect with Greg Powell, Chairman of the Harold Alfond Foundation.

C1a: Articles of Interest

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

C1b: FFELP Transfer

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. Pierce and approved by a vote of 10 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 1 at 9:39 a.m.

Mr. Violette exited at 9:41 a.m.

Mr. Violette reentered at 9:44 a.m.

Members exited Executive Session No. 1 at 10:03 a.m.

Break: 10:02-10:12 a.m.

C2: Legislative Update 10:13

Mr. Norbert recapped the last legislative session for the board. The memo included FAME-related bills that became law, other bills of interest that became law, and bills that failed to be enacted. There are also a substantial number of bills being carried over to the second session as well as a bill held by the Governor for further review. The full memo and bill descriptions can be found in the board packet.

C3a: FAME Education Quarterly Report – Q3 FY19 10:22

Ms. Johnston reported on the statistics for the period ending March 31, 2019. The four functional areas of College Access and Financial Education Outreach, Financial Education, Education Programs, and NextGen were noted and reports were given for each area. The board had the opportunity to ask questions. All related data can be found in the board packet.

C4: FAME Customer Satisfaction Survey 10:45 a.m.

Ms. Vanderweide shared the survey document with the board. The scale for the survey is 1-5. The FY19 goal was =>4.66 and the overall satisfaction rating met the 4.66 goal. This is a 0.9% increase from FY18. Ms. Vanderweide read some comments from the customer surveys. The team takes the feedback and uses it to improve and modify, when appropriate, to increase satisfaction and efficiency. The survey results can be found in the board packet.

Mr. Nightingale exited the meeting at 10:55 a.m. not returning

D: ACTION ITEMS

D1: Proposed Changes to Maine Matching Grant Program Benefits Within NextGen 529™
11:00 a.m.

Ms. Johnston reported FAME staff recommends approval to modify:

- The one-time Initial Matching Grant to be a \$100 grant for all new accounts during the calendar year, beginning January 1, 2020, including those with Alford grants.
- The NextStep annual matching grant to be a 30% match on contributions up to \$1000 for a maximum grant award of \$300 per calendar year.
- The Automated Funding Grant to be a one-time \$100 grant per beneficiary.

The full description of the request can be found in the board packet. It was noted the Education Committee reviewed and recommended the changes.

Mr. Daigler moved to approve the changes as requested. The motion was seconded by Mr. Pelletier and approved by a vote of 9 in favor, 0 opposed and 0 abstentions.

R-7-18-19-03

D2: Chapter 101, Amendment 7 of the Rules of the Finance Authority of Maine (Loan Insurance Program), Draft for Approval for Rulemaking

Mr. Roney provided the board with a handout of the proposed amendment that indicates the changes to the rule. The purpose of the rule change is to conform to legislative changes and streamlining agency processing of applications.

The Amendment would change calculation of maximum insurance available, from a fixed percentage of capital a limit set by board credit policy, within statutory limits. The Amendment would also increase maximum leveraged insurance available from \$2.5 million per borrower to \$3 million. Finally, the Amendment would allow the Chief Executive Officer (rather than the board) to

waive personal guaranty requirements for loans when FAME's exposure is less than \$500,000, if other requirements are met.

Mr. Trafton moved to approve the draft of the rule amendment for official rulemaking. The motion was seconded by Mr. Mitchell and approved by a vote of 9 in favor, 0 opposed and 0 abstention.

R-7-18-19-04

D3: Approval of Bond Resolution – GIGME01, LLC (Revenue Obligation Securities Program) 11:32 a.m.

Mr. Violette exited the meeting at 11:32 a.m.

Mr. Roney presented the board with a bond resolution for GIGME01, LLC. The entity is seeking to expand and improve operations. This transaction was already approved by the board at a lower dollar amount. It was discovered that some of the financing requested would qualify for tax exempt status. Tax exempt bonds will now be authorized in an amount not to exceed \$13,000,000, and the taxable bonds will not exceed \$12,500,000.

Mr. Violette reentered the meeting at 11:35 a.m.

Mr. Howard moved to approve the bond resolution as presented. The motion was seconded by Mr. Trafton and approved by a vote of 9 in favor, 0 opposed and 0 abstentions.

R-7-18-19-05

D4: Officer Elections 11:36

Mr. Violette reviewed the expiration dates of current members as well as the current vacancies on the board. He offered board members the opportunity nominate eligible board members to fill the position of Vice Chair. Mr. Violette nominated Mr. Daigler for the seat of Vice Chair and Mr. Howard for the seat of Treasurer (to be vacated by Mr. Daigler if elected Vice Chair) and Executive Committee member through the November time period. In November the board will revert back to the usual nomination and election process.

Mr. Trafton moved to approve the election of officers as proposed by Mr. Violette. The motion was seconded by Mr. Mitchell and approved by a vote of 9 in favor, 0 opposed and 0 abstentions.

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

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

The meeting adjourned at 11:47 a.m.

Respectfully submitted,

James Violette, Chair