

**MINUTES OF THE NOVEMBER 21, 2019 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the November 21, 2019 meeting of the Finance Authority of Maine to order at 1:05 p.m. at the Holiday Inn by the Bay, 88 Spring St. Portland, 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
Larry Mitchell
Timothy Nightingale
Rosaire Pelletier
Christopher Pierce
Richard Trafton
Cheri Walker
Lee Webb

Those members absent:

David Daigler
Heather Johnson
Blue Keim
Patrick Keliher

Staff present:

Bruce Wagner, Chief Executive Officer
Christopher Roney, General Counsel
Katryn Gabrielson, Deputy General Counsel
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
Shelly Desiderio, Chief Accounting Officer
Matthew Lindquist, Commercial Loan Officer
Scott Weber, Senior Credit Officer
Kim Bard, Executive/Legal Assistant

Guests Present: Kay Ceserani, Sean Copus

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of October 17, 2019 Board Meeting Minutes

A motion was made by Mr. Mitchell and seconded by Mr. Pelletier to approve the minutes of the October 17, 2019 Board meeting. The motion was approved by a vote of 10 in favor, 0 opposed and 1 abstention (Ms. Walker).

R-11-21-19-01

B: CHAIR'S REPORT

B1: Acceptance of the Report of the Risk Management and Audit Committee Meeting of October 7, 2019

Mr. Block reported the committee received audit reports. The NextGen audit was uneventful. There were two audit adjustments for FAME.

A motion was made by Mr. Mitchell and seconded by Mr. Trafton to approve the Report of the minutes of the Risk Management and Audit Committee Meeting of October 7, 2019. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-02

B2: CEO Performance Appraisal/Compensation

Mr. Howard moved to enter into Executive Session to discuss or consider the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of public officials, appointees or employees of the Authority, or the investigation or hearing of charges or complaints against persons, subject to the following conditions:

- a. Public discussion could reasonably be expected to cause damage to the reputation or the individual's right to privacy would be violated:

- b. Any person charged or investigated shall be permitted to be present upon request;
- c. Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints be conducted in open session;
- d. Any person bringing charges, complaints or allegations of misconduct shall be permitted to be present. (1 MRSA §405(6)(A)).

Mr. Trafton seconded and the motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

Members entered Executive Session No. 1 at 1:10 p.m.

Members exited Executive Session No. 1 at 2:03 p.m.

A motion was made by Mr. Mitchell and seconded by Mr. Violette to approve the CEO Performance Appraisal/Compensation as recommended by the Board. The motion was approved by a vote of 10 in favor, 0 opposed and 1 abstention (Mr. Webb).

R-11-21-19-03

Mr. Webb exited the meeting at 2:17 p.m.

Mr. Webb reentered the meeting at 2:21 p.m.

B3: Elections of Officers.

Mr. Nightingale nominated the following board members as the slate of officers recommended by the Nominating Committee:

- James Howard – Treasurer
- David Daigler – Vice Chair
- Jay Violette - Chair

A motion was made by Mr. Nightingale and seconded by Mr. Pelletier to elect the officers nominated by Mr. Nightingale. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-04

D1: Approval of Investment Strategy – Meketa Investment Group 2:08 p.m.

Mr. Mello reported the Risk Management & Audit committee has been working on investment strategy and investment policy.

Guests, Kay Cesarani and Sean Copus, reviewed the presentation documents including the executive summary and portfolio. Ms. Cesarani explained the risk-bucketing approach to portfolio construction (reserve/growth) to the board. The full presentation can be found in the board packet.

Mr. Beck moved to approve the investment strategy. The motion was seconded by Mr. Mitchell and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-05

The guests exited the meeting at 2:26 p.m.

D2: Approval of Investment Policy, including Investment Policy Statement 2:27 p.m.

Mr. Mello reviewed the Investment Policy with revisions with board members. The redlined version of the Investment Policy and Investment Policy Statement (revised September 2019) are included in the board packet.

Mr. Trafton moved to approve the investment policy, including investment policy statement. The motion was seconded by Ms. Walker and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-06

C: CEO and STAFF REPORTS

C1: CEO's Report 2:47 p.m.

Mr. Wagner reviewed the Strategic Overview. He noted FAME moved up considerably in the Best Places to Work survey. This shows our success in placing people first and providing high levels of customer service.

Mr. Wagner noted one challenge FAME faced in the past year was the retirement of management personnel. Management worked to maintain an excellent team, promoting existing employees Jennifer Lanphear and Jennifer Cummings into new management roles.

Mr. Wagner discussed FAME's effort to focus on programs that are a part of our mission. As anticipated, the Adaptive Equipment Loan Program (AELP) and the Federal Family Education Loan Program (FFELP) have both transitioned out of FAME (FFELP as of Dec. 1).

The Alford Leaders Program will be reevaluated after the first tranche is completed next year. It's uncertain whether or not it will be continued by HAF.

Challenges with the Harold Alford Foundation continue. FAME is working diligently to find common ground and work out each party's concerns. The objective is to sort out both marketing and metrics surrounding the opening of accounts and accounts with contributions.

The CEO 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.

Mr. Block exited the meeting at 3:02 p.m.

Mr. Block reentered the meeting at 3:04 p.m.

Mr. Beck exited the meeting at 3:15 p.m.

Mr. Webb exited the meeting at 3:15 p.m.

Mr. Beck reentered the meeting at 3:18 p.m.

Mr. Webb reentered the meeting at 3:18 p.m.

C1b: 2019 Strategic Overview

(Included in CEO's Report)

C2: Legislative Update 3:25 p.m.

Mr. Norbert reported the second regular session of the 129th Maine Legislature will begin on January 8, 2019. The board packet memo outlines FAME bills, carried-over legislation, non-agency bills, and board member slots that will need appointments by the Governor.

There is concern about the carried-over bill LD 1053: An Act to Reduce the Period of Enforcement for Judgments Based upon Consumer Obligations.

C3: Quarterly Financial Review 3:32 p.m.

Ms. Desiderio shared financial spreadsheets for the quarterly financial review. Her report included YTD summary of financial performance for FY19 to FY20 as well as FY20 budget compared to performance. Also included are the balance sheet, investment allocations and rates, and contributions, sponsorships, and memberships for Q1 FY20.

C4: Biddeford Internet Corp. Top 10 Review 3:36 p.m.

Mr. Lindquist reported the company has decided they do not want to pursue the line of credit renewal. They are pursuing \$34 million in grants and loans. The company has traction and are doing a good job in building out in underserved communities.

Ms. Cummings reported information was received that the loan may be paid off in the next 2 months.

Mr. Nightingale 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. Howard and approved by a vote of 11 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 2 at 3:39 p.m.

Members exited Executive Session No. 2 at 3:45 p.m.

D3: Adoption Ch. 619, Foreign Credentialing and Skills Recognition Revolving Loan Program 3:45 p.m.

Mr. Norbert reported there are no proposed amendments to the version approved in September. Public comments included suggestions to offer pre-paid debit cards or similar methods for disbursing funds. It is not clear whether or not FAME could employ the suggested methods.

Mr. Beck moved to adopt as presented. The motion was seconded by Mr. Trafton and approved by a vote of 10 in favor, 0 opposed and 1 abstention. (Mr. Nightingale)

R-11-21-19-07

D4: Adoption Ch. 612, Amendment 4, Maine Dental Education Loan and Loan Repayment Programs 3:49 p.m.

Ms. Gabrielson reported staff recommends the board adopt the proposed amendment found in the board packet. No comments were received.

Mr. Beck moved to adopt the rule as presented. The motion was seconded by Mr. Howard and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-08

D5: Adoption Ch. 610, Amendment 5, Rules for the conduct of the Educators for Maine Program 3:50 p.m.

Ms. Gabrielson reported staff recommends the board adopt the proposed amendment found in the board packet. No comments were received.

Mr. Trafton moved to adopt the rule as presented. The motion was seconded by Mr. Pelletier and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-11-21-19-09

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

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

The meeting adjourned at 3:53 p.m.

Respectfully submitted,

James Violette, Chair