

**MINUTES OF THE DECEMBER 19, 2019 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the December 19, 2019 meeting of the Finance Authority of Maine to order at 9:06 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, Vice Chair
James Howard, Treasurer
Henry Beck
Heather Johnson
Blue Keim
Larry Mitchell
Timothy Nightingale
Rosaire Pelletier
Christopher Pierce
Richard Trafton
Cheri Walker

Those members absent:

Patrick Keliher
Jonathan Block
Lee Webb

Staff present:

Bruce Wagner, Chief Executive Officer
Christopher Roney, General Counsel
Charles Emmons, Special Projects
Katrjn Gabrielson, Deputy General Counsel
Jonathan Harvell, Chief Information Officer
Martha Johnston, Director of Education
Elizabeth Vanderweide, Director of Business Development and Marketing

Lisa Brown, Human Resources Manager
Scott Weber, Senior Credit Officer
Kim Getchell, Commercial Loan Officer
Karen Kunesh, Commercial Loan and Workout Officer
Kim Bard, Executive/Legal Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of November 21, 2019 Board Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Howard to approve the minutes of the November 18, 2019 Board meeting with the noted change. The motion was approved by a vote of 10 in favor, 0 opposed and 0 abstentions.

R-12-19-19-01

B: CHAIR'S REPORT

B1: Acceptance of the Report of the Executive Committee Meeting of November 21, 2019.

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

R-12-19-19-02

B2: Acceptance of the Report of the Education Committee Meeting of December 5, 2019.

Ms. Johnston gave a verbal report to the board. A written report will be provided at the next board meeting.

B3: Acceptance of the Report of the Business Committee Meeting of December 5, 2019.

Mr. Howard gave a verbal report to the board. A written report will be provided at the next board meeting.

C: CEO and STAFF REPORTS

C1: CEO's Report 9:25 a.m.

The details of Mr. Wagner's 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.

C1c: Incentive Plan Review

Ms. Brown shared FY20 Incentive Proposal with the board. With regard to the Educational Outreach goal, Ms. Johnston clarified that the FAFSA filing goal is to exceed the rolling five-year average. Last year the goal was written to beat the previous year. It was decided after further discussion to set the goal as exceeding the rolling five-year average and the previous year, bringing it to 59.45.

The details were expanded on the data for Economic Development goals. We are slightly behind on the business goal and it will be a stretch to reach the \$97 million.

The details of the entire proposal are included in the board packet.

C1d: Harold Alfond Foundation 9:40 a.m.

Mr. Wagner stated the objective is to figure out how to get more people investing funds for college. There is also an effort being made to introduce a complimentary product to the NextGen 529™ that would meet the need for investor liquidity in the event of an emergency. Ms. Vanderweide gave an overview of a new marketing approach. A handout was provided showing sales efforts and outreach.

Mr. Howard exited the meeting at 10:02 a.m.

Mr. Howard reentered the meeting at 10:04 a.m.

Break: 10:15 - 10:25 a.m.

C1b: Saddleback 10:25 a.m.

Mr. Violette reminded the board that they are here to get a high level recap of what is happening with Saddleback. This will be done in executive session. After, the buyer and seller representatives are giving an update on where they are with the project. They will not be getting into the details of the transaction.

Mr. Beck 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)). Also citing: {ATTORNEY/CLIENT MATTERS} Consult with Authority counsel concerning:

- a. Legal right and duties of the Authority;**
- b. Pending or contemplated litigation;**
- c. Settlement offers; or**
- d. Matters where:**

- i. **Counsel’s duties to the Authority as client clearly conflict with “open meeting” requirements, or**
- ii. **Premature general public knowledge would clearly place the Authority or a person at a substantial disadvantage.**

(1 MRS §405(6)(E)).

The motion was seconded by Mr. Trafton and approved by a vote of 12 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 1 at 10:30 a.m.

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

Mr. Violette reentered the meeting at 10:39 a.m.

Members exited Executive Session No. 1 at 10:45 a.m.

After a short break, the following guests arrived at 11:03 a.m.:
Jonathan Tower, Severin Beliveau, Uche Osuji, Tony Federle, Greg Andrews.

The guests expressed their appreciation for the time the staff has put in this project. Part of the contract agreement required their presence at this meeting and they are committed to getting through the process so FAME can arrive at a “yes.” The board listened to their update but not delve into the particulars of the project.

The guests left the meeting at 11:08 a.m.

**Mr. Howard move to enter into Executive Session citing:
{ATTORNEY/CLIENT MATTERS}Consult with Authority counsel concerning:**

- a. **Legal right and duties of the Authority;**
- b. **Pending or contemplated litigation;**
- c. **Settlement offers; or**
- d. **Matters where:**
 - i. **Counsel’s duties to the Authority as client clearly conflict with “open meeting” requirements, or**
 - ii. **Premature general public knowledge would clearly place the Authority or a person at a substantial disadvantage.**

(1 MRS §405(6)(E)).

The motion was seconded by Mr. Pelletier and approved by a vote of 11 in favor, 0 opposed and 0 abstention.

Ms. Johnson exited the meeting at 11:08 a.m.

Members entered Executive Session No. 2 at 11:09 a.m.

Ms. Johnson reentered the meeting at 11:13 a.m.

Mr. Beck exited the meeting at 11:35 a.m.

Mr. Beck reentered the meeting at 11:37 a.m.

Members exited Executive Session No. 2 at 11:45 a.m.

C2a: Watch Desk Report 11:45 a.m.

Ms. Kunesh shared highlights from the Watch Desk report. Mr. Violette asked if anyone had questions about the portfolio balance. It was noted that the dip in the first quarter was due to charge-offs and the removal of one large credit from the Watch Desk. Details of the report can be found in the board packet.

Mr. Daigler 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 12 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 3 at 11:47 a.m.

Members exited Executive Session No. 3 at 11:50 a.m.

Mr. Trafton 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. Beck and approved by a vote of 12 in favor, 0 opposed and 0 abstention.

Members entered Executive Session No. 3 at 11:50 a.m.

Members exited Executive Session No. 3 at 11:55 a.m.

C2b: Portfolio Snapshots

Mr. Mello reported briefly on the information found in the board packet. There were no questions from members or staff.

C3: NextGen 529 Max Contribution 11:55 a.m.

Ms. Johnston reported Pursuant to Section 6(D) of Chapter 611 of the Rules of the Finance Authority of Maine, the Chief Executive Officer has determined that for calendar year 2020 the NextGen 529 maximum contribution limit will remain at \$500,000. Determining factors can be found in the board packet.

D: ACTION ITEMS

D1: (item removed)

D2: (item removed)

D4: Adoption of Revised Final Rule: Ch. 619 Foreign Credentialing and Skills Recognition Revolving Loan Program *11:57 a.m.*

Mr. Trafton moved to approve the final rule. The motion was seconded by Mr. Mitchell and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-12-19-19-03

D3: Maine Education Savings Program - Approval of Modifications to Terms and Conditions *11:58 a.m.*

Mr. Trafton moved to accept the modifications to the terms and conditions as presented. The motion was seconded by Ms. Johnson and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-12-19-19-04

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

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

The meeting adjourned at 12:07 p.m.

Respectfully submitted,

James Violette, Chair