

**MINUTES OF THE FEBRUARY 20, 2020 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the February 20, 2020 meeting of the Finance Authority of Maine to order at 9:00 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
Omar Andrews
Rebecca Asen
Amanda Beal
Henry Beck
Dustin Brooks
Blue Keim
Christopher Pierce
Richard Trafton
Cheri Walker

Those members absent:

Heather Johnson
Timothy Nightingale
Lee Webb

Staff present:

Bruce Wagner, Chief Executive Officer
Christopher Roney, General Counsel
Carlos Mello, Chief Risk Officer
Jennifer Cummings, Director of Business Programs
Scott Weber, Senior Credit Officer

Jonathan Harvell, Chief Information Officer

Martha Johnston, Director of Education
William Norbert, Governmental Affairs and Communications Manager
Lisa Brown, Human Resources Manager
Elizabeth Vanderweide, Director of Business Development
Shelly Desiderio, Chief Accounting Officer
Kim Bard, Executive/Legal Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of January 27, 2020 Board Meeting Minutes

A motion was made by Mr. Daigler and seconded by Mr. Keim to approve the minutes of the January 27, 2020 Board meeting with the noted change. The motion was approved by a vote of 10 in favor, 0 opposed and 2 abstentions. (Asen and Brooks)

R-02-20-20-01

B: CHAIR'S REPORT

B1: Acceptance of the Report of the Business Committee Meeting of December 5, 2019.

A motion was made by Mr. Howard and seconded by Mr. Trafton to approve the Report of Business Committee meeting of December 5, 2019. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-02

B2: Acceptance of the Report of the Business Committee Meeting of December 11, 2019.

A motion was made by Mr. Howard and seconded by Mr. Trafton to approve the Report of Business Committee meeting of December 11, 2019. The motion was approved by a vote 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-03

B3: Acceptance of the Report of the Business Committee Meeting of December 16, 2019.

A motion was made by Mr. Howard and seconded by Mr. Trafton to approve the Report of Business Committee meeting of December 16, 2019. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-04

B4: Acceptance of the Report of the Education Committee Meeting of December 5, 2019.

A motion was made by Mr. Daigler and seconded by Mr. Keim to approve the Report of Education Committee meeting of December 5, 2019. The motion was approved by a vote 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-05

B5: Acceptance of the Report of the Risk Management & Audit Committee Meeting of January 23, 2020.

A motion was made by Mr. Howard and seconded by Mr. Trafton to approve the Report of Risk Management and Audit Committee meeting of January 23, 2020. The motion was approved by a vote 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-06

C1: CEO's Report 9:20 a.m.

Mr. Wagner reported on the strategic issues. The effort was led by Mr. Wagner who took time to help the state establish a ten-year economic plan. The current focus is the deployment plan, which will take considerably less of his time, with a commitment of monthly meetings with the steering committee.

The Seed Capital Tax Credit program has been a popular and effective program. Mr. Wagner hopes to see an increase in funding for Maine businesses.

NextGen 529TM is doing well and total assets have now reached the \$11.1 billion mark.

Mr. Wagner discussed private activity bonds, commercial and direct loans, and summarized education finance statistics. All pertinent information can be found in the board packet. It was noted that Mr. Mello will look into industry risk should there be a recession.

Concerning the Harold Alfond Foundation, Mr. Wagner shared that they have reacted positively to the Authority's plan to drive NextGen TM account openings. The effort would be funded by HAF but administered by FAME. There is a follow up meeting tomorrow, February 21st and another meeting with Mike Lavert, former State Economist, on March 11th. Mr. Lavert has been hired to analyze the data and assist with the process. Additional details can be found in the board packet.

Mr. Wagner shared that we have been invited to hold an April board meeting at the University of Maine at Orono. He asked for feedback from the board members to see if there is an interest in holding the annual board retreat at that time instead of in October. The board's feedback was favorable so Mr. Wagner will put forth an effort to set the date and will report back to the board.

Mr. Beck exited at 9:20 a.m.

Mr. Beck reentered at 9:22 a.m.

C1a: Articles of Interest

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

D5: Approval of Bond Resolution – Martins Point Health Care, Inc. (Revenue Obligation Securities Program) 9:36 a.m.

Mr. Roney reported Martins Point Health Care, Inc. is seeking tax-exempt bonds to construct a new medical office building in Brunswick, Maine. This project does not carry any liability or credit enhancement from the Authority. The memo and resolution can be found in the board packet.

Mr. Trafton moved to approve the Resolution approving the issuance of Revenue Obligation Securities for Martins Point Health Care, Inc. as presented. The motion was seconded by Mr. Beck and approved by a vote of 10 in favor, 0 opposed and 2 abstentions. (Violette and Howard)

R-02-20-20-07

Mr. Violette exited at 9:37 a.m.

Mr. Violette reentered at 9:39 a.m.

D1: Review and Approval of Fiduciary and Capitalization Policy - Education 9:45 a.m.

Mr. Mello reported all three policies (including those outlined in D2) have minor changes. Ms. Johnston noted the fiduciary policy went through the Education Committee back in December and was then forward to the Risk Management and Audit Committee because it's a share policy.

Mr. Keim moved to approve the Fiduciary and Capitalization policy as presented. The motion was seconded by Mr. Howard and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-02-20-20-08

D2: Review and Approval of Allowance for Insurance and Direct Loan Losses & Claims Paid/Charge-offs Policies

Mr. Keim moved to approve the Allowance for Insurance and Direct Loan Losses and Claims Paid/Charge-offs Policies as presented. The motion was seconded by Mr. Howard and approved by a vote of 12 in favor, 0 opposed and 0 abstentions

R-02-20-20-09

D3: Ratification of Investment Purchases and Sales Oct. – Dec. 9:50 a.m.

Ms. Desiderio reported the activity is solely maturities and pay-downs. This information will look different in the future as they look to implement the new investment strategy. The report can be found in the board packet.

Mr. Howard moved to approve the Ratification of Investment Purchases and Sales Oct. – Dec. as presented. The motion was seconded by Mr. Trafton and approved by a vote of 12 in favor, 0 opposed and 0 abstentions

R-02-20-20-10

D4: Approval of NextGen™ Program Pricing Structure Modifications 9:53 a.m.

Ms. Johnston reported FAME staff and the Advisory Committee for Education Savings are requesting approval for modifications to the NextGen 529 pricing structure for the Client Select Series. The recommendation is also supported by Meketa Investment Group. The memo and associated documents can be found in the board packet.

Mr. Trafton moved to approve the Approval of NextGen™ Program Pricing Structure Modifications as presented. The motion was seconded by Mr. Beck and approved by a vote of 12 in favor, 0 opposed and 0 abstentions

R-02-20-20-11

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 9:55 a.m.

Respectfully submitted,

James Violette, Chair