

**MINUTES OF THE SEPTEMBER 17, 2020 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the September 17, 2020 meeting of the Finance Authority of Maine to order at 9:05 a.m. This meeting was conducted virtually through Zoom. Provisions were made for the public to attend. This method was deemed necessary and appropriate due to the COVID-19 pandemic, and were determined authorized by PL 2020 ch 617, section G (**1 MRSA §403-A**).

Executive Assistant, Kim Bard 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

Ms. Bard 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
Rebecca Asen
Amanda Beal
Dustin Brooks (9:09 a.m.)
Matthew Colpitts
Heather Johnson
Timothy Nightingale
Christopher Pierce
Richard Trafton
Cheri Walker

Those members absent:

Omar Andrews
Blue Keim
Lee Webb

Staff present:

Bruce Wagner, Chief Executive Officer
Christopher Roney, General Counsel
Lisa Brown, Human Resources Manager
Jennifer Cummings, Director of Business Programs

Kim Getchell, Commercial Loan Officer
Eva Giles, College Savings Program Manager
Jonathan Harvell, Chief Information Officer
Martha Johnston, Director of Education
Karen Kunesh, Commercial Loan and Workout Officer
Carlos Mello, Chief Risk Officer
Elizabeth Vanderweide, Director of Business Development
Scott Weber, Senior Credit Officer
Kim Bard, Executive/Legal Assistant

Guests:

Mark Chapleau, Chapleau Law Group
Johnathan Tower- Managing Partner, Arctaris Impact Investors
Neil Katz- Vice President, Arctaris Impact Investors
Brendan Lugossy- Fund Analyst, Arctaris Impact Investors
Mark Grotevant- Consultant, Grotevant Impact Advisors
Fletcher Kittredge- Chief Executive Officer, GWI
Leisa DuPuy- Chief Financial Officer, GWI

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of July 16, 2020 Board Meeting Minutes

A3: Approval of July 16, 2020 Executive Committee Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Brooks to approve (1) the minutes of the July 16, 2020 Board meeting and (2) the minutes of the July 16, 2020 Executive Committee meeting. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-09-17-20-01

B: CHAIR'S REPORT 9:20 a.m.

B1: Acceptance of the Report of the Business Committee Meeting of September 3, 2020.

A motion was made by Mr. Howard and seconded by Mr. Daigler to approve the Report of Business Committee meeting of September 3, 2020. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-09-17-20-02

C1: CEO's Report 9:23 a.m.

Mr. Wagner first thanked Ms. Walker for graciously offering to continue on the board. Additions to the board will not be considered until the beginning of next year at the earliest.

Mr. Wagner reported there were high levels of engagement on the best places to work survey. The FAME customer satisfaction survey also continued to show excellence with a rating of 4.66. Communicating with associates and customers about what we are doing and why we are doing it has contributed to our success.

Regarding state budget curtailment, FAME joined state agencies in a 10.4% budget cutting exercise ordered by the governor. The majority of the \$1.9 million in FAME reductions were identified in the Maine State Grant (MSG) program. A final decision on curtailments to the current fiscal year has not yet been made by the Governor, but we should be prepared for some cuts to the upcoming FY22-23 biennial budget.

Mr. Wagner stated the Claim Your Future commercialization team, which includes Mary Dyer, FAME's financial education officer has been working diligently over the summer to develop a strategic plan for continuing its efforts to bring Claim Your Future to educators and partners across the country. FAME is working on developing several new tools and resources to support various learning models. In addition, FAME recently partnered with UTAH Gear Up to bring Claim Your Future game kits to Gear Up schools.

Mr. Wagner provided an update on the Invest in ME Reads initiative. As part of the program kickoff, FAME has launched a new educational webpage, [InvestInMEReads.com](https://www.investinmehereads.com). Free books and resources will be distributed to all Maine schools to share with their second-grade students and teachers.

Other topics covered in the written 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.

C1b: CEO Performance Review

Mr. Violette reviewed the process for new board members. Staff comments have been received and will be sorted through by Ms. Brown. The executive committee will be working to assemble documents and have conversations about the results. Mr. Wagner will also complete a self-assessment. Next month, there will be a presentation to the whole board. After board discussions, the executive committee will meet again the following month to share with the board their findings and recommendations. Ms. Brown will send a document to board members outlining the requirements.

C2: Business 9:42 a.m.

C2a&b: CLI and ERLP Snapshot

Mr. Weber presented the materials in the board packet and took questions by exception. There were no questions from board members. Mr. Weber reviewed the top 10 exposures at the request of Mr. Violette. Ms. Cummings shared that they are proactively keeping in close contact with the banks and the borrowers as well as monitoring risk rating and making adjustments accordingly.

C2c: Watch Desk Report

Ms. Kunesh reported a COVID update section was added so the board could see how each borrower is doing individually.

Mr. Trafton moved to enter into Executive Session to discuss records designated confidential by statute (1 MRSA §402(3)(A)). Any record including 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 to be provided by or with the assistance of the Authority (10 MRSA §975-A(2)(D)). The motion was seconded by Mr. Nightingale and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

Members entered Executive Session No. 1 at 9:55 a.m.

Members exited Executive Session No. 1 at 10:02 a.m.

C3: Quarterly Financial Review 10:01 a.m.

Ms. Desiderio led the board in a discussion summarizing the flow of financial performance for fiscal year 2019 to fiscal 2020, as well as fiscal 2020 budget compared to 2020 (pre-audit) performance. The financials were presented in millions to facilitate discussion. An explanation was given for line items that were either over or under budget. Board members took the opportunity to ask specific questions concerning the information provided. Mr. Roney explained arbitrage, penalties and other potential negative impacts revealed in the financial data. Ms. Johnston gave the board an update on FAFSA filings, which are down. Details on the financial review, including spreadsheets and charts can be found in the board packet.

BREAK: 10:13 to 10:25 a.m.

D1: Approval of Modifications to Program Management Agreement - NextGen 529™
10:45 a.m.

Ms. Johnston requested the board go into executive session.

Mr. Trafton moved to enter into Executive Session giving reason: 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 MRSA §405(6)(E)), and to discuss records designated confidential by statute (1 MRSA §402(3)(A)). The motion was seconded by Mr. Brooks and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

Members entered Executive Session No. 2 at 11:00 a.m.

Members exited Executive Session No. 2 at 11:40 a.m.

A motion was made by Mr. Brooks and seconded by Mr. Beck to authorize staff to enter into negotiations to amend or replace the Program Management Agreement for both the Select and Direct Series of NextGen 529™ for the period 7/1/21 – 6/30/23. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-09-17-20-03

D2: Extension of COVID-9 Relief Business Programs 11:45 a.m.

Mr. Mello reported FAME staff is requesting Board approval to extend these programs through March 31, 2021.

A motion was made by Mr. Trafton and seconded by Mr. Brooks to approve the program extensions as presented. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-09-17-20-04

D3: Finance Policies Review and Approval 11:24 a.m.

This action items was tabled until the next board meeting.

D4: Appeal of Denial of Economic Recovery Loan Application – Katahdin Communications 11:50 a.m.

Ms. Cummings attempted to connect with Mr. Talbot who left the Zoom waiting room but was unsuccessful. Consideration of this item was postponed until a later meeting.

D5: Biddeford Internet Corporation (GWI) CLI Request 12:00 p.m.

Mr. Wagner reported that the board is required to make additional findings, regarding extraordinary public benefit and substantial equity, under the rules where the requirement of a personal guaranty of the owners is requested to be waived. Mr. Wagner stated that he was willing to recommend approval if the owners offered a personal guarantee that covers at least 25.0% of the \$1,000,000 Finance Authority exposure.

Ms. Beal exited the meeting at 12:15 p.m.

Mr. Brooks moved to enter into Executive Session to discuss records designated confidential by statute (1 MRSA §402(3)(A)). Any record including 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 to be provided by or with the assistance of the Authority (10 MRSA §975-A(2)(D)). The motion was seconded by Mr. Trafton and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

Members entered Executive Session No. 3 at 12:15 p.m.

Members exited Executive Session No. 3 at 12:35 p.m.

A motion was made by Mr. Brooks and seconded by Mr. Daigler to table this item until the October board meeting. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

A motion was made by Mr. Howard and seconded by Mr. Daigler to adjourn and was approved unanimously.

The meeting adjourned at 12:35 p.m.

Respectfully submitted,

James Violette, Chair