

**MINUTES OF THE JANUARY 21, 2021 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the January 21, 2020 meeting of the Finance Authority of Maine to order at 9:00 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**).

Legal Assistant, Summer Knowlton, 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. Knowlton 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:

David Daigler, Chair
Richard Trafton
Rebecca Asen
Henry Beck
Dustin Brooks
James Howard, Treasurer
Blue Keim
Timothy Nightingale
Cheri Walker
Lee Webb
Amanda Beal
Heather Johnson
Christopher Pierce
James Violette

Those members absent:

Omar Andrews

Staff present:

Bruce Wagner, Chief Executive Officer
Carlos Mello, Chief Risk Officer
Christopher Roney, General Counsel

Lisa Brown, Human Resources Manager
Jennifer Cummings, Director of Business Programs
Eva Giles, College Savings Program Manager
Jonathan Harvell, Chief Information Officer
Martha Johnston, Director of Education
Karen Kunesh, Commercial Loan and Workout Officer
Elizabeth Vanderweide, Director of Business Development
Scott Weber, Senior Credit Officer
Kim Bard, Executive/Legal Assistant
Janeen Violette, Marketing Coordinator
Mila Tappan, Outreach Manager

Guests:

Jonathan Tower, Arctaris Impact Investors
Greg Andrews, Saddleback Mountain
Uche Usuji, Saddleback Mountain

A: CALL TO ORDER

A1: Ascertainment of Quorum *9:04 a.m.*

A2: Approval of November 17, 2020 Board Meeting Minutes

A3: Approval of December 19, 2020 Board Meeting Minutes

A4: Approval of December 8, 2020 Business Committee Meeting Minutes

A5: Approval of the December 10, 2020 Education Committee Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Keim to approve (1) the minutes of the November 17, 2020 Board meeting; (2) the minutes of the December 19, 2020 Board meeting; (3) the minutes of the December 8, 2020 Business Committee Meeting; (4) the minutes of the December 10, 2020 Education Committee Meeting. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstention(s).

B: CHAIR'S REPORT *9:07 a.m.*

Mr. Daigler reported that FAME Staff and members of the Board are looking into how to make additional economic recovery funds available to address the ongoing COVID-19 pandemic, through outreach to several other banks and the legislature. Committee Assignments for 2021 were also discussed. It was noted that the Strategic Planning Committee for FAME will begin its work after hiring a new CEO.

Mr. Webb entered the room at 9:16 a.m.

It was further noted that Bruce Wagner had announced his intention to retire, effective February 5, 2021, and that Carlos Mello was asked and had agreed to serve as Acting CEO until a permanent CEO was named by the Governor and confirmed by the Legislature. Through discussions between

members of the Executive Committee and the Governor, FAME's Board of Directors has been authorized to spearhead the search for a new CEO, and make recommendations to the Governor. The Chair has put in place a Search Committee, an appropriate timeline, and has appointed Mr. Brooks to head the effort. Several key characteristics that the Board is looking for in a new CEO were identified and can be found in the Board packet.

A motion to grant the CEO Search Committee the Authority to obtain an external search firm for a new CEO, if necessary, was made by Mr. Brooks, seconded by Mr. Trafton, approved with 13 in favor, 0 opposed, and 1 abstention (Jay Violette.)

A motion to authorize the Executive Committee to discuss the compensation of and to approve of Carlos Mello as Interim CEO was made by Mr. Trafton, seconded by Mr. Violette, approved with 14 in favor, 0 opposed, and 0 abstentions.

C: ACTION ITEMS 9:49 a.m.

Guests Greg Andrews, Uche Usuji, Jonathan Tower entered at 9:53 a.m.

C1: Approval of Saddleback Community Loan Company-Economic Recovery Loan Program Direct Loan Refinance and Consent Request

Guests from Saddleback Mountain were welcomed and introduced. The Chair asked that the presentation focus on the narrow request being made today. Guests made some introductory remarks, reporting that the project was going well and that the Mountain is seeing higher than targeted visitors and is employing 35 full-time and 115 part-time workers. Ms. Cummings reported that the Borrower was seeking approval for a subordination of the FAME lien on either the new Quad Chairlift, or the base lodge, to secure financing from one of two potential lenders, each seeking a first lien on specific collateral for its loan of up to \$5 million dollars, respectively. She also indicated the matter was before the board for a restructure of the Direct Loan terms, which matures 1/21/21. The restructure results in a new, five year term with equal amortizing payments of principal and interest until maturity. Mr. Mello reported that the staff of FAME recommends the Boards' approval of the request. It was also discussed that the Business Committee of the Board reviewed the request and was supportive.

A motion was made by Mr. Trafton and seconded by Mr. Beck to approve the Saddleback Community Loan Company Economic Recovery Loan Program Direct Loan Refinance and Consent Request, as outlined in the presentation to the members. The motion was approved by a vote of 12 in favor, 2 opposed (Tim Nightingale and Lee Webb), and 0 abstentions.

C2: Approval of Business Credit Policies 10:15 a.m.

Mr. Weber provided the presentation regarding the annual approval of the Business Division Loan and Loan Insurance Credit Policies, including any suggested changes thereto being proposed by staff. Copies of the updated Policies were in the board materials.

Mr. Weber also noted that the Policies had been reviewed with the Business Committee and that the Committee was supportive of the updated Policies, as presented.

A motion was made by Mr. Keim and seconded by Mr. Howard to approve the Credit Policies, as presented. The motion was approved by a vote of 13 in favor, 0 opposed and 0 abstentions.

Mr. Webb exited the meeting at 10:20 a.m.

D. CEO and STAFF REPORTS

D1: CEO Report 10:25 a.m.

Mr. Wagner reported that the transition of CEO power from him to Mr. Mello began January 15, 2021 and is going smoothly. Mr. Wagner gave his final remarks and thanks to the Board and also noted for the record the history of FAME's creation as an independent authority, which began after the disbandment of the Maine Guarantee Authority, which ultimately fell apart due to poor judgment influenced by political pressure. Mr. Wagner cautioned the Board to avoid those same pitfalls going forward.

D1a: Articles of Interest

No discussion on Articles of Interest.

D2: Legislative Update 10:47 a.m.

Mr. Norbert reported that the Maine legislative session has begun and that the IDEA Oversight Committee will begin its biennial session this year.

Mr. Mello and Mr. Norbert will be approaching the legislature to ensure that the 2021 budget does not present any budget cuts to FAME.

D3: Education

D3a: Education Quarterly Report: Q1, FY 2021 10:55 a.m.

Ms. Johnston gave some highlights of the recent performance of the Authority's Education Division performance. She reported that December 2020 saw the highest level of contributions in a single month of NextGen's history despite the COVID-19 pandemic.

Mr. Keim left the meeting at 11 a.m.

D3b: Maine State Grant Decennial Report 11:05 a.m.

Ms. Johnston reported the highlights of the Decennial Report, including the recommendations on potential changes or areas of future focus. She also noted that while Grant funding was important, that the Education Division will also begin a campaign to remedy the effects of college aspirations and FAFSA applications due to the COVID pandemic and subsequent economic recession.

D3c: NextGen 529 Program Management 11:15 a.m.

Mr. Wagner stressed that the NextGen Program Management Agreement needs to be completed as soon as possible and also addressed the limits of staff to complete this along with other projects.

A motion to enter Executive Session under 1 MRSA §405(6)(F); 1 MRSA §402(3)(A) to discuss potential changes related to outstanding securities (NextGen 529 accounts) was made by Mr. Brooks and seconded by Mr. Trafton. The motion was approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.

Members entered Executive Session No. 1 at 11:20 a.m.

Members exited Executive Session No.1 at 11:47 a.m.

Mr. Daigler thanked the outgoing Board Members and Mr. Wagner for their service to FAME.

ADJOURN

A motion was made by Mr. Trafton and seconded by Mr. Brooks to adjourn and was approved unanimously.

The meeting adjourned at 11:55 a.m.

Respectfully submitted,

David Daigler, Chair