

**MINUTES OF THE JUNE 17, 2021 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Daigler called the June 17, 2021 meeting of the Finance Authority of Maine to order at 9:04 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, Vice Chair
Dustin Brooks, Treasurer
Henry Beck
Greg Olson, in place of Henry Beck
Randy Charette, in place of Amanda Beal
Renee Ouellette
Bettyann Sheats
Tim Nightingale
Blue Keim
James Violette
Heather Johnson
James Howard

Those members absent:

Omar Andrews
Lee Webb

Staff present:

Carlos Mello, Acting Chief Executive Officer
Christopher Roney, General Counsel
Shelly Desiderio, Chief Accounting Officer

Martha Johnston, Director of Education
Elizabeth Vanderweide, Director of Business Development
Jennifer Cummings, Director of Business Programs
Scott Weber, Senior Credit Officer
Jeff Murch, Credit Analyst II
Josh Dixon, Senior Accountant
Kim Getchell, Commercial Loan Officer
Summer Knowlton, Legal/HR Assistant

Guests:

Greg Andrews- Saddleback/Arctaris

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:01 a.m.

A2: Approval of the minutes of May 13, May 18, and May 27, 2021 Executive Committee Meeting

A3: Approval of the minutes of June 3, 2021 Education Committee Meeting

A4: Approval of the minutes of the May 12, 2021 Business Committee Meeting

A5: Approval of the minutes of the March 15, 2021 Advisory Committee on Education Savings Meeting

A motion was made by Mr. Trafton and seconded by Mr. Brooks to approve/accept (1) the minutes of May 13, May 18, and May 27, 2021 Executive Committee Meetings; (2) the minutes of June 3, 2021 Education Committee Meeting; (3) the minutes of the May 12, 2021 Business Committee Meeting; (4) the minutes of the March 15, 2021 Advisory Committee on Education Savings Meeting. The motion was approved by a vote of 11 in favor, 0 opposed and 1 abstention (Randy Charette.)

B: CHAIR'S REPORT 9:04 am.

Mr. Daigler began updating the Board on the Executive Committee's May 27, 2021 meeting, which primarily entailed updates on the status of the HAF Steering Committee and CEO Search Committee.

B1: HAF COMMITTEE UPDATE 9:05 a.m.

Mr. Trafton reported that he and Mr. Mello met with Greg Powell and Colleen Quint, who are the presidents of the Harold Alfond Foundation and the Alfond Scholarship Foundation, respectively. Mr.

Trafton reported that the meeting was productive. Mr. Mello highlighted a key point from the meeting, that the Alford Foundations have set a goal of 13,000 new college savings accounts in the next fiscal year, which would account for 70% of all children in Maine. Mr. Mello noted that nationally, only 4% of children have such an account. Mr. Trafton and Mr. Mello reported that they were in agreement, along with both Alford Foundations, that there may be other avenues than 529 plans for Mainers to be saving for college.

B2: STRATEGIC RESET DISCUSSION 9:17 a.m.

Mr. Brooks prepared a presentation for the Board, as a result of the postponing of the CEO Search, that analyzed the relationship between FAME Staff, Board, and CEO. This strategic reset discussion is in response to the limited number of applicants to the open FAME CEO position and the feedback that members of the CEO Search Committee got from the search process, colleagues, and the Governor. Per the Governor's request, Mr. Brooks and the CEO Search Committee are conducting a strategic review/reset of the FAME CEO position to identify why there were few applications as well as the discrepancies between the statutory responsibility of the CEO and what a typical CEO position entails. Mr. Brooks identified several key issues- to include the gubernatorial appointment and legislative confirmation (hiring and firing) of the CEO, the political implications of leading a quasi-governmental entity, the four-year appointment of the CEO, and the role of the Board.

Mr. Keim left the meeting at 10:35 a.m.

C: ACTION ITEMS

C1: Approval of Collateral Modification—Saddleback Community Loan Company, LLC 10:35a.m.

Ms. Cummings introduced guest Greg Andrews from Saddleback and reported that FME Staff had negotiated with Saddleback to release all operational collateral items that secure the \$1 million direct loan shared between FAME and MRDA. Currently, FAME and MRDA share a 1st position lien on 5,556 acres of timberland and all business assets and a 2nd position lien on the detachable quad chairlift and ski lodge. If approved, all collateral would be released except for 2500 acres of timberland. Ms. Cummings reported that this deal was recommended for approval by the Business Committee, subject to the conditions that the land value be appraised at \$1,000 per acre or higher, that there would be no wood harvesting for any reason without FAME's consent, that land accessibility is verified, and that the timberland is not subject to any conservation or other restrictions.

A motion to approve the collateral modification request was made by Mr. Nightingale, seconded by Mr. Howard, and approved by a vote of 10 in favor, 0 opposed, and 1 abstentions (Johnson.)

C2: Approval of Program Modifications for Maine Education Savings Program 10:56 a.m.

A motion to enter Executive Session No. 1 under (1 MRSA §405(6)(F); 1 MRSA §402(3)(A)) to discuss Program Services Agreement for Maine Education Savings Program was made by Mr. Brooks, seconded by Mr. Trafton, and approved by a vote of 9 in favor, 0 opposed, and 2 abstentions (Johnson and Howard)

Members entered Executive Session No. 1 at 10:57 a.m.

Members exited Executive Session No. 1 at 11:02 a.m.

C3: Approval of Amendment of Cash Allocation Agreement 11:04 a.m.

Ms. Gabrielson reviewed the amended agreement, where there were no substantive changes other than that the treatment of net income calculations would more closely coincide with industry standard calculations, as required by BlackRock.

A motion to approve the agreement as amended was made by Mr. Trafton, seconded by Mr. Brooks, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

C4: Approval of Extension of Program Services Agreement 11:07 a.m.

A motion to enter Executive Session No. 2 under (1 MRSA §405(6)(F); 1 MRSA §402(3)(A)) to discuss the Program Services Agreement was made by Mr. Brooks, seconded by Mr. Trafton, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions

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

Members exited Executive Session No. 2 at 11:16 a.m.

Mr. Daigler noted for the record that the transition team at FAME has been working very diligently to ensure that the overall transition goes smoothly for NextGen customers.

C5: Annual Budget FY2022 11:18 a.m.

Ms. Desiderio presented the annual budget for review, noting the key assumptions.

Mr. Mello noted some items not included in the annual budget, specifically money from the American Rescue Plan Act and Governor mills' jobs and Recovery Act, which FAME expects to receive but has not received as of date.

A motion to approve the annual budget as presented was made by Mr. Brooks, seconded by Mr. Trafton, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

C6: Approval of Education Committee Charter 11:58 a.m.

C7: Approval of Advisory Committee on Education Savings Charter 11:58 a.m.

Ms. Johnston presented the updated charters as required annually.

A motion to approve of (1) Education Committee Charter; (2) Advisory Committee on Education Savings Charter was made by Mr. Nightingale, seconded by Mr. Brooks, and approved by a vote on 10 in favor, 0 opposed, and 0 abstentions.

C8: Approval of Education Programs Fiduciary and Capitalization Policy 12:02 a.m.

C9: Approval of Education Programs Underwriting Policy 12:02 a.m.

Ms. Johnston presented the updated policies as required annually.

A motion to approve of both Education Programs policies was made by Mr. Brooks, seconded by Mr. Trafton, and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.

D: Staff Reports *10:45 a.m.*

Mr. Mello gave the Acting CEO report, which focused specifically on American Rescue Plan dollars that FAME expects to receive and deploy. Mr. Mello reported that FAME expects to receive \$78 million in funds from several federal and state agencies.

Mr. Norbert gave the Legislative Update and noted that the Legislature will adjourn starting June 18th and then come back June 29th to vote on several bills of interest to FAME.

Ms. Vanderweide reviewed the results of the customer satisfaction survey, where FAME met it's goal for fiscal year 2021 despite challenged presented by the pandemic.

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

The meeting adjourned at 12:10 a.m.

Respectfully submitted,

David Daigler, Chair