

**MINUTES OF THE JULY 15, 2021 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Daigler called the July 15, 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  
Henry Beck  
Rebecca Asen  
Randy Charette, in place of Amanda Beal  
Bettyann Sheats  
Tim Nightingale  
Blue Keim  
James Violette

Those members absent:

Omar Andrews  
Lee Webb  
Dustin Brooks, Treasurer  
Renee Ouellette  
Heather Johnson  
James Howard

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  
Summer Knowlton, Legal/HR Assistant

Guests:

Greg Olson- Vertical Harvest Maine, L3C

Lindsay Leone- Bernstein Shur

### **A: CALL TO ORDER**

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

**A2: Approval of the minutes of the June 10 and June 28, 2021 Executive Committee Meeting**

**A3: Approval of the minutes of June 30, 2021 Risk Management and Audit Committee Meeting**

**A4: Approval of the minutes of the May 12 June 9, 2021 Business Committee Meeting**

**A5: Approval of the minutes of the May 20 and June 17, 2021 Board Meeting**

A motion was made by Mr. Trafton and seconded by Mr. Beck to approve/accept (1) the minutes of June 10 and June 28, 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: ACTION ITEMS**

**B1: Approval of Bond Resolution- Vertical Harvest Maine L3C (Revenue Obligation Securities Program)** 9:09 a.m.

Mr. Roney presented the bond resolution to the board for the project, which will include a vertical hydroponic greenhouse facility. Mr. Roney noted that there had been a public hearing on the project, pursuant to which there was significant public input on the project. Comments were neither for nor against. After the hearing, the CEO made the findings required by statute, primarily that the project will provide public benefit and will not cause substantial detriment to any existing competitors in the State of Maine. Accordingly, a Certificate of Approval was issued. Guest Greg Olson further described the project in greater detail, including additions that will be added later on to include a parking garage and affordable housing as well as the employment opportunities for people with physical and intellectual disabilities.

**A motion to approve the resolution was made by Mr. Trafton, seconded by Ms. Asen, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions.**

**B2: Approval of Certification Application of Advantage Capital Community Development Fund XXXIII for Qualified Equity Investment in MedRhythms, Inc.**

**B3: Approval of Certification Application of Midwest Community Development Fund XIII, LLC for Qualified Equity Investment in MedRhythms, Inc. 9:27 a.m.**

Mr. Roney presented both certification applications for qualified equity investments as part of the Maine New Markets Capital Tax Credit Program. Guest Joe Henderson and Chris Morrison from Advantage Capital went over the investment project, MedRhythms, Inc., which is located in Portland, Maine and makes a device that aids in stroke recovery. Mr. Roney referenced proposed Resolutions in the Board materials approving the applications.

**A motion to approve the Resolutions, approving the certification applications for both Advantage Capital Community Development Fund XXXIII and Midwest Community Development Fund XIII, LLC was made by Mr. Trafton, seconded by Mr. Keim, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions**

**B3: Approval of Maine Education Savings Program Investment Policy and Monitoring Guidelines Update 9:37a.m.**

Ms. Giles reviewed the policy, as required biennially, and reviewed the changes to the ratings of investments and how the investment manager should act when investment funds are under performing.

**A motion to approve the Investment Policy and Monitoring Guidelines, as amended, was made by Mr. Trafton, seconded by Ms. Sheats, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions.**

**B4: Approval for Rulemaking-Chapter 611 – Maine Education Savings Program – Amendment #18 9:43 a.m.**

Mr. Roney reviewed the proposed changes made to the rule to reflect the new Program Services Agreement. Mr. Roney also noted for the Board that the rule was reviewed by the Advisory Committee on Education Savings.

**A motion to approve the draft amendment to Chapter 611 for rulemaking was made by Mr. Nightingale, seconded by Mr. Trafton, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions.**

**B5: Approval of Business Programs Policy- On-Line Answer/ Exposure to One Borrower Re-Calculation 9:48 a.m.**

Ms. Cummings reviewed the proposed changes to the Business Policies, noting that the results of FAME's 2020 Customer Satisfaction Survey suggested that FAME ought to increase the ease and speed of its programs. Accordingly, FAME staff has proposed increasing the maximum loan insurance exposure through the OLA program to \$1.5 million. Separately, the annual calculation of maximum

exposure to one borrower supports raising the limit by approximately \$1 million.. Mr. Weber noted FAME's current quarterly default rate, which was less than 1%.

**A motion to approve the changes to Business Program Policies as presented was made by Mr. Nightingale, seconded by Mr. Trafton, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions.**

**C6: Approval of FAME Investment Policies 10:00 a.m.**

Ms. Desiderio presented the FAME Investment policies which are required to be reviewed annually by the Risk Management and Audit Committee Charter and noted that the Committee reviewed and recommended the policy changes.

**A motion to approve of the FAME investment policies was made by Mr. Nightingale, seconded by Mr. Brooks, and approved by a vote on 10 in favor, 0 opposed, and 0 abstentions.**

**D: Chair's Report 10:09 a.m.**

Mr. Trafton reported that he and Mr. Mello are continuing discussions with the Presidents of both the Harold Alfond and Alfond Scholarship Foundations to discuss the relationship between ASF and FAME. The Foundations have set what FAME deems to be an unrealistic goal in terms of new Maine Education Savings Plan (NextGen 529) account openings and requested that FAME engage in certain marketing activities to accomplish that goal, and permit the Foundations to undertake marketing activities as well. However, due to its position as issuer of NextGen 529 securities, FAME has been advised that it is not legally permissible for it to engage in some of the activities that the Foundation suggests, and because the Foundations have significant association with FAME, FAME has been advised that it is not legally permissible for the Foundations to engage in the activities it wishes to. Mr. Trafton said that he and the members of the HAF/ASF Steering Committee would be putting together a formal recommendation before the Board in response to the Foundation's requests.

Mr. Daigler reviewed a memorandum sent out by Mr. Brooks, who was absent due to unforeseen circumstances, regarding four key decisions that the Board will be making before the CEO Search is reinstated. These four key decisions are the focus of FAME, the function of Authority members, the CEO's skills emphasis, and performance management. Mr. Daigler reviewed the potential outcomes or choices that could be made on these decisions for the Board to consider before the August meeting.

*Mr. Beck left the meeting at 10:30 a.m*

*Mr. Charette left the meeting at 10:48 a.m.*

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

The meeting adjourned at 11:15 a.m.

Respectfully submitted,

David Daigler, Chair