

**MINUTES OF THE MARCH 18, 2021 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Daigler called the March 18, 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
Rebecca Asen
Henry Beck
James Howard
Lee Webb
Randy Charette for Amanda Beal
Heather Johnson
Renee Ouellette
Bettyann Sheats
Tim Nightingale
Blue Keim
James Violette

Those members absent:

Omar Andrews
Dustin Brooks, Treasurer

Staff present:

Carlos Mello, Acting CEO
Christopher Roney, General Counsel

Lisa Brown, Human Resources Manager
Jennifer Cummings, Director of Business Programs
Shelly Desiderio, Chief Accounting Officer
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
Summer Knowlton, Legal/HR Assistant

Guests:

Joshua Henry, GO Lab, Inc.
James Saffian, Pierce Atwood

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:18 a.m.

Mr. Daigler welcomed the new board members, giving them the opportunity to introduce themselves along with the current Board Members and FAME Staff.

A2: Approval of February 26, 2021 Board Meeting Minutes

A3: Approval of the Report of the Advisory Committee on Education Savings Meeting November 20, 2020

A motion was made by Mr. Trafton and seconded by Commissioner Johnson to approve/accept (1) the minutes of the February 26, 2021 Board Meeting; and (2) the Report of the Advisory Committee on Education Savings November 20, 2020. The motion was approved by a vote of 9 in favor, 0 opposed and 4 abstentions (Violette, Keim, Nightingale, Sheats.)

B: CHAIR'S REPORT 9:19 am.

Mr. Daigler reported on behalf of Mr. Brooks (absent) that the CEO Search Committee has now received two viable applications and has started the interview process. However, the Search Committee and would like to expand the application pool and will review select applicants sent to FAME through a search firm as well as seeking and reviewing additional applications by referral and personal contacts.

Mr. Trafton reported that the Ad Hoc ASF Steering Committee has had its two introductory meetings with FAME Staff to establish the background of the relationship between FAME and both the Alford Scholarship Foundation and the Harold Alford Foundation. Additionally, Mr. Trafton is working to set up Zoom Meetings with Bruce Wagner and Jay Violette to discuss their prior discussions with the two foundations.

Mr. Roney explained that Board Members were statutorily entitled to a per diem payment for FAME Board and Committee meetings and that is still available to them despite the fact that in-person meetings are no longer occurring.

Mr. Daigler asked each Standing Committee to review their Charters and to propose changes where they see fit. Mr. Nightingale, Chair of the Business Committee, reviewed changes that committee is considering based on conversations with the committee members and staff. Ms. Asen and Treasurer Beck will review their Charters with their committees and report at the next Board meeting. Mr. Roney stressed that, although the Committees are important in the vetting process of each item before they come to the Board, their expertise in their respective fields is not a substitute for each Board Member's reviewing Board Packet materials on their own. Mr. Mello concluded that each Committee would come before the Board at the next meeting with any further changes, keeping their responsibilities in mind.

Members took a break from 9:50-10 a.m.

C: ACTION ITEMS

C1: Approval of Bond Resolution- GOLab, Inc. (Revenue Obligation Securities Program) 10 a.m.

Mr. Roney requested approval of the Bond Resolution for GO Lab, Inc. where the proceeds of the bonds would go towards the purchase, updating, and infrastructure of a manufacturing facility (formerly Madison Paper Mill) that turns sawmill waste products into eco-friendly, carbon-negative, insulation. FAME, being a quasi-public entity, has the statutory authority under the Revenue Obligation Securities Program to issue said bonds. Per statutory requirements, FAME has done their due-diligence including holding public hearings, in which there were no public comments, in addition to agreeing to certain Stipulations and Findings. The project would contribute to the economic, environmental, and social well-being of the State and poses no threats to competitors because no such businesses exist within the State of Maine. GO Lab's Joshua Henry presented to the Board the process of manufacturing such insulation, the business model including monetary and carbon costs, and the existing industry for this type of insulation in Europe.

A motion to approve the Resolution was made by Mr. Trafton, seconded by Commissioner Johnson and approved by a vote of 11 in favor, 0 opposed, and 1abstention (Webb.)

C2: Approval of Modifications—NextGen 529 Program

Ms. Giles recommended that members enter into Executive Session #1 to discuss the continued negotiations of the NextGen 529 Program Services Agreement.

A motion to enter into Executive Session under (1 MRSA §405(6)(F) and 1 MRSA §402(3)(A))—to discuss information contained in records of the Authority declared confidential by statute- was made by Mr. Trafton, seconded by Treasurer Beck, and approved by a vote of 11 in favor, 0 opposed, and 1 abstention (Howard.)

Members entered into Executive Session #1 at 10:32

Members exited Executive Session #1 at 10:37

A motion to approve NextGen 529 Modifications as presented was made by Treasurer Beck, seconded by Mr. Keim, and approved by a vote of 9 in favor, 0 opposed, and 2 abstentions (Johnson and Howard.)

C3: Approval of Extension of COVID Business Recovery Loan Programs 10:40 a.m.

Ms. Cummings reported that FAME began a series of COVID Business Relief programs in March of 2020 to aid businesses during the economic downfall. The FAME Board extended these loans in June of 2020, which will expire in March 2021. FAME staff is requesting another extension of this program to continue the loans through June 2021.

A motion to approve Extension of COVID Business Recovery Loan Programs as presented was made by Mr. Keim, seconded by Commissioner Johnson, and approved by a vote of 11 in favor, 0 opposed, and 1 abstention (Howard.)

C4: Approval of Certain Business Division Policies 10:50 a.m.

Mr. Weber presented changes to certain Business Division policies. No material changes were made to the Charge-off / Insured Claim Pay-out Policy or the Allowances for Insurance and Direct Loans Policy. One change was made to the Business Funds Capitalization Policy, maintaining the current \$5.25 million maximum loan limit, rather than increasing to \$5.5 million based on FAME's current capital position. This recommendation reflects the current uncertainty of the COVID-19 pandemic economy. The policies are annually reviewed.

A motion to approve Certain Business Division Policies as presented was made by Mr. Trafton, seconded by Mr. Violette, and approved by a vote of 11 in favor, 0 opposed, and 1 abstention (Howard.)

D: Acting CEO & Staff Reports

Mr. Mello reported that due to the recent COVID Relief Package passed by Congress, a significant amount of funds may be delegated to the State of Maine through SSBCI. FAME, being the Administrator of SSBCI funds previously distributed, is helping prepare for receipt of these funds so the state can act quickly when they arrive to provide relief to FAME customers and Maine businesses. Commissioner Johnson added that the Department of Economic and Community Development is also working to prepare for the availability of these funds.

Additionally, Mr. Mello reported that FAME is working with local bankers and credit unions to create a new Commercial Loan Insurance program to target sectors specifically impacted by the COVID pandemic. Staff will take such proposal to the Business Committee when it is ready.

Mr Weber reported that FAME Business programs are doing well, especially with the advent of online applications for Commercial Loan Insurance that gives the customer an answer much faster than the old application process.

Ms. Johnston reported that NextGen 529 negotiations are going well and that FAME Education is working hard to increase FAFSA filings, increase Claim Your Future kit sales, and will soon be issuing bonds for MaineLoan and will working on funding of the Maine State Grant.

Mr. Weber further reported that there is no concern in the Commercial Loan Insurance and Direct Loan Portfolios.

Mr. Nightingale was put into the waiting room due to a conflict with the Watch Desk Report at 11:08 a.m.

Ms. Kunesh gave an overview of the WatchDesk report, reporting that there were no significant causes for concern.

A motion to enter into Executive Session #2 to discuss WatchDesk Customer's financials was made by Mr. Trafton, seconded by Mr. Violette, and approved by a vote of 10 in favor, 0 opposed, and 2 abstentions (Nightingale and Howard.)

Members entered Executive Session #2 at 11:09 a.m.

Members exited Executive Session #2 at 11:12 a.m.

Mr. Nightingale was let back into the meeting at 11:13 a.m.

Ms. Desiderio referred members to the packet materials and gave an overview of FAME financial statements as of and for the period ended December 31, 2020.

Mr. Norbert gave a review of all legislative bills relevant to FAME and FAME programs that he is actively tracking as well as an overview of the supplemental and biennial budgets for the State of Maine and the activities of the IDEA Committee, which is FAME's oversight committee.

Ms. Johnston gave notice to the members of the Board that the FAME Education's Quarterly review will be coming at the next meeting.

A motion to adjourn was made by Mr. Trafton, seconded by Ms. Asen, and approved by a vote of 11 in favor, 0 opposed, and 1 abstention (Howard.)

ADJOURN

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

The meeting adjourned at 11:46 a.m.

Respectfully submitted,

David Daigler, Chair