

**MINUTES OF THE OCTOBER 15, 2020 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Violette called the October 15, 2020 meeting of the Finance Authority of Maine to order at 9:06 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
Rebecca Asen
Amanda Beal (present but not able to verbally participate)
Dustin Brooks
Matthew Colpitts
Heather Johnson
Timothy Nightingale
Christopher Pierce
Richard Trafton
Cheri Walker

Those members absent:

Omar Andrews
James Howard, Treasurer
Lee Webb

Staff present:

Bruce Wagner, Chief Executive 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
Carlos Mello, Chief Risk Officer
Elizabeth Vanderweide, Director of Business Development
Scott Weber, Senior Credit Officer
Kim Bard, Executive/Legal Assistant

Guests:

James Talbott

A: CALL TO ORDER

A1: Ascertainment of Quorum

A2: Approval of September 17, 2020 Board Meeting Minutes

A3: Approval of September 17, 2020 Executive Committee Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Daigler to approve (1) the minutes of the September 17, 2020 Board meeting and (2) the minutes of the September 17, 2020 Executive Committee meeting. The motion was approved by a vote of 10 in favor, 0 opposed and 1 abstention. (Keim)

R-10-15-20-01

B: CHAIR'S REPORT *9:15 a.m.*

B1: Acceptance of the Report of the Education Committee Meeting of September 30, 2020.

B2: Acceptance of the Report of the Risk Management & Audit Committee Meeting of October 1, 2020.

B3: Acceptance of ACES Committee meeting minutes of July 13, 2020.

A motion was made by Mr. Brooks and seconded by Mr. Daigler to approve the Report of Education Committee meeting of September 30, 2020, the Report of the Risk Management and Audit Committee meeting of October 1, 2020, and the minutes of the ACES Committee meeting of July 13, 2020. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-10-15-20-02

B4: Board Officer Nominating Committee

Ms. Walker is the chair of the nominating committee. She explained to board members how officers are elected and went on to announce who volunteered to serve in leadership positions: Dave Daigler as Chair, Richard Trafton as Vice Chair and Dustin Brooks as Treasurer. The names will be brought before the board at the November board meeting. Members are welcome to nominate or volunteer their own nomination between now and the November board meeting.

C1: Katahdin Communications Denial Appeal 9:27 a.m.

Mr. Talbott entered the meeting. Ms. Cummings brought the board members up to speed on the details of the denial as noted in the board memo.

Mr. Beck 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 Ms. Asen and approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

Members entered Executive Session No. 1 at 9:30 a.m.

Members exited Executive Session No. 1 at 10:00 a.m.

A motion was made by Mr. Brooks and seconded by Mr. Daigler to deny the appeal of Katahdin Communications and James Talbott. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions.

R-10-15-20-03

C2: Removed from agenda

BREAK: 10:10 to 10:15 a.m.

B5: CEO Performance Review 10:15 a.m. to 11:20 a.m.

Ms. Walker moved to enter into Executive Session to discuss records designated confidential by statute (1 MRSA §402(3)(A)).

1. {PERSONNEL MATTERS} Discussion or consideration of the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of public officials, appointees or employees of the Authority, or the investigation or hearing of charges or complaints against persons, subject to the following conditions:
 - a. Public discussion could reasonably be expected to cause damage to the reputation or the individual's right to privacy would be violated:
 - b. Any person charged or investigated shall be permitted to be present upon request;

- c. Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints be conducted in open session;
- d. Any person bringing charges, complaints or allegations of misconduct shall be permitted to be present.

(1 MRSA §405(6)(A)).

The motion was seconded by Ms. Asen and approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

Members entered executive session No. 2 at 10:15 a.m.

Ms. Asen exited at 11:17 a.m.

Members exited executive session No. 2 at 11:20 a.m.

Mr. Webb entered at 11:20 a.m.

C3: Modification to Matching Grant Program Eligibility and Terms and Conditions of Maine Grant Programs 11:20

Ms. Giles reported FAME staff recommends that the FAME Board support a proposal to extend the existing eligibility for the Initial Matching Grant (IMG) through December 31, 2021 and support identified modifications to Terms and Conditions of Maine Matching Grants 2021. The modifications and terms and conditions can be found in the board packet. The Education Committee reviewed the proposal and edits to the document. They voted to recommend these changes to the FAME Board.

A motion was made by Mr. Keim and seconded by Mr. Daigler to modify the Matching Grant Program Eligibility and Terms and Conditions of Maine Grant Programs. The motion was approved by a vote of 12 in favor, 0 opposed and 0 abstentions.

R-10-15-20-04

C4: Finance Policies Review and Approval 11:27 a.m.

Ms. Desiderio reported on the FAME finance policies and the changes made to the policies. Most of the changes were edits to dates. All were approved by the Risk Management and Audit Committee in June. The policies can be found in the board packet.

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

R-10-15-20-05

C5: Ratification of NextGen 529 Audited Financial Statements 11:36 a.m.

Ms. Desiderio reported on the NextGen 529 audited financial statements and the report, specifically, from Landmark. The changes are noted and highlighted in the report which includes the Risk Management and Audit Committee's input.

A motion was made by Mr. Nightingale and seconded by Mr. Daigler to approve the ratification of NextGen 529 Audited Financial Statements. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions. (Johnson absent from vote)

R-10-15-20-06

C6: Ratification of FAME Financial Statements 11:45 a.m.

Ms. Desiderio reported on the FAME audited financial statements. She noted the statements will look different than what the board usually sees. They are prepared with the standards of the Governmental Accounting Standards Board, which requires a different layout. The documents reviewed can be found in the board packet.

A motion was made by Mr. Nightingale and seconded by Mr. Daigler to approve the ratification of FAME Audited Financial Statements. The motion was approved by a vote of 11 in favor, 0 opposed and 0 abstentions. (Johnson absent from vote)

Ms. Johnson exited the meeting at 11:45 a.m.

R-10-15-20-07

D1: CEO Report 11:52 a.m.

Mr. Wagner reported FAME is pressing ahead with negotiations with Merrill Lynch and others as authorized by the board on September 17th. A draft term sheet has been developed and it's expected to be finalized in November. The key issues can be found in the CEO report in the board packet.

Mr. Brooks moved to enter into Executive Session to discuss records designated confidential by statute (1 MRSA §402(3)(A)), including ATTORNEY/CLIENT MATTERS; 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))

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 11:52 a.m.

Members exited Executive Session No. 3 at 12:00 p.m.

Mr. Wagner continued with his report noting that FAME is still in good shape regarding COVID and the safety maintained at the Augusta office. We have had no cases and we are keeping a low, well-managed number of associates in the building.

Ms. Beal exited the meeting at 12:00 p.m.

D1a: Articles of Interest

No comments.

D3: Education Quarterly Update 12:02 p.m.

Ms. Johnston reported on the memo found in the board packet and addressed the board with the following points:

The work of the Education group, of course, encompasses many modifications related to COVID19 and in many instances this represents a wholesale shift in how we conduct our work. For instance:

- **FAFSA Assistance consists of using Zoom breakout rooms** where families can receive private one-on-one FAFSA completion assistance while our staff moves in and out of the Zoom rooms to provide help. These sessions are happening every T, W, TH evenings for the entire month of October.
- **FA night for English Language Learners (ELL, households where English is not the first language spoken)** with five different Zoom breakout rooms where five language interpreters are giving the presentation.
- Also **modified our resources** online and made shorter more targeted training for school counselors.
- **Modifying CYF to 1.5 for commercialization BUT also to support educators and students in digital environment.** Separate versions for middle school and younger/high school and older. Facilitated videos that educators or students can use to understand how to play the game.
- **Extension of matching grants approved by Board earlier today.**

NEW things include:

- **Texting pilot** for FAFSA completion and FA information to students, parents and school counselors.
- **Statewide webinars** (this Fall) advertised anywhere but specifically through employers – creating monthly tips (paying, saving, loans) and Spring webinars being planned.
- **Expanded marketing** tactics for NextGen in collaboration with Alford
- **Maine State Grant Decennial Review**
- **Employee Financial Wellness Grant** – Mary and Martha will be executing in collaboration with someone from Treasurer Becks office and from Maine State human resource group
- **Invest in ME Reads**
 - o Books distributed to approximately 12,000 2nd graders
 - o Meet the author - video launched of author reading the book (30 days)
 - o Moderated video of Mary interviewing Maribeth Boelts, the author, Leslie Jones from the CFPB and our own Eva Giles on using the book to teach financial literacy at home.
 - o Will share links to videos with Board.

Other Items

- SLI disbursement (Jul-Sep) down about 20% over same period last year. RSLI down 33%. COVID and marketing. New underwriting changes 9/2/2020 – will conduct strategic review and the timing will be such that we have a sense of the impact of increased marketing and UW changes.
- Maine Loan Originations through 9/30/2020 (down almost 40% over last year) – COVID, late rates
 - o FY21 Pending disbursements \$3,623,717 versus FY20 pending disbursements \$5,697,876
 - o FY21 Actual disbursements \$3,852,095 versus FY20 actual disbursements \$6,609,797
- Maine State Grant through 9/30/2020
 - o FY21 Actual \$3,224,496 versus FY20 actual \$3,103,517 (EFC cut off 5800 both fiscal years)
- Maine State Grant for Adult Learners through 9/30/2020
 - o FY21 Actual \$177,750 versus FY20 actual \$81,375 (FY21 EFC cut off 8000; FY20 EFC cut off 5800)

D2: Legislative Update *12:18 p.m.*

Mr. Norbert provided the board with a list of agency bills and other matters of interest for the First Session of the 130th Maine Legislature, which will convene on December 2, 2020 following the November elections. There were no questions or comments.

COMMISSIONERS' AND TREASURER'S UPDATE

None given.

Mr. Wagner stated there a number is strategic issues to discuss. He asked if the board was open to a 3-hour session for collaboration. Mr. Daigler and Mr. Brooks suggested a strategic review and to take place in the next quarter. Mr. Violette stated if there was an urgent matter, the board could call a special meeting. Ms. Cummings briefly discussed deals that are coming, some of which may have tight timelines.

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

The meeting adjourned at 12:30 p.m.

Respectfully submitted,

James Violette, Chair