

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

Chair Daigler called the November 18, 2021 meeting of the Finance Authority of Maine to order at 9:25 a.m. This meeting was conducted both in-person at the Augusta Civic Center and virtually through Zoom. Provisions were made for the public to attend.

Legal Assistant, Summer Knowlton, noted for the record that the members had received an Agenda and Notice of Meeting 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
Greg Olson, in place of Henry Beck (virtual)
Amanda Beal
Renee Ouellette
Rebecca Asen (virtual)
Bettyann Sheats (virtual)
Heather Johnson
James Howard
Blue Keim

Those members absent:

Dustin Brooks, Treasurer
Omar Andrews
Lee Webb
Tim Nightingale

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 (virtual)
Jennifer Cummings, Director of Business Programs
Summer Knowlton, Legal/HR Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:48 a.m.

A2: Approval of the minutes of the October 21, 2021 Board Meeting

A motion was made by Mr. Trafton and seconded by Mr. Keim to approve/accept (1) the minutes of the October 21, 2021 Board Meeting. The motion was approved by a vote of 7 in favor, 0 opposed and 0 abstentions. (2 additional votes were cast virtually.)

B: CHAIR'S REPORT 9:18 a.m.

Mr. Daigler informed the Board of the members of the Nominating Committee to nominate candidates for the 2022 Board officers. The Committee members named were Rebecca Asen, Tim Nightingale, and James Howard.

D: CEO and Staff Reports 9:21 a.m.

Mr. Mello gave an update on the status of the Strategic Priorities, beginning with the NextGen Program Services Agreement Transition, which has been fully transitioned. Mr. Mello and Eva Giles recently travelled to the offices BlackRock (Investment Advisor) to meet for a discussion about the current and future status of the NextGen 529 Plan. Additionally, FAME was recently informed that the record-keeping role of Program Manager of NextGen, which had been transitioned to a subsidiary of Bank of New York Mellon (BNYM) named Sundry, will continue to be done by Sundry, but that BNYM intends to transfer its ownership in Sundry to a third party named Vestwell. Vestwell is a start-up company that the BNYM has a minority investment in. Mr. Mello said that FAME will be seeking assurances and other modification to the agreement from BNYM and Vestwell to assure that there is no risk to FAME or NextGen in this change.

Mr. Mello updated the Board on the status of the continued negotiations between FAME and HAF. FAME recently hired outside counsel to represent FAME and assist in these continued negotiations however, due to health issues they are no longer able to assist in FAME's desired timeline. Additionally, FAME's outside marketing group, Ethos, has a senior leader that is also out with health related issues. However, FAME is still working to resolve the disagreements with HAF as quickly as possible, and has already retained a replacement outside counsel to step in and provide the needed advice by year end.

Mr. Mello reported that the formal applications for SSBCI and ARPA funding are being prepared (business cases for ARPA funds have been submitted to DAFS) and that the Department of Treasury would be meeting with FAME Staff to provide guidance on applying for and subsequently deploying the SSBCI funds.

Mr. Mello also updated the Committee on the status of the Office of Program Evaluation and Government Accountability's (OPEGA) report of the Maine Seed Capital Tax Credit Program. Mr. Mello reported that FAME had recently submitted a response to OPEGA, which was received well, and included an action plan for the deficiencies identified in the program as well as FAME's opinion on any changes in the program's design in statute that could be made.

Ms. Desiderio presented the FAME first quarter FY2022 financial results., She noted that FAME will not receive \$1 million in expected revenue from the State surplus waterfall. By statute, FAME does not

receive this transfer to support its commercial loan insurance (CLI) program unless it has less than \$40 million in CLI reserves. This year, the FAME investment portfolio performed well and the resulting net gains increased reserves above that benchmark. Salaries and wages were behind budget due to FAME having 7 open positions. Ms. Brown updated the Board that FAME hiring experience is being impacted by the tight nationwide job market, but is receiving applications and conducting interviews.

C: ACTION ITEMS

C1: Approval of Bond Resolution- Vertical Harvest Maine L3C 9:50 a.m.

Mr. Roney presented the resolution, which was to increase the bonds that were originally approved in July at \$45 million to \$65 million.

A motion to approve the resolution was made by Mr. Trafton, seconded by Mr. Howard, and approved by a vote of 7 in favor, 0 opposed, and 0 abstentions. (2 additional votes in favor were cast virtually.)

C2: Approval of Banking Resolution- Zions National Bank (Maine Educational Loan Authority) 9:53 a.m.

Mr. Roney presented the banking resolution, which added Acting CEO Carlos Mello as a signatory to the account and accepted Docusign signatures for all signatories.

A motion to approve the banking resolution was made by Mr. Howard, seconded by Mr. Nightingale, and approved by a vote of 7 in favor, 0 opposed, and 0 abstentions. (2 additional votes in favor were cast virtually.)

C3: Approval for Adoption- Chapter 619 (Maine Health Care Provider Loan Repayment Pilot Program) 9:56 a.m.

Mr. Norbert presented the rule for adoption, where there were no comments submitted or changes made.

A motion to adopt the draft for adoption was made by Mr. Trafton, seconded by Mr. Howard, and approved by a vote of 6 in favor, 1 opposed (Kiem), and 0 abstentions. (2 additional votes in favor were cast virtually.)

The meeting adjourned at 10:05 a.m.

Respectfully submitted,

David Daigler, Chair