

**MINUTES OF THE MARCH 17, 2022 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Daigler called the March 17, 2022 meeting of the Finance Authority of Maine to order at 9:02 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
Dustin Brooks, Treasurer
Henry Beck
Heather Johnson
Amanda Beal
Renee Ouellette
Bettyann Sheats (virtual)
James Howard
Rebecca Asen (virtual)

Those members absent:

Omar Andrews
Lee Webb
Blue Keim
Tim Nightingale

Guests:

Bill Seretta, Fork Food Labs
Todd Bachelder- Mascoma Bank

Staff present:

Carlos Mello, Acting CEO
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
Matthew Lindquist, Commercial Loan Officer
Summer Knowlton, Legal/HR Assistant

A: CALL TO ORDER

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

A2: Approval of the minutes of the February 10, 2022 Board Meeting

A3: Approval of the February 17, 2022 Executive Committee Meeting Minutes

A4: Approval of the February 9, 2022 Business Committee Meeting Minutes

A5: Approval of the November 19, 2021 Advisory Committee on Education Savings Meeting Minutes

A motion was made by Mr. Trafton and seconded by Ms. Sheats to approve/accept (1) the February 17, 2022 Executive Committee Meeting Minutes; (2) the February 9, 2022 Business Committee Meeting Minutes; (3) the November 19, 2021 Advisory Committee on Education Savings Meeting Minutes; (4) the minutes of the February 10, 2022 Board Meeting. The motion was approved by a vote of 8 in favor, 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 9:02 a.m.

Mr. Daigler deferred the Chair's report to the CEO report.

Ms. Asen entered the meeting at 9:06 a.m., virtually.

C: ACTION ITEMS

C1: Maine Educational Loan Program- Approval of Resolution Providing Authorization to Enter Into 15th Supplemental Indenture

C2: Maine Educational Loan Program- Approval of Resolution Indicating Intent to Seek Reimbursement for Student Loans made with FAME assets from Future Bond Indenture(s) 9:04 a.m.

Ms. Johnston presented both resolutions, requesting authorization from the FAME Board to fund new 2022-2023 Maine/Maine Medical Loans, in part, through the use of recycled bond proceeds and the remaining 2021 bond proceeds. The request would also use Federal Family Education Loan Program (FFELP) Operating Funds as additional funding available to make 2022-2023 Maine/Maine Medical Loans on an interim basis. 2022-2023 academic year loans funded with FFELP Operating Funds will be purchased with 2023 Maine Loan bond proceeds and the resulting sales proceeds will be returned to the FFELP Operating Fund.

A motion to approve the resolution as stated was made by Ms. Ouellette, seconded by Mr. Brooks, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions (1 additional vote in favor was cast virtually.)

D: CEO and Staff Reports 9:08 a.m.

Mr. Mello reported that FAME had received guidance from the U.S. Dept. of Treasury on the deployment of American Rescue Plan Act funds, which will be used to create a grant or forgivable loan program for Maine businesses that can demonstrate a loss of revenue, increase in costs, or other net economic loss due to COVID-19. The funds total \$70 million and are required to be distributed or committed by 2024, or returned. FAME is still working to decide the dollar amount of the grants, or how that will be determined, and how many businesses they expect to help. Additionally, the State Small Business Credit Initiative application was sent in, confirmed, and FAME expects to receive the funds in June.

C: ACTION ITEMS (continued)

C3: Approval of Commercial Loan Insurance Request- Fork Food Hub, LLC 9:34 a.m.

Mr. Lindquist and guests introduced the loan insurance request, which was for 90% pro-rata insurance on a \$3,600,000 commercial real estate mortgage from Mascoma Bank to partially finance the purchase of a new facility for the expansion of Fork Food Labs' co-operative food manufacturing operation. Fork Food Labs provides a low-cost facility for food entrepreneurs to develop and grow. Mr. Lindquist noted the significant public benefit of the project, where Fork Food Labs is a 501(c)(3) and 60% of the member businesses are woman-owned and 20% are minority-owned. Guests Bill Seretta and Todd Bachelord noted the tremendous growth of the company, as Fork Food Labs currently has a waiting list of Maine businesses and out-of-state businesses looking to move to Maine.

Mr. Howard reported on the conversations held in Business Committee before the recommendation for approval before the board was made. The Business Committee voted unanimously in favor for recommendation, with the personal guarantee requirement waived, and noted the strong management team behind the project.

Mr. Roney highlighted that a policy exception is needed for the request due to no personal guarantees. The board found that an exception to policy requiring a personal guarantee could be made on the basis that the project provides extraordinary public benefit and that there is substantial equity in the project.

A motion to approve the resolution as stated was made by Ms. Sheats, seconded by Mr. Howard, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions (1 additional vote in favor was cast virtually.)

D: CEO and Staff Reports (continued)

Mr. Harvell reported that the common portal for economic development finance groups throughout the state is being built and is expected to be complete before the ARPA and SSBCI funding comes in.

Mr. Mello reported that the College Access Team will be launching a social media campaign for the month of April, which is financial literacy month. Additionally, the behavioral science request for proposals has been finalized and a firm called Ideas42 was selected. Mr. Mello also noted that the request for proposals for NextGen 529's Program Services Agreement would be launched in the Fall of 2022.

Mr. Daigler left the meeting at 10 a.m.

Mr. Mello updated the board on the continued negotiations between FAME and ASF/HAF. Mr. Mello provided background on the issue, going back to a letter sent to Mr. Daigler and then Chief Executive Officer, Bruce Wagner, from Greg Powell, President of the Harold Alfond Foundation. Mr. Mello described that securities law and a non-action letter from the Securities and Exchange Commission describe what FAME can and cannot do, as administrator of the program, for the marketing and promotion of NextGen 529. However, there has been disagreement between FAME and HAF/ASF on what FAME can do to market and promote NextGen 529 as administrator as well as what HAF/ASF can do to market and promote as investors/donors.

Mr. Trafton also provided background and noted that the board subsequently created the ad hoc HAF/ASF Committee to focus on the issues at hand.

Members of the Board and Staff discussed the relationship with HAF/ASF and how both entities can better work together to invest in education in Maine.

Mr. Mello reported that Eva Giles and Martha Johnston joined him in a meeting in Boston with the Bank of New York Mellon, HAF, and Sunday to discuss the optimal penetration rate of NextGen 529 in the State of Maine as well as other potential options for Maine people to save for college.

Mr. Daigler re-entered the meeting at 10:28 a.m.

Members of the Board and Staff discussed the strategic path forward to resolve the disagreement with HAF/ASF and concluded that the goal is to have a new agreement in June of 2022.

Ms. Cummings presented the Business Programs Update, and noted that FAME had already surpassed its FY2022 lender debt goal and is projected to surpass its to-date, one-year record of \$85 million in lender debt.

Mr. Weber presented the Commercial Loan Insurance and Economic Recovery Loan Program snapshot reports, where there was little change from last quarter with delinquency and default rates low.

Ms. Cummings presented the WatchDesk report, where FAME is consistent on all accounts except Maine Huts and Trails.

A motion to enter Executive Session under 10 MRSA §975-A(2)(D) to discuss Maine Huts and Trails was made by Mr. Trafton, seconded by Mr. Brooks, and approved by a vote of 8 in favor, 0 opposed, and 0 abstentions (1 additional vote in favor was cast virtually.)

Executive Session No. 1 began at 10:41 a.m.

Executive Session No. 1 ended at 10:56 a.m.

Mr. Lindquist updated the board on a borrower, Pennacook Falls, who is receiving CLI and a FAME Direct Loan. The Board approved both the CLI and Direct Loan changes in the February 2022 meeting. Mr. Linquist reported that the construction of the hotel is now expected to be complete in April, noting the delay in construction is due to lack of laborers in the area.

Ms. Johnston updated the Board on the Maine State Grant, where FAME Staff is proposing to lift the May 1, 2022 deadline for students to file their FAFSA in order to receive the grant. Ms. Johnston noted that FAME could re-impose a deadline if they were expected to run out of funds, but noted that FAFSA filings are down this year and FAME hopes to incentivize filing and pursuing education with the grant.

Mr. Norbert presented the Legislative update, beginning with two new FAME Board member nominations, replacing Jay Violette and Tim Nightingale are Jennifer Hogan, President/CEO of Community Credit Union, and Bill Caron, Jr., former CEO of MaineHealth. Mr. Daigler noted his thanks to Tim Nightingale for his service to the FAME Board and diligence.

Mr. Norbert also discussed several key bills involving FAME to include the State Ceiling for Private Activity Bonds and FAME's Remote Meeting bill, as well as the Supplemental Budget and the Governor's State of the State address.

The meeting adjourned at 11:14 a.m.

Respectfully submitted,

David Daigler, Chair