

**MINUTES OF THE MARCH 16, 2023 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Chair Trafton called the March 16, 2023 meeting of the Finance Authority of Maine to order at 9:00 a.m. This meeting was conducted both in-person at the offices of the Authority at 5 Community Drive, Augusta, Maine 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:

Richard Trafton, Chair
Dustin Brooks, Vice Chair
Greg Olson, in place of Henry Beck
Renee Ouellette
Blue Keim
Fritz Onion
Steve Shannon
Heather Johnson (joined at 9:05)
Nancy McBrady, in place of Amanda Beal
Jean Hoffman
William Tracy
Blue Keim
Jennifer Hogan

Those members absent:

Omar Andrews
Rebecca Asen, Treasurer

Guests:

Cynthia Beavais
Holly Fauber
Crystal Canney, Protect Downeast

Elizabeth Boepple, Protect Downeast
Jonathan Alley, Machias Savings Bank

Staff present:

Carlos Mello, Chief Executive Officer
Christopher Roney, General Counsel
Shelly Desiderio, Chief Accounting Officer
Martha Johnston, Director of Education
Jennifer Cummings, Director of Business Programs
Bert Audette, Chief Information Officer
Scott Weber, Senior Credit Officer
Jay Beck, Commercial Loan Officer
Summer Knowlton, Legal/HR Assistant

A: CALL TO ORDER

A1: Ascertainment of Quorum 9:00 a.m.

A2: Approval of the February 9, 2023 Executive Committee Meeting Minutes

A3: Approval of the November 18, 2022 Advisory Committee on Education Savings Meeting Minutes

A4: Approval of the February 16, 2023 Board Meeting Minutes

A motion was made by Mr. Daigler and seconded by Mr. Brooks to approve/accept (1); the minutes of the February 9, 2023 Executive Committee Meetings; (2) the minutes of the February 9, 2023 Business Committee Meeting; (3) the minutes of the November 18, 2022 Advisory Committee on Education Savings meeting, (4) the minutes of the February 16, 2023 Board Meeting. The motion was approved by a vote of 13 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 9:13 a.m.

Mr. Trafton reported the Executive Committee's focus on the HAF/ASF agreement negotiations as well as Committee assignments.

C: ACTION ITEMS 9:23 a.m.

C1: Approval of Nextgen Investment Policies and Guidelines

Ms. Giles presented the proposed NextGen Investment Policies and guidelines to be included in the upcoming Program Services Agreement.

A motion to enter Executive Session No. 1 was made by Mr. Shannon, seconded by Mr. Daigler, and approved unanimously.

Members entered Executive Session No. 1 at 9:25 a.m.

Members exited Executive Session No. 1 at 9:28 a.m.

Ms. Giles noted that the policy had been reviewed and recommended for approval by the Advisory Committee on Education Savings.

A motion to approve the Investment Policy and Guidelines was made by Mr. Brooks, seconded by Ms. Johnson, and approved unanimously.

D: STAFF REPORTS 9:30 a.m.

Ms. Giles reported that FAME had received 5 responses to the NextGen Program Manager Request for Responses.

A motion to enter Executive Session was made by Mr. Brooks, seconded by Ms. Ouellette, and approved unanimously.

Members entered Executive Session No. 2 at 9:31 a.m.

Members exited Executive Session No. 2 at 9:49 a.m.

Mr. Daigler left the meeting at 9:52 a.m.

C: ACTION ITEMS (Continued) 9:52 a.m.

C2: Updated Approval of Loan Insurance Request- Kingfish Maine, Inc.

Mr. Beck presented the updated loan insurance request, where some of the specific conditions of the previously approved commercial loan insurance for Kingfish Maine, Inc. are being updated to clarify and better align the project. The changes to the specific conditions included removing the requirement that Kingfish obtains a final construction budget and instead require satisfactory review of a construction estimate, removal of a committed take-out funding requirement, and removal of the requirement of confirmation that any appeals to the necessary permits to operate the business be addressed. Mr. Beck noted that staff is in support of the project with these changes.

Guest Jonathan Alley from Machias Savings Bank expressed the bank's continued support of the project.

Mr. Mello expressed his continued support of the project and noted that the modifications are to align documentation with the project and to clarify the conditions to the borrower.

Mr. Brooks asked FAME Staff if appeals to permits are a common occurrence in projects that FAME supports.

Mr. Roney noted that this situation is unique, and that FAME Staff relies on the Department of Environmental Protection's Assessment of the project and all the necessary permits to operate the project. Appeals to permits and environmental concerns are dealt with at the agency that issues the permit or license, FAME's role in the project is to make a decision based on creditworthiness and public benefit.

Mr. Mello noted that the funds that FAME would be insuring are pre-construction costs.

Mr. Trafton noted for guests that the FAME board approval of the loan insurance was contingent on the receipt of an Assessment that described all necessary licenses and permits from their respective state agencies, and that the board had received a copy of that assessment before the meeting.

Guest Elizabeth Boepple, an attorney representing Protect Downeast, expressed concerns that the necessary permits and licenses to construct and operate the business may be appealed in the future and that some decisions to the appeals have not yet been made, potentially making the project riskier.

Mr. Mello noted that FAME Staff, including himself, had determined that the potential public benefit of the project had outweighed the potential risks in the appeals process.

Mr. Brooks noted that it is the role of the FAME Board to rely on other state agencies to make decisions about appeals on permitting and licensing.

A motion to enter Executive Session under 10 MRSA §975-A(2)(B) was made by Mr. Brooks, seconded by Mr. Tracy, and approved unanimously.

Members entered Executive Session No. 3 at 10:00 a.m.

Members exited Executive Session No. 3 at 10:08 a.m.

A motion to approve the loan insurance request was made by Mr. Brooks, seconded by Ms. Ouellette, and approved by a vote of 13 in favor, 0 opposed, and 0 abstentions.

Chair Trafton called a recess at 10:15 a.m.

All guests exited the meeting at 10:15 a.m.

E: STAFF REPORTS 10:30 a.m.

Mr. Mello reviewed the CEO Report, highlighting that the Grow Maine Program has exhausted the first tranche of funding, which will allow FAME to request the second round of funding likely in April. Mr. Mello reported that the FAME Staff and Board continue to work with HAF/ASF and outside counsel on a shared marketing agreement. Lastly, Mr. Mello reviewed the Strategic Priorities, where there were no areas of concern.

Mr. Audette reviewed a new proposed Information Technology Strategy for FAME, mainly focusing on updating infrastructure and systems to promote security and efficiency.

Ms. Johnson left the meeting at 10:45 a.m.

Mr. Brooks and Ms. McBrady left the meeting at 11 a.m.

Ms. Johnston reviewed the Education Programs second quarter report for FY23, where Maine Loan Volume and FAFSA filings are increasing over last year. NextGen 529 account openings and contributions are decreasing due to market conditions. Ms. Johnston highlighted FAME's efforts in financial education, especially messaging efforts to prepare student loan borrowers for Federal Student Loan Repayment to resume.

Ms. Vanderweide reviewed updated marketing materials for FAME.

ADJOURN- 12:15 AM