

**MINUTES OF THE JUNE 15, 2023 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Trafton called the June 15, 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  
Rebecca Asen, Treasurer  
Renee Ouellette  
Steve Shannon  
Heather Johnson  
Amanda Beal  
Jean Hoffman  
Fritz Onion  
William Tracy

Those members absent:

Dustin Brooks, Vice Chair  
Omar Andrews  
Blue Keim  
Jennifer Hogan  
David Daigler  
Henry Beck

Guests:

Michael Bringham, President and CEO, ImmuCell  
Betsy Williams, ImmuCell  
Mark Wustenberg, ImmuCell  
Joe Crabb, ImmuCell  
Bobbie Jo Brockmann, ImmuCell  
Steve DeCastro, Gorham Savings Bank {NOTE WHICH ONES BY ZOOM PLS}

Staff present:

Carlos Mello, Chief Executive Officer  
Christopher Roney, General Counsel  
Sarah Nadeau-Balducci, Deputy 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** 9:01 a.m.

**A2: Approval of the May 11, 2023 Executive Committee Meeting Minutes**

**A3: Approval of the May 15, 2023 Business Committee Meeting Minutes**

**A4: Approval of the May 18, 2023 Board Meeting Minutes**

**A motion was made by Mr. Shannon and seconded by Ms. Ouellette to approve/accept (1); the minutes of the May 11, 2023 Executive Committee Meetings; (2) the minutes of the May 15, 2023 Business Committee Meeting; (3) the minutes of the May 18, 2023 Board Meeting. The motion was approved by a vote of 9 in favor 0 opposed, and 0 abstentions.**

## **B: CHAIR'S REPORT** 9:05 a.m.

Mr. Trafton reported the Executive Committee's focus on the HAF/ASF agreement negotiations, which are going well in partnership with HAF/ASF. Mr. Trafton reported that both parties have now agreed to a 3 year Grant Administration Agreement.

Ms. Vanderweide presented the customer satisfaction survey results, where FAME scored 4.72 out of a possible 5 points. Ms. Vanderweide highlighted some positive comments received from the survey.

**C: ACTION ITEMS** 9:18 a.m.

**C1: Approval of Nextgen Program Modifications/C2: Approval of NextGen Distribution Services**

Ms. Giles requested that the board enter Executive Session to discuss the program modifications and distribution services proposals.

**A motion to enter Executive Session No. 1 under 1 MRSA §402(3)(A) and 405(6)(F) was made by Ms. Johnson, seconded by Mr. Tracy, and approved unanimously.**

*Members entered Executive Session No. 1 at 9:20 a.m.*

*Members exited Executive Session No. 1 at 9:38 a.m.*

Ms. Giles noted that the program modifications and distribution services recommendations had been reviewed and recommended for approval by the Advisory Committee on Education Savings.

**A motion to approve the Program Modification Recommendations was made by Ms. Johnson, seconded by Ms. Ouellette, and approved 9 in favor, 0 opposed, and 0 abstentions.**

**A motion to approve the NextGen Distribution Services Recommendations was made by Ms. Ouellette, seconded by Ms. Johnson, and approved 9 in favor, 0 opposed, and 0 abstentions.**

**C2: Approval of Privacy Policy** 9:40 a.m.

Mr. Roney presented the proposed new FAME Privacy Policy, which applies to NextGen, where substantive changes were made to the policy to allow for customer information sharing only as it is necessary for the joint marketing of the Alford Grant in collaboration with the Alford Scholarship Foundation. Changes to the policy would allow customers to opt-out of information sharing for marketing purposes. However, sharing would only occur if: the Board approves the privacy policy; it also approves the ASF Agreement; FAME gets permission from the Maine Office of Data, Research and Vital Statistics (where FAME obtains a substantial amount of its private data) to share data they provide; and FAME approves of the technical aspects of how the data is shared with, and stored and utilized by, ASF.

**A motion to approve the Privacy Policy was made by Mr. Tracy, seconded by Mr. Shannon, and approved by a vote of 9 in favor, 0 opposed, and 0 abstentions.**

### **C3: FY2024 Budget**

Ms. Desiderio presented the FY2024 Budget, where major changes to the budget include a significant increase in salaries and benefits, as FAME is expanding and has created several new positions and has several open positions. Ms. Desiderio also noted the budgeted deficit, where FAME is making several investments in the expansion of NextGen, the development of an economic development finance portal, and the disbursement of ARPA and SSBCI funds.

**A motion to approve the FY2024 Budget was made by Ms. Johnson, seconded by Mr. Onion, and approved by a vote of 9 in favor, 0 opposed, and 0 abstentions.**

*Ms. Johnson left the meeting at 10:40 a.m.*

### **C4: Approval of Loan Request and Loan Insurance Request- Immucell Corporation 10:45 a.m.**

Mr. Lindquist introduced guests from ImmuCell and Steve DeCastro from Gorham Savings Bank. Mr. Lindquist presented the loan request, where ImmuCell, a publicly traded animal health company, is requesting 75% pro-rata insurance on a \$2 million on a new term loan by Gorham Savings Bank, 40% pro-rata insurance on an existing \$1 million line of credit, and new \$1 million direct loan from FAME. The company experienced 2 contamination events on its primary product, one in 2022 and one in 2023, which has required a major slowdown in production. The request would support adequate cashflow to support production of its primary product. Mr. Linquist offered FAME staff's recommendation of a 50% pro-rata insurance on the \$2 million loan with Gorham Savings Bank, a decline on the line-of-credit insurance request, and approval of the \$1 million FAME direct loan. Staff is cautious of the loan insurance and loan due to the issues reported and the company reporting losses for the past 4 years, however, the collateral coverage is sufficient to support the loan.

*Ms. Asen left the meeting at 10:58 a.m.*

Guests from ImmuCell each described their respective department's remediation plans and plans to expand moving forward including in sales, production safety, and supplier training.

*Ms. Asen re-entered the meeting at 11:23 a.m.*

Mr. DeCastro discussed Gorham Savings Bank's position, where they see strength in the original product but are not counting on any revenue from the second product to support the loan and loan insurance.

Ms. Cummings discussed the Business Committee's recommendation which, after touring the ImmuCell facility and discussing the request in-depth, was to recommend that the Board approve the loan to keep the company in business and to maintain the good paying jobs that it provides to the State.

Ms. Hoffman noted her concerns about the management of the company and the resources allocated to the second product in development as well as the long-term viability of the company given the contamination events and intense competition in the animal drug sector.

Ms. Beal noted the importance of supporting businesses like ImmuCell that support agriculture, provide good jobs, and open Maine up to new economic opportunities.

**A motion to approve the request was made by Ms. Beal, seconded by Mr. Tracy, and approved by a vote of 7 in favor, 0 opposed, and 1 abstention (Shannon.)**

*Mr. Shannon abstained from the vote due to a family relationship with a senior member at Gorham Savings Bank.*

#### **D: STAFF REPORTS**

Mr. Mello presented the CEO Report, where most notably, FAME has reached \$113 million in lender debt, surpassing the scorecard goal by over \$10 million. Mr. Mello noted that FAME opened its second round of Thrive Maine applications for forgivable loans, which will close on June 23<sup>rd</sup> and is a merit-based program rather than first come first serve. Mr. Mello also noted FAME's efforts in financial education, FAFSA completion, and the closing of the bond used to fund Maine Loan, which will offer a competitive rate.

Mr. Weber presented the CLI and ERLP portfolios as of March 31, 2023, which are both doing well and have no issues of concern. Charge-offs and claims were low and risk rating has been stable.

Ms. Johnston presented the Education Programs quarterly report, noting that the FAFSA completion rate has reached the FY2023 scorecard goal, despite a sizeable decrease in the filing rate during the pandemic, and reviewed various outreach efforts, both in NextGen and college access.

**ADJOURN- 12:23 PM**