

**MINUTES OF THE September 21, 2023 MEETING OF THE MEMBERS  
OF THE FINANCE AUTHORITY OF MAINE**

Chair Trafton called the September 21, 2023 meeting of the Finance Authority of Maine to order at 9:00 a.m. This meeting was conducted virtually through Zoom. Provisions were made for the public to attend.

Legal Assistant, Elizabeth Polk, 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. Polk 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  
Blue Keim  
Renee Ouellette  
Steve Shannon  
Heather Johnson  
Henry Beck  
Jean Hoffman  
Fritz Onion- *entered at 9:05 a.m.*  
William Tracy  
Rebecca Asen, Treasurer

Those members absent:

Omar Andrews  
David Daigler  
Amanda Beal  
Jennifer Hogan

Guests:

Rob Harville  
Cooper Bramble  
Joe Christopher  
Ricky Cyr  
Matthew Fernandez  
Robert Harville

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  
William Norbert, Governmental Affairs & Communications Manager  
Elizabeth Vanderwied, Director of Business Development  
Lisa Brown, Director of Human Resources  
Eva Giles, College Savings Program Manager  
Elizabeth Polk, Legal/Executive Assistant

#### **A: CALL TO ORDER**

**A1: Ascertainment of Quorum** *9:04 a.m.*

**A2: Approval of the August 10, 2023 Executive Committee Meeting Minutes**

**A3: Approval of the August 28, 2023 Education Committee Meeting Minutes**

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

A motion was made by Mr. Brooks and seconded by Mr. Keim to approve/accept (1); the minutes of the August 10, 2023 Executive Committee Meetings; (2) the minutes of the August 28, 2023 Education Committee Meeting Minutes; (4) the minutes of the August 18, 2023 Board Meeting. The motion was approved by a vote of 10 in favor 0 opposed, and 0 abstentions.

#### **B: CHAIR'S REPORT** *9:07 a.m.*

Ms. Cummings gave an update on the ongoing funding issues with SSBCI. Mr. Mello than explained how these issues could impact the FY 23 audited financials. Mr. Cyr from Baker

Newman Noyes was asked to comment. He stated that although the SSBCI is not a clean audit it is better than not finalizing the audit.

Mr. Poole asked the board to comment on where they would like the October Board Meeting and Strategic Planning Retreat to take place. The board unanimously decided to have the meeting at Wolfe's Neck Farm.

**C: ACTION ITEMS** 9:40 a.m.

**C1: Approval of Extension of Interest Rate Waivers under Economic Recovery Loan Program** 9:35 a.m.

Mr. Weber proposed an extension of the 8% interest rate ceiling through December 31<sup>st</sup>, 2023.

**A motion to approve the extension was made by Ms. Johnson, seconded by Mr. Keim and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.**

**C2: Approval of Commercial Loan Insurance Request for Bethel Provisions** 9:40 a.m.

Mr. Beck presented the loan request, where Bethel Provisions, a publicly traded company, requested 75% pro-rated insurance on a \$590,000 new term loan by Norway Savings Bank. The proposed loan will be used along with a \$200,000 loan from ADCOG to refinance a \$790,000, 90-day gap note held by the seller, which was unexpectedly required at closing. These funds will be used to secure real estate, inventory, accounts, equipment and other assets for an industrial enterprise located in Bethel, Maine.

Mr. Beck offered FAME staff's recommendation of a 50% pro-rata insurance on the \$590,000 loan with Norway Savings Bank, a decline on the line of credit insurance requested. Staff is cautious of the loan insurance and loan due to the \$0 lendable collateral value and limited guarantor fallback from guarantors Jope Christopher, Ryan Rother, and Ben Christopher. Ms. Ouellette expressed concerns about why Norway Savings Bank would want to approve a loan with a company with significant deficits.

Committee members recommended approval of the CLI request. The committee also recommended taking a 2<sup>nd</sup> lien positions on the PRE of Joe Christopher and Ryan Rother. However, before the September Board Meeting the Business committee ultimately decided to not move forward with this recommendation.

Mr. Christopher stated the long-lasting relationship with FAME and the benefits of the opening up a new location for his business in Bethel, Maine. He further stated the business would help open up more Maine jobs and the issues with the bank approving the loan came down to an appraisal issue. Mr. Keim commented on FAME's mission to help rural parts of Maine. He asked how Bethel Provisions planned on improving their profit margins. Mr. Christopher stated that the previous owners of the business were not putting as much money into the business as needed and that is what would change going forward.

**A motion to approve the commercial loan insurance request was made by Ms. Johnson, seconded by Mr. Keim and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.**

**C3: Approval of Grant Administration Agreement with Alford Scholarship Foundation** 10:14 a.m.

Mr. Roney proposed the approval of the Grant Administration Agreement with Alford Scholarship.

**A motion to approve the agreement was made with the exception of signatures from Mr. Mello and Mr. Trafton was made by Mr. Brooks, seconded by Mr. Beck and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.**

**C4: Approval of July 1, 2024 Program Services Agreement for NextGen 529 and Approval of the July 1<sup>st</sup>, 2024 Distribution Services for NextGen 529 Direct Series 10:14 a.m.**

Ms. Nadeau-Balducci proposed the approval of the July 1, 2024 Program Services Agreement for NextGen 529 as well as the approval of the July 1<sup>st</sup>, 2024 Distribution Services for NextGen 529 Direct Series.

**A motion to approve the Agreements was made by Ms. Ouellette, seconded by Mr. Tracy and approved by a vote of 10 in favor, 0 opposed, and 0 abstentions.**

**C5: Approval of Lending Limit 10:20**

Mr. Weber proposed to increase FAME's commercial lending limit from its current 5.5 million dollar limit to a 6.0 million dollar limit.

**A motion to approve the lending limit was made by Mr. Shannon, seconded by Ms. Ouellette and approved by a vote of 10 in favor, 0 opposed, and 1 abstention (Ms. Hoffman).**

**C6: Approval of Revisions to Certain Business Division Credit and Loan Policies 10:31 a.m.**

Mr. Weber proposed updates so some of FAME's loan policies.

**A motion to approve the lending limit was made by Mr. Onion, seconded by Ms. Asen and approved by a vote of 10 in favor, 0 opposed, and 0 abstention.**

**C7: Approval of Revisions to Certain Finance Policies 10:31 a.m.**

Ms. Desiderio proposed the approval of revisions to certain finance policies.

**A motion to approve the lending limit was made by Ms. Asen with the exception of updating the dates in the documents, seconded by Ms. Brooks and approved by a vote of 10 in favor, 0 opposed, and 0 abstention.**

**C8: Approval of Revised Charter for Board Risk Management and Audit Committee 10:37 a.m.**

Ms. Desiderio proposed the approval of the Revised Charter for Board Risk Management and Audit Committee. Board members agreed that succession planning should be reviewed with the Executive Committee.

**A motion to approve the lending limit was made by Ms. Asen with the exception of updating the dates in the documents, seconded by Ms. Brooks and approved by a vote of 10 in favor, 0 opposed, and 0 abstention.**

*Mr. Keim left the meeting at 10:47 a.m.*

**D. CEO and Staff Reports 10:53 a.m.**

**D1: CEO Report**

Mr. Mello shared gave an update on FAME's Thrive grant program stating that the second round of award recipients had been chosen. Mr. Mello than gave an update on FAFSA stating FAME is one of the best in the country for FAFSA completion. Mr. Mello finished by stating that FAME will be moving forward with strategic planning efforts in the coming months.

**D2: 4<sup>th</sup> Quarter Financial Review**

Ms. Desiderio discussed arbitrage liability where FAME offers lower rates on revenue to remove some of its arbitrage revenue.

**D3: Portfolio Reports**

Mr. Weber gave an update on the commercial loan insurance reports.

**D4: Watchdesk Memo and Conflict Report**

Ms. Kunesh presented an update to the Risk Migration and WatchDesk Portfolio Migration Report.

**D5: CEO Review**

The board entered executive session to discuss Mr. Mello's performance. All staff except for Ms. Brown left the meeting.

*Entered Executive Session 11:27 a.m.*

*Exited Executive Session 11:40 a.m.*

**ADJOURN- 11:41 AM**