

**MINUTES OF THE May 15, 2025 MEETING OF THE MEMBERS
OF THE FINANCE AUTHORITY OF MAINE**

Vice Chair Tracy called the May 15, 2025 meeting of the Finance Authority of Maine to order at 9:00 a.m. This meeting was conducted in person at the offices of the Authority in Augusta, Maine, and 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 (via Zoom) were as follows:

William Tracy, Vice Chair
Steve Shannon
Jean Hoffman
Fritz Onion
Andy Mueller
Jennifer Hogan
Blue Keim
Richard Trafton
Michael Foley
Simon Ferland

Those members absent:

Dustin Brooks, Treasurer
Michael Duguay
Renee Ouellette, Chair
Amanda Beal
Daniel Cummings

Staff present:

Carlos Mello, Chief Executive Officer
Sarah Nadeau-Balducci, Deputy General Counsel
Martha Johnston, Director of Education

Jennifer Cummings, Director of Business Programs
Bert Audette, Chief Information Officer
Lisa Brown, Director of Human Resources
Elizabeth Polk, Legal/Executive Assistant
Jonathan Poole, Director of Strategic Development
Christopher Roney, General Counsel
Kim Getchell, Senior Loan Officer
Emily Babineau, Business Programs Manager
Karen Kunesh, Workout Officer

Guests:

Chris Linder
Chris McLaughlin
Lori Dwyer

A: CALL TO ORDER

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

A2: Approval of April 17, 2025 Board Meeting Minutes

A motion was made by Mr. Keim and seconded by Mr. Perry to approve April 17, 2025 Board Meeting Minutes. The motion was approved by a vote of 10 in favor 0 opposed, and 0 abstentions.

B: CHAIR'S REPORT 9:01 a.m.

Mr. Tracy stated that he would be chairing the meeting, as Ms. Ouellette is sick, but had no other report.

C: ACTION ITEMS

C1: Approval of Direct Loan: Penobscot Community Health (ERLP) 9:06 a.m.

Ms. Getchell presented the loan request to the board, stating that Penobscot Community Health is a non-profit health center with locations in northern Maine. Mr. Tracy stated the Business Committee was not able to vote because of a lack of quorum but they had a robust discussion and recommended the deal not be approved by the Board. Mr. Mello stated that usually when the business team approves a loan but the credit team denies he makes an independent recommendation for the loan to be approved or denied, but in this case he has decided not to make a recommendation. Ms. Dwyer from Penobscot Community Health gave a presentation on the organization and need for the loan. Ms. McLaughlin stated the loan would be used to cover

the wages of workers until June when the federal budget is approved. She stated that without the loan they will not be able to cover the wages and therefore the doctors and other personnel who work for PCHP would most likely seek employment outside the state. Mr. Trafton asked about other funding sources. Ms. Dwyer stated that they have reached out to all potential funding sources and have been denied at each one. Mr. Perry stated that he has confidence in PCHP. Mr. Mueller echoed Mr. Perry's statements stating that this is a short-term crisis and FAME should address it. Mr. Keim asked what the practice is when it comes to the types of loans where, like here, the need for the loan is not applicant specific, but is more systemic issues. Mr. Mello stated that it is a concern that if the issues are systemic, there might be other applicants coming behind it the current applicant, and we may not be able to help them all due to fund constraints. Mr. Keim stated that FAME should not be a stop gap for these types of situations and believes the governments needs to step in to solve systemic issues. Mr. Mueller stated that we need to compartmentalize this situation since this is a single problem through a rough time at the state and federal level. Mr. Onion asked how this is not a policy issue. Ms. Dwyer stated that a large portion of their funds do not come from the state and federal level, and she is fighting very hard on the policy front. She stated that PCHP does not know if they are going to get paid week to week.

A motion to approve the Resolution approving the loan with an amendment stating it is a 2-year term loan, with 1 year interest only, with amortizing payments of principal and interest thereafter based on a 4-year amortization, and a balloon payment due at 2 years, was made by Mr. Trafton and seconded by Mr. Cummings and was approved by a vote of 10 in favor, 0 opposed, and 0 abstention.

2. Approval of Swap Policy 10.11 a.m.

Ms. Desiderio stated the Risk Management and Audit Committee had recommended approval of the policy presented in the materials. Mr. Keim stated that the committee had discussed the policy in detail and that it protects FAME from varying rates and that they agreed the floor option was best.

A motion to approve the Resolution adopting Swap Policy was made by Mr. Trafton and seconded by Mr. Keim and was approved by a vote of 10 in favor, 0 opposed, and 0 abstention.

3. Approval of Interest Rate Cap Extension (ERLP) 10:20 a.m.

Ms. Cummings asked the board to approve a three-month extension on the interest rate cap and then allow the CEO to approve an additional three months. She stated that rates have not substantially changes so there is a perceived need to continue the extension.

A motion to approve the Resolution approving the Interest Rate Cap Extension was made by Mr. Shannon and seconded by Mr. Trafton and was approved by a vote of 10 in favor, 0 opposed, and 0 abstention.

4. Approval of Bond Resolution: Go Lab Madison (d/b/a TimberHP) Go Lab, LLC 10:22 a.m.

Mr. Roney presented Go Lab's Bond request. He stated that the total amount of the bond will not exceed \$10,000,000 and will be used to finance additional construction costs. Last year, (2024) Go Lab had applied for and FAME approved a \$25,000,000 issuance that never closed. He then stated that this transaction superseded that one.

A motion to approve the Bond Resolution was made by Mr. Trafton and seconded by Mr. Ferland and was approved by a vote of 10 in favor, 0 opposed, and 0 abstention.

5. Approval of Bond Resolution: University of New England 10:26 a.m.

Mr. Roney presented the University of New England's Bond request. He stated that UNE is requesting a \$60,000,000 to finance a number of improvements on campus.

A motion to approve the Bond Resolution was made by Mr. Onion and seconded by Mr. Mueller and was approved by a vote of 10 in favor, 0 opposed, and 0 abstention.

Mr. Keim left the meeting at 10:27 a.m.

F. Staff Reports 10:30 a.m.

1. CEO Report

Mr. Mello provided business and education highlights. He also provided updated on NextGen and the Fiscal Year to Date Financial Results.

2. Q3 Financial Results

Ms. Desiderio stated that in quarter three we received favorable gain from our NextGen administrative fees and that Investment income was also favorable to budget. She then went on to state the application fees related to Conduit bonds are slightly ahead of budget. FAME gets those fees when the bond closes and she is not expecting anymore to close before the end of the year. She stated that salaries and employment are under budget because some positions have not been filled. As for the marketing department, it is expected to be in line with budget.

3. Business Portfolio Reports

Mr. Roney presented the Portfolio reports, with the detail in the materials, in place of Ms. Curtiss who was on vacation. He stated that the commitments for direct loans are down compared to the same period last year. On average the risk rating for loans has increased to 5.33. The amount of loans that are subject to reserves has gone up. Ms. Curtiss then stated that the exception rates is up to 100 percent and the delinquency rate has fallen from last quarter to 9.3 percent. Insured loan commitments are up from same period last year.

4. Watchdesk Report

Ms. Kunes presented the report. In summary, she stated that the loans on Watchdesk have remained consistent with last reporting period.

5. Legislative Update

Mr. Mello referred the members to a memo by Bill Norbert in the materials.

ADJOURN- 11:07 A.M.

A true copy as adopted,

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Bill Tracy, Vice Chair to the FAME Board of Directors