# MINUTES OF THE APRIL 30, 2026 MEETING OF THE MEMBERS OF THE FINANCE AUTHORITY OF MAINE

Chair Ouellette called the April 30, 2026 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 Finance Authority of Maine at 5 Community Drive, Augusta, Maine, and virtually through Microsoft Teams. Provisions were made for the public to attend.

Communications and Board Specialist Lisa Gardner 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. Gardner 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 Teams) were as follows:

Renee Ouellette, Chair
William Tracy, Vice Chair
Daniel Cummings, Treasurer
Joe Perry
Michael Foley
Michael Duguay
Amanda Beal
Jean Hoffman
Eric Kingsley
Andy Mueller
Simon Ferland

Those members absent:

Stephen Shannon
Fritz Onion
Dick Trafton
Blue Keim

Guests:

Amanda Rector
Colleen Quint
Susan Seagren
Jerome Pelletier
Clifford Kenwood

Diane Dickerson
Traci Vaine

Staff present:

Carlos Mello, Chief Executive Officer
Sarah Nadeau-Balducci, Chief Risk Officer
Martha Johnston, Director of Education
Bert Audette, Chief Information Officer
Lisa Brown, Chief of Human Resources
Lisa Gardner, Communications Specialist
Jonathan Poole, Chief Operations Officer
Christopher Roney, General Counsel
Meredith Whitfield, Chief Communications Officer
Ellen Curtiss, Senior Credit Officer
Kim Getchell, Senior Loan Officer
Shelly Desiderio, Director of Finance
Bill Norbert, Governmental Affairs Manager
Jimmy Sargent, Compliance Officer
Emily Babineau, Business Programs Manager
Charlotte Mace, Director of business
Karen Kunesh, Senior Workout Officer

## A: CALL TO ORDER

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

**A2: Approval of the March 19, 2026 Risk and Audit Committee Minutes** *9:03 a.m.*

**A motion was made by Mr. Tracy and seconded by Mr. Cummings to approve and/or accept the March 19, 2026 Board Meeting Minutes. The motion was approved by a vote of**

**The motion was approved by a vote of 11 in favor 0 opposed, and 0 abstentions.**

## B: CHAIR'S REPORT *9:04 a.m.*

Ms. Ouellette discussed committee assignments, including assigning Mr. Kingsley to the Business Committee and shift Mr. Trafton from the Business committee to the Education Committee.

**C**: **ALFOND SCHOLARSHIP FOUNDATION**: **FAME Efforts to Expand Education Savings** *9:14 a.m.*

Ms. Colleen Quint from the Alfond Scholarship Foundation (ASF) presented an overview report of the Foundation, providing historical information as well as a description of the partnership between ASF and FAME.

Ms. Quint explained that the very first cohort of grantees will be receiving funds this year for college.

She discussed the variety of ways in which ASF and FAME promoted the scholarship including through emails, newsletters, social media, mail, and websites.

Ms. Quint said 34% of Maine grant recipients (6,000 students) have opened NextGen accounts, which she described as terrific. She stated the foundation has a longitudinal student underway to help measure the success of the program.

**D: ACTION ITEMS** *10:00 a.m.*

1. **Maine State New Markets Tax Credit Approval: Irving Forestry Products**

    a. Approval of Certification Application for Investment in Irving Forest Products by CEI Capital Management (CCML)—Maine New Markets Capital Investments Program (MNMCIP)
    b. Approval of Certification Application for Investment in Irving Forest Products by Massachusetts Housing Investment Corp (MHIC) —Maine New Markets Capital Investments Program (MNMCIP)
    c. Approval of Certification Application for Investment in Irving Forest Products by Evernorth (EVER)—Maine New Markets Capital Investments Program (MNMCIP)
    d. Approval of Certification Application for Investment in Irving Forest Products by Stonehenge Community Development (SCD)—Maine New Markets Capital Investments Program (MNMCIP)
    e. Approval of Certification Application for Investment in Irving Forest Products by Cityscape Capital Group (CCG)—Maine New Markets Capital Investments Program (MNMCIP)

Mr. Roney provided an overview of a request for investment in Irving Forestry products by five investors including CEI Capital Management, Massachusetts Housing Investment Corp, Evernorth, Stonehenge Community Development, and Cityscape Capital Group.

He said these five different CDEs are making substantial investments These master CDEs typically invest through subsidiaries and utilize both state and federal programs to maximize their capital. The initial goal of the state program was to attract CDEs and encourage them to bring federal allocations, creating attractive large-scale investment opportunities. Historically, the state hadn't drawn much attention from federal programs, but layering credits through this new approach has increased capital raising potential. He said our role as a board is to certify that they meet the criteria.

Mr. Pelletier, a spokesperson for Irving stated that Irving is currently producing 100 million board feet on site, aiming to grow to 250 million by adding a second saw line and new supply and grading systems. This investment will place Ashland Mill's cost structure in the top quartile nationally, allowing them to reduce unit costs through increased scale.

Mr. Roney states the total is about $70 million worth of total investment qualifying for tax credits. And about 40 of that 70 is coming through the state program, which equates to essentially about $50 million worth of tax credits.

***A motion was made by Mr. Cummings and seconded by Mr. Tracy to approve the entire slate of Resolutions (one for each of the named CDEs), approving the Certification Applications of the five (5) CDEs . The motion passed with 10 members in favor and one abstention (Kingsley).***

2. **Approval of Certification Application for Investment in Bangor YMCA by AMCREF Community Capital, LLC (AMCREF)—Maine New Markets Capital Investments Program (MNMCIP)**

Mr. Roney introduced the request for approval of certification application for investment in the Bangor YMCA by AMCREF Community Capital, LLC. He introduced the YMCA's CEO Diane Dickerson.

Ms. Dickerson provided an overview of the Y. She said this Y has been serving this region for about 159 years, and has outgrown the space. The new campus will be downtown and this expansion means that more families in the region will have access to quality care and educational opportunities for their children. With the increased capacity, the Y aims to reduce waitlists and ensure that working parents have reliable options for their children's development and safety.

***Mr. Cummings made a motion which was seconded by Mr. Perry to approve the Resolution approving the Certification Application for an investment in the Bangor YMCA by AMCREF. The vote was approved 11 to 0.***

**D. Staff Reports** *9:09 a.m.*

1. **CEO Report** *10:40 a.m.*

Mr. Mello stated that $73 million in lender debt has been supported, with main seed capital tax cuts contributing to strong financial performance. The team expects to surpass the annual goal of $93.5 million, outperforming last year. While the deployment is going well, economic challenges such as increased diesel costs—impacting Maine's forest economy by $70,000 daily—combined with significant reductions in federal funding (including a $5 billion cut to the National Institutes of Health, a $3.3 billion recommended elimination of CDBG, a 67% decrease in SBA, $500 million less for economic development, and $204 million less for CDFI funding) present serious headwinds. The manufacturing extension partnership faces elimination, affecting local businesses' efficiency. Meanwhile, defense spending is up by $445 billion, a 42% increase. Liquidity in markets has shifted from private equity and debt to pandemic-era policies and now to green technology investments, creating crosswinds for businesses. Programs and support remain essential, especially with new tariffs influencing facility expansion decisions. Success stories include saving 200 jobs at the former Phillips plant, now valued at $400 million and traded on NASDAQ thanks to strategic intervention. The business transitioned from traditional manufacturing to serving medical and defense industries, showcasing perseverance and adaptability.

On the education front, partnerships like the ASF FAME continue to set national standards, with FAFSA completion rates rising from 49% to 53% despite challenges. Financial wellness initiatives are growing, including outreach to universities, local groups, and the launch of a dedicated website. 84,000 students have received books and materials through Invest in Me Reads, and interactive tools like Claim Your Future help support statewide personal finance education. Rural Health Transformation Grants are distributing $14.2 million per year for five years to attract health workers to Maine, further supporting community development. Modernization projects continue, with updates scheduled for next month. Despite obstacles, the balance sheet remains strong, and ongoing efforts focus on quantifying public benefit and improving financial outcomes for the state.

2. **Current Economic Environment, Amanda Rector** *10:55 a.m.*

Ms. Amanda Rector, Maine State economist stated Maine is experiencing a period of considerable economic uncertainty, driven by shifting federal spending priorities, persistent inflation, and global geopolitical tensions. Increased defense funding has come at the expense of other sectors, and volatile energy markets—especially after the closure of the Strait of Hormuz—have resulted in spikes in oil and gas prices, fueling inflation. The state's close trade relationship with Canada makes it especially sensitive to changes in tariffs and the US-Mexico-Canada trade agreement, while a decline in Canadian tourism and limited international migration further add to the challenges. Housing affordability has worsened across most regions, restricting the ability of new residents to settle in Maine.

She said that despite these difficulties, Maine's labor market remains resilient, with unemployment rates below 4% for a record stretch and real wage growth outpacing inflation. The state's GDP growth has also exceeded national averages during the recent recovery, although it has since leveled off. However, demographic trends—especially an aging population and reduced migration of working-age adults—are constraining the labor force and limiting employment growth. In this complex landscape, Maine's economic outlook is shaped by its ability to adapt to federal policy changes, global events, and ongoing challenges in housing and workforce development.

### 3. **Business Insurance Claims/Direct Loan Losses** *11:28*

Ms. Curtiss stated that between 2006 and December 2025, FAME insured nearly 5,000 loans totaling $662 million in exposure and over $1 billion in lender debt, with claims amounting to $15.4 million and resulting in a pre-recovery loss rate of 3.3%. Losses were concentrated in the pro-rata product and paper application loans, which carried higher risk. Construction and manufacturing industries had the highest loss concentration, and three lenders experienced more than ten losses, exceeding their peers' rates.

The direct loan portfolio had a 16% loss rate with $9.1 million in losses and minimal recoveries. The percentage of weak-rated loans in the portfolio grew from 3% to 12% over one year, and scenario projections confirmed reserves were adequate, even under worst-case assumptions. Most losses originated through the OLA process and were concentrated in three industries, with rapid loan deterioration and a significant portion approved by override or split decision. Several improvements are underway, such as stricter underwriting, enhanced review processes, and adjustments in approval parameters, to ensure sound reserves and stronger risk management.

### 4. **Public Benefit Determination** *11:40 a.m.*

Ms. Mace stated FAME is seeking to modernize how it defines and documents "public benefit" so decisions are more data-based, objective, and easy to explain to stakeholders—especially as Maine's low unemployment makes job creation alone an incomplete measure. The proposed approach would standardize quantitative indicators such as federal-style economic distress (with tiers to reflect pockets of distress), unemployment and labor-market conditions at finer geographies (town or census tract), and clearer definitions of "quality jobs" (including total compensation/benefits) while also recognizing priority and innovation industries aligned with existing state frameworks.

The framework also preserves required qualitative/statutory considerations—particularly environmental restoration—by defining concrete criteria (e.g., VRAP participation, treatment of enforcement/consent-decree situations, and whether loan proceeds directly support remediation). This scoring is intended to be built into the forthcoming loan origination/management system so the Board can view an automated public benefit score alongside credit risk and a green/yellow/red view, with staff back-testing the approach against the current portfolio before implementation; the discussion also highlighted the need to credit modernization projects (e.g., manufacturing) that may reduce headcount but improve productivity, compensation, and long-term viability in rural Maine.

### 5. **Maine Legislative Update** 11:58 a.m.

Mr. Norbert stated that the legislature ended its session without overriding either of the governor's two vetoes, keeping her eight-year record intact. The governor also made an announcement about her senate campaign. For FAME, the session was steady, including a positive eight-year review and confirmation of four board members, with more appointments likely in September. The supplemental budget was contentious, and major bills like the data center and record-sealing bills were vetoed and upheld. Changes to the shutdown loan program saw little uptake, and upcoming pay lapses may increase loan demand among DHS employees. Another thing that happened is we got four board members confirmed. Three of them were incumbents, Jean and Fritz and Steve Shannon. And of course, Eric has been welcomed here today. We're pleased to have him here as well. There is a strong possibility that there will be another round of Board appointments in September. We have some board members whose terms would expire then. We are in close contact with the governor's office on that.

As for the data center bill, you saw the veto sustained and a tremendous amount of energy and argument went into that. And, there was another bill to seal certain criminal records and the governor vetoed that and they failed to override that veto. The Government Shutdown Loan program was changed, but not necessarily improved. This round of funding, as Jonathan can attest, only one loan, I believe, has been taken advantage of. .

**ADJOURN-** *12:02 p.m.*

A true copy as adopted,

DocuSigned by:
Bill Tracy
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Bill Tracy, Vice Chair to the FAME Board of Directors