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MINUTES OF THE AUGUST 20, 2026 MEETING OF THE MEMBERS OF THE FINANCE AUTHORITY OF MAINE

Chair Ouellette called the August 20, 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:

William Tracy
Joe Perry
Michael Duguay
Amanda Beal
Jean Hoffman
Eric Kingsley
Andy Mueller
Simon Ferland
Dick Trafton
Fritz Onion
Stephen Shannon

Those members absent:

Renee Ouellette
Michael Foley
Blue Keim
Dan Cummings

Staff present:

Carlos Mello, Chief Executive Officer
Sarah Nadeau-Balducci, Chief Risk Officer

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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
Karen Kunesh, Senior Workout Officer
Shelly Desiderio, Director of Finance
Bill Norbert, Governmental Affairs Manager
Jimmy Sargent, Compliance Officer
Emily Babineau, Director of Customer Service and Operations
Charlotte Mace, Director of Business
Elizabeth Vanderweide, Director of Business Development

A1: Ascertainment of Quorum *9:02 a.m.*

A2: Approval of the June 25, 2026 Board Meeting Minutes

A3: Approval of the June Executive Committee Meeting Minutes

A4: Approval of June Business Committee Meeting Minutes

A5: Approval of June Education Committee Meeting Minutes

A motion was made by Mr. Trafton and seconded by Mr. Ferland to approve and/or accept the following minutes: June 25, 2026 Board meeting, June 2026 Executive Committee meeting, June 2026 Business Committee meeting, and June 2026 Education Committee meeting. The motion was approved unanimously.

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

In Ms. Ouellette's absence, Mr. Mello stated that the three members of the Nominating Committee—Mr. Keim, Ms. Ouellette, and Mr. Trafton have begun discussing and contacting potential candidates for next year's officer positions. Anyone interested in serving on the Executive Committee as chair, vice chair, or treasurer should contact a committee member, although the committee will also reach out directly to prospective candidates.

Mr. Mello also discussed that Mr. Norbert has been working with the governor's office, which has identified three potential successors for board members. The candidates remain under review and will be announced by the governor. A nomination session is expected in late September or early October.

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C. Staff Updates

a. CEO Report *9:05*

Mr. Mello let the Board know that gubernatorial candidate Richard Bennett will be meeting with staff at FAME to discuss his priorities, as well as to learn about FAME's.
In his business update, Mr. Mello said FAME exceeded its annual target despite the Saddleback loan not closing until July. He also stated that capital remains difficult to secure outside the defense and AI-related infrastructure and technology sectors.
Mr. Mello also shared that the Maine Funding Network marked its two-year anniversary in May, having delivered 3,000 interactions and counseling sessions to 1,100 businesses, supported nearly $1 million in loans, and engaged 24 partners.
He congratulated Martha Johnston, FAME's Director of Education for receiving an prestigious award from the Maine Association of Student Financial Aid Administrators.
Mr. Mello also stated FAME hit a big milestone; $1 billion has been saved for Maine students.
Regarding the Alfond Scholarship Foundation, Mr. Mello said FAME is honored to partner with the Foundation on its signature Harold Alfond College Challenge, with current implementation efforts and a detailed program discussion included on page 6 of the 2025 Grant Report.
Mr. Mello stated FAME's education initiatives this year include GEAR UP, education affordability awareness, the Building Blocks webpage, and other items.
He also shared that FAME was named one of Maine's Best Places to Work for the 12th consecutive year, but that the overall engagement score declined from 88% to 86%.

In response, board member, Andrew Mueller said he appreciates the emphasis on the engagement of the workforce and recognizing a small decline, but given the amount of change that FAME underwent this last year, the organization did very well.

b. Quarterly Business Update *9:15*

Ms. Curtiss gave the Board a snapshot review of FAME's Commercial Loan Insurance portfolio, stating FAME ended the year well with a balance of 163 million, which supports 310 million in lender debt.

c. WatchDesk Review *9:28*

Before beginning her review, Ms. Kunesh suggested the board enter executive session.

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

Enter Executive Session: 9:32 a.m.
Exited Executive Session: 10:13 a.m.

d. **Strategic Plan** *10:11*

Ms. Whitfield explained that FAME completed the second year of its strategic plan at 64%, with meaningful progress across education, business, technology, and people. Key accomplishments included stronger partnerships and digital tools, expansion of the Maine Funding Network and improved commercial financing processes, foundational modernization work with IBM, and advances in workforce planning, culture, and leadership communication. This work has established a strong foundation for completing the plan's final year and determining which priorities should carry into the next strategic plan.

Ms. Hoffman said the discussion underscored the need for FAME to clarify its strategic role in addressing significant portfolio challenges and to focus on initiatives and performance measures capable of delivering meaningful economic impact.

e. Expanded Use for Maine Matching Grants

Ms. Johnston stated the Board is being asked to consider expanding the allowable use of Maine Matching Grants to recognized postsecondary credential programs and registered or certified apprenticeships, consistent with recent federal changes and the Education Committee's recommendation. The expansion would support a broader range of workforce and education pathways and better align matching grant rules with Alfond Grant usage, but it would reduce the safeguards and oversight available for non-Title IV programs. Staff believes the change can be implemented through rulemaking, with potential statutory cleanup to provide additional clarity.

Ms. Nadeau-Balducci added that the proposal is being presented this month for discussion, with a draft rule change expected next month for the Board's consideration and vote.

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Mr. Tracy asked if FAME could provide the Board members with the opportunity to learn more about, and better understand, FAME's education programs. Ms. Johnston said, yes, they could arrange that.

Mr. Carlos added that at FAME's October board retreat, we're going to have a deep dive into NextGen as a whole. What is NextGen all about. What the role of benefits are.

f. Modernization Update

Mr. Audet explained that phase-one implementation with IBM is progressing toward late-January delivery of the foundational Salesforce, data migration, and marketing capabilities, while negotiations continue with FinSpectra to begin the loan management solution later this fall. Minor scheduling delays are being monitored but are not expected to materially affect the budget, overall timeline, or project goals, and staff change-management efforts are underway.

g. Staff Incentive Plan

Ms. Brown said the proposed annual incentive scorecard emphasizes modernization, strategic plan completion, education and workforce initiatives, commercial lending, and responsible expense management.

h. October Board Retreat Update

Ms. Whitfield explained that this year's board meeting and retreat is planned as a one-day event at Southern Maine Community College's McKernan Inn, followed by an optional dinner. A survey will be sent shortly to gather RSVPs and support final planning.

ADJOURN- *10:52 a.m.*

A true copy as adopted,

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