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**Community Development Finance Authority
Finance Committee Meeting**

Webex Videoconferencing Meeting due to COVID-19 Pandemic Emergency

**April 13, 2021
9:00 AM**

CDFA FINANCE COMMITTEE PRESENT: Michael Claflin, *Chair*, John Manning, Robert Tourigny, Richard Wyman, and Deborah Morin, *Secretary/Treasurer*.

STAFF: Katherine Easterly Martey, *Executive Director*, Kevin Peterson, *Director of Economic Development*, and Scott Maslansky, *Director of Clean Energy Finance*.

Mr. Claflin opened the meeting at 9:00 AM and stated there were no announcements or members of the public in attendance. There was no public comment.

Mr. Claflin stated the meeting is being held in videoconferencing format due to the ongoing public health crisis and emergency related to the COVID-19 pandemic. Directors are participating in the meeting from remote locations. Any and all action will require roll call votes.

Mr. Claflin called for a motion to approve the agenda, as presented.

Motion – 9:03 AM

Mr. Wyman moved to approve the meeting agenda, as presented. Mr. Manning seconded. Mr. Claflin called for roll call vote.

- Mr. Claflin – Yes
- Mr. Manning – Yes
- Mr. Wyman – Yes

The motion carried with a unanimous vote of the Committee.

A. March 9, 2021 Finance Committee Minutes

Mr. Claflin called for questions or comments on the March 9, 2021 minutes.

Motion – 9:06 AM

There being no questions or comments, Mr. Wyman moved to approve the Finance Committee minutes, as presented. Mr. Claflin seconded. Mr. Manning abstained as he was not present at the meeting. Mr. Claflin called for roll call vote.

- Mr. Claflin – Yes
- Mr. Manning – Abstain

- Mr. Wyman – Yes
- Ms. Morin – Yes

The motion passed with three (3) yea votes and one abstention of the Committee.

B. FY2021 Audit Engagement Letter

Ms. Morin provided an overview of the FY2021 Audit Engagement Letter highlighting the intent of the audit to cover both the financial audit of CDFA as well as the required Single Audit per federal regulations. She also highlighted the minimal increase in cost over FY2020. Ms. Morin responded to questions regarding CDFA's assessment of Leone McDonnell & Roberts and the audit process.

Motion – 9:08 AM

There being no questions or comments, Mr. Manning moved to approve the FY2021 Audit Engagement Letter, as presented. Mr. Wyman seconded. Mr. Claflin called for roll call vote.

- Mr. Claflin – Yes
- Mr. Manning – Yes
- Mr. Wyman – Yes

The motion carried by a unanimous vote of the Committee.

C. EQ2 Investment

Ms. Easterly Martey directed the Committee to the draft of the EQ2 proposal with Bangor Savings Bank along with a general overview of EQ2 investments that were provided with the Committee materials. She stated that CDFA has been communicating with Jim Robbins at Bangor Savings over the last couple years. They are not a current tax credit donor as their tax liability in the State of NH is minimal and this would be a way to engage in NH communities and receive Commercial Reinvestment Act (CRA) credits. Mr. Wyman provided some information on his experience with EQ2 investments in that the investor receives quarterly interest payments but writes down the actual investment over time. There are some financial reporting obligations that CDFA will need to consider however, the main risk would be held by Bangor Savings. The Committee agreed that management should continue their conversation with Bangor Savings and bring more specifics to the next meeting.

D. Community Development Loan Fund

Ms. Easterly Martey directed the Committee to the Memo on the Community Development Loan Fund included in the package. She described the impact an increase in the fund would have on the work CDFA does. Beginning with an internal designation of funds and assessing both need and demand will determine possible external engagement in the future and what role CDFA plays for gap financing in a larger project. The Committee agreed that management should bring their plan to the i2i Committee next to outline the program.

Mr. Tourigny joined the meeting at 9:30 AM.

E. Quarterly Financial Statement Review – March 31, 2021

Ms. Morin provided an overview of CDFA's financial statements for the quarter ended March 31, 2021. She highlighted changes on the balance sheet and income statement and stated that operating expenses are tracking close to budgeted amounts. Ms. Morin stated the income statement by program area and the loan listing were also included in the materials, noting the only two delinquencies in the loan portfolio are relationships being actively worked. Ms. Morin responded to questions from the Committee.

Motion – 9:48 AM

There being no further questions or comments, Mr. Wyman moved to present the CDFA Quarterly Financial Statements to the Board. Mr. Manning seconded the motion. Mr. Claflin called for roll call vote.

- Mr. Claflin – Yes
- Mr. Manning – Yes
- Mr. Tourigny – Yes
- Mr. Wyman – Yes

The motion carried by a unanimous vote of the Committee.

F. Other Business

Ms. Morin updated the Committee on her conversation with Bank of NH. She stated she had a very productive meeting with the business manager assigned to CDFA's relationship. They immediately increased the rate on the Energy RLF accounts, the majority of CDFA's funds at Bank of NH, to 0.30% from 0.05%. Mr. Wyman informed the Committee of his conversation with the President of Bank of NH following the April meeting, outlining CDFA's role in the State of NH. The relationship with Bank of NH will be monitored for future rate increases once the market adjusts upward. In all, it was a positive conversation and Ms. Morin delivered materials regarding the L-5 Tax Credit Program to the business manager who stated she would send it to the appropriate area for consideration. The Committee discussed at length the fiduciary responsibility involved with the banking relationship and it might be prudent to continue with the RFP process.

Ms. Morin led the Committee in a discussion regarding an RFP for Auditor Services. The last time this was done was in Fall 2014. At that time, the Finance Committee selected Leone, McDonnell & Roberts (LMR) to perform the audits for CDFA and DADCo and tax returns for DADCo beginning with the fiscal year ending June 30, 2015. The audit for fiscal year 2021 will be the seventh year with LMR. The Committee discussed they have heard from their organizations' Boards the fact that it is not always necessarily best practice to change audit firms, unless there is reason to believe the review is not thorough, but instead to be sure that partner review at the audit firms is rotated on some basis.

Ms. Easterly Martey commented management would review both of these topics and bring back to the Committee a proposed routine for discussion with the Committee.

G. Adjourn

Motion – 10:02 AM

Mr. Manning moved to adjourn the meeting. Mr. Wyman seconded. Mr. Claflin called for roll call vote.

- Mr. Claflin – Yes
- Mr. Manning – Yes
- Mr. Tourigny – Yes
- Mr. Wyman – Yes

The motion carried by a unanimous vote of the Committee.



Deborah Morin, Chief Financial Officer



Michael Claflin, Chair
CDFA Finance Committee