

MAINE STATE LEGISLATURE

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Michael R. Goodwin, *Executive Director*
Tel 207-622-9386
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January 28, 2014

The Honorable Mark W. Eves
Speaker of the House of Representatives
2 State House Station
Augusta ME 04333-0002

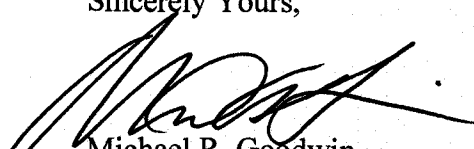
The Honorable Justin L. Alfond
President of the Maine Senate
3 State House Station
Augusta ME 04333-0003

Dear Speaker Eves and President Alfond,

Enclosed please find the annual report required under 5 M.R.S.A. c. 379, sub-c 3, section 12023 for Quasi-independent State Agencies for the Maine Municipal Bond Bank for our fiscal year ended June 30, 2013.

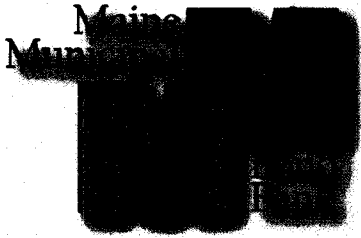
Please feel free to contact me with any questions or comments. I can be reached at 622-9386 or by email at mrg@mmbb.com.

Sincerely Yours,



Michael R. Goodwin
Executive Director

Enc.



Michael R. Goodwin, *Executive Director*
Tel 207-622-9386
Fax 207-623-5359

January 24, 2014

The Honorable Mark W. Eves,
Speaker of the House of Representatives
2 State House Station
Augusta, ME 04333-0002

The Honorable Justin L. Alford
President of the Maine Senate
3 State House Station
Augusta, ME 04333-0003

RE: Quasi-Independent State Entities annual report required under 5 MRSA c.379, sub-c.3, section 12023

Dear Speaker Eves and President Alford:

I am pleased to provide the following annual report concerning the operating activities of the Maine Municipal Bond Bank (the Bond Bank) for our fiscal year ending June 30, 2013.

The Bond Bank adopted and implemented policies and procedures concerning purchasing, contributions and lobbying and travel prior to July 1, 2013. All employees of the Bond Bank are familiar with these policies and procedures and are aware that only the Executive Director can waive them. No changes have been made to the policies and procedures since adoption.

The Bond Bank's Board of Commissioners approves an annual operating budget. They are also provided a periodic Treasurer's Report that details all expenditures, including a comparison of budget to actual expenditures and a list of checks written during the period of the report in order to monitor compliance with all policies and procedures. The Commissioners are given an opportunity to question the staff concerning the report before they vote to approve it. Backup for any expenditure is provided to the Board, upon request.

As a bit of background, the Bond Bank shares administrative space, expenses, personnel and associated costs with the Maine Health and Higher Educational Facilities Authority and the Maine Governmental Facilities Authority. All shared costs are allocated based on employee time and billed to each entity by the Bond Bank. All employees are employees of the Bond Bank.

Expenditures with Competitive Procurement Waived:

The Bond Bank has an ongoing relationship with three vendors that it has not issued an RFP for in more than several years.

The Bond Bank purchases its health and dental insurance through the Maine Municipal Employee's Health Trust (the Health Trust) and also provides the employees an opportunity to purchase long and short term disability and vision insurance, at their option. The Health Trust is a multi-employer, non-profit aggregator of these employee benefits and the Bond Bank believes that it will not be able to purchase these benefits at a lower cost elsewhere. The Bond Bank paid the Health Trust approximately \$363,000.00 in fiscal year 2013, which included benefits that the employees purchased at their option.

The Bond Bank has a continuing relationship with Bangor Savings Bank which provides the Bond Bank with investment custodian services. Bangor Savings Bank has not increased its fee for these services since the inception of the relationship in 1994. The Bond Bank believes that it is receiving superior service at a very reasonable cost. The Bond Bank paid Bangor Savings Bank approximately \$137,000.00 in fiscal year 2013. The Bond Bank anticipates that it will be issuing an RFP for these services in fiscal year 2014.

The Bond Bank has a continuing relationship with its bond trustee, US Bank. This relationship began in the early 1980's and has continued as US Bank has honored the original fee schedule and has provided superior service. The Bond Bank paid US Bank approximately \$122,000.00 in fiscal year 2013. US Bank has recently notified the Bond Bank that it will be increasing its fees in fiscal year 2014, which will result in the Bond Bank issuing an RFP for trustee services.

As an issuer of municipal securities, the Bond Bank incurs some bond issue related expenses which are required by the industry and do not lend themselves to be put out for an RFP. These vendors include the rating agencies Standard and Poor's, Moody's Investor Services and Fitch, Inc. who provide bond ratings on all bonds. These payments totaled approximately \$103,000.00 in fiscal year 2013.

The Bond Bank periodically refunds (refinances) bond issues that require, pursuant to the call provisions of the bonds, the publication of call notices of the refunded bonds in a publication, the Bond Buyer - Source Media, Inc., that is published in New York, New York. The Bond Bank's Trustee for all its bond issues, US Bank, publishes these call notices which totaled approximately \$40,000 in fiscal year 2013.

Other bond issue related payments that aggregate more than \$10,000 include Anderson Aquino, LLP, who is the counsel of our Trustee, US Bank. The Bond bank, pursuant with its agreement with its trustee, pays \$5,000 per new bond issue to trustee counsel for their preparation and review of various bond documents. Total payments from the Bond Bank to Anderson Aquino, LLP were \$20,000 in fiscal year 2013.

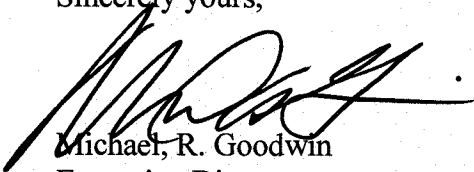
Other:

The Bond Bank made no contributions to any person during fiscal year 2013.

The Bond Bank does not employ any person, other than Bond Bank staff, for the purpose of lobbying.

Please feel free to contact me with any questions or comments that you might have concerning this report. I can be reached at 622-9386 or by e-mail at mrg@mmbb.com

Sincerely yours,

A handwritten signature in black ink, appearing to read "M. Goodwin", written over the typed name.

Michael, R. Goodwin
Executive Director