

MAINE STATE LEGISLATURE

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MAINE HEALTH AND HIGHER
EDUCATIONAL FACILITIES AUTHORITY

Michael R. Goodwin, *Executive Director*
Tel 207-622-1958
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January 27, 2016

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

The Honorable Michael D. Thibodeau
President of the Maine Senate
3 State House Station
Augusta ME 04333-0003

Dear Speaker Eves and President Thibodeau,

Pursuant to 5 M.R.S.A. , Section 12023, please consider this the letter of transmittal for the required report from the Maine Health and Higher Educational Facilities Authority due by February 1, 2016.

Please feel free to contact me with any questions or if you need additional information. I can be reached at 622-1958 or by email at mrg@mhhefa.com.

Sincerely Yours,

A handwritten signature in black ink, appearing to read 'M. Goodwin'.

Michael R. Goodwin
Executive Director

Enc.



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

Dear Speaker Eves and President Thibodeau:

I am pleased to provide the following annual report concerning the operating activities of the Maine Health and Higher Educational Facilities Authority (the Authority) for our fiscal year ended June 30, 2015.

The Authority adopted and implemented policies and procedures concerning purchasing, contributions and lobbying and travel prior to July 1, 2013. All employees of the Authority 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 Authority Board 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 Board Members 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 Authority shares administrative space, expenses, personnel and associated costs with the Maine Governmental Facilities Authority and the Maine Municipal Bond Bank. All shared costs are allocated based on employee time and billed to each entity by the Maine Municipal Bond Bank. All employees are employees of the Maine Municipal Bond Bank.

Expenditures with Competitive Procurement Waived:

The Authority has a continuing relationship with its bond trustee, US Bank. This relationship began in the 1990's and has continued as US Bank has honored the original fee schedule and has provided superior service. The Authority paid US Bank approximately \$83,000 in fiscal year 2015. The Authority is anticipating issuing an RFP for trustee services in early fiscal year 2017.

As an issuer of municipal securities, the Authority 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 \$13,000 in fiscal year 2015.

In addition, the Authority extended the contract with Baker Newman Noyes for audit services for the June 30, 2015 fiscal yearend audit. The original RFP for audit services was awarded to Baker Newman Noyes for three years, but the Authority granted an extension for an additional year considering that they held their pricing to the FY'14 pricing. The Authority paid Baker Newman Noyes approximately \$82,000.00 in fiscal year 2015. We have issued a RFP for audit services in December, 2015 for the fiscal year 2016 audit services.

Other:

The Authority made no contributions to any person during fiscal year 2015.

The Authority does not employ any person, other than Authority 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 622-1958 or by e-mail at mrg@mhhefa.com

Sincerely yours,



Michael R. Goodwin
Executive Director