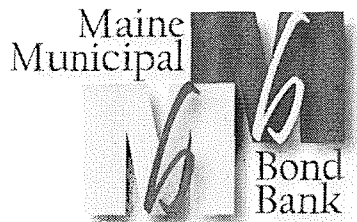


MAINE STATE LEGISLATURE

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Terry Hayes, *Executive Director*
Tel 207-622-9386
Fax 207-623-5359

January 13, 2022

Honorable Troy D. Jackson
President of the Senate
3 State House Station
Augusta, Maine 04333

Honorable Ryan Fecteau
Speaker of the House
2 State House Station
Augusta, Maine 04333

Dear President Jackson and Speaker Fecteau:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the Maine Municipal Bond Bank due by February 1, 2022.

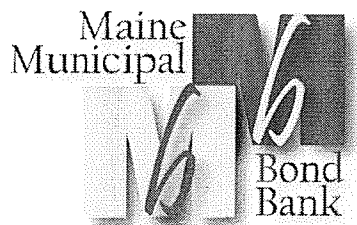
Please feel free to contact me with any questions or if you need additional information. I can be reached at 622-9386 or by email at Terry@mmbb.com.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Terry Hayes".

Terry Hayes,
Executive Director



Terry Hayes, *Executive Director*
Tel 207-622-9386
Fax 207-623-5359

January 13, 2022

Honorable Troy D. Jackson
President of the Senate
3 State House Station
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2 State House Station
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RE: Quasi-Independent State Entities annual report required under 5 MRSA c.379, sub-c.3, Section 12023

Dear President Jackson and Speaker Fecteau:

I am pleased to provide the following report concerning the operating activities of the Maine Municipal Bond Bank (the Bond Bank) for our fiscal year ending June 30, 2021.

The Bond Bank has adopted and implemented policies and procedures concerning purchasing, contributions and travel during fiscal year 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 provided a periodic Treasurer's Report that details all expenditures, including a comparison of budget to actual, and includes a list of checks written during the period of the report, so that they may 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 or a member, upon request.

General Expenditures:

I have not included expenditure detail to vendors that aggregate more than \$10,000.00 for the fiscal year but were made over the course of the fiscal year in payments that were less than \$10,000.00 each. These expenditures represent payments for items such as computer equipment, software and other miscellaneous expenditures. I have also not included detailed expenditures for employee withholdings, payments to the Treasurer of the State of Maine for property and other insurances and other miscellaneous fees that aggregate

more than the \$10,000.00 threshold. In addition, I have not included expenditures that aggregate more than the \$10,000.00 threshold for electricity, utilities and property taxes paid to the City of Augusta. Property taxes are reimbursed to the Bond Bank by our tenant, Bangor Savings Bank.

Bond Issue Related Expenditures:

Because of the mission of the Bond Bank, issuing bonds on behalf of our borrowers, there are payments that the Bond Bank makes to vendors that are bond issue related. These vendors include Standard and Poor's, Moody's Investor Services and Fitch, Inc. who provide bond ratings for our issues. These payments totaled approximately \$176,375.00 in fiscal year 2021.

Other bond issue related payments that aggregate more than \$10,000.00 but may be less than \$10,000 per issue include Anderson Aquino, LLP, who is the counsel of our Trustee, US Bank, totaling \$16,500.00 in fiscal year 2021.

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. Therefore, the Bond Bank does not issue an RFP for this purchase. The Bond Bank paid the Health Trust approximately \$533,185.00 in fiscal year 2021, 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 the fee that it charges for these services since the inception of the relationship in 1994. The Bond Bank believes that it is receiving superior service at a reasonable cost. The Bond Bank paid Bangor Savings Bank approximately \$219,631.00 in fiscal year 2021.

The Bond Bank also has a continuing relationship with its bond trustee, US Bank. This relationship began in the early 1980's and has continued because US Bank has honored the original fee schedule and it has provided superior service. The Bond Bank paid US Bank approximately \$102,942.00 in fiscal year 2021.

Other Expenditures with Competitive Procurement Waived:

The Bond Bank was notified by our information technology consultant during the fiscal year that our version of Microsoft Outlook was vulnerable to hackers and recommended that we hire a consultant to assess our risk and abate any exposure that was discovered. Because of the seriousness of this risk to our IT infrastructure, and our need for immediate assistance, we waved our competitive procurement procedures to hire Arete Advisors,

LLC. We paid Arete Advisors, LLC a total of \$15,000.00 for their services. They were able to identify and resolve the vulnerabilities in a timely manner.

Other:

The Bond Bank did not make any contributions to any person during fiscal year 2021.

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 Terry@mmbb.com

Sincerely yours,

A handwritten signature in cursive script that reads "Terry Hayes".

Terry Hayes,
Executive Director