



Maine Municipal Bond Bank

2024 Series A Bonds

Rating Presentation
March 2024

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Financing Team

- **Maine Municipal Bond Bank**
 - Terry Hayes, Executive Director
 - Toni Reed, Program Officer
 - Makenzie Carlow, Program Assistant
 - Madison Purdy, Program Assistant
 - Jill Pierce, Accountant
- **General Counsel**
 - Mitchell and Davis
- **Municipal Advisor**
 - HilltopSecurities
- **Bond Counsel**
 - Hawkins Delafield & Wood
- **Senior Book-Running Manager**
 - BofA Securities
- **Underwriters' Counsel**
 - Preti Flaherty Beliveau & Pachios
- **Trustee**
 - US Bank



General Resolution Program

Program Overview

- The Maine Municipal Bond Bank (“MMBB”) provides financial assistance to Maine municipalities, school systems, water and sewer districts, public waste disposal corporations and other governmental entities for approved acquisition, construction and capital improvement projects
- Borrowers benefit from MMBB’s strong credit rating and market access and achieve a lower cost of capital as a result of
 - The advantageous pricing of the highly-rated MMBB General Resolution pool
 - The efficiencies and economies of scale gained by participating in a larger transaction
- Borrower loan payments are due twice a year, May (interest), and November (principal and interest), prior to the debt service payments
 - Since 2011, borrower loan payments are due 30 days in advance
 - Borrower payments for outstanding loans issued prior to 2011, are due 5 days in advance
 - Currently 71% of borrowers pay 30 days in advance and the remaining 29% pay 5 days in advance
- MMBB’s outstanding portfolio contains 252 governmental units and 535 loans
- MMBB has provided loans to 612 different governmental units for a total of 2,041 loans
 - Loan terms are between 5 and 30 years, and may not exceed the useful life of the financed asset
 - Loans are not prepayable
- Cybersecurity – Portions of the MMBB IT infrastructure are audited annually; any findings are resolved before the next year’s audit. Further protections include:
 - User education through security awareness training and testing with simulated phishing emails
 - Annual external network penetration testing and weekly internal vulnerability scanning
 - Backup storage following recommended 3-2-1 rule with onsite, offsite and cloud backups
 - Utilizing secure email gateway software to protect from known risks, advance threats and provider email filtering
 - Annual review and update to IT policy documents including our Business Continuity Plan with a tabletop disaster recovery exercise
 - All users required to use 2 factor authentication and administrators required to use additional authentication
 - Enforcement of strong password requirements



Diversification of Pool

- Loans are geographically distributed throughout the State of Maine (the “State”)
- Fifteen of the twenty largest borrowers have school construction projects with debt service payments subsidized by the State
- Largest borrower accounts for 11.83% of the total pool
- Top ten borrowers account for 47.83%⁽¹⁾ of the total pool

Top 20 Borrowers By Principal Outstanding

Borrower	Total Outstanding		Total Principal Outstanding ⁽¹⁾	Percent Of Portfolio ⁽¹⁾	Final Maturity
	Loans	Pledge			
Sanford	12	GO	\$121,305,231	11.83%	11/01/2040
MSAD #54	3	GO	64,687,847	6.31	11/01/2043
MSAD #75	3	GO	55,906,466	5.45	11/01/2039
RSU #19	3	GO	44,711,943	4.36	11/01/2039
RSU #39	2	GO	40,265,400	3.93	11/01/2039
RSU #24	4	GO	39,631,721	3.87	11/01/2042
Brunswick & Topsham Water District	8	REV	38,649,444	3.77	11/01/2043
Lewiston	2	GO	31,304,976	3.05	11/01/2037
RSU #09	3	GO	27,497,982	2.68	11/01/2031
Westbrook	7	GO	26,429,724	2.58	11/01/2048
Brewer	20	GO	22,385,278	2.18	11/01/2043
RSU #02	2	GO	20,609,094	2.01	11/01/2038
MSAD #22	1	GO	18,765,057	1.83	11/01/2031
RSU #64	1	GO	15,559,078	1.52	11/01/2035
Ellsworth	2	GO	14,486,868	1.41	11/01/2043
MSAD #72	1	GO	12,572,143	1.23	11/01/2036
Lisbon	11	GO	11,816,088	1.15	11/01/2037
RSU #18	2	GO	9,767,600	0.95	11/01/2037
Belfast	3	GO	9,498,838	0.93	11/01/2047
Standish	10	GO	9,281,371	0.91	11/01/2033
Total	100		\$635,132,147	61.95%	

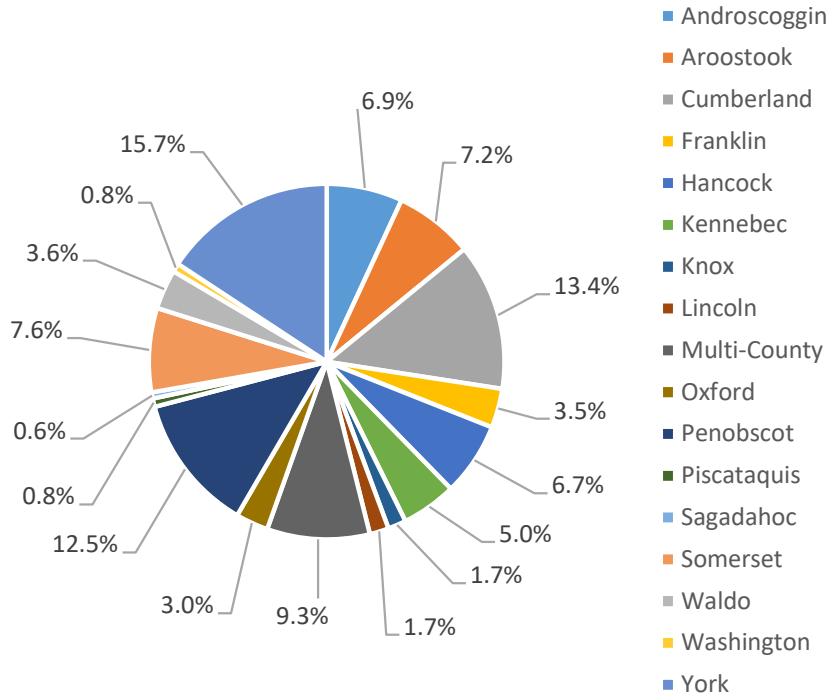


(1) Totals may not add up due to rounding
 *Shown prior to issuance of 2024 Series A Bonds

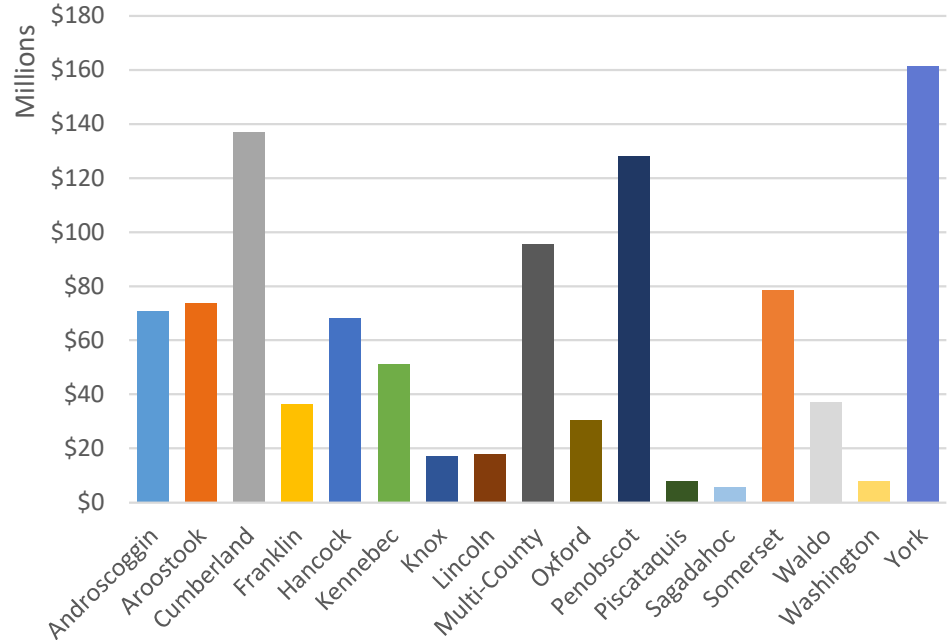
Diversification of Pool (continued)

- Concentration of credits in Cumberland, Penobscot, Somerset and York Counties (the counties with the highest per capita income, highest property valuations and largest populations) account for 49.26% of loans

Percent Of MMBB Portfolio by County



Total Principal Outstanding Per County



*Shown prior to issuance of 2024 Series A Bonds

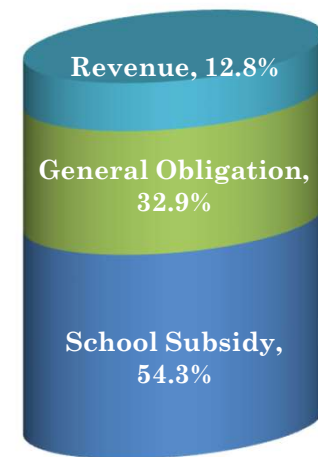
Application Process

- Every borrower submits a credit application
- Applications are reviewed first by staff and again by the full MMBB Board
 - Current membership of Board includes the State Treasurer, the Superintendent of Financial Institutions, a commercial lender, a public finance banker and a business banking segment leader
 - MMBB may reject or modify an application that does not meet credit standards
 - Requirements may be imposed upon a borrower before approving a loan
- Conservative credit underwriting is used for review of applications
 - Term of financing may not exceed useful life of asset
 - Source(s) of revenue to repay financing must be provided
 - Borrower must demonstrate history of responsible financial management and willingness to pay obligations
 - Executed authorization documents must be provided
 - If a major construction project, construction bids, or guaranteed maximum price contract, must be provided prior to the MMBB pricing
- Requirements of borrowers post issuance
 - Submission of annual audited financial statements within 9 months of the end of the borrower's fiscal year
 - Audits are reviewed for key financial and debt statistics
 - Beginning in 2011, borrower payments must be sent 30 days in advance of MMBB debt service dates
 - Prior to 2011, the requirement was 5 days

Bonds / Loan Portfolio

- MMBB has sold over \$5.81 billion in Bonds to date
 - \$1.025 billion is currently outstanding
 - \$1.6 billion of refunding bonds have been issued for economic savings
 - No defaults under bonds or underlying loans
- Approximately 87.21% of MMBB's portfolio is secured by a general obligation pledge of the local government borrower
 - Supported by their full faith and taxing power
- The remaining 12.79% of the portfolio is secured by revenue pledges
 - Revenue pledges are almost exclusively water and sewer (however, a loan made to Aroostook Waste Solutions is payable from rates and charges for waste disposal)
 - Water and sewer revenue bonds are considered secure
 - Essential service with high collection rates
 - Revenue pledge requires that sufficient rates are maintained to cover borrower debt service
- Approximately 54.32% of the portfolio is school project loans, which are supported by State-aid payments paid directly by the State to the MMBB's Trustee through the State Department of Education

BREAKDOWN OF PAYMENT SOURCE



Combined General
Obligation & School
Subsidy – 87.2%

Bonds / Loan Portfolio (continued)

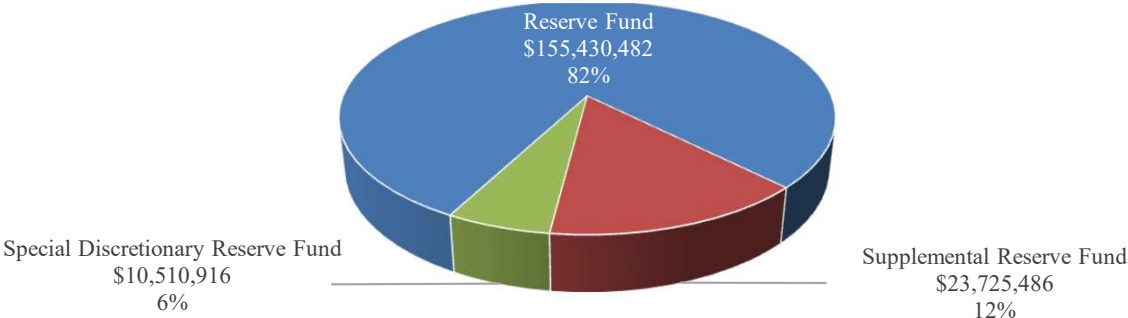
- Repeat customers confirm MMBB has a good working relationship with clients and strives to maintain and build on those relationships
- 71% of loans are now paying 30 days in advance of the debt payment due date, and the remaining 29% pay 5 days in advance
- There have been no late debt service payments from any existing borrowers in the General Resolution program
- The New Sharon Water District is being monitored by the Bond Bank
 - They are a small water district (less than 100 users) working with the Town of New Sharon, the PUC and Maine Rural Water Association to stabilize their operations and set user rates at appropriate levels to service their current debt
 - The District has one loan through the Bond Bank with \$109,590 outstanding as of December 2023
- The Municipal Finance Board, established by state statute, is authorized to step in and take over the finances of any borrower in times of extraordinary financial difficulty, without having to gain legislative approval
- MMBB's portfolio has no variable-rate debt or derivatives
- MMBB is constantly reviewing outstanding bonds for potential refinancing opportunities

Bank Resources

- The Bank has **three** separate reserve funds which provide a high degree of additional security if a borrower makes a late payment or defaults on a loan payment
 - As of 12/31/2023, the aggregate reserve fund balances totaled \$189.67 million - projected to cover Maximum Annual Debt Service (“MADS”) by a minimum of 1.48x

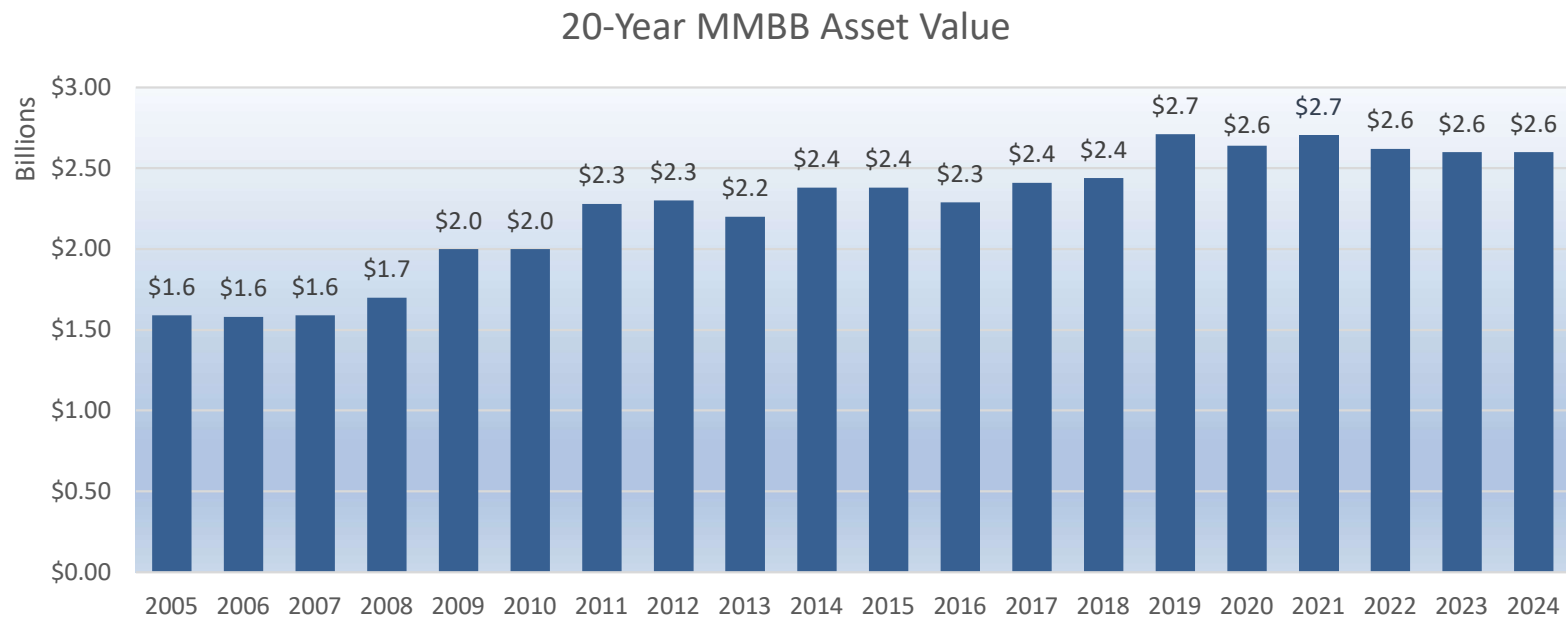
Fund Name	Reserve Fund	Supplemental Reserve Fund	Special Discretionary Reserve Fund
Description	<ul style="list-style-type: none"> Established by the original resolution and funded with bond proceeds with each bond issuance Must equal at least MADS on outstanding bonds State law provides a Moral Obligation replenishment provision if the Reserve Fund goes below an amount equal to the MADS requirement 	<ul style="list-style-type: none"> Pledged to resolve deficiencies in the Principal Account, Interest Account and Reserve Fund, subject to MMBB direction Comprised of two accounts: <ul style="list-style-type: none"> General Reserve Account Special Reserve Account 	<ul style="list-style-type: none"> Not pledged, however is unrestricted as to use, and is available for repayment of debt In 2020, \$12 million was transferred from the Special Discretionary Reserve Fund into the General Reserve Account
Pledged to Bonds	Yes	Yes	No
Balance (as of 12/31/2023)	\$155,430,482 ⁽¹⁾	\$23,725,486	\$10,510,916 ⁽²⁾

(1) The Reserve Fund requirement as of 12/31/2023 was \$132.9 million, which equates to \$22.6 million in excess over the requirement
 (2) \$7,504,118 of the Special Discretionary Reserve Fund is pledged to the Maine Connectivity Authority in the form of a standby letter of credit to satisfy a National Telecommunications and Information Administration federal grant condition.



Bank Resources (continued)

- MMBB's assets have grown from \$1.6 billion in 2004 to its current level of \$2.6 billion as of December 31, 2023.

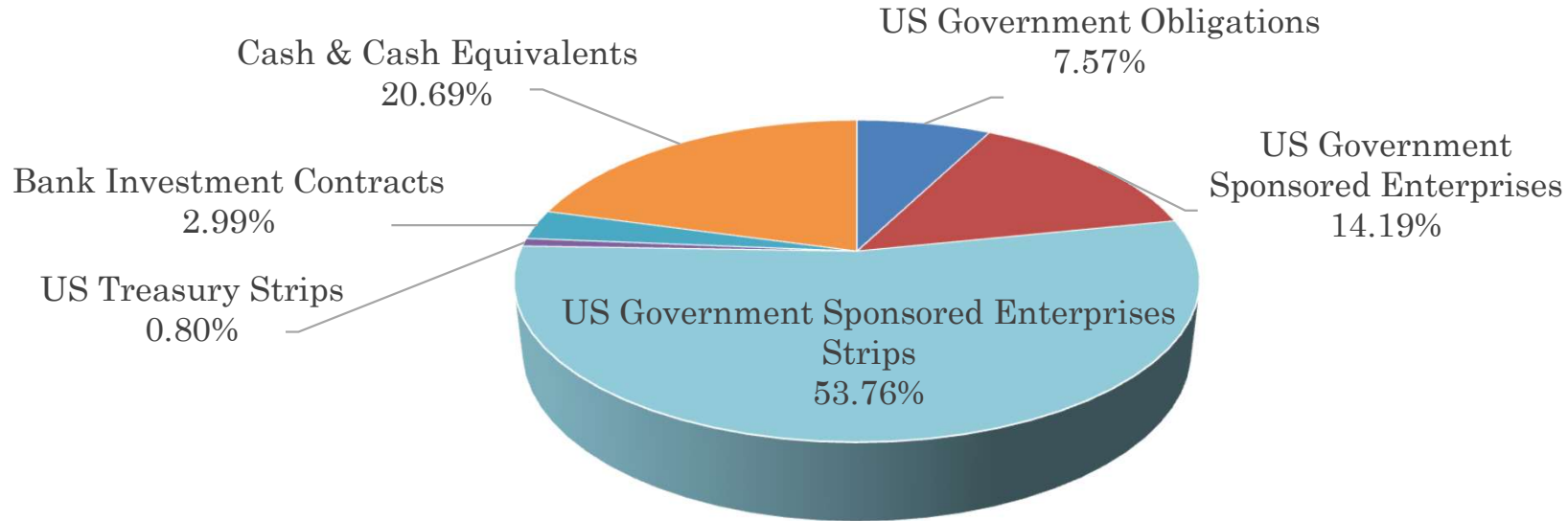


State Intercept Provides Additional Security

- MMBB benefits from a State intercept should a borrower fail to make its debt service payment
 - Title 30-A, Section 6014 provides the State Treasurer can, at any time after written notice from MMBB, withhold payment of funds to a MMBB borrower until the amount of principal or interest owed has been paid to MMBB by the borrower, or the State Treasurer has been advised that arrangements have been made for repayment that are satisfactory to MMBB
 - MMBB's enabling act provides that the State Treasurer shall pay MMBB any money in the Treasurer's control which, by the terms of any applicable grant or law, is required to be paid to MMBB upon default of a municipal security held by MMBB
- MMBB has never made a request to the State Treasurer to intercept funding
- Currently 71% of loans pay 30 days in advance of the MMBB bond debt service payment date, with all newly originated loans issued since 2011 following this new policy
 - Remaining 29% of borrower loans, that were issued prior to 2011, pay 5 days in advance
 - Allows MMBB to utilize the State intercept, if necessary, prior to a bond default
 - Until such time as 100% of the borrowers are paying 30 days in advance, MMBB has multiple reserves to make debt service payments and the intercepted funds can replenish the reserves

Investments as of December 31, 2023

General Resolution Fund by Investment Type



	COST	MARKET VALUE	% OF MV
US Government Obligations	\$14,144,606	14,384,476	7.57%
US Government Sponsored Enterprises	28,332,536	26,949,149	14.19%
US Government Sponsored Enterprises Strips	85,148,694	102,131,709	53.76%
US Treasury Strips	744,857	1,528,675	0.80%
Bank Investment Contracts	5,688,283	5,688,282	2.99%
Cash & Cash Equivalents	39,289,988	39,289,988	20.69%
Total Investments - Tax Exempt	\$173,348,964	\$189,972,279	100.00%

2024 Series A Financing

2024 Series A New Money

- 2024 Series A has 17 governmental units requesting 18 loans for a total of \$140.3 million with terms between 10 and 30 years
- There is one new borrower in this sale and three borrowers revisiting the program after not participating in recent years:
 - Town of Leeds (New Borrower): Town owned broadband fiber network
 - RSU No. 10 (Last Borrowed in 1982): New PreK-8 school
 - Town of Plymouth (Last Borrowed in 1988): New fire station and town office
 - Town of Sweden (Last Borrowed in 1994): New fire station
- The security pledges for this issue are:
 - General Obligation at 93.5% for approximately \$131.2 million
 - Revenue Pledge at 6.5% for approximately \$9.1 million

2024 Series A New Money – Project Details

Governmental Unit	Loan Amount	Term (Years)	Environmental Benefits	Social Benefits	Project Description
Maine School Administrative District No. 28	\$1,900,000		X		New HVAC system for elementary school
Portland Water District	5,500,000		X		Sewer upgrades to primary sludge handling and primary gallery upgrade
City of Westbrook	2,500,000		X	X	Melcher court pump station upgrade
City of Westbrook	1,000,000		X		Performing arts center mold remediation
Town of Rockport	2,758,675			X	Construction of new West Rockport Fire Station
Town of Sweden	1,600,000			X	Construction of a new modern Fire Station
Town of Plymouth	1,577,712			X	Build new fire station and town office.
Maine School Administrative District No. 39	660,000			X	Improvements to the athletic facilities at Caribou High School
Town of Blue Hill	1,040,000		X		Road reconstruction on Mountain Road in Blue Hill
City of Brewer	1,450,000		X	X	Road improvement and infrastructure projects, as well as major equipment and vehicle purchases
Maine School Administrative District No. 49	42,043,096			X	New elementary school (grades 3-6) construction in Benton. Serves 574 district students. 100% of this loan is subsidized by the State
Sanford Sewerage District	1,339,750		X		Closure of the secured sludge landfill. The landfill has reached its maximum volume. The district anticipates this closure will help reduce the leachate flows which could reduce the PFAS entering the wastewater treatment plant.
Belfast Water District	1,565,254		X		Jackson Pit transmission main
Town of Greenville	5,150,000			X	Construction of new Public Safety Facility
Regional School Unit No 10	65,000,000			X	New Pre K-8 School
Gray Water District	700,000		X		To replace an old water main that runs under the Maine turnpike from 80 Shaker Rd. The other section of the waterline to be replaced is along West Gray Rd. Both mains have outlived their life span and are extremely vulnerable
Town of Leeds	1,647,890			X	Construction of a town owned municipal broadband fiber network
Town of Standish	2,850,000		X		Road improvements and first phase of comprehensive plan
Total	\$140,282,378				

ESG Overview

- The Bank administers a best-efforts program to evaluate the impact of the Bank's activities and actively encourages borrowers and potential borrowers to promote green performance initiatives
- The Bank itself has a platinum certification under the Green Business Bureau designation as shown on its website at www.mmbb.com
- The estimated impacts of the projects anticipated to be financed through the issuance of the 2024 Series A Bonds include:
 - New Elementary/Middle School consolidation-combining two schools into one. The new building is expected to house 1,000 students from pre-kindergarten through eighth grade.
 - New HVAC system in an elementary school.
 - Construction of several fire stations and a public safety facility.
 - Renovations and improvements to a school athletic complex.
 - New elementary school with grades 3-6 which will serve 574 students.
 - Multiple road improvement projects.
 - Municipal vehicle purchases to help assist in public safety.
 - Municipal broadband fiber network.
 - Municipal landfill closure.
 - Bridge replacement, water main upgrades, and sewer upgrades.

2024 Series A Financing

2024 Series A Spring Sale Schedule	
By Tuesday, April 9	Receive Ratings
Thursday, April 11	Post Preliminary Official Statement
Week of April 22	Pricing
Week of May 20	Closing