

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD**

Wednesday, May 27, 2015
MCEDD OFFICE, 515 E 2ND ST, THE DALLES, OR
10:00 AM

ATTENDANCE:

OIB Members: Ken Farner, Ken Bailey, and Bob McFadden. By phone: Jack Miller and Judith Perry.

Staff: Amanda Hoey, Sherry Wickert, Eric Nerdin

CALL TO ORDER:

Chair Ken Bailey called the meeting to order at 10:00 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:

Ken Bailey asked the Board to disclose any conflict of interests for any of the applications to be reviewed today. None were presented.

MINUTES:

Judith Perry moved to approve the minutes from March 18, 2015. Bob McFadden seconded the motion. Motion passed unanimously.

FINANCIAL REPORT:

Sherry Wickert presented the financial report for the period ending April 30, 2015. She noted the new format for the Financial Summary and two new additional reports that were generated from MCEDD's accounting software QuickBooks. A Profit and Loss (07/01-04/30/15) was provided, which supported the figures presented on the report and the detailed report for OIB's Cash account that includes all transactions affecting cash for the month. She reported that the City of Cascade Locks paid in full its two loans, which accounted for the large principal repayments of \$136,209.03. She also noted that one of HR Learning's loan payments has paid on the prior year's accrued interest and the balance available to grant/loan is \$1,115,229.85.

Ken Farner moved to accept the financials as presented. Judith Perry seconded the motion. Motion passed unanimously.

LOAN MODIFICATION PROPOSALS: ABIDE CRAFT DISTILLERS

Eric Nerdin presented a request from Abide Craft Distillers, LLC dba Camp 1805 to approve interest only loan payments from April through July 2015 for loan 148-01-02.

LOAN MODIFICATION PROPOSALS: SAGE CREEK, INC.

Sage Creek, Inc. dba Muirhead Canning requested a modification for OIB loan #52-04-01 to bring its loan current and adjust repayment structure to improve Sage Creek, Inc.'s cash flow and ability to make its monthly loan payments on time and as agreed.

EXECUTIVE SESSION:

Per ORS 192.660 (f) Exempt Documents, the Oregon Investment Board moved into Executive Session at 10:05 a.m.

Regular session was reconvened at 10:35 a.m.

LOAN MODIFICATION DECISION: SAGE CREEK, INC.:

Ken Farner moved to approve a loan modification for Sage Creek, Inc as recommended in the staff report with the terms and conditions as presented, with the exception of a modification to condition #2 to read “Loan #52-03-01 to be paid off in full.” Bob McFadden seconded the motion. Judith Perry moved to amend the motion to revise condition #2 to include a requirement for payoff by 06/15/15. Motion for amendment was seconded by Jack Miller. The amendment failed with two in favor (Perry and Miller) and three opposed (McFadden, Bailey and Farner). The original motion, without amendment, was approved with four in favor and one abstention (Perry).

LOAN MODIFICATION DECISION: ABIDE CRAFT DISTILLERS, LLC

Bob McFadden moved to approve a restructure for Abide Craft Distillers, LLC for a modified loan schedule starting 04/15/15 through the end of the loan, as recommended in the staff report with the terms and conditions as listed. Judith Perry seconded the motion. Motion was approved unanimously.

OIB LOAN CONTRACT FORMS:

Amanda Hoey presented an overview of OIB’s loan contract forms, with a recommendation to update the current forms. Judith Perry moved to accept staff’s recommendation for updating the existing MCEDD forms with OIB-specific provisions and send to the State of Oregon for review and approval. Motion was seconded by Bob McFadden. Motion passed unanimously.

Discussion: Judith commented that was prudent to review these loan forms. Ken Farner noted the same, highlighting the change in legal precedence over time. Ken Bailey agreed and noted the opportunity to merge philosophy with MCEDD, achieving greater consistency for both Board and staff.

BOARD APPOINTMENT STATUS:

Amanda provided an update to the Board on the status of OIB appointments. Hood River County recommended John Kasberger for the OIB position representing Hood River County. Amanda stated that she has been in contact with the Governor’s Executive Appointments office as there will soon be a change in staff and she wanted to make sure that the appointment was not further delayed due to the change in staff. Judith Perry commented that John is a good candidate.

Amanda reminded the Board that the position for Multnomah County is still open. She stated that Kurt Rohlf had expressed interest in applying for the positions, but has not submitted his application.

Ken Farner noted that he would not be seeking a second term.

AG LENDING DISCUSSION

The ag lending discussion was postponed for a future meeting to allow new board members to participate. Ken Farner noted that he generally endorsed the comments made by John Kasberger which were included in the written overview from OIB staff.

BI-STATE ADVISORY COUNCIL MEETING

Amanda requested Board input on the date for the annual Bi-State Advisory Council meeting. The date considered was Wednesday, September 16, 2015 at noon following the regular OIB meeting.

Judith Perry noted that this date would not work for her, but that the 23rd may be available. Ken Bailey requested that staff confirm the date with the Washington Investment Board and Amanda noted that she would check with them regarding the schedule.

OTHER NEW BUSINESS

Eric Nerdin provided an update on the status of the Defiance Brewery approved loan and its progress towards meeting conditions for funding.

ADJOURNMENT: The meeting was adjourned at 10:55 a.m.