

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

Wednesday, July 15, 2015
Port of Hood River Meeting Room
1000 E. Port Marina Drive, Hood River, OR 97031
10:00 AM

ATTENDANCE:

OIB Members: Ken Farner, Ken Bailey, Jack Miller, Judith Perry and John Kasberger.

Staff: Amanda Hoey, Sherry Wickert, Eric Nerdin and Sherry Bohn.

Guest: Kari Fagerness (Skamania County EDC).

CALL TO ORDER:

Chair Ken Bailey called the meeting to order at 10:03 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:

Ken Bailey welcomed new board member John Kasberger and requested round table introductions. He 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 May 27, 2015. Jack Miller seconded the motion. Motion passed with one abstention – John Kasberger.

FINANCIAL REPORT:

Sherry Wickert presented the financial report for the period ending June 30, 2015. She reported Interest Income of \$3,974.24 and Principal Repayments of \$12,972.70. Sherry reported a \$1,100 plus Receivable balance was due to a deposit error. She reported that the Hood River Learning Center loan payments have reduced the accrued interest balance and that the Loans Receivable Balance is \$1,543,146.66. Sherry also reported that the annual audit was being scheduled for the first part of October.

Jack Miller moved to accept the financials as presented. Ken Farner seconded the motion. Motion passed unanimously.

LOAN REQUEST: FUN COUNTRY, INC.:

Eric Nerdin presented a loan request from Fun Country, Inc. to refinance a private seller contract.

LOAN RESTRUCTURE REQUEST: ERLAND PROPERTIES, LLC:

Eric Nerdin presented a request to restructure and extend OIB loans #112-01-01 and #112-01-02.

EXECUTIVE SESSION:

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

Regular session was reconvened at 11:05 a.m.

LOAN REQUEST DECISION: FUN COUNTRY, INC.:

Jack Miller moved to table the loan request decision with a request for staff to obtain more information including a property valuation, research of the client's equity position and information on the 2014 business performance documentation. Judith Perry seconded the motion. Motion passed unanimously.

LOAN RESTRUCTURE REQUEST DECISION: ERLAND PROPERTIES LLC:

Ken Farner moved to approve the loan restructure request as recommended in the staff report. Judith Perry seconded the motion. Motion passed unanimously.

Discussion: Ken Farner expressed his concerns about delaying dealing with loans that have a balloon. He noted that balloon payment structures are often a convenience for the lender and that we have an obligation to address them when they are due. John Kasberger requested in the future a revaluation be considered for all loans that include a balloon payment clause which request to be restructured.

BOARD APPOINTMENT STATUS:

Amanda Hoey recognized John Kasberger's new appointment. She provided an update to the Board on the status of the open position for Multnomah County. Ken Farner stated that he would not be reapplying for his position and that he hoped to continue to be available. He stated that he is actively looking for a replacement. Ken Bailey noted that his term ends next year and that he is not eligible for reappointment due to term limitations. Judith Perry stated that she will not be seeking reappointment and that she would like to have her replacement on board by September. She is also actively looking for a replacement.

Ken Farner offered his resignation from the OIB Loan Committee. John Kasberger volunteered to replace him. Ken Farner moved to appoint John Kasberger to the OIB Loan Committee. Judith Perry seconded the motion. Motion passed unanimously.

Judith Perry noted that she will need to be replaced on the Resource Development Committee. The Board decided to wait on this committee appointment until new members are on board.

AG LENDING DISCUSSION

Ken Bailey opened the discussion about whether or not there are opportunities for the OIB to be a gap/short term/role lender for ag producers who are unable to obtain the financing they need from traditional bank and/or government lenders. Eric Nerdin reported that he had communicated with three loan officers and explained those conversations. Amanda Hoey explained the limited applications and requested input from the board if this was something that staff should explore further.

Discussion: Ken Farner noted that he generally endorsed the comments made by John Kasberger which were included in the written overview from OIB staff. Ken Bailey stated that it was important that the banks be aware of the OIB and its role. Judith asked if it was sufficient that the banks are aware that the OIB is discussing this concept. Jack Miller asked if the board was discussing short term loans. Ken Bailey explained the process. Ken Farner stated that the OIB needed to take a long term look at this type of lending due to the adversity and jeopardy of picking up one year's shortage and terming it out. Jack Miller stated that it would only make sense if the borrower had a track record of repaying these types of loans. Ken Bailey discussed the different way the OIB could assist. Consensus was that the OIB was interested in staff pursuing options further, but with caution.

BI-STATE ADVISORY COUNCIL MEETING

Amanda Hoey stated that the annual Bi-State Advisory Council meeting would be held on September 23rd at the Charburger in Cascade Locks. She explained the proposed agenda items and requested the board respond to her if they had any other topics or if there was an individual they thought should be invited.

OTHER NEW BUSINESS

Amanda Hoey presented a \$25,000 Parklet Program grant concept from The Dalles Mainstreet. She asked the OIB if they wanted to consider a grant application. Ken Bailey stated that he had seen the original parklet concept but did not think the concept fit the OIB goals and objectives for regional economic development impacts. John Kasberger asked who was proposing the concept. Amanda explained that it was The Dalles Mainstreet. Ken Farner stated his preference that grants be covered by current earnings. He asked what the total dollar amount for grants given since the program's inception was. Amanda stated that the figure would be in the OIB Annual report.

Amanda reported that staff had been working with the interim director of the Gorge Commission on the assignment of the OIB certification process.

Amanda reported that staff had a good meeting with staff from Senators Merkley's and Cantwell's offices regarding moving forward with the appropriation of the additional OIB monies. Bob McFadden is working with Senator Wyden's staff on the same issue. Amanda stated that it is very important that they are all working together on this issue. She suggested that the September 11th legislative forum would be a good opportunity for all involved to discuss the subject and requested the board mark their calendars.

ADJOURNMENT: The meeting was adjourned at 11:55 a.m.