

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 15, 2017
HOOD RIVER FIRE STATION, LEONARD HAY COMMUNITY ROOM
1785 MEYER PARKWAY, HOOD RIVER, OREGON

BOARD MEMBERS: Ken Bailey, Jan Brending, Bob Benton, Tonya Brumley, Tom Furey, Stephanie Hoppe, Mary Kramer, Sue Knapp, Eric Proffitt, Rod Runyon, Bill Schmitt, Gary Thompson and Mark Zanmiller.

STAFF: Amanda Hoey (Executive Director), Jessica Metta (Deputy Director), Sherry Wickert (Finance Manager), Eric Nerdin (Loan Fund Manager), Jacque Schei (Project Manager), and Sherry Bohn (Office Administrator)

GUESTS: Kevin Perry (*Celilo Paddle, LLC*), Jason Hildreth (*Columbia River Gorge Commission*) and Dee Holzman (*Gorge Web Design*)

CALL TO ORDER/INTRODUCTIONS:

Jan Brending called the meeting to order at 4:04 p.m. A quorum was present. A round table of introductions took place.

LOAN CLIENT PROFILE: CELILO PADDLE, LLC

Jan Brending introduced Celilo Paddle Company, noting that they had obtained a \$24,000 Oregon Investment Board loan in May 2017 to start up a stand up paddle board rental shop. Kevin Perry reported that he and his wife, Sherry, were proud to be serving The Dalles community with their stand up paddle board rental service operating out of the Riverfront Park. He presented the company's background, operational status and the vision of the company, noting that they have already added one employee.

CONSENT AGENDA:

Approval of March 2017 MCEDD Minutes
Approval of Privacy Policy

Motion to approve the consent agenda made by Bob Benton. Mary Kramer seconded the motion. Motion carried unanimously.

Tom Furey arrived at 4:15 p.m.

FINANCIAL REPORT:

Sherry Wickert presented the finance report for the period ending April 2017, reporting that April's Balance Sheet includes the trend of higher loan fund cash and lower Loans Receivable continues. However, a loan was recently funded for \$150,000 and several others are expected to close soon.

Sherry reported that the Operations Budget vs. Actual for April report reflects that, with the lower than anticipated revenue and other factors, expenses are also lower than expected. Sherry

reported that Professional Services, which includes costs for legal and filing fees, is down due to fewer costs incurred for the loan program. She also noted that Other Professional Services are significantly down due to costs for special projects and that it is likely that these expenditures will be under budget for this fiscal year. Sherry reviewed the total anticipated loss in the loan programs and anticipated use of general fund revenue.

Rod Runyon asked if a Supplemental Budget was necessary due to the loan fund program loss. Sherry Wickert explained that it was not.

Motion to accept the financials as presented was made by Bill Schmitt. Eric Proffitt seconded the motion. Motion carried unanimously.

PRESENTATION OF FY 2018 BUDGET AND PUBLIC HEARING:

Chair Jan Brending opened the Fiscal Year 2018 Budget Public Hearing at 4:15 p.m.

Amanda Hoey reported that the MCEDD Budget Committee met on April 13, 2017 and approved the budget being presented to the MCEDD Board for adoption, highlighting the primary areas of discussion by the Budget Committee. Sherry Wickert presented the proposed FY18 budget noting that the budget had been prepared through careful analysis of prior year budgets, actual expenditures, and forecasted revenues and expenditures for new projects. Sherry reported that some of the revenue challenges experienced in FY17 impact the FY18 budget as a lack of new lending in FY17 creates less projected revenue in FY18. As such, staff began budget development with a significant gap to close, requiring difficult decisions about cuts in expenses- primarily personnel. Sherry reviewed FY18 projected revenue, highlighting:

- Special Project Revenue and primary revenue contributors.
- Loan Fund Revenue –Loan fund revenue is based upon current loan revenue projections for loans already in MCEDD and OIB’s portfolios, excluding any in current litigation. The revenue for existing loans is based upon the approved loan terms for those clients. For new loans, the Budget Committee approved the FY18 Budget using a three year average lending to project loan fund revenue but requested staff to make a narrative modification to include the committee’s recommendation for presenting a five year average and a weighted average for the MCEDD loan fund revenue for comparison. Sherry reported that the weighted average would reduce the loan fund projections by \$140,000 from the recommended \$850,000. She also reported that the five year average is only \$8,000 below the budgeted figures for the three year average that was recommended by the Budget Committee. Sherry reported that the Budget Committee also recommended providing information about the number of new loans per year. Those figures were as follows:

Fiscal Year	Number of MCEDD Loans
FY 13	11
FY 14	13
FY 15	10
FY 16	11
FY 17	5

For expenses, staff reviewed all areas for potential cost savings. As most represent fixed costs (such as audit and rent), personnel is the area where most changes were needed in order to present a balanced budget. Sherry reported that the Executive Director recommended to the Board no salary increases for her position in the current budget. The largest change, however, is in reduction of the Office Administrator position (from a 1.0 FTE to a .50 FTE with no benefits), due to less anticipated revenue. This position has varied over the past number of years from a 0.5 to a 1.0 FTE, depending on both workload and revenue. In order to preserve program delivery and not overburden programs with administrative costs, administrative personnel had to be cut in the budget. Sherry also highlighted that the Board approved creation of a Deputy Director position in FY17, moving a Project Manager into that role. The title for the position is reflected within the wage detail but there is no sizable expense modification due to the change due to promoting an existing employee. Sherry noted there is an overall reduction in anticipated expenses for the Finance and Operations Manager position due to an anticipated retirement for this key position. Funds for training and overlap of a new employee are included in contractual expenses. There is no COLA included in the budget for staff. Sherry also highlighted the following related to expenses:

- Other Payroll Expenses – Payroll expenses are based on 8.75%. Fringe Benefits are calculated for budget purposes, with an overall rate of 25.2%. This rate includes changes for health insurance as the current plan for MCEDD employees will no longer be offered after December 31, 2017. The budget therefore includes six months at the higher rate plan (Plan V-A PPP) and six months at a lower rate plan (Copay A with riders). The Copay A plan is less costly overall, thus the fringe benefits costs are reduced in this budget. Other Fringe Benefits include a 457 (b) contribution at 8.75% and disability/life insurance (no significant increase for this fiscal year).
- Travel – The overall cost for travel for FY18 is reduced from the previous year to reflect the overall revenue changes. Travel for certain conferences were eliminated as a result, for instance, unless scholarship funded.

Sherry explained the All Funds Budget Summary, noting that is the budget to be adopted.

Discussion: Tom Furey noted the cyclic nature of the loan fund revenue and asked if there was any indication that it will change. Amanda Hoey explained how the figures were determined and what the future plans and goals were. Tom Furey asked if the recently approved changes to the loan funds program were making any difference in inquiries. Amanda Hoey stated that she did not see them affecting figures as the modifications were minor. Eric Nerdin concurred. Amanda Hoey discussed the effect of increased commercial lenders' activity and noted that staff is working with the SBDC. Bob Benton suggested increased advertising and/or marketing. Jan Brending asked if potential clients are required to first go to a bank before applying to MCEDD. Amanda Hoey stated that they had to eventually receive a denial from another lender, but can approach MCEDD at many stages. She noted the outreach of staff to commercial lenders, but stated that the clients which tend to get missed in the cycle are those that self-select out from financing even prior to contacting a bank. The board briefly discussed options (such as radio shows and PSAs) that would not affect the budget but could/would affect staff time allocation.

Chair Jan Brending closed the Public Hearing at 4:37 p.m.

APPROVAL OF FY 2018 MCEDD BUDGET:

Bob Benton made a motion to approve Resolution 2017-1, Adopting the FY July 1, 2017 – June 30, 2018 Budget as presented. Eric Proffitt seconded the motion. The motion carried unanimously.

TITLE VI AND LEP POLICY

Amanda Hoey reported that, as a recipient of federal funds, MCEDD is required to adopt a Limited English Proficiency (LEP) plan. Amanda stated that MCEDD has an established Title VI plan which was last updated in 2015 and includes an LEP section. Amanda stated that in order to ensure it is broadly applicable and meets all requirements, staff proposed an update to the Title VI plan and to pull out the LEP plan into a new document. The MCEDD Executive Committee reviewed the policy document and moved to recommend to the full MCEDD Board for adoption of the updated Title VI and LEP Plan.

Sue Knapp made a motion to approve the Title VI Policy and LEP Plan and adopt Resolution 2017-2, Title VI Policy and LEP Plan. Mary Kramer seconded the motion. The motion carried unanimously.

ECONOMIC DEVELOPMENT STRATEGY

Amanda Hoey reported that the Board approved release of the final Comprehensive Economic Development Strategy (CEDS) at its last meeting, with formal public comment open through May 25, 2017. Comments reaffirmed the plan as written with additions to entities participating in the action plan. She requested the board adopt the 2017-2022 Comprehensive Economic Development Strategy.

Discussion: Sue Knapp reported on her outreach visits to each of the cities in Wasco County and shared their reactions to the plan. In The Dalles, she noted discussion about coordination with MCEDD and MCCOG on transportation, the future of Qlife and opportunities in value added agriculture, including for marijuana production. In Antelope, the discussion included the need to build on the history of the area and the need for tourism information. In Mosier, conversation included the National Scenic Area as an advantage, not just a roadblock. Amanda noted that staff believes these elements are included, with the exception of marijuana as it is a federally controlled substance. She expressed appreciation for Sue's activity as a member of the Board to bring the plan to each of the cities she represents.

Rod Runyon made a motion to approve the Comprehensive Economic Development Strategy and adopt Resolution 2017-3, Adopting the Comprehensive Economic Development Strategy. Tonya Brumley seconded the motion. The motion carried unanimously.

MCEDD WEBSITE

Amanda Hoey reported that the work to update the MCEDD website was almost complete. She expressed appreciation for Jacque Schei and Dee Holzman, in particular, for assistance in content transfer and generation. She noted that previous staff member, Anna Tompkins had also assisted. Dee Holzman of Gorge Web Design presented the updated site and asked for comments and feedback.

Discussion: Bob Benton asked if the new site would include tracking hits and clicks. Dee Holzman stated that it would and explained the use of Google Analytics. Amanda Hoey pointed out that newly adopted Privacy policy would become part of this new site. Amanda requested the board discuss how they would like their contact and link information posted on the site. Consensus was that directing individuals to contact the Board through staff would be most appropriate and for public members, a link to their entity's website would be included. Mark Zanmiller asked how someone would contact MCEDD for more information. Dee Holzman presented the various places on the website that information is available. The Board reviewed areas of the site which had the potential to be more interactive and Mark Zanmiller requested that for the strategy portion as well. Jan Brending asked if one staff member will be designated as the website requests contact. Amanda Hoey explained that is still to be determined with the FY18 personnel changes, but at this time board members should contact her. She also requested all board members send headshots so that they could be added to the site. Consensus of the Board was to move forward with making the site live after Dee had put in place the necessary security measures.

FUNDING PRIORITIES

Amanda Hoey reported that the National Association of Development Organizations (NADO) released a special comprehensive budget report for federal programs. Amanda reported that the Executive Committee recommended adoption of a resolution stating support for USDA Rural Development, US Economic Development Administration and Community Development Block Grant programs.

Tom Furey asked if there was a way for MCEDD to state it supports USDA Rural Development, US Economic Development Administration and Community Development Block Grant programs but to also include information on how and why using/taking money along with its economic value. Amanda Hoey explained one page outreach documents and how they were used.

Tom Furey made a motion to adopt Resolution 2017-4, Economic Development Resources For Rural Regions. Tonya Brumley seconded the motion. The motion carried unanimously.

EXECUTIVE DIRECTOR REPORT:

Amanda Hoey provided the Executive Director's report, highlighting the following:

- A number of prioritized CEDS projects are making progress, noting that Skamania County was selected by EPA for two brownfields assessment grants for a total \$300,000 funding award, the Port of Hood River has active legislation in Salem related to the Bridge and Carrie Pipinich provided assistance to the City of The Dalles in developing their Oregon Water Resources Department grant application for Dog River Pipeline.
- MCEDD's \$80,000 EDA planning grant was confirmed and signed, and she expressed appreciation to Chair Brending for the additional work she had to do to complete the acceptance.
- MCEDD staff is participating in conversations about the potential utilization of EDA resources to support local jurisdictions and businesses in relation to the August full solar eclipse. This proposal appears to be moving forward with a focus on improving resiliency planning.

- The Oregon Investment Board approved their biennial contract for staffing services through MCED. The OIB anticipates renewing a request to address the structure of these funds to streamline agency relationships.
- The June Columbia Gorge Bi-State Renewable Energy Zone meeting was led by board member Dana Peck and featured updates from the Government Affairs Specialist, David Van't Hof. Amanda reported that David's contract has been extended.
- MCEDD received confirmation of funding for the biennium from WSDOT. Staff is working with ODOT on their funding process, with the solicitation anticipated to be released in June. Amanda noted that the resources support the Gorge TransLink Alliance. She also highlighted the personnel changes, with Dan Hoyt's departure.

REGIONAL UPDATES

Board members shared updates on items of regional interest.

Jan Brending – Jan reported that the cities of Bingen and White Salmon are in preliminary discussions about combining operations. She reported that if they decided to move forward with the discussion, it would most likely be in the form of a survey and that there would be no decision made until after first of the year. Jan also reported that Klickitat County had approved its updated economic development strategy.

Eric Proffitt – Eric reported unemployment in the MCEDD region was currently at 3.3 to 3.6%. He also reported that the employment department was currently working with employers on employee retention and streamlining processes in order to allow them to be more efficient. Eric also reported that they are working on improving the skills of the local labor force.

Ken Bailey – Ken reported on the agriculture roundtable with Oregon Governor Kate Brown. He reported that the wheat crop was coming along, that the pear crop was looking light and that the cherry crop appears to be larger than average. Ken also reported that harvest has started, that labor applications are up. He reported that Oregon Cherry Growers have sold their processing plants in The Dalles but their operations locally are not expected to change significantly; however it may allow for a potential increase in investment to the processing facility. Ken noted that the sale will be a boost to the local growers.

Mary Kramer – Mary reported that as of July 1st, CGCC will have four new Wasco County board members. She noted that CGCC has received the designation of a Hispanic Serving Institution. Mary also reported that the college will focus on improving access.

Bob Benton – Bob reported that Hood River County finished their FY18 budget and that they continue to struggle with lack of revenue and raising costs. He reported that the County and City of Hood River are working together to complete the Hood River Energy plan. Bob reported that Monday is the final hearing for the construction exercise tax.

Stephanie Hoppe – Stephanie reported that the nonprofit collaborative continues to meet, focusing on particular issues such as board development.

Sue Knapp – Sue reported that she presented the CEDS update to all six Wasco County cities. She reported that all of Wasco County is starting to think and discuss the ramifications of the August solar eclipse. Sue also reported that the Macks to the Mouth trail discussion may be furthered as there is discussion at the Lower Deschutes Managers meeting on issues that previously stalled the project.

Bill Schmitt – Bill reported that the Port of Klickitat will complete the leveling and infrastructure on its waterfront lots and the status of a pathway at the Bingen site. He reported that Dirt Huggers relocation has turned out really well and that they have already maxed out at the facility in two years.

Tonya Brumley – Tonya reported on the summer kick off of events including The Dalles Beer Fest and 4th of July events scheduled for July 1st, Hood River 4th of July events and a number of music events. She also reported that The Dalles Chamber's tourism budget was reduced. Tonya reported that there is a lot of new subdivisions they are requested to service from NW Natural.

Judge Thompson – Judge Thompson reported that it is an exciting time with land use in Sherman County. He reported that Azure submitted a weed abatement plan and that Sherman County had finalized the mass gathering ordinance which will be tested in July. Judge Thompson reported on the courthouse construction and that the wheat growers appeared to be happy with the weather.

Rod Runyon – Rod reported that Wasco County was working on updating its comprehensive plan and that the Gorge Commission upheld Wasco County's Mosier double track decision.

Tom Furey – Tom reported that all local technology sectors are growing and that wages are increasing for production workers.

Mark Zanmiller – Mark reported that the City of Hood River is working on the Westside Area Plan. Mark also reported that the city was working on how to incentivize responsible development.

Amanda Hoey reported for Rob Kimmes and the Oregon Ports – Amanda reported that she and Robb Kimmes had met and he reported that MCMC had experienced a change in staff leadership. He also reported that changes continue for Skyline Hospital, including the capital funding campaign and the anticipated move of administration to the building which housed the North Shore group. Skyline will also open a primary care facility. For the Oregon Ports, Amanda reported that the Port of Hood River has two active legislative actions and that the Port of Cascade Locks is working on an airport feasibility study for alternative uses and a IFA loan to build flex building 2 and 4.

EXECUTIVE COMMITTEE REPORT:

Jan Brending presented the Executive Committee report highlighting that the committee conducted the Executive Director Performance evaluation and established goals for 2017 – 2018.

LOAN COMMITTEE REPORT

Eric Nerdin reported that the Loan Administration Board approved a \$250,000 Attainable Housing Program loan to The Honald Building, LLC to construct apartments on the second level of a building in downtown The Dalles, a \$7,000 loan to Freeborn Designs, LLC for working capital for this start up high fashion apparel business in Hood River and a \$25,000 loan to All Seasons Carpet Cleaning and Janitorial Services to purchase equipment, supplies and provide working capital for this start up business in The Dalles. Eric also reported that a \$55,000 loan to Bent River, LLC had been approved for working capital for this start up restaurant in The Dalles but the application has been withdrawn by applicant unless the collateral and repayment schedule is modified. Eric also reported that the board held its annual in-person meeting in March at Bette's Place restaurant in Hood River.

Eric reported that delinquent loans are at the lowest level they have been in a long time with only three MCEDD loan clients with delinquent loans. He reported two of the three have since brought their loans current leaving only one delinquent loan client.

STAFF REPORTS

Jacque Schei highlighted the following:

- MCEDD has an agreement with Wasco County to serve as the Grant Administrator for the Mid-Columbia Center for Living's Community Mental Health facility CDBG grant. The project is on track to complete the Environmental Review Record in early June, after the end of a public notice period required for the wetlands process as part of the review.
- Status of the City of Antelope's progress on its CDBG grant to support construction of its transmission mains, adding a water storage reservoir and upsizing the water mains in the distribution network.
- MCEDD has signed an agreement with the Crystal Springs Water District to support grant administration tasks and labor standards management for their project (Mid-Valley 2 Reservoir and 13,000 ft. of pipe replacement). Crystal Springs Water District is currently working on the environmental review phase of the project. The estimated completion date of the project is end of 2018.
- MCEDD has an agreement with the City to support labor standards management on the City of The Dalles' project to upgrade their wastewater treatment plant. Construction on the project has started and is estimated to continue through December.

Deputy Director Jessica Metta highlighted the following:

- While Amanda Hoey was on the German Marshall Memorial Fellowship her focus was on supporting Chair Jan Brending in accepting the EDA Planning Grant award, supporting the MCEDD and OIB loan programs with their regular activities, coordinating with MCEDD's building owner in completing the demolition from the winter roof leak damage, supporting MCEDD staff in continuation of their projects and other administrative assistance.
- She assisted Sherman County in exploring options to encourage the development of rental housing.
- The GTA successfully applied for a Ford Family Foundation technical assistance grant to help the GTA work with Scheinberg Consulting to create a new five year strategic plan for the organization.

- She facilitated outreach for local tech companies with a small roundtable with Oregon Governor Kate Brown, a tour and round-table with the Governor's Economic and Jobs Policy Advisor, and a company visit with Oregon Treasurer Tobias Read.

Carrie Pipinich highlighted the following:

- There is interest in hosting a broadband connectivity summit in Maupin to ensure that the fiber assets being developed are fully leveraged for community and economic development opportunities. MCEDD staff discussed this proposal with local partners and outside experts and there is strong support for moving forward with a gathering. Planning is in initial stages with a goal to have the summit in the fall.
- The cities in Sherman County met to discuss opportunities to partner with Internet Service Providers to take advantage of the new middle-mile connectivity to support last mile service. The cities indicated that they were interested in exploring development of an RFP for network build outs in their communities and Carrie is working closely with them to create this RFP, identify potential funding opportunities, and develop an outreach plan for discussing broadband with the community.
- The Wasco County EDC met at Hunt Park/Wasco County Fairgrounds in Tygh Valley in June. EDC Commissioners provided final input into and adopted a new Strategic Action Plan to guide their work in Wasco County.
- She worked with RCAC to bring training to the Wamic Water and Sanitary Board regarding the funding process for the recommended water system projects. There is a one-stop meeting tentatively scheduled for late June with the potential funding agencies. In addition, Carrie worked closely with the South Wasco Park and Recreation District to provide grant writing technical assistance for their Oregon State Marine Board application for over \$300,000 in funding to replace the North Boat Ramp at the Pine Hollow Reservoir. The District also submitted a successful grant application to Oregon Department of Fish and Wildlife for approximately \$93,000 for the project.
- The Dufur Committee worked with the City and Chamber to finalize the Dufur Community Vision and Action Plan and it was adopted by the City in April.

ADJOURNMENT: Meeting adjourned at 6:28 p.m.

Respectfully submitted,

Sherry Bohn, Office Administrator and Amanda Hoey, Executive Director