

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

Wednesday, July 19, 2017

Hood River Library, 501 State Street, Hood River

ATTENDANCE:

OIB Members: John Kasberger, Jill Amery, Jack Miller, Kristine Mier, John Southgate (teleconference), Tammy Miller

Absent: Rick Leibowitz

Staff: Amanda Hoey, Eric Nerdin, Sherry Wickert

CALL TO ORDER:

John Kasberger called the meeting to order at 10:00 am. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:

John Kasberger requested that any Board member disclose any conflict of interests for any of the topics to be reviewed today. None were noted. A round table of introductions took place.

MINUTES

Jill Amery noted corrections to the minutes in relation to Kristine Mier's name as listed under the motion on Bent River and staff noted the corrections to spelling of Kristine's name throughout the minutes. John Southgate moved to approve the minutes from June 21, 2017 with the corrections as noted. Jack Miller seconded the motion. Motion passed with one abstention (Jill Amery).

ELECTION OF OFFICERS

Amanda Hoey stated that this meeting includes the annual election of officers. Positions include chair, vice-chair and secretary/treasurer. She stated that Rick Leibowitz requested to step down as chair given the increasing number of potential conflicts of interest created by joint SBDC-OIB loan clients.

John Kasberger moved to nominate Jack Miller as chair. John Southgate seconded the motion. Motion passed unanimously.

Jill Amery moved to nominate John Kasberger as vice-chair. Jack Miller seconded the motion. Motion passed unanimously.

John Kasberger moved to nominate Kristine Mier as secretary-treasurer. Jack Miller seconded the motion. Motion passed unanimously.

FINANCIAL REPORT:

Sherry Wickert presented the June financial report, highlighting interest received and the available to grant/loan balance of \$1,341,568.96. She stated that these are preliminary

figures and will be adjusted for year-end changes with the audit. She noted that the audit is scheduled for October 9-12, 2017 and noted her anticipated retirement schedule.

Tammy Miller joined the meeting at 10:10 a.m.

Jack Miller moved to accept the financials as presented. Kristine Mier seconded the motion. Motion passed unanimously.

LOAN REQUEST: BENT RIVER, INC:

Eric Nerdin presented a loan request from Bent River, Inc to obtain working capital for start-up of a restaurant business in The Dalles, OR.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:11 a.m.

Regular session reconvened at 10:55 a.m.

LOAN REQUEST DECISION: BENT RIVER, INC

Kristine Mier moved to approve a loan to Bent River, Inc at 80% of collateral valuation (per policy) and with a five year term, with payments structured to adjust for seasonality. John Southgate seconded the motion. Motion passed with one abstention (Tammy Miller).

Terms:

- Loan amount: \$ 45,494
- Interest Rate: 9.5%
- Loan Term: 60 months
- Loan Fees: 1.5% of the total loan amount (\$682.41)
- Collateral and Conditions: As presented in the staff report.

LOAN MODIFICATION REQUEST: SAGE CREEK, INC DBA MUIRHEAD CANNING

Eric Nerdin presented a loan modification request from Sage Creek, Inc.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:58 a.m.

Regular session reconvened at 11:12 a.m.

LOAN MODIFICATION REQUEST DECISION: SAGE CREEK INC

Jack Miller moved to approve the loan request as recommended by staff with the inclusion of the additional language on condition #4 that a default interest rate would also be instituted if other

terms and conditions of the loan were not met. Tammy Miller seconded the motion. Motion passed unanimously.

Discussion: The Board noted the history of the client's payments and financial reporting. The board indicated that a collections process would be more aggressively pursued in a default situation in the future.

PILOT CONCEPT PROPOSAL

Eric Nerdin presented a concept for a pilot program for the OIB, highlighting his conversations with Jill Amery and Rick Leibowitz in the creation of draft parameters for the program. Amanda Hoey reviewed the intent of a potential pilot program.

Discussion: Jack Miller questioned if the pilot would increase the presence/exposure of the OIB at a level sufficient to offset the added risk. Jill Amery inquired as to whether or not the program would fill a market need. John Kasberger reviewed a set of other microloan programs, but noted that if Rick has a line of referrals then it could succeed. Tammy Miller questioned the maximum loan amount and discussed consideration of a lower loan amount. She asked if collateral would be required. Eric Nerdin replied that, yes, collateral would be a requirement. John Kasberger stated a preference to remove the pre-payment penalty as it is a barrier to a client achieving the goals of the OIB program, which include graduating to other financing. John Kasberger requested revisiting the RLF plan and, if the pilot program is approved, integrating the pilot program to policy. He asked if it would take away from staff time in other program areas and Amanda Hoey noted that it was not a trade-off as there is a solid base of funds currently available to lend. The Board noted a desire for Rick Leibowitz to attend in order to provide direct input as well before moving forward on a pilot.

The Board agreed to have a special meeting and summer social to discuss the pilot concept in further detail and come to consensus.

ADJOURNMENT: Having no other new business, the meeting was adjourned at 11:38 a.m.

Respectfully submitted by Amanda Hoey, Executive Director