



**Executive Committee Meeting
Wednesday, January 4, 2017
4:00 P.M.**

MCEDD Office, 515 East Second Street, The Dalles

AGENDA

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order- Chairperson Jan Brending		
Introductions		
Executive Committee Minutes <i>November 2016</i>	5 minutes	Approval
Financial Report	5 minutes	Acceptance
RLF Revenue/Expense Status	10 minutes	Recommendation
Deputy Director Discussion	15 minutes	Discussion
Local Assessments	15 minutes	Discussion
Executive Director Report	10 minutes	Information
Other New Business/Good of the Order	5 minutes	Discussion

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance, please contact Sherry Bohn at 541-296-2266 (TTY 711) at least 48 hours before the meeting.

MCEDD is an equal opportunity lender, employer and provider.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING
WEDNESDAY, NOVEMBER 2, 2016
4:00 p.m.
MCEDD Office and Teleconference

ATTENDANCE:

In Person: Ken Bailey, Bob Hamlin and Eric Proffitt

Teleconference: Rex Johnston, Bob Hamlin and Mike Smith

Absent: Jan Brending, Bill Schmitt, Bob Benton

Staff: Sherry Wickert, Sherry Bohn and Amanda Hoey

CALL TO ORDER:

Ken Bailey called the meeting to order at 4:05 p.m. Introductions took place. A quorum was present.

EXECUTIVE COMMITTEE MINUTES:

Rex Johnston moved to approve the October 5, 2016 Executive Committee meeting minutes as presented. Eric Proffitt seconded the motion. Motion carried unanimously.

FINANCE REPORT:

Sherry Wickert noted that she anticipated having the draft audit for review next week. She stated that she will then begin working on the narrative and that it appeared that the auditors are still on track for presentation at the December board meeting

Sherry Wickert presented the September financial reports. Sherry reported that for assets, the primary difference is the shift between the cash for loan funds and conversely the loans receivables balances. MCEDD's current operational cash is lower due to the usage of cash for match. For Liabilities Sherry reported that A/P General is currently higher due to quarter-end billings paid in October and that the current Accrued Payables – Year End's balance is for an NSF check that was accounted for in September, but was returned in October.

Sherry reported that September Operations Budget vs. Actual report has differences between both revenue and expense categories. Loan Fund Revenue, excluding the Housing RLF funds, is above projections by \$733.47. She noted that this is due to the collection of unanticipated loan late fees. She reported that Transfer to/from Source's balance is the income for the EDA RLF loan program that has been encumbered for relending purposes only.

Bob Hamlin moved to accept financials as presented. Eric Proffitt seconded the motion. Motion carried unanimously.

Ken Bailey commented that he appreciated the audit completed. Eric Proffitt asked if staff thought it was good to have a fresh set of eyes. Sherry Wickert stated that she thought it was. Amanda Hoey stated that it was helpful to have new areas of programs tested.

EDA RLF RULEMAKING COMMENTS

Amanda reported that on October 2016, EDA published a notice of proposed rulemaking on Revolving Loan Fund changes. She reported that EDA is accepting comments on the proposed

rulemaking until December 2, 2016 and recommended MCEDD providing comments. She stated that she was also asked to participate in a National Association of Development Organizations (NADO) taskforce to review the rulemaking and develop comments for the association. She presented a synopsis of proposed changes, with the following recommended MCEDD comments:

- Capital Utilization Standard: Request clarification that committed/approved but not yet funded loans are excluded from the calculation of cash available for lending. We appreciate that the proposed modification eliminates the requirement for automatic sequestration of funds.
- Capital Utilization Standard dates: January 1 does not correspond to our fiscal year. We request that communication regarding the “Allowable Cash Percentage to be used during the ensuing year” take place on a cycle that matches our reporting cycle. These reporting cycles are proposed to be revised to align with the entity’s fiscal year in the rulemaking. We would appreciate this element also being aligned to the fiscal year.
- Reporting: We appreciate the proposed modification to align with our fiscal year as it will minimize administrative burden.
- Definitional Change for RLF capital base: Since RLF income is included in the RLF capital base calculation, the eligible and reasonable costs necessary to administer the RLF need to be removed from the calculation. We propose a revision to “net RLF income” or adding “less any eligible administrative expenses.” Without this change, the calculation as proposed would overstate the RLF capital base.
- Administrative expenses: We appreciate the modification to allow utilization of RLF income for administrative costs in the same fiscal year. It is consistent with other federal programs which have funded our RLF programs.

Amanda requested that the MCEDD Executive Committee authorize staff to file comments regarding EDA’s proposed rulemaking for the areas highlighted above and any others that may arise in conversation with NADO.

Eric Proffitt moved to authorize staff to file comments regarding EDA’s proposed rulemaking. Bob Hamlin seconded the motion. Motion carried unanimously.

WHISTLEBLOWER POLICY

Amanda reported that due to recent legislation passed in Oregon a whistleblower policy is required. Amanda presented a proposed policy based from a recommended sample from the Special Districts Association of Oregon. She requested the Executive Committee review the presented policy and make a recommendation to the full MCEDD Board for adoption, through incorporation to the MCEDD personnel policies.

Bob Hamlin moved to recommend to the MCEDD Board the presented policy for adoption. Eric Proffitt seconded the motion. Motion carried unanimously.

Discussion: Bob Hamlin asked if MCEDD had ever had a whistleblower policy. Amanda stated that this would be a new policy. Eric Proffitt liked the verbiage of the policy as it protects both the employee and the organization.

MARSHALL MEMORIAL FELLOWSHIP OPTIONS

Amanda reported that as previously discussed with the MCEDD Board and Executive Committee, she will be participating in the Marshall Memorial Fellowship, under the German Marshall Fund. She reported that while not all details are fully finalized, she now has preliminary dates for the exchange portion of this fellowship and that it will take place from approximately mid-April 2017 through the middle to end of May 2017. The exchange portion of the fellowship is the only out of office time that will be required, but the extended timeframe and the requirement to be fully engaged and immersed requires some advance planning.

Amanda requested that Executive Committee discuss advancing timelines for certain MCEDD activities. She noted that the budget committee would need to meet in mid-April, but final confirmation of the budget could still take place in June. In addition, the Executive Director's annual evaluation would need to be advanced. Usually it occurs in May, but will need to occur in April this year. She also noted there would be no May Executive Committee meeting, unless a critical issue arises.

Amanda also asked the Executive Committee to discuss staffing and management while she is out of the office. She discussed the preliminary concept of a Deputy Director position. She suggested Jessica Metta function in this role in her absence as our senior project manager. Amanda noted that if there was consensus on this topic, it would need to be highlighted at the Board meeting and further information would be prepared for the January Executive Committee meeting to work out the details.

Discussion: Ken Bailey liked the concept and thought it was a good opportunity to provide clear line of command both during the fellowship, as well as any other point in the year in which Amanda would need to be out of the office. Eric Proffitt asked about compensation. Amanda stated that this will need to be reviewed and discussed in January. Ken Bailey stated that he would like to begin the discussion process as soon as possible in order to meet the timeline.

The Executive Committee consensus was to direct staff to move forward with advancing the timelines for certain MCEDD activities and to present a formal plan for the Deputy Director position at the January Executive Committee meeting.

CEDS UPDATE/STEERING COMMITTEE REPORT

Amanda reported that on October 27, 2016 MCEDD hosted the second in its meeting series designed to craft the new regional Comprehensive Economic Development Strategy. Amanda reported that the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is nearly finalized and will be incorporated into the regional strategy. She noted that there were a few updates to make following review of notes from the small working groups at this last meeting. Amanda reported that the analysis was drafted from the conversation at the SWOT outreach meeting in Cascade Locks and the compilation of responses from the survey which was provided to all meeting attendees and made publicly available. She noted that the responses were very thoughtful. Amanda presented a summary of the SWOT compilation and noted that the compilation includes issues in relative priority order based upon the frequency with which each topic was addressed by the working groups and survey respondents. She noted that the detailed document will be included as an appendix to the regional strategy.

Amanda presented the draft goals crafted by the work groups at the October 27th meeting. She reported that staff will be distributing a survey to attendees to capture additional information to

refine the goals and the vision identified in 2012. The survey will also be publicly posted and will remain open through November 10, 2016 to gather additional information in order to have a final set of goals and a vision prepared for the next CEDS session.

Amanda reported that the next session is scheduled for November 17, 2016 at the Sherman County Senior Center in Moro, Oregon. In this session the group will begin crafting strategies in each of the goal areas and clarify industry sector focus. She also noted that the December 8, 2016 session was scheduled in The Dalles.

Ken Bailey stated that the meetings appeared to have good attendance. Amanda stated she was expecting a smaller turn out in Sherman County but RSVPs were still coming in.

EXECUTIVE DIRECTOR REPORT:

Amanda Hoey provided the Executive Directors report. She reported that Dan Hoyt, MCEDD's new Mobility and Project Manager, had started October 31st. Amanda also noted that Carrie Pipinich had been out of the office for a while but hoped to be back to working in the office in December.

Amanda also noted the following from the Director's report:

- The MCEDD Loan Administration Board approved a \$34,400 loan for the start-up of Sweet Lila's Coffee Cup in Hood River.
- MCEDD's pipeline of loan prospects is beginning to show signs of improving.
- USDA Rural Development Washington released notice for solicitation of Rural Business Development Grant applications. Applications are due January 31, 2017 and the State office has a few priority focus areas: High Poverty census tracts and communities, Local and Regional Foods, Advancing Bio economy, and Smart Communities Broadband and Connectivity. USDA-RD Oregon's solicitation is on a separate timeline. *Discussion: Amanda noted that there had been conversations around broadband in Klickitat County. Bob Hamlin mentioned infrastructure needs at Wind River as a possible application.*
- The annual tech leader and organization of the year are now open for nominations.
- A solicitation for proposals to update MCEDD's website was posted at the end of October. She noted that it will remain open until the end of November and she anticipates making selection of a firm/individual in December.

Amanda noted that there was no Executive Committee meeting scheduled for December due to the close proximity to the full board meeting. She noted that the Full Board meeting is Thursday, December 8, 2016 at 4 pm.

ADJOURN: Meeting adjourned at 4:47 p.m.

*Respectfully submitted,
Sherry Bohn, MCEDD Office Administrator*



FINANCIAL SUMMARY

FOR: November 2016

The Balance Sheet for November includes variances in current assets and several categories in liabilities. MCEDD's operational cash has decreased due to the usage of reserved match funds. The overall cash for the loan fund program continues to increase, because of loan payoffs and fewer new loans made, and is reflective by the lower Loans Receivable balances (1300). Accounts Payable (2010) currently has a negative balance, which is due to a credit on a credit card purchase. The current accrued loan payment includes principal and interest for the five IRP loans, while the prior year's balance has an interest only payment for the Washington's IRP.

MCEDD's Operations Budget vs. Actual report includes differences between several revenue and expense categories. The variance for Federal (4100) revenue is due to higher billings for several special projects than was budgeted for the timeframe. Total Loan Fund Revenue, excluding the Housing RLF funds, is below projections by \$4,567. Personnel costs are below budget, primarily due to staffing changes. Event Services (6190) costs are above budget to the categorization of expenses that were included as contractual expenses. Other expenses remain under budget due to timing and include the following:

- 6110 – Travel
- 6300 – Supplies
- 6400 – Professional Services
- 6800 – Bonds & Insurance
- 6900 – Other Materials & Supplies

Respectfully Submitted,

Sherry Wickert
Finance & Operations Manager

Mid-Columbia Economic Development District
Balance Sheet
As of November 30, 2016

	Nov 30, 16	Nov 30, 15
ASSETS		
Current Assets		
Checking/Savings		
1000 · Bank Demand Deposits		
1010 · MCEDD Checking	58,769.74	29,112.42
1015 · MCEDD MM	291,927.00	351,996.22
1020 · IRP		
1021 · IRP - Sherman	78,646.18	153,361.68
1022 · IRP - WA	71,256.90	75,852.76
1020 · IRP - Other	106,852.57	22,535.27
Total 1020 · IRP	256,755.65	251,749.71
1030 · Loan Funds		
1036 · EDA RLFs	189,206.08	163,524.69
1045 · Reg Strat	127,525.27	167,573.52
1050 · RBEG-OR	45,916.22	16,478.61
1055 · RBEG-WA	51,805.30	32,828.94
1057 · RBEG-KL	126,628.48	92,973.63
1067 · CDBG Microenterprises	61,646.49	57,237.36
Total 1030 · Loan Funds	602,727.84	530,616.75
1031 · Housing RLF	2,000,632.24	2,000,510.83
1070 · National Scenic Fund	1,306,402.22	1,254,926.64
Total 1000 · Bank Demand Deposits	4,517,214.69	4,418,912.57
1100 · CDS		
1121 · IRP Reserve	96,031.33	96,031.33
Total 1100 · CDS	96,031.33	96,031.33
1122 · IRP - DDM Product	616,696.99	456,512.75
1196 · OR Telecom Conference	14,390.35	37,006.78
Total Checking/Savings	5,244,333.36	5,008,463.43
Accounts Receivable		
1202 · Accounts Receivable	32,754.87	20,242.64
Total Accounts Receivable	32,754.87	20,242.64
Other Current Assets		
1200 · Receivables & Accruals		
1205 · Accrued Revenue	25,416.66	20,958.32
1227 · Accrued Loan Interest	18,087.14	20,065.06
1229 · Structured Accts Accr'd Int		
1231 · Unrecorded Structured Accrd Int	-1,584.65	-317.18

Mid-Columbia Economic Development District

Balance Sheet

12/29/16

Accrual Basis

As of November 30, 2016

	Nov 30, 16	Nov 30, 15
1229 · Structured Accts Accr'd Int - Other	8,009.99	5,699.93
Total 1229 · Structured Accts Accr'd Int	6,425.34	5,382.75
Total 1200 · Receivables & Accruals	49,929.14	46,406.13
1300 · Loans Receivable		
1330 · MCEDD Loans Receivable		
1320 · IRP	1,736,420.40	1,987,051.93
1321 · IRP - Sherman	171,716.68	98,073.17
1322 · IRP - WA	250,066.50	247,317.33
1336 · EDA RLFs	499,742.13	501,859.54
1345 · Reg Strat	43,666.69	6,517.33
1350 · RBEG-OR	251,869.22	277,609.54
1355 · RBEG-WA	44,447.00	62,876.99
1357 · RBEG-KL/SK	0.00	33,430.39
1367 · CDBG Microenterprises	45,383.67	48,503.51
Total 1330 · MCEDD Loans Receivable	3,043,312.29	3,263,239.73
1370 · OIB Loans Receivable	1,558,544.43	1,602,484.91
Total 1300 · Loans Receivable	4,601,856.72	4,865,724.64
1500 · Allowance for Doubtful Loans		
1520 · IRP Allowance	-118,027.66	-127,089.85
1521 · IRP - SH Co	-10,797.99	-15,000.00
1522 · IRP - WA	-14,476.77	-15,178.13
1536 · EDA RLFs Allowance	-35,290.15	-37,163.51
1545 · Reg Strat Allowance	-2,776.54	-644.83
1555 · RBEG Allowance	-18,584.67	-23,405.81
1567 · CDBG Microenterprises	-2,987.33	-3,171.24
1575 · OIB Allowance	-45,000.00	-45,000.00
Total 1500 · Allowance for Doubtful Loans	-247,941.11	-266,653.37
Total Other Current Assets	4,403,844.75	4,645,477.40
Total Current Assets	9,680,932.98	9,674,183.47
TOTAL ASSETS	<u>9,680,932.98</u>	<u>9,674,183.47</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 · A/P General	-300.00	4,766.72

Mid-Columbia Economic Development District

Balance Sheet

12/29/16

Accrual Basis

As of November 30, 2016

	Nov 30, 16	Nov 30, 15
Total Accounts Payable	-300.00	4,766.72
Other Current Liabilities		
2030 · Accrued Loan Payment	47,354.07	43,191.77
2035 · Accrued Interest Payable	190.24	488.26
2050 · PTO - Accrued	23,098.99	24,497.84
2060 · Deferred Comp Payable	2,468.80	2,010.00
2070 · Health Insurance Payable	760.99	0.00
2080 · Life & Disability Payable	40.88	0.00
2090 · WC SAIF Ins	-49.71	-136.29
2100 · Payroll Liabilities		
2120 · State Payroll Liabilities		
2115 · OR- SUTA Payroll Liabilities		
2105 · WBF Payroll Assessment	59.78	67.48
2115 · OR- SUTA Payroll Liabilities - Other	80.28	79.71
Total 2115 · OR- SUTA Payroll Liabilities	140.06	147.19
Total 2120 · State Payroll Liabilities	140.06	147.19
2100 · Payroll Liabilities - Other	3,416.93	3,084.50
Total 2100 · Payroll Liabilities	3,556.99	3,231.69
2800 · Deferred Revenue	6,666.66	6,666.66
Total Other Current Liabilities	84,087.91	79,949.93
Total Current Liabilities	83,787.91	84,716.65
Long Term Liabilities		
2820 · IRP Loan Payable \$1million	514,805.20	551,573.23
2821 · IRP Loan Payable \$600,000	417,520.24	438,485.25
2822 · IRP Loan Payable \$750,000	600,226.72	625,806.66
2823 · IRP Loan Payable - Washington	299,967.25	309,906.38
2824 · IRP Loan Payable - Sherman	186,672.31	193,188.09
Total Long Term Liabilities	2,019,191.72	2,118,959.61
Total Liabilities	2,102,979.63	2,203,676.26
Equity		
3100 · Fund Balances	7,572,025.03	7,320,555.07
3110 · Carryforward Balance	-89,619.18	22,692.87
Net Income	95,547.50	127,259.27
Total Equity	7,577,953.35	7,470,507.21
TOTAL LIABILITIES & EQUITY	9,680,932.98	9,674,183.47

Mid-Columbia Economic Development District
Operations Budget vs. Actual
July through November 2016

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Carryover Revenue	426,597.18	302,193.00	124,404.18	141.2%
4100 · Federal	61,323.78	53,190.06	8,133.72	115.3%
4200 · State	8,137.81	14,918.00	-6,780.19	54.6%
4300 · Local Match	7,000.00	7,000.00	0.00	100.0%
4400 · Local Dues	45,529.00	45,530.00	-1.00	100.0%
4500 · Contract Reimbursement	117,378.55	119,291.06	-1,912.51	98.4%
4600 · Loan Interest	102,976.56	115,840.51	-12,863.95	88.9%
4700 · Loan Processing Fees	2,425.27	13,958.31	-11,533.04	17.4%
4705 · Loan Filing Fees	318.16	5,624.86	-5,306.70	5.7%
4710 · Loan Late Fee	4,939.64	874.93	4,064.71	564.6%
4750 · Investment Interest	790.18	645.67	144.51	122.4%
4800 · Receipts - Other	1,988.43	3,708.31	-1,719.88	53.6%
4801 · Paypal Registrations	1,435.00	0.00	1,435.00	100.0%
4803 · Sponsor Donations	3,150.00	0.00	3,150.00	100.0%
4934 · In-Kind Revenue	20.00	19,199.00	-19,179.00	0.1%
4935 · In Kind - MM	0.00	350.00	-350.00	0.0%
Total Income	784,009.56	702,323.71	81,685.85	111.6%
Gross Profit	784,009.56	702,323.71	81,685.85	111.6%
Expense				
5000 · Wages	188,954.04	195,247.94	-6,293.90	96.8%
5500 · Fringe Benefits	48,376.66	56,489.74	-8,113.08	85.6%
5700 · Payroll Taxes	16,493.11	17,048.82	-555.71	96.7%
6110 · Travel & Conference	4,667.51	12,523.93	-7,856.42	37.3%
6190 · Event Services	1,554.26	792.06	762.20	196.2%
6200 · Equipment	1,313.07	1,875.00	-561.93	70.0%
6300 · Supplies	4,359.28	11,215.07	-6,855.79	38.9%
6400 · Professional Services	21,290.54	32,157.06	-10,866.52	66.2%
6600 · Communications	4,607.59	7,884.12	-3,276.53	58.4%
6700 · Building Costs	7,128.93	7,891.55	-762.62	90.3%
6800 · Bonds & Insurance	1,331.50	3,350.00	-2,018.50	39.7%
6900 · Other Materials & Supplies	2,612.74	5,490.00	-2,877.26	47.6%
9000 · Indirect Spread	0.00	-2,979.93	2,979.93	0.0%
9600 · Transfer to/from Source	6,698.31	0.00	6,698.31	100.0%
Total Expense	309,387.54	348,985.36	-39,597.82	88.7%
Net Ordinary Income	474,622.02	353,338.35	121,283.67	134.3%
Other Income/Expense				
Other Expense				
7400 · Loan Payment	50,585.85	50,585.81	0.04	100.0%
7500 · Carryover to Next Year	336,978.00	336,978.00	0.00	100.0%
7600 · In-Kind Contractual	20.00	19,549.00	-19,529.00	0.1%
Total Other Expense	387,583.85	407,112.81	-19,528.96	95.2%
Net Other Income	-387,583.85	-407,112.81	19,528.96	95.2%
Net Income	87,038.17	-53,774.46	140,812.63	-161.9%

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
2017 PIPELINE**

SPECIAL PROJECTS SUMMARY		ANTICIPATED 2017	SUBMITTED	IN PROCESS	TOTAL	CONFIRMED %
	Special Projects - Anticipated Revenue	446,835	-	10,000	456,835	97.81%
	Budgeted Expenses FY 2017 (Excludes In-Kind)	456,438				
	Gap/Surplus	(9,603)				
PROJ CODE	SPECIAL PROJECTS DETAILS	2017	NOTES			
	ANTICIPATED REVENUE					
517	Klickitat CDBG	4,250	Multi-year project			
518	Cascade Locks CDBG	10,431	Multi-year project			
519	Dallesport CDBG	12,500	Multi-year project			
519	DWD - USDA Grant Administration (Well #3)	9,000	Multi-year project			
521	Specialty Crop Grant	16,824	Multi-year project			
523	Human Services Coordinated Transportation Plan	4,689	Multi-year project			
524	Travel Oregon Wine Country Mkting	1,500	Multi-year project			
525	GTA Wind Challenge	19,200				
526	MCCFL - CDBG	13,000	Multi-year project			
527	City of Antelope - CDBG	12,500	Multi-year project			
528	DWD Wastewater - CDBG	1,200	Multi-year project			
529	Gorge Night Sky	9,500				
530	The Dalles Airport - Flex Space	10,000				
531	AOC HR/Wasco	19,550				
532	New Specialty Crop Grant	32,178	Multi-year project			
548	ColPac	4,600				
549	CL-HR Enterprise Zone	5,000				
551	Urban Renewal	1,000				
554	Sherman Co ED	40,000				
557	GTA Staffing	37,600				
559	Wasco Co EDC	45,000				
560	Oregon Connections	3,650				
570	OEDD Website	700				
571	Mobility Management	75,146	2nd year of 2-year contract			
575	GTA Robotics	5,850				
582	HR EDG	7,000				
585	Commute Options	8,000				
587	HR Drive Less Connect - ODOT	11,071	2nd year of 2-year contract			
596	RBDG - Wine Marketing	8,841				
599	Agora	17,055	Multi-year project			
	TOTAL ANTICIPATED REVENUE	446,835				
	PROPOSALS SUBMITTED					
	TD Wastewater Plant Labor Standards Admin					
	TOTAL PROPOSALS SUBMITTED	-				
	IN DEVELOPMENT					
	City of Cascades Locks - USDA Grant Admin	10,000				
	TOTAL IN DEVELOPMENT	10,000				
	DECLINED					
	Wishram CDBG management (PUD)	18,000				
	TOTAL DECLINED	18,000				

Memorandum

Date: December 20, 2016
To: MCEDD Executive Committee
From: Amanda Hoey, Executive Director
Re: Loan Program Revenue/Expense Update

Overview

As previously discussed, our business assistance division continues to experience challenges in meeting revenue targets due to an increase in early loan payoffs from clients and a corresponding decrease in new loans and deals in the pipeline. In September, the Executive Committee discussed the situation and approved proceeding with staff's recommendation:

- Hold tight and continue to control expenses as closely as possible, recognizing that we may need to cover some expenses with carryforward revenue or general fund.
- Analyze the program at the end of quarters two and three for potential adjustments to expenses, if revenue does not turn around.
- Direct the Loan Administration Board to analyze our position in the market and any modifications to the program that may ensure it continues to serve its intended purpose.

Since that time, the following have taken place:

- The MCEDD Loan Administration Board met to recommend modifications for program policies. The proposed modifications are not anticipated to have an appreciable revenue or expense impact, however.
- The MCEDD Loan Fund Manager began increasing some outreach.

We have now completed quarter two with a better view into the likely revenue forecasts through the end of the fiscal year. Unfortunately, the financial picture continues to remain shaky and the trend continues for loan payoffs and an increasing balance of funds available. Highlights include:

- Available to loan (MCEDD business loan programs only, does not include OIB or housing funds): Approximately \$1.35 million as of November 30, 2016.
- Projected loss (if nothing changes, but assuming we meet Q4 projections and previously approved loans are funded in Q3): Approximately \$27,500.
- Pipeline of prospects: We are seeing improvement in potentially viable inquiries.

Overall, we have a little bit more clarity on the likely ending financial position of these programs for the fiscal year, although new lending could still impact the revenue picture.

Recommendation:

The Executive Committee is asked to review the financial projections of the program and make a recommendation to the full board to be presented at the February meeting if course corrections are needed. Staff has prepared the following options for you to consider (a combination of options may be used):

Option 1 (recommended, in combination with another one of the options presented below):
Reduce anticipation of legal expenses by \$2,000, which is one half of the annual allocation

to the program. This amount is based upon two quarters of legal expenses that we have not yet needed to access. The remaining amount allows us to still responsibly pursue defaulted loans, if needed. No formal action for this option would be needed, but future estimated profit and loss projections would incorporate this reduction in anticipated expenses.

Option 2: Make no further changes at the current time. Wait another quarter (recognizing that MCEDD may need to cover financial losses) to determine if any of the following factors significantly change our financial picture:

- 1) Attainable Housing program. With modifications to that program, there is increased interest which should translate to new loans.
- 2) Influx of new lending. This item is unlikely to have significant revenue implications given the pipeline of active inquiries and likely timing of any resulting new loans.

Option 3: Reduce expense in personnel assigned to the program (no other substantial expenses beyond personnel can be reduced as they are fixed costs such as audit).

- 1) Partially transfer staff- voluntarily- to other program areas. There are limitations to the extent we can effectively transfer and retain staff to have a revenue impact. There are some small options related to supporting the Sherman County economic development contract for their housing conversations.
- 2) Pursue a partial reduction in force. Reconvene the budget committee to discuss.

Option 4: (NOT recommended by MCEDD staff leadership): Double down with additional investment into new staff to support further program outreach. Particularly given conversations with other lenders, this does not appear to be a situation unique to MCEDD so the return will not likely match the investment.

Option 5: Pursue new revenue generation. We would prefer this route but do not have any identified tangible options beyond the activities we currently pursue.

Option 6: Explore early payback for one of our USDA IRP loans. IRP is the Intermediary Relending Program which provides low interest loans at 1% over a 30 year term. The bulk of MCEDD's capital for the business assistance division originated from this source. Due to recent payoffs, we essentially have the full amount of our smallest IRP loan sitting in our bank account, earning minimal interest. Electing to payback the funds is a permanent decision, though, and obtaining new capital occurs through a competitive process. It would be a difficult prospect to get funds back into MCEDD's accounts through a new IRP loan. This option should not be pursued if the lack of new lending appears to be a short term issue rather than long term trend.

Memorandum

Date: December 19, 2016
To: MCEDD Executive Committee
From: Amanda Hoey, Executive Director
Re: Deputy Director Position Consideration

Overview

In November the Executive Committee discussed establishment of a Deputy Director position to address continuity of MCEDD's activities while I am out of the office with the Marshall Memorial Fellowship Transatlantic exchange and to provide for continuity at any other point in the year when I need to be out of the office. The Committee provided consensus to proceed, with details to be solidified at the January Executive Committee meeting in order to provide a formal recommendation to the MCEDD Board of Directors.

Deputy Director Position

The establishment of a Deputy Director position would allow for promotion of an existing qualified employee, as per our personnel policies. I do not propose adding an additional staff member as MCEDD does not currently have the budget or resource for an additional FTE. Rather, the Deputy Director would continue to fill the role in which they currently serve, with the additional responsibilities of the Deputy Director. In reviewing staff qualifications and capacities, our most senior Project Manager (currently part-time) is proposed for the role.

In addressing compensation, a scale is proposed that utilizes the Project Manager steps but starts on a higher rate for step 1. Thus, step 1 on the proposed Deputy Director scale would be a step 2 on the Project Manager scale. The proposed scale allows us to recognize the additional work and skills required for a Deputy Director while remaining within our budgetary constraints. It retains the structure of 6 steps with a 5% increase between each step. It keeps us in line with the salary comparison review conducted in 2015/16.

Proposed Deputy Director Scale:

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
\$53,813	\$56,503	\$59,328	\$62,295	\$65,409	\$68,679

Job Description

The MCEDD Board has delegated responsibility for developing and revising job descriptions for all employees except the Executive Director, to the Executive Director. Given that this is a new role, however, I want to provide an opportunity for Executive Committee's input. I propose the modify the Project Manager Job Description, adding the following specific items related to Deputy Director role:

- Act as a thought partner to the Executive Director to pace and drive organizational development and meet core strategic purposes.
- Serve as the delegated authority on behalf of the Executive Director in the Executive Director's absence, including:
 - Provide guidance for business assistance, regional planning and industry development program activities and support personnel in each of these program areas;
 - Provide oversight to loan program and related units;

- Ensure ongoing fiscal responsibility and efficient utilization of resources. Adhere to all local, state, federal and funding requirements; and
- Represent the organization to the public, key stakeholders and business partners.

Notes:

- The proposed job description specifically excludes language related to human resources and personnel management (beyond language of providing support to personnel for their program areas). This exclusion is intentional. The role does not provide the Deputy Director authority for hiring, termination, evaluations or compensation adjustments. The Executive Director's succession plan, however, includes a process that the Deputy Director can institute if immediate action is necessary related to an egregious concern. It requires placing an employee on administrative leave, contacting our special districts legal counsel and notifying board leadership, in addition to taking any actions necessary to protect and secure MCEDD's other personnel, resources and files as necessary.
- The fiscal component of this job description would require the Deputy Director to be added as an authorized signer for MCEDD's accounts. We would also update our internal controls to reflect the position and when the individual has authority for signing.

Request

The Executive Committee is asked to provide a recommendation to the full MCEDD Board for the following items:

- Approval of the Deputy Director role with relevant compensation scale.
- Addition of the Deputy Director as an authorized signer on MCEDD accounts.

Memorandum

Date: December 20, 2016
To: MCEDD Executive Committee
From: Amanda Hoey, Executive Director
Re: Local Funds Assessment

Overview

Annually the MCEDD Board approves a funding assessment of our member entities for the next fiscal year, as recommended by the Executive Committee. Local assessments are used to leverage additional funding for the district. We do not assess a tax and instead collect funds through a local assessment to our city, county and port members. We have established a reciprocal relationship with chambers in the region, so no funds are exchanged. Currently these funds are used as part of the match that has allowed us to obtain an Economic Development Administration planning grant and are also used as a portion of the match to obtain our Mobility Management grants.

Last year, in considering a recommendation for local assessments, the Executive Committee decided to recommend no change to local assessments but to signal a potential for an increase in FY18 to better cover the need for matching funds and maintaining service levels. The Committee requested to begin the review early in 2017 in order to be prepared for a recommendation for the MCEDD budget process.

Brief History

Historically, MCEDD assesses cities for their residents and assesses counties for those residing in the unincorporated portions of their county. One exception is Sherman County, which pays the full assessment for its cities. We have historically assessed Ports at a flat rate. For entities assessed on a per capita basis, we use the current Census figures for population calculations.

Current Schedule

The current assessment schedule collects \$45,530 to support our services throughout the five county region and is as follows:

- **Counties and Cities:** \$0.4551 per capita.
- **Ports:** \$1,760 per Port district.
- **Chambers:** Reciprocal structure (no fiscal impact)

Comparisons

The following provides points for comparison in considering local assessments:

- Mid-Columbia Council of Governments assesses \$1/capita. In 2016 they assessed an additional \$0.50/capita to be used exclusively for Area Agency on Aging (AAA) programs, for a total assessment of \$1.50/capita.
- Mid-Columbia Housing Authority states they have no local assessments.
- National Association of Development Organizations survey of Development Organizations indicates a huge range in assessments across the nation as Development Organizations vary in their composition, legal structure and the services offered. Assessments range from \$0-\$2 or more per capita.
- Fully matching our federal funding programs would require a little less than \$1/capita.

Request

This item is provided to the Executive Committee for discussion in order to be prepared at a future meeting to make a recommendation to the MCEDD Board related to local assessments for FY18.

- What additional information, if any, would you like to have for your deliberations?
- Is there a general direction you would like staff to explore? Options may include:
 - Increase to be more reflective to comparative entities.
 - Increase in stages over a course of years to provide the match necessary for federal funds.
 - Retain assessments at current level.
 - Increase based on a percentage to keep pace with inflation and service offerings.
- Discussion on outreach needed.



**Executive Director's Report
Prepared for January 2017 Executive Committee Meeting**

This report covers activities throughout the month of December 2016. It is a slightly abbreviated report given the timing of the last full board meeting and the holidays.

Items for discussion:

- Regional Strategy Status and Upcoming Meetings
- Sherman County Housing Proposal for Services
- Xerox Lease Proposal
- Approval to proceed with grant requests (if needed)

Business Assistance Division

- Oregon and Washington Investment Board funding. Legislative staff has indicated that any action is currently in a holding pattern until there is further understanding of the new landscape and new leadership for the US Department of Agriculture. It is a good time, though, for all of our partners to be talking with the whole congressional delegation on both sides of the river.
- The MCEDD Loan Administration Board approved the following new loans:
 - Freeborn Designs, LLC \$12,000 loan for start up of a high fashion apparel business in Hood River, Oregon.
 - Daniel Talley and Jeremy Mark \$157,000 loan for construction of a single family dwelling in Moro, Oregon. The project will be funded through the Attainable Housing Development RLF account.
- The MCEDD Loan Administration Board approved loan modifications for Oregon Brineworks, LLC, Full Circle, LLC and Fort Dalles Electric, Inc.
- MCEDD participated in a Capital Ecosystem mapping project conducted by the Meyer Memorial Trust. The report is available here: <http://tinyurl.com/zsf265t>. In January, I will participate in the Oregon Capital Scan meeting.

Economic Development Administration, Regional Economic Development

- Comprehensive Economic Development Strategy (CEDS) process:
 - January 20, 2017 in Bingen. Topic: Finalizing the strategies and action plan. Presenters are still being confirmed for the opening remarks and County issues and priorities. Tour: In situ Eagle Point facility. Space is limited
 - January 26, 2017 in The Dalles (rescheduled meeting that was postponed due to weather). Presenters: Commissioner Rod Runyon, Wasco County, welcoming remarks. Kathy Ursprung, Port of The Dalles, Wasco County issues and priorities. Kathy Fitzpatrick, resiliency and Mosier issues and priorities. Tour: Oregon Cherry Growers.
- Project solicitation letters for the regional economic development strategy were sent to our partners, with a request for County priority lists to be returned in February to prepare for presentation to the MCEDD Board. We are again encouraging use of the Agora Investment Platform to help standardize responses and provide an option for matching projects with funding. If you are not yet signed up and active on Agora, please create an account at agora-platform.com

- Agora Investment Platform. The project will receive independent recognition for its innovation. Notice of selection has been provided to MCEDD staff and we hope to have authorization to share details by the Executive Committee meeting.
- I participated in a roundtable at the EDA Seattle Regional Office with Jay Williams, Assistant Secretary of Commerce and individuals on EDA's transition team. This opportunity allowed for discussion of transition protocol with the administration and highlighting our experiences with EDA's programs and services.
- The Gorge Commission will be going through its Management Plan review and is currently in the scoping stage. For the Executive Committee, I would like some direction on how MCEDD should engage in the conversation, messaging about alignment with our regional economic development strategy and if we should encourage a conversation at a future MCEDD Board meeting with Commission staff.
- The semi-annual Broadband Consortium meeting was pushed to the first quarter of 2017 due to program staff time out of the office.

Infrastructure and Project Management

- **City of The Dalles Wastewater Plant Project:** City staff contacted MCEDD to discuss a contract to support grant administration and labor standards review for their project. The City applied for a \$2M Clean Water State Revolving Fund loan from DEQ in support of an \$11M project to upgrade their wastewater treatment plant. The funds require compliance for all components with federal standards. Construction on the project is planned to occur from January to December 2017.
- **Columbia Gorge Regional Airport:** The architect released their third addendum for the project currently out to bid. Highlights of the project were recently in an article in The Dalles Chronicle.
- **Gorge Night Sky Campaign.** Jacque Schei continues to coordinate efforts for the Gorge Night Sky project, funded in part through a Google Community grant. The Gorge Night Sky project team developed a 24-page booklet for the program, with Blue Marble Creative supporting graphic design. The booklet was used in December when 38 students from the North Wasco Virtual Academy and the Talented and Gifted group toured the Goldendale Observatory as part of the Gorge Night Sky project.
- **Mobility Management/Gorge TransLink Alliance:** Southwest Washington Regional Transportation proposed an "A" ranking for the biennial Mobility Management application which would continue our services in support of regional transportation. Dan Hoyt convened a meeting of the Gorge TransLink Alliance in December to review the status of proposed service expansions, update on progress made for the Alliance's scope of work, and discuss new funding applications. Highlights include:
 - MCEDD received the forecasted allocation for 2017-2019 activities to support Hood River Drive Less Connect. It amounts to \$42,737. The Scope of Work will be similar to prior years, with the primary modifications to include more focus on transportation options discussions with local employers and support for planning of the express services (Columbia Gorge and Mount Hood Express).
 - Dan continues to facilitate conversations between Columbia Area Transit and Gorge Yellow Cab for the planned Upper Valley Hood River service.



Gorge Night Sky

- Our region was extremely successful in receiving funding approvals through the Federal Lands Access Program, including for public transit.
- WSDOT received 43 projects for the regional mobility grants for the 2017-2019 and 2019-2021 biennia. Projects were ranked based on four criteria: readiness to proceed, delay reduction, connectivity improvements and project performance. The Legislature may alter the rankings before returning the final project list to WSDOT. Our transportation providers reported that they anticipated projects ranked 1-25 will be funded. In our region, projects are ranked 27 (Mount Adams Express cross-river routes), 28 (Skamania WET bus) and 39 (Skamania Information Technology System). All three of these projects were also submitted through a separate funding source- the WSDOT consolidated grants process.
- **Sherman County Economic Development.** Jessica Metta coordinated a December meeting of the Sherman cities. She continues to work with partners on the John Day River Territory kiosks and to provide direct business outreach. Major activities this month centered on housing opportunities and developing a Sherman County housing incentive fund. There is interest in contracting with MCEDD for management, which will be discussed at this Executive Committee meeting.
- **Wasco County Economic Development Commission.** Carrie Pipinich will meet with the Wasco County Board of Commissioners to confirm reappointments and a new appointment to the Economic Development Commission. For the work in Wamic, the technical assessment report came back with \$2M in recommended investments. The application for The Dalles Hub Wayfinding signage is anticipated to be approved by Cycle Oregon.
- **Hood River County Economic Development Group:** In partnership with the Chamber, we have completed updates to the list of major employers in the County. The next meeting of the group will include discussion on the County's Energy Plan. The Port of Hood River resubmitted the letter of support from MCEDD for their FastLane application. Cascade Locks requested MCEDD assistance in identifying resources to fund the Cascade Locks airport study. They are still developing the scope of work. We have noted that they need to get the project posted to Agora to allow us to effectively identify potential resources.
- **Skamania County.** I participated in the December Community Action Team meeting, discussing economic development priorities for the next quarter. Workforce partners provided a rapid response visit based on the planned change in facility use for North Bonneville Hot Springs. MCEDD submitted an updated letter of support for Skamania County's application to the 2017 EPA Brownfields Community-Wide Assessment Grant Program. We submitted a similar letter in 2016. The funds would be used to assess and facilitate redevelopment of key brownfields in Skamania County.
- **Klickitat County.** MCEDD is participating in the County's strategic plan development. We have discussed the Job Fair that County staff anticipates will occur in May and we are providing connections to our Oregon workforce partners. We are still exploring the potential for a USDA-WA Rural Business Enterprise Grant application and should have definitive direction by the Executive Committee meeting.
- Recently, we have come up against a couple of CDBG interpretations made by the State of Washington Department of Commerce that have a negative impact to our programs. The first deals with program income and the second deals with procurement. I would like to discuss with the Executive Committee if we want to pursue either of these issues. If we have time at this meeting, we will address. If not, we will hold the conversation for our next meeting.

Industry Development: Industry Focus Areas

- **Columbia Gorge Bi-State Renewable Energy Zone:** The contract for David Van't Hof, our contracted Government Affairs Specialist, completes the end of December unless we issue a short term extension for another two months. Any long term extension would be dependent on the participating counties willingness to fund the activity and to verify that they are receiving value from the effort.
- **Gorge Technology Alliance**
 - The GTA approved extension of the base contract with MCEDD for managing the robotics program. The GTA also passed their annual budget.
 - Almost 400 students aged 9 to 14 in 65 teams from schools all around the Gorge were scheduled to participate in the FIRST® LEGO® League robotics tournament. Tournaments were held December 3 and 4 at The Dalles Middle School and December 11 at Wy'east Middle School. The December 10th tournament was cancelled due to inclement weather. Many thanks to the Board members who stepped up to volunteer!
 - The GTA held its third annual awards program, recognizing Bill Vaglianti, Cofounder of Cloud Cap and most recently, Power4Flight, as the 2016 Technology Leader of the Year. Trillium Engineering of Hood River was honored as the 2016 Technology Organization of the Year.
 - Wind Challenge: Save the date for March 11, 2017. Preliminary approval on budget was received from Google and Jacque Schei and Jessica Metta are beginning activities to support the event.
 - The GTA plans to update its strategic plan and has submitted an initial inquiry to The Ford Family Foundation to explore an opportunity for a grant to support the work. If encouraged to apply, MCEDD would need to be the applicant.
- **Arts, Culture and Tourism:** Travel Oregon has indicated they will have additional funds for matching grants. The Arts and Culture map is fully distributed and the project team is seeking funding sources for the upcoming year. MCEDD acts as fiscal agent for the association so would be the applicant if proposals are invited.
- **Fermentation:**
 - The Gorge Cider Society's contractor completed the cider video. Carrie Pipinich is now working with our contractor on the cider website.
 - Columbia Gorge Community College released their new Fermentation Science Course which is "designed to bring in local leaders in the fields of beer, cider, wine, distilled spirits, baking, and fermented foods to share their experience and expertise." The course will be held from January 12, 2017 to March 23, 2017 every other Thursday evening at the Hood River-Indian Creek Campus.
 - I met with our new local representative for the Oregon Department of Ag and referred her to Mary Kramer and Steph Hoppe as well for coordination.
 - We released an RFP for the Winegrowers to support training needs.
- **Other Industry Association activities.** I met with individuals from the Oregon Outdoor Association who have heard interest from companies interested in a chapter locally. I met with a nonprofit consultant discussed opportunities for strengthening nonprofits collectively throughout the region. I referred her to Steph Hoppe as well.



FLL Tournaments

Operations

- **Audit:** Copies of the audit have been sent to relevant funding sources.
- **Website Selection:** Gorge Web Design (Dee Holzman) was selected for the MCEDD website design. MCEDD received four proposals, three of which were deemed complete in their response to the RFP. Gorge Web Design was the least costly of the three, met all criteria, provided sample sites that staff felt well represented her clients and she had solid recommendations. We have executed a contract for her to begin in January, with anticipated completion in June 2017. Staff will meet with Dee the second week of January 2017.
- **Xerox lease.** Xerox has presented a proposal for a new 60 month lease on equipment. We are currently approximately halfway through our current lease. If approved, the new lease would replace the current one- extending the term and changing the payment amount. Sherry Wickert calculated our monthly and annual costs based on current usage and with a promotion the company is offering, the new lease is anticipated to cost less than our current lease for a more robust copier. We are seeking Executive Committee confirmation for this item as it creates a longer term liability for the organization.
- **Donations:**
 - MCEDD is processing the paperwork to receive a \$500 donation from Key Bank Foundation. The donation is provided to entities for which Key Bank staff is volunteering. Dillon Borton, Key Bank Branch Manager in Hood River, currently serves on the MCEDD Loan Administration Board.
 - Northwest Natural will be providing a \$500 sponsorship to further support of 2017 MCEDD events. Thank you to Tonya Brumley for facilitating this opportunity!
 - See page nine of the Gorge Giving Guide for MCEDD's feature, sponsored by Community Bank.
- **MCEDD Budget Committee:** We are soliciting individuals for two positions from the board and one at large position to serve on the MCEDD budget committee. The at-large opening has been posted on the MCEDD website and a press release was sent to our media sources. We are requesting interest forms be returned by January 25, 2017.
- **MCEDD Tech Representative:** The process for nominations of a private industry tech representative has been extended to allow for interest forms to be submitted for the recently vacated position.
- **Next Executive Committee meeting:** February 1, 2017.

Happy Holidays! I will be out of the office until January 4, 2017. I wish you all the best for the new year!
