



Mid-Columbia Economic Development District

MCEDD Loan Administration Board Meeting
Tuesday, October 6, 2020
8:00am

Remote only

Please call (541) 296-2266 or email ami@mcedd.org for Zoom Meeting details

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order, Introductions, Conflict of Interest Disclosures		
Loan Administration Board Minutes <i>September 15, 2020</i>	5 minutes	Approval
Loan Requests <ul style="list-style-type: none">• <i>Wangco, LLC</i>• <i>Brigham Fish Company</i>	25 minutes	Information
Loan Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Decision
Other New Business		
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance, please contact us at (541) 296-2266; TTY 711 at least 48 hours before the meeting. MCEDD is an equal opportunity employer, lender and provider.

Executive Session Protocol

MCEDD Loan Administration Board

After discussion agenda items are presented in open session by MCEDD staff, the LAB Chair will state the following: "Pursuant to ORS 192.660(f), Exempt Documents, I call the Executive session of the MCEDD Loan Administration Board to order".

LAB Chair asks all non-staff and non LAB members to leave the meeting. Staff will explain to visitors where they can wait and that they will be invited into Executive Session when their agenda item will be discussed.

For each discussion item on the agenda for Executive Session, the LAB Chair will follow the following procedural steps:

1. Invite the loan applicant (or their representative) into the Executive Session for the presentation of their loan request. LAB Chair requests a brief presentation from MCEDD staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the LAB Chair asks if there are any questions for the loan applicant or MCEDD staff.
3. Following questions and discussion by the LAB, the loan applicant (and/or their representative) is asked to leave Executive Session with instruction that they will be invited into the Open session when Executive Session is adjourned.
4. LAB Chair asks LAB members if there is any discussion related to loan request that needs to take place before inviting the next loan applicant or other persons in to Executive Session for the next discussion item.
5. Additional discussion between the LAB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the LAB chair will close the Executive Session. The LAB moves back to open session. At this point, the LAB Chair asks for a motion on the decision items in open session. Following a proper motion (motion and a second), the LAB chair requests discussion on the motion. Following any discussion, the LAB chair request a vote ("all those in favor, signify by saying aye" "all opposed signify by saying nay" "any abstentions?"). Staff may ask for a roll-call vote, if the responses are unclear

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**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
LOAN ADMINISTRATION BOARD MEETING MINUTES**

Tuesday, September 15, 2020 Virtual Only

ATTENDANCE

BOARD: Scott Clements, Bob Hamlin, AJ Tarnasky, Steve Kramer, Les Perkins, Joe Dabulskis

STAFF: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Dana Woods (Finance and Operations Manager), Ami Beaver (Administrative Assistant)

CALL TO ORDER

Bob Hamlin called the meeting to order at 8:02 am. A quorum was present. A round of introductions took place. Bob Hamlin requested declaration of any conflicts of interest. None were noted.

LOAN ADMINISTRATION BOARD MINUTES

Scott Clements moved to approve the minutes from August 4, 2020. Les Perkins seconded the motion. Motion passed unanimously.

LOAN REQUEST: Pharaoh's Family Farm

Israel noted the conversation would focus on a loan request from Pharaoh's Family Farm out of Stevenson, Washington.

LOAN UPDATES

Israel noted that updates would be shared on currently funded loans.

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:04 a.m.

Dana Woods joined the meeting at 8:05 a.m.

Steve Kramer joined the meeting at 8:09 a.m.

Joe Dabulskis joined the meeting at 8:12 a.m.

Regular session was reconvened at 8:30 a.m.

AJ Tarnasky noted there was an error in the forecasting in the Pharaoh's Family Farm staff report and 2022 should be changed to 2023.

LOAN ACTIONS

AJ Tarnasky moved to approve the loan request for Pharaoh's Family Farm as recommended by staff. Les Perkins seconded the motion. Motion passed unanimously.

Terms:

- Loan amount: \$20,750
- Interest Rate: 8.75%
- Loan Term: 60 months (6 monthly payments of interest only at intro rate of 4.25% followed by 54 monthly payments of interest at 8.75% and principal balance due on the 60th month)

Discussion:

Steve Kramer noted his concern is availability of the product in the long run, and ability to compete in a larger market, but supported the loan.

Les Perkins moved to grant staff permission to move forward in signing an inter-creditor agreement related to Polaris sales at Erland Properties, LLC (dba Fun County). Steve Kramer seconded the motion. Motion passed unanimously.

ALLOWANCE FOR DOUBTFUL LOANS

Jessica indicated staff is looking for direction on the determination of the allowance for doubtful accounts for fiscal year 2021. She noted in previous years the amount had varied based on client portfolio and also said the board might consider an increase this year in the face of uncertainty due to COVID-19.

Discussion:

AJ noted typically they look at trends in the banking industry and based on the quality of our portfolio right now he would support the staff recommendation on this. Scott asked for more information on how to manage possible exceptions.

AJ noted normally you look at historical rates and often times you will pool your loans into different types and then determine a modifier based on the current activity in the portfolio. He noted that hasn't necessarily been done for MCEDD in the past. He said it is also an option to make modifications on loans that present a unique risk. He noted when you are audited you need to be able to justify the rationale behind the decision making on the allowances.

Bob clarified his understanding that we are trying to find an average that makes sense for the portfolio.

Jessica said flat percentages make the management easier and still provide us with protection.

Scott Clements moved to maintain the 6% allowance for doubtful loans benchmark. AJ Tarnasky seconded the motion. Motion passed unanimously.

OTHER BUSINESS

No other new business was noted.

ADJOURNMENT: The meeting was adjourned at 8:40 a.m.

Respectfully submitted by Ami Beaver, Administrative Assistant