



Mid-Columbia Economic Development District

**MCEDD Loan Administration Board Meeting**  
**Tuesday, November 17, 2020**  
**8:00am**

Remote only

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

**AGENDA**

<b><u>Topic</u></b>	<b><u>Estimated Time</u></b>	<b><u>Item</u></b>
Call to Order, Introductions		
Loan Administration Board Minutes <i>October 20, 2020</i>	5 minutes	Approval
Loan Requests • <i>F&amp;B 1 LLC, dba Pita Pit</i>	15 minutes	Information
Loan Updates	5 minutes	Information
<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b> <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, October 20, 2020 Virtual Only

**ATTENDANCE**

BOARD: Scott Clements, Bob Hamlin, Dillion Borton, Steve Kramer, AJ Tarnasky

STAFF: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Ami Beaver (Administrative Assistant)

**CALL TO ORDER**

Scott Clements called the meeting to order at 8:00 am. A quorum was present. A round of introductions took place. Scott Clements requested declaration of any conflicts of interest. None were noted.

**LOAN ADMINISTRATION BOARD MINUTES**

Steve Kramer motioned to approve the minutes from October 6, 2020 as presented. Dillion Borton seconded the motion. Motion passed unanimously.

**LOAN UPDATES**

It was noted that Israel Ayala Guevara would present an update on Bend in the Road.

**EXECUTIVE SESSION**

Per ORS 192.660 (f) Exempt Documents, the MCEDD Loan Administration Board moved into Executive Session at 8:01 a.m.

Regular session was reconvened at 8:03 a.m.

**PROPOSAL TIMING DISCUSSION**

Jessica noted that she and Chair Scott Clements had a discussion after the last meeting about whether or not staff could make the decision not to present a proposal to the board until they deem it to be complete, as indicated in the application form. Dillion Borton noted that they get applications declined every day at the bank, but they still go through to the underwriter for the decision-making process. He noted that part of the staff recommendation to the board could be that it is incomplete or waiting for items.

Scott said that he has the sense that if it comes to the board incomplete, it should be turned down. He noted that incomplete applications being presented to the board could lead to moments of embarrassment for staff. He noted that applications with business or proprietary information that would need to be discussed in executive session would likely be deemed incomplete.

Bob posed the question - who is going to be the bad guy? He said that if staff have difficulty getting the necessary information and know that an application is not complete, they should let the applicant know it will not fly.

Steve said if staff deem it is not complete enough to come to the board, then the board should allow the Executive Director to make that decision.

Scott asked Dillon to speak to how the bank deals with this situation, so it doesn't appear the person preparing the proposal views it as complete or ready for approval.

Dillion noted the bank has both a list of items and then work from staff that is completed based on the items that are submitted by clients. There is a difference between items being provided and the work of staff. He said the application is touched by multiple folks for quality assurance. Loan officer is the interface, and the clock starts. There is a timeline. In the banking world, after multiple attempts, if those items are not provided it gets decisioned out. Management should have documented effort of staff to put the complete application together. He said there has to be a process to make sure we are checking all the boxes on both sides.

Scott asked at what point the decision is made to decline. Dillion noted that the bank is regulated - if an application is submitted with a signature it must be processed within 30 days.

Israel said it sounds like he can recommend that the application is incomplete, and we do not want to move forward. He noted that on his process he would not bring anything to the board that is incomplete moving forward. He said he is finding some clarity in this discussion and if the Executive Director could decide based on his recommendation, he will take the recent experience as a learning moment.

Bob said he thinks the Executive Director should weigh in on the probability of whether it seems likely there is enough information for the board to decide.

AJ Tarnasky joined the call at 8:15 am

AJ agreed there should be staff discretion.

Dillion tried to recall Eric and Amanda's process and he felt that there were some deals that Eric wanted to bring to the table but for reasons discussed internally, some deals would not come to the table.

Scott asked if staff felt there was enough agreement and discussion to move forward.

Jessica agreed there was and thanked the board for the helpful discussion.

### **COVID-19 DISCUSSION**

Jessica noted the conversation would focus on whether we should apply more relief for our clients. She said she knows there are concerns over what is going to happen this fall/winter if businesses are not operating at full capacity. She has reached out to other districts and noted some have allowed clients to defer through the end of the year but in general most others aren't

doing anything in particular. She said the best approach may be to work with clients on a case by case basis so they can continue to make progress on their loans.

Bob wondered how solid MCEDD's financial situation is and how free we can be with clients before we get to a situation where we may have some issues.

Jessica said we would need to dig into that further and noted she had been thinking what we would likely offer to clients who are struggling is further interest-only payments.

Scott asked about the new funds to get out, interest level and timeline. Jessica said MCEDD was granted \$770,000 of EDA dollars for a new RLF for spending by June 2022. She noted generally staff planned for any new loan applications to come out of that pot of money.

### **GOOD OF THE ORDER**

Jessica shared the good news that our national association has been working for a long time toward defederalization for EDA RLF funds over 7 years old. She noted we are still reporting on those (some over 10 years old) and that the defederalization legislation just passed the house and senate and is on the president's desk to get signed. Anything that is older than 7 years we will no longer have to report on. There will be some time to operationalize that directive, but when that happens, we will have some items to talk about. She said she is waiting on direction for the new EDA/CARES funds and whether it will be based on the original loan date or the date when we got the funding.

**ADJOURNMENT:** The meeting was adjourned at 8:28 a.m.

*Respectfully submitted by Ami Beaver, Administrative Assistant*