

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

**\*\*\*\*\*Wednesday, November 16, 2016\*\*\*\*\*  
\*\*\*\*\* 10:00 A.M. \*\*\*\*\***

City of Cascade Locks Council Chambers  
140 SW WaNaPa - 2nd Floor  
Cascade Locks, OR

<b><u>Topic</u></b>	<b><u>Time</u></b>	<b><u>Item</u></b>
Call to Order, Conflict of Interest Disclosures		
Introductions	10 minutes	Information
October 19, 2016 Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
Loan Request: Big Jim's Drive In/Chuck Burrows	10 minutes	Discussion
Loan Modification Requests: Defiance Brewing Company Van Kessel, Inc	15 minutes	Discussion
<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Hood River Learning Center	10 minutes	
<b><i>Executive Session per ORS 192.660 (h) (Litigation)</i></b> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Funded Loans Report and Updates	10 minutes	Information
<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b> <i>Regular Session Reconvened</i>		
Other New Business, Good of the Order		
Adjournment		

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*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 at least 48 hours before the meeting so arrangements for appropriate accommodations can be made.*

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## **Executive Session Protocol Oregon Investment Board**

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

OIB Chair asks all non-staff and non OIB 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 OIB 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. OIB Chair requests a brief presentation from OIB staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the OIB Chair asks if there are any questions for the loan applicant or OIB staff.
3. Following questions and discussion by the OIB, 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. OIB Chair asks OIB 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 OIB members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the OIB chair will close the Executive Session. The OIB moves back to open session. At this point, the OIB Chair can ask for a motion of the decision items in open session. Open session is when the OIB can make decisions on agenda items.

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA  
OREGON INVESTMENT BOARD  
Wednesday, October 19, 2016  
CGCC Indian Creek Campus, Room 203, Hood River, OR  
10:00 a.m.

**ATTENDANCE:**

OIB Members: Ken Bailey, Jack Miller, Rick Leibowitz, Kristine Mier, Tammy Miller, John Southgate and John Kasberger.

Staff: Amanda Hoey, Sherry Wickert and Eric Nerdin.

Guests: Victor VanKoten and Carolyn Meece (Business Oregon)

**CALL TO ORDER:**

John Kasberger called the meeting to order at 10:05 a.m. 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. Round table introductions took place.

**SEPTEMBER 21, 2016 MINUTES:**

Jack Miller moved to approve the minutes from September 21, 2016. Kristine Mier seconded the motion. Motion passed unanimously.

**FINANCIAL REPORT:**

Sherry Wicket reported that MCEDD's audit field work was completed. The MCEDD audit includes OIB as a component. Sherry presented the financial report for the period ending September 2016. Sherry reported Principal Repayments of \$96,570.34 noting that it included the loan payoff from Oregon Growers and Shippers. She reported that Professional Services expenses was \$9,225.80 and included payments for MCEDD's contract, legal fees and a loan filing fee to AmeriTitle. Sherry reported that the Loans Receivable Balance was \$1,643,752.50 and Available to Grant/Loan Balance was \$1,208,296.61.

Ken Bailey moved to accept the financials as presented. Jack Miller seconded the motion. Motion passed unanimously.

*Discussion: Jack Miller stated that he liked having both versions of the financial statement and that he referenced both. John Kasberger asked why Oregon Growers and Shippers paid off their loan. Eric Nerdin stated that they were able to acquire a lower interest rate and better financing through a traditional lending institution.*

Rick Leibowitz joins the meeting.

**HOOD RIVER LEARNING CENTER**

Amanda Hoey and Eric Nerdin explained the background, overview and status of loans with Hood River Learning Center, LLC.

**EXECUTIVE SESSION:**

Per ORS 192.660 (h) Litigations, the Oregon Investment Board moved into Executive Session at 10:10 a.m.

Regular session was reconvened at 11:10 a.m.

**BYLAWS AMENDMENT**

Amanda Hoey reported that at the last meeting the Board reviewed proposed changes to the organization's Bylaws. She presented the edited Bylaws and reported that the discussed changes had been incorporated into the document for the Board's final review and approval.

Ken Bailey moved to approve and adopt the bylaws as presented. Jack Miller seconded the motion. Motion passed unanimously.

*Discussion: Tammy Miller asked what constituted quorum. Amanda responded that it was a simple majority, which is four members.*

**DELINQUENCY REPORT UPDATE**

Eric Nerdin presented an update on Van Kessel, Inc., Sage Creek and Defiance Brewing.

**EXECUTIVE SESSION:**

Per ORS 192.660 (f) Exempt Documents, the Oregon Investment Board moved into Executive Session at 11:17 a.m.

Regular session was reconvened at 11:25 a.m.

**LOAN COMMITTEE APPOINTMENTS:**

Amanda presented an overview of the Oregon Investment Board Loan Committee. She also reviewed the role of the committee and requested the Board to discuss if the Loan Committee function was still useful and if so, to appoint new members to the Loan Committee

*Discussion: Rick Leibowitz asked if the Loan Committee was necessary. He stated that he did not think it was. Ken Bailey explained the background and stated that while it had a purpose in the past, he did not think it was necessary now. John Kasberger asked how any new or updated information could/would be communicated to the Board if there was not a Loan Committee meeting. Amanda explained that an addendum to the staff report would be presented. Jack Miller stated that most of his questions get answered at the Board meeting. Ken Bailey stated that if the Board decided to discontinue the Loan Committee they could reinstate it in the future.*

Rick Leibowitz moved to discontinue the Loan Committee. John Southgate seconded the motion. Motion passed unanimously.

**OTHER NEW BUSINESS, GOOD OF THE ORDER:**

John Kasberger reported that he had discussed with Eric the large volume of disbursed funds and lack of future deals in the pipeline. John also stated that the banking industry was seeing similar trends. John Kasberger asked John Southgate and Tammy Miller to discuss what they were seeing and hearing in Multnomah County. Both stated that they have seen some growth in real estate. John Southgate

noted that Portland was a second tier market and that it was receiving an increase in international marketing efforts. Carolyn Meece reported that Business Oregon was seeing an increase in new businesses but noted that it is difficult to get them interested in the OIB geography.

John Southgate left the meeting at 11:35 a.m.

Amanda Hoey reported that the November OIB meeting is scheduled in Cascade Locks and then will move across the river to Stevenson for the annual bi-state meeting. She requested the Board note these two meetings on their calendars. Amanda also provided an update on the board appointments status and invited the OIB board members to the next regional economic development strategy meeting on October 27, 2016 in Stevenson.

**ADJOURNMENT:** The meeting was adjourned at 11:40 a.m.

**OIB FINANCIAL SUMMARY**  
**REPORT PERIOD: OCT 16**

	<b>TOTAL YEAR TO DATE</b>	<b>PREVIOUS REPORT</b>	<b>CURRENT ACTIVITY</b>
<b>CASH BALANCE AS OF 06/30/16</b>	1,075,074.41		-
Less Payables	(8,736.69)		-
Plus Accounts Receivable	518.13		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	10,632.22		-
<b>ADJUSTED CASH BALANCE 06/30/16</b>	<b>1,077,488.07</b>	-	-
<b>INCOME</b>			
Interest	40,763.18	30,892.47	9,870.71
Loan Processing & Fees	1,341.26	2,458.76	(1,117.50)
Loan Late Fees	1,662.28	1,191.80	470.48
Misc Income			-
Invested Interest	195.10	143.20	51.90
<b>TOTAL INCOME</b>	<b>43,961.82</b>	<b>34,686.23</b>	<b>9,275.59</b>
<b>PRINCIPAL REPAYMENTS</b>	<b>158,289.83</b>	<b>144,520.36</b>	<b>13,769.47</b>
<b>REVENUE BEFORE DISBURSEMENTS</b>	<b>202,251.65</b>	<b>179,206.59</b>	<b>23,045.06</b>
<b>EXPENSES AND PAYMENTS</b>			
Grants Disbursed FY17	10,000.00	10,000.00	-
Loans Disbursed			-
Miscellaneous Expenses			-
Professional Services	33,035.76	24,897.96	8,137.80
<b>TOTAL EXPENSES AND PAYMENTS</b>	<b>43,035.76</b>	<b>34,897.96</b>	<b>8,137.80</b>
<b>ADJUSTED CASH BALANCE</b>	<b>1,236,703.96</b>	<b>144,308.63</b>	<b>14,907.26</b>
<b>LESS:</b>			
Approved Grants not Disbursed			
Approved Loans not yet Disbursed			
Interest Receivable at Period End			
<b>AVAILABLE TO GRANT/LOAN</b>	<b>1,236,703.96</b>		
<b>STRUCTURED ACCRUED LOAN INTEREST</b>			
Current Period	1,418.75		
Prior Year Balance	6,246.54		
<b>TOTAL STRUCTURED ACCRUED LOAN INTEREST</b>	<b>7,665.29</b>		
<b>LOANS RECEIVABLE BALANCE</b>	<b>1,629,983.03</b>		
<b>PROOF:</b>			
Cash Balance After Reconciliations	1,235,753.39		
Less Payables	(9,255.30)		
Plus Interest Receivable (Includes Structured Accr'd Int)	10,205.87		
<b>ADJUSTED CASH BALANCE</b>	<b>1,236,703.96</b>		

REPORT GENERATED BY: Sherry Wickert

**Mid-Columbia Economic Development District**  
**Balance Sheet**  
As of October 31, 2016

	<u>Sept 30, 16</u>	<u>Oct 31, 16</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
1000 · Bank Demand Deposits		
1070 · National Scenic Fund	1,217,522.41	1,235,753.39
<b>Total 1000 · Bank Demand Deposits</b>	<u>1,217,522.41</u>	<u>1,235,753.39</u>
<b>Total Checking/Savings</b>	1,217,522.41	1,235,753.39
<b>Other Current Assets</b>		
1200 · Receivables & Accruals		
1222 · Year or Gmt End Receivable		
1227 · Accrued Loan Interest	7,438.31	3,959.33
1229 · Structured Accts Accr'd Int		
1231 · Unrecorded Structured Accrd Int	-1,247.32	-1,418.75
1229 · Structured Accts Accr'd Int - Other	7,309.10	7,665.29
<b>Total 1229 · Structured Accts Accr'd Int</b>	<u>6,061.78</u>	<u>6,246.54</u>
<b>Total 1200 · Receivables &amp; Accruals</b>	13,500.09	10,205.87
1300 · Loans Receivable		
1370 · OIB Loans Receivable	1,643,752.50	1,629,983.03
<b>Total 1300 · Loans Receivable</b>	<u>1,643,752.50</u>	<u>1,629,983.03</u>
1500 · Allowance for Doubtful Loans		
1575 · OIB Allowance	-45,000.00	-45,000.00
<b>Total 1500 · Allowance for Doubtful Loans</b>	<u>-45,000.00</u>	<u>-45,000.00</u>
<b>Total Other Current Assets</b>	1,612,252.59	1,595,188.90
<b>Total Current Assets</b>	<u>2,829,775.00</u>	<u>2,830,942.29</u>
<b>TOTAL ASSETS</b>	<u>2,829,775.00</u>	<u>2,830,942.29</u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
2010 · A/P General	9,225.80	9,255.30
<b>Total Accounts Payable</b>	<u>9,225.80</u>	<u>9,255.30</u>
<b>Total Current Liabilities</b>	9,225.80	9,255.30
<b>Total Liabilities</b>	9,225.80	9,255.30
<b>Equity</b>		
3100 · Fund Balances	2,820,760.93	2,820,760.93
Net Income	-211.73	926.06
<b>Total Equity</b>	<u>2,820,549.20</u>	<u>2,821,686.99</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>2,829,775.00</u>	<u>2,830,942.29</u>

2:55 PM

11/08/16

Accrual Basis

Mid-Columbia Economic Development District  
Profit & Loss by Class  
July through October 2016

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	<u>Jul - Oct 16</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4600 · Loan Interest	40,763.18
4700 · Loan Processing Fees	1,341.26
4710 · Loan Late Fee	1,662.28
4750 · Investment Interest	195.10
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<b>Total Income</b>	43,961.82
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<b>Gross Profit</b>	43,961.82
<b>Expense</b>	
6400 · Professional Services	33,035.76
6950 · Grants Disbursed	10,000.00
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<b>Total Expense</b>	43,035.76
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<b>Net Ordinary Income</b>	926.06
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<b>Net Income</b>	<u>926.06</u>