

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

*******Wednesday, October 17, 2018*******

****** 10:00 A.M. ******

Hood River Library Meeting Room
501 State Street
Hood River, Oregon

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Conflict of Interest Disclosures Introductions	5 minutes	Information
September 2018 Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
Loan Request <i>Farmers Conservation Alliance</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Loan Modifications/Default Actions <i>Seufert Enterprises, LLC</i> <i>Sage Creek, Inc.</i>	5 minutes	Information
Funded Loans Report and Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Other New Business, Good of the Order		
Adjournment		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance please contact MCEDD at (541) 296-2266 at least 48 hours before the meeting so arrangements for appropriate accommodations can be made.

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, September 19, 2018
MCEDD Office
515 East Second Street, The Dalles, OR

ATTENDANCE

OIB Members: Rick Leibowitz, Jill Amery, Craig Bowder, Jack Miller, John Kasberger, Tammy Miller
Staff: Amanda Hoey, Eric Nerdin, Lauren Hernandez
Guests: Lauren Justice, Molly Lewis, Sean Kelly

CALL TO ORDER

Jack Miller called the meeting to order at 10:02 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

Jack Miller requested any board member disclose any conflict of interest for any of the topics to be reviewed. Rick Leibowitz noted one loan request is from a client of his at the Small Business Development Center, and he will not vote on any action taken pertaining to the loan.

MINUTES

Rick Leibowitz moved to approve the minutes from July 2018, as presented. John Kasberger seconded the motion. Motion passed with one abstention (Jill Amery).

FINANCIAL REPORT

Amanda Hoey reported Siri Olson is preparing for the MCEDD audit in October, which includes the Oregon Investment Board. As soon as the audit report is available, it will be presented to the OIB. July 2018 financials show just over \$1 million available to grant or loan. Allocation for Professional Services, which includes payment to MCEDD and any legal costs, is \$7,837.41. Loans Disbursed total \$18,000. One pending disbursement is the \$5,000 grant to Columbia Gorge Community College. The OIB extended the grant through August 2019 to match resources CGCC received through EDA. Not much financial activity is shown, as the report is for the first month of the fiscal year. The cash balance as of June 30 should stay the same, but this will be finalized after audit results are received.

Discussion: Tammy Miller noted the Balance Sheet is dated April 30, 2018, but the financials are for July 2018. The date will be corrected.

Rick Leibowitz motioned to accept the financials as presented. John Kasberger seconded the motion. Motion passed unanimously.

LOAN REQUESTS

Eric Nerdin reported there are two loan application requests. One request is from Lauren Justice, PhD, LLC, and one request is from Dog River Pet Supplies.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:09 a.m.

Regular Session reconvened at 10:28 a.m.

LOAN ACTION: LAUREN JUSTICE, PhD, LLC

John Kasberger motioned to approve a \$20,000 loan to Lauren Justice, PhD, LLC with the modification of Condition 18 specifying if the business moves location, it must remain in the Oregon geographic boundary of the Columbia River Gorge National Scenic Area. Craig Bowder seconded the motion. Motion passed with one abstention (Rick Leibowitz).

- Loan amount: \$20,000
- Interest Rate: 10.75%
- Loan Term: 36 months
- Loan Payments, collateral and conditions as listed in the staff report, with the exception of the revision to Condition 18

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:31 a.m.

Regular Session reconvened at 10:47 a.m.

LOAN ACTION: DOG RIVER PET SUPPLIES

Rick Leibowitz motioned to approve a \$40,000 loan to Dog River Pet Supplies as recommended by staff. John Kasberger seconded the motion. Motion passed unanimously.

- Loan amount: \$40,000
- Interest Rate: 10.0%
- Loan Term: 36 months (Fully amortized)
- Loan Payments, collateral and conditions as listed in the staff report.

FUNDED LOAN REPORTS AND UPDATES

Amanda Hoey reported the OIB has an outstanding grant of \$5,000 to be allocated to Columbia Gorge Community College. Rick Leibowitz explained he will meet with Dr. Marta Cronin, President of CGCC, to discuss the plan for the culinary program. The grant was intended to support a feasibility study of culinary industry needs. CGCC issued two RFPs but got no replies and issued a third RFP.

Discussion: Amanda noted CGCC received three replies to the RFP. Rick stated Dr. Cronin may choose not to move forward with any of the proposals, but he will know more after meeting with her. The culinary program will be similar to the Fresh Start program, which OIB gave a grant to previously.

Eric Nerdin presented the funded loan report. Eric provided an update on OIB loans and directed the board to the loan delinquency report.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:55 a.m.

Regular Session reconvened at 11:21 a.m.

BI-STATE COUNCIL AND “SUMMER” SOCIAL

Amanda Hoey explained the Bi-State Council meeting, which is a meeting of Oregon and Washington Investment Boards, the US Forest Service, and the Columbia River Gorge Commission, typically happens in the fall. There are no critical items to be addressed on the agenda. At the Bi-State Council meeting, a summer social could be arranged with OIB’s larger lender partners, including MCEDD’s Loan Administration Board and the Washington Investment Board to provide an opportunity for entities to meet together. The meeting will have a few minutes of business, but the agenda is not extensive. The

tentative meeting date will be in November.

STATUS OF APPOINTMENTS AND FUND REQUESTS

Amanda Hoey reported Rick Leibowitz's position will expire in November, leaving the Wasco County representative position open. Amanda asked the Board to think of any recommendations for persons to fill that position. Amanda also noted she has a meeting set with Oregon and Washington USDA directors to discuss a potential pathway to get the additional dollars for the Oregon and Washington Investment Boards in place. MCEDD's work plan in relation to this request is to make one last attempt, but if the attempt is unsuccessful, staff will reduce the time spent on the matter. This could change if the OIB directs, and other partners are continuing the funding pathway as an active matter. There are \$1.96 million in funds remaining to be allocated.

OTHER NEW BUSINESS

John Kasberger noted officer elections needed to take place, as the item has been on past agendas and postponed. Amanda Hoey explained OIB currently has an elected Chair and Vice Chair but needs to fill the Secretary/Treasurer position.

Jack Miller moved to nominate Jill Amery as Secretary/Treasurer. John Kaseberger seconded the motion. Motion passed unanimously.

ADJOURNMENT: The meeting was adjourned at 11:30 a.m.

Respectfully submitted by Lauren Hernandez, Office Administrator

OIB FINANCIAL SUMMARY

REPORT PERIOD: September 2018

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/18	1,138,023.35		-
Less Payables	(7,711.90)		-
Plus Accounts Receivable	(1,510.04)		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	7,738.95		-
ADJUSTED CASH BALANCE 06/30/18	1,136,540.36	-	-
INCOME			
Interest	31,639.51	21,341.71	10,297.80
Loan Processing & Fees	410.95	292.16	118.79
Loan Late Fees	237.04	237.04	-
Invested Interest	144.60	96.65	47.95
TOTAL INCOME	32,432.10	21,967.56	10,464.54
PRINCIPAL REPAYMENTS	42,831.56	23,353.49	19,478.07
REVENUE BEFORE DISBURSEMENTS	75,263.66	45,321.05	29,942.61
EXPENSES AND PAYMENTS			
Grants Disbursed FY18			-
Loans Disbursed	18,000.00	18,000.00	-
Converted to Principal	-		-
Miscellaneous Expenses (Bad Debt Expense)			-
Professional Services	23,633.91	15,689.82	7,944.09
TOTAL EXPENSES AND PAYMENTS	41,633.91	33,689.82	7,944.09
ADJUSTED CASH BALANCE	1,170,170.11	11,631.23	21,998.52
LESS:			
Approved Grants not Disbursed	(5,000.00)		
Encumbered Pilot Program Funds	(42,605.00)		
Approved Loans not yet Disbursed	(60,000.00)		
Interest Receivable at Period End	(9,225.71)		
AVAILABLE TO GRANT/LOAN	1,053,339.40		
LOANS RECEIVABLE BALANCE	1,745,223.80		
PROOF:			
Cash Balance After Reconciliations, 08/31/2018	1,184,578.31		
Deposit on Hold			
Less Payables	(23,633.91)		
Plus Interest Receivable (Includes Structured Accr'd Int)	9,225.71		
ADJUSTED CASH BALANCE	1,170,170.11		

REPORT GENERATED BY: Siri Olson

**Mid-Columbia Economic Development District
Balance Sheet
As of September 30, 2018**

	<u>August 31, 2018</u>	<u>September 30, 2018</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 - Bank Demand Deposits		
1070 - National Scenic Fund	1,155,854.74	1,184,578.31
Total 1000 - Bank Demand Deposits	<u>1,155,854.74</u>	<u>1,184,578.31</u>
Total Checking/Savings	1,155,854.74	1,184,578.31
Other Current Assets		
1200 - Receivables & Accruals		
1202 - Accounts Receivable	0.00	0.00
1222 - Year or Grnt End Receivables		
1227 - Accrued Loan Interest	8,006.67	9,225.71
1229 - Structured Accts Accr'd Int		
1231 - Unrecorded Structured Accrd Int	0.00	0.00
1229 - Structured Accts Accr'd Int - Other	0.00	0.00
Total 1229 - Structured Accts Accr'd Int	<u>0.00</u>	<u>0.00</u>
Total 1200 - Receivables & Accruals	8,006.67	9,225.71
1300 - Loans Receivable		
1370 - OIB Loans Receivable	1,764,701.87	1,745,223.80
Total 1300 - Loans Receivable	<u>1,764,701.87</u>	<u>1,745,223.80</u>
1475 - OIB Holding	0.00	0.00
1500 - Allowance for Doubtful Loans		
1575 - OIB Allowance	-47,404.77	-47,404.77
Total 1500 - Allowance for Doubtful Loans	<u>-47,404.77</u>	<u>-47,404.77</u>
Total Other Current Assets	<u>1,725,303.77</u>	<u>1,707,044.74</u>
Total Current Assets	<u>2,881,158.51</u>	<u>2,891,623.05</u>
TOTAL ASSETS	<u>2,881,158.51</u>	<u>2,891,623.05</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 - A/P General	15,689.82	23,633.91
Total Accounts Payable	<u>15,689.82</u>	<u>23,633.91</u>
Total Current Liabilities	<u>15,689.82</u>	<u>23,633.91</u>
Total Liabilities	15,689.82	23,633.91
Equity		
3100 - Fund Balances	2,756,585.95	2,756,585.95
Pilot Program Fund Balance	102,605.00	102,605.00
Net Income	<u>6,277.74</u>	<u>8,798.19</u>
Total Equity	<u>2,865,468.69</u>	<u>2,867,989.14</u>
TOTAL LIABILITIES & EQUITY	<u>2,881,158.51</u>	<u>2,891,623.05</u>

Mid-Columbia Economic Development District
Profit & Loss
September 2018

	TOTAL
Ordinary Income/Expense	
Income	
4600 · Loan Interest	10,297.80
4700 · Loan Processing Fees	118.79
4710 · Loan Late Fee	0.00
4750 · Investment Interest	47.95
Total Income	10,464.54
Gross Profit	10,464.54
Expense	
6400 · Professional Services	
6410 · Legal Services	106.68
6450 · Contractual	7,837.41
Total 6400 · Professional Services	7,944.09
Total Expense	7,944.09
Net Ordinary Income	2,520.45
Net Income	2,520.45

OREGON INVESTMENT BOARD
DISTRIBUTIONS OF GRANTS & LOANS APPROVED

Report Period: September 2018

Grants	Date Approved	Expiration Date	Grant	Previous Distribution	Current Distribution	Expired/Not Utilized	Amount Remaining
Columbia Gorge Community College	8/14/2017	7/31/2019	5,000.00				5,000.00
							-
Total			5,000.00	-	-	-	5,000.00

Loans Approved/Funded	Date Approved	Expiration Date	Original Loan	Previous Distribution	Current Distribution	Expired/Not Utilized	Amount Remaining
Lauren Justice, PhD, LLC	9/18/2018	10/30/2018	20,000.00				20,000.00
Dog River Pet Supplies	9/18/2018	10/30/2018	40,000.00				40,000.00
							-
Total			60,000.00	-	-	-	60,000.00