

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

*******Wednesday, November 21, 2018*******

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

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

<u>Time</u>	<u>Topic</u>	<u>Item</u>
10:00 a.m.	Call to Order, Conflict of Interest Disclosures, Introductions	Information
10:05 a.m.	October 2018 Minutes	Approval
10:10 a.m.	Financial Report	Acceptance
10:15 a.m.	Loan Request: <i>Farmers Conservation Alliance</i> Executive Session per ORS 192.660 (f) (Exempt Documents) <i>Regular Session Reconvened</i>	Information
10:30 a.m.	Loan Action	Decision
10:35 a.m.	Loan Request: <i>Mt. Hood Podiatry</i> Executive Session per ORS 192.660 (f) (Exempt Documents) <i>Regular Session Reconvened</i>	Information
10: 50 a.m.	Loan Action	Decision
10:55 a.m.	Loan Request: <i>Hage Electric and Construction Services</i> Executive Session per ORS 192.660 (f) (Exempt Documents) <i>Regular Session Reconvened</i>	Information
11:10 a.m.	Loan Action	Decision
11:15 a.m.	Loan Request: <i>Griffin House</i> Executive Session per ORS 192.660 (f) (Exempt Documents) <i>Regular Session Reconvened</i>	Information
11:30 a.m.	Loan Action	Decision
11:35 a.m.	Funded Loan Updates: <i>Sage Creek, Inc; Seufert Enterprises</i> Executive Session per ORS 192.660 (f) (Exempt Documents) <i>Regular Session Reconvened</i>	Information
11:50 a.m.	Loan Actions	Decision
11:55 a.m.	Other New Business, Good of the Order	
Adjournment		

Accessibility: 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.

Public Comment: Individuals wishing to address the Board on items not already listed on the Agenda may do so in the New Business section of the agenda. Please wait to be recognized by the Chair for direction. Speakers are asked to give their name and address and to limit comments to three minutes or less.

Agenda Times: Times on the agenda are approximate. The Chair reserves the opportunity to change the order and time of agenda items if unforeseen circumstances arise.

MCEDD is an equal opportunity employer, lender and provider.

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA
OREGON INVESTMENT BOARD
Wednesday, October 17, 2018
Hood River Library Meeting Room
501 State Street, Hood River, Oregon

ATTENDANCE

OIB Members: Rick Leibowitz, Jill Amery, Jack Miller, Craig Bowder, John Kasberger, Tammy Miller
Staff: Eric Nerdin, Siri Olson, Lauren Hernandez
Guests: Randy Seufert, Julie O'Shea

CALL TO ORDER

Jack Miller called the meeting to order at 10:05 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 two potential loan actions may be related to SBDC clients, and he will not participate in those actions.

MINUTES

Jill Amery moved to approve the minutes from September 2018, as presented. Rick Leibowitz seconded the motion. Motion passed unanimously.

FINANCIAL REPORT

Siri Olson reported the audit went well, and final results will be presented to the Oregon Investment Board when they are received. The Total Available to Loan balance is approximately \$1 million. Pilot program funds available to loan are \$42,605. This total is also included in the overall Available To Loan balance. No loans were disbursed in August or September, though there is a total of \$60,000 of approved pilot program loans yet to be disbursed. Professional Services for September total \$7,944, which includes legal fees and the MCEDD contract payment. Through September 30, 2018, total interest received totaled \$31,639. Preliminary projections anticipate the OIB will receive approximately \$9,500 in interest through September 30, 2019.

Discussion: Rick Leibowitz asked if the preliminary projections include the approved loans not yet disbursed. Siri replied the projections are based on active loans currently in good standing.

Rick Leibowitz motioned to accept the financials as presented. Craig Bowder seconded the motion. Motion passed unanimously.

LOAN REQUESTS

Eric Nerdin reported there is one loan application request from Farmers Conservation Alliance.

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 11:06 a.m.

LOAN ACTION: FARMERS CONSERVATION ALLIANCE

Jack Miller explained the Oregon Investment Board came to the consensus to table the loan request from Farmers Conservation Alliance and has advised staff to continue working with the loan client to obtain

additional information requested by the OIB. The Board's main concern was the loan amount would take up a large portion of OIB's working capital.

Discussion: Julie O'Shea acknowledged FCA's loan request was in addition to a loan it already has through OIB. She stated OIB has been an incredible partner and she is grateful for its support to FCA.

FUNDED LOAN REPORTS AND UPDATES

Eric Nerdin presented the funded loan report, noting the status of defaulted loans with Seufert Enterprises, LLC and Sage Creek, Inc. 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 11:09 a.m.

Rick Leibowitz left the meeting at 11:39 a.m.

Regular Session reconvened at 11:59 a.m.

LOAN ACTIONS: SEUFERT ENTERPRISES, LLC

Craig Bowder motioned to forebear loan covenants and default action on loan #136-02-1 until the next Oregon Investment Board meeting on November 21, 2018, as well as approve staff to move forward with securing a second Deed of Trust on the Guarantor's personal residence listed in the staff recommendation. Jill Amery seconded the motion. Motion passed unanimously.

LOAN ACTIONS: SAGE CREEK, INC.

John Kasberger motioned to approve of OIB staff sending a demand letter to Sage Creek, Inc. and seeking out whether it is prudent for OIB to pursue a trust deed for the property, including a market analysis, an environmental analysis, and a net equity assessment if OIB were to go after the property. Craig Bowder seconded the motion. Motion passed unanimously.

OTHER NEW BUSINESS

No new business.

ADJOURNMENT: The meeting was adjourned at 12:02 p.m.

Respectfully submitted by Lauren Hernandez, Office Administrator

OIB FINANCIAL SUMMARY
REPORT PERIOD: October 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	41,428.31	31,639.51	9,788.80
Loan Processing & Fees	740.27	410.95	329.32
Loan Late Fees	382.19	237.04	145.15
Invested Interest	195.30	144.60	50.70
TOTAL INCOME	42,746.07	32,432.10	10,313.97
PRINCIPAL REPAYMENTS	61,539.07	42,831.56	18,707.51
REVENUE BEFORE DISBURSEMENTS	104,285.14	75,263.66	29,021.48
EXPENSES AND PAYMENTS			
Grants Disbursed FY18			-
Loans Disbursed	38,000.00	18,000.00	20,000.00
Converted to Principal	-	-	-
Miscellaneous Expenses (Bad Debt Expense)	1.00		1.00
Professional Services	31,589.69	23,633.91	7,955.78
TOTAL EXPENSES AND PAYMENTS	69,590.69	41,633.91	27,956.78
ADJUSTED CASH BALANCE	1,171,234.81	33,629.75	1,064.70
LESS:			
Approved Grants not Disbursed	(5,000.00)		
Encumbered Pilot Program Funds	(24,605.00)		
Approved Loans not yet Disbursed			
Interest Receivable at Period End	(7,916.22)		
AVAILABLE TO GRANT/LOAN	1,133,713.59		
LOANS RECEIVABLE BALANCE	1,746,515.29		
PROOF:			
Cash Balance After Reconciliations, 08/31/2018	1,171,382.05		
Adjustment to Bad Debt Expense	(1.00)		
Less Payables	(8,062.46)		
Plus Interest Receivable (Includes Structured Accr'd Int)	7,916.22		
ADJUSTED CASH BALANCE	1,171,234.81		

REPORT GENERATED BY: Siri Olson

**Mid-Columbia Economic Development District
Balance Sheet
As of October 31, 2018**

October 31, 2018

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits	
1070 · National Scenic Fund	1,171,382.05
Total 1000 · Bank Demand Deposits	<u>1,171,382.05</u>
Total Checking/Savings	1,171,382.05

Other Current Assets

1200 · Receivables & Accruals	
1202 · Accounts Receivable	0.00
1222 · Year or Grnt End Receivables	
1227 · Accrued Loan Interest	7,916.22
1229 · Structured Accts Accr'd Int	
1231 · Unrecorded Structured Accrd Int	0.00
1229 · Structured Accts Accr'd Int - Other	0.00
Total 1229 · Structured Accts Accr'd Int	<u>0.00</u>
Total 1200 · Receivables & Accruals	7,916.22
1300 · Loans Receivable	
1370 · OIB Loans Receivable	1,746,515.29
Total 1300 · Loans Receivable	<u>1,746,515.29</u>
1475 · OIB Holding	0.00
1500 · Allowance for Doubtful Loans	
1575 · OIB Allowance	-47,404.77
Total 1500 · Allowance for Doubtful Loans	<u>-47,404.77</u>
Total Other Current Assets	<u>1,707,026.74</u>

Total Current Assets

2,878,408.79

TOTAL ASSETS

2,878,408.79

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	
2010 · A/P General	8,062.46
Total Accounts Payable	<u>8,062.46</u>
Total Current Liabilities	<u>8,062.46</u>

Total Liabilities

8,062.46

Equity

3100 · Fund Balances	2,756,585.95
Pilot Program Fund Balance	102,605.00
Net Income	11,155.38

Total Equity

2,870,346.33

TOTAL LIABILITIES & EQUITY

2,878,408.79

Mid-Columbia Economic Development District

Profit & Loss

October 2018

	<u>Oct 18</u>
Ordinary Income/Expense	
Income	
4600 - Loan Interest	9,788.80
4700 - Loan Processing Fees	329.32
4710 - Loan Late Fee	145.15
4750 - Investment Interest	50.70
Total Income	<u>10,313.97</u>
Gross Profit	<u>10,313.97</u>
Expense	
6300 - Supplies	57.89
6400 - Professional Services	
6410 - Legal Services	45.48
6450 - Contractual	7,837.41
6470 - Filing Fees	15.00
Total 6400 - Professional Services	<u>7,897.89</u>
Total Expense	<u>7,955.78</u>
Net Ordinary Income	2,358.19
Other Income/Expense	
Other Expense	
7010 - Bad Debt Expense	1.00
Total Other Expense	<u>1.00</u>
Net Other Income	<u>-1.00</u>
Net Income	<u><u>2,357.19</u></u>