

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

*******Tuesday, March 10, 2020*******

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

Hood River Library Meeting Room
502 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
February 2020 Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
Loan Updates <i>Pairat Heng dba Monk's Table</i>	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Self-Assessment	10 minutes	Discussion
Marketing Funds Prioritization	10 minutes	Discussion
OIB Budget	20 minutes	Recommendation
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**

Tuesday, February 11, 2020
Hood River Library Meeting Room
502 State Street
Hood River, Oregon

ATTENDANCE

OIB Members: Jill Amery, Doug Roof, Craig Bowder, John Kasberger

Staff: Amanda Hoey (Executive Director), Siri Olson (Finance Manager), Israel Ayala Guevara (Loan Fund Manager), Ami Trosley (Administrative Assistant)

Guests: George Evans, Aekkarat Kitchen Authentic Thai Food and Michael Held, Business Oregon

CALL TO ORDER

John Kasberger called the meeting to order at 10:03 a.m. A quorum was not present. John Kasberger requested any board member disclose any conflict of interest for any of the topics to be reviewed. None were noted.

AUDIT

Amanda Hoey provided an overview of the MCEDD audit prepared by Connected Professional Accountants. MCEDD is subject to the single audit act and contracts with the auditing firm for an annual audit of our financial statements. These are then presented to funders and boards, including the OIB. Amanda provided the key highlights including the Clean review for the loan programs, the Qualified opinion resulting from MCEDD's board electing to *not adopt* GASB 75 which covers requirements related to accounting for "postemployment benefits other than pensions, findings 2019-001 and 2019-002 and that the auditor noted the Financial statements are presented fairly.

Craig Bowder joined the meeting at 10:04 am. A quorum was now present.

Amanda noted that this is the final year of MCEDD's current contract with Connected Professional Accountants. As a best practice, MCEDD sends an RFP out for audit firm competitive responses. MCEDD may contract with a new firm or with the existing audit firm. The MCEDD Board is in the process of selecting an auditor for the coming years.

NOVEMBER 2019 MINUTES

Jill Amery moved to approve the minutes from November 20, 2019, as presented. Doug Roof seconded the motion. Motion carried unanimously.

FINANCIAL REPORT

Siri Olson reported the Balance Sheet reflects a total cash balance of \$1,208,724.45. The Pilot Program Fund Balance available as of December 31st, 2019, is \$80,000. The total Available to Grant/Loan is \$1,103,751.53. Total Accounts Payable is \$16,924.68. She reported that everything in the financial summary looks pretty stable.

Craig Bowder motioned to accept the December financials as presented. Jill Amery seconded the motion. Motion carried unanimously.

LOAN REQUEST: Pairat Heng dba Aekkarat Kitchen Authentic Thai Food

Israel Ayala Guevara noted discussion would focus on a loan request from Pairat Heng dba Aekkarat Kitchen Authentic Thai Food.

LOAN MODIFICATION REQUEST: 15 Mile Ventures, LLC

Israel Ayala Guevara noted discussion would focus on loan modification request for 15 Mile Ventures, LLC.

DELINQUENCY REPORT:

Amanda Hoey noted discussion would include review of the delinquency report.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:15 a.m.

Regular Session reconvened at 10:58 a.m.

LOAN ACTION: Pairat Heng dba Aekkarat Kitchen Authentic Thai Food

Craig Bowder motioned to approve a loan through the OIB pilot loan program to Pairat Heng dba Aekkarat Kitchen Authentic Thai Food as recommended by staff. Jill Amery seconded the motion. Motion carried unanimously.

- Loan amount: \$20,000.00
- Interest Rate: 11%
- Loan Term: 36 months
- Collateral and Conditions: As listed in staff report

LOAN MODIFICATION ACTION: 15 Mile Ventures, LLC

Jill Amery moved to approve a loan modification request on the monthly payments terms for 15 Mile Ventures, LLC as recommended by staff. Craig Bowder seconded the motion. Motion passed unanimously.

RLF POLICY REVIEW

Amanda Hoey stated that the Revolving Loan Fund policy was last updated in 2018. It was also reviewed in 2019. At the last board meeting, the board requested staff to analyze loans that had been approved but did not move forward into closing and if the reasons would necessitate a closer review of policy change considerations. Staff reviewed the history from 2010 to present, and in that time there were only two approvals that did not move forward. Neither would necessitate a policy revision. Amanda indicated it was open for discussion if there was interest in addressing any of the other policies.

Discussion: John Kasberger asked if everyone had an opportunity to review the policies. Board members indicated they had reviewed policies. Amanda Hoey said she felt there was sufficient detail but enough latitude to make decisions recognizing that all businesses

are not the same. Jill Amery reviewed the status of delinquencies. Amanda said there are fewer delinquencies than prior as staff are reaching out to clients and identifying and addressing problems. John Kasberger brought up the question around the loan committee which is provided for in policies but currently not a utilized mechanism. Amanda stated that the committee was disbanded as it required duplicate administrative work and the board was still engaged in lengthy conversation on loan proposals so it was not more efficient for the board operations. Craig Bowder said there are not enough loans to look at in committee. John Kasberger said the provision is in there to have a committee that does the work and noted this may become more important after Amanda leaves. There was some discussion on the basis for the interest rate through the WSJ Prime plus a margin. John Kasberger noted that the WSJ prime changed three times last year. He noted we are engaged in long term financing but basing rates on a short term index – and said it might be better for our clients if it is based on long term factors. Amanda stated agreement. John inquired about if there was reason to look at a reduced rate. Amanda noted that the programs are not intended to undercut commercial financing and we have aligned it with our other financing programs. Jill Amery said she would expect to pay more if she had been turned down by a traditional lender and the OIB rates should reflect the increased risk we are incurring. John Kasberger asked if there was a need to change where we are at right now. Jill Amery indicated she felt there was enough latitude and range. Craig Bowder indicated he agreed. Doug Roof asked for clarification on what was changed the last time policies were adjusted. Amanda Hoey said primarily pieces around the pilot program. Doug Roof indicated he was fine with where we are right now. Craig Bowder asked Israel if there requirements that seem limiting for clients or that he finds hard to explain. Israel said life insurance, while it protects our funds, is difficult for some clients to understand. Amanda said this one is a common waiver – there is language around this one that allows for leeway. John Kasberger summarized that he felt the Board has done its due diligence.

NSA ECONOMIC DEVELOPMENT FUNDS

Amanda Hoey reviewed the status of USDA agricultural appropriations, which includes additional dollars in the Rural Business Development Grant account. She noted this is a mechanism for MCEDD to potentially pursue application for additional loan funds to support the NSA geography.

CRGC MANAGEMENT PLAN UPDATE

Amanda Hoey reviewed the economic development chapter edits and said the goal is to align the work we are doing and continue to balance the two purposes of the act.

OTHER NEW BUSINESS, GOOD OF THE ORDER

Amanda indicated this was her last meeting and said she has enjoyed her work with the board. She said the MCEDD Executive Committee appointed Jessica Metta as the interim Executive Director effective March 1, 2020. She said the Executive Committee has recommended Jessica for the permanent role as well, but that is contingent on board decision. The MCEDD full board meets March 12, 2020. Amanda also addressed that there is one OIB board vacancy representing Multnomah County. She noted there was a back log in appointments which made it so the majority of our positions are up for reappointment at the same time so a delay in this

appointment will help even out the schedule of board turnover. Craig Bowder provided an update to the board on his new position as a mortgage lender with Key Bank.

ADJOURNMENT: The meeting was adjourned at 11:38 a.m.

Respectfully submitted by Ami Trosley, Administrative Assistant