

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

*******Tuesday, June 9, 2020*******

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

Remote Only

Call 541-296-2266 or email ami@mcedd.org for remote access

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Conflict of Interest Disclosures, Introductions	5 minutes	Information
May 12, 2020 Minutes	5 minutes	Approval
May 27, 2020 Minutes		
Financial Report	5 minutes	Acceptance
Loan Restructure Request <i>Brigham Fish Products</i>	10 minutes	Decision
Loan Consolidation Request <i>Defiance Brewing Company, Inc.</i>	10 minutes	Decision
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Funded Loans Report and Updates	10 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
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, May 12, 2020
Remote Only – Zoom Meeting

ATTENDANCE

OIB Members: Jorge Barragan, Doug Roof, John Kasberger, Craig Bowder

Staff: Jessica Metta (Executive Director), Siri Olson (Finance & Operations Manager), Israel Ayala Guevara (Loan Fund Manager), Ami Trosley (Administrative Assistant)

Guests: Michael Held (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 any board member disclose any conflict of interest for any of the topics to be reviewed. None were noted.

MINUTES

Jorge Barragan moved to approve the minutes from April 14, 2020, as presented. Craig Bowder seconded the motion. Motion carried unanimously.

FINANCIAL REPORT

Siri Olson presented the financial report through the end of March. She noted that the balance sheet accrued interest is lower and that is because there is some interest we are not recognizing because of a loan client in bankruptcy. She indicated the board will continue to see accrued interest quite a bit lower over time due to the current deferrals. She said the Pilot Loan balance is at \$350,000. Accounts Payable is at \$25,697.51 and Loans Receivable is at \$1,637,982.72. The amount available to loan is \$968,867.61. Siri noted that the CGCC incubator project amount is encumbered and the encumbered Pilot Loan Program amount is for Monk's Table.

Discussion: Doug Roof referenced the -\$6,000 on the profit and loss and asked if that is likely to continue. Siri noted this amount reflects the current month and not a year-to-date amount. Doug asked if we are likely to continue in a deficit position due to the current deferrals. Siri clarified that the interest is mainly what pays for expenses, such as MCEDD staffing or legal fees that are not able to be passed through to loan clients. She said we use an accrual based accounting system. She noted March financials do not reflect deferrals and that one of the things to keep in mind moving forward is that MCEDD will be watching interest accrual because it pays for MCEDD services and if that interest has not accrued for OIB to pay for services, the contract payment to MCEDD will reflect that. This is written into the contract with State. She mentioned the trial balance is quite a bit larger than what you usually see because this one shows the terms of each loan client so you can see the terms and see if modification request is actually going to help them or not. John Kasberger thanked Siri for including this data.

Doug Roof moved to accept financials as presented. Jorge Barragan seconded. The motion passed unanimously.

FUNDED LOANS REPORT AND UPDATES

Israel Ayala Guevara noted discussion would focus on review of funded loans to Root and Cane Vineyard Services, LLC and Mt. Hood Podiatry, PC. Jessica noted we also have an update on Sage Creek.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:16 a.m.

Regular session reconvened at 10:32 a.m.

Discussion: Jorge Barragan had a question about Mount Hood Podiatry that necessitated returning to Executive Session.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:35 a.m.

Regular session reconvened at 10:41 a.m. There were no loan actions taken.

LOAN DEFERRAL PROCESS UPDATES

Israel Ayala Guevara reviewed changes to the loan deferral process, to now include capitalizing interest. He said we will capitalize interest, which will support staff with client management system. He indicated discussion with John Kasberger on this matter and the impact of the initial proposal on loan clients. He noted the historical process of capitalizing interest.

Discussion: Doug asked if this will take place on a case by case basis. Israel said yes, and then noted this would be the standard moving forward. Doug asked for clarification that this will be automatic from here on out unless we make an exception. Craig asked how many loans we have in this situation. Israel said he would have to review to determine. Siri said 5 currently, with more in process. Jessica added that between MCEDD and OIB it is around 40. Craig said doing so is right for the client but it is going to start impacting accrued interest and MCEDD is not going to get the full fee from OIB for servicing the loans. John Kasberger said he thinks the accrual is going to keep up, as we are still accruing on all the other loans. It will be an accounting issue. Jorge asked if we are doing interest only by request or if this is a blanket application. Israel said it is by request.

CGCC KITCHEN INCUBATOR GRANT EXTENSION REQUEST

Jessica Metta reviewed a grant extension request from CGCC for their Kitchen Incubator Project. She indicated there had been some changes to staffing at the college that required some adjustments in timelines to the project. She noted there were supporting documents attached to the request, including an updated equipment list. She said they do still want to move forward.

Discussion: Jorge asked if CGCC is purchasing equipment now. Jessica said she was not sure.

Jorge noted that in a year prices may be 5 to 10 percent higher. Doug asked if the delay has been due to staffing or other issues. Jessica noted that she has not been involved in the conversations, but said there have been a significant number of staffing changes. John Kasberger noted that right now there is a need for workforce training and asked if the OIB has the funding available to support a program that benefits work force training and if there are other grant applications that would compete for these funds. Jessica said she is not aware of any at this time.

Craig Bowder motioned to approve the grant extension as requested. Doug Roof seconded. Motion passed unanimously.

SELF-ASSESSMENT

Jessica recapped that the self-assessment had been brought to the Board in March and said there was some good discussion but at that point we did not have a full attendance so there was a request to bring it back to the board to discuss when those members were present.

Discussion: John Kasberger said he is very happy with the diversity of board members and with their participation. He said he is enjoying the OIB staff engagement, the quality of the work and the willingness to do the deep work. He noted that agenda items for the most part have been appropriate and timely. He said the minutes are very good and attendance is good. He asked Jessica if she is reviewed by OIB or MCEDD. Jessica said she is reviewed by the MCEDD board. John asked if the board reviews the annual audit, and Siri confirmed that the board is presented with copies of the audit for review. John asked if any board members wish to have more information from the audit or other financials. Doug added that he brought this up because he felt the assessment was impressive and wanted to know if it was done. Doug said he completed the assessment after two meetings and his assessment was that he felt the board performed very well and fluidly. Doug asked how far out of the way we went to welcome people to be a part of our meetings and indicated that his sense was that we were doing what was appropriate. Doug requested access to the meeting minutes prior to the meeting for review. Ami noted we could share them as soon as they are finished.

OTHER BUSINESS, GOOD OF THE ORDER

John said he wanted to commend OIB on getting the emergency loan program together and being more responsive and quick with putting this together than with many other institutions and organizations.

Jessica provided the OIB with a summary of the Oregon Community Foundation Business Stabilization Fund. She noted that MCEDD was awarded \$50,000 to support our loan program. She said that we could use it to cover our losses or we could use those funds to apply additional relief to loan clients by paying loan clients' first month of interest-only payments. Jessica said the question for the board is if the money is just for MCEDD or is it also for OIB clients. She said it seems fair to use the funds for both programs.

Discussion: Doug asked if this would involve some differentiation or if it would be across the board. Jessica said it could be deferrals request only or across the board. Jorge asked if we have to spend the money right away. Jessica said no, and noted MCEDD could decide to reserve funds for other use. Jorge said it is better to hold on to the money. Craig said he agrees with

Jorge that we are probably going to need the money in the future and asked if the grant intent is to help protect us or our loan customers. He said if we reserve the funds we are still protecting clients because it gives us some liquid ability. If given to clients, Jorge indicated he would side toward giving it to everyone who is in good standing rather than just those who are in deferral. He said these are clients who are all probably in need of help because they have been declined by a bank and he would want to spread the wealth to everyone. Doug said he wants to make sure we have funds set aside to loan that are ours that are only for use for loans. He noted that if we put it in the bank it can work to benefit our clients in the future rather than spreading it very thinly across all the clients. Siri clarified that OIB funds can be used for operating expenses and legal fees as it relates to loans but we do try to hold onto them for lending purposes. John mentioned that Doug brought up the income statement earlier in the meeting with a negative amount and asked if that amount was sustainable. John said the profit and loss tells him we need to have liquidity that could service this loss. He said holding it within the general fund is appropriate. John also noted that if we do use it later for clients we should make it equitable for all. Craig asked what the MCEDD board decided to do with it. Jessica noted we haven't talked to them about it in the same way and indicated they were interested in knowing what OIB wanted to do with it.

ADJOURNMENT: The meeting was adjourned at 11:16 a.m.

Respectfully submitted by Ami Trosley, Administrative Assistant

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

Wednesday, May 27, 2020
Remote Only – Zoom Meeting

ATTENDANCE

OIB Members: Jorge Barragan, Doug Roof, John Kasberger, Craig Bowder

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

Guest: Victor VanKoten (VanKoten & Cleaveland, LLC)

CALL TO ORDER

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

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

John Kasberger requested any board member disclose any conflict of interest for any of the topics to be reviewed. None were noted.

LOAN UPDATES

Jessica reviewed that updated information has become available regarding Sage Creek. She recapped that an offer had been made and there had been additional communication with Sage Creek to discuss with the board.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:06 a.m.

Regular session reconvened at 10:17 a.m.

LOAN ACTION

Jorge Barragan motioned to accept the offer of \$61,185.00 on or before June 10th in the form of verified funds and that Vic still has the authority to accept the funds if they arrive on June 11th. Craig Bowder seconded. Motion passed unanimously.

GOOD OF THE ORDER

John Kasberger thanked the board for gathering for discussion on this matter. Next scheduled meeting is June 9th.

ADJOURNMENT: The meeting was adjourned at 10:18 a.m.

Respectfully submitted by Ami Trosley, Administrative Assistant