

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

*******Tuesday, November 24, 2020*******

****** 11:00 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
Minutes <i>October 13, 2020</i>	5 minutes	Approval
Financial Report <i>September and October 2020</i>	10 minutes	Acceptance
Loan Modification Requests: <i>Farmers Conservation Alliance</i>	10 minutes	Decision
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Decision
Funded Loans Report and Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Collateral Valuation Review	10 minutes	Information
Videography Project Update	5 minutes	Information
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, October 13, 2020
Remote Only – Zoom Meeting

ATTENDANCE

OIB Members: Jorge Barragan, Doug Roof, John Kasberger, Jill Amery, Tammy Miller
Staff: Jessica Metta (Executive Director), Dana Woods (Finance & Operations Manager), Ami Beaver (Administrative Assistant)

CALL TO ORDER

Jill Amery called the meeting to order at 10:01 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

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

SEPTEMBER MINUTES

Doug noted that while he was not at the last meeting, he noticed in the minutes that Craig asked about the balance sheet. He asked if the financial reports reviewed at the last meeting were the same as the ones included in the current packet. He noted the balance for doubtful loans on the August report but did not see it on the July report.

Dana said we will be reviewing financial reports for August and said the balance we are talking about should be a negative number. She noted it was an adjustment that had to be made for the write off that happened, as the amount reserved for doubtful loans was not enough to cover it. She noted that in September the board increased the amount to 10% which will be reflected in next month's financials. Doug asked if these were the same financials, and Dana clarified that the July amount was negative but should have been positive.

Jill noted that she understood Doug's question and wanted to make sure to clarify that we have captured his question accurately. Jessica shared the balance sheet for July and noted the question does not make sense in the context of the minutes captured. Jorge recalled we had paid a delinquent loan which would mean it shows as a negative as there was not enough to cover the amount.

Dana said she was able to confirm that we just need to make an adjustment which means it would show as a negative on the balance sheet. She said likely there was some verbiage confusion when it was discussed.

Jessica said she thinks the memo may be what he was referring to as the memo shows it as a negative. She said while it is confusing, ultimately the balance was -20,000 because we had taken too much out of that fund.

Doug requested that in future months staff include the date of the financials being referred to.

John Kasberger joined the meeting at 10:10 a.m.

Tammy Miller moved to approve the minutes from September 2020, recognizing that Craig's comments from the end of the minutes were about the memo regarding doubtful loans. Craig Bowder seconded the motion. John Kasberger abstained; all else voted aye. Motion carried.

AUGUST FINANCIAL REPORTS

Dana noted the board was looking at August financials. She noted the cash balance is down slightly from last month. Dana said the allowance for doubtful loans was adjusted to accommodate the shortfall of the write off.

Doug motioned to accept the financial reports for August as submitted. Tammy Miller seconded the motion. The motion passed unanimously.

LOAN MODIFICATION REQUESTS

Jessica noted that Israel prepared the reports in the board packet and that discussion would focus on Thirsty Cafe, Brigham Fish and Lauren Justice as well as some updates on funded loans.

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 10:46 a.m.

LOAN ACTIONS

John Kasberger motioned to approve the collateral release request for Lauren Justice, PhD as recommended by staff. Tammy Miller seconded. Motion passed unanimously.

Regarding Thirsty Cafe, Craig noted direction to staff (no action) to request additional documentation as well as inquire if there were additional legal components to pursue other options for dissolution of the business. He noted action on the request from Thirsty Cafe would be tabled until we have the full picture and updated financials on who would be remaining.

John Kasberger motioned to approve the removal of the requirement of a life insurance policy for Katherine Brigham due to a discussion on collateral values being corrected. Jorge Barragan seconded the motion. Motion passed unanimously.

OTHER NEW BUSINESS

Ami provided an update on the videography project, noting that she had been working with Robbie at Immense Imagery to schedule filming over the coming weeks. She said the bulk of filming would take place the last week of October.

Jessica provided an update on the open board seat in Multnomah county. She said we have two candidates, one of them thanks to Tammy. She noted that getting them appointed involves discussion with the Governor's office and right now there is focus on diversifying all of the

boards and committees. She said both candidates have a Nov. 1 deadline to apply but we are also doing more outreach to see if we can get a more diverse candidate pool. She said she thinks both current candidates would be great additions to the board. Jill thanked Jessica for the great news and asked if it was possible to have someone new on board by the 1st of the year? Jessica said this was a possibility.

The meeting was adjourned at 10:52 a.m.

OIB FINANCIAL SUMMARY

REPORT PERIOD: September 2020

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/20	1,357,731		-
Less Payables	(1,314)		-
Plus Accounts Receivable	11,612		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)			-
ADJUSTED CASH BALANCE 06/30/20	1,368,029	-	-
INCOME			
Interest	24,801	12,814	11,987
Loan Processing & Fees	1,097	229	868
Loan Late Fees	0	-	0
Other Revenue	-	-	-
Invested Interest	182	122	60
TOTAL INCOME	26,081	13,165	12,916
PRINCIPAL REPAYMENTS	80,709	72,856	7,853
REVENUE BEFORE DISBURSEMENTS	106,790	86,021	20,769
EXPENSES AND PAYMENTS			
Grants Disbursed FY20	-	-	-
Loans Disbursed	-	-	-
Converted to Principal	-	-	-
Bank Service Charges	25	16	9
Professional Services	26,792	18,588	8,204
TOTAL EXPENSES AND PAYMENTS	26,817	18,604	8,213
ADJUSTED CASH BALANCE	1,448,002	67,417	12,556
LESS:			
Approved Grants not Disbursed	-		
Encumbered Pilot Program Funds	(280,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	10,036 *		
AVAILABLE TO GRANT/LOAN	1,178,037		
LOANS RECEIVABLE BALANCE	1,481,495 ^		
PROOF:			
Cash Balance After Reconciliations - September 30, 2020	1,446,178 ^		
Less Payables	(8,212)		
Plus Interest Receivable	10,036		
ADJUSTED CASH BALANCE	1,448,002		

**Mid-Columbia Economic Development District
Balance Sheet - OIB**

September 30, 2020

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1,446,178.42

Total 1000 · Bank Demand Deposits

1,446,178.42

Total Checking/Savings

1,446,178.42

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

10,035.57

Total 1200 · Receivables & Accruals

10,035.57

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,473,642.87

Total 1300 · Loans Receivable

1,473,642.87

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-148,149.53

Total 1500 · Allowance for Doubtful Loans

-148,149.53

Total Other Current Assets

1,335,528.91

Total Current Assets

2,781,707.33

TOTAL ASSETS

2,781,707.33

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

8,212.37

Total Accounts Payable

8,212.37

Total Current Liabilities

8,212.37

Total Liabilities

8,212.37

Equity

3100 · Fund Balances

2,560,916.75

Pilot Program Fund Balance

280,000.00

Net Income

-67,421.79

Total Equity

2,773,494.96

TOTAL LIABILITIES & EQUITY

2,781,707.33

0.00

Mid-Columbia Economic Development District

Profit & Loss - OIB E975

September 2020

	<u>Sep 20</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	11,987.07
4700 · Loan Processing Fees	867.99
4710 · Loan Late Fee	0.00
4750 · Investment Interest	60.39
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Total Income	12,915.45
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Gross Profit	12,915.45
Expense	
6400 · Professional Services	
6410 · Legal Services	180.00
6450 · Contractual	7,994.17
6470 · Filing Fees	30.00
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Total 6400 · Professional Services	8,204.17
6900 · Other Materials & Supplies	
6931 · ACH Collection Fees	8.20
	<hr/>
Total 6900 · Other Materials & Supplies	8.20
	<hr/>
Total Expense	8,212.37
	<hr/>
Net Ordinary Income	4,703.08
Other Income/Expense	
Other Expense	
7010 · Bad Debt Expense	66,685.68
	<hr/>
Total Other Expense	66,685.68
	<hr/>
Net Other Income	-66,685.68
	<hr/>
Net Income	-61,982.60
	<hr/> <hr/>

OIB FINANCIAL SUMMARY
REPORT PERIOD: October 2020

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/20	1,357,731		-
Less Payables	(1,314)		-
Plus Accounts Receivable	11,612		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)			-
ADJUSTED CASH BALANCE 06/30/20	1,368,029	-	-
INCOME			
Interest	30,212	24,801	5,411
Loan Processing & Fees	1,815	1,097	718
Loan Late Fees	135	-	135
Other Revenue	-	-	-
Invested Interest	240	182	58
TOTAL INCOME	32,402	26,080	6,322
PRINCIPAL REPAYMENTS	92,538	80,709	11,829
REVENUE BEFORE DISBURSEMENTS	124,941	106,789	18,152
EXPENSES AND PAYMENTS			
Grants Disbursed FY20	-	-	-
Loans Disbursed	-	-	-
Converted to Principal	-	-	-
Bank Service Charges	33	25	8
Professional Services	36,204	26,792	9,412
TOTAL EXPENSES AND PAYMENTS	36,237	26,817	9,420
ADJUSTED CASH BALANCE	1,456,732	79,972	8,731
LESS:			
Approved Grants not Disbursed	-		
Encumbered Pilot Program Funds	(280,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	8,086 *		
AVAILABLE TO GRANT/LOAN	1,184,818		
LOANS RECEIVABLE BALANCE	1,461,813 ^		
PROOF:			
Cash Balance After Reconciliations - October 31, 2020	1,458,067 ^		
Less Payables	(9,420)		
Plus Interest Receivable	8,086		
ADJUSTED CASH BALANCE	1,456,732		

**Mid-Columbia Economic Development District
Balance Sheet - OIB**

October 31, 2020

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1,458,066.87

Total 1000 · Bank Demand Deposits

1,458,066.87

Total Checking/Savings

1,458,066.87

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

8,085.81

Total 1200 · Receivables & Accruals

8,085.81

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,461,813.15

Total 1300 · Loans Receivable

1,461,813.15

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-148,149.53

Total 1500 · Allowance for Doubtful Loans

-148,149.53

Total Other Current Assets

1,321,749.43

Total Current Assets

2,779,816.30

TOTAL ASSETS

2,779,816.30

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

9,420.37

Total Accounts Payable

9,420.37

Total Current Liabilities

9,420.37

Total Liabilities

9,420.37

Equity

3100 · Fund Balances

2,560,916.75

Pilot Program Fund Balance

280,000.00

Net Income

-70,520.82

Total Equity

2,770,395.93

TOTAL LIABILITIES & EQUITY

2,779,816.30

0.00

Mid-Columbia Economic Development District

Profit & Loss - OIB E975

October 2020

	<u>Oct 20</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	5,411.10
4700 · Loan Processing Fees	718.34
4710 · Loan Late Fee	134.61
4750 · Investment Interest	57.29
	<u>6,321.34</u>
Total Income	6,321.34
Gross Profit	6,321.34
Expense	
6400 · Professional Services	
6410 · Legal Services	699.52
6450 · Contractual	7,994.17
6470 · Filing Fees	718.34
	<u>9,412.03</u>
Total 6400 · Professional Services	9,412.03
6900 · Other Materials & Supplies	
6931 · ACH Collection Fees	8.34
	<u>8.34</u>
Total 6900 · Other Materials & Supplies	8.34
Total Expense	9,420.37
Net Ordinary Income	-3,099.03
Net Income	<u><u>-3,099.03</u></u>

Memorandum

Date: November 18, 2020
To: Oregon Investment Board
From: Ami Beaver, OIB Staff
Re: Videography Updates

Videography Project Overview:

Immense Imagery has completed filming four client interviews and one board member interview. Filming has taken place at Dog River Pets in Hood River, Terra Cotta Boutique in The Dalles, and Brigham Fish Market and The Renewal Workshop in Cascade Locks. Robbie reports we have some excellent footage to work with, including a visit to the fishing platform at Brigham, meeting wonderful people at Renewal Workshop, and dog food sampling with seriously cute puppies at Dog River.

Next steps include incorporating some B roll to represent some of the business types we may not have captured, as well as scenic Gorge shots you would expect to see in a video project from a National Scenic Area.

Action:

Robbie is agreeable to more filming if the board has any suggestions of additional opportunities for content.

Memorandum

Date: November 18, 2020
To: Oregon Investment Board
From: Israel Ayala Guevara, OIB Staff
Re: Collateral Valuation Review

Overview

Recently OIB requested that staff provide a breakdown on how collateral is valued. Please refer to the example below.

Collateral available to secure this proposed loan is:

1. 1st position Trust Deed on **MCEDD estimated collateral value: \$;** based on 75% of the X County's Real Market Value (RMV) of \$XXX
2. 1st position UCC filing on business assets of (client). **MCEDD estimated collateral value: \$XX;** based on 25% of applicant provided value of \$XXX
3. XXX Vehicle; VIN #: **MCEDD estimated collateral value: \$;** based on 75% of NADA Guides Low Retail Value of \$XXXX.
4. XXX Vehicle; VIN #: **MCEDD estimated collateral value: \$;** NADA Guides Average Trade-in Value of \$XXXX.

Staff will go into further discussion with examples of each one. If there is a joint project where MCEDD and OIB share security and the loan goes to legal action, the security will be pursued by both MCEDD and OIB. Any proceeds from a judgment will be split by both entities based on the loan balance of each account as a percentage due.