

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

*******Wednesday, September 22, 2021*******

****** 3:00 P.M. ******

Remote Only Via Zoom:

<https://us06web.zoom.us/j/84986072333?pwd=NVVkaWIKeHZJSml2bXN6V3Z5cINxUT09>

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

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Introductions	5 minutes	Information
Minutes <i>August 11, 2021</i>	5 minutes	Approval
Financials	5 minutes	Approval
Loan Request <i>Heights Taproom, LLC</i>	30 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Action	5 minutes	Approval
Funded Loan Updates	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Microlending and Disaster Lending Terms	10 minutes	Approval
Envirovillage Grant Extension	10 minutes	Approval
Board Officers	10 minutes	Approval
Other New Business, Good of the Order		
Adjourn		

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, August 11, 2021
via Zoom

ATTENDANCE

OIB Members: Doug Roof, Gil Kelley, Craig Bowder, Jorge Barragan

Staff: Jessica Metta (Executive Director), Israel Ayala Guevara (Loan Fund Manager), Ami Beaver (Assistant Project Manager), Jill Brandt (Administrative Assistant)

Guests: Rodger Nichols (Gorge Commission- attending via zoom), Michael Held (Business Oregon), John Metta and Kristyn Fix for Heights Taproom LLC.

CALL TO ORDER/ INTRODUCTIONS

Jorge Barragan called the meeting to order at 10:02 am. A quorum was present.

MINUTES

Gil Kelley motioned to approve the minutes from the July 14, 2021 meeting. Craig Bowder seconded the motion. All voted in favor, and the motion passed.

FINANCIALS

Doug Roof inquired if the OIB has any restrictions with regards to investing the loan fund money, noting that it is currently in a regular checking account that does not gain interest. Dana Woods replied that she was not aware of any restrictions. Dana reported the changes in the financials this month were due to payments that were reapplied in Portfol that changed amounts posted to interest. Dana also pointed out the report's negative interest amount for June, explaining that this number was created by the Fiscal Year ending journal entry. This entry trues up projected accrued interest to the actual accrued interest. Dana added that for the previous year this entry was done in October. Dana then noted that there was one write-off in June for an uncollected loan, in the amount of \$20,534. Gil Kelley then asked for clarification of what qualifies as a doubtful loan, noting this entry was listed at \$120,000 on the report. Dana explained that the Board had set an arbitrary allowance amount at 10% of the total amount projected for Loans Receivable and that the number was not based on any specific client. Dana then explained that most of MCEDD's other loans are set at a 6% projected loss, and that the OIB had decided to increase up to 10% to provide a cushion for COVID's impact. Jorge Barragan added his recollection of the decision made to increase this amount because of the high possibility that more than one or two loans could go into default because of the pandemic. Dana concluded that this amount is scheduled to be adjusted once per year, next month.

Doug Roof motioned to accept the financials as reported. Gil Kelley seconded the motion. All voted in favor, and the motion passed.

LOAN REQUEST: HEIGHTS TAPROOM, LLC

John Metta gave the Board some background on the evolution of the Heights Taproom, LLC. Previously known as Twelve Ciders, LLC, and DBA both Slopeswell and Working Hands Fermentation – the company has been in business since 2015. The business is located in the Heights of Hood River.

EXECUTIVE SESSION

Executive Session entered per ORS 192.660 (f) (Exempt Documents) at 10:13 am. Jessica Metta recused herself out of the Executive Session in acknowledgement of her conflict of interest with Heights Taproom, LLC.

Return to regular session at 11:09 am.

LOAN ACTIONS

Jorge Barragan said the Board has decided to table this request. Israel has been given a list of requirements needing completion to finish the proposal. At that time, the client can bring the proposal back to the Board for approval.

PILOT PROGRAM DISCUSSION

Jessica introduced this topic with a recounting of last month's meeting, when the loan proposal being considered revealed that there was some confusion about the Pilot Program's intent and purpose for disaster relief or microloan lending. Looking at the history, the Pilot Program was created in 2017 as microlending program. It was approved in August of 2017, and then the Eagle Creek fire occurred. In September, disaster relief was authorized. Both of these happening right on top of each other is the source of confusion. Jessica explained that the terms of pilot program are on the flyer that is included in today's packet. She then recounted the Disaster Relief lending that the OIB has approved first for the Eagle Creek fire, and again in March 2020 for COVID-19. The Board used the Eagle Creek Relief Program as its model for the COVID-19 Relief Program. Jessica stated that it was staff's recommendation to separate these two activities by clearly creating both a microlending program and a relief program. She also recommended to stop using term pilot program altogether.

Discussion: Gil asked about the specifics of the Microlending Program. Jessica explained that the current cap for a loan under this program is \$40,000 with a maximum 3-year term. She added that the Board can change these terms. Israel added that this was designed to be a gap, short term lending that the Board will assess at year 2 and check in with the client for their plan to refinance the balloon with a traditional bank, using their payment history with the OIB loan to show credit worthiness to traditional banks and qualify. The Board discussed the names of the two programs, with consensus to call them Microloan Lending Program and Emergency Relief Loan Program. Jessica will bring back cleaned-up program guidelines for the Board to approve next month.

Israel Ayala requested a return to Executive session to give the Board a Funded Loans Update on Romul's West.

EXECUTIVE SESSION

Executive Session entered per ORS 192.660 (f) (Exempt Documents) at 11:22 am.

Regular session resumed at 11:24 am.

STAFF UPDATES/ GOOD OF THE ORDER

Jessica asked the Board to look over the annual report for the OIB that was included in the packet. She will submit it to the state per annual requirements as presented unless the Board had any edits. Jessica

also updated the Board on action taken to fill Tammy Miller's seat, stating that the announcement is being advertised in Multnomah County, and no applicants so far.

ADJOURN

The meeting was adjourned at 11:26 am.

Respectfully submitted by Jill Brandt, Administrative Assistant

OIB FINANCIAL SUMMARY
REPORT PERIOD: August 2021

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/21	1,563,931		-
Less Payables	-		-
Plus Accounts Receivable	2,188		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)			-
ADJUSTED CASH BALANCE 06/30/20	1,566,119	-	-
INCOME			
Interest	15,582	7,949	7,633
Loan Processing & Fees	618	308	310
Loan Late Fees	-	-	-
Other Revenue			-
Invested Interest	82	40	42
TOTAL INCOME	16,282	8,297	7,984
PRINCIPAL REPAYMENTS	96,321	37,665	58,656
REVENUE BEFORE DISBURSEMENTS	112,602	45,962	66,640
EXPENSES AND PAYMENTS			
Grants Disbursed FY22	-	-	-
Loans Disbursed	15,000	-	15,000
Converted to Principal		-	-
Bank Service Charges	24	8	16
Professional Services	16,342	8,114	8,228
TOTAL EXPENSES AND PAYMENTS	31,367	8,122	23,245
ADJUSTED CASH BALANCE	1,647,355	37,840	43,396
LESS:			
Approved Grants not Disbursed	-		
Encumbered Pilot Program Funds	(280,000)		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	(3,699) *		
AVAILABLE TO GRANT/LOAN	1,363,655		
LOANS RECEIVABLE BALANCE	1,337,440 ^		
PROOF:			
Cash Balance After Reconciliations - August 31, 2021	1,643,655 ^		
Less Payables	-		
Plus Interest Receivable	3,699		
ADJUSTED CASH BALANCE	1,647,354		

Mid-Columbia Economic Development District Balance Sheet - OIB

August 31, 2021

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1,643,655.16

Total 1000 · Bank Demand Deposits

1,643,655.16

Total Checking/Savings

1,643,655.16

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

3,699.18

Total 1200 · Receivables & Accruals

3,699.18

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,254,609.06

Total 1300 · Loans Receivable

1,254,609.06

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-133,593.00

Total 1500 · Allowance for Doubtful Loans

-133,593.00

Total Other Current Assets

1,124,715.24

Total Current Assets

2,768,370.40

TOTAL ASSETS

2,768,370.40

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

0.00

Total Accounts Payable

0.00

Total Current Liabilities

0.00

Total Liabilities

0.00

Equity

3100 · Fund Balances

2,494,433.11

Pilot Program Fund Balance

280,000.00

Net Income

-6,062.71

Total Equity

2,768,370.40

TOTAL LIABILITIES & EQUITY

2,768,370.40

Mid-Columbia Economic Development District
Profit & Loss - E975
August 2021

	<u>Aug 21</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	7,633.07
4700 · Loan Processing Fees	262.78
4705 · Loan Filing Fees	47.02
4710 · Loan Late Fee	0.00
4750 · Investment Interest	41.50
	<hr/>
Total Income	7,984.37
Gross Profit	7,984.37
Expense	
6400 · Professional Services	
6410 · Legal Services	180.00
6450 · Contractual	7,994.17
6470 · Filing Fees	54.12
	<hr/>
Total 6400 · Professional Services	8,228.29
6900 · Other Materials & Supplies	
6931 · ACH Collection Fees	16.12
	<hr/>
Total 6900 · Other Materials & Supplies	16.12
Total Expense	8,244.41
Net Ordinary Income	-260.04
Net Income	<hr/> <hr/> -260.04

Memorandum

To: Oregon Investment Board
From: Jessica Metta, MCEDD Staff
Date: September 16, 2021
Re: Microlending and Disaster Lending Programs

As requested at the August Oregon Investment Board meeting, this memo clearly outlines the terms for separate Microlending and Disaster Lending programs with the OIB.

Microlending

- Maximum Loan Amount: \$40,000
- Eligible Applicant Types: Entrepreneurs, new business start-ups, expanding businesses, existing businesses for debt refinancing, and most legal business ventures.
- Term: Three-year loan term
- Interest Rate: Dependent on risk criteria, generally 8-12% with performance incentives to lower the interest rate during the loan term.
- Collateral: Personal guarantee required. A token piece of collateral is required but not full collateralization.
- Flexibility in Loan Requirements: Minimum 5% applicant funds, with up to 95% OIB loan.
- Minimal Documentation: Simple application, credit report, references and minimal supporting documentation, such as tax returns and financial statements.
- Minimal Insurance Requirements: Basic insurance on collateral and business required.

Disaster Lending Terms

Eagle Creek Fire and COVID-19 disaster lending had slight differences in terms. Staff is suggesting retaining the Eagle Creek Fire terms:

- Term of 3 years, fully amortized, with the first year of payments being interest only and years two and three including principal and interest payments; and
- Amount of loan will not exceed two (2) months of operating expenses or \$40,000, whichever is smaller; and
- Interest rate will be set at 4% for the first 12 months of the loan, followed by an interest rate at 3.50 over WSJ prime for the remainder of the loan term; and
- Collateral: A personal guarantee for individuals with 20% or more ownership in the business is required. A blanket UCC filing on the business will be required. No additional collateral will be required, but may be provided voluntarily; and
- The business must demonstrate that it had the capacity to service the debt prior to the emergency with adequate demonstration of cash flow in the business; and
- Financials will be required; to include a credit report and the standard financials request for both business (P/L, Balance Sheet, tax returns) and personal (tax returns, financial statements)
- Businesses must demonstrate at least a 20% reduction in revenue as a result of the disaster as shown by:
 - Existing business: A comparison of the current quarter financials to the same time period a year prior.

- New businesses (in business less than a year): Comparison of the current month financials to the prior month.

Recommendation

Approve the programs as presented. Staff will incorporate changes into the OIB's Revolving Loan Fund plan.

Memorandum

To: Oregon Investment Board
From: Ami Beaver, MCEDD Staff
Date: September 16, 2021
Re: Envirovillage- Cascade Locks Program

Request

Approve grant extension for Envirovillage to June 30, 2022.

Background

In June 2021, Oregon Investment Board (OIB) approved a \$10,020 grant to Envirovillage to purchase water sports equipment to help start an outdoor recreation program in Cascade Locks. Requested grant funds were meant to purchase kayaks, paddle boards, flotation devices and a storage trailer for use at their summer camp, for community paddle events and for tours, lessons and rentals to raise money to purchase additional equipment and help fund year-round recreation activities. The program anticipated allowing the community to use the equipment for free to provide access to water sports in a more equitable way, while charging tourists to rent the equipment to sustain the program.

The grant was intended to fund the following activities over the 2021 summer/fall, with funds to be spent and project completed by September 1, 2021:

- 4 weeks of Envirovillage summer camp for youth in grades K-12
- Monthly community paddle events July-October
- 8 weeks of paddle lessons
- Kayak and SUP rental, for youth and families ready to paddle on their own

Envirovillage delivered four weeks of summer camp programming for 26 youth in Cascade Locks this summer. They were unable to meet their additional programmatic goals due to receiving funds later than anticipated and COVID-19 related equipment shortages. Available equipment was quickly depleted at the beginning of the season, therefore they were unable to purchase the type of watercraft they needed to run their community paddle events and allow them to launch their rental season. Additionally, there were delays in permitting that prevented them from having a location to keep a storage trailer for the duration of their programming.

Executive Director Kirstin Walter has reported the development of a relationship with Next Adventure, a Portland-based outdoor equipment outpost. Next Adventure has indicated they will be able to fulfill the equipment order in Spring 2022 if it is pre-ordered now. Envirovillage has requested the following amendments and updates to their grant contract:

Project Costs

- Funds spent for 2021 season: \$4322.82

Remaining Funds to Spend

- Boat Trailer/Equipment Storage \$5500. Pre-order/order by end of 2021.
- Additional Equipment to Purchase \$10,177.18. Pre-order by end of 2021.

Project Activity/Timeline Amendment

- Monthly Community Paddle Events May-August
- 8 Weeks of Paddle Lessons May-August
- Equipment Rental/Tours May-August

Project End Date: June 30, 2022

Memorandum

To: Oregon Investment Board
From: Jessica Metta, Executive Director
Date: September 16, 2021
Re: Officer Elections

Action: Officer Elections

Nominate and elect a slate of officers through June 2022.

Overview

Annually in July the Oregon Investment Board elects officers for Chair, Vice-Chair and Secretary/Treasurer. FY21 officers were Chair Jill Amery, Vice-Chair Tammy Miller, and Secretary/Treasurer Jorge Barragan. At the July 2021 meeting, we learned that Tammy Miller was stepping off the Board and Jorge Barragan requested that the officer changeover be tabled for the summer and revisited at the September meeting. Jill Amery agreed to continue as Chair until then.

Consideration for officers usually includes:

- Rotation of officers up through positions
- Reflect a balanced composition to reflect county interests, to the extent possible
- Have terms continuing/anticipated to continue on the board through the next year
- Strong record of participation and engagement in Board activities.

Board Status

Name	Term	Status
Doug Roof, Hood River County	October 20, 2022	Appointed to serve in his first full term.
Gil Kelley, Hood River County	June 30, 2024	Appointed to serve in his first full term.
Jill Amery, Wasco County	November 15, 2022	Reappointed to a second term.
Jorge Barragan, Wasco County	December 31, 2021	Appointed to serve in his first full term.
Kirk Wright, Multnomah County	March 10, 2024	Appointed to serve in his first full term.
Craig Bowder, At-Large	September 6, 2022	Reappointed for his first full term.
Vacant, Multnomah County		