

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

*******Wednesday, September 27, 2023*****
**** 3:00 P.M. ******

Port of Hood River Meeting Room
1000 E. Port Marina Drive, Hood River, OR 97031
Or via zoom: <https://us06web.zoom.us/j/88419180385>
Call in: 669-900-6833, Meeting ID: 884 1918 0385

AGENDA

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Introductions	2 minutes	Information
July 2023 Minutes	2 minutes	Approval
Financials	5 minutes	Approval
Loan Modification Requests <i>A Home Sweet Home Elder Care, Inc.</i> <i>Cowart Enterprises, LLC</i>	20 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Approval
Funded Loan Updates <i>Big Buddha Yoga, LLC</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Action	5 minutes	Approval
Strategic Plan Mid-Year Check In	10 minutes	Information
Staff Updates	10 minutes	Information
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. Representatives of the news media are allowed to attend but are specifically directed not to report on any of the deliberations during the executive session other than to state the general reason for the session as previously announced. All others besides staff and OIB members are asked to leave the meeting. If clients for loans being discussed are present, they also may be asked to join part of the executive session. No decision may be made, nor final action taken in executive session. We will return to regular session in approximately ___ minutes, at which time we may take action.

OIB Chair asks those not allowed in the executive session 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, JULY 26, 2023
REMOTE ONLY MEETING VIA ZOOM**

ATTENDANCE

OIB Members: Gil Kelley, Craig Bowder, Kirk Wright, Marlee Boxler, Jorge Barragan

Staff: Jessica Metta (MCEDD Executive Director), Jill Brandt (Administrative Assistant)

CALL TO ORDER/ INTRODUCTIONS

Gil Kelley called the meeting to order at 3:03 pm. A quorum was present.

MINUTES APPROVAL

Gil asked for any comments or questions on the June 2023 minutes. *There were none.*

Kirk Wright motioned to accept the June 28, 2023 minutes as presented. Jorge Barragan seconded the motion. Craig Bowder abstained because he was not present at the meeting. All voted in favor, and the motion passed.

FINANCIALS

Jessica presented the financials ending June 30, 2023. June was a typical month, with the usual major expenses to pay MCEDD's contract fee and bank service charges. Income was primarily from interest on outstanding loans. The line noted as Invested interest is the money in the LGIP account. Altogether, the amount available to lend is almost \$3 million. Jessica noted that this does not include the money from the USDA National Scenic Area funds. Jessica opened the floor for any questions.

Discussion: Gil noted that this was a substantial balance for lending and was pleased that the last meeting had a discussion on marketing to come up with ways to get the funds out into the community.

Craig Bowder moved to approve the financials as presented. Kirk Wright seconded the motion. All voted in favor and the motion passed.

LOAN MODIFICATION REQUESTS: THIRSTY CAFÉ, LLC

Ami requested we move into Executive Session to consider the confidential material for Thirsty Café.

EXECUTIVE SESSION

Executive Session per ORS 192.660 (f) (Exempt Documents) was called to order at 3:07 pm. Chair Gil Kelley read aloud the full requirements pertaining to Executive Session.

Regular Session reconvened at 3:16 pm.

LOAN ACTION: THIRSTY CAFÉ, LLC

Kirk Wright motioned to approve the request to extend the loan term for six months with the terms presented, with the added condition that if the business sells before the loan is paid, that the loan will be

paid off in full from the proceeds of the sale. Jorge Barragan seconded the motion. All voted in favor and the motion passed.

Approved Terms:

- Loan amount: \$4,583.61
- Interest Rate: 11.25%
- Loan Term: 6 months (6 monthly payments and the balance due the 6th month)
- Loan Payment: \$866.77 per month for 6 months.
- Modification Fee: \$150

OFFICERS ELECTION

Jessica reviewed that the current officers Gil Kelley as Chair, Kirk Wright as Vice Chair, and Jorge Barragan as Secretary. Terms are for one year. Gil and Kirk are willing to continue. Jorge is also willing to continue and noted that his Board term ends next year.

Marlee Boxler motioned to re-elect the slate of officers: Gil as Chair, Kirk as Vice chair and Jorge as secretary. Craig seconded the motion. All voted in favor and the motion passed.

FY23 ANNUAL REPORT

Jessica summarized the report for the Board. OIB money activity in the past year funded Gorges Brewing, the refinance for Dog River Pet Supplies and Ankhiale Outdoors. The report also highlighted the marketing work that was done over the last year. She asked for any questions.

Discussion: Kirk asked if this was the typical form summary of activity. Jessica replied yes and added that there was also an excel tracking spreadsheet, which was the source of these statistics.

Gil added that the Board also had both a strategic planning session and goals setting session. The Board has identified the need to amp up marketing and outreach. Jessica said she would add these activities to the report.

Jorge asked about social media as a method of outreach. Jessica explained that MCEDD's social media accounts are used for sharing/marketing for the OIB in order to capitalize on MCEDD's followers. MCEDD has Facebook, Twitter, and Instagram accounts. She added that Board members can help by liking and sharing OIB social media posts. MCEDD follows all loan client pages, and they like us back and share as well. At our last meeting, boosting social media posts for visibility was discussed, as well as the luncheon with bankers, Chambers, and the SBDC.

Jorge said that his daughter has commented that "Facebook is for older people." He added that the younger crowd has a different way of communicating.

Marlee asked if MCEDD had a Linked In page and suggested this as a good way to share the successes of the organization, both for MCEDD and partners. She added that photos of OIB-supported businesses with window clings would be good to share. Jessica agreed to add an account and welcomed Board members to share and like.

Craig Bowder motioned to approve the FY23 Annual Report with the changes discussed. Jorge Barragan seconded the motion. All voted in favor and the motion passed.

UNIVERSITY OF OREGON REPORT

The full report was included in the meeting packet. Jorge, Craig, and Rod were the Board members present to hear the full report and ask questions. Since then, staff have been looking at the report to see what can be done to follow the recommendations. Jessica has made a list of improvements to our website that will clarify the application process. She added that she was confident that staff can make the changes needed in-house, and an outside consultant will not be needed. If we need to make tabs or side menus, our web developer can do these. A full grant process is not needed for this scope of work. The videos in the report referenced an organization that is a combination EDD and SBDC. Jessica has contacted the Columbia Gorge SBDC to ask if they have any videos that we can post on our website.

Jessica added that the presentation did not offer the clear picture of the OIB's lending program's impact in the community that was hoped for, due to the small number of survey respondents. She added that any and all input was welcome for ideas to help the program.

Discussion: Gil agreed that it was important to evaluate the effectiveness of the program over time. Jessica noted that the survey had a 30% response rate, which was typical for surveys.

Marlee asked if there were projects that the OIB has worked on that were not on the impact map on the OIB website. Jessica explained that the map was updated with numbers through the 2022 fiscal year, and that once the FY2023 Annual report is approved, the map can be updated with the past year's activity. Marlee noted that the map was not broken down by individual project.

Craig suggested that if the SBDC does not have videos, perhaps links to the SBA website's small business tutorials could be added.

Gil thanked Marlee for pointing out the map and agreed that it was time for an update. He asked what the project was in Clark County. Jessica replied that there has only ever been one project because only a very small area of Clark County (area that is within the National Scenic Area) is eligible for OIB/WIB lending. Multnomah County on the Oregon side is similar and has had very few projects.

Marlee questioned how the projects that are listed on the map were selected, noting that Hood River County had a total number of 61 projects but only three were listed. Jessica explained that the projects have not been updated since the map was created five years ago. Gil asked if the map was limited to three. Jessica explained that when the county is clicked on, there is a bio, but there's no way to see all 61 projects.

Jessica added that marketing efforts include MCEDD's monthly newsletter feature on new loan clients. Marlee asked if these were posted on social media as well. Jessica replied yes.

Kirk asked how MCEDD's staff felt about the report's criticisms of the website's application process, the clunky process with collateral evaluation, and the rest of the recommendations. Were these legitimate criticisms that need to be improved, or do you feel that the system works

pretty well? Jessica replied that she had no problem with criticism because it provides the opportunity to improve.

Kirk said that he read the report as identifying problems that were typical of lending programs, but he did not feel these were problems specific to our organization. Jessica agreed and explained that Ami runs the Title report once a loan has been approved with a certain piece of collateral. Sometimes the report discovers that the property can't be used as collateral. The challenge for running the title report any sooner is that it is expensive, and we wait because we do not charge an application fee. Waiting allows the cost to be absorbed into loan closing costs.

Kirk noted that the automation the report suggests would be useful if there was a higher volume of clients. He was not sure if the investment to automate was reasonable for our small number of clients. He went on to add that the point of multiple loans to one borrower seemed to have a measurable effect. He agreed that establishing a mentoring relationship once an initial loan is made makes for a stronger ongoing relationship.

Jessica agreed that the personal touch MCEDD provides is part of the value of our program. Staff develops a relationship with each client. MCEDD is not a bank portal where you upload your information and receive an automated approval.

Craig stated that it was hard to automate a loan system. As an employee of a large bank, he explained that his bank started taking online applications just six months ago. Automation of lending is a complicated, complex, and expensive process that isn't realistic for most lenders to do. He agreed with Jorge that college kids do everything from their phone, and the ability to send out a link to a cellphone to fill out the application is a preference for twenty-somethings. He emphasized that it took a long time for a large bank to figure out how to do this, and that the OIB's audience is typically not in that age bracket. Craig then asked if the OIB's application online was a fillable pdf.

Ami said that it was and added that she responds to each client to provide what is needed. She agreed that some of the feedback from the students was relevant because there are people who do a lot of research online. However, that is only a small portion of people that MCEDD works with. There are advantages to all of these recommendations, and it would be great to have more tech available for people who use that, but MCEDD is a long way from a fully online application.

Jessica added that MCEDD's staff keep on top of learning opportunities among peers. Our loan portfolio software has new tools, and we watch for technical advances. She promised to keep the Board updated as improvements are made on the website. She agreed that the current webpages were confusing, based on prospective clients' questions. People often ask which lending program they should apply to because the webpages are interpreted to read that this is their option to decide. Staff have to explain that clients just need to apply, then MCEDD staff can determine which lending program best fits their project.

Marlee suggested putting the sentence, "Talk to us about your financing needs." linked to the contact form directly onto the Financing page.

OTHER NEW BUSINESS/ GOOD OF THE ORDER

Jessica thanked Jorge for offering to host the bankers' lunch and explained that Sam had offered to host it at last month's meeting. The event is set for October 10th at the Hood River Inn. Jessica added that staff will soon be sending out invitations.

Kirk voiced his appreciation that this meeting was changed from hybrid to all virtual. He said that while he enjoys meeting in person, conversation is much more difficult in a hybrid meeting. He would prefer either all in-person or all virtual, hybrid was too difficult.

Marlee added that as the only virtual participant at last month's meeting, it was very difficult to hear, and she could not see all of the faces. All virtual is much easier to see faces and hear all of the conversation. She does not generally have the time needed for the trek to be in person.

Jessica explained that there will always be a virtual option to fulfill the public meeting requirement. She encouraged a minimal few meetings to be in person, with the majority virtual. Kirk liked twice per year.

Gil asked if an August meeting was likely. Jessica thought not, none of the applications in pipeline will be ready by the August meeting date. She asked if the Board was interested in meeting in person in September. Kirk offered to give Marlee a ride.

Jessica will plan to arrange the September meeting to be in person. Jorge thanked Jessica, adding that he appreciated the opportunity to travel to meetings because it is refreshing to get out and see people, and it is a time to appreciate the beautiful scenery in the Gorge.

ADJOURN

Gil Kelley adjourned the meeting at 4:00 pm.

Respectfully submitted by Jill Brandt, Administrative Assistant

Mid-Columbia Economic Development District Balance Sheet - OIB

August 31, 2023

ASSETS

Current Assets

Checking/Savings

1000 · Bank Demand Deposits

1070 · National Scenic Fund

1171 · LGIP National Scenic Fund

81,554.21

1,350,419.17

Total 1000 · Bank Demand Deposits

1,431,973.38

Total Checking/Savings

1,431,973.38

Other Current Assets

1200 · Receivables & Accruals

1202 · Accounts Receivable

1222 · Year or Grnt End Receivables

1260 · Accrued Loan Interest

6,257.05

1300 · Loans Receivable

1370 · OIB Loans Receivable

1,520,766.72

Total 1300 · Loans Receivable

1,520,766.72

1400 · Loan Payments Holding

1475 · OIB

-866.77

1475 · OIB Holding

1500 · Allowance for Doubtful Loans

1575 · OIB Allowance

-67,535.30

Total 1500 · Allowance for Doubtful Loans

-67,535.30

Total Other Current Assets

1,459,488.47

Total Current Assets

2,890,595.08

TOTAL ASSETS

2,890,595.08

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 · A/P General

8,931.56

Total Accounts Payable

8,931.56

Total Current Liabilities

8,931.56

Total Liabilities

8,931.56

Equity

3100 · Fund Balances

2,875,154.78

Net Income

6,508.74

Total Equity

2,881,663.52

TOTAL LIABILITIES & EQUITY

2,890,595.08

OIB FINANCIAL SUMMARY

REPORT PERIOD: August 2023

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/23	1,391,519		-
Less Payables	-		-
Plus Accounts Receivable	-		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	-		-
ADJUSTED CASH BALANCE 06/30/23	1,391,519	-	-
INCOME			
Interest	19,728	9,875	9,853
Loan Processing Fees	-	-	-
Loan Filing Fees	-	-	-
Loan Late Fees	163	123	40
Other Revenue	-	-	-
Invested Interest	9,502	4,455	5,047
TOTAL INCOME	29,393	14,453	14,940
PRINCIPAL REPAYMENTS	25,144	12,827	12,317
REVENUE BEFORE DISBURSEMENTS	54,537	27,280	27,257
EXPENSES AND PAYMENTS			
Grants Distributed FY23	-	-	-
New Loans Disbursed	-	-	-
Converted to Principal	-	-	-
Bank Service Charges	18	9	9
Professional Services: Legal	20	-	20
Professional Services: Filing Fees	-	-	-
Professional Services: Contractual	16,635	8,317	8,317
Communications / Telephone (Advertising)	85	-	85
Other Materials & Supplies	-	-	-
TOTAL EXPENSES AND PAYMENTS	16,757	8,326	8,431
ADJUSTED CASH BALANCE	1,429,298	18,954	18,826
LESS:			
Approved Grants not Disbursed	-		
Approved Loans not yet Disbursed	-		
Interest Receivable at Period End	(6,257) *		
AVAILABLE TO GRANT/LOAN	1,423,041		
LOANS RECEIVABLE BALANCE	1,520,767 ^		
PROOF:			
Cash Balance After Reconciliations - August 31, 2023	1,431,973 ^		
Less Payables	(8,932)		
Plus Interest Receivable	6,257		
ADJUSTED CASH BALANCE	1,429,298		

Mid-Columbia Economic Development District
Profit Loss
Oregon Investment Board

<u>Account</u>	<u>Account Title</u>	<u>8/31/2023</u>
975-4600	Loan Interest	\$ 9,852.91
975-4650	Principal Payments	\$ -
975-4700	Loan Processing Fees	\$ -
975-4705	Loan Filing Fees	\$ -
975-4707	Loan Title Fees	\$ -
975-4710	Loan Late Fee	\$ 40.04
975-4750	Investment Interest	\$ 5,046.94
	TOTAL Income	\$ 14,939.89
975-6400	Professional Services	\$ -
975-6410	Legal Services	\$ (20.00)
975-6420	Audit Services	\$ -
975-6430	Accounting	\$ -
975-6440	Title/Lien Search	\$ -
975-6450	Contractual	\$ (8,402.25)
975-6470	Filing Fees	\$ -
975-6610	Advertising	\$ -
975-6930	Bank Service Charges	\$ (0.05)
975-6931	ACH Collection Fees	\$ (8.90)
	TOTAL Expense	\$ (8,431.15)
	Net Income	\$ 6,508.74

Mid-Columbia Economic Development District

Profit Loss

USDA / NSA

<u>Account</u>	<u>Account Title</u>	<u>8/31/2023</u>
300-4600	Loan Interest	1671.02
300-4700	Loan Processing Fees	0
300-4705	Loan Filing Fees	0
300-4707	Loan Title Fees	0
300-4710	Loan Late Fee	0
300-4750	Investment Interest	0
	TOTAL Income	1671.02
300-5010	Accrd PTO - Wages	0
300-5050	Wages - Paid Leave	0
300-5080	Wages Prior Period	0
300-5100	Wages	-395.92
300-5500	Fringe Benefits	-83.02
300-5550	Fringe Benefits - Paid Leave	0
300-5580	Fringe Benefits Prior Period	0
300-5700	Payroll Taxes	-39.88
300-6460	Testing/Training/Screening	0
300-6470	Filing Fees	-15
300-6700	Building Costs	0
300-6710	Building Rent	0
300-6714	Building Remodel	0
300-6715	Remodel Alloc (Admin)	0
300-6716	Remodel Alloc (Transit Center)	0
300-6931	ACH Collection Fees	0
300-6935	Online Processing Fees	0
300-9000	Indirect Spread	0
300-9040	Transportation Facility Spread	0
300-9050	Loan Fund Costs Allocated	0
300-9060	Transportation Admin Spread	0
	TOTAL Expense	-533.82
	Net Income	1137.2

Memorandum

To: Oregon Investment Board
From: Jessica Metta, MCEDD Executive Director
Re: Strategic Plan Mid-Year Check In
Date: September 21, 2023

Overview

At the November 2022 meeting of the Oregon Investment Board, the Board held a Strategic Planning Work Session to brainstorm ideas about the “role as a Board and how we can be most effective in carrying out our mission.” The notes were reviewed at the January 2023 meeting and included an action to have a mid-year review on how the new “plan” is working. Staff shares updates related to the actions noted:

A. Increase marketing:

1. Update the OIB marketing flyer for prospective clients and banks. **Report: Complete.**
2. Share copies of the flyers with Board members for their own outreach. **Report: Complete and ongoing.**
3. Translate into Spanish and give The Next Door Inc. a stack of the flyers. **Report: Complete.**
4. Staff visit each bank in person at least twice annually. **Report: Visited in the Spring. Fall visit will be the bankers lunch instead of to each bank.**
5. Send flyers to commercial brokers. Anne Medenbach, Stephen Ford, Carol Annala, Brian Lauterbach **Report: Complete and ongoing.**
6. Increase social media posts and reuse the video collateral. Focus some posts on minority businesses. Review SM posts to see what gets traction. Work with Chambers to tag others to repost our posts. Ask Chambers to post info on their own accounts. Include Kiwanis and West Columbia Gorge Chamber. (Note: MCEDD mostly posts on Facebook. We also have Twitter and Instagram accounts.) **Report: This is ongoing and good guidelines for our social media. We also built out a MCEDD LinkedIn account as another channel, and got an article in the Northern Wasco PUD Ruralite magazine.**
7. Print “Supported by OIB” stickers and send them to clients to put in their windows. **Report: Complete and ongoing.**
8. Reach out to community groups to get on their presentation schedule (Rotary, Lions, Kiwanis). (Note: staff regularly attends Chamber events already.) **Report: Staff presented to the Hood River Rotary in April, The Dalles Rotary in May, the Hood River Lions in February, The Dalles Lions in April. We regularly attend Chamber events and hosted one at MCEDD in July.**

Note: we also held a marketing-specific discussion at the June Board meeting and are implementing those recommendations.

B. Investigate University of Oregon redoing the study about the long-term impact of the business loan program. **Report: Complete. Recommendations for website improvements in process.**

C. Invite our local economist with Oregon Employment Department to a meeting to talk about emerging businesses in the data they collect. **Report: Complete. The Board is also invited to our annual**

Economic Symposium on Nov 3 to learn more about the local economy:
<https://www.mcedd.org/symposium/>

D. Check in June or July 2023 on how the new “plan” is working. **Report: With the marketing discussion and UofO report discussions, staff pushed the update to September 2023.**

Conclusion

Staff is open to any feedback or additional thoughts from the Board on the above activities. In general new loan inquiries have been very busy in the last few months, especially for the microlending program. There is a potential larger loan we are hoping to bring to the OIB if we receive a complete application.