



HOOD ECONOMIC ALLIANCE

Clackamas, Hood River, and Wasco Counties

Board Meeting
May 20, 2022
9:00 – 10:00 a.m.

Cascade Locks City Hall, 140 Wa Na Pa Street, Cascade Locks
Or with Zoom Link: <https://us06web.zoom.us/j/83407439938>
Or call: 253 215 8782
Meeting ID: 834 0743 9938

AGENDA

Topic	Estimated Time	Item
Call to Order, Introductions		
Minutes <i>March 18, 2022</i>	5 minutes	Approval
April 2022 Financial Report	5 minutes	Acceptance
New Loan Request <i>Yo Treats</i>	20 minutes	Decision
<i>Executive Session per ORS 192.660 (f)</i> (Exempt Documents) <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Decision
Funded Loan Update <i>Picture This Framing and Print</i>	10 minutes	Decision
<i>Executive Session per ORS 192.660 (f)</i> (Exempt Documents) <i>Regular Session Reconvened</i>		
Loan Actions	5 minutes	Decision
FY23 Budget Draft/ First Reading	10 minutes	Discussion
Staff Updates	5 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
Mount Hood Economic Alliance (MHEA) Board

After discussion agenda items are presented in open session by MHEA staff, the MHEA Chair will state the following: "Pursuant to ORS 192.660(f), Exempt Documents, I call the Executive session of the Mount Hood Economic Alliance to order"

MHEA Chair asks all non-staff and non MHEA members to leave the meeting, except that representatives of the news media are allowed to attend but cannot disclose any information. 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 MHEA 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. MHEA Chair requests a brief presentation from MHEA staff on a summary of the loan proposal or other discussion item.
2. After presentation of information by staff, the MHEA Chair asks if there are any questions for the loan applicant or MHEA staff.
3. Following questions and discussion by the MHEA, 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. MHEA Chair asks MHEA 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 MHEA members takes place then Steps 1-5 are repeated for each following discussion item for Executive Session.

At the end of discussion, the MHEA chair will close the Executive Session. The MHEA moves back to open session. At this point, the MHEA Chair can ask for a motion of the decision items in open session. Open session is when the MHEA can make decisions on agenda items.

**MOUNT HOOD ECONOMIC ALLIANCE
BOARD MEETING MINUTES
FRIDAY, MARCH 18, 2022
REMOTE VIA ZOOM**

ATTENDANCE

MHEA Members: Mike Wells, Renate Mengelberg, Ken Bailey, Bob Benton, Michael Friend, Steve Kramer, David Snider

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

CALL TO ORDER / INTRODUCTIONS / CONFLICT OF INTEREST DISCLOSURES

Chair Mike Wells called the meeting to order at 9:02 a.m. A quorum was present.

MINUTES APPROVAL

Renate Mengelberg motioned to approve the December 17, 2021 minutes as presented. Michael Friend seconded the motion. All voted in favor, and the motion passed unanimously.

FINANCIAL REPORT

Jessica Metta gave a summary of the current lending situation. New interest in all of MCEDD's lending programs is very slow right now. Jessica called for any questions with the loan report.

Discussion: Ken Bailey pointed out that while there are not a lot of loans out right now, that the delinquency rate and bad loan accounts have disappeared in all of MCEDD's programs. Renate asked about the chance of interest rates going up. As interest rates go up, banks will start turning down riskier loans. Jessica said our programs will become more competitive. Mike Wells asked if the Parkdale childcare applicant funded their business with equity out of their home. Jessica replied that they used personal funding. Renate asked about the interest rate for home equity lines of credit. Jessica replied that it varies from 2% to 7%. Mike commented that he expects there will be more bumps coming from the Fed, possibly as soon as next quarter, that will increase interest in our loan program.

Renate Mengelberg motioned to approve the February Financials as presented. Steve Kramer seconded the motion. All voted in favor, and the motion passed unanimously.

LOAN MODIFICATION REQUEST: FULL CIRCLE, LLC

EXECUTIVE SESSION

Per ORS 192.660 (f) Exempt Documents, the Mt. Hood Economic Alliance moved into Executive Session at 9:09 a.m.

Regular Session was reconvened at 9:20 am.

LOAN ACTIONS

Renate Mengelberg motioned to approve client's request to extend the existing payment schedule by 48 months with the final balloon payment due in December of 2026. Steve Kramer seconded the motion. All voted in favor, and the motion passed.

Terms:

- Loan amount: \$139,785.42
- Interest Rate: 4%
- Loan Term: 56 months (55 monthly principal and interest payments and the balance due the 56th month)
- Loan Payment: \$1,369.60
- Modification Fee: \$150

REVOLVING LOAN FUND PLAN

Jessica Metta introduced the RLF Plan for approval. This document incorporates the Board's feedback from the December meeting as well as information from MESO on their policies for lending to non-citizens. MESO does not lend to non-documented persons; they lend to non-citizens with approved immigration status such as DACA or a Visa/ Greencard. There is also a requirement for a US-based guarantor. Jessica noted that MESO stressed that the key factor of their success was the development of a strong working relationship with the clients.

Discussion: Renate endorsed leaving the construction loan terms in the plan. Ken asked if the group was comfortable with the non-citizen lending clause as written in the document. Bob Benton added that he was reassured by the information from MESO, and he approved the requirement for a US based guarantor, stating "We need to be creative to get money out."

Steve Kramer asked for an update on the Clackamas County Board appointment process. Jessica explained that the concern was insurance coverage for the MHEA if Board members were not appointed by the Commission. Cindy Moore explained that Clackamas County buys separate insurance that covers MHEA. This is independent of the County's coverage and will continue, but they are still confirming this will protect MHEA. Jessica explained that the IGA that created the MHEA has to be amended, and all three counties have to approve the change that MHEA will select and appoint its Clackamas County members.

Michael Friend motioned to approve the RLF Plan as presented. Renate Mengelberg seconded the motion. All voted in favor, and the motion passed.

PIPELINE UPDATES

Ami Beaver reported that inquiries are increasing. She anticipates a large request from an Estacada business looking to purchase the building where they are located. There are also inquiries for smaller amounts. One is a native woman-owned business offering painting service. Another is developing land into space for contract workers to have storage.

Ami explained that she has changed her approach with new client contact to a 1:1 meeting (zoom or in-person) versus just mailing information. Currently there are five meetings scheduled with potential applicants. She expects that there will be proposals for the Board at the next meeting. Mike thanked Ami for her report on the pipeline.

OTHER NEW BUSINESS/ GOOD OF THE ORDER

Mike Wells suggested contacting the absent Clackamas County Board members to determine if anyone plans to retire from the Board this year. He asked Renate to check with Jerry Smith. Ken Bailey noted that this question leads back to Steve Kramer's point about finalizing the Clackamas County appointment process. If MHEA can appoint new Board members ourselves, new members can be brought on board immediately. Jessica added that she recently did an orientation for a new OIB member for Multnomah County, who might be moving to Clackamas County soon. The Board needs to verify if Bob Degnan has moved to the coast.

ADJOURNMENT

Mike Wells adjourned the meeting at 9:39 a.m.

Respectfully submitted by Jill Brandt, MCEDD Administrative Assistant

MHEA Financials
April 2022

Revenues						
	Budget	To Date	Balance	% of Budget	Projected Year End	
7/1/21 Relending Fund Balance	169,538	404,826	0		169,538	Decreased by 3456.25 to reflect 6/30 Admin Charges
Loan Principal Payments	79,761	176,594	96,833	221%	223,726	
Loan Relending Revenues	249,299	581,420	332,121	233%	393,264	
Administration Revenues						
Investment Account Interest	2,500	1,585	-915	63%	2,400	
Loan Fees	1,500	658	-842	44%	1,500	Includes Late Fees
Interest Payments	38,839	13,085	-25,754	34%	26,638	
2021-2022 Admin Revenue	42,839	15,328	-27,511	36%	30,538	
Expenditures						
Relending Funds						
New Loans	150,000	20,000	-130,000	13%	150,000	
Total New Loans	150,000	20,000	-130,000	13%	150,000	
Administration Expenses						
Audit	2,500	2,620	120	105%	2,450	
Bank Fees	100	32	-68	32%	100	
Legal Fees	1,000	0	-1,000	0%	1,000	
Loan Expenses	1,000	33	-967	3%	1,000	
State Ethics Commission	350	44	-306	13%	375	
Website	20	3	-17	17%	450	
Administration	18,000	14,948	-3,052	83%	19,000	Includes \$500 ACH Setup Fee
Total Admin Expenses	22,970	17,680	-5,290	77%	24,375	
Ending Cash Balance	119,168	559,069	439,901	469%	249,427	

MHEA 2022-2023 Budget

INCOME				NOTES	
	FY22 Budget	FY23 Budget	Difference		
Opening Loan Relending Balance	169,538	567,115	397,577		
Existing Loans Interest	19,024	10,020	-9,004	Based on existing terms	
New Loans Interest	19,814	19,814	0	3 each at 50,000	
Existing Loans Principal	79,761	100,741	20,980	Based on existing terms	
New Loans Principal	2,329	2,329	0	Assumes booked throughout year	
Investment Account Interest	2,500	2,500	0	Assumes booked throughout year	
Loan Fees	1,500	1,500	0	Set same as FY22	
Late Fees	0	0	0	Set same as FY22	
Total Revenue	294,466	704,019	409,553		
Less Loan Principal	42,838	33,834	-9,004	Assumes this amount is available to spend on administration	
EXPENSES					
	FY22 Budget	FY23 Budget	Difference		
Audit	2,500	2,820	320	FY22 Actual \$2600	
Bank Fees	100	50	-50	Reduced based on actuals	
Legal Fees	1,000	750	-250	Reduced based on actuals	
Loan Fees	1,000	500	-500	Reduced based on actuals	
State Ethics Commission	350	50	-300	Reduced based on actuals	
Website	20	20	0	MCEDD manages, domain registry only	
Administration Contract*	18,000	18,000	0	Avg 1500 / mo.	
New Loan Expenditures	150,000	150,000	0	Set same as FY22	
Total Expenditures	172,970	172,190	-780		
Less Loan Principal	22,970	22,190	-780	Total admin expenses	
Year End Relending Loan Balance					
	121,496	531,829	410,333		
*Administration Time Detail					
2022-2023 Administrative Budget (Estimate)					
Loan Maintenance (1 hr/loan/month)			6,300	Currently have 7 loans	
New/Refinance Loans/Loan Modifs (4 @ 15/hrs/loan)			4,500		
Monthly MHEA Financial Accounting (2 hrs/month)			1,800		
MHEA Board Meetings (4 @ 4.5 hrs/meeting)			1,350		
Audit Preparation			1,550		
Other Administrative Time (Annual Reports, Loan Marketing/			2,500		
TOTAL			18,000		