



# HOOD ECONOMIC ALLIANCE

*Clackamas, Hood River, and Wasco Counties*

**Board Meeting**  
**June 17, 2022**  
**9:00 – 10:00 a.m.**

Via Zoom Link: <https://us06web.zoom.us/j/89477687891>  
Or call: 253 215 8782  
Meeting ID: 894 7768 7891

## AGENDA

<b>Topic</b>	<b>Estimated Time</b>	<b>Item</b>
Call to Order, Introductions		
Minutes <i>May 20, 2022</i>	5 minutes	Approval
May 2022 Financial Report	5 minutes	Acceptance
MCEDD Contract Discussion	10 minutes	Decision
FY23 Budget Second Reading/ Approval	10 minutes	Decision
Funded Loan Updates <i>Oregon Brineworks, Independent Diesel, Picture This, Yo Treats</i>	10 minutes	Information
<b><i>Executive Session per ORS 192.660 (f)</i></b> (Exempt Documents) <i>Regular Session Reconvened</i>		
Alternate Member	5 minutes	Decision
Board Officer Elections	5 minutes	Decision
Pipeline Updates	5 minutes	Information
Other New Business, Good of the Order		
Adjourn		

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*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.*

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**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, MAY 20, 2022  
CASCADE LOCKS CITY HALL with TELECONFERENCE  
140 Wa Na Pa Street, Cascade Locks, OR**

**ATTENDANCE**

*MHEA Members:* Mike Wells, Renate Mengelberg, Ken Bailey, Bob Degnan, Michael Friend, Matt Lorenzen

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

**CALL TO ORDER / INTRODUCTIONS**

Chair Mike Wells called the meeting to order at 9:13am.

Mike Wells announced he received an official retirement notice for Jerry Smith. The Board is now down one member to represent Clackamas County and one member to represent Hood River County.

Jessica added that Bob Benton will not be running for reelection. This will add another Hood River County vacancy. Ken asked if the appointment process with Clackamas County has been resolved and now the Board can recruit and approve new members without the county's ratification. Ken suggested that until the new agreement is signed, the Board should wait to select a new person until this has been officially changed, to avoid the lengthy wait for Clackamas County approval. He further suggested that the Clackamas County Board members begin a search for new members, in order to be ready with candidates once the process has been officially changed. For now, the question of new membership should be put on the shelf.

**MINUTES APPROVAL**

**Renate Mengelberg motioned to approve** the March 18, 2022, minutes as presented. Michael Friend seconded the motion. All voted in favor, and the motion passed unanimously.

**APRIL 2022 FINANCIAL REPORT**

**Bob Degnan motioned to approve** the April Financials as presented. Renate Mengelberg seconded the motion. All voted in favor, and the motion passed unanimously.

**NEW LOAN REQUEST: YO TREATS and  
FUNDED LOAN UPDATE: PICTURE THIS**

Per ORS 192.660 (f) Exempt Documents, the Mt. Hood Economic Alliance moved into Executive Session at 9:18 a.m. to consider a new loan request by Yo Treats and an update on existing loan client Picture This.

Regular Session was reconvened at 9:56 am.

**LOAN ACTION: PICTURE THIS**

**Renate Mengelberg motioned to approve** the amended loan terms and conditions as presented, with the caveat that it is made clear that this is a one-time opportunity. Bob Degnan seconded the motion.

*Discussion: Ken Bailey stated that the Board should be open to renegotiation after the six months to maintain flexibility for both the client and the Loan Board. He stressed the need for a plan that will be reasonable for both parties and will meet the current situation.*

All voted in favor, and the motion passed.

**Terms and Conditions:**

- Six months of interest only payments, with the past due amount of \$1446.35 divided into 6 equal payments over the 6-month interest only period. (Approximate monthly payment of \$313.90)
- Work with the Small Business Development Center on financial reporting, to be provided to staff on a quarterly basis.

**LOAN ACTION: YO TREATS**

**Ken Bailey motioned to approve** the loan request as recommended by staff. Bob Degnan seconded the motion.

*Discussion: Matt Lorenzen declared he has bias with this client due to his involvement in the original decision between the City of Estacada and Yo Treats. He further stated that he has no personal gain in this matter and requested that his vote stand. The Board supported his participation in the vote.*

All voted in favor, and the motion passed.

**Terms:**

- Loan amount: \$300,000
- Interest Rate: 4.5%
- Loan Term: 120 months (6 monthly payments of interest only followed by 113 monthly principal and interest payments and the balance due the 120<sup>th</sup> month).
- Loan Payment: 6 monthly payments of interest only followed by 113 monthly principal and interest payments of \$2,000 with an approximate balloon payment of \$177,220.09 due the 120<sup>th</sup> month.
- Loan Fee: \$4,500

**FY23 BUDGET DRAFT/ FIRST READING**

Dana presented the budget with few changes from last year's budget. For new loans interest, she used the same estimating format that has been used over the past few years, which assumes three new loans spread out over the year. She was conservative with estimating new loans, and staff goals plan to exceed this number if possible. Expenses have been decreased in this budget, with numbers that were based on actuals. There was no change budgeted for MCEDD's contract. Dana noted that changes to existing loans will change these numbers slightly.

*Discussion: There were no questions on the budget. Mike said there is a need for a short virtual meeting in June to approve this budget so that it is in place by July 1. Jessica stated that the regular third Friday meeting time will set the meeting for June 17<sup>th</sup>. Mike stated a possible conflict with his home closing.*

**STAFF UPDATES**

Ami reported on the pipeline. She has one possible microloan application with a client who has an ITIN. This client was referred to us by a local bank. Ami stated that her focus working with this client is on the relationship building, as was identified when the microloan program was approved. This client owns a small restaurant in The Dalles. The business has a great long history in The Dalles and is well-connected to the community. Ami has the application and is working on the supporting documentation.

Mike Wells requested that Ami to check on existing clients Oregon Brineworks and Independent Diesel and provide updates to the Board. Ken asked about Independent Diesel's balloon payment. Jessica stated that it was staff policy to reach out three months in advance of all scheduled balloon payments, to ask if new terms are needed. Mike offered to make a personal call to the client to assist if staff agreed.

### **OTHER NEW BUSINESS/ GOOD OF THE ORDER**

Ken asked if the in-person meeting venue with zoom connection was a worthwhile use of staff time. He said if people were intending to attend via zoom that perhaps in-person meetings weren't necessary and that some minimum should be set for in-person. Matt stated that he would need a location in either Troutdale or Gresham to be able to attend in person. Bob asked if the Troutdale airport was still a viable location. Mike requested that the airport location be checked for availability since this will be easier for many. Ken suggested an option to meet at the Troutdale Library. He stated that it is not quite as big as this room but may be easier to arrange with equipment. Renate stated that she was happy to come in person, and suggested designating a number of times per year, perhaps make a point of one annual meeting each year in person, with the rest on zoom. Mike agreed that he has been working towards once per quarter for in person, with the rest virtual. The zoom attendance has been critical for quorum and must be maintained. Mike reaffirmed that six is quorum moving forward.

### **ADJOURNMENT**

Mike Wells adjourned the meeting at 10:10 a.m.

*Respectfully submitted by Jill Brandt, MCEDD Administrative Assistant*

**MHEA Financials**  
**May 2022**

<b>Revenues</b>						
	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	181,228	101,467	227%	223,726	
<b>Loan Relending Revenues</b>	249,299	586,054	336,755	235%	393,264	
<b>Administration Revenues</b>						
Investment Account Interest	2,500	2,176	-324	87%	2,400	
Loan Fees	1,500	855	-645	57%	1,500	Includes Late Fees
Interest Payments	38,839	15,012	-23,827	39%	26,638	
<b>2021-2022 Admin Revenue</b>	42,839	18,043	-24,796	42%	30,538	
<b>Expenditures</b>						
<b>Relending Funds</b>						
New Loans	150,000	20,000	-130,000	13%	150,000	
<b>Total New Loans</b>	150,000	20,000	-130,000	13%	150,000	
<b>Administration Expenses</b>						
Audit	2,500	2,620	120	105%	2,450	
Bank Fees	100	35	-65	35%	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	17,498	-502	97%	19,000	Includes \$500 ACH Setup Fee
<b>Total Admin Expenses</b>	22,970	20,233	-2,737	88%	24,375	
<b>Ending Cash Balance</b>	119,168	563,864	444,696	473%	249,427	

## Memorandum

**To: Mount Hood Economic Alliance Board of Directors**

**From: Jessica Metta, MCEDD Executive Director**

**Date: June 9, 2022**

**Re: MCEDD Contract for FY23**

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Since October 2020, Mid-Columbia Economic Development District (MCEDD) has been contracted by Mount Hood Economic Alliance (MHEA) for administration of the revolving loan fund program. During that time, new lending has been down across all loan funds administered by MCEDD. New MHEA loans have included Picture This, GRIT MMA, and recently Yo Treats (not yet closed). MCEDD has also:

- brought a loan proposal for Onsite Supply and loan modifications for several clients,
- developed loan proposals that were withdrawn by clients prior to being brought to the Board,
- promoted the loan program through groups in Clackamas County and with our regular partners in Hood River and Wasco County,
- developed a Revolving Loan Fund Plan for MHEA,
- researched lending to borrowers without US Citizenship,
- worked with Clackamas County, our insurance agent and others to explore changes to the appointment of Board members, and
- other administrative duties such as Board meetings, managing of the finances and the audit, development of the budget, and onboarding new Board members.

The FY22 rate of \$18,000 is again proposed for FY23. We have heard there are concerns about the rate if new lending continues to stay low. The FY23 contract could include language that the rate is automatically reduced if loan fees and interest received are not enough to cover all of MHEA's expenses. We also request that this rate be reviewed in six months depending on the amount of new lending. If the new lending has increased, we may request an increase in the contract as the current rate is limiting our ability to fully service MHEA.

## MHEA 2022-2023 Budget

<b>INCOME</b>				<b>NOTES</b>
	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
<b>Total Revenue</b>	<b>294,466</b>	<b>704,019</b>	<b>409,553</b>	
<b>Less Loan Principal</b>	<b>42,838</b>	<b>33,834</b>	<b>-9,004</b>	Assumes this amount is available to spend on administration
<b>EXPENSES</b>				
	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
<b>Total Expenditures</b>	<b>172,970</b>	<b>172,190</b>	<b>-780</b>	
<b>Less Loan Principal</b>	<b>22,970</b>	<b>22,190</b>	<b>-780</b>	Total admin expenses
<b>Year End Relending Loan Balance</b>	<b>121,496</b>	<b>531,829</b>	<b>410,333</b>	
<b>*Administration Time Detail</b>				
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/ Outreach, IGA Update)			2,500	
<b>TOTAL</b>			<b>18,000</b>	