



Clackamas, Hood River, and Wasco Counties

Board Meeting
May 26, 2023
9:00 – 10:00 a.m.

Virtual Only via Zoom

<https://us06web.zoom.us/j/87063186713>

Or call: 253-215-8782, Meeting ID: 870 6318 6713

AGENDA

Topic	Estimated Time	Item
Call to Order, Introductions		
Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
FY24 Budget Draft/ First Reading	10 minutes	Discussion
Funded Loan Updates <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
Staff Updates: IGA, Pipeline	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, April 14, 2023 at 9:00am
Virtual Only

ATTENDANCE

MHEA Members: Ken Bailey, Michael Friend, Ed Weathers, David Snider, Matt Lorenzen, Renate Mengelberg, Nate DeVol, Steve Kramer

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

Guest: Madeline Rhoades (loan client)

CALL TO ORDER / INTRODUCTIONS

Acting Chair Ken Bailey called the meeting to order at 9:00 am. There was a quorum present.

MINUTES APPROVAL

David Snider motioned to approve the March 16, 2023 minutes as presented. Renate Mengelberg seconded the motion. All voted in favor, and the motion passed unanimously.

FINANCIAL REPORT

Jessica reported nothing unusual in the month's financial activity. She explained the higher than budgeted expense for the audit, which was anticipated at the last meeting. The budgeted cost was \$2,820 and the bill was submitted for \$9,000. We talked them down to \$7,000, but are considering an RFQ to ensure that we receive competitive pricing moving forward. We found a comparable organization whose auditor charged a little more than \$5000.

The amount budgeted for Administration will not last through the fiscal year. She requested to increase the amount to \$22,000, noting that this amount will not eat into the MHEA's principal. She explained that the extra cost has supported more lending activity than was anticipated, the IGA work, plus the Business Oregon Relender program application.

Discussion: Ken recalled the administration fees were decreased under Mary McArthur as a result of decreased loan activity. Considering MCEDD's costs to support increased activity, this increase seems fair. He also felt comfortable with the increase because it will not eat into the MHEA's loan fund principal. While \$22,000 is a bit higher fee than what has been paid in the past, it is fair considering the economy.

Renate added that the MHEA Board has asked for additional work this year including the RLF for microlending and the update for the IGA. This work was unanticipated and was not budgeted for. She supported the increase in the budget.

Michael Friend motioned to approve an increase to MCEDD's budgeted fees through June 30, 2023 to \$22,000. Ed Weathers seconded the motion. All voted in favor, and the motion passed.

Ken acknowledged a possible conflict of interest for himself and Steve Kramer because both are also MCEDD Board members.

Steve Kramer motioned to approve the financial report as given. David Snider seconded the motion. All voted in favor, and the motion passed.

NEW LOAN REQUEST: HONEY BUNS COFFEEHOUSE & BAKERY

Ami introduced the loan request for Honey Buns Coffee House and Bakery, and the client Madeline Rhoades. She asked to enter Executive Session to review the confidential staff report.

EXECUTIVE SESSION

Per ORS 192.660 (f) (Exempt Documents) the Mt. Hood Economic Alliance entered into Executive Session at 9:09 am.

Ed Weathers left the meeting at 9:50am.

Regular session resumed at 9:58am

LOAN ACTION: HONEY BUNS COFFEEHOUSE & BAKERY

Steve Kramer motioned to approve the loan request as presented by staff. David Snider seconded the motion. All voted in favor, and the motion passed.

Terms:

- Loan amount: \$40,000
- Interest Rate: 10.25%
- Loan Term: 60 months
- Loan Payment: 6 months of interest only payments followed by seasonally adjusted monthly principal and interest payments of approximately \$780 Nov-May and \$1,180 in Jun-Oct.
- Loan Fee: \$600

Madeline left meeting at 9:59 am

BOARD VACANCIES

Jessica noted both of the applicants are strong additions to the Board.

Michael Friend motioned to approve the appointment of both James Graham and Pam Gramenz to the MHEA Board, contingent on the IGA being updated by all three counties. Renate Mengelberg seconded the motion. All voted in favor, and the motion passed.

Discussion: Renate asked if the new members can attend the meetings now. Ken explained that they can attend but cannot vote until the IGA update is approved by all three counties. They will not count for quorum.

STAFF UPDATES

Renate asked for an update on the IGA. Jessica reported that Clackamas County staff has approved the language and is asking for the other two counties to approve the updated draft before their Commission approves it. This will all happen hopefully within the next month.

Ami has met with the loan client Picture This Frame That.

OTHER NEW BUSINESS/ GOOD OF THE ORDER

None was noted.

ADJOURNMENT

Ken Bailey adjourned the meeting at 10:02 a.m.

Respectfully submitted by Jill Brandt, Administrative Assistant

MHEA Financials
April 2023

Revenues					
	Budget	To Date	Balance	% of Budget	Projected Year End
7/1/22 Relending Fund Balance	567,115	587,415	0		587,415
Loan Principal Payments	103,070	83,191	-19,879	81%	103,070
Loan Relending Revenues	670,185	670,606	421	100%	690,485
Administration Revenues					
Investment Account Interest	2,500	7,029	4,529	281%	2,500
Loan Fees	1,500	6,900	5,400	460%	1,500
Loan Interest Payments	29,834	17,245	-12,589	58%	29,834
2022-2023 Admin Revenue	33,834	31,174	-2,660	92%	33,834
Expenditures					
Relending Funds					
New Loans	150,000	380,000	230,000	253%	150,000
Total New Loans	150,000	380,000	230,000	253%	150,000
Administration Expenses					
Audit	2,820	7,000	4,180	248%	2,820
Bank Fees	50	55	5	109%	50
Legal Fees	750	228	-522	30%	750
Loan Expenses	500	624	124	125%	500
State Ethics Commission	50	44	-6	88%	50
Website	20	21	1	106%	20
Administration	22,000	17,485	-4,515	79%	22,000
Total Admin Expenses	26,190	25,456	-734	97%	26,190
Ending Cash Balance	527,829	296,324	-231,505	56%	548,129

Memorandum

To: Mount Hood Economic Alliance Board of Directors

From: Jessica Metta and Dana Woods, MCEDD Staff

Date: May 17, 2023

Re: Fiscal Year 2024 Budget

Overview

Following is a draft budget for MHEA for Fiscal Year 2024 (July 1, 2023 to June 30, 2024). The notes column is important to review for any assumptions or background. This budget is presented as a draft at the May 26, 2023 Board Meeting for feedback and suggested changes. The budget will be presented for final approval at the June Board Meeting.

The Board is also requested to discuss the budget process. In the past few years of preparing the MHEA budget, MCEDD staff have followed the format and process set by prior staff Mary McArthur. This year's new auditor and IGA update caused us to think more about the process. MHEA is organized as an ORS 190 the same as MCEDD, but the budget process MHEA has followed is very different and doesn't seem to meet the state statutes (forming a Budget Committee, issuing legal notices, etc.). We are prepared to follow the same process as before (a first reading in May, second reading in June with just regular public meeting notices like other meetings) but would like to discuss revisiting this for either this year in an accelerated way or for the FY25 budget process.

MHEA 2023-2024 Budget

INCOME					
		FY23 Budget	FY24 Budget	Difference	NOTES
	Opening Loan Relending Balance	567,115	311,050	-256,065	
	Existing Loans Interest	10,020	27,025	17,005	Based on existing terms
	New Loans Interest	19,814	19,814	0	3 each at 50,000
	Existing Loans Principal	100,741	98,808	-1,933	Based on existing terms
	New Loans Principal	2,329	2,329	0	Assumes booked throughout year
	Investment Account Interest	2,500	8,000	5,500	Increased based on FY23 Activity
	Loan Fees	1,500	1,500	0	Set same as FY23
	Late Fees	0	0	0	FY23 has \$716 as of 4/30/ 23
	Total Revenue	704,019	468,526	-235,493	
	Less Loan Principal	33,834	56,339	22,505	Assumes this amount is available to spend on administration
EXPENSES					
		FY23 Budget	FY24 Budget	Difference	NOTES
	Audit	2,820	6,000	3,180	FY23 Actual \$7000
	Bank Fees	50	75	25	FY23 \$55 @ 4/30/23
	Legal Fees	750	500	-250	Reduced based on actuals FY23 - \$ 227.85 @4/30/23
	Loan Expenses (Credit Reports / Filing Fees)	500	700	200	Increased based on actuals FY23 - \$ 624 @ 4/30/23
	State Ethics Commission	50	50	0	Same as FY23
	Website	20	20	0	MCEDD manages, domain registry only
	Administration Contract*	22,000	22,000	0	Avg 1830 / mo. Matches increaed amount for FY23
	New Loan Expenditures	150,000	150,000	0	Set same as FY23
	Total Expenditures	176,190	179,345	3,155	
	Less Loan Principal	26,190	29,345	3,155	Total admin expenses
	Year End Relending Loan Balance	527,829	289,181	-238,648	
	*Administration Time Detail				
	2023-2024 Administrative Budget (Estimate)				
	Loan Maintenance (1 hr/loan/month)			7,200	Currently have 8 loans
	New/Refinance Loans/Loan Modifs (4 @ 15/hrs/loan)			5,500	
	Monthly MHEA Financial Accounting (2 hrs/month)			2,000	
	MHEA Board Meetings (4 @ 4.5 hrs/meeting)			1,500	
	Audit Preparation			1,750	
	Other Administrative Time (Annual Reports, Loan Marketing/ Outreach, IGA Update)			4,050	
	TOTAL			22,000	