

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

*******Wednesday, June 20, 2018*******

****** 10:00 A.M. ******

Hood River Library Meeting Room
501 State Street
Hood River, Oregon

<u>Topic</u>	<u>Time</u>	<u>Item</u>
Call to Order, Conflict of Interest Disclosures Introductions	5 minutes	Information
May 2018 Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
Loan Requests <i>Ellson, LLC</i>	5 minutes	Information
Loan Modification Request <i>Root and Cane Vineyard Services, LLC</i> <i>Suefert Enterprises, LLC</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Funded Loans Report and Updates <i>Sage Creek, Inc.</i>	5 minutes	Information
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Other New Business, Good of the Order		
Adjournment		

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, May 16, 2018
Hood River Library Meeting Room
501 State Street, Hood River, Oregon

ATTENDANCE

OIB Members: Jack Miller, Jill Amery, John Kasberger, Kristine Mier, Rick Leibowitz, Tammy Miller
Staff: Amanda Hoey, Eric Nerdin, Lauren Hernandez
Absent: John Southgate
Guests: Kenya Sarabia, Alexander Kramer, Kevin Kramer, Vonna Kramer

CALL TO ORDER

Jack Miller called the meeting to order at 10:00 a.m. A quorum was present.

CONFLICT OF INTEREST POLICY AND INTRODUCTIONS

Jack Miller requested any board member disclose any conflict of interest for any of the topics to be reviewed. Rick Leibowitz disclosed Terra Cotta is a client of his at the Small Business Development Center, and he will not participate in voting regarding the business.

MINUTES

Tammy Miller motioned to approve the minutes from April 2018, as presented. John Kasberger seconded the motion. Motion passed with two abstentions (Jill Amery, Rick Leibowitz).

FINANCIAL REPORT

Amanda Hoey reported there was no financial report ready to present for April 2018. MCEDD is working with auditors on the final write off of a loan that has been declared bankrupt. Financials are pending on this matter and will be provided as soon as final details are back from the auditors. Amanda noted previously approved loans to Mt. Hood Podiatry and Gorge Dog are still pending. The Farmers Conservation Alliance loan was closed. Primary allocations for the month of April were for services to MCEDD and for filing fees.

GRANT EXTENSION REQUEST: COLUMBIA GORGE COMMUNITY COLLEGE

Amanda Hoey reported there is one grant extension request from Columbia Gorge Community College. CGCC was approved for a \$5,000 grant for the Food and Beverage Collaboration project. OIB funds were conditional on CGCC obtaining matching resources, which have been secured through CGCC funds as well as the EDA. It took extended time for CGCC to secure EDA funds, and due to this, the project requires a contract extension to allow it to be successfully completed.

Discussion: John Kasberger asked if there were any changes to the CGCC grant. Amanda replied there are no changes aside from the timeline.

John Kasberger motioned to approve a one year grant timeline extension to CGCC effective through July 31, 2019. Tammy Miller seconded. Motion passed with one abstention (Rick Leibowitz).

LOAN REQUESTS

Eric Nerdin reported there is one loan application request from Terra Cotta.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:05 a.m.

Regular Session reconvened at 10:50 a.m.

LOAN ACTION: TERRA COTTA

John Kasberger motioned to approve a \$37,395 OIB loan to Terra Cotta as recommended by staff. Kristine Mier seconded the motion. Motion passed with one abstention (Rick Leibowitz).

- Loan amount: \$37,395
- Interest Rate: 10.75%
- Loan Term: 36 months (with a balloon payment due)
- Loan Payments, collateral and conditions as listed in the staff report.

Discussion: Tammy Miller asked Kenya Sarabia when she was planning Terra Cotta's opening day. Kenya stated her goal is to open on Fourth of July weekend, but if this is not possible, then sometime before the holiday shopping season.

FUNDED LOAN REPORT AND UPDATES:

Eric Nerdin provided an update on OIB loans and directed the board to the loan delinquency report.

EXECUTIVE SESSION:

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:55 a.m.

Regular Session reconvened at 11:53 a.m.

OTHER NEW BUSINESS

Amanda Hoey reported Rick Leibowitz's board position will become open in November. MCEDD has already requested interested candidates apply by May 30 so the process of filling the position can begin. Amanda asked the board to pass along the name of anyone who would be a good candidate so she can reach out to them directly.

Discussion: Rick Leibowitz asked if there are any candidates for his position. Amanda replied there are no applicants, though she has reached out to a few people. Jack Miller stated he thought his position expired in 2018. Amanda noted Jack's position expires in 2019 and that John Kasberger's appointment, which expires this year, is in the process of being reappointed and will hopefully be complete before his term expires.

ADJOURNMENT: The meeting was adjourned at 11:55 a.m.

Respectfully submitted by Lauren Hernandez, Office Administrator

OIB FINANCIAL SUMMARY

REPORT PERIOD: MAY 2018

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
CASH BALANCE AS OF 06/30/17	1,412,446.21		-
Less Payables	(8,417.25)		-
Plus Accounts Receivable	144.82		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	7,106.31		-
ADJUSTED CASH BALANCE 06/30/17	1,411,280.09	-	-
INCOME			
Interest	99,554.83	89,546.95	10,007.88
Loan Processing & Fees	9,477.06	7,307.89	2,169.17
Loan Late Fees	1,124.91	1,042.41	82.50
Invested Interest	622.96	571.50	51.46
TOTAL INCOME	110,779.76	98,468.75	12,311.01
PRINCIPAL REPAYMENTS	190,522.00	184,643.11	5,878.89
REVENUE BEFORE DISBURSEMENTS	301,301.76	283,111.86	18,189.90
EXPENSES AND PAYMENTS			
Grants Disbursed FY18			-
Loans Disbursed	454,500.00	204,500.00	250,000.00
Converted to Principal	4,414.40	4,414.40	-
Miscellaneous Expenses (Bad Debt Expense)	4,409.85	4,409.85	-
Professional Services	87,025.30	79,312.91	7,712.39
TOTAL EXPENSES AND PAYMENTS	550,349.55	292,637.16	257,712.39
ADJUSTED CASH BALANCE	1,162,232.30	(9,525.30)	(239,522.49)
LESS:			
Approved Grants not Disbursed	(5,000.00)		
Encumbered Pilot Program Funds	(102,605.00)		
Approved Loans not yet Disbursed	(145,395.00)		
Interest Receivable at Period End	(10,222.96)		
AVAILABLE TO GRANT/LOAN	899,009.34		
LOANS RECEIVABLE BALANCE	1,741,851.14		
PROOF:			
Cash Balance After Reconciliations, 05/31/2018	1,159,871.73		
Less Payables	(7,862.39)		
Plus Interest Receivable (Includes Structured Accr'd Int)	10,222.96		
ADJUSTED CASH BALANCE	1,162,232.30		-

REPORT GENERATED BY: Siri Olson

Mid-Columbia Economic Development District

Balance Sheet

As of April 30, 2018

	<u>April 30, 2018</u>	<u>May 31, 2018</u>
ASSETS		
Current Assets		
Checking/Savings		
1000 · Bank Demand Deposits		
1070 · National Scenic Fund	1,401,065.12	1,159,871.73
Total 1000 · Bank Demand Deposits	<u>1,401,065.12</u>	<u>1,159,871.73</u>
Total Checking/Savings	1,401,065.12	1,159,871.73
Other Current Assets		
1200 · Receivables & Accruals		
1202 · Accounts Receivable	0.00	0.00
1222 · Year or Grnt End Receivables		
1227 · Accrued Loan Interest	8,523.42	10,222.96
1229 · Structured Accts Accr'd Int		
1231 · Unrecorded Structured Accrd Int	0.00	0.00
1229 · Structured Accts Accr'd Int - Other	0.00	0.00
Total 1229 · Structured Accts Accr'd Int	<u>0.00</u>	<u>0.00</u>
Total 1200 · Receivables & Accruals	8,523.42	10,222.96
1300 · Loans Receivable		
1370 · OIB Loans Receivable	1,497,730.03	1,741,851.14
Total 1300 · Loans Receivable	<u>1,497,730.03</u>	<u>1,741,851.14</u>
1475 · OIB Holding	0.00	0.00
1500 · Allowance for Doubtful Loans		
1575 · OIB Allowance	-47,404.77	-47,404.77
Total 1500 · Allowance for Doubtful Loans	<u>-47,404.77</u>	<u>-47,404.77</u>
Total Other Current Assets	<u>1,458,848.68</u>	<u>1,704,669.33</u>
Total Current Assets	<u>2,859,913.80</u>	<u>2,864,541.06</u>
TOTAL ASSETS	<u>2,859,913.80</u>	<u>2,864,541.06</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 · A/P General	7,833.75	7,862.39
Total Accounts Payable	<u>7,833.75</u>	<u>7,862.39</u>
Total Current Liabilities	<u>7,833.75</u>	<u>7,862.39</u>
Total Liabilities	7,833.75	7,862.39
Equity		
3100 · Fund Balances	2,697,334.06	2,734,729.06
Pilot Program Fund Balance	140,000.00	102,605.00
Net Income	14,745.99	19,344.61
Total Equity	<u>2,852,080.05</u>	<u>2,856,678.67</u>
TOTAL LIABILITIES & EQUITY	<u>2,859,913.80</u>	<u>2,864,541.06</u>

**Mid-Columbia Economic Development District
Profit & Loss**

May 2018

May 18

Ordinary Income/Expense	
Income	
4600 - Loan Interest	10,007.88
4700 - Loan Processing Fees	2,169.17
4710 - Loan Late Fee	82.50
4750 - Investment Interest	51.46
Total Income	<u>12,311.01</u>
Gross Profit	12,311.01
Expense	
6400 - Professional Services	
6450 - Contractual	7,683.75
6470 - Filing Fees	28.64
Total 6400 - Professional Services	<u>7,712.39</u>
Total Expense	<u>7,712.39</u>
Net Ordinary Income	4,598.62
Net Income	<u><u>4,598.62</u></u>

OREGON INVESTMENT BOARD
DISTRIBUTIONS OF GRANTS & LOANS APPROVED

Report Period: May 2018

Grants	Date Approved	Expiration Date	Grant	Previous Distribution	Current Distribution	Expired/Not Utilized	Amount Remaining
Columbia Gorge Community College	8/14/2017	7/31/2019	5,000.00				5,000.00
							-
Total			5,000.00	-	-	-	5,000.00

Loans Approved/Funded	Date Approved	Expiration Date	Original Loan	Previous Distribution	Current Distribution	Expired/Not Utilized	Amount Remaining
Mt. Hood Podiatry	1/18/2018	<i>Staff Extended</i>	63,000.00				63,000.00
Gorge Dog	4/18/2018	5/31/2018	45,000.00				45,000.00
Terra Cotta	5/18/2018	6/30/2018	37,395.00				37,395.00
							-
Total			145,395.00	-	-	-	145,395.00