

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

**\*\*\*\*\*Wednesday, July 18, 2018\*\*\*\*\***

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

MCEDD  
515 East 2<sup>nd</sup> Street  
The Dalles, OR 97058

<b><u>Topic</u></b>	<b><u>Time</u></b>	<b><u>Item</u></b>
Call to Order, Conflict of Interest Disclosures Introductions	5 minutes	Information
June 2018 Minutes	5 minutes	Approval
Officer Elections	5 minutes	Decision
Financial Report	5 minutes	Acceptance
Funded Loans Report and Updates <i>Sage Creek, Inc.</i>	5 minutes	Information
<b><i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i></b> <i>Regular Session Reconvened</i>		
Loan Actions	10 minutes	Decision
Other New Business, Good of the Order		
Adjournment		

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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 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, June 20, 2018  
Hood River Library Meeting Room  
501 State Street, Hood River, Oregon

**ATTENDANCE**

OIB Members: Jack Miller, Jill Amery, John Kasberger, John Southgate  
Staff: Amanda Hoey, Siri Olson, Eric Nerdin  
Guests: Randy Seufert (Seufert Enterprises, LLC), Jason Ells (Ellson, LLC)

**CALL TO ORDER**

Jack Miller called the meeting to order at 10:03 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. None were noted.

**MINUTES**

**John Kasberger moved to approve** the minutes from May 2018, as presented. John Southgate seconded the motion. Motion passed unanimously.

**FINANCIAL REPORT**

Siri Olson presented the financial report for the period ending May 2018 highlighting the available to loan and grant balance of \$899,009.34. The financials for April and May reflect the changes to the financials, including the increase in the allowance for doubtful accounts, due to the bankruptcy of a loan client. Siri noted the loan disbursed in May of \$250,000 to Farmer's Conservation Alliance.

**John Kasberger moved to accept** the May 2018 financials. John Southgate seconded the motion. Motion passed unanimously.

**LOAN REQUEST: ELLSON, LLC**

Eric Nerdin presented a loan request for Ellson, LLC for \$18,000 for a start-up heating, air conditioning sales and service and duct cleaning business. This is a request through the OIB pilot loan program.

**EXECUTIVE SESSION:**

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

Regular Session reconvened at 10:31 a.m.

**LOAN ACTION: ELLSON, LLC**

**John Kasberger moved to approve** a loan to Ellson, LLC as presented by staff. Jill Amery seconded the motion. Motion passed unanimously.

- Loan amount: \$18,000
- Interest rate: 11.75% Fixed
- Loan term: 36 months
- Collateral and conditions as listed in the staff report

**LOAN MODIFICATION REQUEST: SEUFERT ENTERPRISES, LLC**

Eric Nerdin presented a loan modification request for Seufert Enterprises, LLC.

**EXECUTIVE SESSION:**

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:33 a.m.

Regular Session reconvened at 10:48 a.m.

**LOAN MODIFICATION ACTION: SEUFERT ENTERPRISES, LLC**

**John Kasberger moved to** authorize staff to work with Seufert Enterprises, LLC on the proposed defaulted loan plan, with the additional requirement of requiring certified payments be made for weekly payments, and to release the 1999 Ford Escort as collateral to be sold, with sale monies applied to the OIB loan. Jill Amery seconded the motion. Motion passed unanimously.

**LOAN MODIFICATION REQUEST: ROOT AND CANE VINEYARD SERVICES, LLC**

Eric Nerdin presented a loan modification request for Root and Cane Vineyard Services, LLC.

**EXECUTIVE SESSION:**

Per ORS 192.660 (f) (Exempt Documents), the Oregon Investment Board moved into Executive Session at 10:50 a.m.

Regular Session reconvened at 11:07 a.m.

**LOAN MODIFICATION ACTION: ROOT AND CANE VINEYARD SERVICES, LLC**

**John Kasberger moved to** recommend option three as presented by staff with the additional requirement that the client provide an updated business plan and financial information within the next three weeks. John Southgate seconded the motion. Motion passed unanimously.

*Discussion: Amanda Hoey asked about the action if the client does not perform on the request. John Kasberger responded that he would like the item to come back to the board at the next meeting to take further action in that scenario.*

**FUNDED LOAN REPORTS AND UPDATES**

Eric Nerdin presented the funded loan report, noting the status of defaulted loans with Sage Creek and Hood River Learning and highlighting the status of Mt Hood Podiatry, which is an unfunded loan. Eric also noted that the loan to Terra Cotta closed in June and stated that the approval for Gorge Dog will not proceed to a final loan closing as it has not met the conditions in the time required.

**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 11:10 a.m.

Regular Session reconvened at 11:33 a.m.

**OTHER NEW BUSINESS**

Amanda Hoey provided an update on the status of appointments/reappointments.

**ADJOURNMENT:** The meeting was adjourned at 11:34 a.m.

*Respectfully submitted by Amanda Hoey, Executive Director*

DRAFT

**Mid-Columbia Economic Development District**  
**Balance Sheet**  
As of April 30, 2018

	May 31, 2018	June 30, 2018
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
1000 - Bank Demand Deposits		
1070 - National Scenic Fund	1,159,871.73	1,138,023.35
Total 1000 - Bank Demand Deposits	1,159,871.73	1,138,023.35
Total Checking/Savings	1,159,871.73	1,138,023.35
Other Current Assets		
1200 - Receivables & Accruals		
1202 - Accounts Receivable	0.00	0.00
1222 - Year or Grnt End Receivables		
1227 - Accrued Loan Interest	10,222.96	7,738.95
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	0.00	0.00
Total 1200 - Receivables & Accruals	10,222.96	7,738.95
1300 - Loans Receivable		
1370 - OIB Loans Receivable	1,741,851.14	1,770,055.36
Total 1300 - Loans Receivable	1,741,851.14	1,770,055.36
1475 - OIB Holding	0.00	-1,510.04
1500 - Allowance for Doubtful Loans		
1575 - OIB Allowance	-47,404.77	-47,404.77
Total 1500 - Allowance for Doubtful Loans	-47,404.77	-47,404.77
Total Other Current Assets	1,704,669.33	1,730,389.54
Total Current Assets	2,864,541.06	2,866,902.85
<b>TOTAL ASSETS</b>	2,864,541.06	2,866,902.85
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 - A/P General	7,862.39	7,711.90
Total Accounts Payable	7,862.39	7,711.90
Total Current Liabilities	7,862.39	7,711.90
Total Liabilities	7,862.39	7,711.90
Equity		
3100 - Fund Balances	2,734,729.06	2,734,729.06
Pilot Program Fund Balance	102,605.00	102,605.00
Net Income	19,344.61	21,856.89
Total Equity	2,856,678.67	2,859,190.95
<b>TOTAL LIABILITIES &amp; EQUITY</b>	2,864,541.06	2,866,902.85

## OIB FINANCIAL SUMMARY

REPORT PERIOD: JUNE 2018

	<b>TOTAL YEAR TO DATE</b>	<b>PREVIOUS REPORT</b>	<b>CURRENT ACTIVITY</b>
<b>CASH BALANCE AS OF 06/30/17</b>	<b>1,412,446.21</b>		-
Less Payables	(8,417.25)		-
Plus Accounts Receivable	144.82		-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	7,106.31		-
<b>ADJUSTED CASH BALANCE 06/30/17</b>	<b>1,411,280.09</b>	-	-
<b>INCOME</b>			
Interest	108,819.95	99,554.83	9,265.12
Loan Processing & Fees	10,205.54	9,477.06	728.48
Loan Late Fees	1,449.41	1,124.91	324.50
Invested Interest	670.04	622.96	47.08
<b>TOTAL INCOME</b>	<b>121,144.94</b>	<b>110,779.76</b>	<b>10,365.18</b>
<b>PRINCIPAL REPAYMENTS</b>	<b>199,712.78</b>	<b>190,522.00</b>	<b>9,190.78</b>
<b>REVENUE BEFORE DISBURSEMENTS</b>	<b>320,857.72</b>	<b>301,301.76</b>	<b>19,555.96</b>
<b>EXPENSES AND PAYMENTS</b>			
Grants Disbursed FY18			-
Loans Disbursed	491,895.00	454,500.00	37,395.00
Converted to Principal	4,414.40	4,414.40	-
Miscellaneous Expenses (Bad Debt Expense)	4,409.85	4,409.85	-
Professional Services	94,878.20	87,025.30	7,852.90
<b>TOTAL EXPENSES AND PAYMENTS</b>	<b>595,597.45</b>	<b>550,349.55</b>	<b>45,247.90</b>
<b>ADJUSTED CASH BALANCE</b>	<b>1,136,540.36</b>	<b>(249,047.79)</b>	<b>(25,691.94)</b>
<b>LESS:</b>			
Approved Grants not Disbursed	(5,000.00)		
Encumbered Pilot Program Funds	(102,605.00)		
Approved Loans not yet Disbursed	(108,000.00)		
Interest Receivable at Period End	(7,738.95)		
<b>AVAILABLE TO GRANT/LOAN</b>	<b>913,196.41</b>		
<b>LOANS RECEIVABLE BALANCE</b>	<b>1,770,055.36</b>		
<b>PROOF:</b>			
Cash Balance After Reconciliations, 06/30/2018	1,138,023.35		
Deposit on Hold	(1,510.04)		
Less Payables	(7,711.90)		
Plus Interest Receivable (Includes Structured Accr'd Int)	7,738.95		
<b>ADJUSTED CASH BALANCE</b>	<b>1,136,540.36</b>		

REPORT GENERATED BY: Siri Olson

Mid-Columbia Economic Development District

Profit & Loss

June 2018

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
4600 · Loan Interest	9,265.12
4700 · Loan Processing Fees	728.48
4710 · Loan Late Fee	324.50
4750 · Investment Interest	47.08
<b>Total Income</b>	<u>10,365.18</u>
<b>Gross Profit</b>	<u>10,365.18</u>
Expense	
6400 · Professional Services	
6450 · Contractual	7,683.75
6470 · Filing Fees	169.15
<b>Total 6400 · Professional Services</b>	<u>7,852.90</u>
<b>Total Expense</b>	<u>7,852.90</u>
<b>Net Ordinary Income</b>	<u>2,512.28</u>
<b>Net Income</b>	<u><u>2,512.28</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
							-
<b>Total</b>			<b>5,000.00</b>	-	-	-	<b>5,000.00</b>

Loans Approved/Funded	Date Approved	Expiration Date	Original Loan	Previous Distribution	Current Distribution	Expired/Not Utilized	Amount Remaining
Ellson LLC	6/20/2018	7/3/2018	18,000.00				18,000.00
							-
<b>Total</b>			<b>18,000.00</b>	-	-	-	<b>18,000.00</b>