
January 26, 2017 – Minutes

Phone Conference only

Attendance

Members Present via Conference Call: Co-Chair Gerry Langelier, OVP Venture; Jim Coonan; Treasurer Tobias Read, Oregon State Treasury; Stephen Green, Townsquared; Chris Harder, Business Oregon; Adam Zimmerman, Craft3; Chad Olney, Oregon Community Credit Union;

Members Absent: Sen. Bill Hansell, Athena; Sayer Jones, Meyer Trust; Monica Enand, Zapproved; Co-Chair Patricia Moss, Bank of the Cascades

Staff via Conference Call: Nathan Wildfire, Business Oregon; Stephen Marlowe, DOJ; Heather Stafford, Business Oregon; Jenny Wilfong, Business Oregon; Chris Cummings, Business Oregon

Guests via Conference Call: Jon Finney, CTC MyCFO

Co-Chair Langelier called the meeting to order at 1:06pm.

Welcome/Introductions

Co-Chair Langelier opened the meeting. Approval of minutes from the December 2016 meeting was deferred to the February 2017 meeting. Co-Chair Langelier explained the protocol for phone conference board meetings and did introductions.

Public Comment Period

- No public comment

Pipeline Overview

Nate Wildfire, Growth Board Director, gave an overview that included:

- A short presentation that indicated the pipeline had not materially changed since the December 2016 board meeting.
- A recommendation to pause investments made through the OGA until after the Strategic Planning session is complete; and until after the results of the OGA audit are known. (See more below.)

Audit Update

Nate Wildfire led a discussion about the OGA audit. The Oregon Growth Account prioritizes returns for the Education Stability Fund. A secondary goal of OGA investment is growing the capital available to Oregon businesses, and thus growing employment and strengthening strategic sectors of the economy. A current audit from the Secretary of State's office has highlighted concerns about the percentage of funds in the OGA portfolio lacking a third-party audit. Many of those investment decisions were made prior to the existence of the Oregon Growth Board when the OGA was managed by Treasury. Various strategies were discussed to lessen the overall percentage of unaudited funds in the OGA portfolio, including:

- Set a percentage goal for the OGA portfolio regarding investments in unaudited funds.

- Cap each year's investments in unaudited funds at a certain amount or percentage in order to meet the portfolio goal for percentage of unaudited funds.
- Create a policy of not investing OGA dollars funds without an independent third party audit.
- Utilize the Oregon Growth Fund as the appropriate vehicle for investing in unaudited funds.
 - Ensure the OGF is large enough to take on this task if those funds are considered strategic to the OGB's goals of filling gaps in the State's capital ecosystem.
- Work with currently unaudited funds to commit to audits in future funds.
- Continue exploring the divestiture of unaudited funds inherited from when Treasury was managing the OGA.
- Increase the amount of investment in *audited* funds as a percentage of annual investing.
- Investigate whether the Secretary of State's office would accept an audit review for certain investments
- Investigate whether the OGB can pay for audits for some funds deemed strategic to the portfolio and the State of Oregon.
- Investigate what other investments and portfolios in the state are doing when confronted with this same issue.

Action: Gerry Langeler moves that the board adopts the following resolution – “Due to new Governmental Accounting Standards Board (“GASB”) standards and guidance from a recent audit by the Secretary of State's Office, the Oregon Growth Board will reconsider its requirements for fund accounting by those funds receiving Oregon Growth Account investment and temporarily postpone OGA investments for up to 90 days, until a new strategy for investing parameters is agreed upon.” Chad Olney seconds the motion.

Vote: The motion passes 6-0.

Annual Report Update

Director Wildfire asked the board to send him examples of instances where OGB support has meant success for Oregon-based investment vehicles, or for Oregon businesses. A draft of the Annual Report will be sent out in the next few weeks for initial board review.

Strategic Planning Update

Director Wildfire informed the board about the goals of the upcoming February 21, 2017 Strategic Planning Session for the OGB. Topics of discussion include:

- Reviewing past mission/vision work
- Parameters or characteristics of investment vehicles that the board will prioritize for 2017. Guidance is needed to navigate the investment pipeline.
- Determine what the board is attempting to accomplish with the two funding tools this coming year.
- Both the audit and the viability of the OGF will impact the Strategic Planning session.

Other Business

- The Capital Scan release event has been rescheduled to 4:30-6:30 at the Hotel Eastlund on January 31, 2017.

Adjourned at 2:54PM.

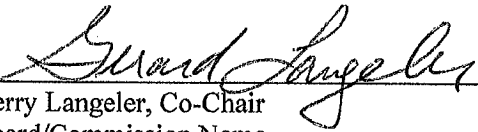
Next Meeting

- February 21

Approved by:

Patti Moss, Co-Chair
Board/Commission Name

Date


Gerry Langel, Co-Chair
Board/Commission Name

Date