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YAMHILL COUNTY BOARD OF COMMISSIONERS

AGENDA

March 5, 2026

10:00 a.m.

Formal Session

Room 32, Courthouse

535 NE Fifth St.

<https://us06web.zoom.us/j/81867313185>

Webinar ID: 818 6731 3185

Welcome! Thank you for attending today's meeting. Public participation is encouraged. If you wish to address the Commissioners on any item not on the agenda, you may do so as part of the public comment period at the beginning of the meeting. If you desire to speak on any item, please raise your hand to be recognized after the Chair announces the agenda item. Please fill out a public comment card to indicate your intent to speak. NEW – Public participation also includes the ability to attend Formal Session via Zoom. For attendees that are attending the meeting via Zoom, the Chair will ask if any Zoom attendees wish to provide public comment in same manner as provided above. At that time, attendees will be asked to use the "raise hand" function in Zoom and staff will unmute the participant. Meetings will also continue to be available for view via a live stream on the Commissioners' YouTube channel. Written public comments may be submitted via email at bocinfo@yamhillcounty.gov by 5:00p.m. Wednesday.

A. CALL TO ORDER

B. FLAG SALUTE

C. CALENDAR SESSION: This time is reserved for the review of the commissioner's joint schedule (if needed).

D. PUBLIC COMMENT: This time period is reserved for public comment on any topic other than: 1) agenda items, 2) A quasi-judicial land use matter, or 3) a topic scheduled for public hearing. The Chair may limit the length of individual comments.

E. DEPARTMENT UPDATES: Health and Human Services – Lindsey Manfrin

F. WORK SESSION: This time is reserved for topics of discussion scheduled for the Commissioners in advance. If a work session is not needed, the balance of the meeting will begin at 10:00 a.m.

1. Work Session – None.

G. CONSENT AGENDA:

Surplus:

1. Approval for the Clerk's Office to declare outdated, obsolete technology as surplus and disposed of per specific vendor requirements and restrictions in accordance with Ordinance 499.

2. Approval for the Public Works Fleet Department to surplus vehicles through PublicSurplus.com per Ordinance 499.

H. OLD BUSINESS:

1. Consideration of approval of a Board Order and findings in the matter of an application for an Outdoor Mass Gathering Permit by Katie Vinson (applicant); approving a Special Permit for the Wildwood Music Festival at 41100 Tindle Creek Rd., Willamina, OR on June 19, 20 and 21, 2026.

I. OTHER BUSINESS (Add-ons and non-consent items):

1. Consideration of approval of Amendment #1 to the real estate lease between Yamhill County Health and Human Services and the Housing Authority of Yamhill County (B.O. 25-397) to increase rent amounts and extending terms retroactive to March 1, 2026 through February 28, 2027. Oracle #HHS240571GA.

2. Consideration of approval of Amendment #6 to Agreement #185833 between Yamhill County and the Oregon Health Authority for Public Health Services (B.O. 25-269) decreasing funding by \$3,350. Oracle #HHS250381GA.

3. Consideration of approval of Grant Agreement #35711 Amendment #2 between Yamhill County and Oregon Department of Transportation (ODOT) for four (4) category E-1 replacement vehicles increasing the total project cost from \$590,709 to \$676,693 and \$607,197 in grant funds. Oracle #TR26001GA.

4. Consideration of approval of Amendment #4 to an agreement between Yamhill County Transit and First Transit Inc. (BO 20-096) in the not to exceed amount of \$5,900,000 retroactive to January 1, 2026 through June 30, 2027. Oracle #TR26004GS.

5. Discussion of EDA Disaster Recovery Grant Match funds. (Kit Johnston)

J. PUBLIC HEARINGS:

1. Docket # P-10-25: An appeal of the Planning Director’s approval of a request to partition an approximately 37-acre property into two (2) parcels of approximately 2.0 (Parcel #1) and 35-acres (Parcel #2). This partition application is possible due to a “Measure 49” Final Order and Home Site Authorization, E122333, approved by the Oregon Department of Land Conservation and Development. This request involves a transfer of the development rights granted by Measure 49 Final Order E122333 from Tax Lot 3210-02400 to the subject Lot, 2323-02000 to facilitate the clustering of Measure 49 dwellings. Applicant: Del Boca Vista, LLC/Appellant: Robert S. Jinings. *[Continued from February 5, 2026 at the point of Staff Recommendation.]*

THE RECORDS FOR PUBLIC HEARINGS CAN BE FOUND AT:
<https://www.yamhillcounty.gov/1190/Public-Hearing-Notices>

K. ANNOUNCEMENTS:

1. For information on county advisory committee vacancies, please refer to the county’s website, <https://www.yamhillcounty.gov/765/Boards-and-Committees>, or call the Board of Commissioners’ office at 503-434-7501 or 503-554-7801 (toll-free from Newberg).

2. For questions regarding accessibility or to request an accommodation contact the Board of Commissioners' office at (503)-434-7501 or (503)-554-7801 (toll-free from Newberg) or email at bocinfo@yamhillcounty.gov
3. Electronic versions of all meeting agendas and meeting information packets can be found at the county's website: <https://www.yamhillcounty.gov/AgendaCenter>

Agenda Item G1



Keri Hinton
Yamhill County Clerk

414 NE Evans St.
McMinnville, OR 97128
(503) 434-7518 phone / (503) 434-7520 fax
www.yamhillcounty.gov

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MEMORANDUM

Date: February 25, 2026

To: Board of Commissioners

From: Keri Hinton, Yamhill County Clerk

Re: Request to declare county property as surplus

The Yamhill County Clerk's office is requesting approval to declare outdated, obsolete technology equipment as surplus in accordance with Ordinance 499. The equipment consists of scanners, printers, misc. computer parts, and obsolete computer systems. These items are no longer required for the business of this office and have been deemed obsolete and/or incompatible with current systems. Additionally, according to vendor restrictions, the equipment may not be resold, transferred or donated. The equipment has no fair market or monetary value.

If you have any further questions, please let me know.

Sincerely,

Keri Hinton
Yamhill County Clerk

Agenda Item G2



Yamhill County Public Works Department

2060 Lafayette Avenue, McMinnville, Oregon 97128

Phone 503.434.7515 | Fax 503.472.4068 | Email pubwork@co.yamhill.or.us

YAMHILL COUNTY BOARD OF COMMISSIONERS COVERSHEET

DATE: March 5, 2026
TO: Board of Commissioners
FROM: Mark Lago, Public Works Director
RE: Fleet Surplus

BACKGROUND:

Below is a list of items that have come from the Fleet Department that requires surplus by the Board.

- P-299 is a 2019 Dodge Charger that has timed out by mileage. This vehicle needs extensive repairs to the engine. Estimated value of vehicle is \$1,000.00.
- P-284 is a 2015 Dodge Charger that has been totaled. Vehicles estimated value is \$300.00.
- P-287 is a 2016 Ford Explorer that has timed out by mileage. Estimated value of this vehicle is \$3,000.00.
- P-298 is a 2018 Dodge Charger that has timed out by mileage. Estimated Value is \$2,500.00.
- P-300 is a 2019 Dodge Charger that has timed out by mileage. Estimated value is \$2,750.00.
- P-301 is a 2019 Dodge Charger that has timed out by mileage. Estimated value is \$2,750.00.
- 00-165 is a 2000 New Holland TV140 brush cutter that has timed out by age and hours. This tractor needs extensive repairs. Estimated value \$20,000.00
- 89-50 is a 1989 International Snowplow that has timed out by age. Estimated \$7,000.00
- (2) 70 Gallon fuel tanks. Estimated value \$250 each.
- (4) toolboxes that are obsolete. Estimated value \$100.00 each.

STAFF RECOMMENDATION:

Approve the surplus of the vehicles from list above to be sold through PublicSurplus.com per Ordinance 499.

FISCAL IMPACT: None

ATTACHMENTS: None

Agenda Item H1

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of an Application for an Outdoor Mass Gathering Permit by Katie Vinson (applicant); Approving a Special Permit for the Wildwood Music Festival at 41100 Tindle Creek Rd., Willamina, OR On June 19, 20 and 21, 2026))))) BOARD ORDER 26-

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (“the Board”) sat for the transaction of county business in formal session in Room 32 of the Courthouse, on March ___, 2026, Commissioners Kit Johnston, Mary Starrett and David “Bubba” King being present. THE BOARD MAKES THE FOLLOWING FINDINGS.

A Yamhill County Code, Chapter 4.20 and ORS 433.735 to 433.770 allow the Board to issue a permit for an “outdoor mass gathering” under circumstances described in the code and the statutes. The code and the statutes require a public hearing to be held prior to approval of an application for a permit.

B. Katie Vinson (“Applicant”) has applied for a permit to host an event known as the “Wildwood Music Festival” at, 41100 Tindle Creek Rd., Willamina, Oregon on June 19, 20 and 21, 2026. More than 1,000 but less than 3,000 persons are reasonably expected to attend the Event as defined below. The applicant seeks permission to use properties owned by Katie Vinson located at 41100 Tindle Creek Rd., Willamina for the Event. A copy of the application is attached and incorporated into this Board Order as Exhibit “A.”

C. A noticed public hearing on the application was held on February 26, 2026 at the Yamhill County Courthouse. At the conclusion of the public hearing, the Board tentatively approved the application.

D. The Board finds that the application should be allowed as permitted by this Board Order. NOW, THEREFORE,

IT IS HEREBY ORDERED BY THE BOARD that Katie Vinson, Willamina, Oregon (“Applicant”) is granted an outdoor mass gathering permit to conduct an event known as the Wildwood Music Festival (the “Event”) on June 19, 20, and 21, 2026 at 41100 Tindle Creek Rd., Willamina, owned by Katie Vinson, an outdoor mass gathering permit is valid upon issuance of final approval by county legal counsel as provided in numbered paragraph 8, below, and is subject to the following conditions:

1. **TIMES FOR EVENT.** The County understands that the Event may be open to the public continuously, beginning at 8:00 am June 19 to 5:00 pm on June 21, 2026. The applicants request overnight camping privileges for Friday, June 19, and Saturday, June 20, 2026 for participants and spectators. Any understandings and arrangements regarding continuous public access to the private property during the event, including but not limited to overnight camping for participants, vendors and spectators, will need to be arranged between the landowner and the Applicant.
2. **NOTICE TO PUBLIC.** The Applicant is responsible for providing notice to the public of the Event. All costs of notice will be borne by the Applicant. Notices must be in accordance with any requirements imposed by the Yamhill County Sheriff's Office.
3. **SAFETY AND SECURITY.** The applicant is responsible for providing on-site security. All expenses for on-site security services shall be borne by the Applicant.
4. **TRAFFIC CONTROL AND PARKING.** The Applicant must have a plan to manage traffic access and egress to the Event, as well as parking and traffic control at the Event site. This plan should be on sight for review by the Sheriff's office.
5. **FIRE CONTROL.** The Applicant must allow a site visit from the Grand Ronde Department of Emergency Services prior to the event. The Applicant will comply with any requirements imposed by the Grand Ronde Department of Emergency Services, the Oregon Department of Forestry or the Oregon State Fire Marshal during the Event.
6. **TEMPORARY RESTROOM FACILITIES.** The Applicant is responsible for furnishing all temporary restroom facilities required for this event as required by OAR 333-039-0025(3)(a) (at least 7 chemical toilets for every 800 persons or fraction thereof anticipated to attend).
7. **LIABILITY INSURANCE.**
 - a. **INSURANCE REQUIRED; AMOUNT. COUNTY AS NAMED INSURED.** The Applicant shall obtain comprehensive general liability insurance in an amount not less than \$1,000,000 for each day of the Event. The insurance policy shall provide coverage against liability for death, injury or disability of any person or for damage to property arising from or related to Event. The County has to be named as an "additional insured".
 - b. **PROOF OF INSURANCE.** Evidence of insurance meeting this paragraph shall be submitted to county counsel not less than one week before the Event. County legal counsel is authorized to determine whether the proof of insurance meets the requirements of this paragraph.
8. **FINAL APPROVAL OF PERMIT.** The Event may not proceed until final approval for the permit is issued in written form by county legal counsel. County legal counsel will issue final approval after receipt of the following materials:

a. PROOF OF INSURANCE as provided in numbered paragraph 7.

DONE at McMinnville, Oregon on March ____, 2026.

ATTEST

YAMHILL COUNTY BOARD OF COMMISSIONERS

KERI HINTON
County Clerk

Chair KIT JOHNSTON

By: _____
Deputy CAROLINA ROOK

Commissioner MARY STARRETT

FORM APPROVED BY:

KALEB RAEVER
Yamhill County Assistant Counsel

Commissioner DAVID KING



OUTDOOR MASS GATHERING PERMIT APPLICATION

SUBMIT
Clear All

Fill out application form completely. Attach additional pages if necessary.

APPLICANT			PROPERTY OWNER (if different)		
Wildwood Music Fest			Margery E Kendall Trust		
Last Name	First Name	MI	Last Name	First Name	MI
P.O. Box 482			[REDACTED]		
Mailing Address (Street or PO Box)			Mailing Address (Street or PO Box)		
Willamina, OR 97396			[REDACTED]		
City	State	Zip	City	State	Zip
971-241-3173			[REDACTED]		
Phone Number			Phone Number		
wildwoodhotel@gmail.com			N/A		
Email Address			Email Address		

PROPERTY INFORMATION

Tax Lot No. R572200200 Property Zoning: EF-80

Property Physical Address: 41100 Indle Creek Rd. Willamina, OR

Present Use of the Property: Forestry, cattle grazing, residential

Please list the type of buildings that are currently on the property (i.e. residence (type), pole building, agricultural barn or other outbuildings, etc.):

house, shed, gazebo

Is there a septic system on the property? Yes No

How will water be provided for event? Well City Other: spring verified w/ Yamhill County health

EVENT INFORMATION

Type of Event: Music Festival and Campout

Date or Dates of Event (5 max): June 19-21st, 2026

Persons Expected to Attend Event: 500 per day 500 in total

Will Sound Amplification be Used? Yes No
If yes, please explain: a sound system will be used on stage while music is being performed, faces away from neighbors

Will Alcohol be Provided? Yes No
If yes, please explain: Beer and wine service will be authorized w/OLCC

Will Fireworks be Used? Yes No
If yes, please explain: _____

Please include a copy of the following with your application:

- Site Plan
- Fire Protection Plan
- Public Safety Plan
- Health and Medical Plan
- Parking and Traffic Control Plan
- Copy of OLCC Permit (if applicable)
- Proof of Insurance

FILING FEE: Include with your application a check or money order, made payable to Yamhill County, in the following amount:

- Single Event Fee: \$3,154.00
- Multiple Events Fee (max 5): \$3,154.00 + \$100/event

NOTE: Fees are nontransferable and nonrefundable.

CONDITIONS

The Applicant(s) understands and agrees to comply with the following conditions:

- 1) If the application is granted, the applicant(s) will exercise the rights granted in accordance with the terms and subject to all the conditions and limitations of the approval.
- 2) If the application is granted, the applicant(s) will comply with all health and safety laws governing outdoor mass gatherings as provided in ORS 433, including all those rules adopted by the Oregon Department of Human Services.
- 3) If the application is granted, the applicant(s) will comply with all requirements governing mass gatherings as provided in Yamhill County Code 4.20.

DECLARATION

I hereby declare under penalties of false swearing (ORS 162.075 and 162.085) that the above information is true and correct to the best of my knowledge. I understand that issuance of a permit based on this application will not excuse me from complying with other effective laws and regulations, including those regulating the use of the land and buildings.

I understand that Oregon law and local county code require the Yamhill County Board of Commissioners (Board) to refer the application to the Yamhill County Sheriff, the Yamhill County Health Department, the jurisdictional fire chief, and state or local road authorities for their recommended permit conditions. I further understand that the Board can impose reasonable conditions in its Order approving the Outdoor Mass Gathering Permit.

I hereby grant permission for and consent to Yamhill County, its officers, agents, and employees coming upon the above-described property to gather information and inspect the property whenever it is reasonably necessary for the purpose of processing this application.

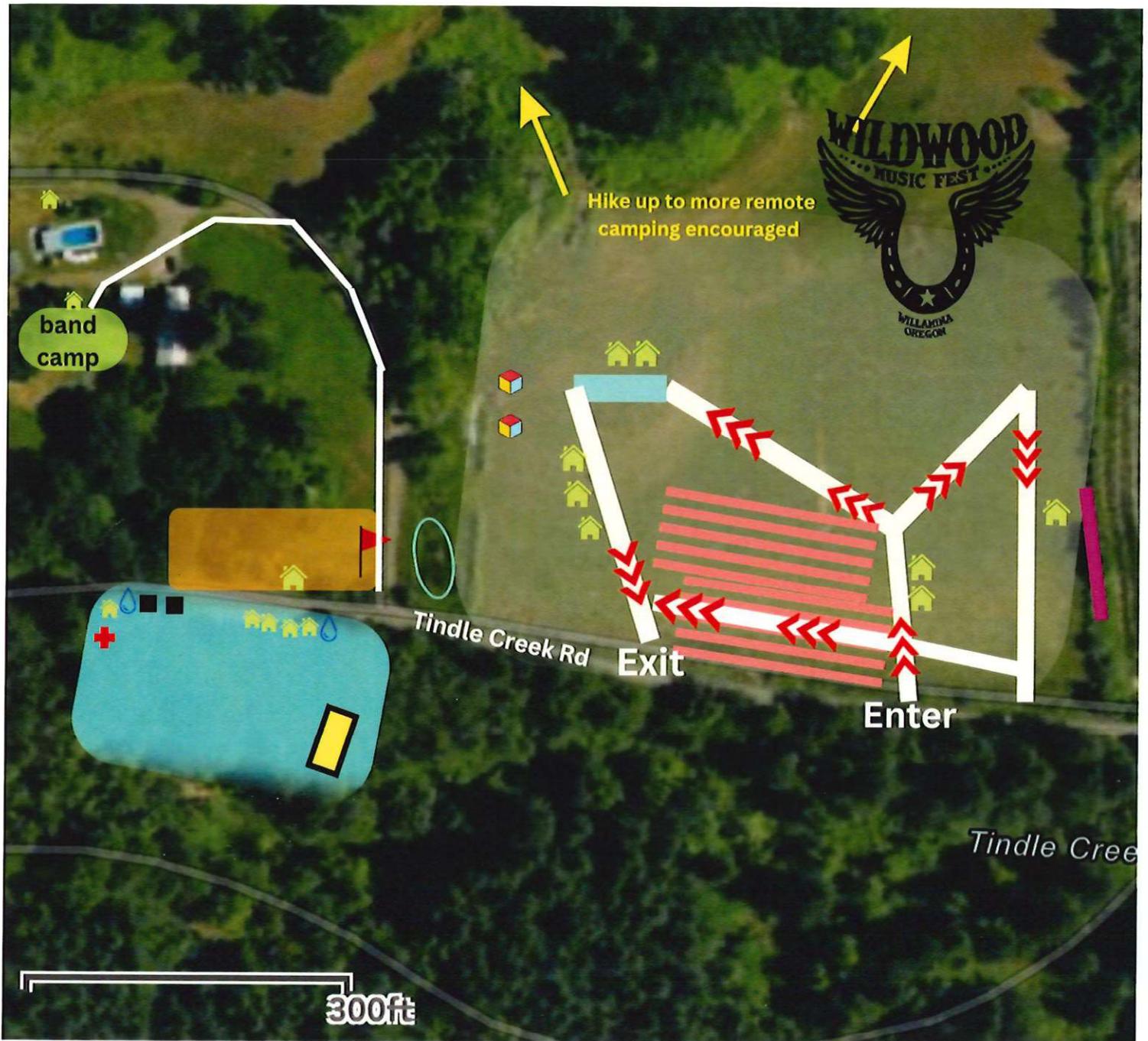
SIGNATURES:

<u>Katie Umson</u>	<u>Feb 4, 26</u>
Applicant	Date

<u>Margery E Kendall</u>	<u>1-29-26</u>
Property Owner	Date

Submit the completed application and all required documentation to:

Yamhill County Mass Gathering Permit
c/o County Counsel's Office
535 NE 5th Street
McMinnville, OR 97128
bocinfo@yamhillcounty.gov



-  music, food & beverage
-  car camping
-  band & temp loading/unloading
-  first aid
-  stage
-  day parking
-  hand washing stations
-  food vendors
-  porta pottie

-  approximately 15,000 gallon holding pond
-  Fire Lanes
-  275 gallon tanks
-  Exit to be used only in case of emergency
-  band camping area
-  band /volunteer check in

Agenda Item I1

From: [Lindsey Manfrin](#)
To: [Ken Huffer](#); [Mary Starrett](#)
Cc: [Layne Pendleton-Baker](#); [Brittany Zylstra-Stanhope](#); [Amanda Kreder](#); [Jason Henness](#); [Kaleb Clint Raever](#); [Carolina Rook](#); [Bailey Barnhart](#); [Cale George](#)
Subject: Board Consideration: Amendment to Lease Agreement for Bridges March 2026
Date: Friday, February 27, 2026 9:14:16 AM
Attachments: [HAYC Bridges Lease Amend 1 2026-27 HHS24057IGA \(HAYC Signed\).pdf](#)
[image001.png](#)

Hi Mary and Ken,

Attached is an amendment to the lease agreement between Yamhill County Health and Human Services and the Housing Authority of Yamhill County for the Bridges complex (BO 25-397). If approved, this amendment increases the rent from \$3,773.00 per month to \$3,877.00 per month retroactive to March 1, 2026, and extends the lease through February 28, 2027. The annual increase amount of \$1,248.00 represents a 2.76% increase which is in line with the West Urban Consumer Price Index as specified in the lease agreement. While the increase is not included in our Health and Human Services 2025-2026 Adopted Budget, we have sufficient expense authority.

Bridges provides crisis respite and transitional housing with community supports for individuals with significant mental health challenges. If approved, this will continue a longstanding partnership with the Housing Authority to provide this critical support to individuals in our community.

I recommend the Board approve this rent increase and lease extension as written. Please let me know if you have any questions.

BOC staff, please place this on the next Board Agenda for approval. Suggested Board Agenda language:

"Approval of an amendment to the real estate lease (25-397) between Yamhill County Health and Human Services and the Housing Authority of Yamhill County retroactive to March 1, 2026. Oracle #HHS24057IGA."

Thank you,

Lindsey Manfrin, DNP, RN
Health and Human Services Director
Public Health Administrator

Pronouns: she/her/hers

Yamhill County Health and Human Services | 638 NE Davis St McMinnville, OR 97128

Phone: 503-434-7525 | Cell: 971-237-2412 | Ext. 4719

Fax: [503-474-4907](tel:503-474-4907) | manfrinl@YamhillCounty.gov

Yamhill County Crisis Line (1-844-842-8200)



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AMENDMENT No. 1 TO YAMHILL COUNTY LEASE AGREEMENT
Housing Authority of Yamhill County

Contract No. HHS24057IGA

THIS AMENDMENT is made and entered into this 5th day of February 2026, by and between the YAMHILL COUNTY, a political subdivision of the State of Oregon, acting by and through its Health and Human Services Department (“Tenant”), and Housing Authority of Yamhill County (“Landlord”) (collectively, the “Parties”).

WHEREAS, The Parties executed a Lease contract on December 16, 2025, pursuant to Board Order No. 25-397 for five rental units located at 105-115 SE Irvine Street (the “Contract”); and

WHEREAS, The Parties now wish to amend the Contract to extend initial term and increase rent amounts; and now, therefore

THE PARTIES hereby agree to amend the Contract as follows (new language is indicated by underlined font and deleted language is indicated by strike-out font):

1. The section entitled “Lease Term; Renewal” is amended to read as follows:

~~Initial~~ Renewal Term of Lease. The renewal term of the Lease is as follows:

- 1 year
- Lease Renewal Date: March 1, 2026
- Lease Expiration Date: February 28, 2027

2. The section entitled “Rent” is amended to read as follows:

105 SE Irvine St	1 bedroom	\$750 <u>771</u> per month
107 SE Irvine St	2 bedroom	\$883 <u>907</u> per month
111 SE Irvine St	Studio Unit	\$695 <u>714</u> per month
113 SE Irvine St	Studio Unit	\$695 <u>714</u> per month
115 SE Irvine St.	1 bedroom	\$750 <u>771</u> per month

Except as expressly amended above, all other terms and conditions of the original contract are still in full force and effect. The Tenant certifies that the representations, warranties, and certifications contained in the original contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

[remainder of page intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed, this Amendment No. 1 on the date indicated by their duly authorized officials.

LANDLORD:

HOUSING AUTHORITY OF YAMHILL COUNTY



Signature
Vickie Ybarguen

Name (printed)
Executive Director

Title
2/10/21

Date

TENANT:

YAMHILL COUNTY, OREGON

KIT JOHNSTON, Chair
Board of Commissioners
Date: _____

LINDSEY MANFRIN, Director
Health and Human Services Dept.
Date: _____

APPROVED AS TO FORM

By: _____
Kaleb Raever
County Counsel
Date: _____

Agenda Item I2

From: [Lindsey Manfrin](#)
To: [Ken Huffer](#); [Mary Starrett](#)
Cc: [Layne Pendleton-Baker](#); [Brittany Zylstra-Stanhope](#); [Amanda Kreder](#); [Bill Michielsen](#); [Kaleb Clint Raever](#); [Carolina Rook](#); [Bailey Barnhart](#); [Cale George](#)
Subject: Board Consideration: 185833 LPHA Amendment 6
Date: Friday, February 27, 2026 9:17:08 AM
Attachments: [185833-6 Final tlh with DRS.pdf](#)
[image001.png](#)

Hi Mary and Ken,

Attached is amendment #6 to the agreement between Yamhill County and the Oregon Health Authority (OHA) for the financing of Public Health Services (BO 25-269) Oracle #HHS25038IGA. This amendment decreases funding for Program Element 03 in the amount of \$3,800.00. This funding was originally issued in error and we recoup revenues for these services via an invoicing process. This amendment also provides additional funding of \$450.00 for Program Element 12-01. All changes are effective July 1, 2025 through June 30, 2026.

BOC staff, please place this amendment on the next Board Agenda for approval. Suggested Board Agenda language:

“Approval of amendment #6 to Agreement #185833 between Yamhill County and the Oregon Health Authority for Public Health Services (BO 25-269) decreasing funding by \$3,350.00. Oracle # HHS25038IGA.”

Thank you,

Lindsey Manfrin, DNP, RN

Health and Human Services Director

Public Health Administrator

Pronouns: she/her/hers

Yamhill County Health and Human Services | 638 NE Davis St McMinnville, OR 97128

Phone: 503-434-7525 | Cell: 971-237-2412 | Ext. 4719

Fax: [503-474-4907](tel:503-474-4907) | manfrinl@YamhillCounty.gov

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destroy it and contact me at 503-434-7575.

You can get this document in other languages, large print, braille, or a format you prefer free of charge. Contact the Contract Administrator at the contact information found below. We accept all relay calls.



Agreement #185833

**AMENDMENT TO OREGON HEALTH AUTHORITY
2025-2027 INTERGOVERNMENTAL AGREEMENT FOR THE
FINANCING OF PUBLIC HEALTH SERVICES**

This Sixth Amendment to Oregon Health Authority 2025-2027 Intergovernmental Agreement for the Financing of Public Health Services, effective July 1, 2025, (as amended the "Agreement"), is between the State of Oregon acting by and through its Oregon Health Authority ("OHA") and Yamhill County, ("LPHA"), the entity designated, pursuant to ORS 431.003, as the Local Public Health Authority for Yamhill County. OHA and LPHA are each a "Party" and together the "Parties" to the Agreement.

RECITALS

WHEREAS, OHA and LPHA wish to modify certain terms set forth in Exhibit C of the Agreement

WHEREAS, OHA and LPHA wish to modify the Financial Assistance Award set forth in Exhibit C of the Agreement.

WHEREAS, OHA and LPHA wish to modify information required by 2 CFR Subtitle B with guidance at 2 CFR Part 200 as set forth in Exhibit J of the Agreement;

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. This Amendment is effective on **January 1, 2026**, regardless of the date this amendment has been fully executed with signatures by every Party and when required, approved by the Department of Justice. However, payments may not be disbursed until the Amendment is fully executed.
2. The Agreement is hereby amended as follows:
 - a. Exhibit A "Definitions", the definition for "Financial Assistance Award" is hereby amended as follows; deleted language is ~~struck through~~ and new language is **bold and underlined**:
 - b. "Financial Assistance Award" or "FAA" means the description of financial assistance set forth in Exhibit C, "Financial Assistance Award," attached hereto and incorporated herein by this reference; as such Financial Assistance Award may be amended from time to time. **For all Program Elements except PE 03, costs are covered in whole or in part with financial assistance shown in the award balance column in Exhibit C, "Financial Assistance Award," of this Agreement. For PE 03, costs are**

covered in whole or in part with financial assistance as described in the footnote of Exhibit C, "Financial Assistance Award," of this Agreement.

- c. The first page of Exhibit C "Financial Assistance Award and Revenue and Expenditure Report" is amended as follows; deleted language is ~~struck through~~ and new language is **bold and underlined**:

This Exhibit C of this Agreement consists of and contains the following Exhibit sections:

1. Financial Assistance Award.

Notwithstanding the Explanation of the Financial Assistance Award, PE-03 is listed as a "\$0.00" in the Financial Assistance Award, as the total available balance for PE 03 payments is shared across all LPHAs. Payments for allowable expenses will still be made subject to the availability of total funding across all LPHAs.

2. Explanation of the Financial Assistance Award

LPHA will conduct the services for each Program Element listed in the Financial Assistance Award, as further explained by the Explanation of the Financial Assistance Award.

3. Oregon Health Authority Public Health Division Expenditure and Revenue Report.

4. Instructions for OHA Public Health Division Expenditure and Revenue Report.

~~LPHA will conduct the services for each Program Element listed in the Financial Assistance Award, as further explained by the Explanation of the Financial Assistance Award.~~

For each applicable Program Element, LPHA must report revenues and expenditures according to the schedule provided within the Program Element using the Oregon Health Authority Public Health Division Expenditure and Revenue Report according to the Instructions for OHA Public Health Division Expenditure and Revenue Report within this Exhibit C

- d. Exhibit C, Section 1 of the Agreement, entitled "Financial Assistance Award" is hereby superseded and replaced in its entirety by Attachment A, entitled "Financial Assistance Award", attached hereto and incorporated herein by this reference. Attachment A must be read in conjunction with Section 2 of Exhibit C.
- e. Exhibit J of the Agreement entitled "Information required by 2 CFR Subtitle B with guidance at 2 CFR Part 200" is amended to add to the federal award information datasheet as set forth in Attachment B, attached hereto and incorporated herein by this reference.

3. LPHA represents and warrants to OHA that the representations and warranties of LPHA set forth in Section 4 of Exhibit F of the Agreement are true and correct on the date hereof with the same effect as if made on the date hereof.

- 4. Capitalized words and phrases used but not defined herein shall have the meanings ascribed thereto in the Agreement.
- 5. Except as amended hereby, all terms and conditions of the Agreement remain in full force and effect.
- 6. This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Amendment so executed shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below their respective signatures.

7. Signatures.

STATE OF OREGON, ACTING BY AND THROUGH ITS OREGON HEALTH AUTHORITY

Approved by: _____
 Name: /for/ Nadia A. Davidson
 Title: Director of Finance
 Date: _____

YAMHILL COUNTY LOCAL PUBLIC HEALTH AUTHORITY

Approved by: _____
 Printed Name: _____
 Title: _____
 Date: _____

DEPARTMENT OF JUSTICE – APPROVED FOR LEGAL SUFFICIENCY

Agreement form group-approved by Devon Thorson, Senior Assistant Attorney General, Tax and Finance Section, General Counsel Division, Oregon Department of Justice by email on February 4, 2026, copy of email approval in Agreement file.

REVIEWED BY OHA PUBLIC HEALTH ADMINISTRATION

Reviewed by: _____
 Name: Rolonda Widenmeyer (or designee)
 Title: Program Support Manager
 Date: _____

DOCUMENT RETURN STATEMENT

Please complete the following statement and return with the completed signature page and the Contractor Data and Certification page and/or Contractor Tax Identification Information (CTII) form, if applicable.

If you have any questions or find errors in the above referenced Document, please contact the contract specialist.

Document number: _____, hereinafter referred to as "Document."

I, _____
Name Title

received a copy of the above referenced Document, between the State of Oregon, acting by and through the Department of Human Services, the Oregon Health Authority, and

_____ by email.

Contractor's name

On _____,
Date

I signed the electronically transmitted Document without change. I am returning the completed signature page, Contractor Data and Certification page and/or Contractor Tax Identification Information (CTII) form, if applicable, with this Document Return Statement.

Authorizing signature

Date

Please attach this completed form with your signed document(s) and return to the contract specialist via email.

**Attachment A
Exhibit C - Financial Assistance Award**

State of Oregon Oregon Health Authority Public Health Division		
1) Grantee Name: Yamhill County Street: 310 NE Kirby St. City: McMinnville State: OR Zip: 97128-4301	2) Issue Date Thursday, January 1, 2026	This Action Amendment
	3) Award Period From July 1, 2025 through June 30, 2026	

4) OHA Public Health Funds Approved				
Number	Program	Previous Award Balance	Increase / Decrease	Current Award Balance
PE01-01	State Support for Public Health	\$141,403.00	\$0.00	\$141,403.00
PE01-09	COVID-19 Active Monitoring - ELC	\$989,697.80	\$0.00	\$989,697.80
PE01-12	ACDP Infection Prevention Training	\$1,517.82	\$0.00	\$1,517.82
PE02	Cities Readiness Initiative	\$63,719.00	\$0.00	\$63,719.00
PE03	Tuberculosis Case Management	\$3,800.00	(\$3,800.00)	\$0.00
PE12-01	Public Health Emergency Preparedness and Response (PHEP)	\$86,034.00	\$450.00	\$86,484.00
PE13	Tobacco Prevention and Education Program (TPEP)	\$159,301.62	\$0.00	\$159,301.62
PE36	Alcohol & Drug Prevention Education Program (ADPEP)	\$100,626.00	\$0.00	\$100,626.00
PE36-01	OSPTR Board Primary Prevention Funding	\$98,327.00	\$0.00	\$98,327.00
PE42-03	MCAH Perinatal General Funds & Title XIX	\$10,309.00	\$0.00	\$10,309.00
PE42-04	MCAH Babies First! General Funds	\$11,459.00	\$0.00	\$11,459.00
PE42-11	MCAH Title V	\$38,178.00	\$0.00	\$38,178.00
PE43-01	Public Health Practice (PHP) - Immunization Services	\$28,362.00	\$0.00	\$28,362.00
PE44-01	SBHC Base	\$195,000.00	\$0.00	\$195,000.00
PE44-02	SBHC - Mental Health Expansion	\$262,500.00	\$0.00	\$262,500.00

4) OHA Public Health Funds Approved				
Number	Program	Previous Award Balance	Increase / Decrease	Current Award Balance
PE46-05	RH Community Participation & Assurance of Access	\$25,514.00	\$0.00	\$25,514.00
PE50	Safe Drinking Water (SDW) Program (Vendors)	\$60,362.93	\$0.00	\$60,362.93
PE51-01	LPHA Leadership, Governance and Program Implementation	\$650,527.50	\$0.00	\$650,527.50
PE51-05	CDC PH Infrastructure Funding	\$320,876.83	\$0.00	\$320,876.83
PE62	Overdose Prevention-Counties	\$143,485.00	\$0.00	\$143,485.00
PE63	MCAH LPHA Community Lead Organizations	\$185,000.00	\$0.00	\$185,000.00
PE81-01	HIV/STI Statewide Services (HSSS) Federal Funds	\$33,363.00	\$0.00	\$33,363.00
PE81-02	HIV/STI Statewide Services (HSSS) Program Income	\$161,745.00	\$0.00	\$161,745.00
		\$3,771,108.50	(\$3,350.00)	\$3,767,758.50

5) Foot Notes:	
PE01-01	07/2025: funding available 7/1/25-9/30/25 only.
PE01-01	10/2025: Prior footnote dated 07/2025 null and void.
PE03	01/2026: Effective 7/1/2025, funds are not accounted for in Section 4, "OHA Public Health Funds Approved", above, invoices are paid outside of the Current Award Balance.
PE42-11	07/2025: Indirect rate caps at 10%.

6) Comments:	
PE01-09	10/2025: Rollover unspent SFY25 funds of \$989,697.80
PE12-01	01/2026: \$450 available for training 4/1/26-5/31/26 only
PE36	08/2025: Prior comment null and void 07/2025: \$25,156.50 available 7/1/25 - 9/30/25 only.
PE36-01	08/2025: Increase of SFY26 funds of \$1,297 per grantee request 07/2025: rollover unspent SFY25 funds of \$97,030
PE51-05	09/2025: Rollover unspent SFY25 funds of \$320,876.83.
PE62	07/2025: \$23,914 available 7/1/25-9/30/2025 only; \$119,571 available 10/1/2025-6/30/2026 only
PE81-01	07/2025: \$30,583 available 7/1/25-5/31/26 only; \$2,780 available 6/1/26-6/30/26 only

7) Capital outlay Requested in this action:				
Prior approval is required for Capital Outlay. Capital Outlay is defined as an expenditure for equipment with a purchase price in excess of \$5,000 and a life expectancy greater than one year.				
Program	Item Description	Cost	PROG APPROV	

Attachment B

Exhibit J - Information required by CFR Subtitle B with guidance at 2 CFR Part 200

PE12-01 Public Health Emergency Preparedness and Response (PHEP)

Federal Award Identification Number:	NU90TU000054	NU90TU000054
Federal Award Date:	06/26/25	06/11/24
Budget Performance Period:	07/01/25-06/30/26	07/01/2024-06/30/2026 (EA)
Awarding Agency:	CDC	CDC
CFDA Number:	93.069	93.069
CFDA Name:	PHEP	Public Health Emergency Preparedness
Total Federal Award:	631,089	8,464,953
Project Description:	PHEP Cooperative Agreement	Public Health Emergency Preparedness (PHEP) Cooperative Agreement
Awarding Official:	Rachel Forche	Rachel Forche
Indirect Cost Rate:	16.96	17.79%
Research and Development (T/F):	FALSE	FALSE
HIPPA	No	No

Agency	UEI	Amount	Amount	Grand Total:
Yamhill	C3Y2E1SWLNS3	\$86,034.00	\$450.00	\$86,484.00

Agenda Item I3



TO: Yamhill County Board of Commissioners

FROM: Cynthia Thompson, Transit Manager

Cc: Ken Huffer, Kevin Perkins, Bailey Barnhart, Tonya Manley, Christian Boenisch

DATE: February 19, 2026

Re: Board Action Items for Yamhill County Transit

**Yamhill County Transit Action Items for
Board of Commissioners**

Date: February 26, 2026

Project Description:

Approval of grant agreement amendment #2 for federal 5310 discretionary funds. Grant agreement 35711 changes from three (3) vehicles to four (4) Category E1 replacement vehicles. Change total project cost from \$590,709 to \$676,693 and total grant funding from \$530,042 to \$607,197.

Board Action:

Approve grant agreement 35711 amendment #2 for four (4) replacement category E-1 replacement vehicles with a total project cost of \$676,693 and \$607,197 in grant funds.

Background Info:

Board Order 25-52 approved by the Board of Commissioners on 2/20/2025. ODOT original grant agreement had a typo in the Project budget section and incorrect number of seats in the vehicle description section.

Board Order 25-406 BOC approved Amendment #1 changing vehicles from four to three.

Amendment #2 increases funding allowing purchase of four (4) category E-1 low floor gas powered vehicles with a useful life of four years or 100,000 miles, approximately 16 – 20 feet and approximately nine seats and ADA securement stations.

AMENDMENT NUMBER 2
ODOT GRANT AGREEMENT NO. 35711
Yamhill County

The **State of Oregon**, acting by and through its Department of Transportation, hereinafter referred to as **State**, and **Yamhill County**, hereinafter referred to as **Recipient**, entered into an Agreement on **March 7, 2025** and Amendment 1 (one) on **December 29, 2025**. Said Agreement is to secure financial assistance to complete the activities described in Exhibit A.

It has now been determined by **State** and **Recipient** that the Agreement referenced above, although remaining in full force and effect, shall be amended to increase the grant amount, revise Exhibit A, and revise Exhibit B.

Page 1, Agreement, Paragraph 3, which reads:

3. **Project Cost; Grant Funds; Match.** The total project cost is estimated at **\$590,709.00** ("Project Costs"). In accordance with the terms and conditions of this Agreement, State shall provide Recipient an amount not to exceed **\$530,042.00** (the "Grant Funds") for eligible costs described in Section 6.a. hereof. Recipient shall provide matching funds for all Project Costs as described in Exhibit A. Recipient will be responsible for all Project Costs not covered by the Grant Funds.

Shall be deleted in its entirety and replaced with the following:

3. **Project Cost; Grant Funds; Match.** The total project cost is estimated at **\$676,693.00** ("Project Costs"). In accordance with the terms and conditions of this Agreement, State shall provide Recipient an amount not to exceed **\$607,197.00** (the "Grant Funds") for eligible costs described in Section 6.a. hereof. Recipient shall provide matching funds for all Project Costs as described in Exhibit A. Recipient will be responsible for all Project Costs not covered by the Grant Funds.

Exhibit A shall be deleted in its entirety and replaced with the attached Revised Exhibit A. All references to "Exhibit A" shall hereinafter be referred to as "Revised Exhibit A."

Exhibit B shall be deleted in its entirety and replaced with the attached Revised Exhibit B. All references to "Exhibit B" shall hereinafter be referred to as "Revised Exhibit B."

This Amendment may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Amendment so executed shall constitute an original.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

SIGNATURE PAGE TO FOLLOW

Yamhill County, by and through its

By _____
(Legally designated representative)

Name _____
(printed)

Date _____

By _____

Name _____
(printed)

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

(If required in local process)

By _____
Recipient's Legal Counsel

Date _____

Recipient Contact:

Cynthia Thompson
535 NE 5th St
McMinnville, OR 97128
1 (503) 474-4910
thompsonc@yamhillcounty.gov

State Contact:

Arla Miller
355 Capitol St NE, MS43
Salem, OR 97301
1 (503) 949-5415
Arla.MILLER@odot.state.or.us

State of Oregon, by and through its
Department of Transportation

By _____
Suzanne Carlson
Public Transportation Division Administrator

Date _____

APPROVAL RECOMMENDED

By _____ Arla Miller

Date _____ 02/19/2026

APPROVED AS TO LEGAL SUFFICIENCY

(For funding over \$250,000)

By _____
Assistant Attorney General

Name _____ Nina R. Englander by email
(printed)

Date _____ 11/12/2024

Signed Agreement Return Address: ODOTPTDReporting@odot.oregon.gov

**Revised Exhibit A
 Project Description and Budget**

Project Description/Statement of Work

Project Title: 5310 STBG Yamhill County 35711				
<i>Purchase four replacement vehicles</i>				
<i>FTA funding Category B. Project identified not ready to execute. Funds not available until FTA grant execution and subgrant agreement amendment execution to release funds for reimbursement.</i>				
	Total	Grant Amount	Local Match	Match Type(s)
P-23-0660-01 Item #1: Vans				
	\$676,692.00	\$607,197.00	\$69,495.00	State
Sub Total	\$676,692.00	\$607,197.00	\$69,495.00	
Grand Total	\$676,692.00	\$607,197.00	\$69,495.00	

The requirements of the National Environmental Policy Act (NEPA) and all other applicable federal environmental laws (e.g., the Endangered Species Act, the Clean Water Act, the National Historic Preservation Act) apply to all projects that receive FTA funds (directly or through the State). The process of addressing compliance with NEPA and all other applicable federal environmental laws is referred to as the environmental review process. For any project receiving FTA funds, subrecipients are responsible for coordinating with ODOT prior to incurring any costs or conducting any project-related activities to confirm requirements for complying with the environmental review process. The subrecipient is responsible for submitting all documentation required to comply with the environmental review process to ODOT for approval by the FTA.

The following activities cannot proceed until the FTA concurs in writing that the environmental review process is complete per 23 CFR 771.113(a)(1):

- final design activities (design beyond 30%);***
- property acquisition (includes purchase discussions with property owners that imply or are explicitly binding);***
- purchase of construction materials (including EV chargers and bus shelters) or rolling stock,***
- project construction activities (including construction, alteration, or repair [including dredging, excavating, and painting] of buildings, structures, or other real property).***

Proceeding with any of these activities prior to FTA concurrence that the environmental review process is complete may deem the entire project ineligible to receive federal funding.

1. PROJECT DESCRIPTION

This Agreement provides funding to purchase passenger transportation vehicles to be used to provide public transportation service. Public transportation service is defined as service to the general public or special populations such as seniors and individuals with disabilities. Recipient may use the vehicles to coordinate public and human service transportation services with other agencies. Recipient will not lease the vehicles to another agency without the permission of State.

Funding under this Agreement is for the purchase of Four Category E1 transit vehicles as follows:

Useful life - Four years or 100,000 miles; approximate length - 16-20 feet; estimated number of seats - nine; estimated number of ADA securement stations - two; fuel type - gas.

Purchase includes all equipment and supplies necessary to put the vehicles into service.

The following vehicles have been approved for replacement in this Agreement:

- a. V001728 ; 2017/Ford Arboc; 1FDRS9PM8HKB18212*
- b. V001737; 2017/Ford Arboc; 1FDRS9PM1HKB18228*
- c. V001738; 2017/Ford Arboc; 1FDRS9PM4HKB18210*
- d. V001739; 2017/Ford Arboc; 1FDRS9PM7HKB18217*

2. PROJECT DELIVERABLES, TASKS and SCHEDULE

All purchases and installations must be completed prior to the expiration date of this Agreement. Vehicles should be ordered no later than six months after the execution of the agreement and may not be considered for any type of extension if not ordered at least one year prior to the execution of the grant agreement. Every effort should be made to order the vehicles in a timely manner to ensure they are received prior to the expiration date of the agreement.

Phases funding should be available for reimbursement by summer 2026.

Milestones:

*Start Date - January 2, 2025
RFP/IFB Issue Date - March 7, 2025
Contract Award Date - March 28, 2025
Initial Delivery Date - January 16, 2026
Final Delivery Date - February 6, 2026
Contract Completion Date - March 9, 2026*

For federally-funded vehicles procured using State Price Agreement contracts managed by the Oregon Department of Administrative Services, all vehicle orders will be reviewed and approved by State prior to submission to vendors. State is responsible for submitting vehicle purchase orders to selected vendor.

If Recipient does not purchase from the State Price Agreement contracts managed by the Oregon Department of Administrative Services, requests for quotes to procure the vehicles must be reviewed by State prior to submitting for bid.

State will retain title to the vehicles as primary security interest holder for as long as the vehicles remains in public transportation service. Recipient is required to report on all vehicles that are purchased with state or federal funding until disposition of the vehicle. Recipient must request permission from State to release title for disposal when planning to sell or transfer a vehicle, and must notify State when actual disposal has been completed. Vehicles must exceed the minimum useful standard for age or mileage before State will release title. Recipient must request permission from State in advance to transfer or otherwise dispose of a vehicle prior to its meeting federal useful life standards. Recipient must request permission from State to release title for changes.

Recipient will create and maintain a vehicle maintenance plan that utilizes the original equipment manufacturer maintenance requirements for each vehicle and meets Federal Transit Administration transit asset management requirements in 49 CFR Part 625. Recipient will follow the plan to ensure each vehicle is maintained in a state of good repair. Recipient will provide State a copy of the maintenance plan upon request.

3. PROJECT ACCOUNTING and MATCHING FUNDING

Eligible expenses that may be charged to this Agreement include grant administration, the cost of the procurement process, delivery charges and post-delivery inspections. Aftermarket equipment, graphics and other items directly associated with these vehicles and required to put the vehicles into service are eligible. Purchase of an extended warranty is an eligible expense; however, the eligible warranty shall not exceed the defined useful life of the vehicles. Licensing and other post-delivery expenses are not eligible for reimbursement.

Recipient will provide matching funding from non-federal source(s). Sources of funding that may be used as matching funding for this Agreement include, Statewide Transportation Improvement Fund, local funds, service contract revenue, advertisement income, other earned income, cash donations, and other verifiable in-kind contributions that are integral to the project budget. Recipient may not use passenger fares as matching funding.

Recipient will subtract income from fares, tickets, and passes whether pre-paid or post-paid, from the gross operating expenses of the service. State's obligation to reimburse Project costs is contingent upon Recipient first paying or otherwise contributing its minimum match amount set forth in this Exhibit A. Recipient may not count the same costs twice if they have multiple agreements for which these costs may be eligible.

4. REPORTING and INVOICING REQUIREMENTS

Recipient will provide reporting information as prescribed by State on the vehicles purchased under this Agreement as long as the vehicles remain in public transportation service. Recipient will submit a request for reimbursement in a format provided by State. Reimbursement requests must include:

- 1. The required agency cover letter (instructions found on PTD website), must be attached and include all of the following information:
 - a. Grant agreement number*
 - b. Total cost of all items submitted for reimbursement on the vehicle (vendor purchase order plus any after-market additions to the vehicle), including the .5% vehicle use tax*
 - c. Total passenger capacity/number of ADA stations/total passenger capacity with ADA stations deployed*
 - d. Declaration of whether or not any rebates were given on price and if they are deducted from the reimbursement request*
 - e. Date of acceptance of the vehicle (list if more than one vehicle)*
 - f. Date vehicle was put into active transit service (list if more than one vehicle)*
 - g. Source of matching funds*
 - h. Declaration that vehicle license and title registration expenses are not included in the costs submitted for reimbursement**
- 2. Declaration that a copy of each required document listed on the Pre-Award and Post-Delivery Vehicle Purchase Certification form is physically on file in the subrecipient's vehicle procurement file for each vehicle being purchased.*
- 3. Subrecipients should not attach invoices that are not directly related to the expenses that are requested on the reimbursement request document.*
- 4. copies of all invoices associated with expenses identified for reimbursement. Also required are a pre-award and post-delivery certification form documenting compliance to Altoona bus testing, Federal Motor Vehicle Safety Standards, Buy America, and Disadvantaged Business Enterprise requirements.*

Recipient is required to create, update and maintain an equipment maintenance plan for equipment valued at \$50,000 or more, including non-rolling stock vehicles and shop equipment. Recipient shall service all vehicles according to the current maintenance plan.

Revised Exhibit B
FINANCIAL INFORMATION

The information below will assist auditors to prepare a report in compliance with the requirements of 2 CFR part 200, subpart F.

This Agreement is financed by the funding source indicated below:

Federal Program 49 U.S.C. 5310	Federal Funding Agency U.S. Department of Transportation Federal Transit Administration 915 Second Avenue, Suite 3142 Seattle, WA 98174	CFDA Number 20.513 (5310)	Total Federal Funding \$607,197.00
------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------	-----------------------------------------------------

Administered By Public Transportation Division 355 Capitol St NE, MS43 Salem, OR 97301

Agenda Item I4



TO: YCTA Board of Directors
Yamhill County Board of Commissioners

FROM: Cynthia Thompson, Transit Manager

Cc: Ken Huffer, Kevin Perkins, Bailey Barnhart, Cale George,
Tonya Manley, Christian Boenisch

DATE: February 20, 2026

Re: Board Action Items for Yamhill County Transit

**Yamhill County Transit Action Items for
Board of Commissioners**

Date: February 26, 2026

Project Description:

Approval of Contract Amendment No. 4- Yamhill County Transit/First Transit contract adopted March 31, 2020, with three amendments between March 2020 and June 2024. This amendment updates the compensation and is retroactive to January 1, 2026. The compensation is not to exceed \$3,800,000 annually (January 1, 2026 – Dec 31, 2026) and not to exceed \$2,100,000. (January 1, 2027-June 30, 2027) for 34,000 annual revenue hours of service or 51,000/hours (+/- 15%) for 18 months. This amendment adds language for credits for management positions remaining unfilled for more than thirty (30) days and extends the term of the contract through June 30, 2027.

Board Action:

Approve YCT/FT contract (BO 20-096) Amendment no. 4 retroactive to January 1, 2026, for 34,000 (+/-) annual revenue hours or 51,000 (+/-) hours for 18 months with updated compensation at \$3.8 million (January 1 – Dec 31, 2026) and \$2.1 million (January 1 – June 30, 2027) extending the term to June 30, 2027.

Background Info:

Yamhill County Transit contracts with First Transit Inc. purchased by Transdev. They provide commuter and local fixed-routes, demand-response, maintenance, dispatch and management services. Since the original contract was executed in 2020, three amendments were approved to address rate changes, service adjustments, move to Durham and shop set-up and interim extensions.

Amendment No. 4 addresses the most critical changes necessary in the contract and for continuity of service it extends the term for another 18 months through June 30, 2027. Exhibit F reflects a total service level of 34,000 (+/-) annual revenue hours of service or 51,000 (+/-) rev hours for 18 months; the service levels may increase or decrease by up to 15% without variable hourly rate or fixed rate change. This amendment no. 4 includes a not to exceed limit of \$3.8 million retroactive to January 1, 2026, through December 31, 2026, and a not to exceed \$2.1 million from January 1, 2027, to June 30, 2027. The monthly fixed costs will be \$42,285.89 through December 31, 2026, with an hourly rate of \$96.84/rev hour. The monthly fixed rate costs will be \$44,850.94 and the hourly rate will be \$105.60/rev hour from Jan 1, 2027, to June 30, 2027.

On September 17, 2025, the County/YCT formally notified First Transit/Transdev about long standing compliance and performance matters requiring resolution. This process has taken longer than expected and YCT awaited a response from the Contractor.

The CONTRACTOR is preparing a corrective action plan due by March 30, 2026. The finalization of the corrective action plan is expected to increase efficiency and cost savings with the goal of expenditure being less than the maximum annual not-to-exceed amount.

SUMMARY OF AMENDMENT NO. 4

- Establishes a maximum of \$3,800,000 annually retroactive to January 1, 2026, through December 31, 2026, and a maximum of \$2,100,000 from January 1, 2027, to June 30, 2027.
- A fixed rate that includes three management positions with benefits and overhead and the cost of First Transit lease of the Transit Center building and 60% of the square footage at the Durham Lane facility.
 - Fixed Rate: \$42,285.89 January 1, 2026- Dec 31, 2026
 - Fixed Rate: \$44,850.94 January 1, 2027- June 30, 2027
 - Variable Rate: \$96.84/revenue hour of service January 1, 2026-Dec 31, 2026
 - Variable Rate: \$105.60/rev hour of service January 1, 2027-June 30, 2027.



- The contract term is eighteen months starting January 1, 2026, through June 30, 2027.
- Amendment No. 4 adds a requirement for invoice credits when required management positions remain vacant longer than 30 days. YCT will be credited for the wages, benefits, and overhead.

FISCAL IMPACT

This amendment is a slight increase from the maximum obligation in Section 16 of Amendment No. 3 (\$3,778,330.) The \$3.8 million cap reflects the existing service level with pending minor modifications. Total annual service hours 34,000 (+/-) 15% hours. This amendment allows operational flexibility within the approved limit. There is sufficient federal and state funding secured and planned for in the YCT budget and STIF plan for these services.

AMENDMENT No. 4 TO YAMHILL COUNTY CONTRACT FOR SERVICES

Board Order 20-096

THIS AMENDMENT (Amendment #4) is made and entered into this 31st day of December, 2025, by and between the YAMHILL COUNTY, a political subdivision of the State of Oregon, acting by and through its Yamhill County Transit Area (County), a County Service District, and First Transit, Inc. a Delaware corporation (“Contractor”), located at 720 E Butterfield Road, Suite 300 Lombard, IL 60148 (collectively, the “Parties”).

WHEREAS The Parties executed a services contract on March 31, 2020, pursuant to Board Order No. 20-96 for public transportation services in the Yamhill County Transit Area (referred to herein as the “Agreement” or the “Contract”); and

WHEREAS The Parties previously amended the Contract on May 27, 2021, pursuant to Board Order No. 21-198 (“Amendment No. 1”) to increase the hourly and monthly rates; and

WHEREAS The Parties previously amended the Contract on January 25, 2024, pursuant to Board Order No. 24-11 (“Amendment No. 2”), to both: 1) increase the hourly and monthly rates, and 2) extend the Contract through June 30, 2024; and

WHEREAS The Parties previously amended the Contract on June 20, 2024, pursuant to Board Order 24-180 (“Amendment No 3”) to further extend the Contract through December 31, 2025, and further modify the compensation structure, term, and maximum obligation.

WHEREAS The Parties now wish to further amend the Contract to: (1) establish a single annual not-to-exceed compensation amount for all Services; (2) extend the term of the Contract; and (3) provide for invoice credits when required management and key staff positions remain unfilled for more than thirty (30) days.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and conditions set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to further amend the Contract, as follows:

1. Section 4, subsection e. “County Approval” is hereby amended to read as follows:

“County Approval; Vacancy Credit. CONTRACTOR will not replace any General Manager, Operations/Safety Manager or Maintenance Manager (“Manager” or Managers”) without prior written approval of County and the YCTA Transit Manager. Further, the County will have final approval of any CONTRACTOR proposed Managers.

In the event any Manager position remains vacant for more than thirty (30) consecutive calendar days, CONTRACTOR shall provide a monthly invoice credit to County equal to the fully burdened cost (including salary, benefits, payroll taxes, and overhead) of the unfilled Manager position for the duration of the vacancy beyond the thirty (30) day period, until such position is filled and the individual begins active service.

1. Managers

The CONTRACTOR's Managers have responsibility for CONTRACTOR employee conduct and performance, and for the overall performance of Services pursuant to this Agreement. The CONTRACTOR'S Managers shall be responsible for creating a supportive work environment that employs and retains highly qualified and motivated employees. The CONTRACTOR's Managers shall hold employees accountable to exacting standards of professionalism and customer service excellence.

To maintain service quality and Agreement compliance, the CONTRACTOR's Managers must have a basic understanding of the Services, and the work performed in each area and be highly skilled in human resource management.

CONTRACTOR's General Manager will have a minimum of five years of comprehensive experience in operations management and a combination of seven years of management or supervisory experience in a transportation environment, preferably one that involves paratransit, FTA/ODOT compliance, and union represented employees. Formal education beyond high school is desirable and may be substituted for a portion of the experience requirement, at CONTRACTOR's sole discretion.

The Operations Safety Manager will have a minimum of four years supervisory experience and ideally in the transit industry or five years combined management or supervisory experience in the transportation environment, preferably, but not required, to be knowledgeable in dispatch services, drug, and alcohol compliance and supervising bargaining-unit employees.

The Maintenance Manager will have a minimum of five years of experience in maintaining a fleet of 20-50 vehicles, preferably transit buses or comparable vehicles and have supervisory experience in the transportation environment. Preferably, but not required, to be knowledgeable of FTA/ODOT compliance standards for asset management and supervising bargaining-unit employees.

The CONTRACTOR's Managers shall work closely with YCTA's Transit Manager and Yamhill County staff and shall be 100% dedicated to this project with no responsibilities to other CONTRACTOR locations except by prior written approval of YCTA.

CONTRACTOR's Managers (or designees) shall be available during all hours of operation to respond to significant events or emergencies."

CONTRACTOR Managers or corporate managers shall have documented training systems in place.

CONTRACTOR Manager and/or corporate managers will participate in monthly cost and performance review meetings with YCT management and designated staff.

The balance of Section 4.e remains unchanged.

2. The first sentence of subsection 7.a of the Contract, as amended by Amendments 1, 2 and 3, is hereby deleted in its entirety and replaced with the following:

“a. Payment. County shall compensate CONTRACTOR for Services provided under this Agreement in an amount not to exceed \$5,900,000.00 per 18-month period during the remaining term of the Agreement. Compensation is based on 34,000 annual revenue hours, with a permitted variation of plus or minus fifteen percent (+/- 15%). The hourly rate established under this Agreement shall apply uniformly to all actual revenue hours performed within this plus or minus fifteen percent (+/- 15%) range and shall not be adjusted upward or downward based solely on an increase or decrease in annual revenue hours within that range. The compensation described herein is inclusive of all direct costs, indirect costs, administrative costs, fixed costs, facility costs, variable costs, and any other compensation associated with the Services. This rate is valid for the period of January 1, 2026, to June 30, 2027, subject to the direct and variable rate calculation provided in Exhibit F, including as revised, incorporated herein by this reference.

The balance of Section 7.a, as previously amended, is unchanged.

3. The first two sentences of Section 10.a of the Contract, as amended by Amendments 2 and 3, are hereby deleted in their entirety and replaced with the following:

“a. Term. This Agreement shall be effective on January 1, 2026. The Agreement, as amended, is in effect through June 30, 2027, unless terminated in accordance with subsection (b) below. Thereafter, it will be renewed for up to one year upon written notice of renewal by CONTRACTOR if received by the County ninety (90) days prior to Agreement expiration. unless terminated in accordance with subsection (b) below.”

The balance of Section 10.a, as previously amended, is unchanged.

4. Section 16, *Maximum Obligation*, is hereby amended to include the following:

“During the remaining Term of the Agreement, as amended by this Amendment No. 4, County agrees to pay CONTRACTOR in consideration for the Services as described in Section 2 “Scope of Services”, the amounts established in Section 7 “Compensation,” as amended by this Amendment No. 4, provided, however that the maximum amount of money to be paid by County to CONTRACTOR for all Services under this Amendment No. 4 to the Agreement (including fare revenue) is:

\$ 3,800,000.00 January 1, through December 31, 2026

\$ 2,100,000.00 January 1, 2027, through June 30, 2027

Except as expressly amended above, all other terms and conditions of the original Contract are still in full force and effect. The Contractor certifies that the representations, warranties, and certifications contained in the original contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

[remainder of page intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed, this Amendment No. 4 on the date indicated by their duly authorized officials.

CONTRACTOR

Signature

Carmen Alba

Name (printed)

Title

Date

CONTRACTOR

Signature

Maureen Jacobson

Name (printed)

Title

Date

YAMHILL COUNTY

Signature

Cynthia Thompson

Transit Manager

Date

Signature

Kit Johnston

Chair, Board of Commissioners

Date

APPROVED AS TO FORM

By: _____
Christian Boenisch
County Counsel

:

EXHIBIT F

Yamhill County
Fixed and Variable Price Calculation
34,000 Annual Hours
15% +/- service hours

	<u>1/1/26 - 12/31/26</u>	<u>1/1/27 - 6/30/27</u>	<u>1/1/2026 - 6/30/2027</u>
	<u>12 Month Total</u>	<u>6 Month Total</u>	<u>18 Month Total</u>
<u>Variable Costs:</u>			
Driver Wages	\$1,240,953.07	\$679,563.39	\$1,920,516.46
Driver Benefits & Taxes	\$251,986.67	137,693.02	389,679.70
Uniforms	15,122.03	8,102.68	23,224.72
Parts & Services	\$185,816.44	101,563.71	287,380.15
Recruiting, Hiring, Bkgrnd Checks, Physicals	9,289.91	4,977.71	14,267.62
Employee Welfare	3,528.47	1,890.63	5,419.10
Management Wages & Benefits	-	-	-
Admin Wages & Benefits	-	-	-
Supervisor Wages & Benefits	157,532.89	84,677.02	242,209.91
Dispatcher Wages & Benefits	221,794.50	119,251.98	341,046.48
Safety / Training Wages & Benefits	80,462.64	43,252.58	123,715.22
Technician Wages & Benefits	285,099.01	153,132.80	438,231.81
Maintenance Management Wages & Benefits	-	-	-
Phone, Cellphones	9,436.15	5,056.07	14,492.22
Technology	15,932.58	8,536.98	24,469.56
Office Supplies, Equip, Prof. Services, Printing	42,818.44	23,088.97	65,907.41
BIPD	447,529.23	248,149.76	695,678.99
Depreciation	3,274.01	1,704.50	4,978.51
Support Vehicles	11,812.33	6,425.85	18,238.18
Facility Maintenance	6,048.81	3,241.07	9,289.89
Overhead	189,995.85	103,068.21	293,064.05
Profit	113,997.51	61,840.92	175,838.43
Total Variable Cost	\$3,292,430.55	\$1,795,217.86	\$5,087,648.40
Revenue Hours	34,000	17,000	
Cost per Revenue Hour (based on 18 months)	\$96.84	\$105.60	
<u>Fixed Costs:</u>			
Management Wages & Benefits	\$369,095.40	\$198,204.62	\$567,300.02
Facility Lease (Durham and Transit Center)	138,335.28	70,901.00	209,236.28
Total Fixed Costs	\$507,430.68	\$269,105.62	\$776,536.30
Monthly Fixed (based on 18 months)	\$42,285.89	\$44,850.94	
Total Costs	\$3,799,861.22	\$2,064,323.48	\$5,864,184.71

Agenda Item I5

Letterhead County/Chamber/MEDP etc.

(DATE)

Mid-Willamette Valley Council of Governments
Attn: McRae Carmichael
100 High Street NE

Salem Oregon 97301

DELIVERED VIA E-MAIL

Re: Letter of Support for Potential Match for RLF

Dear Ms. Carmichael:

This letter provides conditional commitment to the MWVCOG in the amount of _____ for the purposes of meeting 20% non-federal cost match requirements for the COG's Revolving Loan Fund application for \$8,000,000 in additional capital to support loans to small businesses in Yamhill County. This commitment is conditional to final approval of the project by EDA and obligation of the federal award. The anticipated date of funds availability is on or after the date of the federal grant award. The MWVCOG currently operate multiple successful Revolving Loan Funds which aim to support resiliency and economic development by assisting small rural businesses to access capital for buildings, equipment, property acquisition and operating loans.

Funding for this match is available through our _____ program, and can be used as part of the non-federal (local) cost match for a number of federal grants, including EDA Grants to help businesses and communities thrive. Awards made under the EDA Disaster Supplemental help communities and regions devise and implement a long-term economic recovery strategies through a variety of non-construction and construction projects in areas where a Presidential disaster declaration was issued under the Stafford Act as a result of hurricanes, wildfires, sever storms and flooding, tornadoes, and other natural disasters occurring in calendar years 2023-2024. Yamhill County communities are eligible as a result of the 2024 windstorm.

EXAMPLE Language:

HMA grants provide funding for eligible mitigation measures that reduce disaster losses, and includes Hazard Mitigation Grant Program (HMGP), Hazard Mitigation Grant Program-Post-Fire (HMGP-PF), Building Resilient Infrastructure and Communities (BRIC), and Flood Mitigation Assistance (FMA). HMA eligible projects include, but are not limited to, critical infrastructure retrofits, flood diversion and storage, pre-wildfire mitigation activities, stormwater management, and flood control activities. All activities identified in the HMA proposal must be eligible under the SPWF program requirements.

SPWF grant amounts are up to \$500,000 or the required non-federal match amount, whichever is less. Match fund requirements from \$500,000 to \$1M can be provided as a 0% interest loan. If the project is over \$1M, the SPWF funds could be provided at the current Infrastructure Finance Authority interest rate. Loan term (length) can be up to 30 years or the useful life of the project. The source of the match can be from the applicant or other funding sources. Funding from SPWF is subject to fund availability.

Business Oregon looks forward to assisting in this HMA project.

Sincerely,

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

90-175

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of Updating the)
 Economic Development Revolving)
 Loan Program and Loan Alloca-) RESOLUTION 90-3-14-1
 tion Procedures Established by)
 Resolution 85-6-12-1)

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the Board) sat for the transaction of county business in special session on March 14, 1990, Commissioners David E. Bishop, Dennis L. Goecks, and Ted Lopuszynski being present.

WHEREAS, Yamhill County has received funds from a Community Development Block Grant and has in turn loaned such funds to a local industry for the purpose of expanding their business activities and creating new jobs; and

WHEREAS, these funds are being repaid to Yamhill County, together with interest; and

WHEREAS, other grants of a similar nature may be received from time to time; and

WHEREAS, a revolving loan program (within the Economic Development Fund) and procedure for future allocation of these funds was established in 1985 by Resolution 85-6-12-1; and

WHEREAS, the fund has helped, and will continue to help meet the needs of low and moderate income persons by providing additional jobs within the community; and

WHEREAS, several changes in the revolving loan program are necessary to make it more useful and responsive to small businesses; and

WHEREAS, the county has entered into a Memorandum of Understanding with the Mid Willamette Valley Council of Governments for assistance in processing applications for use of the fund; and

WHEREAS, the necessary changes and new procedures are incorporated into this Resolution, which is adopted in lieu of Resolution 85-6-12-1; Now, Therefore,

YAMHILL COUNTY CLERK
 MAR 19 11 00 AM '90
 COUNTY CLERK'S OFFICE
 YAMHILL, OREGON

IT IS HEREBY RESOLVED AS FOLLOWS:

That the Yamhill County Economic Development Revolving Loan Account, established by Resolution 85-6-12-1 (Board Order 85-400) shall be administered as set forth in this resolution. This resolution replaces Resolution 85-6-12-1.

1. Applicants shall be engaged in business activity within Yamhill County or actively planning to do so, and demonstrate an appropriate level of commitment to substantiate the proposed expenditures. Business enterprises located anywhere within the county may apply. Acceptable business activities may include manufacturing, processing, or service industries, or wholesale, retail, or other similar commercial enterprises. The content and purpose of this loan program is to create new full-time family wage employment opportunities, sustain full time employment opportunities, and provide a stimulus in the expansion of existing businesses, or aid in the creation of new business activities.

2. Money may be loaned from the revolving fund at a rate of up to \$15,000 per each new job created by the applicant. Priority in hiring will be given to individuals who are classified as being at a low or moderate income level.

3. A loan under this program will require a minimum private investment match of \$2 for each \$1 of public funds requested. Projects may be located either within the unincorporated areas of the county or within the cities of Amity, Carlton, Dayton, Dundee, Lafayette, McMinnville, Newberg, Sheridan, Yamhill, or those portions of Gaston or Willamina within the boundaries of Yamhill County. Loan applications shall primarily be for the purpose of business expansion, creation of new business through the purchase of new equipment or land, construction of new structures, or development of related facilities or support services. It is Yamhill County's interest to distribute such funds throughout the county. To that end, consecutive loans to applicants in a particular city will be discouraged in sequential years, in order to maintain an equitable distribution of funds.

All applicants must demonstrate, prior to loan approval, that private matching funds are secured and committed to the proposed project. The minimum matching fund ratio shall be 2 private:1 public dollars, considering total project costs. Private investment money is defined as funds obtained from sources other than governmental bodies.

4. Applications must create a minimum of one full time family wage job and request no less than \$15,000 from the revolving loan fund. Loans will be approved subject to availability of funds within the Economic Development Revolving Loan Account.

5. In making application, applicants shall demonstrate that they have adequate collateral to insure repayment of the loan, and at such time as funds are disbursed, such collateral shall be assigned as surety.

6. Loan proceeds may be used for any and all necessary business expenses including but not limited to land, equipment acquisition, building construction, or working capital, with the exception that loan proceeds used for working capital shall not exceed 30% of the loan.

7. The interest rate for all loans granted under the terms of this program shall be six percent (6%) simple annual interest or 50 percent of the prevailing average prime rate charged by banks within Yamhill County at the time of the loan closing, whichever rate is higher. The interest rate may be adjusted annually to current rates by mutual agreement of the borrower and the county. Interest shall accrue monthly on a fixed, simple interest basis on the unpaid balance.

8. All loans shall be subject to a loan servicing fee of one and one-half percent (1 1/2%) of the principal loan amount, to be deducted from the loan proceeds and paid to the county for preparation and administration of loan documents.

9. Repayment of the principal and interest shall be made in equal monthly payments beginning within ninety (90) days following disbursement of the loan funds. The repayment period shall be negotiated between the county and the borrower but in no case may a repayment period exceed one hundred and twenty (120) months.

10. Applications will be accepted and reviewed by the Mid Willamette Valley Council of Governments (MWVCOG) as specified in the Memorandum of Understanding accepted by the Board of Commissioners on May 17, 1989 (Board Order 89-324) attached to this Resolution and incorporated herein by reference.

11. Applicants who qualify will be placed on an annual funding list for disbursement of funds within that fiscal year. A revised list will be prepared each fiscal year.

12. Requests for loan funds shall be made on applications provided by Yamhill County.

13. Yamhill County may require that the repayment of funds be made to a designated independent agent or escrow company within the county which may serve as an agent for the county in the collection of the loan funds.

14. All revenue received through the repayment of loans under this program shall be placed within the Economic Development Loan Fund, Revolving Loan account, and thereafter must continuously be used on projects within the political boundaries of Yamhill County.

15. A loan committee may be appointed by the Yamhill County Board of Commissioners to review, approve, deny or modify loan requests.

16. The Board of Commissioners may review and amend these procedures by Board Order from time to time as may be necessary.

DONE this 14th day of March, 1990 at McMinnville, Oregon.

ATTEST

YAMHILL COUNTY BOARD OF COMMISSIONERS



CHARLES W. BRADY
County Clerk

David E. Bishop
Chairman DAVID E. BISHOP

By: *Staine Pracey*
Deputy County Clerk

Dennis L. Goecks
Commissioner DENNIS L. GOECKS

FORM APPROVED BY:

Timothy E. Sadlo
TIMOTHY E. SADLO
Assistant County Counsel

Ted Lopuszynski
Commissioner TED LOPUSZYNSKI

Mid-Willamette Valley Council of Governments
100 High Street SE Suite 200
Salem, OR 97301-3667
www.mwvcog.org

FY25 Revolving Loan Fund Plan
Award ED25SEA0G0027
And
Revision/renewal of the existing RLF Plan:
Award 07-79-07612 (a Cares Act Grant)

Plan prepared by:
Mid-Willamette Valley Council of Governments
6/27/2025

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INTRODUCTION

The 2025 Mid-Willamette Valley Council of Governments (MWVCOG) Revolving Loan Fund (RLF) Plan (FY25 RLF) was prepared by MWVCOG for recently approved RLF funding, ED25SEA0G0027 and for the renewal/revision of the 07-79-07612, awarded in 2020 (a CARES Act Grant). This RLF Plan addresses the basic scope and plan for MID-WILLAMETTE VALLEY COG RLF ED25SEA0G0027 and renewal/revision of the 07-79-07612, awarded in 2020 (a CARES Act Grant). FY25 RLF will operate and comply with EDA requirements and the Mid-Willamette Valley's Comprehensive Economic Development Strategy (CEDS) approved in 2018. At a minimum, the RLF plan is updated in accordance with changing economic conditions and submitted to EDA every five (5) years.

The MWVCOG District is defined as Marion, Polk, and Yamhill Counties in Oregon.

Part 1 of the RLF Plan outlines the economic adjustment overview. This overview summarizes the business development strategy, the financing strategy, financing policies, portfolio standards and targets, the RLF selection criteria and the performance assessment process.

Part II of the RLF Plan describes the FY25 RLF operational procedures. This covers the organizational structure, loan processing procedures, loan closing and disbursement, loan servicing, marketing and administrative procedures.

PART I: Revolving Loan Fund Strategy

A. Revolving Loan fund Strategy:

1) Economic Adjustment Overview

Based on data from the Mid-Willamette Valley Council of Governments' 2023 CEDS:

- The Mid-Willamette Valley (MWV) continues to recover from the 2008 economic recession, COVID-19 pandemic, and recent wildfires.
- The MWV enjoys a competitive advantage in the following private industries, Health Care, Manufacturing, Construction, and Agriculture.
- Economic challenges in the MWV include changing demographics, workforce housing scarcity, desire for increased living wages, and childcare availability.
- Regional goals were established that support a set of objectives and actions designed to leverage local businesses, target workforce needs, create resilient infrastructure, and increase regional collaboration.

2) Business Development Strategy

The Mid-Willamette Valley Comprehensive Economic Development Strategy (CEDS) approved in 2023, outlines the current economic conditions and business development objectives for the region. A summary of the Mid-Willamette Valley CEDS is provided as follows.

The Mid-Willamette region is made up of three (3) counties and 34 incorporated cities. According to the most recent U.S. Census data, the total population of the Mid-Willamette Valley region was 537,408 in 2021. The region is largely rural in nature, except for the Salem Keizer metropolitan area, and the City of McMinnville. Marion County is the largest and most populated county with a total population of 344,037 in 2021. Yamhill County is the second most populated county and had a total population of 107,024 in 2021, followed by Polk County at 86,347.

3) Objectives

The Revolving Loan Fund aims to support small businesses in Marion, Polk, and Yamhill counties, Oregon. The program prioritizes rural communities and underserved businesses, including those in manufacturing, agriculture, and hospitality.

The program offers loans ranging from \$50,000 to \$250,000 for business purposes, such as real estate, equipment purchase, and working capital that will create jobs and help businesses become more resilient to the impacts of climate change, such as, flooding and fire events as well as significant seismic events. It focuses on supporting startups, growing businesses, and job creation.

The program actively engages with local communities, partnering with organizations like the North Marion Business Service Providers, Latino Business Alliance to provide resources and support to minority-owned businesses. It also emphasizes rural outreach and provides assistance with business planning and financial analysis.

The program aligns with the Mid-Willamette Valley Comprehensive Economic Development Strategy. The program expects to leverage \$100,000 in local share dollars to access \$500,000 in EDA disaster grant funds to provide outreach and funding to local businesses within 12 months, and to fund 8 loans, and create 12-15 new jobs.

4) Targeted Businesses

- Agriculture/Natural Resources

- Manufacturing
- Renewable Energy and Green Technology
- Food and Beverage
- Tourism (including agrotourism)

5) Business Needs

The local capital market for the businesses seeking financing that fits their needs versus a loan product that supports a bank's fee and interest revenue needs is fulfilled by the community banks, to a lesser extent credit unions and some of the smaller national banks. The larger national banks deliver SBA 7a loan programs options from loan processing centers, often out of the State.

The community and smaller interstate banks participate with the RLF loan program to finance businesses within the region; however, some worthy financing projects require more participating financing per project than can be accommodated under the EDA RLF for larger fixed asset projects that support more employees; and, then earlier stage businesses that need smaller working capital loans.

6) Other programs and Activities

We continue to work with cities, counties and associations in Marion, Yamhill, and Polk counties to assist in the development of their small business loan programs by writing loan policies & procedures, along with loan guidelines. Our assistance can also include loan underwriting, loan document preparation and assistance with loan closing.

We also worked with the Latino Business Alliance and Chemeketa Community Colleges Small Business Development Center to develop an 8-week business training course; a prerequisite requirement to applying for the LBA Small Business Loan.

B. Financing Strategy

1) Financing needs

Commercial banks are the primary source of capital for business startups and expansions in the MWVCOG District. The financing problems of the MWVCOG District boil down to:

1. Conservative business lending policies on the part of some major statewide banks, which disenfranchise small developing businesses from traditional money sources.

2. Reluctance on the part of all commercial banks to make loans on business startups or expansion loans to businesses with limited equity positions.

2) Targeting Criteria

Although both public and private entities are eligible for RLF loans, MWVCOG concentrates its efforts on developing loan proposals from private profit-making entities.

MWVCOG's policy is to emphasize those sectors whose growth offers the greatest potential benefit to the district economy. These will be the sectors that 1) are most "basic" (i.e., most evocative of secondary activity elsewhere in the economy); 2) tend most to diversify the economy from its present reliance on primary softwood processing; and 3) have the most demonstrable potential for growth.

It is MWVCOG's policy to avoid over-concentration of loans in any one economic sector or geographic area within the MWVCOG District.

C. Standards for the RLF Portfolio

POLICY: Each small business must meet the eligibility criteria. The business must be "small", must be organized for profit, must be engaged in an eligible, legitimate business, and its owner(s) must have sufficient management capacity and be of good character.

1. Eligible Applicants

- Private, for-profit firms, including corporations, partnerships, and sole proprietorships, which meet the definition and size standards of the Small Business Administration (SBA) for small business.
- Public and quasi-public organizations when a) the activity financed directly benefits or will directly benefit identifiable business concerns, and b) there is reasonable assurance that the activity financed will result in increased business activity in the near term.

2. Ineligible Applicants

Entities and organizations other than those described in 1. above.

3. Eligible Projects and Activities

RLF financing will be available to support the startup or expansion of businesses a) that will help to diversify the economy in the MWVCOG District and b) that promise to save or create significant long-term

permanent employment in the district. Broad types of activities that also may be undertaken include the following:

- Acquisition and assembly of land, for commercial, industrial, and related uses, though speculative activities such as land banking and the construction of speculative buildings are not encouraged.
 - Acquisition of surplus government property.
 - Acquisition of abandoned properties with redevelopment potential.
 - Development of real estate, including redevelopment and rehabilitation of historical buildings for industrial or commercial use.
 - Rehabilitation and renovation of usable empty factory buildings for industrial and commercial uses.
 - Other investments which will accelerate recycling of land and facilities for job creating activity, such as assistance to firms to locate or expand in such facilities; and
 - Local share for other Federal programs for the above, as allowed by those programs.
- First loan priority will be given to companies in the five business activities listed in the Mid-Willamette Valley Regional Economic Development Strategy: Agriculture/Natural Resources; Food and Beverage Products; Manufacturing; Renewable Energy and Green Technology; and Tourism (including agrotourism).

Second loan priority will be given to companies that provide vitally needed services and substantial numbers of new permanent jobs.

Although it is not anticipated that a significant change will occur in the area's economic composition in the short run, should a vital shift happen, a subsequent realignment of criteria may be instituted with EDA approval.

4. Ineligible Projects and Activities

- Projects involving the relocation of any firm from one area to another in such a manner as to cause unemployment at the location where such work previously was performed.
- Projects including facilities for the generation, transmission or distribution of electrical energy or the production and transmission of gas.
- Projects that are not located within Marion, Polk, or Yamhill counties.
- Projects, for which funds are judged to be otherwise available from private lenders or other public agencies on terms which, in the opinion

of MWVCOG, will permit the accomplishment of the project.
Temporarily waived during initial disbursement phase.

- Projects of which, in the opinion of MWVCOG, there is not reasonable assurance of repayment of the proposed loan(s).
- Projects which would create a conflict-of-interest for any current MWVCOG Board member, Loan Committee member, or employee, or people related to them by blood, marriage, or law.

5. Eligible Costs

- Land costs, including engineering, legal, grading, testing, site mapping, related costs associated with acquisition and preparation of land.
- Building costs, including real estate, engineering, architectural, legal, and related costs associated with acquisition, construction and rehabilitation of buildings.
- Machinery and equipment costs, including delivery, installation, engineering, architectural, legal, insurance, and related costs associated with acquisition and installation of machinery and equipment.
- Other costs contributing directly to the value of the project fixed assets, such as sales and use taxes, and interest on interim construction financing.
- Adequate contingency reserves.
- Working and startup capital.
- Infrastructure costs; and
- Relocation costs as per Uniform Relocation Assistance Act.

The foregoing is intended as a general guide and does not necessarily include all categories of eligible costs. In any case, all proposed uses of revolving loan funds will be subject to approval by MWVCOG based on the information contained in individual loan applications.

6. Ineligible Costs - Revolving Fund loans ordinarily will not be used to finance the following:

- Acquisition of equity in private businesses.
- Subsidy of interest payments on existing loans.
- Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets unless sufficient justification is provided.
- Provide RLF Loans to a borrower for investing in interest-bearing accounts, certificates of deposit or any investment unrelated to the RLF.

- Refinancing of existing debt, unless: RLF Recipient sufficiently demonstrates a “*sound economic justification*” for the refinancing.

7. Loan Criteria

POLICY: The decision to make a loan is based on exercising due diligence in analyzing the Borrower’s ability to repay the proposed loan. The primary source of repayment for the RLF loans is the cash flow generated by the business. For an existing business, it is most desirous that historical cash flow be sufficient to meet all obligations, including the proposed debt service for at least the most recent year-end (though in certain circumstances, which must be explained in detail in the credit analysis within the application, this may not be the case). For a new business, projections must demonstrate the ability to service debt, and projections must be analyzed for reasonableness and completeness. Additional collateral or guarantees may be required for startup businesses.

Many loan factors are important, some more than others. MWVCOG intends to take all factors into consideration. There is no formula or point system; however, by which the loan decisions will be made, and relative weighting among criteria may vary depending on the characteristics of individual projects.

Important MWVCOG loan criteria include the following:

- Maximum number of permanent, full-time primary jobs that will be created or saved for District residents.
- MWVCOG dollar investment per such job created or saved, as a portfolio average shall not exceed \$65,000 per job.
- Whether jobs created or saved evoke secondary jobs in the district. Projects that provide “basic” jobs (as defined earlier) will be preferred over those that directly provide retail or service employment.
- Value added through manufacturing or processing, District “exports” generated, District “imports” replaced. To the extent the project accomplishes these things, the circulation of cash within the district is increased and the district’s overall cash flow is improved.
- Diversification from primary wood processing. Highly desirable.
- Energy-efficiency. Highly desirable.
- Environmental compatibility. Highly desirable.
- Growth potential. Desirable.
- Private Sector dollars leveraged by RLF funds. The more such investment leveraged, the better, within limits of sound financial practice. RLF portfolio as whole should provide a 2:1 private sector leverage.

- Location of ownership. Within the District means that profits will stay in the district and is therefore preferred, though not mandatory.
- Avoidance of over-concentration of MWVCOG loans in one industry sector. Highly desirable.
- Geographical distribution through the district of loans and employment resulting therefrom. Desirable.
- Quality of security. Important.
- Character, credit and experience of owners and manager, as appropriate. Important.
- Availability of necessary financial commitments, licenses, permits and other evidence of project readiness. Important.
- Conformance with Municipal, County, District and State plans and guidelines, as appropriate. Required.
- Involvement of minorities and women in project, as owners, employees, or both. Desirable.
- Types of jobs to be created. A reasonable mixture of semiskilled, skilled, industrial, commercial, and highly technical, being a reasonable proxy of the range of jobs available in the district economy.

Relation to Area Problems and RLF Goals

In view of the scarceness of MWVCOG's RLF resources, MWVCOG will also continually monitor borrower's financial capabilities, to ensure that RLF funds are not being used to substitute for private capital when such would be available on terms which would permit the successful accomplishment of borrower's startup or expansion plans.

8) Loan Size

Loans made under the terms of the RLF program will ordinarily not be under \$50,000 or over \$250,000 or will not exceed 50% of the RLF capital base to any one borrower.

9) Interest Rates

Eligible borrowers' interest rates will be determined to be the most appropriate in achieving the goals of the RLF. The minimum interest rate is four percentage points below the lesser of the current money center prime interest rate quoted by the Wall Street Journal, or the maximum interest rate allowed under State law. In no event shall the interest rate be less than the

lower of four percent or 75 percent of the prime interest rate listed in the *Wall Street Journal*.

Exception. Should the prime interest rate listed in the *Wall Street Journal* exceed 14 percent, the minimum RLF interest rate is not required to be raised above 10 percent if doing so compromises the repayment ability of the RLF borrower.

I.E: If Prime is 7.75%, which means that the floor is 4%. If, however, Prime were to increase to 8.5%, then the minimum interest rate would be 4.5%. If it rose to 9%, the floor would become 5%.

In practice the interest rate will be adjusted for individual projects when ample evidence of need is presented. Typically, a loan to a borrower that is a startup or a business with narrow debt service coverage margins will receive an interest rate at or near the minimum allowed; and a borrower with sufficient debt service coverage margins will receive a rate comparable to the initial participating lenders interest rate.

The Staff shall recommend an appropriate interest rate, and the Loan Advisory Board (LAB) will approve the borrowers' interest rates when considering the loan for approval.

10) Terms

Loan terms will generally not exceed the full useful life of the assets being financed. However, shorter-term loans will be encouraged in order to accelerate the reuse of RLF dollars. Repayment will normally be accomplished in equal monthly installments, including principal and interest over the life of the loan, except that up to one year of payments may be interest only if found necessary to make the project viable, particularly for start-up ventures.

Except in cases of loan renegotiating, standard loan repayment terms will generally be adhered to. RLF loan terms may exceed the terms of financing offered by the participating private lender.

The term of a fixed asset loan will ordinarily not be greater than the average useful life of the fixed asset in the project, and in no case be made for a term of more than 20 years.

The terms of a working capital loan will not ordinarily exceed five years. An attempt will be made to shorten working capital loan terms to three years and fixed asset loan terms to five to seven years (where feasible) in order to accelerate the velocity of RLF dollars.

11) Fees

There will normally be a \$400 application fee, non-refundable but creditable against a 1.5% loan fee charged to successful applicants at closing. Additionally, borrowers will pay for any direct costs incurred in loan processing and closing, such as recording fees, attorney fees, escrow fees, etc. A late fee of 10% of the payment or \$25, whichever is greater, shall be levied against the borrower at 15 days past due.

A default rate of interest of a 500-basis point (5.00%) increase over the borrower's current interest rate. This would be implemented if the client, after a reasonable period of time (no less than 30 days after notification of default), did not cure the event of default nor is willing to assist in working out a mutually agreeable solution to cure the default.

The late payment penalty and the default rate can be reversed if the borrower is amenable to working with us to correct the late payments or the events of default.

12) Equity & Collateral

An applicant's pro-forma balance sheets (combining business and personal when appropriate), including the proposed project and financing, will generally be a combined negative debt-to-equity ratio unless additional adequate security is provided (such as guarantees, other business assets, personal assets). For purposes of this paragraph, debt means total liabilities of a business.

It will be general policy to loan the minimum amount needed to elicit financing from other sources, usually not exceeding one RLF dollar for each two dollars of private capital. The RLF may participate up to 50% in a single project provided the overall portfolio maintains the 2:1 private to RLF ratio.

Security will be required, as necessary, to adequately collateralize RLF loans. In the case of fixed asset loans, security will usually be liens on the assets financed. Liens upon other non-project assets of the applicant may also serve to secure loans. It will also be the general policy to require personal guarantees from the applicant's principles, secured, as appropriate, by liens on personal assets. This is intended to increase the likelihood of repayment through liquidation if defaulted to benefit the service area by better assurances of recapitalization and further loan activity.

13) Moratoria

Up to one year of payments may be interest only if found necessary to make the project viable, particularly for start-up ventures.

14) Start-ups

Finance of start-ups will be granted consideration and will be dependent on the owner/operator's background and expertise in the field, conditions, capital, capacity, character, collateral, business plan, and projections. Past earnings history based on historical income tax returns must also be considered.

15) Working Capital

Working capital loans will normally be secured by receivables, inventory and fixed assets. Assignments of lease will also be taken when appropriate.

D. Portfolio Standards and Targets

The standards described below apply to the performance of the revolving loan fund as a whole. The selection of a business as a recipient of revolving loan funds will be based on its ability to meet the loan portfolio standards. Individual loans may vary significantly from the loan portfolio standards. In a case where a significant economic benefit is available through assisting a particular business, less than specified performance on one or all of these standards may be acceptable.

1) Target percentages

- Land use (industrial, commercial, service commercial); 25.00%
- Business status (start-up, expansion retention): 50%
- Fixed asset loans vs. working capital loans: 25%

2) Private sector leverage

- \$2 in private financing for every \$1 in RLF financing

3) Job Cost Target

- The portfolio average cost per job will not exceed \$65,000 although an individual loan may exceed that level. As a portfolio goal, the RLF will target a job/cost ratio of \$65,000.
- Preference will be given to businesses that create permanent jobs involving skills in the five business industry clusters that were identified in the Mid-Willamette Valley CEDS including, Agriculture/Natural Resources, Food & Beverage Products, Manufacturing, Renewable Energy and Green Technology, and Tourism (including agrotourism)

- Second priority will be given to companies that provide vitally needed services and substantial numbers of new permanent jobs.

E. RLF Selection Criteria

- 1) The proposed loan must be consistent with this RLF plan.
- 2) The proposed loan application must capitalize on regional assets.
- 3) The proposed loan shall support and advance innovation and increase productivity in its industry and economic sector.
- 4) The potential borrower should be part of an existing or emerging industry cluster.
- 5) The potential borrower private funding must be at least 2:1 ratio to the RLF funding for the entire portfolio; some loans may not be 2:1, if the entire portfolio meets that standard.
- 6) The proposed loan should result in the creation or retention of higher-skill and higher-wage jobs.

F. Performance Assessment Process

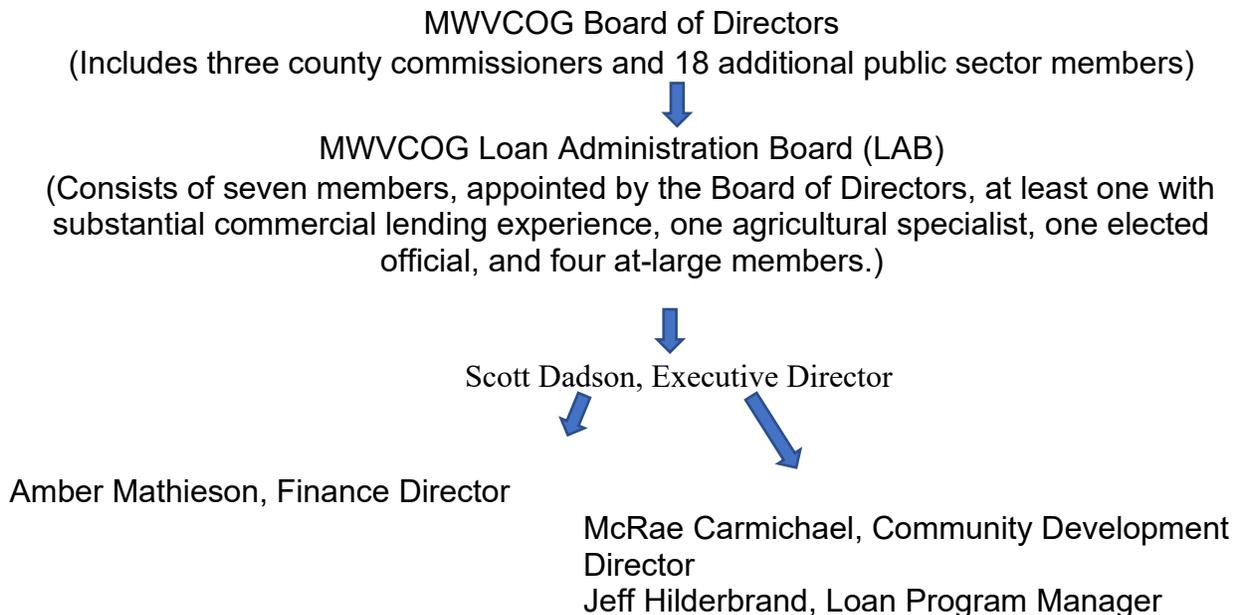
- 1) The performance of the RLF will be monitored annually through annual financial and employment growth updates. The financial and employment updates will be compared with borrower projections and the differentials will be analyzed.
- 2) The RLF plan will be reviewed and updated at a minimum every 5 years. Local, regional, and national economic changes may require updating as needed.

PART II: Revolving Loan Fund Operational Procedures

The RLF Plan serves as the RLF internal operating tool and administrative procedures or operating the RLF consistent with “Prudent Lending Practices” which means generally accepted underwriting and lending practices for public loan programs, based

on sound judgment to protect Federal and lender interests. Prudent Lending Practices include loan processing, documentation, loan approval, collections, servicing, administrative procedures, collateral protection and recovery actions. Prudent Lending Practices provide for compliance with local laws and filing requirements to perfect and maintain a security interest in RLF collateral.

A. Organization Structure



- **Lending Experience:** MWVCOG has been lending to business startups and small businesses in our three Oregon counties (Marion, Yamhill, Polk) since 1983. As a gap financier, MWVCOG supports businesses that are denied by traditional banks, which is often the case for startups and small businesses. MWVCOG has found our lending program to be a successful tool for economic development in our region, resulting in the creation and stabilization of many small businesses and jobs.
- **Reporting Experience:** MWVCOG currently provides quarterly or biannual reports to the EDA and USDA about our lending programs using their reporting software programs. Additionally, MWVCOG receives many other state and federal grants with their requisite reporting obligations. These additional agencies include the Oregon Department of Transportation, Federal Transit Administration, and Business Oregon, among others.
- **Reputation:** MWVCOG is well-respected in our three-county region. Our local and state partners often turn to our staff for assistance as a result of a history of quality, professional work. MWVCOG is known for being collaborative, innovative, and able to bring partners together to solve complex problems. MWVCOG's programs and offerings

have grown in the last few years, in response to the pandemic and in recognition of the quality work the organization provides.

1) Critical Operational Functions

- Marketing will be administered by the Community Development Director, with the Loan Program Manager making presentations on the RLF plans to area banks, Oregon Bankers Association Credit Committee, various business groups, the Small Business Development Center (SBDC) at Chemeketa Community College and business service resource groups.
- Business assistance and advisory services will be conducted by the Loan Program Manager and referrals will be made as needed to local CPA/Law firms and SBDC.
- Environmental review RLF loans will not be made to borrowers whose projects do not meet all applicable federal, state, and local environmental requirements. Such clearances are required as part of the application process. Included in the Loan Application, the Environmental Assessment (required as part of the application process) will identify any areas of environmental sensitivity. Actions will be taken as appropriate based on the Environmental Assessment.

The Loan Program Manager, with the assistance of appropriate staff, shall assess the significance of all environmental impacts of activities to be financed in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates, as per the Assurances (SF 424D as revised) executed with the Economic Development Administration. No activity shall be financed, which would result in a significant adverse environmental impact unless the impact is to be mitigated to the point of insignificance. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

No project shall be approved which would result in the alteration of or have an adverse impact on any wetland without prior consultation with the U.S. Department of the Interior, Fish and Wildlife Service, and, if applicable, obtaining a section 404 permit from the Army Corps of Engineers.

All loan applicants shall be requested to provide information indicating whether or not there were hazardous materials such as EPA listed (see 40 CFR 300), hazard substances, leaking underground storage tanks, asbestos, polychlorinated biphenyls (PCB), or other hazardous materials on site that have been improperly handled and have the potential of endangering public health. If deemed necessary, loan

applicants may be required to perform or provide evidence of a Phase I site assessment to identify possible sources of contamination, a Phase II site assessment to test soil and/or groundwater samples, and a Phase III site remediation involving mitigation of applicable contaminants. In cases where there are unresolved site contamination issues, the Loan Program Manager shall work with the loan applicant and the appropriate state environmental agency office to resolve these outstanding issues.

- **Loan Processing**

Normal and prudent lending standards are used in evaluating the strength and ability to repay both companies and individuals. However, loans will be made in some cases where, in the MWVCOG's judgment, the employment and other benefit potential (and the quality of business planning) outweigh risks that more conservative lenders would likely avoid. This would apply, for example, to viable business start-ups, which are routinely excluded from consideration by most members of the private financial community.

Procedure and flow are as follows:

- Preliminary discussion with staff representatives for eligibility and rough fit with RLF loan criteria. If another lending program is more appropriate, staff will refer the prospective borrower to that program.
- Decision by staff representative to invite preliminary written information or decline loan request at this point. If negative, inform Applicant of reasons for decline. If positive, review preliminary information needs with Applicant and provide counseling regarding the Applicant's business plan if appropriate.
- If positive, review preliminary information needs with Applicant; provide counseling regarding Applicant's business plan, if appropriate.
- Preparation and submission by Applicant of preliminary information and supporting documents.
- Review of preliminary information by staff.
- Decision by MWVCOG staff to invite a formal application or decline loan request at this point. If negative, provide a written explanation of reasons for decline. If positive, inform Applicant and schedule application conference, if needed.

- Application conference: review with Applicant in detail the RLF application checklist and all subsidiary forms and financial schedules determined necessary by staff representative. Joint review by Applicant and staff for conformance with District O.E.D.P., as well as with local, state, and federal land use planning and permit requirements.
- Applicant principals authorize credit checks and pay application fee.
- Applicant submits formal application and all supporting documents, including compliance with all Executive Orders as amended.
- Participating lender (or primary third-party lender) provides a letter that states the RLF borrower that credit is not otherwise available on terms and conditions the permit the borrower's business to be financed. The Staff may alternatively state in the credit memo that credit is not otherwise available from an alternative financing structure that does not include a primary lender third party lender.

Loan Application Review and Decision

Procedures and flow are as follows:

- Review by staff for completeness and regulatory compliance; submission of additional information by Applicant, as appropriate and including:
 - Request for Environmental Information (form included in application forms).
 - Executive Orders (form included in application forms).
 - Third party Environmental Assessment stating the Loan Program is an intended user of the report (when real estate is taken for loan collateral). An Environmental Questionnaire may be used with seller and borrower both signing the form when a low probability of prior uses risks a hazardous environmental condition is evident.
 - Acceptance of formal application by staff representative.
 - Detailed review and final recommendation to LAB by Loan program Manager, based on loan criteria, strength of business and principals and all other factors. No loan will be recommended for approval without the determination that there

is a reasonable assurance of payment. Recommendation will include what the terms and conditions should be.

- Submission of complete package, along with staff recommendation (i.e. credit memo) to LAB.
- LAB decides whether to approve or decline the loan request and what terms and conditions shall apply.
- Notify Applicant in writing. If declined, include reasons for denial.

- Loan Closing

Procedure and flow are as follows:

- Upon LAB approval, direction of loan documentation preparation is made by the Loan Program manager. Direction for documentation preparation is submitted to CCD Business Lending, contracted third party, for review of documentation instructions and the LAB approval to ensure conformity with the loan approval. CCD then prepares the loan documents and transmits them to the Loan Program Manager for final review prior to loan closing. Loan closing documents may be reviewed by MWVCOG legal counsel if the LAB or the Loan Program Manager deems it necessary.

CCD Business Lending's loan documents undergo legal review annually and they carry Errors and Omissions insurance with loss payable to the MWVCOG.

- Loan Documents are to include but not limited only to the following documentation: Note, Loan Agreement, Corporate Resolution or Certification As To Members, Borrower Certification, Eligibility Certification, Certifications as to Federal Debt, Debarment and Equal Opportunity, Personal Guarantee, Corporate and/or Limited Liability Guaranty (with passive ownership structures), and as the documentation applies, Trust Deed, Assignment of Rents, Security Agreements, UCC Financing Statements, Landlords Waiver and/or Assignment of Life Insurance, Lien Subordination and Standby Agreements (for subordinated debt).
- As noted in the prior Application section the loan documents file must include the primary third-party lender letter that states the

RLF borrower's loan is not otherwise available on terms and conditions that permit the borrower's business to be financed or be a direct referral from said third party lender.

- The staff shall fund the loan by control of the disbursement of proceeds to insure loan purpose(s) are documented as approved by the LAB and that RLF lien positions are perfected prior to the release of RLF funds to the borrower.
- Filing of liens as available and completion of any remaining legal, regulatory or housekeeping matters, all to be carried out by staff.

- Loan Servicing

- Administration of loan collections, defaulted loans and foreclosures is the responsibility of the Loan Program Manager. Primary efforts on delinquent and defaulted loans will be to negotiate a mutually acceptable plan to cure delinquency or default.

Any delinquent or defaulted loans that cannot be cured will be reported to the LAB with action recommended by the Loan Program Manager. Final determination of the action will be made by the LAB. Foreclosure and other collection actions will be reviewed with MWVCOG outside legal counsel prior to action being taken.

- Organizational administration

- Financial record keeping

Closed loan files and related documents (including books of account, computer data files and other records) shall be maintained for a three-year period from the date of the final disposition of the Closed Loan. The date is the date all principal, interest, fees, penalties and all other costs of the Closed Loan have been paid in full; or the final settlement or discharge and cessation of collection efforts for any unpaid amounts associated with the Closed Loan have occurred.

Administrative records, including accounting and source documentation to substantiate the amount of percentage of RLF Income expended for eligible administrative costs and records of administrative expenses relating to the operation

of the RLF must be retained for three years from the actual submission date of the last semi-annual report for that Reporting Period in which the costs were claimed.

These record retention period described above are minimum period and does not limit retention of records for any other records retention requirement, law or agreement.

Business information requests under FOIA are exempt and protected from disclosure. *Business information* means commercial or financial information, obtained by the RLF from a submitter, which may be protected from disclosure under FOIA exemption (b)(4) ([5 U.S.C. 552\(b\)\(4\)](#)) [as stated: (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential].

- EDA compliance

The Loan Administration Board (LAB) when reviewing a proposed loan for approval reviews also for EDA RLF plan compliance.

MWVCOG must provide evidence of fidelity bond coverage for Staff in an amount sufficient to protect the interests of EDA and the RLF.

The RLF accounting system must be adequate to identify, safeguard and account for all RLF Capital, outstanding RLF loans and other RLF operations.

2) **Subrecipients or contracted service providers**

- MWVCOG does not intend to subaward RLF funds. Should such that intent change the subaward requires EDA approval pursuant to 13 CFR 309.2(a); and subject to the conditions of 13 CFR 309.2(b). At such time steps will be implemented to ensure monitoring subrecipients for compliance with the provisions of the RLF Award.

3) **Loan Administration Board**

The MWVCOG RLF program will be overseen by a Loan Administration Board (LAB), known as the Revolving Loan Fund (RLF) Board, and shall consist of seven members appointed by the Board of Directors of MWVCOG. At least one person appointed to the Board shall be from the commercial lending business or have substantial commercial lending experience; one shall be an agricultural specialist; one an elected official;

and four shall be at-large members representing a broad cross section of community leadership. Two of the members shall be nominated by the City of Sublimity; one member shall be nominated by the City Manager of the City of Newberg; and one member shall be nominated by the City Manager of the City of Independence. Members of the LAB will serve for indefinite terms at the pleasure of the MWVCOG Board of Directors.

The LAB will meet on an as-needed basis. A quorum shall consist of four Board members. A Board member with commercial lending experience will participate in all major loan decisions, including loan approvals, modifications and foreclosure actions. In addition, legal counsel will be made available to the LAB on an as needed basis.

4) Conflicts of Interest

The RLF must adhere to these special conflicts-of-interest rules (13 C.F.R. § 302.17(c)):

- An Interested Party of a member will not receive, directly or indirectly, any personal or financial benefits resulting from the disbursement of RLF loans.
- The RLF will not lend RLF funds to an Interested Party.
- Former board members of the LAB and members of his or her Immediate Family will not receive a loan from the RLF for a period of two (2) years from the date that the board member last served on the RLF's LAB.
- In the event representatives from the financial community on the LAB have a separate financial interest (excluding regular checking and savings accounts) in a loan applicant, such LAB member will not participate in those loan application deliberations.

Definition of Interested Party:

- An Interested Party (as defined by 13 C.F.R. § 300.3) is “any officer, employee or member of the board of directors or other governing board of the Mid-Willamette Valley Council of Governments, including any other parties that advise, approve, recommend or otherwise participate in the business decisions of the LAB, such as agents, advisors, consultants, attorneys, accountants or shareholders”. An Interested Party also includes the Interested Party’s “Immediate Family” (defined as a person’s spouse, parents, grandparents, siblings, children, and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person) and other persons directly connected to the Interested Party by law or through a business organization. In addition, “Immediate Family” includes a person’s “significant other” or partner in a domestic relationship with an “Interested Party”.

- An Interested Party must not receive any direct or indirect, financial, or personal benefits in connection with the RLF or use for payment or reimbursement of costs by or to the RLF. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a RLF loan. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It also could result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field.

5) Standard of Conduct

The following is the Standard of conduct from the MWVCOG Employee Manual:

Standard of Conduct

All employees are required to conduct themselves, while representing MWVCOG, in a manner that is in the members' and the public's interest, as opposed to the individual's interest. To render the best possible service to MWVCOG members, the public and to reflect credit on MWVCOG, high standards of conduct are essential. The continued employment of every employee shall be conditioned on acceptable behavior and satisfactory performance of their duties.

Prohibited Conduct

Any violation of the rules or prohibited conduct in this policy may result in discipline, up to and including termination. This list of prohibited conduct is illustrative only. Other types of conduct injurious to security, personal safety, employee welfare and MWVCOG's operations, some of which are described elsewhere in this Handbook, may also be grounds for discipline, up to and including termination.

- Falsification of employment or other MWVCOG records.
- Recording of work time of another employee or allowing any other employee to record another employee's work time or allowing falsification of any time sheets (an employee's own or another employee's).
- Theft or the deliberate or careless damage or destruction of any MWVCOG property, or the property of any member, other employee, citizen, vendor or third party.

- Unauthorized use of MWVCOG or member equipment, materials or facilities.
- Provoking a fight or fighting during work hours or on MWVCOG or member's property.
- Carrying firearms or any other dangerous weapon on MWVCOG or member's premises at any time.
- Engaging in criminal conduct while at work.
- Causing, creating or participating in a significant or substantial disruption of work during working hours on MWVCOG property.
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward another MWVCOG employee, member, customer or vendor.
- Failure to notify a supervisor when unable to report to work, or when leaving work during normal working hours without permission from a supervisor to do so.
- Failure to observe work schedules, including rest breaks and meal periods. All employees are expected to be at work on time, remain until their workday ends, and perform the work assigned to or requested of them.
- Sleeping or malingering on the job.
- Excessive personal telephone calls, personal email, text, social media and other forms of personal communication during working hours.
- Unprofessional appearance during normal business hours. For example, sweats and other athletic clothing are not appropriate business attire. (Clean, non-ripped jeans may be worn on Fridays or when the employee is performing field work outside.)
- Failing to attend scheduled work sessions and related activities at conferences, workshops, or educational events that are paid for by the MWVCOG.
- Misrepresentation of MWVCOG policies, practices, procedures, or the individual's status or authority to enter into agreements on behalf of the MWVCOG. Employees may not use the MWVCOG's

or member's name, logo, likeness, facilities, assets or other resources of the MWVCOG for personal gain or private interests.

- Violations of the Ethics Policy or Oregon's Ethics laws.
- Violation of any safety, health, security or MWVCOG policy, rule or procedure. Employees are expected to act in accordance with all appropriate codes, laws, regulations, and policies, regardless of whether they are set by MWVCOG or outside regulatory or legislative bodies.
- Harassment or discrimination that violates MWVCOG policy.

This statement of prohibited conduct does not alter MWVCOG's policy of at-will employment. MWVCOG remains free to terminate the employment relationship at any time, with or without cause or notice.

B. Loan Processing Procedures

1) Standard Loan Application Requirements

- Loan Application form
- Personal Financial Statement, of all shareholders with a 20% or greater interest in the business.
- Income tax returns for the past three years on all 20% or greater shareholders, and the business
- Bio/Resume on the business owners and key management
- Cash flow projections for the next 2 years
- If start-up, start-up balance sheet with a schedule of current and proposed debt.
- RLF Inquiry authorization
- Confidentiality agreement
- Insurance requirements notice
- Loan application fee: \$150.00

2) Credit and Financial Analysis

Upon receipt of a complete application package:

- Order Credit Report review credit history and review credit issues with applicant.
- Analyze financial history and projections
- Verify equity, it's availability and form
- Order appraisals if required, upon receipt review for collateral adequacy and cash flow

- Complete credit memo; capital, character, capacity, collateral and conditions
- Review bank decline and/or referral.

3) Environmental Reviews

- RLF loans will not be made to borrowers whose projects do not meet all applicable federal, state, and local environmental requirements. Such clearances are required as part of the application process (See Loan Application Review and Decision). Included in the Loan Application, the Environmental Assessment (required as part of the application process) will identify any areas of environmental sensitivity. Actions will be taken as appropriate based on the Environmental Assessment.

The Loan Program Manager, with the assistance of appropriate staff, shall assess the significance of all environmental impacts of activities to be financed in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates, as per the Assurances (SF 424D as revised) executed with the Economic Development Administration. No activity shall be financed which would result in a significant adverse environmental impact unless the impact is to be mitigated to the point of insignificance. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

No project shall be approved which would result in the alteration of or have an adverse impact on any wetland without prior consultation with the U.S. Department of the Interior, Fish and Wildlife Service, and, if applicable, obtaining a section 404 permit from the Army Corps of Engineers.

All loan applicants shall be requested to provide information indicating whether or not there was hazardous materials such as EPA listed (see 40 CFR 300), hazard substances, leaking underground storage tanks, asbestos, polychlorinated biphenyls (PCB), or other hazardous materials on site that have been improperly handled and have the potential of endangering public health. If deemed necessary, loan applicants may be required to perform or provide evidence of a Phase I site assessment to identify possible sources of contamination, a Phase II site assessment to test soil and/or groundwater samples, and a Phase III site remediation involving mitigation of applicable contaminants. In cases where there are unresolved site contamination issues, the RLF Administrator shall work with the loan applicant and the

appropriate state environmental agency office to resolve these outstanding issues.

The following language will be included in our loan agreement document addressing environmental risk/issues:

- MWVCOG shall be under no obligation to disburse funds unless the Project property has been deemed compliant with all applicable regulations which is determined through an environmental review:
 1. The project must not cause significant environmental harm, involve development in floodplains or wetlands, or have unresolved contamination issues.
 2. The facility must not currently or historically produce, store, or dispose of hazardous waste, and must not increase or alter waste production.
 3. Existing disposal practices must comply with all Federal, State, and local regulations, with no history of violations.
 4. If applicable, historic preservation review and mitigation will be required prior to loan closing.

- Environmental checklist:

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS (RLP)

ENVIRONMENTAL QUESTIONNAIRE

For: _____ (Recipient)

The following questionnaire shall be used as a guide to determine if a Phase I or II Audit is needed and is to be completed during an on-site inspection where commercial real estate is to be taken as collateral.

1. Determine the prior, current and planned uses for the property. If any of these uses involves an operation that used or used toxic chemicals, conduct a Phase I audit. Discuss with current/prospective owners to identify the uses.

Phase I audit is required

2. To the extent possible, determine the prior, current and planned uses of all adjoining property. If any of these uses involves an operation that used or uses toxic chemicals, conduct a Phase I audit.

Phase I audit is required

3. Conduct a visual inspection of the facility, preferable accompanied by the current owners. The following observation may trigger the need for a Phase I audit:

Yes No

Any evidence that chemicals are used in the operation of the facility?

Discarded chemical containers?

Waste piles of any type, underground or aboveground tanks?

Evidence of distressed vegetation or non-vegetative areas?

Oily films on standing water?

Discolored soils?

Unusual odors?

Phase I audit is required

4. Determine that the applicant has all relevant environmental permits and/or notifications in place. Local regulatory authorities could be consulted for assistance on requirements.

Relevant environmental permits/notifications in place

5. Determine if the facility has ever been involved in:

Yes No

Any citation, claims or complaints regarding environmental problems?

Any notices of violations?

Any environmental clean-up actions?

6. Comments:

LOAN RECIPIENT

Authorized Signer _____

Date _____

MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS

Loan Officer _____

Date _____

- A flood hazard certification is required of all real estate secured loans. If the subject property lies within a 100-year floodplain, per E.O. 11988 this activity will not be financed.
- All RLF loans must comply with Oregon Historic Preservation standards when they apply to a project. The State Historic Preservation Officer, (SHPO) shall be notified of each loan proposal that involves significant new construction or expansion and asked to submit comments on the effect of the proposed activity on historic and archaeological resources. The RLF Administrator shall work with the SHPO and EDA in cases where the SHPO has recommended actions or has been determined an adverse impact.

4) Prevailing wage reviews

- The MWVCOG shall be under no obligation to disburse funds unless APPLICANT is in compliance with the following requirements: APPLICANT shall comply and require each of

its contractors and subcontractors employed in the completion of PROJECT to comply, with all applicable Federal and State Laws. In compliance with these laws, APPLICANT agrees that, among other things, it will take all positive steps necessary to conform to the requirements of the following statues and Executive Orders and the respective regulations issued thereunder, including the institution of enforcement proceedings:

- a. The Davis-Bacon Act, as amended (40 U.S.C. 276a-276-a(5); 42 U.S.C.3222, as amended);
- b. The Contract Work Hours Standards Act, as amended (40 U.S.C. 327-333);
- c. The Copeland "Anti-Kickback" Act, as amended (40 U.S.C. 276(c); (18 U.S.C. 874);
- d. Title VI of the Civil Rights Act of 1964, as amended, (40 U.S.C. 2000d-2000-4) and Executive Orders 11114, 11246 and 11375; and
- e. All laws, rules and regulations of Public Works and Economic Development Act of 1964, as amended (P.L. 89-136; 42 U.S.C. 23121 et. seq.) as applicable to this agreement.

Loan documentation language:

The borrower hereby agrees that all work contracts for the subject construction project is subject to ORS 279C. 800 to 279C.870 and the federal prevailing rate of wage required under the Davis-Bacon Act (40 U.S.C. 276a) and related acts, and any amendments in effect at time of solicitation. Both State and Federal prevailing wage laws apply. Oregon law requires that the higher of the State prevailing wage rates or Federal Davis-Bacon Act prevailing wage rates be paid to workers on projects subject to both the State prevailing wage rate law and Federal Davis-Bacon Act.

5) Loan Write-up:

- MWVCOG loan write-ups are completed with the Ventures software program designed for complete credit analysis of the borrower, guarantors and all related entities. This format addresses history, management, production capacity, market conditions, existing and proposed financing, collateral, cash flow (historic and projected for repayment ability), environmental issues, regulatory compliance and compliance with the appropriate funding program such as the approved EDA RLF Plan. This loan write-up also describes the proposed loan, strengths and weaknesses of

the borrower, related entities, market conditions, etc. and is the loan recommendation document.

- This loan write-up is presented to the LAB 7-10 days prior to the LAB meeting for consideration of approval for the proposed loan.
- Approval or decline of the proposed loan is recorded in the LAB minutes.

6) Procedures for Loan Approvals

- The loan write-up is submitted to each LAB member 7-10 days prior to the LAB meeting to consider action on the subject loan. During this period, LAB members may ask questions or request copies of financial exhibits, etc. before making a recommendation for approval or decline.
- At the LAB meeting the loan request is discussed with members present (in person or virtually through ZOOM), once there are no further questions, a motion is made on whether to approve or decline the loan, changes or modifications can also be part of the motion, when the motion is seconded, a vote is taken.
- The loan write-up outlines the RLF financing policies, targeting criteria and loan selection criteria of the RLF plan so the LAB can be assured of compliance with the plan as a component of their approval process.
- The action voted on must receive a majority vote of the LAB. This is the final approval or decline action.
- The LAB minutes record the loan presentation, issues and questions of discussion during the meeting and the final vote for approval or decline.

C. Loan Closing and Disbursement Procedures

1) Loan Closing Documents:

- Loan Application
- Loan Agreement
- Promissory note
- Security Agreement(s)
- Deed of Trusts or mortgage (as applicable)

- UCC filing (as applicable)
- Agreement of prior lienholder (as applicable)
- LAB meeting minutes approving RLF loan
- Signed bank turn-down letter or email; or bank referral to MWVCOG

2) **Loan Agreement Provisions:**

- Loan agreement will state the approved purpose and use of funds.
- All RLF loan documents and procedures are written and established to protect and hold the Federal government harmless from and against all liabilities that the Federal government incur as a result of providing an RLF Grant to assist directly or indirectly in site preparation or construction, as well as the direct or indirect renovation or repair of any facility or site.
- The loan agreement states that borrowers, consultants, or contractors are aware of and comply with the Federal statutory and regulatory requirements that apply to activities carried out with RLF loans.
- The loan agreement outlines borrower requirements for drawing loan funds, if any, including any pre-disbursement requirements for working capital loans, construction financing, and any other disbursement procedures that are necessary to protect RLF assets (i.e. a borrower may be required to provide evidence, such as an invoice, that it has ordered an asset prior to receiving loan funds to ensure that funds are ordered only when actually needed and that they will be used as agreed in the loan agreement).
- The loan agreement includes loan call stipulations for instances of non-compliance.

3) **Loan disbursement**

- Construction loans are disbursed monthly, based on work progress completion and budget variance report. This is to ensure that funds are not advance for work not yet completed or for materials not yet delivered. A site inspection for verification work completed and materials delivered is required prior to disbursement.
- Financing of equipment purchased; funding is provided directly to the dealer (or seller) after verification that the funds match the approved loan advance rate by review of the purchase agreement or contract. All titled vehicles and equipment titles are to have MWVCOG listed as lien holder in the approved lien position non-titled equipment liens are to be recorded with the appropriate UCC filing.
- Refinance of existing debt, funding is sent to the specific debtor after debt payoff verification from the subject debtor.

- Working capital is funded directly to the borrower as requested. This is only after verification of proper recording and lien position (UCC filing on chattels).
- All real estate secured loans are funded through a title company and are closed in escrow, requiring funding only after our approved lien position is guaranteed and insured by the title company.

D. Loan Servicing procedures

Policies and procedures are in place for managing and servicing the portfolio of the RLF. They include closely monitoring payment performance; periodic review of financial data and employment generation; personal inspections and site visits; and management counseling and/or referral, as appropriate. Site visits are required for borrowers that are past-due on loan payments or other adverse conditions that impact repayment and/or, collateral that secures the RLF loan.

In general, MWVCOG wants to be an "understanding" creditor, willing to be flexible, but serious in its desire to be recapitalized by loan repayment from which to relend to deserving businesses within the service area, thereby generating jobs.

Loan payments will be monitored regularly with statements issued to the LAB on an as needed basis if a borrower is past due. In addition, regular monitoring of insurance, U.C.C.'s and other financial information will be undertaken as required by LAB.

A tickler system is used to remind loan staff of insurance expiration dates, financial statements due or other requirements that have regular or expiring terms. UCC renewals and compliance requirements are examples of tickled items. Financial statements will be required on an annual basis for all existing loan clients, usually more frequently for start-up business loan clients. Additional reporting to MWVCOG by the borrower may be requested on a loan-by-loan basis.

1) Repayment:

- All loan payments are due on the first day of the month. Late charges may be levied against any borrower at 15 days past due (10% of payment, minimum of \$25.00). These charges may be waived and/or returned if the borrower is cooperative in working towards a mutually acceptable solution with the MWVCOG. All loan payments are collected through direct debit of the borrowers' account through automated clearing house (ACH).

2) Monitoring:

- The borrowers' financial progress is reviewed annually through review of annual income tax returns. In some cases, financial reviews may be required more frequently depending on the type of

financing, the financial strength of the borrower, and/or the assessed risk of the financing provided.

- The maintenance of monitoring of insurance, UCC filings, site inspections, tickler files and any Federal requirements of the grant award and followed and recorded by CCD Business Development Corporation as prescribed by our service agreement. Non-compliance by the borrower is referred to the MWVCOG Loan Program manager, if CCD is unable to obtain cooperation to the borrower to comply in a satisfactory manner.
- Job creation is tracked through annual reports sent to the borrower for employment updates

3) Loan Files:

Loan files are set up after loan closing and include the following:

- Loan application
- Borrower and guarantor financial statements
- Copies of insurance policies, annual statements, and loss payable binders
- Borrower prepared projections
- Loan write-up with copy of approval minutes
- Site inspection reports
- Construction draw requests, construction budget, and budget variance reports
- Copy of construction contract
- Copy of lease agreement (as applicable)
- Landlords' waiver
- Assignment of life insurance
- UCC financing statements
- Deeds of trusts, or mortgages
- Lien subordination and standby agreements
- Organization documents for all LLC's, corporation or partnerships, along with verification from the Secretary of State of entity and entity status
- Borrower and guarantor income tax returns – may be indicated with a cover page with the complete returned accessed through the borrower's "E" file at the MWVCOG
- Copy of the loan agreement, note, borrowing resolution, and security agreement. All original loan documents to be held in fireproof legal file at the MWVCOG.
- Copies of general correspondence
- Job and employment reports

Record Retention:

- Closed loan files and related documents (including books of account, computer data files and other records) shall be

maintained for a three-year period from the date of the final disposition of the Closed Loan. The date is the date all principal, interest, fees, penalties and all other costs of the Closed Loan have been paid in full; or the final settlement or discharge and cessation of collection efforts for any unpaid amounts associated with the Closed Loan have occurred.

- Administrative records, including accounting and source documentation to substantiate the amount of percentage of RLF Income expended for eligible administrative costs and records of administrative expenses relating to the operation of the RLF must be retained for three years from the actual submission date of the last semi-annual report for that Reporting Period in which the costs were claimed. These record retention period described above are minimum period and does not limit retention of records for any other records retention requirement, law or agreement.
- Business information requests under FOIA are exempt and protected from disclosure. *Business information* means commercial or financial information, obtained by the RLF from a submitter, which may be protected from disclosure under FOIA exemption (b)(4) ([5 U.S.C. 552\(b\)\(4\)](#)) [as stated: (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential].

4) **Jobs Created:**

We request on an annual basis the job creation of the business. The first initial requests are sent out in January each year to all loans in portfolio. We follow up with second and third request if needed and phone calls. We track them through venture input yearly and reports changes during reporting submissions. No loan request, modifications, etc. will be given if they have any outstanding annual requests pending until we receive the outstanding information.

- **Jobs Created:**

A job is counted as “created” if it was created as a result of and attributable to the RLF loan project and has been verified by the borrower as actually created. Jobs are verified by requesting the borrower to complete a questionnaire at least on an annual basis indicating the number of jobs actually created and attributable to the RLF project; or by the grantee performing an on-site job count. The documentation for job counts should be placed in the project files.

Created jobs may be credited if the jobs were created within five years of loan disbursement or, if construction is involved, within five years after construction completion. All jobs credited must be attributable to the RLF project. A created job must be removed from the credited created jobs if the job fails to last at least 18 months. Any job which meets the creditable job created criteria is counted as part of the total actual jobs created permanently, regardless of the status of the loan.

For loans that have been paid in full, grantees may use the job information data that is on file provided there is adequate confidence in the reliability of the data. If there is a question on the reliability, the data should be verified by the next reporting period.

An exception to this is any job that was created or saved and subsequently lost. For example, if an RLF borrower subsequently ceases business (or closes a segment of its business) thereby eliminating jobs previously counted as created or saved, these jobs may continue to be counted in the report only if they were maintained for a minimum of 18 months prior to the loss.

In tallying jobs, only permanent and direct jobs may be counted; part-time jobs should be converted to full-time equivalents (FTE) by summing the total hours worked per week for all part-time employees and dividing by the standard hourly work week for full-time employees, normally 35-40 hours. Job information data should be collected at least annually. For seasonal businesses, more frequent collection of job data is usually necessary to obtain realistic employment figures for an annualized average.

- **Jobs Saved:** The information entered on this line should indicate the actual number of FTE jobs saved. A job is considered saved when it can be documented that without the RLF assistance, the existing job would have been lost.

An exception to this is any job that was created or saved and subsequently lost. For example, if an RLF borrower subsequently ceases business (or closes a segment of its business) thereby eliminating jobs previously counted as created or saved, these jobs may continue to be counted in the report only if they were maintained for a minimum of 18 months prior to the loss.

- **Total Jobs:** This field reports the sum of Jobs Created and Jobs Saved.
- **Cost per Job:** This auto-populated field is RLF Dollars Loaned divided by Total Jobs. The calculation for Total Loans is used to assess the Cost per Job measure compared to the RLF Plan Target, calculated as ***Total RLF \$ Loaned ÷ Total Jobs***

We request on an annual basis the job creation of the business. The first initial requests are sent out in January each year to all loans in the portfolio. We follow up with second and third requests if needed, and phone calls. We track them through Ventures input yearly and report changes during reporting submissions. No loan request, modifications, etc. will be given if they have any outstanding annual requests pending until we receive the outstanding information.

5) Defaulted Loans:

Policy: MWVCOG will strive to accomplish all portfolio management activity in the manner of a “prudent lender,” such that any exposure in the event of loss, to either MWVCOG or any State or Federal Program it participates in or administers is limited; however, given the community and economic objectives of all of MWVCOG’s loan programs, MWVCOG will also strive to protect the Borrower and/or Small Business Concern and the jobs created as a result of its programs.

The MWVCOG Board of Directors believes that all legal means should be employed in the collection of delinquent loans to protect the assets and goodwill of MWVCOG as well as those of State and Federal programs it administers or in which it participates.

MWVCOG’s collection efforts shall always be conducted in a professional, ethical, and empathetic manner.

The Executive Director and Loan Program Manager and LAB shall oversee all of MWVCOG’s collection activities. A report of delinquent loans, foreclosures, repossessions, and all other significant collection activities shall be made to the LAB at its regular meetings.

The Executive Director and Loan Program Manager shall have authority to establish collection procedures and guidelines consistent with Board policy. MWVCOG’s collection practices and procedures shall be structured to adhere to all applicable Federal and State laws, rules, and regulations. The Executive Director or Loan Program Manager shall update collection practices and procedures as necessary and submit the procedures for annual review by the LAB/Board of Directors.

The Executive Director and LAB shall have authority to make all decisions regarding MWVCOG’s collection activities, repossession of collateral, and disposal of repossessed collateral and foreclosure of security interests.

The Executive Director is directly responsible for the collection activities of MWVCOG and its employees.

It is the responsibility of the Executive Director to authorize, engage and monitor the activities of all third-party collection agents: attorneys, collection agencies, repossession agents, skip tracing agencies, etc.

It is the further responsibility of the Executive Director and Business Finance Manager to recommend changes to policy and procedures, ensure that staff is adequately trained and to ensure that written, phone, or personal contacts made by the Finance Department Staff with delinquent Borrowers are made in a timely manner that is consistent with State and Federal law, rules, and regulations.

Unless previously coordinated with the Executive Director, no MWVCOG employee, LAB or Board Member shall have the authority to enter negotiations, represent MWVCOG's position or otherwise influence the interests of a delinquent Borrower. All negotiations regarding delinquent loans are to be directly supervised by the Executive Director.

MWVCOG collection policies and procedures must be applied equally and without regard to the Borrower's race, religion, ethnic origin, gender, age, or any other classification that has been determined to be discriminatory under State or Federal law.

Goals:

The purpose of MWVCOG 's collection activities should be to protect MWVCOG's assets, minimize losses of MWVCOG's assets and preserve or enhance MWVCOG's standing with the State and Federal loan programs it participates in or administers; to this end, MWVCOG collection activities shall have the following goals:

- A. To collect any delinquent loan with a minimum of delay, problem, or controversy.
- B. To minimize collection and legal expenses associated with delinquent loans.
- C. To reduce future losses on all loans by preventing future delinquencies.
- D. To offer delinquent Borrower's assistance in gaining control of their finances through financial education and debt counseling. (*Technical Assistance*)

Guidelines:

The following are the basic guidelines for all MWVCOG delinquent loan collection activities:

1. Given the community and economic development objectives of the State and Federal programs in which MWVCOG participates and administers, Finance Department Staff should conduct collection activities in a fair, honest, and responsible fashion. Finance Department Staff should promise delinquent Borrowers only what can be delivered, given the constraints of the loan program in which the Borrower is participating. Finance Department Staff engaged in collection activities should honor commitments made to Borrowers, be professional at all times and avoid abrupt or unannounced changes in collection activity.
2. A loan in MWVCOG's portfolio will be placed on a "WATCH LIST", even if not delinquent, if there is reason to believe that future payments or compliance with other loan terms may be in doubt (such as a "going out of business sale", fire or other natural disaster or late payment of taxes).
3. A loan in MWVCOG's portfolio will be considered DELINQUENT when it is **one day past due**, and payment has not been received.
4. All MWVCOG loans will be subject to PENALTIES after 15 days of delinquency. The amount or specific type of penalties (number of days and penalty rate, etc.), are detailed in the loan documents. Delinquent loan penalties must be imposed in a fair and consistent manner and not waived except in the most extreme circumstances and then only upon approval of the Loan Program Manager.
5. A loan in MWVCOG's portfolio will be considered IN DEFAULT when the terms of the loan agreement have been violated and not cured after warning to cure or when specific events described in the loan documents as constituting default have occurred.
6. The best time to reduce loan delinquencies is when they first begin to occur. It is the duty of the Executive Director, Loan Program Manager and Loan Servicing Staff to periodically review all loans and if substantial deviations or problems are detected, to actively follow up to determine the cause and to develop a plan for correction with the Borrower.

Basic Collection Procedures:

The following are the basic procedures for all MWVCOG delinquent loan collection activities:

1. Monthly payments under most State and Federal loan programs are due on the first business day of each month. Collection efforts should begin once a loan becomes one day past due or when there is any reason to believe that a payment may not be made, or the Borrower may not comply with another term of the Loan Agreement.
2. If a loan payment is not received by the 15th of the month, the Loan Servicing Staff will send a late fee notice to the Borrower.
3. If a loan payment is more than 30 days late, the Loan Servicing Staff should call the Borrower and ascertain the 4 W's:
 - A. **Why** the payment is late.
 - B. **When** they will pay.
 - C. **Where** the funds will come from; and
 - D. **What** will be done in the future to ensure that this will not occur again.
4. When speaking to a delinquent Borrower regarding their loan, MWVCOG employees must never use abusive or disrespectful language. The goal of the contact should be to remind the Borrower of their obligation to make timely loan payments and to inform them of the negative consequences of late payments or a defaulted loan and to obtain a commitment to make a catch-up payment by a specific date.
5. Actions to be pursued by the Loan Servicing Staff once a loan has become delinquent, should include phone calls, letters, on-site monitoring visits, counseling, and referral to legal counsel. All collection contact with delinquent Borrowers must be noted in the Borrower's loan file or a separate collection file. Such notes must be maintained in a neat, orderly manner and must be available for review by management. Copies of correspondence to or from delinquent Borrowers or correspondence concerning delinquent Borrowers must be filed in the Borrower's individual loan file or a separate collection file.
6. The issues surrounding late loan payments or other violations of the Loan Agreement can be sensitive and confidential. Collection calls should be directed to the delinquent Borrower or a Guarantor only. If unable to speak directly to the Borrower or Guarantor or if the Loan Servicing Staff must leave a call back message, no mention should be made of the reason for the call. The Loan Servicing Staff should simply leave their name, the name of the organization and a return phone number.
7. Letters to delinquent borrowers fall into three general categories:

- A. The Late Fee Notice Letter: A notice that the loan is past due should generally be used for loans 1-15 days past due. The Borrower is requested to call for an appointment with the Loan Department at their earliest possible convenience. The Borrower is reminded of the serious consequences of delinquency, including penalties. The Borrower should also be informed that penalties may begin to accrue on a specific day of delinquency. The Late Notice letter should be sent regular mail.
- B. The Late Notice (Reminder) Letter: An explanation of the serious consequences of delinquency should be used for loans 30-45 days past due. The Borrower is reminded that a penalty is being charged on their loan. More than one of these letters may be sent. The Reminder Letter should be sent regular mail.
- C. The Demand Letter (To All Obligor): An explanation of the serious consequences of delinquency should be used for loans 46-60 days past due. The Borrower is reminded that a penalty is being charged on their loan. More than one of these letters may be sent. The demand letter should be sent regular mail and certified mail, return receipt requested.
- D. The Final Demand Letter (To all Obligor): At any time after 60 days a "final demand letter" stating that unless payment is made by a specific date, legal action to collect the late payments will commence. This letter is used when other efforts have been exhausted, and satisfactory payment has not resulted. This letter must be sent by regular and certified mail, return receipt requested.

At times, more than one letter in each category may need to be sent (for instance, Late Notice and the Reminder Letter). Facsimile and E-mail correspondence mail may be used for the first two types of letters. If Borrower is a husband and wife, letter sent to both and letter sent to them individually.

Each of the above-described letters should provide the Borrower with a specific date that payment must be received and a notation that failure to make the payment within the time specified or to contact the Finance Department may result in the matter being turned over to an attorney to commence legal action to collect the past due amount.

All collection letters should state that late payments will not be tolerated in the future and that MWVCOG is not waiving the requirement of strict compliance with the payment terms of the Loan documents.

The Final Demand Letter should contain a notice to the Borrower that failure to bring the loan current will result in the loan being declared in default and the entire balance being accelerated.

Site Visits:

1. If possible, Finance Department Staff should conduct a site visit with delinquent Borrowers. Ideally, site visits should occur at the same time or shortly after the Demand Letter is sent.
2. When making a site visit with a delinquent Borrower, Finance Department Staff should attempt to conduct all discussions regarding the delinquency with the Borrower in a private and confidential setting. In face-to-face meetings with a delinquent Borrower, the conversation should be geared towards ascertaining the four Ws outlined above.
3. When conducting a site visit, the Finance Department Staff should attempt to locate, inspect, photograph, or otherwise document the condition of any loan collateral and the surrounding areas of the business.
4. The Finance Department Staff may collect loan payments in the field. Under such circumstances, the Finance Department Staff should use common sense in accepting delinquent loan payments. If a decision is made to accept a payment on a delinquent loan in the field, always provide a receipt to the Borrower and get his/her signature verifying the dollar amount paid.

CAUTION: Never accept partial payments in the field and always ascertain the exact amount due on the date the payment is offered before accepting it.

Work Out Plans:

If a delinquent Borrower is responsive or cooperative after receiving a phone call, letter or site visit, the Loan Department Staff should attempt to put together a Workout plan that will help the Borrower achieve the goal of bringing the loan current. The following are some basic activities that should be implemented to help insure a successful work out plan:

- A. Determine if a Workout plan is possible. The first level of a Workout plan is to determine if a deferment, assumption or a change in terms will help to resolve the situation.
- B. Get current financial statements from the Borrower(s), Operating Company(s) and any Guarantor(s).
- C. Make a site visit.
- D. Contact any third-party lenders and determine the status of the lender's loan.
- E. Determine if the Borrower and/or Guarantor will be cooperative.
- F. Determine if real estate and/or other taxes are current.
- G. Possibly, order an appraisal or Brokers Opinion of Value for real property or other major personal property collateral items.
- H. Possibly, order a preliminary title report on real property collateral.
- I. Attempt to negotiate a Workout plan and reduce the plan to writing. Prepare and execute all appropriate loan modification documents to memorialize the plan.

During the first few months of the Work Out plan, monitor the Borrower's activities closely. Make site visits and follow up calls to determine whether the Work Out plan is feasible. If the Work Out plan does not appear to be feasible, refer the matter to legal counsel and commence the liquidation process.

Default:

Policy: MWVCOG will strive to accomplish all portfolio management activity in the manner of a "prudent lender", such that any exposure in the event of loss, to either MWVCOG or any State or Federal Program it participates in or administers is limited; however, given the community and economic objectives of all of MWVCOG's loan programs, MWVCOG will also strive to protect the borrower and/or Small Business Concern and the jobs created as a result of its programs.

The MWVCOG Board of Directors believes that all legal means should be employed in the collection of loans in default to protect the assets and good will of MWVCOG as well as those of State and Federal programs it administers or in which it participates.

MWVCOG's collection efforts shall always be conducted in a professional, ethical, and empathetic manner.

Guidelines:

The following are the basic guidelines for ALL MWVCOG loans in DEFAULT:

- A loan in MWVCOG's portfolio will be considered in DEFAULT when the terms of the loan agreement have been violated and not cured after warning to cure or when specific events described in the loan documents as constituting default have occurred.

Procedures to follow when loan is placed in default:

- A loan in MWVCOG's portfolio will be placed on a "Watch List".
- Staff to make a site visit detailing all collateral securing the note.
- Contact any third-party lenders and determine the status of the lender's loan.
- Determine the status of real and personal property taxes.
- Provide legal counsel with:
 1. Copies of the note and security agreement.
 2. A statement showing the amount of the monthly payment and the payments received.
 3. A statement of the total amount due on the loan, the amount needed to bring the loan current including accrued interest, and the daily interest rate.
 4. A statement of all late charges and penalties incurred.
 5. Full names, addresses, telephone numbers, driver licenses numbers and birth date of Borrower(s) and all obligors.
 6. Copies of the work out plan established, or the corrective actions taken by Borrower and Staff.
 7. Provide legal counsel with information on other obligations under the terms of the loan documents that are not being met. Items can include but are not limited to property taxes, insurance, etc.
- Request legal counsel to prepare a letter of default giving the borrower 30 days to remedy the default.
- Provide written analysis of the loan situation to the LAB and Executive Director with Staff's recommendation to remedy the default and obtain Executive Director's and LAB's instructions of how to proceed.
- Should default not be remedied within the 30-day timeline, request legal counsel to move forward with acceleration of the debt.
- Staff will continue to monitor loan default and provide a written quarterly status report to the Executive Director and LAB at each meeting.
- In all instances, MWVCOG will do what is necessary to collect loan repayments while complying with the financial obligations under the RLF Grant.

Priority of payments on defaulted RLF loans: When an RLF Recipient receives proceeds on a defaulted RLF loan that is not subject of liquidation; such proceeds shall be applied in the following order of priority:

- First, towards any costs of collection.
- Second, towards outstanding penalties and fees.
- Third, towards any accrued interest to the extent due and payable; and
- Fourth, towards any outstanding principal balance.

Write-Off:

Policy: MWVCOG will make every effort to collect the debt in full on all default loans in MWVCOG's portfolio. When it is determined that no further payment from the borrower is likely to be received Staff will prepare an analysis using the status of any third-party lenders, status of real and personal property taxes, any potential liens to the real property noted on Lot Book Report, and equity in the collateral. MWVCOG will present a write-up for the Executive Director and LAB's review and instructions. MWVCOG will exercise professional accounting judgment as to the details of how and when a loan loss is taken.

Guidelines:

- The timeline for loan write-offs will be reviewed by the Staff, Executive Director and LAB on a case-by-case basis.
- Scenarios determining the timeline and how the write-off is handled can include but is not limited to the following:
 - Potential for recovery of assets in a liquidation.
 - Borrower filing Bankruptcy.
 - Filing of judgment against obligors.
 - Foreclosure sale.
 - Collateral is unlikely to provide any significant recovery.

Liquidation:

The following are the actions that should be followed to help ensure the successful liquidation of a delinquent MWVCOG loan or a loan from a State or Federal program in which MWVCOG participate or administers.

- A. A delinquent loan should be moved into liquidation if a Workout plan is not feasible, or the Borrower is not willing to cooperate in a Workout plan.
- B. Make a site visit. Identify all significant collateral and document its location and condition. Check inventory operating levels. If the business is closed, determine whether the building has been leased to another party or listed for sale. If leased, attempt to locate the tenant,

and obtain a copy of the lease. If listed for sale, contact the listing agent, and obtain a copy of the listing agreement.

- C. Contact any third-party lenders and determine the status of the lender's loan.
- D. Determine the status of real and personal property taxes.
- E. Order an appraisal or a Broker's Opinion of Value for real estate or other major personal property collateral items.
- F. Order a preliminary title report on real property.
- G. Do a state and local UCC search on personal property collateral.
- H. Calculate whether there is sufficient equity in the collateral to justify:
 - repossession of collateral
 - submitting a protective bid in a foreclosure proceeding
 - proceeding with a foreclosure action
 - appointing a receiver to collect rents or profits from the collateral
 - suing on the note
 - proceeding against the Guarantor
 - abandoning the collateral

The Protective Bid Analysis worksheet will assist staff in determining the amount of equity in the collateral and the appropriate collection action to take.

- I. If an SBA loan, prepare the SBA Liquidation Plan and determine if repurchase of debenture is appropriate. If repurchase of the debenture appears to be warranted, notify SBA immediately.
- J. If an in-house loan, prepare a liquidation recommendation and notify the Executive Director.

Repossession of Personal Property Collateral:

If a Borrower becomes delinquent in the repayment of an in-house loan secured by personal property, MWVCOG may have to repossess the collateral.

The key to a successful sale of repossessed collateral is to conduct a sale in a "commercially reasonable manner." In essence, a "commercially reasonable sale" includes cleaning and repairing collateral to maximize its resale value, advertising the sale in a way to get notice of the sale to the highest number of potential purchasers, conducting the sale in a manner that will obtain the highest resale value, notifying the Borrower, Guarantor and any junior lien holder of the time and place for the sale and allowing

the Borrower to participate in the sale. The following is an outline of the procedure needed to be implemented to help insure a successful repossession and sale of personal property collateral:

1. Do a state and local UCC search on the personal property collateral to determine if there are any other lien holders. If there are senior or junior lien holders, they must be notified that you have repossessed the collateral. Your notice must tell them where the property is located and how much is owed against it. You must allow other lien holders access to inspect the collateral.
2. Do a personal property tax or federal tax lien search in the county where the property is located.
3. Calculate the equity in the collateral using the Protective Bid Analysis worksheet.
4. Depending on the nature of the collateral and the level of cooperation you expect from the Borrower, make written or personal demand upon the Borrower to surrender the collateral. If the Borrower refuses to cooperate, do not force the issue - refer the matter to legal counsel to pursue foreclosure.
5. If the Borrower cooperates and you obtain possession of the collateral, make sure it is safely secured. Once secured, make sure the collateral is insured against fire, other hazards and theft.
6. Once the property is secure, and depending upon the nature of the collateral, have it appraised or obtain an opinion of value from a competent expert on such matters.
7. Once you have an opinion of the value of the property and the range of values you could expect to receive at sale, determine the appropriate method for sale. Proceed to advertise the sale and notify the Borrower, Guarantors and other lien holders of the date, time, and place where the items will be sold. Your notice should indicate that the Borrower, Guarantors, and other lien holders are welcome to bid on the property at the sale. (Notice of Intent to Sell)
8. Conduct the sale. Require payment in cash, money order or cashier's check.
Allow the Borrower, junior lien holder or Guarantor to bid or make an offer at
the sale.

9. The sale should be to the highest responsible bidder with the ability to pay in cash, money order or cashier's check at the end of the sale.
10. When the sale is noticed or advertised and at the time of the sale, potential buyers and the successful buyer should be told that the collateral is being sold AS IS/ WHERE IS without warranties or guaranties.
11. Apply the proceeds of the sale to the delinquent loan in the following priority:
 - A. First, towards the costs of sale.
 - B. Second, toward the costs of repossession.
 - C. Third, towards any accrued interest to the extent due and payable.
 - D. Fourth, towards any outstanding principal balance.
 - E. Fifth, towards any junior lien holders in order of priority; and
 - F. Sixth, to the Borrower, if liens are satisfied.

Foreclosure:

If a Borrower becomes delinquent in the repayment of an in-house loan that is secured by real or personal property, MWVCOG may act to foreclose its interest in the collateral.

Foreclosure is a process that should be handled by legal counsel for MWVCOG. Loan Department Staff can do a great deal to assist counsel in the foreclosure process. The following is an outline of the procedure needed to be implemented to help insure a successful foreclosure of real and/or personal property:

1. Loan Department Staff to make a site visit. Identify and document the condition and location of the collateral. If the Borrower's business is closed, determine whether the building has been leased to another party or listed for sale. If it has been leased, identify the new tenant, and try to obtain a copy of the lease. If listed for sale, determine the listing agent, and obtain a copy of the listing agreement.
2. Do a search of real property and personal property taxes to determine if there are any delinquencies.
3. Calculate the equity in the collateral using the Protective Bid Analysis worksheet.
4. If foreclosure appears appropriate, forward the following documents to legal counsel:
 - a. Full name of Borrower, Guarantors and their addresses, telephone numbers, driver's license, and date of birth.

- b. Copies of all loan documents.
- c. A statement identifying the date of the last payment made, the current balance owing, the daily interest rate and the monthly fees and penalties that apply.
- d. Copies of delinquent real property or personal property taxes.

CAUTION: Never accept partial payments once the loan is in liquidation and always ascertain the exact amount due on the date the payment is offered before accepting a payoff amount.

Bankruptcy:

A delinquent Borrower may seek protection from collection activities by way of Federal Bankruptcy Laws. The Bankruptcy Code affords debtors protection from collection activity in the form of discharge of personal debt (Chapter 7), discharge of corporate debt (Chapter 11) or restructuring/repayment of debt (Chapter 13).

The following is an outline of the procedure to follow if MWVCOG is notified that a delinquent Borrower has sought protection under the U.S. Bankruptcy Code:

1. All bankruptcy protection is initiated by service of Notice of the Filing of a Petition in Bankruptcy and an Order from the Court automatically staying and enjoining further collection activity. Upon receipt of this Notice, all MWVCOG staff and board members must refrain from engaging in any collection activity with respect to the borrower who filed. The best practice is to decline any communication with the debtor and refer them, should they attempt to engage you, to legal counsel.
2. Upon receipt of the Notice of Filing of Bankruptcy, immediately provide a copy to MWVCOG legal counsel.
3. Make note of all dates and deadlines specified in the Notice of Filing and coordinate appearance at these proceedings with in-house legal counsel.
4. If the Borrower attempts to contact MWVCOG after initiating bankruptcy proceedings, decline to discuss the matter and refer the Borrower to MWVCOG legal counsel.
5. Do not accept any payments from the Borrower after receiving Notice of Filing for Bankruptcy protection. Forward any offered payments to MWVCOG legal counsel who will notify the Borrower that the payment has not been accepted.
6. If the Bankruptcy Petition is dismissed, MWVCOG may proceed with regular collection activities; however, do not recommence recollection

activity on a bankrupt Borrower until you have specific confirmation from MWVCOG legal counsel that the Petition has been dismissed.

Payments and Payoffs During Collection Activities:

During collection activity, a delinquent Borrower may attempt to make a payment. Staff at all levels of the organization should be advised not to accept payments from a delinquent Borrower without first consulting with the Business Finance Manager. The following is an outline procedure for accepting or rejecting a proffered payment from a delinquent Borrower:

1. If a delinquent Borrower asks for a payoff, staff should verify the payoff amount through consultation with the Loan Department Staff or the Executive Director and request for payoff amounts should be directed to the Loan Department Staff or Business Finance Manager.
2. Staff at all levels of the organization should be advised not to accept any partial payment from a delinquent Borrower unless the partial payment is approved by the Executive Director or Business Finance Manager. Staff should be advised that acceptance of a partial payment takes a loan out of default and requires reinitiating of the default notices and acceleration provisions of the loan documents to continue collection activities.
3. Unless a delinquent Borrower has been advised in writing that only payments by cash, money order or cashier's check are acceptable, payment proffered by personal check must be accepted.

Responsibilities of a Collector:

Every MWVCOG employee engaged in collection activities is required:

1. To exhaust all possible means of contacting every delinquent Borrower.
2. Complete each contact with a definite understanding and commitment by the Borrower.
3. Follow-up promptly and decisively on every promise made by a Borrower in writing; and
4. Note all information that will be of future use in handling the account.

A collector is generally responsible for the collection effort of an individual loan. They are responsible for documenting their collection work, sending letters, following their accounts according to review cycles established by MWVCOG, quoting the correct payoffs, assigning accounts out for repossession when appropriate, recommending for liquidation of collateral, and reviewing expenses.

Role of the Collector:

As a collector, a MWVCOG employee has a large responsibility. The results of a Collector's activities affect CCD profits the Collector's approach to Borrowers has a large impact on customer relations. The Collector's responsibility is to collect from delinquent Borrowers who are not making payments on time. This means the Collector has three sets of objectives.

The first set includes the collection process. This means the Collector must: exhaust all appropriate means of contacting every delinquent Borrower, find out why the Borrower has not paid on time, resolve the problem, gain commitment from the Borrower to make payments by a specific date, take careful and accurate notes which will be helpful for every commitment date and promise made by each delinquent Borrower, and finally, refer to the Executive Director and Loan Program Manager all cases when there is a doubt as to the proper course of action.

The second set of objectives concerns the Collector's responsibilities as a representative of MWVCOG who is in constant contact with the public. Here the Collector's role is to be firm but fair with delinquent Borrowers, provide them with assistance in handling their financial responsibilities, display empathy but not necessarily sympathy with their financial difficulties, and be aware that the Collector is an ambassador of MWVCOG and that the Collector's approach to his/her job will strengthen customer relations with MWVCOG while promoting the appropriate corporate public image.

A third objective is that the Collector should always work with an awareness of collection costs. The Collector should be mindful of high costs involved in making collection calls so that every second spent on the telephone is as profitable as possible. The tools of collection: the telephone call, the letter, skip-tracing, repossession and litigation should be applied in a logical sequence, which provides for the use of stronger ones as delinquency worsens. Such a systematic approach assures the Collector will have additional tools if his/her current approach does not bring the desired results. Collector must not threaten delinquent Borrowers but instead must gradually increase the pressure to meet his/her collection objectives.

D. Sources of Funding to Cover Administrative Costs

RLF income will be placed into the RLF Capital base for making loans or paying for eligible and reasonable administrative costs associated with the RLF's operations.

E. Recapitalization Strategy

Each month, MWVCOG updates a computer-generated RLF cash flow projection, forecasting principal and interest payments from all loans for the next 12 months. All excess funds after provision for costs and expenses will be returned to the RLF for lending purposes. MWVCOG will also continue to seek out other sources of capital to recapitalize the RLFs under its jurisdiction.

At the end of each year MWVCOG will have single audit performed on all its financial activities according to the requirement of OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions."

F. Other Requirements

In general, MWVCOG obtains assurances of regulatory compliance before an RLF loan is disbursed, monitors for compliance during the payback period and, in a case of confirmed and irremediable non-compliance, will call the loan.

1. Civil Rights – MWVCOG’s RLF outreach program, described earlier, ensures compliance:
 - MWVCOG’s LAB and staff is highly sensitive to the need for nondiscriminatory treatment of borrowers.
 - MWVCOG monitors borrower compliance both pre- and post-loan through discussion, requiring written assurances, semi-annual reports on equal employment opportunity, and observation during periodic site visits.
 - Generally speaking, a) the minority population of the MWVCOG District is less than 5%, b) MWVCOG has added a Minority Representative to its Board of Directors, and c) MWVCOG has successfully operated an active RLF for many years and is unaware of any civil rights complaints or instances of noncompliance in connection with either MWVCOG activities or those of its borrowers.
 - Capital utilization standard: During the Revolving Phase, RLF Recipients must manage their repayment and lending schedules to provide that at all times at least seventy-five (75) percent of the RLF Capital is loaned or committed.

2. Environment

RLF loans will not be made to borrowers whose projects do not meet all applicable federal, state and local requirements. Such clearances are required as part of the application process. MWVCOG will reference EDA’s Standard Terms & Conditions for applicable environmental requirements.

The RLF Loan Program Manager with the assistance of appropriate staff, shall assess the significance of all environmental impacts of activities to be financed in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates, as per the Assurances (SF 424D as revised) executed with the Economic Development Administration. No activity shall be financed, which would result in a significant adverse environmental impact unless the impact is to be mitigated to the point of insignificance. When necessary, to ensure compliance, any required mitigation shall be made part of the loan conditions.

No project shall be approved which would result in the alteration of or have an adverse impact on any wetland without prior consultation with the U.S. Department of the Interior, Fish and Wildlife Service, and, if applicable, obtaining a section 404 permit from the Army Corps of Engineers.

Consistent with E.O. 11988, no project shall be approved which would result in new above ground development in a 100-year flood plain. This determination will be made by reviewing the proposed development against FEMA Flood Insurance Rate Maps.

The State Historic Preservation Officer, (SHPO) shall be notified of each loan proposal that involves significant new construction or expansion and asked to submit comments on the effect of the proposed activity on historic and archaeological resources. The RLF Administrator shall work with the SHPO and EDA in cases where the SHPO has recommended actions or has been determined to have an adverse impact.

All loan applicants shall be requested to provide information indicating whether there were hazardous materials such as EPA listed (see 40 CFR 300), hazard substances, leaking underground storage tanks, asbestos, polychlorinated biphenyls (PCB), or other hazardous materials on site that have been improperly handled and have the potential of endangering public health. If deemed necessary, loan applicants may be required to perform or provide evidence of a Phase I site assessment to identify possible sources of contamination, a Phase II site assessment to test soil and/or groundwater samples, and a Phase III site remediation involving mitigation of applicable contaminants. In cases where there are unresolved site contamination issues, the RLF Administrator shall work with the loan applicant and the appropriate state environmental agency office to resolve these outstanding issues.

3. Historic Properties

All RLF loans involving construction or alterations must receive clearance from the Oregon Historic Preservation office.

4. Relocation

Projects are not funded if not located within the MWVCOG District. Loans will be called if project activity is removed from the area. Similarly, ineligible are potential borrowers contemplating relocation of jobs from one labor area to another.

5. Flood Hazard Insurance

RLF loans are not made for project activity located in a flood plain unless proof of flood hazard insurance is provided.

6. Access for the Handicapped

All RLF financed construction projects to which the public will have access will provide access to the handicapped or loans will not be approved.

7. Davis-Bacon and Related Requirements

E. Marketing the RLF

The staff of MWVCOG will be responsible for program marketing and loan packaging under the RLF. These staff persons are currently engaged in packaging RLF loans, SBA loans, Oregon Business Development loans, and other public sector financing assistance programs.

- Prospective borrowers learn of the availability of loans through a variety of means. There will be media coverage of the RLF for Marion, Polk and Yamhill Counties, and this will be continued after the RLF approval.
- Area bankers will be made aware of the loan program so that they can recommend it to their clients when appropriate. Area bankers will be notified of the availability of the RLF.
- Staff will make numerous public appearances to inform local Chambers of Commerce, downtown groups and other development organizations of the availability and extent of the available lending programs.
- A special effort will be made to make minority and female-owned businesses aware of this program. Staff will specifically target some of its recruiting efforts each year to this category of potential borrowers.
- Our marketing efforts are supported through the MWVCOG economic Development budget, which is reviewed and approved annually.

- Marketing materials are updated monthly as funds availability is reviewed. We have multiple-loan programs, and if funds in a specific program are depleted that funds is removed from our marketing materials.
- We review the loan prospect, applications and loan approvals/denials monthly.
- Loan application is made in person, we do not have an on-line application process.

F. Administrative Procedures

- **New RLF's:**
All loan applications are reviewed for conformity to the purpose and structure of the approved RLF Fund Plan. This is also reviewed for conformity by the LAD as a component of loan approval.
- **Accounting:**
The Finance Director and Financial Analyst are responsible for financial records and financial statement preparation. MWVCOG has an internal control policy and several redundant check processes to ensure accuracy and reduce risk. Financial information is provided to the Executive Director and Department Heads monthly and to the Board of Directors quarterly. The Board of Directors receives the following: comparative combined income statement, comparative combined balance sheet and written report addressing variance from budget. Any other reports as requested by the Board.

Management uses the reports to verify performance to budget and identify issues in revenue and expenditures that need to be addressed through closer review or increased staff time. Financials are to serve as a guide and a management tool for planning purposes.
- **Administrative Costs:**
The sources of funding for the administrative costs of the RLF program include RLF loan interest, RLF loan fees, interest on the deposits or temporary investments, contract revenue for technical assistance to other public loan programs and packaging fees for programs such as the SBA 504 Loan Program. The RLF will endeavor to use less than 50% of its interest and fee revenues for administrative costs.

Repayments of principal will be retained in the RLF for recycled lending.

Other sources of funds may be made available for relending and administrative expenses. These funds may include loan fees, interest on deposits or temporary investments from recycled funds, and contract revenue for services provided to other public revolving loan programs active in the service area.

- **Audits:**

Audits are performed annually on the MWVCOG by an independent CPA firm in accordance with GAAP. A sample of loans are audited at the time of the audit to ensure compliance with the loan's respective loan fund plan.

- **Records Retention:**

Closed loan files and related documents (including books of account, computer data files and other records) shall be maintained for a three-year period from the date of the final disposition of the Closed Loan. The date is the date all principal, interest, fees, penalties and all other costs of the Closed Loan have been paid in full; or the final settlement or discharge and cessation of collection efforts for any unpaid amounts associated with the Closed Loan have occurred.

Administrative records, including accounting and source documentation to substantiate the amount of percentage of RLF Income expended for eligible administrative costs and records of administrative expenses relating to the operation of the RLF must be retained for three years from the actual submission date of the last semi-annual report for that Reporting Period in which the costs were claimed.

These record retention periods described above are minimum period and do not limit retention of records for any other records retention requirement, law or agreement.

Business information requests under FOIA are exempt and protected from disclosure. *Business information* means commercial or financial information, obtained by the RLF from a submitter, which may be protected from disclosure under FOIA exemption (b)(4) ([5 U.S.C. 552\(b\)\(4\)](#)) [as stated: (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential].

Agenda Item J2

Public Hearing Docket

P-10-25

<https://www.yamhillcounty.gov/DocumentCenter/View/19456/P-10-25-BOC-Hearing-Packet-PDF>