

SORED I BOARD OF DIRECTORS MEETING MINUTES

Tuesday, May 14, 2024, 3 - 5:00 pm

Pacific Power, Medford

	Member	Entity		Member	Entity
X	Anderson, Paul	Rogue Truck Body		Glover, RJ	Boise Cascade
	Ausland, Aaron	Ausland Group		Holmes, TJ	Travel Medford
X	Ayres, Jessica	City of Medford	X	Hyatt, Paula	City of Ashland
	Bailey, Dr. Rick	Southern Oregon University		Johnson, Kelley	City of Central Point
	Bochart-Leusch, Jessica	Cow Creek Tribe (ALT)		Long, Juliet	Rogue Community College (ALT)
	Bristol, Sara	City of Grants Pass	X	Meyer, Alan	Pacific Power
	Browning, Taneea	City of Central Point (ALT)	X	Miller, Kaycee	Rentec Direct
X	Cates, Ashley	Tribal One	X	Newell, Matt	Providence Health & Services
	Cubic, Aaron	City of Grants Pass (Staff)		Sell, Kathy	City of Eagle Point
X	Doan, Ron	Cow Creek Tribe	X	Shillam, Dr. Casey	Southern Oregon University
X	DuBose, Chris	First Interstate Bank		Spansail, Sarah	City of Medford (ALT)
	Eagles, Breanne	Moss Adams	X	Vincent, Steve	Avista
X	Fahey, Nick	Southern Oregon Sanitation	X	Weber, Dr. Randy	Rogue Community College
	Farm, Judy	Tribal One (ALT)	X	Weiss, Harry	City of Medford (staff)
X	Fischer, Tom	Coldwell Banker Commercial	X	Williams, Claudia	Rogue Credit Union
Members Present: 16		Members Absent: 8		Member Vacancies: 2	
	SORED I Staff		Guests		Entity
X	Padilla, Colleen - Executive Director		X	Bautista, Victor	Avista
X	Browne, Amy – Operations Manager		X	Curry, Mike	Dir. Field Operations, Pac Power
X	Roper, Terrill – Business Development & Loan Manager		X	Dotterrer, Dave	Jackson County
X	Bohl, Carrie – Communications & Business Support Manager		X	LeMay, Jessica	Hunter Communications
X	Tadlock, Jaymes – Business Development Manager		X	Marple, Daniel	Herb Pharm
X	Skelton, Abigail – Project Manager		X	Mayers, Robb	Outlier Construction
			X	Robinson, Noah	Primary Candidate

Welcome and Introductions – Chris Dubose, President

The meeting was opened at 3:06 by President DuBose. He welcomed the candidates for the board of directors who will be voted on today, Dr Casey Shillam, alternate for Dr. Rick Bailey, attending for the first time, and Republican candidate Noah Robinson. Alan Meyer and Mike Curry were thanked for the use of the conference room and reminded the directors of the tour following the meeting.

Executive Committee Report – Tom Fischer, Vice President

Fischer made note that the Bowletin publication is specific to the Foundation and to the Bowl-A-Rama, patterned after the SOREDI report card presented at the State of the Rogue Valley Breakfast.

Key topics discussed at the May 2 Executive Committee meeting:

1. PIER funding changes and how SOREDI is adjusting to meeting those changes.
2. SOREDI 2024-2025 Budget – preparing the budget details to present to the full board today.
3. Reviewing the upcoming Board and Executive Committee changes due to term expiration dates.
4. SOREDI Staffing increase to meet community needs.

Consent Agenda

Paul Anderson made a motion to approve the April 9, 2024, minutes. **Paula Hyatt** seconded. All approved. Motion carried.

SORED I Quarterly Financials – Amy Browne

The [3rd Quarter financial report](#) was provided as a handout to review.

Highlights from 3rd quarter:

1. Net revenues over expenditures are \$72K above budget at about 77% to our total annual budget.
2. Any questions about the P&L section can be emailed to Amy.
3. Income
 - a. Sources are events, memberships, and investment income.
 - b. The new sweeps investments are going strong for revenues.
 - c. Membership dollars are always front loaded with a few that come in over the year. There are still 5 who haven't paid, and we are in regular communication with. We are preparing for invoicing in July.
4. Expenses
 - a. The Supplies line item is higher because of software increases and annual renewal for loan program.
 - b. Maintenance and licensing with Tekmanagement are higher
5. All points are on trend.

Questions?

Ron Doan asked about the high expenses for the State of the Rogue Valley event. **Browne** noted that out-of-town speakers were one piece and **Colleen Padilla** noted that the published report card was the other reason. With month over month reporting, you will notice when expenses hit for an event or other item for that category.

Padilla added that there are currently five staff members and a \$700K budget per year. The majority of those funds come from membership. \$370K and other revenue comes from the loan program. Planner grant from the EDA is \$75K per year, which has been the same for the last 20 years. The districts have been advocating nationwide for an increase with NADO over the last 3 years. The fee for service with grant administration will be addressed later in the presentation.

Browne continued noting that Page 3 is a quick snapshot of the 3rd quarter with the budget trending how we want, and Membership progress.

Color coding - Page 4, Blue = Operating, Yellow = restricted loan funds, Orange = restricted funds. Page 5 is the performance of the new investment strategy, leverage existing funds to create new revenues.

Robb Mayers – Curious as to why some members didn't pay. **Padilla** noted they either had budget issues, or, in Josephine County's case, a misunderstanding of the role of SOREDI.

Kaycee Miller noted that we have a good plan in place with Josephine County.

Hyatt inquired on the impact of unpaid memberships. **Padilla** noted that she will cover that in her upcoming growth strategy presentation.

Padilla noted that the Loan program is a 30-year program that doesn't compete with banks. There have been 261 loans over time where we encourage borrowers to pay off early to get a better loan at a lower rate. Over a 3-year period (CEDS report) we have had 14 new loans and 17 have paid off. All

SORED dollars are without federal ties and available to spend with board approval. We send prospective borrowers to banks when it is in their best interest.

Questions?

Mayers - How many members are currently unpaid? Is it unusual to have 20 unpaid? **Carrie Bohl** noted that the financials presented reflect only through March 31. Since then, only 5 remain unpaid.

SORED Strategic Growth Plan – Colleen Padilla

Starting from a philosophy of abundance:

1. Objectives:
 - a. Add business development capacity by adding a new business development staff member.
 - b. Increase and diversify revenues.
 - Pursue more Fee for Service contracts where we have opted to not charge fees for service in the past. Currently reviewing the contract from the Innovation Hub, and exploring capturing Enterprise Zone fees per statute, which SORED has never charged.
 - Increase clients for the loan program.
 - Amplify Membership base.
 - Create ROI through the investment strategy.
2. Methodology
 - a. Reserve funding investment for Strategic Growth Plan
 - \$300,000 from Fund 300 over a 3-year period.
 - Represents 15.2% of Fund 300 equity.
 - Represents 5.4% of total fun equity.
 - b. Create additional board/membership committees to tackle “Big Idea Bucket” to prioritize and complement growth/capacity decision-making.
 - Housing Consortium
 - Long-term sustainability for SORED (office space, staffing, mission)
 - Aviation Training/Center of Excellence Initiative (One Rogue Valley CEDS)
 - Legislative Agenda
 - Regional Identity (One Rogue Valley CEDS)
 - Business Incentive Fund
 - Membership Outreach/Amplification

Colleen requested the board review the above list to determine their involvement interest in any of the items.

Ayres – Please inform guests what the CEDS is. Colleen noted the CEDS is a 5-year requirement for every economic district—Comprehensive Economic Development Strategy. It is developed by a combination of SORED, community professionals and community leaders. We are currently toward the end of the 2020-2025 CEDS and will begin to discuss updates to for the 2025-2030 version in the new fiscal year – [One Rogue Valley Strategy](#).

Board Roster Changes – President DuBose

President DuBose reviewed the Executive Committee’s board recommendations with the [handout noting EC changes](#) as well as [the four candidates for open board positions](#). He noted that ideally Board members are robust and engaged supporters of SORED.

Hyatt made a motion to approve all changes. **Ashley Cates** seconded. All approved. Motion carried.

Padilla noted that Commissioner Dotterer is here as a guest who, as of May 1, resigned from the Board due to perceived conflict by OHCS respective to his PIER Selection Committee Role. The commissioner stated he is hopeful to be back soon.

Fiscal Year 2024-2025 Budget Approval – Amy Browne

Two handouts were provided and discussed:

1. [SORED I – Budget Proposal FY 2024-2025](#)
2. [SORED I Budget detail from EC recommendation on 4/23/24](#)

Revenues

There is a new line item for the new loan application fees. The budget includes an increase of 10 loan clients, with a \$200 application fee for each.

The biggest change in administration fees is \$27,000 from the Innovation Hub, HB3395 fees of \$20,000, and \$40,000 interest income for loan program, which is a conservative estimate due to interest rates trending down.

Ayres – Wasn't there going to be an Innovation Hub employee? Yes, but that position will be funded by Innovation Hub dollars and will not do SOREDI work.

Miller – The \$118,000 income from reserves is more than just the salary. It includes expenses related to adding a new employee, as well as additional costs for more activity.

Marple – How will we fund year two if that amount is taken from the same fund? **Browne** responded that it's a 3-year plan and is front-loaded with costs to onboard an employee. Less taken in the following years, and only as needed.

Miller – It would be good to have a membership goal. Create benchmarks, goals, guidelines to know what we are hitting and what we are doing to get there together.

Questions about Revenues?

Ayres - Are we confident Josephine County will be back? **Padilla** believes so.

With the population matrix calculations, the total jurisdictional increase is \$2,700 over all jurisdictions.

Browne noted that the budget includes an increase in private sector membership of 3%.

Expenses

Wages, which are always the biggest expenditure, show a big jump due to adding a person.

Mayers inquired about generous health care benefits. **Padilla** noted that because SOREDI wages are typically not competitive with similar private and public sector jobs, we offer paid health insurance, flexible Fridays, and remote options.

The loan software needs a desperate upgrade to a cloud-based system. It is more customer focused, with easy access and navigation, and replaces the software version that resides on our server. Once it is removed from the server, we will no longer need the server and will not have that expense.

A review was done of all the vendor contracts. There is a 3-4% increase in new vendor costs.

Padilla noted that two of our largest vendor expenses include both RVCOG and Isler to assist with financial accounting and federal auditing.

For leases, **Browne** was able to renegotiate the Canon Financial Services lease to half. This office space won't be renewed as of 9/1, of which SOREDI was recently notified. Prior to knowing this a 3% increase for the office space lease was included.

Questions about Expenses?

Ayres - How much square footage is needed for SOREDI? **Browne** responded that 1500 – 2000 is ideal and most can work remotely, which we may need to do and have the capability to do so temporarily, in the office transition. We do have a contingency plan in place but let us know if you know of available space. We prefer to be centrally located.

Ayres – Why is the travel higher? – **Browne** noted that the goal for the increased business development staff is to be out more, increasing local travel expenses.

Dr. Weber – The professional development amount is much higher. **Browne** noted that we haven't attended conferences over the last few years and are now able to attend; newer staff will benefit, too. **Vincent** asked if these conferences include the Oregon Leadership Summit, OEDA, NADO and other reoccurring events. **Browne noted** yes, and we haven't been going so being able to attend again will be good, though it is an expense to cut if we must.

The Special projects line item includes a grant from Hunter that switches to the Foundation every year.

Other Expenses

Tekmanagement fees went up to absorb adding another staff member. Bank charges have been cut in half after a deliberate effort to get those down.

A reminder that the Planner Grant and Administrative Transfer from the loan program show up as negative but really are not, they are just interfund transfers. These funds pay for a portion of the loan program, loan manager and executive director.

Vincent commended the budget format and structure to show an accurate and true bottom line, net revenue over expenses. Some non-profits top load their revenue with leftover dollars whereas SOREDI does not do it that way to show the actual bottom line from year to year for operations.

Browne noted that there is a leftover balance just in case Josephine County does not renew their membership next year or something unforeseen happens. Because of what we're doing with our investment strategy we will never show a surplus because will only move funds needed to balance the operations budget.

Strategic Growth Plan & Approval (ACTION)

President DuBose asked for a motion to approve the Strategic Growth Plan

Miller asked for clarification from Amy about the 3-year plan. The request is for \$300K over those three years, moving \$118K this first year and then the next two subsequent years, if needed. Only move what's necessary. The strategy to increase revenues may allow us to pull less funding from reserves.

Alan Meyer motioned. **Anderson** seconded. All approved. Motion carried.

Fiscal Year 2024-25 Budget Approval (ACTION)

President DuBose asked for a motion to approve the 2024-25 fiscal year budget.

Hyatt motioned. **Ashley Cates** seconded. All approved. Motion carried.

Hyatt thanked Amy and the team for the time and effort put into the budget. She acknowledged the level of work, taking advantage of interest to create new revenues, and the forethought it took.

Oregon Senate, District 2 Primary - Noah Robinson

Noah Robinson is running to follow in his father's footsteps in the Senate. He has a scientific perspective on politics, with a PhD from Caltech and an undergraduate degree at SOU. His top priority is education and to replace democrats.

New Business/Round Table

President DuBose opened the meeting to new business and round table sharing. He also asked the directors to consider a committee they would be interested in volunteering for.

Dr. Weber – 28% increase in enrollment in the last two years as a result of setting a clear vision and responding to what our region needs, which is workforce and K-12. There is more on the horizon but will share later.

Marple – They have been in their new facility in Medford/Central Point for 5 months now. He is continually learning about the local talent pool and appropriate compensation levels. There are currently 225 employees with a lot of development going on in Williams. Not done expanding.

Cates – A lot is happening at South Medford (Compass Hotel, Bear Creek Golf, Roxy Ann Lanes, Top Tracer) with more expansion in the works. As VP of the Vintners Association, May is the Governor's sanctioned month for wine here in the Rogue Valley. Because of that there is the Fly Free (wine) with Alaska Air when participating. Over 100 of our wineries earned top 5 awards and are working toward more in 2025 as well. **Cates** is a vineyard owner and her husband a winemaker for multiple labels. They grow and custom crush for others.

Shillam – 2 months now as new provost for SOU. She highly values the SOU partnership with RCC, and is a longtime friend with Juliet Long, her counterpart at RCC. SOU has work set up this summer to align programs with more purpose and engaging with community partners. The funding received for behavioral health allowed them to launch an initiative to reach out to external stakeholders to help improve this crisis in the valley. They will create a model to know how to create a pipeline and then a way to measure that work is being effectively done. Expect her call.

Mayers – CEO of Outlier Construction, a local general contractor. The company has been around seven years and has grown rapidly and is currently at 90 employees. The company is extremely busy with commercial projects. They are triple their largest back log and now more than that for next year. They also do some non-profit residential like New Spirit Village, and a couple of subdivisions. They are also getting into the industrial world with Roseburg Forest Products.

Victor Bautista – A new project for Avista is in Oakland, Oregon. This new industrial customer broke ground on a pellet manufacturer facility. It doesn't create a lot of jobs, but it will provide products that will be sent to Asia.

Harry Weiss – He agrees with Outlier's experience that construction is strong in all sectors. Add to that it's road paving season. They have had a lot of success in hiring this last quarter, which is the first time

in a while for public works to be fully employed as well as the city surveyor department. They are looking for ways to fund major upgrades to the wastewater treatment plant. In 60-90 days, he will share more.

Ayres – As a participant in the Rogue Valley Dancing with the Stars, she reported that \$170K was raised. For Medford's Additional Dwelling Units (ADU) program, 57 permits were granted last year. The wastewater treatment plant coming down the pike will mean higher cost for everyone.

Vincent – he met Colleen in 1995 and has formally volunteered with SOREDI since 1998. The board service came later. He would ask each director: What is motivating you to be part of this board? Were you told to be here? Do you have a passion for economic vitality? For me, I know that what I am doing here today somehow influences success in the workforce, which benefits his children. He challenges us to think long-term with what we're doing.

Fischer – Thanked Steve for all his service to SOREDI and he, too, hopes to have two grandsons come live and work here. Commercial real estate is very busy because of expansion. People are finding a way to make it work.

Miller – Rentec Direct was recognized for the sixth year in a row for multiple accomplishments at the Stevie Awards: Best Entrepreneur in Real Estate, Customer Service Department of the Year, Company of the Year in Real Estate. They are most proud of their customer service recognition. Rentec will be presenting at the SOREDI/RWP/SOESD Industry tour lunch, along with Zeal Coding about the tech world, on May 16.

Nick Fahey – For Earth Day, SOS saw 800 customers over a 6-hour timeframe for the free debris day. Currently one of the local fire districts is running a grant for free yard waste disposal.

Jessica LeMay – Hunter's current focus is for the underserved rural areas. She started the customer experience department five years ago and highly values each customer's experience.

Anderson – Their new office structure is almost complete after a long April of permit hang ups. They are taking a break before the next big project. Rogue Truck Body is the largest truck builder in the US. There are 240 trucks waiting to be delivered, with building 15-20 bodies per week. They have 12 new employees in the last 60 days and will hire another 12 to start a whole new product line. He noted that the big trucks are moving from EV to hydrogen, and it will become a big market.

Matt Newell – He is new to his position for about 4-5 months and is a board-certified physical therapist trying to keep Rogue Valley healthy, and is partnering with RCC for staffing with the new mandatory nurse staffing requirement increasing from 64 to 94. Economic development is critical in primary care and specialty care, which is where the shortage is increasing. He is part of SOREDI because of anything Providence can do to support economic development.

Ayres asked if Providence is part of SOAPP. **Newell** asked **Jaymes Tadlock** to expound on SOAPP. Southern Oregon Alliance of Physicians & Providers is working to recruit medical staff to our region. It has a non-profit status and is set up but needs administrative support. Housing for new staff is also a critical topic.

Hyatt – Ashland is using Transient Lodging Tax (TLT) funds to help local business owners upgrade their façade to improve the downtown aesthetic. There is an approved public art installation sharing different elements of local culture. This weekend is the celebration. Hyatt's main passion and focus is for early learning and childcare. We employ families not just people. There has been progress with SOU ramping up behavioral health and childcare programs.

Claudia Williams – She works with business members to maximize their financial success. There were 135 new business accounts opened. The credit union was able to give out \$800K to eight non-profits, \$100K each, to help with housing.

Pacific Power Updates – Alan Meyer, Cooper Whitman and Mike Curry

Meyer provided Pacific Power handouts showing [rate comparisons](#) with other West Coast areas and the service area provided by Pacific Power. In the Berkshire arm of PacifiCorp, \$2B has been granted for wildfire mitigation. Warren Buffet wants to triple the power load in 3 years for this area. Comparatively, rates are low and offer a great place and with high growth of industrial loads. Even though rates are going up we're still in a great place to live and do business.

Mike Curry – This property on Grape St. is a hub for several areas and also stores fire suppression material. Pacific Power has gone from mostly reacting to emergencies to being proactive. They are now able to anticipate risk factors for storms and fire mitigation, which is huge. They are installing thousands of miles of covered conductors, building the material here. These fault indicators and non-communicating and communicating to isolate outages quicker.

Adjournment

President DuBose adjourned the meeting at 5:06, thanking the directors for their attendance and invited all to attend the tour of the facility led by **Meyer and Curry**.

Upcoming SOREDI Board Meetings & Events

June 6 – [SOREDI Foundation Bowl-A-Rama](#), Lava Lanes

June 11 – Board Social, Herb Pharm grounds, Williams

Our Vision: *To be the most business-friendly region on the west coast.*

Our Mission: *Advance business in Southern Oregon to foster economic vitality by helping companies and entrepreneurs launch, relocate, and prosper.*

(A SOREDI Board of Directors landing page exists on soredi.org to house documents from board meetings, including presentations. Please click here to access [SOREDI Board of Directors Meetings - Follow-Up Documents - SOREDI](#))