

General Council briefed on MicroGREEN investment

By Dean Rhodes

Smoke Signals editor

The general membership received a wrap-up briefing on the Tribe's attempt to diversify its revenue stream by investing in the now-defunct MicroGREEN Polymers Inc., a manufacturer of environmentally friendly plastic drinking cups, during the Sunday, Dec. 6, General Council meeting.

The briefing occurred in open session because Tribal Council Chairman Reyn Leno said much of the information already has been released publicly.

The bottom line, Tribal Economic Development Director Titu Asghar said, is the Tribe lost more than \$28 million.

The Tribe started investing in MicroGREEN Polymers in August 2013 after it qualified through the Tribe's economic development vetting process, which does not allow investments in start-up companies, project financing or research and development.

Asghar said MicroGREEN's product, drinking cups made from recycled plastic bottles, was a good product that appealed to the Tribe because of its environmental cachet and its feel-good aspect.

"The outcome was we made an investment in MicroGREEN based on the deal flow and an exit scenario of an IPO (Initial Public Offering) with 10 times the investment, which was very attractive to us at the time," Asghar said.

Asghar said the Tribe's confidence in MicroGREEN also was bolstered by the company's other investors and the membership on its board of directors, as well as interest from other companies in possibly acquiring the firm.

Through January 2015, the Tribe invested \$18 million out of various endowments and more than \$13 million from its line of credit.

Asghar said the money taken out of the endowments did not touch any endowment's core funds – the corpus – and even with the money taken out of the endowments, they still grew by more than \$55 million in value.

In early 2015 it became apparent that MicroGREEN was not going to turn a profit because it continued to cost more to manufacture cups than what they were being sold for. The Tribe foreclosed on the Arlington, Wash.-based company and started the process of auctioning off its intellectual and manufacturing assets.

In September, Dart Container Corp. of Mason, Mich., bid \$3.5 million for MicroGREEN's assets, which included machinery to make



Photo by Michelle Alaimo

Tribal Economic Development Director Titu Asghar gives a wrap-up briefing to the general membership on MicroGREEN Polymer Inc. during the General Council meeting held in the Tribal Community Center on Sunday, Dec. 6. The Tribe invested in the now-defunct company that made environmentally friendly plastic cups.

the plastic cups. After auction expenses, the Tribe recouped \$2.45 million, of which \$2.3 million was used to pay off some of the line of credit debt.

Currently, Asghar said, the Tribe still owes approximately \$10.7 million in outstanding debt on its line of credit and is trying to collect about \$350,000 still owed MicroGREEN.

Finance Officer Chris Leno said the investment in MicroGREEN has prompted discussions among Tribal Council members about how much the Tribe should invest in any single business venture before seeking approval from the general membership.

Tribal Council Chairman Reyn Leno said any limitation on Tribal Council concerning how it invests funds would have to be written into the Tribal Constitution.

"It's a constitutional change," Leno said. "It's up to the membership to make that change. ... We've built this huge fortune, but you don't really have the protections there unless we get those protections in the Constitution."

Leno said the membership could limit how much money the Tribe devotes to economic development annually and also limit Tribal Council to only spending a portion of endowment earnings.

"I think we have to have those protections there," Leno said, adding that any five Tribal Council members currently could agree to invest a huge amount of endowment money without any checks or balances.

Former Tribal Council member Toby McClary suggested that Tribal Council pay off the outstanding

debt on the line of credit to stop incurring interest fees. "I would like to encourage Tribal Council to stop the bleeding on this MicroGREEN investment and get that amount paid off as soon as possible," he said.

Reyn Leno said the Tribe has the money in its gaming dividend fund to pay off the line of credit balance, adding that the Tribe doesn't have to borrow money for instances like this. "We borrow no money," he said.

Tribal Council member Denise Harvey said that future investments should receive a more thorough and wide-ranging due diligence review before the Tribe invests money.

Tribal Council member Jon A. George also apologized to the membership for losing that amount of money on the MicroGREEN investment.

Asghar thanked staff from the Tribal Attorney's Office, Finance, Procurement and Audit departments and Tribal Council administrative staff in concluding the Tribe's investment in MicroGREEN and auctioning off the company's assets.

"We carve out a certain amount to invest," Reyn Leno said. "Unless somebody has a crystal ball out there, investments are investments and we have a responsibility to try and make money. ... We may have lost here, but we have gained so much. We are trying to do the best we can with the people we've got."

In other action, Education Committee members made a report, which included a list of responsibilities, goals and the number of Tribal members who have earned post-secondary degrees or certificates.

Education Committee members include Tammy Cook, Tracy Moreland, Mychal Cherry, David DeHart, Shelby Olson-Rogers, Justine Colton and Alton Butler.

Cook, the committee's chairwoman, said that eight Tribal members have earned a doctorate, 60 members have earned a master's degree, 162 have earned bachelor's degrees, 125 have earned certificates or as-

sociate degrees, and 202 have graduated high school or earned GEDs.

Cook added that in 2015 the Tribe has 48 members in two-year degree programs, 204 members in four-year programs – full- and part-time – and 21 members pursuing master's degrees. Eighty-one members were involved in adult vocational programs as well.

"The Education Committee encourages every Tribal member with a dream for their future to pursue it through education in the field of their choice," Moreland said. "We support every Tribal student in their educational journey."

Nominations for four open positions on the Elders Committee also occurred with Ann Lewis, Leonette Galligher, Louise Colson, Cherie Butler, Linda Brandon and Richard Ray being nominated. Votes will be accepted at the December meeting held at the Elders Activity Center and during the Jan. 3 General Council meeting.

Galligher won the \$100 door prize and McClary, Veronica Gaston and Monty Parazoo won the \$50 door prizes. McClary donated his winnings to the Grand Ronde Food Bank while Gaston said her prize will help homeless people in Lincoln City.

Ham or turkey certificates also were raffled off and winners were Stanley Jeffers, Jenny VanAtta, Bob Duncan, Ann Lewis, Mabel Brisbois and Ryan Beauchamp. Betty Bly also won a \$25 gas card donated by Tribal Council member Brenda Tuomi and her husband, Ron.

Also during the meeting, Tribal spouse Tony Selwyn donated \$1,000 to the Shop With A Cop program operated by the Grand Ronde Police Department. He also thanked the community for its support of his family during the Labor Day tragedy that took the life of his granddaughter, Tribal youth Saige Selwyn.

Bobby Mercier, Brian Krehbiel, Travis Stewart, Kaikanim Mercier, Jacob Holmes and IZIAHA Fisher performed the cultural singing and drumming to open the meeting.

The next General Council meeting will be held at 11 a.m. Sunday, Jan. 3, in the Tribal Community Center.

The meeting, in its entirety, can be viewed by visiting the Tribal website, www.grandronde.org, and clicking on the News tab and then Video. ■

Groups form Helping Hands

The Clothes Closet, *iskam məkʰmək haws* and A Cause For Paws have started an ad hoc group called Grand Ronde Helping Hands and is inviting community members to join the effort of supporting local families.

"The goal is to bring those of us together who are supporting families in Grand Ronde to share the services and resources we provide and create a resource guide we can all use," said Food Bank Coordinator Francene Ambrose.

"If you provide any type of services to families in our community, please consider attending," Ambrose said. "We are looking for meal site calendars, food box sites, clothes closets, showers and laundry service. We are asking churches, church groups, departments and support groups to share with us. We are also collecting items for homeless families in our area, items for camping, bed in a bag, reusable water jugs, silverware, plates, etc."

If you are interested in joining the effort, contact Ambrose at 503-879-3663 or at fambrose@marionpolkfoodshare.org. ■

LIHEAP program available

The Low Income Home Energy Assistance Program, which helps pay heating bills, is now available for eligible Tribal members in the six-county service area and Clackamas County.

LIHEAP is a first-come, first-served program and income criteria applies.

For more information, contact Social Services Department Administrative Assistant Tammy Garrison at 503-879-2077 or tammy.garrison@grandronde.org. ■