

**Redwood Region Economic Development Commission  
EXECUTIVE COMMITTEE**

**March 26, 2012**

**5:30 p.m.**

**Minutes**

**I. Call to Order**

Chair **Mike Wilson** called the meeting to order at 5:32 p.m.

Present: **Julie Fulkerson, Mike Losey, Mark Lovelace, Mike Newman, Bruce Rupp, Mike Wilson**

Absent: none

Guests: **Phillip Smith-Hanes**, CAO, County of Humboldt, **Dawn Elsbree**, Headwaters Fund Coordinator, **Cedar Reuben**, Headwaters Fund board member, **Russell Gans** and Paul **Brisso**, counsel for RREDC. **Tom Mattson**, Director, Public Works Division, County of Humboldt arrived at 5:40 p.m.

Staff Present: **Virginia Fisher, Bonnie Smoller**

**II. Approval of agenda for March 26, 2012 and executive minutes of Feb, 9 and March 19, 2012.**

**M/S/P: Rupp/Fulkerson to approve March 26, 2012 agenda and minutes of Feb. 9 and March 19, 2012.**

**III. Public Input** – for non agenda items

None

**IV. Old Business**

**A. Discussion of Airline Revenue Guarantee Contract with American Airlines for Service from Arcata/Eureka to LAX:** At the Mar. 19, 2012 executive committee meeting staff was directed to read the American Airlines/American Eagle contract and bring any questions to the executive committee before the Mar. 26 meeting. RREDC was proposed to be the agency/guarantor for a one million dollar loan from the Headwaters Fund as well as the overseer for the revenue guarantee and contract negotiator with American Airlines.

Numerous questions and concerns were brought to the executive committee concerning the contract, revenue guarantee, the loan from Headwaters and RREDC's liability as guarantor.

The committee stated that their recommendation to the RREDC board would be to appoint two members to review the contracts and bring the information back to the board for further consideration.

**V. New Business**

**A. Approval of Substitution of Collateral: Christian Dapaah:** This loan was put into recovery in April 2009. Collateral for the loan is a second deed-of-trust on Christian Dapaah's father's home in Stockton, CA, along with a UCC-1 filing on business assets. Stockton property values have considerably decreased since this loan was made in 2007.

In Feb. 2012, RREDC staff found that the father's residence was in a "short sale". Staff contacted borrower who agreed to substitute his home in Manteca, CA for the collateral.

Borrower is employed and continues to remain in contact with RREDC regarding payment and collateral issues.

**M/S/P: Rupp/Newman to approve the substitution of collateral for this loan, and in the event that the borrower's home goes into foreclosure, staff has authority to take this loan to Professional Credit Management for collection and credit reporting.** Motion passed unanimously.

**VI. Closed Session: Public Employee Appointment: Government Code section 54957: Public Employment Appointment: Title: Executive Director:** At 6:21 p.m. the group went into closed session. They reconvened in open session at 6:30 p.m.

**VII. Adjourn**

The meeting adjourned at 6:30 p.m.