



Redwood Region  
Economic Development  
Commission

520 E Street Eureka • California 95501 • (707) 445-9651 • FAX (707) 445-9652

**Redwood Region Economic Development Commission**  
**MEETING OF THE LOAN COMMITTEE**  
**520 E Street, Eureka, California 95501**  
**Tuesday, August 16, 2016**  
**11:00 am**  
**Minutes**

**Present:** Dan Sweet, Patrick Whitchurch, Bruce Rupp, David Tyson, Jennifer Budwig  
**Absent:** Phil Sullivan, John Woolley, Greg Bowen, Liana Simpson, Christopher Nelson, Scott Pesch  
**Staff Present:** Gregg Foster, Shirley Santino.

**I. Call to Order**

Jennifer Budwig called the meeting to order at 11:10 am.

**II. Approval of Agenda and Minutes**

**M/S/P: Whitchurch/Rupp:** Motion to approve August 16, 2016 Agenda and July 12, 2016 Minutes. Motion passed unanimously.

**III. Public Input**

Humboldt Senior Resource Center's Executive Director Joyce Hayes and Financial Director Allyson Giarrizzo presented HSRC's request for an increase in their line of credit and answered question from the loan committee regarding the PACE Program.

**IV. Old Business**

None

**V. New Business**

**A. Loan Approval or Denial: Humboldt Senior Resource Center Change in Terms**

The Humboldt Senior Resource Center (HSRC), founded in 1974, is a community-based nonprofit organization whose mission is for "Seniors and their caregivers in Humboldt County to have a high quality life with dignity and self-determination in a community of respect and tolerance." HSRC is requesting an increase in their current line of credit of \$100,000 to \$200,000 for general operating expenses. This would be a Change in Terms, not a new loan. The line of credit would be used to cover cash commitments, especially payroll, if adequate monthly revenues are not received in a timely manner. HSRC depends primarily on Medi-Cal, government contracts, and Medicare (PACE) to operate programs. The revenue sources are unpredictable, with delays out of the HSRC's control. Historically, HSRC has been able to cover the irregularities of government revenue sources by using agency reserves. However, significant program eliminations and reductions have caused these reserves to be greatly reduced so they no longer are adequate for ensuring a smooth cash flow for the agency.

**MEMBER AGENCIES**

City of Arcata • City of Blue Lake • City of Eureka • City of Ferndale • City of Fortuna • City of Rio Dell • City of Trinidad  
County of Humboldt • Humboldt Bay Harbor, Recreation and Conservation District • Humboldt Bay Municipal Water District  
Humboldt Community Services District • Manila Community Services District • McKinleyville Community Services District  
Orick Community Services District • Redwoods Community College District • Hoopa Valley Tribe  
Willow Creek Community Services District • Orleans Community Services District • Redway Community Services District

HSRC serves the following: Able seniors with numerous senior activities including congregate meals; The frail elderly including the adult day health care center, care management, and home delivered meals; The PACE program; Publishes a monthly senior newspaper.

HSRC currently employs 43 full-time employees and 66 part-time employees spread throughout the Adult Day Health services, PACE, administration and nutrition centers.

This change in terms will increase their Revolving Line of Credit from \$100,000 to \$200,000; use EDA funds; 9% fixed interest; 12 months with option of a 2-year renewal; Be reimbursed through monthly payments with paydowns. Loan is collateralized by 2nd D/T on 1910 California Street, Eureka, CA which is currently being used for administration and the dining/activity center.

**M/S/P: Rupp/Tyson: Motion to approve the Humboldt Senior Resource Center Change in Terms request as presented, increasing their LOC from \$100,000 to \$200,000; and recommend approval of this loan to the RREDC Executive Committee.**  
Motion passed unanimously.

B. Discussion of Loan Application: Resolution Care, P.C.

Gregg Foster outlined how Resolution Care works and asked committee for questions they would like answered before the Loan Request is brought to them at the next meeting.

## VI. Reports

A. Microloan Program: Gregg Foster answered committee questions.

B. Portfolio Review: Gregg Foster presented the June 30, 2016 Monthly Loan Portfolio Report.

C. Executive Director's Report:

- 1) Modifying the EDA Revolving Loan Fund Plan to include streamlined process for Microloans up to \$50,000: Received RREDC Board approval to do so.
- 2) EDA grants \$1 million in the recapitalization of RREDC's RLF: Gregg explained EDA's conditions on this grant including Headwaters Fund \$1 million participation match.
- 3) Performance of Headwaters Fund monies placed with RREDC: Gregg Foster provided committee with the RREDC - Headwaters Fund Loan Portfolio Performance chart tracking 2003-present that he prepared for HWF and RREDC Board.

## VII. Adjourn

Meeting adjourned at 11:50 am.