



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 23, 2016
11:00 am
Minutes

Present: Dan Sweet, David Tyson, Jennifer Budwig, John Woolley, Greg Bowen, Liana Simpson, Christopher Nelson, Scott Pesch

Absent: Phil Sullivan, Bruce Rupp, Patrick Whitchurch

Staff Present: Gregg Foster, Shirley Santino.

I. Call to Order

Scott Pesch called the meeting to order at 11:10 am.

II. Approval of Agenda and Minutes

M/S/P: Tyson/Budwig: Motion to approve August 23, 2016 Agenda and August 16, 2016 Minutes. Motion passed unanimously.

III. Public Input

ResolutionCare Professional Corporation President/Chief Medical Officer Dr. Michael Fratkin presented their request for a line of credit and answered questions from the loan committee regarding the RCRC's mission; financial strategy for expansion of ResolutionCare Palliative Care; and the cost savings of the term-based palliative path over traditional medical fee-for-services in the last stage of life. Dr. Fratkin left the meeting at 11:35 am.

IV. Old Business

None

V. New Business

A. Loan Approval or Denial: ResolutionCare, Professional Corporation

Applicant is requesting a 2-year term \$500,000 revolving line of credit to manage cash flow for its growing palliative care operation. ResolutionCare Palliative Care (RCPC) has recently completed two pilot programs and is fully implementing its program in Eureka. The company has plans to expand its services to the San Joaquin Valley, Riverside, and Redding in 2017. This expansion would occur only upon the successful raising of equity capital. It is RCPC's intention to achieve sufficient cash flow and/or bank financing after 24 months to allow for the closure of this line of credit.

RCPC is nationally known as experts of palliative care, has existing relationships/contracts with the local health care system, Partnership Health and Blue Shield, demonstrating significant revenue growth due to increasing demand for services.

M E M B E R A G E N C I E S

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

This loan will use 50% RREDC EDA funds and 50% Headwaters Fund; 9% fixed interest; be reimbursed through monthly interest-only payments with balance due upon maturity; be collateralized by Cash Value Life Insurance on President/Chief Medical Officer and on Chief Financial Officer and a blanket lien on all assets of RCPC.

M/S/P: Budwig/Woolley: Motion to approve a 1-year term line of credit of \$300,000 with option of an additional \$200,000 after progress has been assessed by loan committee; Minimum draw of \$25,000 with maximum number of 2 draws per month; add ResolutionCare B Corp. as co-borrower; and recommend approval of this loan to the RREDC Executive Committee. Motion passed unanimously.

VI. Reports
None

VII. Adjourn
Meeting adjourned at Noon.