

**Redwood Region Economic Development Commission**  
**LOAN COMMITTEE**  
**Tuesday, March 22, 2011**  
**11:00 a.m.**  
**Minutes**

**Present:** Jennifer Budwig, Scott Pesch, Frank Scolari, Liana Simpson, Phil Sullivan, Dan Sweet  
**Absent:** Greg Bowen, (alternate), Dean Charlton (alternate), Bruce Rupp, Sherman Schapiro,  
**Staff Present:** Virginia Fisher, Gregg Foster, Bonnie Smoller

**I. Call to Order**

Vice Chair Liana Simpson called the meeting to order at 11:02 a.m.

**II. Approval of Agenda and Minutes**

**M/S/P: Scolari/Sullivan** to approve the agenda and the minutes of January 24, 2011

**III. Public Input**

None

**IV. Old Business**

None

**V. New Business**

**A. Loan Approval or Denial: Loan Approval or Denial: Sara Olson, Christopher Olson and Jessica Viernes-Olson dba Flips for Kids Gymnastic Center:** This loan request is for \$40,000 to purchase the business from present owners Bryan Konkler and Darcy Fardette-Konkler. The Konklers are current RREDC clients.

The loan is for seven years (84 months) at 10% fixed interest.

For the past two years Sara has worked at Flips as a coach and as a bookkeeper. Sara developed a business plan, with the help of the Small Business Development Center, which addresses the transition period and her plans to increase sales and membership.

Sara, a December 2010 HSU graduate, has no assets of her own. Her brother and sister in law, Christopher and Jessica Olson are co-borrowers on the loan. Loan collateral is a second deed of trust on their home at 6341 Loma Ave. (King Salmon), Eureka and a UCC-1 filing on business assets.

The lack of working capital was addressed and included in the motion to approve the loan. It was moved to recommend approval for the loan, with up to \$10,000 additional approved for working capital, unless borrower can show, by a gift letter or similar proof, that she has access to working capital. **M/S: Sullivan/Scolari. Ayes: Budwig, Pesch, Scolari, Simpson, Sullivan; Nays: Sweet; Abstain: none. Motion passes.**

**B. Loan Approval or Denial: Leslie O'Neil dba O'Neil Organic Dairy:** O'Neil Dairy is a current RREDC client. The amount requested is \$30,000 for hay/feed for the dairy. The supplier now demands cash on delivery. This is a short-term loan, 120-150 days, due November 1, 2011.

The O'Neil's have a contract with the Natural Resources Conservation Service (NRCS) where by maintaining and implementing good conservation practices on their pastureland, they are compensated financially. The O'Neil's will receive \$12,930 annually for five years from NRCS, ending in September 2014.

The loan collateral is the proceeds from the 2010 and 2011 NRCS program, the payments to be received in April and October 2011, respectively. The remaining balance will be paid by the borrowers over the duration of the loan.

**M/S/P: Budwig/Scolari: to recommend approval of the loan with the condition that RREDC receive payments directly from Natural Resources Conservation Service. Motion passes unanimously.**

**C. Discussion of Loan Products and Marketing:** The current economy has decreased the amount of loan inquiries and acceptable loan requests. This has affected RREDC's loan program related income.

Thoughts of how to reach a larger, more suitable market or ideas for new loan products should be directed to staff.

Staff is working on a model for a micro loan fund plan which will be available at the next loan meeting.

**D. Selection of Chair and Vice Chair for 2011**

**M/S/P: Scolari/Sullivan** to recommend continuation of Scott Pesch as chair and Liana Simpson as vice chair for 2011.

**VI. Adjourn**

The meeting was adjourned at 11:58 a.m.