



**Headwaters Fund Board (HWFB) Meeting Agenda
November 29, 2022 – 1:30pm
825 5th St, Eureka, CA 95501
Conference Room B**

*Public Attendance also available through Zoom

The Headwaters Fund invests in projects through grants and loans with the goal of helping the citizens of Humboldt County achieve increased economic opportunity, prosperity, and quality of life.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82140208239>

Or One tap mobile :

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Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 669 444 9171 or +1 346 248 7799 or +1 253 215 8782 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 312 626 6799 or +1 386 347 5053

Webinar ID: 821 4020 8239

International numbers available: <https://us02web.zoom.us/j/82140208239>

1. Opening
 - a. Approval of minutes from October 13, 2022 - (Attachment 1)
 - b. Public comment on non-agenda items
 - c. Report out on meetings attended

2. Headwaters Fund Board to receive AEDC Quarterly Report from Loan Officer (Attachment 2)
 - a. Discussion
 - b. Public Comment
 - c. Action

3. Headwaters Fund Board to receive RREDC Quarterly Report from their Executive Director (Attachment 3)
 - a. Discussion
 - b. Public Comment
 - c. Action

4. Headwaters Fund Board to receive Mini Grant request from Life Plan Humboldt for surveys required for development of a life plan community and make an award determination - (Attachment 4)
 - a. Discussion
 - b. Public Comment
 - c. Action

5. Headwaters Fund Board to receive Mini Grant request from Redwood Coast Energy Authority to support trainings related to Electric Vehicle Chargers- (Attachment 5)
 - a. Discussion
 - b. Public Comment
 - c. Action

6. Headwaters Fund Board to discuss and recommend reappointment of Michael Fields for a 3-year term
 - a. Discussion
 - b. Public Comment
 - c. Action

7. Headwaters Fund Admin Item – (Attachment 6)
 - a. Discussion
 - b. Public Comment
 - c. Action

8. Staff and Board updates
 - a. Discussion
 - b. Public Comment

9. Adjourn

Next Meeting: January 10, 2023

Agenda Staff Report

AGENDA ITEM 2

DISCUSSION

AEDC to report out on revolving loan activities during the first quarter of fiscal year 2022-23 (June 1-September 30) including loan pipeline and any outstanding issues.

Recommended Action: Staff recommendation is to receive and approve AEDC Quarterly Report

AGENDA ITEM 3

DISCUSSION

RREDC to report out on revolving loan activities during the first quarter of fiscal year 2022-23 (June 1-September 30) including loan pipeline and any outstanding issues.

Recommended Action: Staff recommendation is to receive and approve RREDC Quarterly Report

AGENDA ITEM 4

DISCUSSION

The Headwaters Fund Board will review, discuss, and make an award determination on the Mini Grant request submitted by Life Plan Humboldt for \$5,000. This proposal is in support of planning work, matched by \$60,000 in community donations. This funding will support wetland and other surveys required for the development of a Life Plan residential community to support housing for people over 60 and increase local housing capacity. Of the \$20,000 made available for grants in FY22-23, \$7,500 remains.

Recommended Action: Staff recommendation is to approve the request and authorize staff to draft and execute and agreement pending county counsel and risk management review.
recommendation is to receive and approve AEDC Quarterly Report

AGENDA ITEM 5

DISCUSSION

The Headwaters Fund Board will review, discuss, and make an award determination on the Mini Grant request submitted by Redwood Coast Energy Authority for \$3,050. This proposal supports RCEA's Electric Vehicle Infrastructure Training Program by offering reimbursement to individuals participating in the training. Of the \$20,000 made available for grants in FY22-23, \$7,500 remains.

Recommended Action: Staff recommendation is to approve the request and authorize staff to draft and execute and agreement pending county counsel and risk management review.

AGENDA ITEM 6

DISCUSSION

The Headwaters Fund Board to discuss and vote to recommend reappointment of Headwaters Fund Board Member Michael Fields for a 3-year term. This will leave one final 3-year term available for Michael Fields before terming out.

Recommended Action: Staff recommendation is to recommend reappoint Michael Fields to the Headwaters Fund Board for a 3-year term.

AGENDA ITEM 6

DISCUSSION

Headwaters staff has been discussing the ongoing administrative expenses of the HWF for over a year.

Following conversations with counsel regarding ongoing administrative expenses, County counsel has detailed that the HWF Charter does not allow for the use of funds outside of the “EDA Setaside Fund.” (see Attachment 6, pages 32-42)

Staff met with the county CFO to seek advice. Staff was advised to transfer the ongoing administrative expenses to the “EDA Setaside”, incurring a negative fund balance, and to return the funding to the liquidity fund. We were also advised to consider seeking a secure source of revenue to meet these obligated expenses required for the management of the HWF (see Attachment 6, pages 1-7). During this time, staff were awaiting a fund request to cover operations for Fiscal Year 22-23 through ARPA funding. Our ARPA funding, which was later approved, temporarily alleviated the problem of expending funds, which are prohibited by the Charter.

Early review of the problem also identified a 11/5/13 Board of Supervisors Item in which it was identified that the “EDA Setaside” was exhausted, and the staff was seeking a way to continue funding (Provided by prior CAO staff). As a result, a portion of the revenues coming back to the county through the dissolution of the Redevelopment Agency was carved out and provided to the “EDA Setaside Fund” to pay for ongoing expenses (see Attachment 6, pages 85-105).

Staff brought these issues to the HWF board and sought direction to work with the Auditor-Controller, Treasurer/Tax Collector, and CFO. The goals were to; correct past errors, establish best practices moving forwards, and identify a secure source of revenue for future Headwaters Fund administration expenses. During a meeting between Economic Development staff, the AC, TTC, and CFO on 10/28/22, several issues were discussed and summarized as follows:

- Interest apportionments: A high priority, and county staff are working to bring them up to date as soon as possible while working to close out Fiscal Year 20-21 and FY21-22.
- Loan reconciliation: Currently, staff cannot properly reconcile HWF loan balances due to issues with recording loan payment details in finance Enterprise. AC felt this

reconciliation was the lender's responsibility and, therefore, a duplication of efforts. The Charter and County Government Code define this as a responsibility of staff. As such, additional detail may need to be provided to AC staff in order to provide better tracking of loans

- Loan/Grant Tracking Modules: Currently no ability to track individual loans of grants via built-in modules in Finance Enterprise(county accounting software)
- Administrative Funding: It was the opinion of the AC that the Charter allowed for the programmatic expenditure of funding. Staff provided the argument made by counsel, and the AC, TTC, and CFO supported staff seeking outside consultants with government finance, legal, and economic development experience to weigh in on this question and others.

Staff have reviewed both Grand Jury Reports (see Attachment 6, page 43-84) and the responses. While many of the issues have been resolved satisfactorily, several are as yet unresolved and should be considered when any edits are being made to the operational manuals of the fund.

The HWFB are responsible for revisions to the Charter and manuals by way of recommendation to the Board of Supervisors and have been working towards these edits throughout the year. However, given the severity of the outstanding issues, staff believe a deeper review of the Charter is required prior to the adoption of any manual edits. The Charter calls for a review every three years, which has resulted in a sole edit following the initial Grand Jury Report.

Staff are seeking direction from the HWFB on a series of issues and are asking the HWFB to review all attached documents prior to the January meeting, at which point they will be provided the opportunity to discuss their individual findings, make requests for more information of staff, and consider making a recommendation to the Board of Supervisors related to the amendment of the Charter.

Recommended Actions:

1. Direct Staff to keep administrative expenses for FY19-20 through FY21-22 in the “EDA Setaside Fund”, resulting in a negative fund balance until such time as a clear determination has been made in regard to the question of “Can the corpus be drawn down to pay for ongoing operational expenses restricted to the Headwaters Fund?”
2. Direct Staff to work with the AC and our Lenders to modify reporting requirements to align with county needs for maintaining individual loan balances on RLF participation loans.

3. Direct Staff to explore options for seeking an outside consultant to review the HWF charter, manuals, grand jury reports, and legislative history. Questions the consultant should be able to answer include but are not limited to:
 - a. Of the original intended purpose of the HWF, what objectives are not currently being met?
 - i. If these objectives are unobtainable, should revisions to the charter to highlight this be made?
 - b. Can the corpus be drawn down to pay for ongoing operational expenses restricted to the Headwaters Fund?
 - c. Should the mission of the Community Investment Fund be revisited based on the intent of the fund and historical practices?
 - d. Are there possible modifications to the investments made to support the HWF which would provide greater revenues?
 - e. What modifications to the Revolving Loan Fund should be made to increase use of the fund, provide access to new lending partners, and increase earnings?
 - f. What modifications should be made to the Grant Manual to enhance the impact of the HWF granting activities on direct measurable job creation/retention?
 - g. Are updates needed to increase clarity of roles and responsibilities of county agencies tied to the management of the Headwaters Fund? (Auditor Controller, Treasurer/Tax Collector, Headwaters Fund Coordinator (i.e. Director of Economic Development) and Economic Development Staff?
 - h. Does the county government code need to be updated?

AGENDA ITEM 7

DISCUSSION

The Staff and Board updates section is intended to provide an avenue for brief updates on housekeeping/administrative topics and to make requests of staff for future agenda items.

No Action

Remote Public Comment and ADA accommodation requests:

Email Public Comment: To submit public comment to the Humboldt County Headwaters Fund Board please email gohumco@co.humboldt.ca.us, provide your name and the agenda item number(s) on which you wish to comment. All public comment submitted after the agenda has been published will be included with the administrative record after the fact.

Zoom Public Comment: When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. You may virtually raise your hand using the raise hand function on Zoom and staff will unmute your phone. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

Phone Public Comment: You may call into the meeting by dialing +1 669 900 9128 and entering using meeting ID 821 4020 8239. When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. Staff will unmute phone lines and you may introduce yourself and express your desire to speak. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

The County of Humboldt is committed to providing equal access to all county programs, services and activities through the provision of accommodations for individuals with disabilities as required under the Americans with Disabilities Act (ADA). With 72 hours prior notice, a request for reasonable accommodation or modification can be made. Please contact the CAO's office of Economic Development at 707-445-7745 or by email gohumco@co.humboldt.ca.us or the ADA Coordinator at 844-365-0352 or by email at ada@co.humboldt.ca.us



HUMBOLDT COUNTY

Headwaters Fund

Headwaters Fund (HWF) Board Special Meeting

Minutes October 13th, 2022, 4:00PM

825 5th Street, Eureka CA, 95501

Conference Room A

Remote Access Available for Public

Meeting Agenda

1. Opening

- a. HWF Board Chair called meeting to order
- b. Public comment on non-agenda items
 - No public comment was provided.

Consent Calendar

2. Ratification of Actions taken during the October 11th, 2022 Regular Meeting

- a. Discussion
 - Chairperson Cameron moved to approve the consent calendar. Chairperson Fields seconded the motion.
- b. Public Comment
 - No public comment was provided.
- c. Action
 - Motion passed unanimously.

3. Approval of Meeting Minutes for the Regular meeting of the Headwaters Fund Board on October 11th, 2022 – (Attachment 2)

- a. Discussion
 - Chairperson Cameron moved to approve the consent calendar. Chairperson Fields seconded the motion.
- b. Public Comment
 - No public comment was provided.
- c. Action
 - Motion passed unanimously.

4. Adjourn

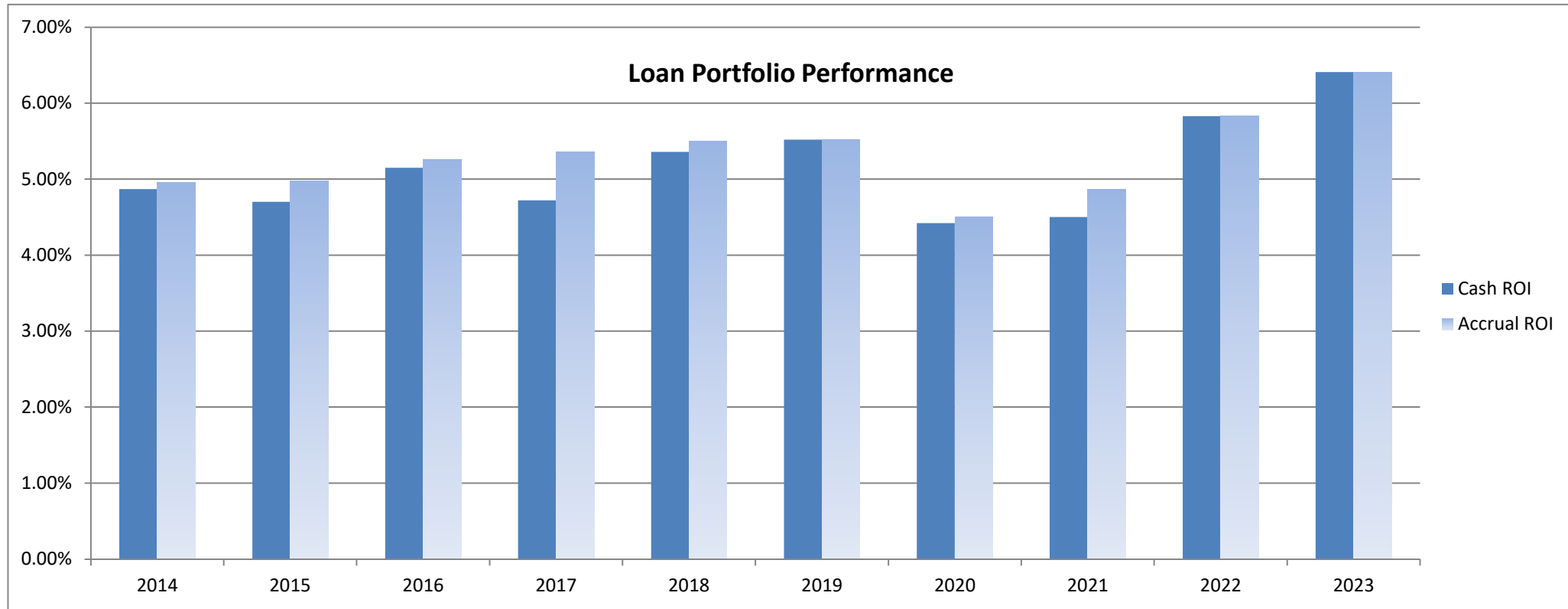
- a. Meeting adjourned at 4:02 PM.

Next Meeting: November 8th, 2022

HWF Attachment 1

1 of 1

Headwaters Fund Quarterly Loan Portfolio Report AEDC Managed Loans



Fiscal Year	Cash ROI	Accrual ROI
2014	4.87%	4.96%
2015	4.70%	4.98%
2016	5.15%	5.26%
2017	4.72%	5.36%
2018	5.36%	5.50%
2019	5.52%	5.52%
2020	4.42%	4.50%
2021	4.50%	4.87%
2022	5.83%	5.83%
2023	6.41%	6.41%

PPP loans all paid in full half way thru fiscal year

1st qtr FY 2023 interest 'annualized'

Headwaters Fund Quarterly Loan PROJECTIONS
AEDC Managed Loans

VARIATION			Projected	Actual	Projected	Actual	Projected	Actual										
			Principal	Principal	Interest	Interest	Total	Total			Principal Balance							
3rd Quarter 2022																		
07/01/2022 - 09/30/2022																		
97-02-04		7.50%	871.99		\$ 1,344.98		\$ 2,216.97				\$69,688.36							
				\$ 855.88		\$ 1,361.09		\$ 2,216.97										
449-02-02		-	\$ 225.00		\$ -		\$ 225.00				\$11,175.00							
				\$ 300.00		\$ -		\$ 300.00										
506-02-02		7.50	\$ 612.32		\$ 1,839.34		\$ 2,451.66				\$95,744.15							
				\$ 608.94		\$ 1,842.72		\$ 2,451.66										
533-03-02		9.00	\$ 930.60		\$ 399.51		\$ 1,330.11				\$16,792.71							
				\$ 929.68		\$ 400.43		\$ 1,330.11										
553-02-02		9.50	\$ 1,470.34		\$ 477.35		\$ 1,947.69				\$18,748.52							
				\$ 1,468.50		\$ 479.19		\$ 1,947.69										
568-01-05		5.50	\$ 2,299.99		\$ 4,608.47		\$ 6,908.46				\$324,244.10							<i>Pmt increase (maturity date extended)</i>
				\$ 4,628.32		\$ 4,649.84		\$ 9,278.16										
583-03-02		8.00	\$ 978.57		\$ 1,486.95		\$ 2,465.52				\$72,232.29							
				\$ 975.81		\$ 1,489.71		\$ 2,465.52										
583-04-02		8.00	\$ 743.06		\$ 726.13		\$ 1,469.19				\$35,099.24							
				\$ 741.83		\$ 727.36		\$ 1,469.19										
587-01-03		5.00	\$ 4,714.10		\$ 2,470.90		\$ 7,185.00				\$190,501.01							
				\$ 4,711.03		\$ 2,473.97		\$ 7,185.00										
613-01-05		8.00	\$ 484.87		\$ 2,409.44		\$ 2,894.31				\$117,688.98							
				\$ 481.78		\$ 2,412.53		\$ 2,894.31										
634-01-02		7.50	\$ 1,486.45		\$ 1,989.86		\$ 3,476.31				\$104,392.05							
				\$ 1,463.05		\$ 2,013.25		\$ 3,476.30										
452-01-01		6.50	\$ 2,731.56		\$ 3,264.30		\$ 5,995.86				\$195,053.52							
				\$ 2,726.04		\$ 3,269.82		\$ 5,995.86										
637-01-02		5.25	\$ 2,663.24		\$ 6,325.48		\$ 8,988.72				\$469,570.47							
				\$ 2,598.81		\$ 6,389.91		\$ 8,988.72										
636-01-02		5.50	\$ 475.61		\$ 1,228.48		\$ 1,704.09				\$87,226.99							
				\$ 473.77		\$ 1,230.32		\$ 1,704.09										
638-01-02		8.00	\$ 816.00		\$ 654.06		\$ 1,470.06				\$31,525.57							
				\$ 818.24		\$ 655.90		\$ 1,474.14										
733-01-02		7.00	\$ 448.30		\$ 2,202.14		\$ 2,650.44				\$122,929.93							
				\$ 422.53		\$ 2,227.91		\$ 2,650.44										
Projected Totals:			\$ 21,952.00		\$ 31,427.39		\$ 53,379.39				\$ 1,962,612.89							
Actual Totals:				\$ 24,204.21		\$ 31,623.95		\$ 55,828.16										

Headwaters Fund Quarterly Loan PROJECTIONS
AEDC Managed Loans

			<u>Projected</u>	Actual	<u>Projected</u>	Actual	<u>Projected</u>	Actual		<u>Projected</u>			
PROJECTIONS			Principal	Principal	Interest	Interest	Total	Total		Principal Balance			
4th Quarter 2022													
10/01/2022 - 12/31/2022													
97-02-04		7.50%	902.93		\$ 1,314.04		\$ 2,216.97			\$68,785.43			
				\$ -		\$ -		\$ -					
449-02-02		-	\$ 225.00		\$ -		\$ 225.00			\$10,950.00			
				\$ -		\$ -		\$ -					
506-02-02		7.50	\$ 644.10		\$ 1,807.56		\$ 2,451.66			\$95,100.05			
				\$ -		\$ -		\$ -					
533-03-02		9.00	\$ 956.10		\$ 374.01		\$ 1,330.11			\$15,836.61			
				\$ -		\$ -		\$ -					
553-02-02		9.50	\$ 1,510.89		\$ 436.80		\$ 1,947.69			\$17,237.63			
				\$ -		\$ -		\$ -					
568-01-05		5.50	\$ 4,630.00		\$ 4,650.00		\$ 9,280.00			\$319,614.10			
				\$ -		\$ -		\$ -					
583-03-02		8.00	\$ 1,014.68		\$ 1,450.84		\$ 2,465.52			\$71,217.61			
				\$ -		\$ -		\$ -					
583-04-02		8.00	\$ 766.06		\$ 703.13		\$ 1,469.19			\$34,333.18			
				\$ -		\$ -		\$ -					
587-01-03		5.00	\$ 4,700.00		\$ 2,500.00		\$ 7,200.00			\$185,801.01		Maturity date extended	
				\$ -		\$ -		\$ -					
613-01-05		8.00	\$ 117,688.98		\$ -		\$ 117,688.98			\$0.00		Paid off 10/13/2022	
				\$ -		\$ -		\$ -					
634-01-02		7.50	\$ 1,535.89		\$ 1,940.42		\$ 3,476.31			\$102,856.16			
				\$ -		\$ -		\$ -					
452-01-01		6.50	\$ 2,811.77		\$ 3,184.09		\$ 5,995.86			\$192,241.75			
				\$ -		\$ -		\$ -					
637-01-02		5.25	\$ 2,767.36		\$ 6,221.36		\$ 8,988.72			\$466,803.11			
				\$ -		\$ -		\$ -					
636-01-02		5.50	\$ 495.31		\$ 1,208.78		\$ 1,704.09			\$86,731.68			
				\$ -		\$ -		\$ -					
638-01-02		8.00	\$ 839.43		\$ 630.63		\$ 1,470.06			\$30,686.14			
				\$ -		\$ -		\$ -					
733-01-02		7.00	\$ 480.09		\$ 2,170.35		\$ 2,650.44			\$122,449.84			
				\$ -		\$ -		\$ -					
Projected Totals:			\$ 141,968.59		\$ 28,592.01		\$ 170,560.60			\$ 1,820,644.30			
Actual Totals:				\$ -		\$ -		\$ -					

**Headwaters Fund Quarterly Loan PROJECTIONS
AEDC Managed Loans**

			<i>Projected</i>	Actual	<i>Projected</i>	Actual	<i>Projected</i>	Actual		<i>Projected</i>
<i>PROJECTIONS</i>			<u>Principal</u>	Principal	<u>Interest</u>	Interest	<u>Total</u>	<u>Total</u>		<u>Principal Balance</u>
1st Qtr 2023										
01/01/2023 - 03/31/2023										
97-02-04		7.50%	934.29		\$ 1,282.68		\$ 2,216.97			\$67,851.14
				\$ -		\$ -		\$ -		
449-02-02		-	\$ 225.00		\$ -		\$ 225.00			\$10,725.00
				\$ -		\$ -		\$ -		
506-02-02		7.50	\$ 675.84		\$ 1,775.82		\$ 2,451.66			\$94,424.21
				\$ -		\$ -		\$ -		
533-03-02		9.00	\$ 981.57		\$ 348.54		\$ 1,330.11			\$14,855.04
				\$ -		\$ -		\$ -		
553-02-02		9.50	\$ 1,550.99		\$ 396.70		\$ 1,947.69			\$15,686.64
				\$ -		\$ -		\$ -		
568-01-05		5.50	\$ 4,910.33		\$ 4,367.83		\$ 9,278.16			\$314,703.77
				\$ -		\$ -		\$ -		
583-03-02		8.00	\$ 1,050.51		\$ 1,415.01		\$ 2,465.52			\$70,167.10
				\$ -		\$ -		\$ -		
583-04-02		8.00	\$ 788.92		\$ 680.27		\$ 1,469.19			\$33,544.26
				\$ -		\$ -		\$ -		
587-01-03		5.00	\$ 4,700.00		\$ 2,500.00		\$ 7,200.00			\$181,101.01
				\$ -		\$ -		\$ -		
634-01-02		7.50	\$ 1,057.10		\$ 1,894.09		\$ 2,951.19			\$101,799.06
				\$ -		\$ -		\$ -		
452-01-01		6.50	\$ 2,891.56		\$ 3,104.30		\$ 5,995.86			\$189,350.19
				\$ -		\$ -		\$ -		
637-01-02		5.25	\$ 2,871.03		\$ 6,117.69		\$ 8,988.72			\$463,932.08
				\$ -		\$ -		\$ -		
636-01-02		5.50	\$ 515.41		\$ 1,188.68		\$ 1,704.09			\$86,216.27
				\$ -		\$ -		\$ -		
638-01-02		8.00	\$ 867.36		\$ 606.78		\$ 1,474.14			\$29,818.78
				\$ -		\$ -		\$ -		
733-01-02		7.00	\$ 511.95		\$ 2,138.49		\$ 2,650.44			\$121,937.89
				\$ -		\$ -		\$ -		
Projected Totals:			\$ 24,531.86		\$ 27,816.88		\$ 52,348.74			\$ 1,796,112.44
Actual Totals:				\$ -		\$ -		\$ -		

Headwaters Fund Quarterly Loan PROJECTIONS
AEDC Managed Loans

			<i>Projected</i>	Actual	<i>Projected</i>	Actual	<i>Projected</i>	Actual		<i>Projected</i>
<i>PROJECTIONS</i>			<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Total</u>	<u>Total</u>		<u>Principal Balance</u>
2nd Qtr 2023										
04/01/2023 - 06/30/2023										
97-02-04		7.50%	923.76		\$ 1,293.21		\$ 2,216.97			\$66,927.38
				\$ -		\$ -		\$ -		
449-02-02		-	\$ 225.00		\$ -		\$ 225.00			\$10,500.00
				\$ -		\$ -		\$ -		
506-02-02		7.50	\$ 649.69		\$ 1,801.97		\$ 2,451.66			\$93,774.52
				\$ -		\$ -		\$ -		
533-03-02		9.00	\$ 997.07		\$ 333.04		\$ 1,330.11			\$13,857.97
				\$ -		\$ -		\$ -		
553-02-02		9.50	\$ 1,580.61		\$ 367.08		\$ 1,947.69			\$14,106.03
				\$ -		\$ -		\$ -		
568-01-05		5.50	\$ 4,883.32		\$ 4,394.84		\$ 9,278.16			\$309,820.45
				\$ -		\$ -		\$ -		
583-03-02		8.00	\$ 1,041.05		\$ 1,424.47		\$ 2,465.52			\$69,126.05
				\$ -		\$ -		\$ -		
583-04-02		8.00	\$ 790.23		\$ 678.96		\$ 1,469.19			\$32,754.03
				\$ -		\$ -		\$ -		
587-01-03		5.00	\$ 4,700.00		\$ 2,500.00		\$ 7,200.00			\$176,401.01
				\$ -		\$ -		\$ -		
634-01-02		7.50	\$ 1,035.14		\$ 2,441.17		\$ 3,476.31			\$100,763.92
				\$ -		\$ -		\$ -		
452-01-01		6.50	\$ 2,871.85		\$ 3,124.01		\$ 5,995.86			\$186,478.34
				\$ -		\$ -		\$ -		
637-01-02		5.25	\$ 2,774.74		\$ 6,213.98		\$ 8,988.72			\$461,157.34
				\$ -		\$ -		\$ -		
636-01-02		5.50	\$ 496.44		\$ 1,207.65		\$ 1,704.09			\$85,719.83
				\$ -		\$ -		\$ -		
638-01-02		8.00	\$ 871.85		\$ 598.21		\$ 1,470.06			\$28,946.93
				\$ -		\$ -		\$ -		
733-01-02		7.00	\$ 474.03		\$ 2,176.41		\$ 2,650.44			\$121,463.86
				\$ -		\$ -		\$ -		
Projected Totals:			\$ 24,314.78		\$ 28,555.00		\$ 52,869.78			\$ 1,771,797.66
Actual Totals:				\$ -		\$ -		\$ -		

Headwaters Fund Quarterly Loan PROJECTIONS
AEDC Managed Loans

			<i>Projected</i>	Actual	<i>Projected</i>	Actual	<i>Projected</i>	Actual		<i>Projected</i>
<i>PROJECTIONS</i>			<u>Principal</u>	Principal	<u>Interest</u>	Interest	<u>Total</u>	<u>Total</u>		<u>Principal Balance</u>
3rd Qtr 2023										
07/01/2023 - 09/30/2023										
97-02-04		7.50%	941.61		\$ 1,275.36		\$ 2,216.97			\$65,985.77
				\$ -		\$ -		\$ -		
449-02-02		-	\$ 225.00		\$ -		\$ 225.00			\$10,275.00
				\$ -		\$ -		\$ -		
506-02-02		7.50	\$ 662.00		\$ 1,789.66		\$ 2,451.66			\$93,112.52
				\$ -		\$ -		\$ -		
533-03-02		9.00	\$ 1,019.85		\$ 310.26		\$ 1,330.11			\$12,838.12
				\$ -		\$ -		\$ -		
553-02-02		9.50	\$ 1,619.39		\$ 328.30		\$ 1,947.69			\$12,486.64
				\$ -		\$ -		\$ -		
568-01-05		5.50	\$ 4,952.57		\$ 4,325.59		\$ 9,278.16			\$304,867.88
				\$ -		\$ -		\$ -		
583-03-02		8.00	\$ 1,062.60		\$ 1,402.92		\$ 2,465.52			\$68,063.45
				\$ -		\$ -		\$ -		
583-04-02		8.00	\$ 806.85		\$ 662.34		\$ 1,469.19			\$31,947.18
				\$ -		\$ -		\$ -		
587-01-03		5.00	\$ 4,700.00		\$ 2,500.00		\$ 7,200.00			\$171,701.01
				\$ -		\$ -		\$ -		
634-01-02		7.50	\$ 1,055.14		\$ 1,896.05		\$ 2,951.19			\$99,708.78
				\$ -		\$ -		\$ -		
452-01-01		6.50	\$ 2,919.86		\$ 3,076.00		\$ 5,995.86			\$183,558.48
				\$ -		\$ -		\$ -		
637-01-02		5.25	\$ 2,812.59		\$ 6,176.13		\$ 8,988.72			\$458,344.75
				\$ -		\$ -		\$ -		
636-01-02		5.50	\$ 503.21		\$ 1,200.88		\$ 1,704.09			\$85,216.62
				\$ -		\$ -		\$ -		
638-01-02		8.00	\$ 889.70		\$ 584.44		\$ 1,474.14			\$28,057.23
				\$ -		\$ -		\$ -		
733-01-02		7.00	\$ 482.65		\$ 2,167.79		\$ 2,650.44			\$120,981.21
				\$ -		\$ -		\$ -		
Projected Totals:			\$ 24,653.02		\$ 27,695.72		\$ 52,348.74			\$ 1,747,144.64
Actual Totals:				\$ -		\$ -		\$ -		

**Headwaters Fund - Jobs Count
and Loan Maturity Dates**

		AEDC Managed Loans								<u>Comments</u>
					<u>Jobs Created</u>	<u>Jobs Retained</u>	<u>Jobs Total</u>			
										Loan Maturity Dates
97-02-04		7.50%			8.00	14.00	22.00			June 1, 2025
449-02-02		-			0.00	0.00	0.00			March 1, 2034
506-02-02		7.50			3.00	1.00	4.00			October 1, 2024
533-03-02		9.00			12.00	0.00	12.00			July 1, 2025
553-01-02		9.50			0.00	0.00	0.00			April 1, 2025
568-01-05		5.50			7.00	30.00	37.00			August 1, 2034
587-01-03		5.00			0.00	10.00	10.00			November 1, 2027
634-01-02		7.50			1.00	2.50	3.50			September 1, 2024
452-01-01		6.50			20.00	1.00	21.00			January 1, 2025
583-03-01		8.00			3.00	1.00	4.00			August 1, 2032
637-01-02		5.25			22.00	0.00	22.00			January 1, 2029
636-01-02		5.50			0.00	10.00	10.00			January 1, 2026
638-01-02		8.00			1.00	0.00	1.00			April 1, 2024
733-01-01		7.00			3.00	0.00	3.00			October 1, 2045
	Total Jobs Count				77.00	69.50	146.50			



Redwood Region Economic Development Commission

RREDC - Headwaters Fund Loan Portfolio Performance - Cash and Accrual Basis - 9/30/2022

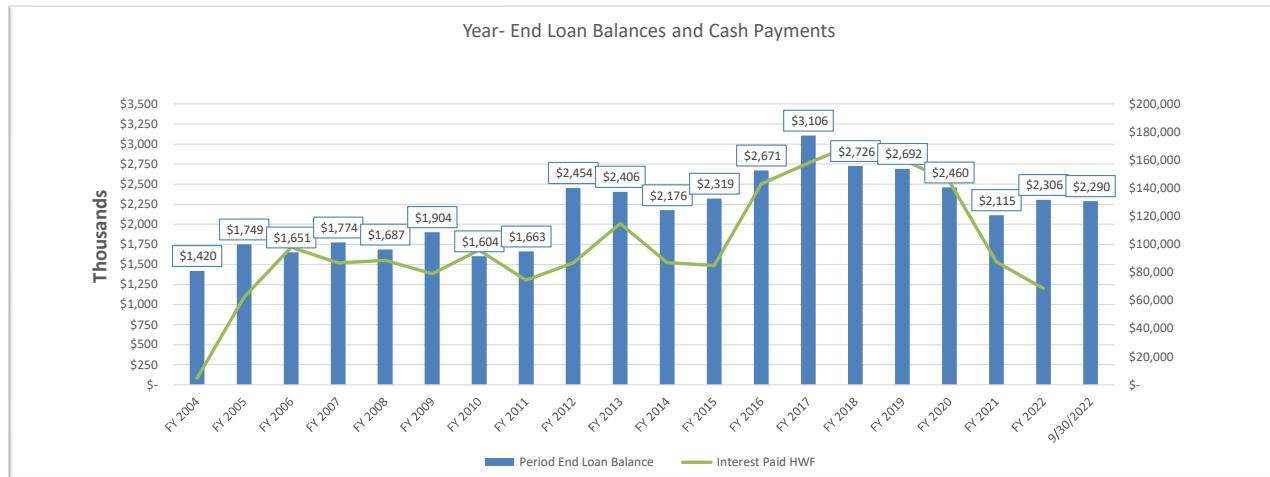
Period	Period End Loan Balance	Average Loan Balance*	Interest Paid HWF**	Cash Basis Yield***	Change in HWF Accrued Interest	Total HWF			Loan Losses/Recovery this Period	Net Return Including Recoveries/Losses
						Interest (Cash and Accrued)	Interest Capitalized This Period	Accrual Basis Yield		
9/30/2022	2,290,404	2,298,121	23,041	4.01%	3,930	26,970	-	4.69%	-	4.69%
2021-2022****	2,305,838	2,377,378	68,590	2.89%	(1,591)	66,999	-	2.82%	7,854	3.15%
2020-2021	2,448,918	2,454,512	87,560	3.57%	26,668	114,228	-	4.65%	8,592	5.00%
2019-2020	2,460,106	2,575,819	144,609	5.61%	11,189	155,797	394	6.05%	(25,414)	5.08%
2018-2019	2,691,531	2,708,601	160,645	5.93%	(1,577)	159,068	8,835	5.87%	7,859	6.49%
2017-2018	2,725,671	2,915,692	171,525	5.88%	(1,467)	170,059	-	5.83%	7,623	6.09%
2016-2017	3,105,712	2,888,199	157,554	5.46%	3,301	160,855	-	5.57%	4,179	5.71%
2015-2016	2,670,685	2,494,823	143,092	5.74%	4,167	147,259	-	5.90%	36,273	7.36%
2014-2015	2,318,961	2,247,540	84,915	3.78%	107	85,022	-	3.78%	(98,784)	-0.61%
2013-2014	2,176,119	2,290,930	86,969	3.80%	(18,196)	68,773	-	3.00%	-	3.00%
2012-2013	2,405,741	2,429,923	114,907	4.73%	7,989	122,896	4,904	5.26%	-	5.26%
2011-2012	2,454,105	2,058,467	86,923	4.22%	1,849	88,772	2,016	4.41%	-	4.41%
2010-2011	1,662,828	1,633,288	74,518	4.56%	8,282	82,800	-	4.41%	(18,096)	3.96%
2009-2010	1,603,748	1,753,866	95,908	5.47%	(7,383)	88,525	-	5.07%	-	5.05%
2008-2009	1,903,983	1,795,369	79,059	4.40%	231	79,290	21,106	5.59%	-	5.59%
2007-2008	1,686,755	1,730,138	88,739	5.13%	6,297	95,036	-	5.49%	-	5.49%
2006-2007	1,773,521	1,712,020	86,796	5.07%	6,109	92,905	312	5.44%	-	5.44%
2005-2006	1,650,518	1,699,646	97,874	5.76%	(3,171)	94,703	1,215	5.64%	-	5.64%
2004-2005	1,748,774	1,584,545	62,486	3.94%	3,350	65,836	9,523	4.76%	-	4.76%
2003-2004	1,420,315	710,158	4,739	0.67%	2,715	7,454	13,299	2.92%	-	2.92%
Totals			1,920,451				61,604		(69,914)	

*Average loan balance is calculated as the average of the beginning and ending balance of the period.

**Actual cash paid to HWF.

***Interest paid/average loan balance. Annualized for quarterly reports.

****Figures are unaudited and subject to revision.





October 25, 2022

Dear Headwaters Fund Board of Directors:

Life Plan Humboldt is a charitable 501 (c)(3) non-profit established to build and operate a life plan community in Humboldt County. Life Plan Humboldt (LPH) will change the face of aging in Humboldt County for years to come.

LPH meets a clear and pressing need in Northern California. Twenty-five percent of our local population is 60+ and the 70+ population is growing for decades to come. According to the Population Reference Bureau, the aging baby boom generation will fuel a 75% increase in older Americans requiring long term care to about 2.3 million people in 2030. Housing for older adults has been identified as the number one need in the State of California's Long Term Plan for Aging. The need for housing is also evidenced in The Humboldt County Housing Plan, which states that "accommodating the growing population of elders may be the number one housing challenge facing the County in coming years." This fact is at the genesis of the project.

The concept of a "Life Plan community" is new to the Northcoast. A Life Plan community is designed to meet the social, emotional, physical safety and security needs of elders. The model offers older adults independent private residences, shared dining and activities, health care management, assisted living and memory care, all on one campus. This will allow residents to age in community without having to move if they or their partners need increased care and supportive services. There is no such option within 200 miles of Humboldt. They leave behind family, friends and their commitment to community organizations. Their skills, their significant financial resources and their historical knowledge are all lost to Humboldt County.

Many older adults have concerns about social isolation as we age. Social isolation can contribute to depression and increase risk for dementia. Life gets lonely once we cannot drive, our family has moved away, our friends have died or cannot drive to visit us and we face disability in a home with stairs and lots of maintenance issues. We are vulnerable when we find ourselves dependent and alone. We face increased risk of poor nutrition and falls in homes not adapted for frailty. If we have a family who are willing caregivers, the impact on them can also be profound, including lost wages and expenses for home care. Down the line, their social security and retirement savings are reduced, perpetuating a legacy of vulnerability.

In February 2019, a group of Humboldt County residents started meeting to discuss establishing a local Life Plan Community for residents 60+. This grassroots effort began by conducting a feasibility study, which confirmed there is a sufficient population base and potential demand to support a senior life plan community in Humboldt.

LPH has a solid business plan and an incredible board of local leaders experienced in implementing complex projects. The board is learning from other Life Plan Communities and working with experienced advisors who have created mixed-income communities around the United States to establish the financial structure and operations for a very similar plan and design for our community.

To reduce financing and construction costs so that fees are accessible to mid-income people, the plan is to start with 80 cottages and apartments for independent living (to be expanded to 140 in the future) and 12-24 memory care units. Memory care will be in a home-like setting, a welcome alternative to institutional models. Assisted living services will be provided as needed in residents' homes. In addition the project's goal is to integrate 32-44 low-income senior housing units.

The Board is committed to creating and coordinating services to meet residents needs and to collaborate with local organizations and businesses to link LPH to the larger community. Potential partnerships being explored include Cal Poly Humboldt, College of the Redwoods, the County Office of Education, along with the Osher LifeLong Learning Institute (OLLI).

LPH is now estimated to be an 80 million dollar project. The immediate goal is to raise a total of \$4.5 million for pre-finance development expenses. These prefinance dollars are critical to demonstrate the community support and are necessary to leverage bond financing for all construction costs.

LPH is good for older adults and will benefit the Humboldt economy and the whole community. The county faces a critical shortage of housing for the workforce. The project will enable older adults to downsize and open up 80 local homes desperately needed by working families and recruitment of medical staff. LPH will offer jobs in all phases of development (construction, landscaping, marketing and development) and ultimately employing a minimum of 40 people as caregivers, health and wellness staff, administrators and operational staff. Utilizing energy efficiency and a self-sustaining solar capacity, with a community micro-grid, LPH will be a "net zero" energy project.

Local interest in Life Plan Humboldt is strong.

Over 9000 hours of volunteer time has been donated. Thus far, 750 people have signed up for the monthly newsletter and over 400 have completed a design survey on the website. The Board of Directors and a cadre of well-connected, dedicated volunteers have raised over \$900,000 in pre-finance development funds, mainly through local donations (private and business) and small foundation grants.

Life Plan Humboldt is asking the Headwaters Fund for a \$5,000 mini grant. This request is to cover one component of the identified costs of our land procurement process and at the same time demonstrates your support of this much needed project. At this time an offer has been made to purchase land to a willing seller. By 2024, the project is scheduled to have the necessary community funds to secure bonds to start construction. Move in date for residents would be early 2027.

LPH is a dynamic organization, powered by volunteers, who are committed to creating a project that is responsive to the critical needs of the local community. The need is clear. This project can immeasurably help generations to come and our elders right now. Thank you for your consideration of this project.

Sincerely,



Ann Lindsay, M.D.
Director and President Board of Directors
ann@lifecarehumboldt.org
(707) 276-6762

www.lifeplanhumboldt.org
2037 Blake Road
McKinleyville, CA 95519
lph@lifeplanhumboldt.org
Nonprofit 501(c)(3) - Tax ID 84-4757743

Life Plan Humboldt - Project Budget

Land Acquisition Costs Following Purchase of Land

Anticipated budget for the project

Expense	Amount requested Headwaters	In-kind donations	Other funding Sources		Total Budget
			Amount	Source	
Initial design test fit			\$9,000	Community Donations	\$9,000
Aerial Sketches			\$10,000	Community Donations	\$10,000
Neighbor Surveys			\$4,000	Community Donations	\$4,000
Consultant (Greenbrier) Development Plan			\$30,000	Community Donations	\$30,000
Wetlands Survey and other Survey needs required for development.	\$5,000		\$7,000	Community Donations	\$12,000
	\$5,000		\$60,000		\$65,000

Match Community Donations include:

Individual contributions from \$50 to \$50,000.

- Local Businesses:
- Eureka Natural Foods
 - Almquist Lumber Company
 - Coldwell Banker Sellers Realty
 - Dynamic Vitality
 - Papa Barkley
 - Hussey Financial Consulting Group
 - Humboldt Investment Capital
 - RJ Cole Consulting
 - The Heights Casino
 - Wildberries Marketplace
- Foundations:
- The Rose Perenin Foundation
 - Smullin Foundation
 - Humboldt Area Foundation
 - Christina & Jalmer Berg Foundation
 - Rotary Club of Arcata Sunrise



REDWOOD COAST Energy Authority

County of Humboldt • Arcata • Blue Lake • Eureka • Ferndale • Fortuna • Rio Dell • Trinidad • Humboldt Bay Municipal Water District

Proposal for Electric Vehicle Infrastructure Training Program (EVITP) Certification

November 10, 2022

This Proposal funds a workforce development program to support local C-10 electricians to train and certify with the electric vehicle infrastructure training program (EVITP). EVITP is required for EV charging station installations funded by the California Energy Commission (CEC) and all other state agencies.

September of 2020, AB841 was signed into law by Governor Newsom that required the CPUC, CEC and any state funded program to require work performed after January 1, 2022 to be installed by a contractor who has at least one (1) licensed electrician that holds an Electric Vehicle Infrastructure Training Program (EVITP) certification. Programs such as the Caltrans National Electric Vehicle Incentive program, California Electric Vehicle Investment Program Phase 2, and programs starting in 2023 require this certification for installers. EVITP training shall qualify as part of the thirty-two (32) hours of further electrical education that a certified electrician is required to complete every three (3) years pursuant to Section 291.5 of Title 8 of the California Code of Regulations. This training incentive would encourage local electricians to be ready for the upcoming work opportunities with RCEA.

This incentive will help communicate RCEA's commitment to train the local workforce so our community can strive toward local and state energy efficiency and resiliency goals. With the opportunity federal government funding through the Infrastructure Investment and Jobs act and the Inflation Reduction Act, Humboldt County has many opportunities to fund local projects. This is a channel where we communicate with vendors and customers about RCEA and what services we provide through this incentive opportunity. It also highlights how customers pay enable local community incentives by participating in the RCEA CCA program

Training support costs are itemized below. The goal is to incentivize local C-10 electricians to take the training and obtain EVITP certification. The training covers residential, commercial, public, and fleet project installations, along with utility interconnection policies & requirements and first responder fire & safety training.

Project Description

This program aims to assist interested C-1 Oelectricians to sign-up for the training and exam for the EVITP certification on-line. The outcome is to have a maximum of ten (10) C-10 electricians certified by the end date, who are then qualified to bid on RCEA's upcoming EV charging station projects for the North Coast Phase 2 EVSE installations under a California Energy Commission grant. The electrician must be a state licensed or certified electrician, and the course takes approximately 20 hours to complete plus an examination. Once a C-10 electrician completes the certification and presents documentation to prove completion of the training, they can be reimbursed the total cost of the training course and exam. This benefits RCEA and customers who may want or need to install EV charging stations with a certified EVITP electrician. Electricians can request reimbursement retroactive to November 1, 2022 so that "early adopters" aren't penalized for being proactive.

Period of Performance

The proposal set forth covers a period of performance starting approximately November of 2022 and ending May 1, 2023. The outcome is to have a maximum of ten (10) C-10 electricians certified by the end date who will then be able to bid on upcoming EV charging station projects for the North Coast Phase 2 EVSE installations under GFO-21-604 as well as any other state funded projects within Humboldt County.

Cost Elements

The following are the cost of the required EVITP online course training and exam: \$275.00 payable via credit or debit card through payment portal once credentials provided have been verified.

Justification: N/A

Budget/Cost Summary

The total cost for the Project is estimated as follows:

Cost Element	Total Estimated Cost
Reimbursement for up to 10 C-1 OElectricians	\$2,750
Infrastructure Labor FTE (6 hrs. total) - development, research & outreach	\$540
Marketing & Support (4 hrs. FTE) - outreach and advertising	\$360
Administrative Costs (5 hrs. total) - invoice processing	\$450
Miscellaneous - advertising, printing & mailing	\$500
Total:	\$4,300
RCEA In-Kind Match:	\$1,550
Funding Request:	\$3,050

Additional Resources: EVITP website: <https://evitp.org/training/> Provides full course curriculum.



Electrician Training & Certification

Industry Driven Collaborative

Comprehensive Technical and Industry Material

Customer-Focused Curriculum



Residential - Commercial - Public - Fleet

The Electric Vehicle Infrastructure Training Program (EVITP) delivers the highest standard in training and certification for the installation of EVSE to support the Electric Vehicle Transportation sector. EVITP is a partnership of stakeholders from the EV industry and does not operate for profit. EVITP has thousands of EVITP Certified Electricians in the U.S and Canada and over 1400 affiliated contractors.



EVITP Curriculum Overview

Electric Vehicle



Infrastructure Training Program

Residential - Commercial - Public - Fleet

- EV prospect/customer relations and customer experience
- EV battery & vehicle types, specifications, and charging characteristics
- Utility interconnect policies and requirements
- The role of electrical storage devices as charging intermediaries
- Installing, commissioning and maintaining all levels of EVSE
- Site assessments and upgrade implementation (all markets)
- Understanding Internet Protocol (IP) networking of charging stations
- National Electrical Code (NEC) standards and requirements (NEC 625)
- National Fire Protection Association (NFPA) 70E, and OSHA regulations
- National Electrical Installation Standards (NEIS) for EV Equipment
- Commercial, Public and Fleet Applications
- Integration of distributed generation, commercial storage & micro grids
- Vehicle to Grid (V2G) concept & EV Battery Reuse

20 Hour Comprehensive Training & Certification



EVITP Partner Advisors

- General Motors (Vehicle Manufacturer)
- BMW North America (Vehicle Manufacturer)
- Pacific Gas & Electric (Utility)
- General Electric (EVSE Manufacturer)
- The National Fire Protection Association (NFPA)
- Blink (Program Manager)
- The International Association of Electrical Inspectors (IAEI)
- Schneider Electric (EVSE Manufacturer)
- DTE Energy (Michigan Utility)
- ClipperCreek (EVSE Manufacturer)
- Exergonix (Battery Storage)
- The University of California-Davis, PHEV Research Center
- Orlando Utilities Commission (Municipal Utility)
- Southern California Edison (SCE)
- EATON Corporation (EVSE Manufacturer)
- American Electric Power (Ohio Utility)
- The National Electrical Contractors Association (NECA)
- Hubbell (EVSE Manufacturer)
- Commonwealth Edison (Illinois Utility)
- Leviton (EVSE Manufacturer)
- Consumer's Energy (Utility)
- Legrand/Pass & Seymour (EVSE Manufacturer)
- Kansas City Power & Light (Utility)
- Duke Energy (Southeastern & Midwestern U.S. Utility)
- Ameren Missouri (Utility)
- Electrical Training Alliance
- Milbank Manufacturing (EVSE Manufacturer)
- California Community Colleges, Advanced Transportation Technology and Energy Program Network, (ATTE)
- San Diego Gas & Electric (Utility)
- DBT USA, Inc. (EVSE Manufacturer)
- Gridtest Systems (EVSE Testing Equipment)
- 365 Pronto (Progress Manager)

For more information: info@evitp.org
www.evitp.org



Attachment 6 Table of Contents

- Pages (1-7): Fiscal Year 2019-20 Admin Journals
- Pages (8-11): Fiscal Year 2020-21 Admin Journals
- Pages (12-19): Fiscal Year 2021-22 Admin Journals
- Pages (20-31): Charter Creation
- Pages (32-42): Sole Charter Update
- Pages (43-66): First Grand Jury Report and Responses (2010-11)
- Pages (67-84): Second Grand Jury and Responses (2014-15)
- Page (85) Staff report detailing EDA Shortage
- Pages (86-109) Update to Budget and RDA Funding

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

<u>Post Date</u>	<u>Sub-System</u>	<u>Reference</u>	<u>Secondary Reference</u>	<u>JL</u>	<u>PEID</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
1120286	Headwaters Division								
1475	Salaries/Benefits Cost Share								
07/31/2019	JE	J07100-20				July Direct Salaries	2,242.84		2,242.84
08/31/2019	JE	J08108-20				Aug Direct Salaries	3,948.83		6,191.67
09/30/2019	JE	J09178-20				Sept Direct/Indirect Salaries	5,408.18		11,599.85
10/31/2019	JE	J10057-20				Oct Direct/Indirect Salaries	5,354.82		16,954.67
11/30/2019	JE	J11066-20				Nov Direct/Indirect Salaries	5,879.74		22,834.41
12/31/2019	JE	J12093-20				Reimb Dec Salaries HWF	3,739.29		26,573.70
01/31/2020	JE	J01109-20				Reimb Salaries HWF	3,971.46		30,545.16
02/29/2020	JE	J02073-20				Reimb Salaries HWF	8,924.27		39,469.43
03/31/2020	JE	J03157-20				Reimb Salaries HWF	5,682.17		45,151.60
04/30/2020	JE	J04080-20				Reimb Salaries HWF	23,721.69		68,873.29
05/31/2020	JE	J05109-20				Reimb Salaries HWF	8,433.11		77,306.40
06/30/2020	JE	J06182-20				Reimb Salaries HWF	16,479.60		93,786.00
Total Salaries/Benefits Cost Share							93,786.00		93,786.00
2106	Communications								
08/31/2019	JE	J08108-20				Aug Communication Exp	41.75		41.75
09/30/2019	JE	J09178-20				Sept Expenses - Comm	68.12		109.87
10/31/2019	JE	J10057-20				Oct Expenses - Comm	65.29		175.16
11/30/2019	JE	J11066-20				Nov Expenses - Comm	95.17		270.33
12/31/2019	JE	J12093-20				Dec Expenses - Comm	30.90		301.23
01/31/2020	JE	J01109-20				Jan Expenses - Comm	65.77		367.00
02/29/2020	JE	J02073-20				Feb Expenses - Comm	100.52		467.52
03/31/2020	JE	J03157-20				Mar Expenses - Comm	85.82		553.34
04/30/2020	JE	J04080-20				Apr Expenses - Comm	238.75		792.09
05/31/2020	JE	J05109-20				May Expenses - Comm	11.60		803.69
06/30/2020	JE	J06182-20				June Expenses - Comm	280.30		1,083.99
Total Communications							1,083.99		1,083.99

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
2108 Food									
08/20/2019	AP	4883			VNC100873	CASSAROS CATERI Catering HWF R	338.79		338.79
09/27/2019	AP	08152019			VNU100065	US BANK NATIONA Lunch - HWF bo	57.89		396.68
10/29/2019	AP	09172019			VNU100065	US BANK NATIONA Lunch for HWF	66.65		463.33
02/28/2020	AP	5219			VNC100873	Catering-HWF Meeting	277.11		740.44
06/09/2020	AP	03162020			VNU100065	US BANK NATIONA HWF Meeting Fo	107.91		848.35
Total Food							848.35		848.35
2112 Maintenance-Equipment									
10/31/2019	JE	J10057-20				Oct Expenses - Equip Maint	159.78		159.78
Total Maintenance-Equipment							159.78		159.78
2115 Memberships									
05/05/2020	AP	1384-02-20			VNG100148	Chamber Membership Dues	165.00		165.00
05/06/2020	AP	836074			VNA01458	Arcata Chamber Membership Dues	75.00		240.00
Total Memberships							240.00		240.00
2117 Office Expense									
09/27/2019	AP	08152019			VNU100065	US BANK NATIONA POSTAGE	3.95		3.95
09/30/2019	JE	J09178-20				Sept Expenses - Office Supp	66.35		70.30
10/29/2019	AP	09172019			VNU100065	US BANK NATIONA Labels, envelo	24.73		95.03
10/29/2019	AP	09172019			VNU100065	US BANK NATIONA Business cards	81.34		176.37
10/31/2019	JE	J10057-20				Oct Expenses - Office Supplies	13.48		189.85
11/26/2019	AP	10152019			VNU100065	US BANK NATIONA Magazine holde	46.63		236.48
11/26/2019	AP	10152019			VNU100065	US BANK NATIONA Board member n	31.70		268.18
11/30/2019	JE	J11066-20				Nov Expenses - Office Supplies	7.86		276.04
12/26/2019	AP	11152019			VNU100065	US BANK NATIONA Calendars, bin	29.43		305.47
12/31/2019	JE	J12093-20				Dec Expenses - Office Supplies	102.20		407.67
01/14/2020	AP	3435839957			VNS101461	Laser Pointer	42.08		449.75
01/31/2020	JE	J01109-20				JanExpenses - Office Supplies	331.60		781.35
02/29/2020	JE	J02073-20				Feb Expenses - Office Supplies	79.00		860.35

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
03/31/2020	JE	J03157-20				Mar Expenses - Office Supplies	48.01		908.36
04/30/2020	JE	J04080-20				Apr Expenses - Office Supplies	142.91		1,051.27
06/30/2020	JE	J06422-20				June Expenses - Office Supp	360.59		1,411.86
Total Office Expense							1,411.86		1,411.86
2118 Professional & Special Service									
06/15/2020	AP	700			VNA01460	Servicing Fees AEDC	437.17		437.17
06/15/2020	JE	J06525-20				Corr Recognition of AEDC Fees		437.17	
Total Professional & Special Service							437.17	437.17	
2120 Rents & Leases - Equipment									
08/31/2019	JE	J08108-20				Aug Equip Rental Exp	33.99		33.99
Total Rents & Leases - Equipment							33.99		33.99
2121 Rents & Leases - Structures									
07/31/2019	JE	J07100-20				July Expenses - Rent	103.42		103.42
08/31/2019	JE	J08108-20				Aug Rent Exp	163.08		266.50
11/30/2019	JE	J11066-20				Nov Expenses - Rent	387.51		654.01
12/31/2019	JE	J12093-20				Dec Expenses - Rent	404.79		1,058.80
01/31/2020	JE	J01109-20				Jan Expenses - Rent	299.17		1,357.97
02/29/2020	JE	J02073-20				Feb Expenses - Rent	446.70		1,804.67
03/31/2020	JE	J03157-20				Mar Expenses - Rent	224.65		2,029.32
04/20/2020	AP	02172020			VNU100065	US BANK NATIONA Conference Roo	250.00		2,279.32
04/30/2020	JE	J04080-20				Apr Expenses - Rent	1,091.97		3,371.29
05/31/2020	JE	J05109-20				May Expenses - Rent	450.59		3,821.88
06/30/2020	JE	J06182-20				June Expenses - Rent	672.86		4,494.74
Total Rents & Leases - Structures							4,494.74		4,494.74
2123 Special Departmental Expense									
09/30/2019	JE	J09178-20				Sept Expenses - Pro/Sp Svcs	2.95		2.95

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
12/26/2019	AP	11152019			VNU100065	US BANK NATONA Damiano - WDB	18.45		21.40
04/20/2020	AP	02172020			VNU100065	US BANK NATONA HWFB Plaque	130.20		151.60
04/20/2020	AP	02172020			VNU100065	US BANK NATONA Heitz - NDC Tr	1,287.50		1,439.10
Total Special Departmental Expense							1,439.10		1,439.10
2125 Transportation & Travel									
10/29/2019	AP	09172019			VNU100065	US BANK NATONA Spain - HAF wo	10.00		10.00
01/01/2020	JE	J01169-20		6904		MP Journal Oct 2019	2.67		12.67
04/20/2020	AP	02172020			VNU100065	US BANK NATONA Spain - Travel	48.00		60.67
04/20/2020	AP	02172020			VNU100065	US BANK NATONA Spain - Travel	738.40		799.07
06/23/2020	AP	04152020			VNU100065	US BANK NATONA Spain - Travel		48.00	751.07
Total Transportation & Travel							799.07	48.00	751.07
2561 Mini Grants									
03/02/2020	AP	021120			VNF100450	FVFD 19-MG-105 Grant Draw	1,500.00		1,500.00
Total Mini Grants							1,500.00		1,500.00
3109 Grant Fund Disbursements									
07/26/2019	AP	071519			VNI00139	INK PEOPLE, THE 19-MG-100 - In	5,000.00		5,000.00
08/22/2019	AP	081419			T030740	River Life Foun 19-MG-103 - Ri	726.27		5,726.27
09/25/2019	AP	090519			T030740	River Life Foun 19-MG-103 - Ri	355.79		6,082.06
10/30/2019	AP	101519			VNL100592	19-MG-102 - Locally Delicious	1,500.00		7,582.06
11/14/2019	AP	103019			VNR100956	19-MG-103 - River Life Found	417.94		8,000.00
11/27/2019	AP	101719			VNH01435	HCOE-DoD-Qtr 1	33,274.97		41,274.97
12/06/2019	AP	111419			VNH01350	19-GF-04 - Hum Co Fair Grant	25,878.81		67,153.78
03/16/2020	AP	123119			VNH01435	DoD Q2 Report	34,481.28		101,635.06
03/23/2020	AP	03132020			VNN100701	19-GF-05 HWF Request	13,845.42		115,480.48
04/21/2020	AP	04172020			VNS00606	19-GF-02 Fund Request	15,465.84		130,946.32
05/06/2020	AP	05012020			VNL00557	19-MG-108 Grant Funds	5,000.00		135,946.32
05/28/2020	AP	05182020			VNS00606	19-GF-02 Grant Disb.	14,534.16		150,480.48
06/16/2020	AP	05282020			VNN100701	19-GF-05 Grant Funds	5,536.71		156,017.19
06/30/2020	AP	06122020			VNH01435	DoD - Q3	34,022.56		190,039.75

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
06/30/2020	JE	J06471-20	05282020		VNN100701	19-GF-05 Grant Funds	5,536.71		195,576.46
06/30/2020	JE	J06142-20				DoD 4th Quarter	48,221.19		243,797.65
Total Grant Fund Disbursements							243,797.65		243,797.65
3137 Central Services Charges									
06/30/2020	JE	J06549-20				Cost Plan Charges FY 2019-20	3,079.00		3,079.00
Total Central Services Charges							3,079.00		3,079.00
3535 CIF Loans									
09/24/2019	AP	091119	C000182		C000182	REDWOOD REGION SoHum Comm Heal	250,000.00		250,000.00
09/24/2019	AR	20195			C000182	REDWOOD REGION SHCHD		250,000.00	
Total CIF Loans							250,000.00	250,000.00	
3940 Purchasing & Disposition Chg									
06/30/2020	JE	J06542-20				FY19/20 PURCH CHARGES	418.00		418.00
Total Purchasing & Disposition Chg							418.00		418.00
707010 Misc Revenue									
06/30/2020	JE	J06544-20				FY19/20 PUR OVERAGE REFUND		34.01	(34.01)
Total Misc Revenue								34.01	(34.01)
808013 Return of Overpayments									
09/25/2019	CR	037949			C000141	ECONOMIC DEVELO MRG GRANT REIM		116,846.75	(116,846.75)
09/30/2019	JE	J09114-20	CR 037949			Corr MRG Reimb	116,846.75		
Total Return of Overpayments							116,846.75	116,846.75	
9101 Transfer In									
07/31/2019	JE	J07102-20				TFR for July Exp- Liquidity		2,346.26	(2,346.26)
07/31/2019	JE	J07103-20				TFR for July Grant Disb		5,000.00	(7,346.26)
08/31/2019	JE	J08084-20				TFR for Aug Exp.- Liquidity		4,526.44	(11,872.70)
08/31/2019	JE	J08085-20				TFR for Aug Grant Disb		726.27	(12,598.97)

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2019 Through 6/30/2020

<u>Post Date</u>	<u>Sub-System</u>	<u>Reference</u>	<u>Secondary Reference</u>	<u>JL</u>	<u>PEID</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
08/31/2019	JE	J08112-20				Tfr for Sept Exp - Liquidity		5,607.44	(18,206.41)
09/30/2019	JE	J09116-20				Tfr for Sept Grant Disb		355.79	(18,562.20)
10/31/2019	JE	J10060-20				Tfr for Oct Grant Disb		1,500.00	(20,062.20)
10/31/2019	JE	J10061-20	TI FROM 3847			Tfr for Oct Exp - Liquidity		5,776.09	(25,838.29)
11/30/2019	JE	J11065-20				Tfr for Nov Grant Disb		33,692.91	(59,531.20)
11/30/2019	JE	J11067-20	TI FROM 3847			Tfr for Nov Exp - Liquidity		6,448.61	(65,979.81)
12/31/2019	JE	J12060-20				Tfr for Dec Grant Disb		25,878.81	(91,858.62)
12/31/2019	JE	J12127-20	TI FROM 3847			Tfr for Dec Exp - Liquidity		3,787.17	(95,645.79)
03/03/2020	JE	J03003-20	TI FROM 3847			Tfr for Jan Exp - Liquidity		4,013.54	(99,659.33)
03/30/2020	JE	J03037-20				Tfr for Mar Grant Disb		48,326.70	(147,986.03)
04/24/2020	JE	J04008-20	TI FROM 3847			Tfr for Feb Exp - Liquidity		9,201.38	(157,187.41)
04/30/2020	JE	J04088-20				Tfr for Apr Grant Disb		15,465.84	(172,653.25)
05/31/2020	JE	J05034-20				Tfr for May Grant Disb		19,534.16	(192,187.41)
06/30/2020	JE	J06226-20	TI FROM 3847			Tfr for Mar Exp - Liquidity		5,682.17	(197,869.58)
06/30/2020	JE	J06226-20	TI FROM 3847			Tfr for Apr Exp - Liquidity		26,175.79	(224,045.37)
06/30/2020	JE	J06226-20	TI FROM 3847			Tfr for May Exp - Liquidity		8,673.11	(232,718.48)
06/30/2020	JE	J06424-20				TFR FOR JUNE GRANT DISB		87,780.46	(320,498.94)
06/30/2020	JE	J06434-20	TI FROM 3847			TFR FOR JUNE EXP - LIQUIDITY		16,976.68	(337,475.62)
Total Transfer In								337,475.62	(337,475.62)
Total Headwaters Division							720,375.45	704,841.55	15,533.90
Grand							720,375.45	704,841.55	15,533.90

COUNTY OF HUMBOLDT
JOURNAL ENTRY (JE) FORM

Debit: 112,705.66
Credit: 112,705.66
Net: 0.00
Records: 4

Dept/Entity Name: CAO - Economic Development
Prepared By: Logan Ashworth
Phone: 707-476-4803
Posting Date: 6/30/2021
Department Approved: APPROVED
By Scott Adair at 8:20 am, Apr 14, 2022

GL Orgkey	GL Object	JL Org Key	JL Object	Debit	Credit	Description (30-character limit)	CK Num (8)	SECONDARY REF (16-character limit)	PEID
1120286	9102			56,352.83		HWF 20-21 Exp Lqty			
3847000	9101				56,352.83	HWF 20-21 Exp Lqty			
3842000	9102			56,352.83		HWF 20-21 Admin EDA			
1120286	9101				56,352.83	HWF 20-21 Admin EDA			

LAH 4/20/2022
Removed space to facilitate a correct upload of the journal into Finance Enterprise.

Explanation
This journal intends to correct prior allocations performed in FY 20-21. Attached to this journal you will find the GL Transaction Detail with highlighted fields showing expenditures totalling to \$56,352.83.

J06435-21

APPROVED BY
APPROVED DATE
By LaNae Henderson at 11:34 am, Apr 20, 2022

POSTED BY
APPROVED DATE
By Dani Burkhart at 2:34 pm, Apr 25, 2022

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2020 Through 6/30/2021

<u>Post Date</u>	<u>Sub-System</u>	<u>Reference</u>	<u>Secondary Reference</u>	<u>JL</u>	<u>PEID</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
1120286	Headwaters Division								
1475	Salaries/Benefits Cost Share								
07/31/2020	JE	J07057-21				Reimb Salaries HWF	7,953.19		7,953.19
08/31/2020	JE	J08032-21				Reimb Salaries HWF	6,406.09		14,359.28
08/31/2020	JE	J08075-21				Reimb Salaries HWF	2,845.16		17,204.44
10/31/2020	JE	J10079-21				Reimb Salaries HWF Oct-20	900.89		18,105.33
11/30/2020	JE	J11094-21				Reimb SalarieHWF Oct/Nov 2020	2,252.50		20,357.83
12/31/2020	JE	J12196-21				Reimb SalarieHWF Nov/Dec 2020	2,234.84		22,592.67
02/28/2021	JE	J02057-21				Reimb SalarieHWF Jan/Feb	5,232.61		27,825.28
05/17/2021	JE	J05111-21				Salaries HWF March	10,031.92		37,857.20
06/30/2021	JE	J06186-21				Salaries HWF May 2021	4,569.22		42,426.42
Total Salaries/Benefits Cost Share							42,426.42		42,426.42
2106	Communications								
07/31/2020	JE	J07057-21				July Comm Expenses	62.43		62.43
08/31/2020	JE	J08032-21				Aug Comm Expenses	10.14		72.57
08/31/2020	JE	J08075-21				Aug Comm Expenses	.56		73.13
10/31/2020	JE	J10079-21				Comm Expenses Oct-20	39.15		112.28
11/30/2020	JE	J11094-21				Comm Expenses Nov 2020	22.13		134.41
12/31/2020	JE	J12196-21				Comm Expenses Dec 2020	83.82		218.23
02/28/2021	JE	J02057-21				Comm Expenses Feb 2021	59.43		277.66
05/17/2021	JE	J05111-21				Comm Expenses March 2021	9.97		287.63
06/30/2021	JE	J06186-21				Commun. Expenses May 2021	58.88		346.51
Total Communications							346.51		346.51
2115	Memberships								
01/19/2021	JE	J01049-21	KENNETH			IEDC Online Membership	660.00		660.00
06/30/2021	JE	J06076-21			VNA01458	Membership Dues-Arcata Chamber	75.00		735.00
Total Memberships							735.00		735.00

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2020 Through 6/30/2021

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
2117 Office Expense									
07/31/2020	JE	J07057-21				Jul Office Supply Exp.	77.11		77.11
10/31/2020	JE	J10079-21				Office Supply Exp Oct-20	45.69		122.80
Total Office Expense							122.80		122.80
2121 Rents & Leases - Structures									
07/31/2020	JE	J07057-21				Jul Rent Expense	505.88		505.88
08/31/2020	JE	J08032-21				Aug Rent Expense	230.93		736.81
08/31/2020	JE	J08075-21				Aug Rent Expense	55.35		792.16
10/31/2020	JE	J10079-21				Rent Expense Oct-20	72.62		864.78
11/30/2020	JE	J11094-21				Rent Expense Nov 2020	101.18		965.96
12/31/2020	JE	J12196-21				Rent Expense Dec 2020	174.02		1,139.98
02/28/2021	JE	J02057-21				Rent Expense Feb 2021	266.35		1,406.33
05/17/2021	JE	J05111-21				Rent Expense Feb 2021	394.77		1,801.10
06/30/2021	JE	J06186-21				Rent Expense May 2021	214.20		2,015.30
Total Rents & Leases - Structures							2,015.30		2,015.30
2125 Transportation & Travel									
03/23/2021	JE	J03064-21	KENNETH			Internl Timber Conf KSpain	450.00		450.00
03/23/2021	JE	J03064-21	KENNETH			Internl Timber Conf RHeitz	450.00		900.00
04/19/2021	JE	J04022-21	KENNETH			Reg training BBI International	790.00		1,690.00
Total Transportation & Travel							1,690.00		1,690.00
3109 Grant Fund Disbursements									
07/01/2020	JE	J07007-21				DoD 4th Quarter		48,221.19	(48,221.19)
07/17/2020	AP	SP34414			VNH100335	17-GF-02 HSU	21,617.03		(26,604.16)
07/21/2020	AP	07072020			VNH01435	DoD 4th Quarter	48,221.19		21,617.03
07/28/2020	TR	05282020			VNN100701	19-GF-05 Grant Funds		5,536.71	16,080.32
07/28/2020	AP	05282020			VNN100701	19-GF-05 Grant Funds	5,536.71		21,617.03
07/31/2020	JE	J07077-21	05282020		VNN100701	19-GF-05 Grant Funds		5,536.71	16,080.32

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Date: 03/16/2022

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2020 Through 6/30/2021

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
12/15/2020	AP	112520			VNC02152	HWF Grant Recipient 19-MG-106	5,000.00		21,080.32
01/13/2021	AP	12-09-2020			VNN100701	19-GF-05 Funds Request NSCBRC	9,657.87		30,738.19
01/27/2021	AP	01132020			VNF00522	20-MG-111 - Head Waters MG	941.39		31,679.58
04/06/2021	AP	03082021			VNH01199	HWF Grant 20-GF-04	35,000.00		66,679.58
05/04/2021	AP	033121			VNT101006	TFF funds request FY20-21 Qtr4	16,384.37		83,063.95
06/03/2021	AP	2-10-21			VNF100617	COVID Post Card to Businesses	1,500.00		84,563.95
06/07/2021	AP	032921			VNC102003	20-MG-111 Headwaters MiniGrant	2,500.00		87,063.95
06/28/2021	AP	061521			VNI00139	HWF 21-MG-114-The Ink People	2,500.00		89,563.95
06/30/2021	JE	J06076-21			VNW100653	HWF Grant 20-GF-03 for WCIA	18,825.00		108,388.95
Total Grant Fund Disbursements							167,683.56	59,294.61	108,388.95
5280	Contribution to Other Agencies								
11/06/2020	AP	110620			VNH01180	CIF Grant to HAF	125,000.00		125,000.00
Total Contribution to Other Agencies							125,000.00		125,000.00
9101	Transfer In								
09/15/2020	JE	J09012-21				Tfr for July Exp - Liquidity		7,953.19	(7,953.19)
02/26/2021	JE	J02100-21				Tfr for Aug Exp - Liquidity		6,406.09	(14,359.28)
02/26/2021	JE	J02101-21				Tfr for Oct Exp - Liquidity		900.89	(15,260.17)
02/26/2021	JE	J02102-21				Tfr for Sept Exp - Liquidity		2,845.16	(18,105.33)
06/29/2021	JE	J06187-21				Tfr Nov 2020 to HWF BU		2,252.50	(20,357.83)
06/29/2021	JE	J06187-21				Tfr Dec 2020 to HWF BU		2,282.34	(22,640.17)
06/29/2021	JE	J06187-21				Tfr Jan 2021 to HWF BU		4,291.43	(26,931.60)
06/29/2021	JE	J06187-21				Tfr Feb 2021 to HWF BU		5,232.61	(32,164.21)
06/29/2021	JE	J06187-21				Tfr March 2021 to HWF BU		10,031.92	(42,196.13)
06/29/2021	JE	J06187-21				Tfr April 2021 to HWF BU		9,587.48	(51,783.61)
06/30/2021	JE	J06183-21				Tfr for July Grant Disb		73,483.63	(125,267.24)
06/30/2021	JE	J06186-21				Tfr May Exp - to HWF BU		4,569.22	(129,836.46)
Total Transfer In								129,836.46	(129,836.46)
Total Headwaters Division							340,019.59	189,131.07	150,888.52

COUNTY OF HUMBOLDT
JOURNAL ENTRY (JE) FORM

J06183-22

Debit: 174,647.00
Credit: 174,647.00
Net: 0.00
Records: 33

Dept/Entity Name: CAO - Economic Development
Prepared By: Logan Ashworth
Phone: 707-476-4803
Posting Date: 6/30/2022
Department Approved: **APPROVED**
By Scott Adair at 8:29 am, Aug 05, 2022

GL Orgkey	GL Object	JL Org Key	JL Object	Debit	Credit	Description (30-character limit)	CK Num (8)	SECONDARY REF (16-character limit)	PEID
1120286	1475				60,836.11	FY 21-22 Cost Share			
1120286	2106				247.21	FY21-22 Communications			
1120286	2109				16.37	FY21-22 Household Expenses			
1120286	2112				126.32	FY21-22 Maintenance			
1120286	2117				599.57	FY21-22 Office Supplies			
1120286	2118				0.91	FY21-22 Professional Services			
1120286	2119				1,750.00	FY21-22 Publications			
1120286	2121				2,798.82	FY21-22 Rent			
1120286	2123				1,070.65	FY21-22 Special Department Exp			
1120286	2125				10.64	FY21-22 Transportation& Travel			
1120286	2148				198.39	FY21-22 Computer Software			
1120286	2125				2.49	FY 21-22 IT Services Charges			
3842000	9102			67,657.48		FY21-22 Administrative Charges			
3848000	9102			845.60		21-GF-03 Funds 2			
1120286	9101				845.60	21-GF-03 Funds 2			
3848000	9102			17,036.15		21-GF-03 Funds 1			
1120286	9101				17,036.15	21-GF-03 Funds 1			
3848000	9102			2,000.00		20-MG-109 Funds			
1120286	9101				2,000.00	20-MG-109 Funds			
3848000	9102			1,603.30		21-GF-03 Funds #3			
1120286	9101				1,603.30	21-GF-03 Funds #3			
3848000	9102			9,003.59		City of Blue Lake HWF GF			
1120286	9101				9,003.59	City of Blue Lake HWF GF			
3848000	9102			20,000.00		21-GF-02 HSRC			
1120286	9101				20,000.00	21-GF-02 HSRC			
3848000	9102			34,700.00		Hoopa 20-GF-02			
1120286	9101				34,700.00	Hoopa 20-GF-02			
3848000	9102			8,140.63		21-GF-01 Funds 2 TFF			
1120286	9101				8,140.63	21-GF-01 Funds 2 TFF			
3848000	9102			10,000.00		21-GF-02 Final			
1120286	9101				10,000.00	21-GF-02 Final			

LAH 8/8/2022
Object for transfer is
9101

3848000	9102		3,660.25		22-GF-02 Mattole Restoration		
1120286	9101			3,660.25	22-GF-02 Mattole Restoration		

Explanation transfer

The intent of this journal is to ~~reimburse~~ 286 for costs associated with administration and grants during the span of FY 21-22. Back up for this includes a GL Trans Detail showing these costs and the Headwaters Fund Charter which details the necessity of this movement of funds.

J06813-22

APPROVED BY

APPROVED DATE

By LaNae Henderson at 2:44 pm, Aug 08, 2022

POSTED BY

APPROVED DATE

By LaNae Henderson at 10:47 am, Aug 10, 2022

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

<u>Post Date</u>	<u>Sub-System</u>	<u>Reference</u>	<u>Secondary Reference</u>	<u>JL</u>	<u>PEID</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>	<u>Balance</u>
1120286	Headwaters Division								
1475	Salaries/Benefits Cost Share								
07/31/2021	JE	J07102-22				Indirect Salaries July HWF	972.55		972.55
07/31/2021	JE	J07102-22				IT Labor July HWF	8.29		980.84
07/31/2021	JE	J07102-22				2101014 HWF Salary	1,919.03		2,899.87
07/31/2021	JE	J07102-22				2101015 HWF Salary	3,009.56		5,909.43
07/31/2021	JE	J07102-22				2101016 HWF Salary	1,131.29		7,040.72
08/31/2021	JE	J08107-22				2101017 HWF Salary	3,314.72		10,355.44
08/31/2021	JE	J08107-22				2101018 HWF Salary	3,401.74		13,757.18
08/31/2021	JE	J08107-22				Indirect Salaries Aug HWF	752.88		14,510.06
09/30/2021	JE	J09159-22				2101020 HWF Salary	2,791.40		17,301.46
09/30/2021	JE	J09159-22				Indirect Salaries Sept. HWF	831.55		18,133.01
09/30/2021	JE	J09159-22				2101019 HWF Salary	2,186.82		20,319.83
10/31/2021	JE	J10108-22				2101021 HWF Salary	1,908.32		22,228.15
10/31/2021	JE	J10108-22				2101022 HWF Salary	879.75		23,107.90
10/31/2021	JE	J10108-22				Indirect Salaries Oct HWF	481.82		23,589.72
11/30/2021	JE	J11093-22				2101023 HWF Salary	713.19		24,302.91
11/30/2021	JE	J11093-22				2101024 HWF Salary	300.89		24,603.80
11/30/2021	JE	J11093-22				Indirect Salaries Nov HWF	96.73		24,700.53
12/31/2021	JE	J12169-22				2101025 Marketing Salary	2,001.01		26,701.54
12/31/2021	JE	J12169-22				2101025 HWF Salary	1,404.76		28,106.30
12/31/2021	JE	J12169-22				2101026 Marketing Salary	1,436.77		29,543.07
12/31/2021	JE	J12169-22				2101026 HWF Salary	1,063.35		30,606.42
12/31/2021	JE	J12169-22				Indirect Salaries Dec HWF	218.25		30,824.67
01/31/2022	JE	J01108-22				2201001 HWF Salary	1,434.79		32,259.46
01/31/2022	JE	J01108-22				2201002 HWF Salary	1,882.25		34,141.71
01/31/2022	JE	J01108-22				2201003 HWF Salary	1,376.90		35,518.61
01/31/2022	JE	J01108-22				Indirect Salaries Jan HWF	579.70		36,098.31
02/28/2022	JE	J02101-22				2201004 HWF Salary	2,142.65		38,240.96

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
02/28/2022	JE	J02101-22				2201005 HWF Salary	3,024.67		41,265.63
02/28/2022	JE	J02101-22				Indirect Salaries Feb HWF	973.52		42,239.15
03/31/2022	JE	J03165-22				2201006 HWF Mar Salary	2,672.35		44,911.50
03/31/2022	JE	J03165-22				2201007 HWF Mar Salary	2,136.99		47,048.49
03/31/2022	JE	J03165-22				Indirect Salaries Mar HWF	553.76		47,602.25
04/30/2022	JE	J04103-22				2201008 HWF April Salary	2,756.61		50,358.86
04/30/2022	JE	J04103-22				2201009 HWF April Salary	3,455.88		53,814.74
04/30/2022	JE	J04103-22				Indirect Salaries April HWF	655.42		54,470.16
05/31/2022	JE	J05105-22				2201010 HWF Salary	3,758.58		58,228.74
05/31/2022	JE	J05105-22				2201011 HWF Salary	3,362.79		61,591.53
05/31/2022	JE	J05105-22				Indirect Salaries HWF May	535.58		62,127.11
06/30/2022	JE	J06127-22				2201012 HWF Salary	1,172.57		63,299.68
06/30/2022	JE	J06127-22				2201013 HWF Salary	911.17		64,210.85
06/30/2022	JE	J06127-22				Indirect Salaries June HWF	63.04		64,273.89
Total Salaries/Benefits Cost Share							64,273.89		64,273.89
2106 Communications									
08/31/2021	JE	J08107-22				Comm. HWF Aug.	55.59		55.59
09/30/2021	JE	J09159-22				Comm HWF Sept.	46.95		102.54
10/31/2021	JE	J10108-22				Comm Oct. HWF	25.99		128.53
11/30/2021	JE	J11093-22				Comm HWF Nov.	9.67		138.20
12/31/2021	JE	J12169-22				Comm. HWF Dec.	7.66		145.86
02/28/2022	JE	J02101-22				Comm Feb HWF	29.52		175.38
03/31/2022	JE	J03165-22				Comm HWF Mar	34.21		209.59
05/31/2022	JE	J05105-22				Comm HWF May	21.89		231.48
06/30/2022	JE	J06127-22				Comm. Jun. HWF	15.73		247.21
Total Communications							247.21		247.21
2109 Household Expense									
09/30/2021	JE	J09159-22				Ut. Sept. HWF	2.42		2.42

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
11/30/2021	JE	J11093-22				Ut. HWF Nov.	1.41		3.83
12/31/2021	JE	J12169-22				Ut. HWF Dec.	1.17		5.00
01/31/2022	JE	J01108-22				Ut. Jan HWF	2.65		7.65
02/28/2022	JE	J02101-22				Ut. Feb. HWF	3.86		11.51
03/31/2022	JE	J03165-22				Ut. HWF Mar	.99		12.50
05/31/2022	JE	J05105-22				Ut. May HWF	2.75		15.25
06/30/2022	JE	J06127-22				Jun. Spec. Dept. Exp HWF	1.12		16.37
Total Household Expense							16.37		16.37
2112 Maintenance-Equipment									
09/30/2021	JE	J09159-22				Copier Sept. HWF	126.32		126.32
Total Maintenance-Equipment							126.32		126.32
2115 Memberships									
07/01/2021	JE	J07021-22			VNA01458	Membership Dues-Arcata Chamber		75.00	(75.00)
09/07/2021	AP	836806			VNA01458	Membership Dues-Arcata Chamber	75.00		
Total Memberships							75.00	75.00	
2117 Office Expense									
07/31/2021	JE	J07102-22				Office Supplies Apr. HWF	170.04		170.04
08/31/2021	JE	J08107-22				Office Supplies Apr. HWF	48.83		218.87
09/30/2021	JE	J09159-22				Office Supplies HWF Sept.	21.84		240.71
10/31/2021	JE	J10108-22				Office Supplies Oct. HWF	73.23		313.94
11/30/2021	JE	J11093-22				Office Supplies Nov. HWF	29.66		343.60
12/31/2021	JE	J12169-22				Office Supplies Dec. HWF	27.38		370.98
01/31/2022	JE	J01108-22				Office Supplies Jan. HWF	101.14		472.12
02/28/2022	JE	J02101-22				Office Supplies Feb HWF	13.02		485.14
03/31/2022	JE	J03165-22				HWF Office Exp. Mar	34.21		519.35
04/30/2022	JE	J04103-22				Office Supplies Apr. HWF	42.43		561.78
05/31/2022	JE	J05105-22				Office Expenses HWF May	10.86		572.64

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County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
06/30/2022	JE	J06127-22				Office Supplies Jun. HWF	26.93		599.57
Total Office Expense							599.57		599.57
2118 Professional & Special Service									
06/30/2022	JE	J06127-22				Prof Services Jun. HWF	.91		.91
Total Professional & Special Service							.91		.91
2119 Publications & Legal Notices									
11/30/2021	JE	J11093-22				LCCI HWF Nov.	125.00		125.00
12/31/2021	JE	J12169-22				LCCI HWF Dec.	250.00		375.00
01/31/2022	JE	J01108-22				LCCI HWF Jan.	500.00		875.00
03/31/2022	JE	J03165-22				LCCI HWF Mar.	250.00		1,125.00
04/30/2022	JE	J04103-22				LCCI HWF Apr.	375.00		1,500.00
06/30/2022	JE	J06127-22				LCCI HWF Jun.	250.00		1,750.00
Total Publications & Legal Notices							1,750.00		1,750.00
2121 Rents & Leases - Structures									
09/30/2021	JE	J09159-22				Rent Sept. HWF	652.51		652.51
10/31/2021	JE	J10108-22				Rent Oct./Sept. HWF	392.92		1,045.43
11/30/2021	JE	J11093-22				Rent Nov. HWF	58.34		1,103.77
12/31/2021	JE	J12169-22				Rent Dec. HWF	157.69		1,261.46
01/31/2022	JE	J01108-22				Rent Jan. HWF	178.46		1,439.92
02/28/2022	JE	J02101-22				Rent Feb HWF	280.69		1,720.61
03/31/2022	JE	J03165-22				Rent HWF Mar	263.01		1,983.62
04/30/2022	JE	J04103-22				Rent Apr. HWF	354.72		2,338.34
05/31/2022	JE	J05105-22				Rent May HWF	364.08		2,702.42
06/30/2022	JE	J06127-22				Rent Jun. HWF	96.40		2,798.82
Total Rents & Leases - Structures							2,798.82		2,798.82
2123 Special Departmental Expense									

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
12/21/2021	AP	8170	AA1713		VNB00927	Bold Images Lapel Pins - Headw	1,016.03		1,016.03
12/21/2021	AP	8170	AA1713		VNB00927	Set up charge	54.62		1,070.65
Total Special Departmental Expense							1,070.65		1,070.65
2125 Transportation & Travel									
04/30/2022	JE	J04128-22		6904		MP Journal April 2022	10.64		10.64
Total Transportation & Travel							10.64		10.64
2148 Computer Software									
03/31/2022	JE	J03165-22				Software HWF Mar	24.43		24.43
04/30/2022	JE	J04103-22				Apr. Memberships HWF	139.92		164.35
05/31/2022	JE	J05105-22				Subscriptions May HWF	34.04		198.39
Total Computer Software							198.39		198.39
3109 Grant Fund Disbursements									
07/01/2021	JE	J07021-22			VNW100653	HWF Grant 20-GF-03 for WCIA		18,825.00	(18,825.00)
07/22/2021	AP	063021			VNW100653	HWF Grant 20-GF-03 for WCIA	18,825.00		
09/22/2021	AP	05122021			VNR00338	RRHC - HWF Grant Fund 19-20	65,000.00		65,000.00
11/09/2021	AP	083121			VNH01350	19-GF-04 Hum Co Fair Headwater	19,065.19		84,065.19
12/06/2021	AP	111821			VNA01460	AEDC Minigrant	5,000.00		89,065.19
12/20/2021	AP	112421			VNH101351	21-GF-03 Funds 2	845.60		89,910.79
12/20/2021	AP	113021			VNH101351	21-GF-03 Funds 1	17,036.15		106,946.94
01/18/2022	AP	120921			VNF100824	20-MG-109 Funds	2,000.00		108,946.94
01/18/2022	AP	121421			VNH101351	21-GF-03 Funds #3	1,603.30		110,550.24
03/24/2022	AP	022222			VNC02151	City of Blue Lake HWF GF	9,003.59		119,553.83
03/28/2022	AP	030122			VNH01635	21-GF-02 HSRC	20,000.00		139,553.83
04/11/2022	AP	030822			T031880	Hoopa 20-GF-02	34,700.00		174,253.83
05/24/2022	AP	041522			VNT101006	21-GF-01 Funds 2 TFF	8,140.63		182,394.46
05/26/2022	AP	042122			VNS00606	21-GF-02 Final	10,000.00		192,394.46
06/30/2022	AP	060722			VNM100501	22-GF-02 Mattole Restoration	3,660.25		196,054.71
Total Grant Fund Disbursements							214,879.71	18,825.00	196,054.71

County of Humboldt
General Ledger Transaction Detail
Includes Transactions From 7/1/2021 Through 6/30/2022

Post Date	Sub-System	Reference	Secondary Reference	JL	PEID	Description	Debits	Credits	Balance
3125	Information Services Charges								
03/31/2022	JE	J03165-22				IT Services HWF Mar	2.49		2.49
						Total Information Services Charges	2.49		2.49
3246	CIF Grants								
12/03/2021	AP	111821				VNR100429 RREDC CIF Grant	15,000.00		15,000.00
						Total CIF Grants	15,000.00		15,000.00
9101	Transfer In								
08/13/2021	JE	J08105-22				From CIF to cover 286 Disberse		125,000.00	(125,000.00)
08/13/2021	JE	J08106-22				Grant reimbursement for error		5,536.71	(130,536.71)
08/31/2021	JE	J08062-22				Tfr for July/August Grant Disb		18,825.00	(149,361.71)
12/01/2021	JE	J12101-22				19-GF-04 Hum Co Fair		19,065.19	(168,426.90)
12/01/2021	JE	J12101-22				AEDC Minigrant		5,000.00	(173,426.90)
12/01/2021	JE	J12101-22				RREDC CIF Grant		15,000.00	(188,426.90)
12/01/2021	JE	J12101-22				RRHC - HWF Grant Fund 19-20		65,000.00	(253,426.90)
						Total Transfer In		253,426.90	(253,426.90)
						Total Headwaters Division	301,049.97	272,326.90	28,723.07
						Grand	301,049.97	272,326.90	28,723.07

COUNTY OF HUMBOLDT

For Meeting of December 10, 2002

DATE: 12/3/02

TO: Board of Supervisors

Kirk Duane for:

FROM: Headwaters Fund Sub-Committee (Supervisor Woolley and Supervisor Neely)

SUBJECT: Adoption of the Headwaters Fund Charter Ordinance

RECOMMENDATION

That the Board of Supervisors:

1. Review and consider the staff report and accept public comment on the proposed Headwaters Fund Ordinance.
2. Introduce the proposed Headwaters Fund Ordinance in Attachment A by title, waive the first reading and set for adoption on 12/17/02.
3. Direct the Clerk of the Board to publish the required pre-adoption summary of the ordinance and to post a certified copy of the proposed Headwaters Fund Ordinance in the office of the Clerk of the Board of Supervisors at least 5 (five) days prior to the Board meeting at which the ordinance will be adopted.
4. Direct the Clerk of the Board to publish a post-adoption summary of the ordinance, with the names of those supervisors voting for or against the ordinance, and to post in the office of the Clerk of the Board of Supervisors a certified copy of the ordinance within 15 (fifteen) days after adoption [Government Code § 25124 (b)(1)].

Prepared by: *TS*
Tony Shen,
Headwaters Fund Coordinator

CAO Approval: *[Signature]*

REVIEW: Auditor _____ County Counsel *[Signature]* Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other

cc: BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon the motion of Supervisor WOOLLEY
seconded by Supervisor RODONI
and unanimously carried by those members present,
the Board hereby adopts the recommended action
contained in this report.

Dated: December 10, 2002
Lora Canzoneri, Clerk of the Board

by: *[Signature]*

PREVIOUS ACTION/REFERRAL
Board Item No. G-1 / F-3
Meeting: 4/29/2002 / 11/5/2002

DISCUSSION

The Board of Supervisors established a sub-committee, comprised of Supervisors Neely and Woolley, to oversee the development of a program for investment of the Headwaters Fund monies in the community. In consultation with the sub-committee, County Counsel, and attorney Carol Lew, the Economic Development Division of Community Development Services has prepared this Headwaters Fund Charter (attachment 1) to be reviewed by the Board of Supervisors and approved by ordinance. The proposed final Charter is consistent with the draft Charter approved by your Board on April 29, 2002.

The Charter outlines the Headwaters Fund's purpose, structure, and basic controls and oversight. Program Manuals, to be adopted later by resolution, will provide the specific policies and procedures to govern the activities of the components of the Headwaters Fund. The Charter separates the Headwaters Fund from the County General Fund to ensure the Headwaters Fund does not interfere with the County's ability to borrow through Tax Rate Anticipation Notes (TRANS).

FINANCIAL IMPACT

Financial costs of developing the Headwaters Fund program are covered by the Fund and included in the current budget of the Economic Development Division of Community Development Services.

OTHER AGENCY INVOLVEMENT

No other agencies are involved.

ALTERNATIVES TO RECOMMENDATIONS

The Board can modify the proposed Charter.

TITLE II - ADMINISTRATION

DIVISION 15

MANAGEMENT OF THE HEADWATERS FUND

Chapter 1 - Headwaters Fund Charter

- § 2151-1. Name and Purpose.
- § 2151-2. Fund Structure and Activities
- § 2151-3. Control and Oversight.
- § 2151-4. Program Rules.
- § 2151-5. Revisions and Amendments.

TITLE II - ADMINISTRATION

DIVISION 15

MANAGEMENT OF THE HEADWATERS FUND

Chapter 1 - Headwaters Fund Charter

§ 2151-1. Name and Purpose.

- a) Name: The Headwaters Fund (HWF)
- b) Purpose
 - i) To use the values, principles and strategies of the County's Comprehensive Economic Development Strategy, currently known as Prosperity! The North Coast Strategy to:
 - a) Support the growth of base industry clusters and increase the number of sustainable jobs that pay near or above the median income;
 - b) Enhance the quality of life through social and environmental projects that promote healthy communities and protect and enhance the natural environment.
 - ii) To manage the HWF to:
 - a) Attract and leverage additional capital and grants in the local economy;
 - b) Keep the funds working in the community in perpetuity
 - c) Reflect community priorities and create maximum public benefit over the long-term;
 - d) Make the decision process objective, non-political and easy for the public to participate in and understand;
 - e) Manage the funds efficiently and cost effectively;
 - f) Track and publicize the economic, social and environmental gains.
- c) The management objective is to maximize the amount of money working within the community providing desired benefits while preserving the Headwaters Fund principal.

§ 2151-2. Fund Structure and Activities.

- a) Investments in the community will be made in three categories:
 - i) Revolving Loan Fund
 - a) Investments in businesses and non-profit organizations will be made through the Revolving Loan Fund administered by qualified financial institutions working under Board of Supervisor approved contracts.
 - b) Potential financing investments include debt, near-equity, and equity financing to businesses and non-profit organizations.
 - c) Financing will provide capital to a wide range of businesses to fill gaps in the market for available financing, while still maintaining good banking practices.

- ii) Community Investment Fund
 - a) The Community Investment Fund is a grant and loan program intended for community endowments, revolving loan programs and infrastructure projects that will result in permanent, tangible benefits to the community. Eligible endowments and revolving loan fund projects must demonstrate the ability to operate sustainable programs with the funds provided from the Community Investment Fund.
 - b) The Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.
 - c) Government jurisdictions and non-profit organizations are eligible for funds.
 - d) Endowments and revolving loan fund projects must obtain a minimum of 50% of the funding required from other sources. Infrastructure projects must obtain a minimum of 75% of outside funding and demonstrate the value of the project to the growth of base industry clusters. Exceptions to match requirements are possible as detailed in the Community Investment Fund Manual.

- iii) Grant Fund
 - a) The Grant Fund provides grants for community projects. Non-profit organizations and government jurisdictions are eligible to apply for funding.
 - b) The Grant Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.
 - c) Government jurisdictions and non-profit organizations are eligible to apply for funds.

- b) Headwaters Liquidity Fund
 - i) The Humboldt County Treasurer's Investment Pool acts as bank for the funds that are not committed to financing investments or grants in the Revolving Loan Fund, Community Investment Fund, and Grant Fund. Funds in this "Headwaters Liquidity Fund" are invested by the Treasurer/Tax Collector for safety, liquidity, and yield.

- c) Distinction between Headwaters Funds and County Funds
 - i) Timber Yield Tax Payments: As stipulated by the Board of Supervisors, a one-time lump sum of \$4,013,243 will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled "Headwaters Sale Timber Yield Tax Loss." This lump sum is based on an estimate of the reduction of Timber Yield Tax Payments to the County General Fund resulting from the sale and preservation of the Headwaters Forest. The lump sum equates to an annual series of payments in the amount of \$308,711 per year for a 13 year period. These funds are unrestricted and may be used for general purpose County expenditures at the discretion of the Board of Supervisors.

- ii) County Economic Development Division Payments: As stipulated by the Board of Supervisors, a one-time lump sum of \$1,800,000 will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled "Headwaters Sale Economic Division Administrative Fund." This lump sum is equivalent to an estimate of the annual administrative costs required by the County's economic development program. The lump sum equates to an annual series of payments in the amount of \$90,000 per year for a 20 year period. These funds are restricted to the County's economic development program. The Board of Supervisors approves expenditures from this fund through standard County budgeting procedures.
- iii) Other than the two preceding exceptions, Headwaters Funds are segregated from the General Fund and budget of the County. The funds are irrevocably committed to the Headwaters Fund and cannot be used for financing on-going government operations. The funds are considered "un-available" to the County for general purpose spending or working capital, even during times of fiscal emergencies.
- d) Variances to guidelines for the Revolving Loan Fund, Community Investment Fund, and Grant Fund can be granted for specific projects under select circumstances where it can be shown that the variance will further the ultimate goals of the Fund. To qualify for a funding criteria variance, a project must provide extraordinary benefits in line with the appropriate ranking criteria. Funding variance applications must fit under the "Exceptional Project Criteria" in the Community Investment Fund manual and shall be approved by the Board of Supervisors by a four-fifths super-majority vote. However, variances cannot include any use of Headwaters Fund monies for general County purposes.

§ 2151-3. Control and Oversight

- a) Within the scope of powers outlined in this document, the Board of Supervisors has final authority on use of Headwaters Funds. A Headwaters Fund Board, County Economic Development Division staff and the Treasurer/Tax Collector implement the program. Applications for funding from local businesses, community groups and governmental organizations are brought to the Headwaters Fund Board or qualified financial institutions.
- b) The Board of Supervisors has the final authority and accountability for the use of the funds, within the scope of powers outlined in this document. They appoint members to the Headwaters Fund Board and oversee County staff support. They review and approve Headwaters Fund Board funding recommendations. The Board also provides oversight of the process focusing on the following issues:
 - i) Adherence to the Headwaters Fund Charter;
 - ii) Review and approval of policies and annual budgets;
 - iii) Public involvement and reporting;

- iv) Objective implementation of the grant approval process;
 - v) Approval of Grant and Community Investment Fund projects recommended by Headwaters Fund Board and staff;
 - vi) Proper financial management of the Liquidity Fund, Revolving Loan Funds, Community Investment Funds, and Grant Funds;
 - vii) Periodic updates and revisions to the Charter.
- c) The Headwaters Fund Board (HFB) consists of seven members of the community appointed by the Board of Supervisors. The role of the HFB is the following:
- i) Reviews and recommends to the Board of Supervisors the Grant and Community Investment Fund projects for funding according to Headwaters Fund guidelines;
 - ii) Recommends to the Board of Supervisors the annual budgets for loans, investments, grants and administration;
 - iii) Recommends to the Board of Supervisors the Headwaters Fund policies and funding criteria;
 - iv) Reviews portfolio management strategy in accordance with Charter goals;
 - v) Recommends to the Board of Supervisors updates, revisions and variances to the Headwaters Fund Charter;
 - vi) Issues annual Community Benefits Report on the overall Headwaters Fund portfolio. The Community Benefits Report will summarize chosen projects of the Headwaters Fund and their benefits to the community. The report will include a financial summary of fund balances, expenditures, and revenues and a profile of significant community outreach, public participation and application processing activities.
 - vii) The HFB will be provided with staff support and an annual budget for technical or financial consulting to assist in application analysis and review.
- d) Treasurer/Tax Collector manages the Headwaters Liquidity Fund. This fund contains the primary principal. Disbursements are made from this fund to the Revolving Loan Fund, Community Investment Fund and Grant Fund as funding applications are approved. The Treasurer/Tax Collector must abide by public investment and Headwaters Fund guidelines and periodically report financial activity.
- e) Headwaters Fund Staff consists of the Director of Community Development Services and staff of the Economic Development Division. The role of the staff is the following:
- i) Implementation of the Headwaters Fund program from development and administration of systems, to program evaluation and reporting;
 - ii) Assists the public in preparing Grant and Community Investment Fund applications;
 - iii) Screens Grant and Community Investment Fund project applications;
 - iv) Monitors loan portfolio and financial institution performance;
 - v) Collects and compiles data on investment impacts and prepares annual draft of Community Benefits Report;
 - vi) Works jointly with Treasurer/Tax Collector on financial management and reporting;

- vii) Maintains budgets, accounting and bookkeeping systems with the County Auditor and Controller;
 - viii) Provides public information, maintains program manuals and records, and provides legal support to HFB;
 - ix) Provides administrative support to HFB and Board of Supervisors.
 - x) Legal support is provided by the County Counsel assigned to Community Development Services. Staff will be ultimately responsible to the Board of Supervisors for meeting Headwaters Fund expectations.
- f) Qualified Financial Institutions package, underwrite, and service financing made through the Headwaters Revolving Loan Fund. A financial institution applies to the Headwaters Fund staff and HFB to become a qualified financial institution; the Board of Supervisors approves financial institution contracts for access to Headwaters Revolving Loan Funds. Loan products, terms, audit provision and reporting are specified by contract. Contract terms must be consistent with the Board of Supervisors adopted Revolving Loan Fund Administration Manual.
- i) Revolving Loan Fund applicants apply directly to these financial institutions for funding. The financial institutions evaluate and approve the financing according to their criteria, the Headwaters Fund criteria, and the specific covenants of their contracts with the County.
- g) Local Businesses, Community Groups and Governments prepare loan and grant applications consistent with Headwaters Fund criteria and implement Headwaters Fund projects under contract with qualified financial institutions or the County.

§ 2151-4. Program Rules.

- a) The operations of the Headwaters Fund shall be governed by this Charter and the following Program Manuals:
 - i) Headwaters Fund Board Manual;
 - ii) Headwaters Revolving Loan Fund Manual;
 - iii) Headwaters Grant Fund Manual;
 - iv) Headwaters Community Investment Fund Manual;
 - v) Other manuals as needed.
- b) The Board of Supervisors shall adopt the Charter by ordinance. The Program Manuals shall be adopted by resolution.

§ 2151-5. Revisions and Amendments.

- a) Sections 1 and 2 of this document (Name & Purpose, Fund Structure and Activities), can only be changed by Humboldt County voter approval in a simple majority referendum.
- b) Changes in any other section of this document must be approved by the Board of Supervisors with a four-fifths vote. Under no circumstances, except those specifically outlined in section 2C of this document, will Headwaters Fund monies be accessible for general purpose County spending. The Charter shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.

- c) Major modifications of the Program Manuals must also be approved by the Board of Supervisors by a majority vote. Minor modifications of the Program Manuals involving technical updates, correction of errors and editorial content or format can be completed by staff and approved by the Headwaters Fund Board. The Program Manuals shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.

- d) The comprehensive reviews of the Charter and Program Manuals will include an evaluation of the Fund's effectiveness and recommendations for revisions or amendments. The public and participants in Fund activities will be given an opportunity to provide comment and participate in the drafting of the review. The review will be prepared by staff and incorporated in the annual Community Benefits Report. The report will be reviewed and approved by the Headwaters Fund Board and forwarded, with recommendations, to the Board of Supervisors.

SUMMARY FOR PUBLICATION PRIOR TO ADOPTION OF ORDINANCE

(The summary shall be published and a certified copy of the full text of the proposed ordinance shall be posted in the office of the Clerk of the Board of Supervisors at least five (5) days prior to the Board of Supervisors meeting at which the proposed ordinance is to be adopted.)

SUMMARY

On, _____, at its regularly scheduled Board meeting, the Humboldt County Board of Supervisors will consider for adoption a proposed ordinance adding Chapter 1 of Division 15 to Title II of the Humboldt County Code relating to Management of the Headwaters Fund.

The full text of the proposed ordinance is available from the Clerk of the Board, Room 111, 825 Fifth Street, Eureka, CA.

SUMMARY FOR PUBLICATION AFTER ADOPTION OF ORDINANCE

(The summary shall be published within fifteen (15) days after the adoption of the ordinance.)

SUMMARY

On _____, 2002, the Humboldt County Board of Supervisors adopted Ordinance No. _____, adding Sections 2151-1 through 2151-5 of Chapter 1, Division 15, of Title II, of the Humboldt County Code, relating to Management of the Headwaters Fund.

A copy of the ordinance is posted in the office of the Clerk of the Board of Supervisors.

The votes were:

AYES:

NOES:

ABSENT:

FAX TRANSMISSION

HUMBOLDT COUNTY
825 5TH STREET
EUREKA, CA 95501
(707) 476-2384

FAX: (707) 445-7299 E-MAIL LCAZONERI@CO.HUMBOLDT.CA.US

To: DAWN CHANDLER, Legal Notices--The Times-Standard
Date: December 10, 2002
Fax #: 441-0568
Pages: One (1), including this cover sheet.
From: LORA CANZONERI, Clerk of the Board of Supervisors
Subject: HEADWATERS FUND ORDINANCE

COMMENTS:

SUMMARY OF PROPOSED ORDINANCE

ON TUESDAY, DECEMBER 17, 2002, THE HUMBOLDT COUNTY BOARD OF SUPERVISORS WILL CONSIDER FOR ADOPTION AN ORDINANCE ADDING DIVISION 15 TO TITLE II OF THE HUMBOLDT COUNTY CODE RELATING TO MANAGEMENT OF THE HEADWATERS FUND.

A COPY OF THE PROPOSED ORDINANCE IS ON FILE WITH THE CLERK OF THE BOARD, ROOM 111 OF THE COUNTY COURTHOUSE, 825 FIFTH STREET IN EUREKA.

LORA CANZONERI
CLERK OF THE BOARD



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-10

For the meeting of: August 19, 2014

Date: July 17, 2014
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Changes to the Headwaters Fund Charter

RECOMMENDATION(S):

That the Board of Supervisors review and approve, by a four-fifths vote, the recommended changes to the Headwaters Fund Charter.

SOURCE OF FUNDING:

Headwaters Fund

DISCUSSION:

At your February 25th, 2014 Board meeting, the Headwaters Fund (HF) presented an annual report and requested approval of specific operational changes to ensure that the fund can be managed in perpetuity. One of the recommendations was that up to \$10 million of the HF be invested by the County Treasurer outside of the County Pool. The County Treasurer proposed an investment strategy and policy for those funds that was approved by your Board on May 6, 2014.

Prepared by Dawn Elsbree, Headwaters Fund Coordinator

CAO Approval _____

REVIEW: Auditor _____ County Counsel *an* Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. H-1

Meeting of: 02-25-14

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor *Bass* Seconded by Supervisor *Fennell*
Ayes *Sundberg, Lovelace, John, Fennell, Bass*
Nays _____
Abstain _____
Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: August 19, 2014
By: *Kathy Danvers*
Kathy Hayes, Clerk of the Board

On February 25, 2014, your Board directed staff to return with the necessary Charter changes to operationalize those recommendations. Attached are the recommended changes to the Charter. According to the Charter, your Board can approve, by a four-fifths vote, these changes. See language below:

5. Revisions and Amendments

- a) Sections 1 and 2 of this document (Name & Purpose, Fund Structure and Activities), can only be changed by Humboldt County voter approval in a simple majority referendum.
- b) Changes in any other section of this document must be approved by the Board of Supervisors with a four-fifths vote. Under no circumstances, except those specifically outlined in section 2C of this document, will Headwaters Fund monies be accessible for general purpose County spending. The Charter shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.
- c) Major modifications of the Program Manuals must also be approved by the Board of Supervisors by a majority vote. Minor modifications of the Program Manuals involving technical updates, correction of errors and editorial content or format can be completed by staff and approved by the Headwaters Fund Board. The Program Manuals shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.

The first recommended changes to the Charter language are on page 5, Section 3, Control and Oversight. The new recommended language is:

d) Treasurer-Tax Collector manages the Headwaters Liquidity Fund. This fund contains the Headwaters Fund principal which shall be invested by the Treasurer-Tax Collector pursuant to the County of Humboldt Statement of Investment Policy, as approved by the Board of Supervisors. The Treasurer-Tax Collector is responsible for the stewardship of the Humboldt County Pooled Investment Funds, of which the Headwaters Liquidity Fund is a participant. To ensure that the Headwaters Liquidity Fund may be managed in perpetuity, the Treasurer-Tax Collector is authorized to segregate a portion of the Headwaters Liquidity Fund from the Pooled Investment Funds, in an amount to be determined and approved by the Board of Supervisors, for investments with maturities beyond five years to enhance the rate of return while conforming with the Statement of Investment Policy. The portion of the Headwaters Liquidity Fund to be segregated from the Pooled Investment Fund shall be designated the "Headwaters Investment Portfolio."

- i) All investments made by the Treasurer-Tax Collector of the Headwaters Liquidity Fund and the Headwaters Investment Portfolio must be in conformance with the Humboldt County Statement of Investment Policy.
- ii) Quarterly the Treasurer-Tax Collector will provide to the Board of Supervisors a report on the Headwaters Liquidity Fund and Headwaters Investment Portfolio as is required in the Statement of Investment Policy. The Board of Supervisors, the Headwaters Fund Board, and/or the Headwaters Fund Staff may, at their discretion, request additional financial statements and accounting as necessary to ensure that the purpose and goals of the Headwaters Fund have been met.
- iii) Disbursements are made from the Headwaters Liquidity Fund to the Revolving Loan Fund, Community Investment Fund and Grant Fund as funding applications are approved.

The new language clarifies the two pools being invested by the County Treasurer/Tax Collector, one for increased returns, and one for short-term liquidity. This language has been drafted by County Counsel and reviewed and approved by the County Treasurer-Tax Collector.

There is also a recommendation to change language on pages 5 and 6 to reflect the fact that the Headwaters Fund staff now includes County Administrative Office staff. The new recommended language is:

e) Headwaters Fund Staff consists of the staff of the County Administrative Office and/or Economic Development Division.

Subsections i through ix remain the same, but the following change is recommended for section x:

x) Legal support is provided by County Counsel. Staff will be ultimately responsible to the Board of Supervisors for meeting Headwaters Fund expectations.

The original Headwaters Fund Charter showing the proposed changes is attached for your information.

FINANCIAL IMPACT:

There is no financial impact in approving these recommended Charter revisions.

OTHER AGENCY INVOLVEMENT:

Headwaters Fund Board

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

Attachment 1 – Original Headwaters Fund Charter

The Headwaters Fund
Charter

December 2, 2002

1. Name and Purpose
 - a) Name: The Headwaters Fund (HWF)
 - b) Purpose
 - i) To use the values, principles and strategies of the County's Comprehensive Economic Development Strategy, currently known as Prosperity! The North Coast Strategy to:
 - a) Support the growth of base industry clusters and increase the number of sustainable jobs that pay near or above the median income;
 - b) Enhance the quality of life through social and environmental projects that promote healthy communities and protect and enhance the natural environment.
 - ii) To manage the HWF to:
 - a) Attract and leverage additional capital and grants in the local economy;
 - b) Keep the funds working in the community in perpetuity
 - c) Reflect community priorities and create maximum public benefit over the long-term;
 - d) Make the decision process objective, non-political and easy for the public to participate in and understand;
 - e) Manage the funds efficiently and cost effectively;
 - f) Track and publicize the economic, social and environmental gains.
 - c) The management objective is to maximize the amount of money working within the community providing desired benefits while preserving the Headwaters Fund principal.

2. Fund Structure and Activities

- a) Investments in the community will be made in three categories:
 - i) Revolving Loan Fund
 - a) Investments in businesses and non-profit organizations will be made through the Revolving Loan Fund administered by qualified financial institutions working under Board of Supervisor approved contracts.
 - b) Potential financing investments include debt, near-equity, and equity financing to businesses and non-profit organizations.
 - c) Financing will provide capital to a wide range of businesses to fill gaps in the market for available financing, while still maintaining good banking practices.
 - ii) Community Investment Fund
 - a) The Community Investment Fund is a grant and loan program intended for community endowments, revolving loan programs and infrastructure projects that will result in permanent, tangible benefits to the community. Eligible

endowments and revolving loan fund projects must demonstrate the ability to operate sustainable programs with the funds provided from the Community Investment Fund.

- b) The Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.
- c) Government jurisdictions and non-profit organizations are eligible for funds.
- d) Endowments and revolving loan fund projects must obtain a minimum of 50% of the funding required from other sources. Infrastructure projects must obtain a minimum of 75% of outside funding and demonstrate the value of the project to the growth of base industry clusters. Exceptions to match requirements are possible as detailed in the Community Investment Fund Manual.

iii) Grant Fund

- a) The Grant Fund provides grants for community projects. Non-profit organizations and government jurisdictions are eligible to apply for funding.
- b) The Grant Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.
- c) Government jurisdictions and non-profit organizations are eligible to apply for funds.

b) Headwaters Liquidity Fund

- i) The Humboldt County Treasurer's Investment Pool acts as bank for the funds that are not committed to financing investments or grants in the Revolving Loan Fund, Community Investment Fund, and Grant Fund. Funds in this "Headwaters Liquidity Fund" are invested by the Treasurer/Tax Collector for safety, liquidity, and yield.

c) Distinction between Headwaters Funds and County Funds

- i) Timber Yield Tax Payments: As stipulated by the Board of Supervisors, a one-time lump sum of \$4,013,243 will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled "Headwaters Sale Timber Yield Tax Loss." This lump sum is based on an estimate of the reduction of Timber Yield Tax Payments to the County General Fund resulting from the sale and preservation of the Headwaters Forest. The lump sum equates to an annual series of payments in the amount of \$308,711 per year for a 13 year period. These funds are unrestricted and may be used for general purpose County expenditures at the discretion of the Board of Supervisors.
- ii) County Economic Development Division Payments: As stipulated by the Board of Supervisors, a one-time lump sum of \$1,800,000

will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled "Headwaters Sale Economic Division Administrative Fund." This lump sum is equivalent to an estimate of the annual administrative costs required by the County's economic development program. The lump sum equates to an annual series of payments in the amount of \$90,000 per year for a 20 year period. These funds are restricted to the County's economic development program. The Board of Supervisors approves expenditures from this fund through standard County budgeting procedures.

iii) Other than the two preceding exceptions, Headwaters Funds are segregated from the General Fund and budget of the County. The funds are irrevocably committed to the Headwaters Fund and cannot be used for financing on-going government operations. The funds are considered "un-available" to the County for general purpose spending or working capital, even during times of fiscal emergencies.

d) Variances to guidelines for the Revolving Loan Fund, Community Investment Fund, and Grant Fund can be granted for specific projects under select circumstances where it can be shown that the variance will further the ultimate goals of the Fund. To qualify for a funding criteria variance, a project must provide extraordinary benefits in line with the appropriate ranking criteria. Funding variance applications must fit under the "Exceptional Project Criteria" in the Community Investment Fund manual and shall be approved by the Board of Supervisors by a four-fifths super-majority vote. However, variances cannot include any use of Headwaters Fund monies for general County purposes.

3. Control and Oversight

a) Within the scope of powers outlined in this document, the Board of Supervisors has final authority on use of Headwaters Funds. A Headwaters Fund Board, County Economic Development Division staff and the Treasurer/Tax Collector implement the program. Applications for funding from local businesses, community groups and governmental organizations are brought to the Headwaters Fund Board or qualified financial institutions.

b) **The Board of Supervisors** has the final authority and accountability for the use of the funds, within the scope of powers outlined in this document. They appoint members to the Headwaters Fund Board and oversee County staff support. They review and approve Headwaters Fund Board funding recommendations. The Board also provides oversight of the process focusing on the following issues:

- i) Adherence to the Headwaters Fund Charter;
- ii) Review and approval of policies and annual budgets;
- iii) Public involvement and reporting;

- iv) Objective implementation of the grant approval process;
 - v) Approval of Grant and Community Investment Fund projects recommended by Headwaters Fund Board and staff;
 - vi) Proper financial management of the Liquidity Fund, Revolving Loan Funds, Community Investment Funds, and Grant Funds;
 - vii) Periodic updates and revisions to the Charter.
- c) **The Headwaters Fund Board (HFB)** consists of seven members of the community appointed by the Board of Supervisors. The role of the HFB is the following:
- i) Reviews and recommends to the Board of Supervisors the Grant and Community Investment Fund projects for funding according to Headwaters Fund guidelines;
 - ii) Recommends to the Board of Supervisors the annual budgets for loans, investments, grants and administration;
 - iii) Recommends to the Board of Supervisors the Headwaters Fund policies and funding criteria;
 - iv) Reviews portfolio management strategy in accordance with Charter goals;
 - v) Recommends to the Board of Supervisors updates, revisions and variances to the Headwaters Fund Charter;
 - vi) Issues annual Community Benefits Report on the overall Headwaters Fund portfolio. The Community Benefits Report will summarize chosen projects of the Headwaters Fund and their benefits to the community. The report will include a financial summary of fund balances, expenditures, and revenues and a profile of significant community outreach, public participation and application processing activities.
 - vii) The HFB will be provided with staff support and an annual budget for technical or financial consulting to assist in application analysis and review.
- d) **Treasurer/Tax Collector** manages the Headwaters Liquidity Fund. This fund contains the primary principal. Disbursements are made from this fund to the Revolving Loan Fund, Community Investment Fund and Grant Fund as funding applications are approved. The Treasurer/Tax Collector must abide by public investment and Headwaters Fund guidelines and periodically report financial activity. This fund contains the Headwaters Fund principal which shall be invested by the Treasurer-Tax Collector pursuant to the County of Humboldt Statement of Investment Policy, as approved by the Board of Supervisors. The Treasurer-Tax Collector is responsible for the stewardship of the Humboldt County Pooled Investment Funds, of which the Headwaters Liquidity Fund is a participant. To ensure that the Headwaters Liquidity Fund may be managed in perpetuity, the Treasurer-Tax Collector is authorized to segregate a portion of the Headwaters Liquidity Fund from the Pooled Investment Funds, in an amount to be determined and approved by the Board of Supervisors, for investments with maturities beyond five years to

enhance the rate of return while conforming with the Statement of Investment Policy. The portion of the Headwaters Liquidity Fund to be segregated from the Pooled Investment Fund shall be designated the "Headwaters Investment Portfolio."

- i) All investments made by the Treasurer-Tax Collector of the Headwaters Liquidity Fund and the Headwaters Investment Portfolio must be in conformance with the Humboldt County Statement of Investment Policy.
- ii) Quarterly the Treasurer-Tax Collector will provide to the Board of Supervisors a report on the Headwaters Liquidity Fund and Headwaters Investment Portfolio as is required in the Statement of Investment Policy. The Board of Supervisors, the Headwaters Fund Board, and/or the Headwaters Fund Staff may, at their discretion, request additional financial statements and accounting as necessary to ensure that the purpose and goals of the Headwaters Fund have been met.
- iii) Disbursements are made from the Headwaters Liquidity Fund to the Revolving Loan Fund, Community Investment Fund and Grant Fund as funding applications are approved.

- e) **Headwaters Fund Staff** consists of ~~the Director of Community Development Services staff of the County Administrative Office and/or staff of the Economic Development Division.~~ The role of the staff is the following:
 - i) Implementation of the Headwaters Fund program from development and administration of systems, to program evaluation and reporting;
 - ii) Assists the public in preparing Grant and Community Investment Fund applications;
 - iii) Screens Grant and Community Investment Fund project applications;
 - iv) Monitors loan portfolio and financial institution performance;
 - v) Collects and compiles data on investment impacts and prepares annual draft of Community Benefits Report;
 - vi) Works jointly with Treasurer/Tax Collector on financial management and reporting;
 - vii) Maintains budgets, accounting and bookkeeping systems with the County Auditor and Controller;
 - viii) Provides public information, maintains program manuals and records, and provides legal support to HFB;
 - ix) Provides administrative support to HFB and Board of Supervisors.
 - x) Legal support is provided by ~~the County Counsel assigned to Community Development Services.~~ Staff will be ultimately responsible to the Board of Supervisors for meeting Headwaters Fund expectations.
- f) **Qualified Financial Institutions** package, underwrite, and service

financing made through the Headwaters Revolving Loan Fund. A financial institution applies to the Headwaters Fund staff and HFB to become a qualified financial institution; the Board of Supervisors approves financial institution contracts for access to Headwaters Revolving Loan Funds. Loan products, terms, audit provision and reporting are specified by contract. Contract terms must be consistent with the Board of Supervisors adopted Revolving Loan Fund Administration Manual.

- i) Revolving Loan Fund applicants apply directly to these financial institutions for funding. The financial institutions evaluate and approve the financing according to their criteria, the Headwaters Fund criteria, and the specific covenants of their contracts with the County.
- g) **Local Businesses, Community Groups and Governments** prepare loan and grant applications consistent with Headwaters Fund criteria and implement Headwaters Fund projects under contract with qualified financial institutions or the County.

4. Program Rules

- a) The operations of the Headwaters Fund shall be governed by this Charter and the following Program Manuals:
 - i) Headwaters Fund Board Manual;
 - ii) Headwaters Revolving Loan Fund Manual;
 - iii) Headwaters Grant Fund Manual;
 - iv) Headwaters Community Investment Fund Manual;
 - v) Other manuals as needed.
- b) The Board of Supervisors shall adopt the Charter by ordinance. The Program Manuals shall be adopted by resolution.

5. Revisions and Amendments

- a) Sections 1 and 2 of this document (Name & Purpose, Fund Structure and Activities), can only be changed by Humboldt County voter approval in a simple majority referendum.
- b) Changes in any other section of this document must be approved by the Board of Supervisors with a four-fifths vote. Under no circumstances, except those specifically outlined in section 2C of this document, will Headwaters Fund monies be accessible for general purpose County spending. The Charter shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.
- c) Major modifications of the Program Manuals must also be approved by the Board of Supervisors by a majority vote. Minor modifications of the Program Manuals involving technical updates, correction of errors and editorial content or format can be completed by staff and approved by the Headwaters Fund Board. The Program Manuals shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.

- d) The comprehensive reviews of the Charter and Program Manuals will include an evaluation of the Fund's effectiveness and recommendations for revisions or amendments. The public and participants in Fund activities will be given an opportunity to provide comment and participate in the drafting of the review. The review will be prepared by staff and incorporated in the annual Community Benefits Report. The report will be reviewed and approved by the Headwaters Fund Board and forwarded, with recommendations, to the Board of Supervisors.



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
G-2

For the meeting of: June 21, 2011

Date: June 4, 2011
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Response to 2010-11 Grand Jury Report 2011-AF-2

RECOMMENDATION(S):

That the Board of Supervisors:

1. Review and modify the proposed response (Attachment 2) from the Board of Supervisors to Grand Jury Report 2011-AF-2;
2. Review and modify the proposed Grand Jury responses from departments under the appointment authority of the Board of Supervisors;
3. Approve the documents, as may be modified, as the response;
4. Direct the Clerk of the Board, within five working days, to submit the final response with an accompanying Board Order, to the Presiding Judge of the Superior Court; and
5. Direct the Clerk of the Board, within five working days, to submit two copies of all responses to the County Clerk/Recorder, one of which will be forwarded to the State Archivist, together with a copy of the original report.

SOURCE OF FUNDING: General Fund

Prepared by Phillip Smith-Hanes

CAO Approval

Cheryl Dillingham

REVIEW:

Auditor _____ County Counsel *AK* Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:

- ____ Consent
- Departmental
- ____ Public Hearing
- ____ Other _____

Board order

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor
Seconded by Supervisor
And unanimously carried by those members present,
The Board hereby adopts the recommended action
contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

Dated: _____
Kathy Hayes, Clerk of the Board

By: _____

DISCUSSION:

The Grand Jury has requested a response from your Board to report 2011-AF-2 (Attachment 1). A draft response is attached for consideration and modification as the Board deems appropriate (Attachment 2). Your Board is also authorized to modify proposed Grand Jury responses from departments under the appointment authority of the Board of Supervisors. One such proposed response is included from Community Development Services (Attachment 3). For the sake of providing a package of responses in as few documents as possible, a copy of the response from the Humboldt County Treasurer-Tax Collector is also attached (Attachment 4).

FINANCIAL IMPACT:

There is no financial impact related to compilation of the responses. Some individual responses may require expenditures.

OTHER AGENCY INVOLVEMENT:

All County departments and outside agencies referenced in the Grand Jury Reports are involved.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may elect to modify any response pertaining to matters under its control.

ATTACHMENTS:

1. Grand Jury Report 2011-AF-02
2. Proposed Board of Supervisors Response
3. Draft Response from Community Development Services
4. Response from Treasurer-Tax Collector (courtesy copy)

cc: Grand Jury

1. Humboldt County Grand Jury Report

2 Admin and Finance : 2011/AF/2

3. The Headwaters Fund: Charter versus Reality

4 History: The Headwaters Fund (HWF) was developed in 2002 following the public acquisition of the Headwaters Forest. This fund represents the \$20 million mitigation package to Humboldt County, offsetting economic losses incurred with the loss of timber related revenues and jobs.

The purpose of this fund was specifically delineated by the Headwaters Fund Charter and was developed following public and county input. The charter sets the rules for the perpetual use of this fund to benefit Humboldt County's economy. (available on HWF web-site)

This report discusses the successes and failures that have occurred since the inception of the Headwaters Fund Charter.

5. BACKGROUND: In 2009 the Grand Jury received a complaint about the Headwaters Fund (HWF) regarding the quality of management. The 2009/10 Grand Jury worked that year with interviews and investigated and prepared an initial report addressing this issue. With the judge's accord, that report and all of that

former year's material was submitted to the 2010/2011 Grand Jury.

The current Grand Jury's responsibility has been to review all of the material in the remanded report through research and interviews.

What follows is the 2010/2011 Grand Jury's report.

6. REPORT: Much progress has been made in the management and operation of the HWF. The 2010/11 Grand Jury commends the Headwaters Fund Coordinator for many of these improvements.

Those efforts have resulted in the following:

- The HWF website is now a valuable asset.
- Efforts are underway to document progress and assess goal achievement.
- Better checks and balances are being used in the awarding of loans. Improved policies are in place resulting in timely loan payments and pay-offs . There are now guidelines for awarding of these loans and an effective procedure for the tracking of a loan from inception to conclusion.
- A new ten-year education program called *Decade of Difference- The 2020 Initiative* inspires optimism. A community initiative led by the County Office of Education seeks to broaden partnerships. Major stated goals are to build a well-educated workforce;

increase opportunities for viable employment; grow entrepreneurship and small business; and improve the regional standard of living.

- Attempts are being made to quantify jobs created, require timely reports, and assess benefits to the community.

However, despite this observable progress, some areas continue to fall short of directly addressing the defined purposes of the Headwaters Fund Charter.

- Grant funds have not always been used in a manner designed to increase the number of sustainable jobs that pay at or above median wages i.e. “Support the growth of base industry clusters and increase the number of sustainable jobs that pay near or above the median income.” (HWF Charter, page 2)
- New jobs at median or higher wages rarely have been created, while the main achievement has been to retain existing jobs.
- Granted funds do not always appear to “enhance the quality of life through social and environmental projects that promote healthy communities and protect the natural environment.” (HWF Charter, page 2)

- The charter states that the charter itself is to be reviewed and amended as needed every three years, indicating that the originating group expected the need to redefine and adjust its goals. This charter review duty is assigned to the Board of Supervisors, which makes the final decision on any recommendation and also appoints the seven members of the HWF Board. (page 7, HWF Charter)
- The charter clearly and firmly states that no monies may be used by the county to relieve it in times of economic strain.(page 7, HWF Charter)

It is hard to assess exactly what success HWF has had meeting community needs in the last couple of years due to a strained local economy deepened by state budget cuts. This fund and the charter which governs it, however, have been in effect since 2002. Therefore, these economic problems did not impact those years; yet the problems noted above already existed.

7. FINDINGS:

- A. It has not been adequately documented that sustainable jobs have been created to fulfill the terms of the charter.

- B. In general, jobs that have been saved are not of a “median or above income” level.
- C. Few new jobs have been created that are in the “median or above income” level.
- D. According to available records, a perceived conflict of interest originates with the head of the Community Development Department. The Headwaters Fund Staff (headed by that Director) is charged with the following in the charter:
 - 1. Implementation of the HWF program from development and administration of systems, to program evaluation and reporting.
 - 2. Assists in preparing Grant applications
 - 3. Screens grant project applications

The perceived conflict arises when the Director applies for a grant, screens the grant, prepares a staff report and signs the grant contract as Grantee. The Headwaters website shows the number of grants applied for and received by this method, and Figure 1 (found on the Headwaters Fund web-site, page 20) following also explains in detail, the above referenced chain of events.

- E. Funds were allocated at the inception of this Fund for the annual administrative costs accrued by the Community Development Department.
- F. Public awareness of the availability of Headwaters grant money or the process involved is insufficient.
- G. Headwaters Funds cannot be used for financing ongoing government operations, even during times of fiscal emergencies.
- H. Reviews and recommendations to the Headwaters Fund Program have not been done since the inception of the program. According to the charter, this should have been undertaken after the first full year of operation, then every three years thereafter, including public input. Today's charter is 2002's charter.

10. RECOMMENDATIONS:

- A. The HWF Coordinator should establish and maintain a data base on job creation. Award funds to projects that address this as a primary criterion.
- B. Since few if any median income jobs have been saved by grants awarded, this must become a major part of the granting criteria.
- C. Job creation at median income levels must be given strong emphasis when awarding grants.

D. The Grand Jury strongly advises the removal of the Community Development Department from the checks and balances entirely, because of the perceived conflict of interest. Control would then be given directly to the HWF Coordinator, who would operate under the auspices of the County Treasurer.(refer to Finding D)

E. Those monies allocated for administration that formerly went to the Community Development Department should then go to the Headwaters Fund Coordinator and County Treasurer.

F. Initiate a campaign to increase public awareness of the granting process and the availability of these Headwaters funds.

G. The Board of Supervisors should immediately correct any misunderstandings about the availability of Headwaters Funds for County use. According to the Charter:

“the Headwaters Funds are segregated from the General Fund and budget of the County. The funds are irrevocably committed to the Headwaters Fund and cannot be used for financing ongoing government operations. The funds are considered ‘unavailable’ to the County for general purpose spending or working capital, even during times of fiscal emergencies.” (page 4, HWF Charter)

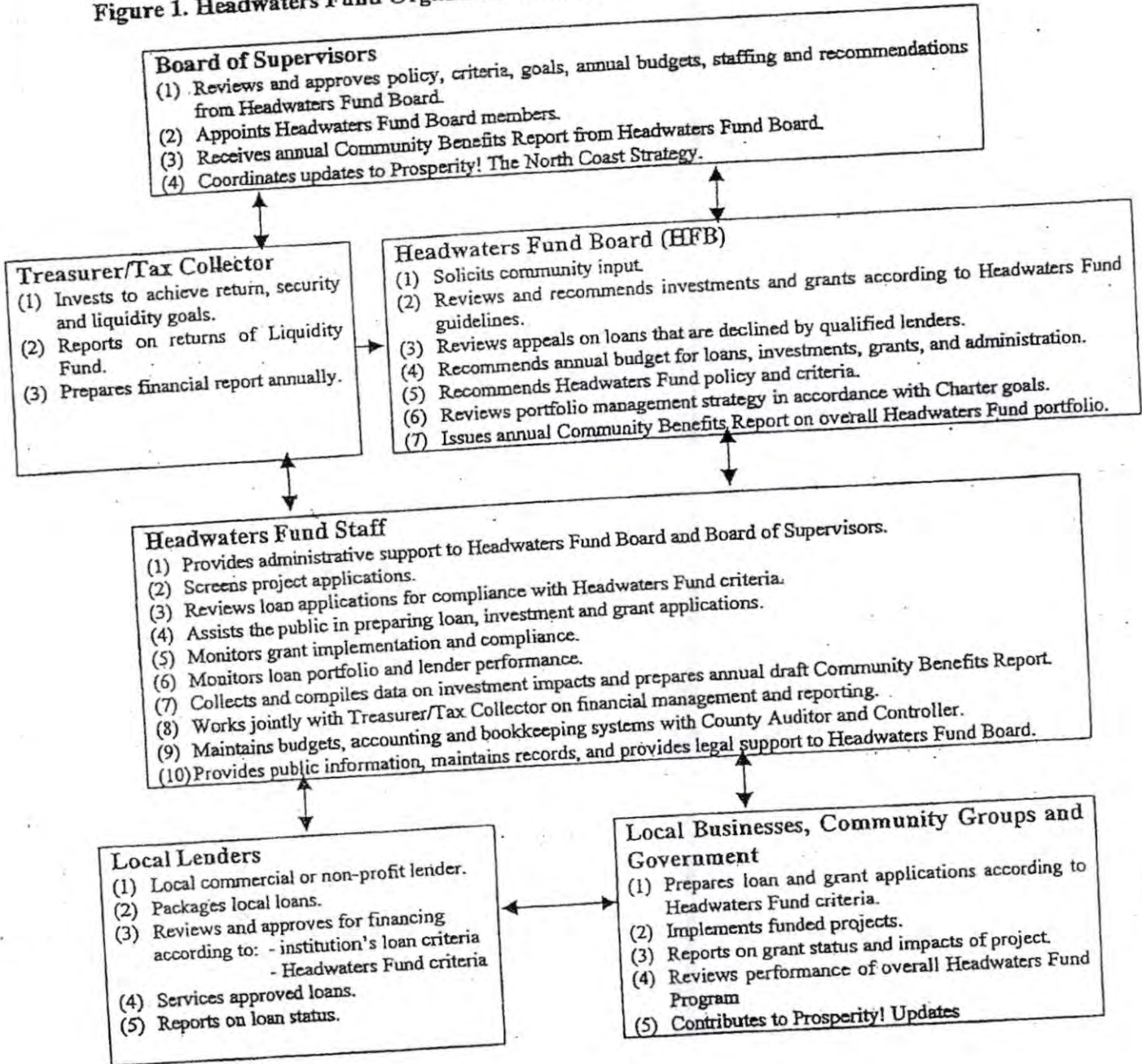
Attachment 1

H. The Board of Supervisors should use the Grand Jury recommendations to fulfill the requirements of the charter review and follow this by immediately preparing and maintaining a schedule of review as was originally requested.

REQUEST FOR RESPONSES:

1. The Board of Supervisors shall respond to Recommendations A,B,C D,E,F,G, H
- 2 The Community Development Services Director shall respond to Recommendations D,E,
3. The County Treasurer shall respond to Recommendation D, E

Figure 1. Headwaters Fund Organization Chart



The Board of Supervisors – has the final authority and accountability for the use of the funds. They appoint members to the Headwaters Fund Board and oversee County staff support. They review and approve Headwaters Fund Board funding recommendations. The Board provides oversight of the process focusing on the following issues:

- Adherence to the Headwaters Fund Charter



**COUNTY ADMINISTRATIVE OFFICE
MANAGEMENT & BUDGET TEAM
COUNTY OF HUMBOLDT**

825 5th Street, Suite 111, Eureka, CA 95501-1153
Telephone (707) 445-7266 Fax (707) 445-7299
cao@co.humboldt.ca.us

INTEROFFICE MEMORANDUM

TO: BOARD OF SUPERVISORS
FROM: PHILLIP SMITH-HANES, COUNTY ADMINISTRATIVE OFFICER *PSH*
SUBJECT: RESPONSE TO 2010-11 GRAND JURY REPORT 2011-AF-2
DATE: 6/21/2011

The 2010-11 Grand Jury has issued report 2011-AF-2 and the Board of Supervisors is required to respond to recommendations A through H of this report. I recommend that the Board respond as follows:

Recommendation A: *The HWF Coordinator should establish and maintain a database on job creation. Award funds to projects that address this as a primary criterion.*

This recommendation has been implemented.

As noted in the report, "efforts are underway to document progress and assess goal achievement." Certainly, one of the goals of the Revolving Loan Fund is to create or retain jobs in the community and accordingly the Headwaters Fund Coordinator keeps a database on job creation for the Revolving Loan Fund. These numbers are updated and reported every year in the Headwaters Annual Report. However, there is not a pure correlation between a database on (past) job creation and direction of (future) funds to projects that will achieve job creation.

Recommendation B: *Since few if any median income jobs have been saved by grants awarded, this must become a major part of the granting criteria.*

This recommendation will not be implemented because it is not warranted.

The vast majority of disbursements from the Headwaters Fund are made through the Revolving Loan Fund and the Community Investment Fund (which specifically targets infrastructure). The Grant Fund makes smaller disbursements which are focused specifically on base industries that bring dollars into the local economy through sales to customers outside the County. The Headwaters Fund Board has established criteria for evaluating grants, which are included on a scoring sheet available on the Headwaters website. Although "retains and grows existing businesses" is one of those criteria, the focus is on increasing sales of local products outside the area rather than specifically on job creation or retention. Creation or retention of

Attachment 2

jobs is more properly the target of a loan program than a small grant program.

Recommendation C: *Job creation at median income levels must be given strong emphasis when awarding grants.*

This recommendation will not be implemented because it is not warranted.

Again, as noted in the response to Recommendation B, the focus of the Grant Fund is on broader support for the economic, environmental and quality of life, and project readiness factors for projects benefitting base industries that bring dollars into the local economy through sales to customers outside the County. Job creation and retention is a central focus of the Revolving Loan Fund.

Recommendation D: *The Grand Jury strongly advises the removal of the Community Development Department from the checks and balances entirely, because of the perceived conflict of interest. Control would then be given directly to the HWF Coordinator, who would operate under the auspices of the County Treasurer.*

This recommendation will not be implemented because it is not warranted.

The attached responses from both the Community Development Services Department and the County Treasurer point out that the co-location of Headwaters Fund administration with the County's Economic Development Division provides certain synergies for economic development activities that the Treasurer's office would not be equipped to provide. Beyond this, the Headwaters Fund Charter makes it clear that the Board of Supervisors retains ultimate discretion as to the appointment of Headwaters Fund Board members, approval of Grant and Community Investment projects, and financial management of all the Headwaters Funds.

Recommendation E: *Those monies allocated for administration that formerly went to the Community Development Department should then go to the Headwaters Fund Coordinator and County Treasurer.*

This recommendation will not be implemented because it is not warranted.

This recommendation is contingent upon the transfer of responsibility contemplated by Recommendation D. Accordingly, it will not be implemented.

Recommendation F: *Initiate a campaign to increase public awareness of the granting process and the availability of these Headwaters funds.*

This recommendation will be implemented by October 1, 2011.

The Headwaters Fund Coordinator has conducted community interviews with business leaders who report that they have no understanding of what or how the Fund is doing. Because of this, discussions have begun with the Headwaters Fund Board regarding a targeted public outreach campaign to improve understanding in the community. The Coordinator is working with a consultant to design a brochure, re-do the website and produce a series of video and print stories highlighting successful projects. It is anticipated that these materials will be available in time for the October 1 grant round.

Attachment 2

Recommendation G: *The Board of Supervisors should immediately correct any misunderstandings about the availability of Headwaters Funds for County use.*

This recommendation has been implemented and will continue to be implemented.

It is clear from the Headwaters Fund Charter that (beyond the two funding streams specifically reserved to the County), “the funds are irrevocably committed to the Headwaters Fund and cannot be used for financing on-going government operations.” Moreover, this section of the Charter can only be changed by voter approval in a referendum. It is also clear that government jurisdictions (including the County) can apply for funds from the Community Investment Fund and the Grant Fund for specific projects. When the County experiences financial issues (such as the current budget situation which may lead to layoffs), there is a natural temptation to inquire whether some Headwaters Fund monies may be used to support governmental operations that allow for economic development to occur. However, the Board of Supervisors understands and supports the purposes for which the Headwaters Funds were set aside, and thanks the 2010-11 Grand Jury for this opportunity to reiterate that.

Recommendation H: *The Board of Supervisors should use the Grand Jury recommendations to fulfill the requirements of the charter review and follow this by immediately preparing and maintaining a schedule of review as was originally requested.*

This recommendation will be implemented, effectively immediately.

The last comprehensive review of the Headwaters Fund charter was completed in 2008 (Board of Supervisors agenda item E-1, meeting of February 5, 2008). Accordingly, three years have elapsed and it is now time for another charter review. Since the Grand Jury has helpfully performed this service during 2011, this relieves the Headwaters Fund Board of the exhaustive process used to prepare for the 2008 review. However, staff will engage in additional review and analysis and may suggest that the Headwaters Fund Board make recommendations to the Board of Supervisors for charter amendments. The next comprehensive charter review will occur in 2014.



BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT

825 5th Street, Suite 111, Eureka, CA 95501-1153
Telephone (707) 476-2390 Fax (707) 445-7299

June 21, 2011

The Honorable W. Bruce Watson
Humboldt County Superior Court
825 Fifth Street
Eureka, CA 95501

Dear Presiding Judge Watson:

The Board of Supervisors responds to 2010-11 Grand Jury Report 2011-AF-2 as follows:

Recommendation A: *The HWF Coordinator should establish and maintain a database on job creation. Award funds to projects that address this as a primary criterion.*

This recommendation has been implemented.

As noted in the report, "efforts are underway to document progress and assess goal achievement." Certainly, one of the goals of the Revolving Loan Fund is to create or retain jobs in the community and accordingly the Headwaters Fund Coordinator keeps a database on job creation for the Revolving Loan Fund. These numbers are updated and reported every year in the Headwaters Annual Report. However, there is not a pure correlation between a database on (past) job creation and direction of (future) funds to projects that will achieve job creation.

Recommendation B: *Since few if any median income jobs have been saved by grants awarded, this must become a major part of the granting criteria.*

This recommendation will not be implemented because it is not warranted.

The vast majority of disbursements from the Headwaters Fund are made through the Revolving Loan Fund and the Community Investment Fund (which specifically targets infrastructure). The Grant Fund makes smaller disbursements which are focused specifically on base industries that bring dollars into the local economy through sales to customers outside the County. The Headwaters Fund Board has established criteria for evaluating grants, which are included on a scoring sheet available on the Headwaters website. Although "retains and grows existing businesses" is one of those criteria, the focus is on increasing sales of local products outside the area rather than specifically on job creation or retention. Creation or retention of jobs is more properly the target of a loan program than a small grant program.

Recommendation C: *Job creation at median income levels must be given strong emphasis when awarding grants.*

This recommendation will not be implemented because it is not warranted.

Again, as noted in the response to Recommendation B, the focus of the Grant Fund is on broader support for the economic, environmental and quality of life, and project readiness factors for projects benefitting base industries that bring dollars into the local economy through sales to customers outside the County. Job creation and retention is a central focus of the Revolving Loan Fund.

Recommendation D: *The Grand Jury strongly advises the removal of the Community Development Department from the checks and balances entirely, because of the perceived conflict of interest. Control would then be given directly to the HWF Coordinator, who would operate under the auspices of the County Treasurer.*

This recommendation will not be implemented because it is not warranted.

The attached responses from both the Community Development Services Department and the County Treasurer point out that the co-location of Headwaters Fund administration with the County's Economic Development Division provides certain synergies for economic development activities that the Treasurer's office would not be equipped to provide. Beyond this, the Headwaters Fund Charter makes it clear that the Board of Supervisors retains ultimate discretion as to the appointment of Headwaters Fund Board members, approval of Grant and Community Investment projects, and financial management of all the Headwaters Funds.

Recommendation E: *Those monies allocated for administration that formerly went to the Community Development Department should then go to the Headwaters Fund Coordinator and County Treasurer.*

This recommendation will not be implemented because it is not warranted.

This recommendation is contingent upon the transfer of responsibility contemplated by Recommendation D. Accordingly, it will not be implemented.

Recommendation F: *Initiate a campaign to increase public awareness of the granting process and the availability of these Headwaters funds.*

This recommendation will be implemented by October 1, 2011.

The Headwaters Fund Coordinator has conducted community interviews with business leaders who report that they have no understanding of what or how the Fund is doing. Because of this, discussions have begun with the Headwaters Fund Board regarding a targeted public outreach campaign to improve understanding in the community. The Coordinator is working with a consultant to design a brochure, re-do the website and produce a series of video and print stories highlighting successful projects. It is anticipated that these materials will be available in time for the October 1 grant round.

Recommendation G: *The Board of Supervisors should immediately correct any misunderstandings about the availability of Headwaters Funds for County use.*

This recommendation has been implemented and will continue to be implemented.

It is clear from the Headwaters Fund Charter that (beyond the two funding streams specifically reserved to the

County), "the funds are irrevocably committed to the Headwaters Fund and cannot be used for financing on-going government operations." Moreover, this section of the Charter can only be changed by voter approval in a referendum. It is also clear that government jurisdictions (including the County) can apply for funds from the Community Investment Fund and the Grant Fund for specific projects. When the County experiences financial issues (such as the current budget situation which may lead to layoffs), there is a natural temptation to inquire whether some Headwaters Fund monies may be used to support governmental operations that allow for economic development to occur. However, the Board of Supervisors understands and supports the purposes for which the Headwaters Funds were set aside, and thanks the 2010-11 Grand Jury for this opportunity to reiterate that.

Recommendation H: *The Board of Supervisors should use the Grand Jury recommendations to fulfill the requirements of the charter review and follow this by immediately preparing and maintaining a schedule of review as was originally requested.*

This recommendation has been implemented and will continue to be implemented.

The last comprehensive review of the Headwaters Fund charter was completed in 2008 (Board of Supervisors agenda item E-1, meeting of February 5, 2008). Accordingly, three years have elapsed and it is now time for another charter review. Since the Grand Jury has helpfully performed this service during 2011, this relieves the Headwaters Fund Board of the exhaustive process used to prepare for the 2008 review. However, staff will engage in additional review and analysis and may suggest that the Headwaters Fund Board make recommendations to the Board of Supervisors for charter amendments. The next comprehensive charter review will occur in 2014.



COMMUNITY DEVELOPMENT SERVICES
COUNTY OF HUMBOLDT

3015 H Street, Eureka, CA 95501 Phone (707) 445- 7745

Memorandum

Date: May 17, 2011

To: Phillip Smith-Hanes, County Administrative Officer

From: Kirk Girard, Director

Re: **Response to the Humboldt County Grand Jury Report - Administration and Finance (2011/AF/2)**

I am responding to the Grand Jury of Humboldt County Recommendation "D" and "E" in the Administration and Finance Report (2011/AF/2).

The Community Development Services (CDS) response is as follows:

Recommendation D: The Grand Jury strongly advises the removal of the Community Development Department from the checks and balances entirely, because of the perceived conflict of interest. Control would then be given directly to the HWF Coordinator, who would operate under the auspices of the County Treasurer. (refer to Finding D)

CDS Response: The Department does not support the recommendation because it is not reasonable or warranted. The Grand Jury is recommending transferring the Headwaters Fund Program from the Community Development Services Department under the control and supervision of the Board of Supervisors to the County Treasurer's Office under the control and supervision of the County Treasurer/Tax Collector. This recommendation is not reasonable and is inconsistent with the Headwaters Fund Charter developed after a three-year Board decision-making process

The Headwaters Fund Alternatives Report (April 2002 – Attachment 1) describes the outreach process and the alternatives considered by the Board of Supervisors for fund oversight, and staffing. For fund oversight, there was broad agreement that "the Board of Supervisors should have the ultimate responsibility for the funds..." (pg. 3). The Board of Supervisors was viewed as having a unique position to exercise fund control and oversight because of the breadth of

their responsibilities and knowledge of their Districts and the County as a whole. Accordingly the Board opted to “maintain Board of Supervisors control of the funds.” (pg 13). Transferring fund control and oversight to the County Treasurer’s Office under the supervision of an independently elected official, is not reasonable and undermines the public outreach process, the Board decision-making process and the existing Charter. In addition, the County Treasurers Office has responsibility for the investment of the Headwaters Fund principle. It may not be advisable to consolidate the principle investment decisions with decision-making related to expenditures of the principle and interest of the fund in the community.

For staffing, the Board chose the Economic Division. The rationale for this decision was cited in the report: “The Economic Division is responsible for economic development planning and implementation, including grant management, community outreach and technical services to businesses and organizations. These capabilities and scope of work are a good match for activities of the Headwaters Fund. Complimentary operations will increase efficiency, cost effectiveness and the depth and breadth of staff support. In addition the Department is accountable to the Board of Supervisors and the public through well established systems of oversight.” (pg. 15).

The Headwaters Fund Coordinator does not work in isolation within the Economic Division and the Community Development Services Department. Transferring staffing responsibility to the Treasurer’s office would require the Treasurer’s office to add these capacities, skill sets and community relationships to their Department or risk isolation of the program and the Headwaters Fund Coordinator.

The transfer of the Headwaters Fund Program to the Treasurer’s Office is also not warranted because the design and management of the Program prevents a conflict of interest in decision-making. By design and as directed in the Charter, the Community Development Services Director does not have decision-making authority over grant awards. Only the Board of Supervisors makes grant award decisions.

Also by design, the Director does not make recommendations to the Board of Supervisors for grant awards. The authority to make recommendations to the Board of Supervisors on grant funding decisions rests solely with the Headwaters Fund Board. The Headwaters Fund Board is a group of citizen volunteers appointed to various terms of service by the Board of Supervisors. Headwaters Fund Board members are chosen using a qualifications-based process to foster independent and merit based decision making by the Headwaters Fund Board as a whole. Their recommendation authority, combined with Board of Supervisor decision-making, prevents the potential for a conflict-in-interest with the staff of the Community Development Department.

At the administrative level, County of Humboldt applicants, including the Community Development Services Department, are subjected to the same application review process as non-County applicants. The Director does not make recommendations to the Headwaters Fund Board or communicate with the Headwaters Fund Coordinator about grant applications where the potential for a conflict exists, such as an application from a County department.

Attachment 3

These decision-making and administrative firewalls were designed into the program and Charter from the beginning and have effectively prevented actual and potential conflicts of interest.

Recommendation E: Those monies allocated for administration that formerly went to the Community Development Department should then go to the Headwaters Fund Coordinator and County Treasurer.

CDS Response: This recommendation assumes the implementation of Recommendation E. The Department does not support either recommendation.

Attachment 1 - Headwaters Fund Alternatives Report (April 2002)

COUNTY OF HUMBOLDT



JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

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TOLL FREE: 877-448-6829

EMAIL: taxinfo@co.humboldt.ca.us

The Honorable W. Bruce Watson
Humboldt County Superior Court
825 Fifth Street
Eureka, CA 95501

April 22, 2011

Regarding: 2010-11 Grand Jury, Administration and Finance Committee's Report
The Headwaters Fund

Dear Judge Watson,

Per the Grand Jury Report, the following is my response to Recommendations D and E.

Recommendation D: The Grand Jury Strongly advises the removal of the Community Development Department from the checks and balances entirely, because of the perceived conflict of interest. Control would then be given directly to the HWF Coordinator, who would operate under the auspices of the County Treasurer. (refer to Finding D)

Recommendation E: Those monies allocated for administration that formerly went to the Community Development Department should then go to the Headwaters Fund Coordinator and the County Treasurer.

Treasurer's Response: Recommendations D and E will not be implemented because it is not warranted. My opinion is that the Headwaters Fund program should continue to operate under the auspices of the Community Development Department (CDD) as it is currently assigned and administratively funded. The expertise for managing the Headwaters Fund Program is in the CDD, not with the County Treasurer-Tax Collector.

The reason I came to this conclusion is as follows:

The Economic Development Division, part of the Community Development Department (CDD), has several parallel goals with that of the Headwaters Fund; whereby their missions are closely aligned. (See the below goals and objectives of both entities, as copied from their respective websites)

Humboldt County Economic Development Division

STRATEGIC GOALS

1. Provide leadership and planning direction for economic, workforce, housing and infrastructure development.
2. Promote the growth of the County's industry clusters.
3. Build local capacity for coordinated economic, workforce and community development initiatives.
4. Obtain grants to fuel strategic projects and leverage funds.
5. Assist in the development of rural communities.
6. Relieve constraints and provide opportunities to distressed populations.

Assist in the implementation of local Workforce Investment Board efforts to build a comprehensive, coordinated and effective workforce development system.

The mission of the Headwaters Fund is to improve the economy of Humboldt County.

The Headwaters Fund was initiated in 2003 as a public fund for the advancement of economic and community development in Humboldt County. The Headwaters Fund offers loans and grants for infrastructure projects, and economic development grants via the following three programs: [the Grant Fund](#), [the Community Investment Fund](#), and [the Revolving Loan Fund](#). The purpose of the Headwaters Fund is to:

- Support the growth of [base industry clusters](#)
- Increase the number of sustainable jobs that pay at or above the median income
- Enhance the quality of life for residents of Humboldt County through projects that promote healthy communities and protect and enhance the natural environment

Three additional objectives were adopted by charter:

- To attract and leverage additional capital and grants in the local economy
- To reflect community priorities and create maximum public benefit over the long-term
- To manage the funds efficiently and cost effectively

COUNTY OF HUMBOLDT



JOHN BARTHOLOMEW
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One strategic goal of the Economic Development Department is to “obtain grants to fuel strategic projects and to leverage funds” which is precisely why grants are submitted by that department to the Headwaters Fund. If they didn’t the CDD Director would be negligent in his duties and responsibilities to seek funding for economic development.

Once submitted for review to the Headwaters Fund Board (HWB) the CDD Director should not, and as I understand, does not, have any influence on whether the submitted grant is approved or not. ***The HWB is the firewall between grant applications and grant approval.***

Any involvement of the CDD Director up through the grant application to the HWB should not be a “perceived conflict of interest” because that position is responsible for grant applications submitted of any kind, whether they are to the State of California, the Federal Government, or to the Headwaters Fund.

I understand the concern of the Grand Jury regarding the checks and balances of the Headwaters Fund Program being a function of the CDD, but the broad objective for the Headwaters Fund is providing funding for community development. In addition Headwaters Fund staff members are not gatekeepers for grants being forwarded to the HWB. My understanding is they facilitate, answer questions, and support efforts for all grant applications. In fact, as seen below from the Headwaters website, some grant applications for the ‘Revolving Loan Funds’ are processed through Arcata Economic Development Corporation (AEDC) and Redwood Region Economic development Commission (RREDC).

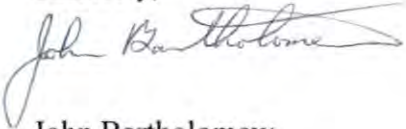
Currently the Headwaters Fund is contracted with the Arcata Economic Development Corporation (AEDC) <http://www.aedc1.org> and Redwood Region Economic Development Commission (RREDC) <http://www.rredc.com> to manage a portion of the Revolving Loan Funds. Loan applicants should apply directly to these financial institutions, not the Headwaters Fund itself.

If a study were done comparing the grant application process through AEDC and RREDC relative to those processed through the Headwaters Fund staff and it was shown that CDD grants were given priority and / or granted more readily due to Headwaters staff intervention, then the argument to remove Headwaters Fund oversight from the CDD would make sense.

Conclusion: Though I do not concur with Grand Jury 'Recommendations D and E', their report led me to see **that a conflict of interest does exist** in that the CDD Director is a member of the interview panel for selecting members of the HWB. This relationship should be severed so that no real, or perceived, influence exists between the CDD Director and any HWB Members.

My understanding from current HWB Members is that they have not felt any pressure or influence from the CDD Director regarding grant approvals, or denials. However, the CDD Director should be removed from the interview panel to ensure non-partisan decision making for the grant approval process undertaken by the Headwaters Fund Board.

Sincerely,

A handwritten signature in cursive script that reads "John Bartholomew". The signature is written in dark ink and is positioned above the printed name.

John Bartholomew

Cc: Grand Jury



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
H-1

For the meeting of: July 21, 2015

Date: July 1, 2015
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Responses to 2014-15 Grand Jury Reports

RECOMMENDATION(S):

That the Board of Supervisors:

1. Reviews and modifies as necessary the draft responses from the Board of Supervisors to Grand Jury Reports Headwaters Fund Charter (Attachment 1.a.), Flying Around Humboldt Airports (Attachment 2.d.), Rural Safety (Attachment 3.a.) and Humboldt Bay Harbor, Recreation and Conservation District (Attachment 4.a.);
2. Reviews and modifies as necessary the proposed Grand Jury responses from departments under the appointment authority of the Board of Supervisors (Attachments 2.a. and 2.b.);
3. Approves the documents, as may be modified, as the response;
4. Directs the Clerk of the Board, within five working days, to submit the final response with an accompanying Board Order to the 2014-15 Grand Jury and the Presiding Judge of the Superior Court; and

Prepared by Amy S. Nilsen

CAO Approval *Cheryl D. Meyer*

REVIEW: Auditor _____ County Counsel *PSH* Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor *Lovelace* Seconded by Supervisor *Bass*
Ayes *Sundberg, Lovelace, Fennell, Bohn, Bass*
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *July 21, 2015*
By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

5. Directs the Clerk of the Board, within five working days, to submit two copies of all responses to the County Clerk/Recorder, one of which will be forwarded to the State Archivist, together with a copy of the original report.

SOURCE OF FUNDING: N/A

DISCUSSION:

The Grand Jury investigates and reports on the operations, accounts, and records of the officers, departments, or functions of the county. The county thanks the Grand Jury for their hard work and efforts that they have put forth in their 2014-15 Grand Jury reports.

The Grand Jury has submitted reports to the Presiding Judge of the Superior Court titled Headwaters Fund Charter, Flying Around Humboldt Airports, Rural Safety and Humboldt Bay Harbor, Recreation and Conservation District. Each department head or agency mentioned in the report is required to prepare a response. Responses from the Board of Supervisors are drafted by the County Administrative Office and submitted to the Board of Supervisors for approval.

The Grand Jury has requested a response from your Board to their reports Headwaters Fund Charter, Flying Around Humboldt Airports, Rural Safety and Humboldt Bay Harbor, Recreation and Conservation District. Draft responses to these reports have been prepared and included for consideration and modification as the Board deems appropriate. Also included are draft responses from the County Administrative Officer and the Public Works Director concerning the report Flying Around Humboldt Airports.

For the sake of providing a compilation of all responses in a single document, a courtesy copy of the responses received from the Sheriff (Attachment 2.c.) and Treasurer-Tax Collector (Attachment 1.b.) are included for reference.

Also included in this agenda item packet is the response from the Sheriff to the Grand Jury's report on Report Transportation of Indigent Detainees in Accordance with California Penal Code Section 686.5 for reference (Attachment 5.a.).

FINANCIAL IMPACT:

There is no financial impact related to providing a response. Some individual responses may require expenditures.

This agenda item supports the Board's Strategic Framework by safeguarding the public's trust.

OTHER AGENCY INVOLVEMENT:

Those referenced in the Grand Jury reports.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may elect to modify any response pertaining to matters under its control.

ATTACHMENTS:

1. Grand Jury Report Headwaters Fund Charter
 - a. Proposed BOS Response
 - b. Treasurer-Tax Collector Response
2. Grand Jury Report Flying Around Humboldt Airports
 - a. Proposed Public Works Response
 - b. Proposed County Administrative Officer Response
 - c. Sheriff Response
 - d. Proposed BOS Response
 - e. Invited Response from Humboldt County Aviation Advisory Committee
3. Grand Jury Report Rural Safety
 - a. Proposed BOS Response
4. Grand Jury Report Humboldt Bay Harbor, Recreation and Conservation District
 - a. Proposed BOS Response
5. Grand Jury Report Transportation of Indigent Detainees in Accordance with California Penal Code Section 686.5
 - a. Sheriff Response

Attachment 1:
Grand Jury Report Head Waters Fund Charter

- a. Proposed BOS Response
- b. Treasurer-Tax Collector Response

The Headwaters Fund Charter

[4/2/15- Draft#6]

SUMMARY

The 2014-2015 Humboldt County Grand Jury reviewed the reports published by previous Humboldt County Grand Juries. The Grand Jury discovered extensive work done by past Grand Juries focusing on the Headwaters Fund, the Headwaters Fund Board and the Headwaters Fund Charter (2009-2010, 2010-2011). The current Grand Jury decided to follow up on the work started by those past Grand Juries.

After a careful analysis of the Headwaters Fund Charter, the current Headwaters Fund investment portfolio and interviews with relevant community representatives, the Humboldt County Grand Jury comes to the following conclusions:

- 1) The Headwaters Fund Charter clearly mandates that the Headwaters Fund Board draft a charter review every three years and the public will have an opportunity to have input in the drafting of that review. From the last paragraph of the Headwaters Fund Charter—"The public and participants in Fund activities will be given an opportunity to provide comment and participate in the drafting of the review."

The Humboldt County Grand Jury finds no evidence to support that any such public input has ever occurred or any drafting of a charter review.

- 2) The Headwaters Fund Charter is currently, by choice, set up to support and mandate that funds work in the community "in perpetuity." From the Headwaters Fund Charter—"Keep the funds working in the community in perpetuity."

The Humboldt County Grand Jury finds the current Headwaters Fund investment portfolio, managed and invested by the Humboldt County Treasurer to be inconsistent with the Charters mandated "in perpetuity."

- 3) Volunteers and one part time staff position currently manage the Headwaters Fund. Humboldt County governance currently restricts the Headwaters Fund investment portfolio. The Humboldt Area Foundation is a local, professionally staffed, nonprofit funding/granting organization that currently manages over 100 million dollars and is not limited by the same restrictions.

The Humboldt County Grand Jury recommends, for oversight, management and investment reasons, that the Board of Supervisors (BOS) amend the Headwaters Fund Charter to allow the transfer of their investment portfolio to the Humboldt Area Foundation.

The Humboldt County Grand Jury can find no contractual or legal reason why such a transfer could not be accomplished. The consequent increase in charter oversight, public input and less

restrictive investment options would serve the citizens of Humboldt County and would truly "keep the funds working in the community in perpetuity."

BACKGROUND

While reviewing previous Grand Jury Reports for historical perspective, the present Grand Jury found a Grand Jury report on the Headwaters Fund dated 2011, which itself was a continuance of the 2009-2010 Grand Jury report on the Headwaters Fund. It was noted in the 2010-2011 report that a comprehensive review of their charter was required every three years. Recommendation H from the 2010-2011 report stated:

"The Board of Supervisors should use the Grand Jury recommendations to fulfill the requirements of the charter review and follow this by immediately preparing and maintaining a schedule of review as was originally requested."

At their June 21, 2011 meeting, the Board of Supervisors approved a modification of this recommendation stating "This recommendation has been implemented and will continue to be implemented." As part of their response they declared "the next comprehensive charter review will occur in 2014."

The Grand Jury investigated to see whether or not the Headwaters Board had completed the required 2014 review. After extensive interviews the Grand Jury concluded that the Headwaters Board had not done "the next comprehensive charter review." Based on the results of the initial assessments, the Grand Jury decided an investigation into the Headwaters Fund Charter, including the comprehensive review process, board functions, financial structure and investment strategies was warranted.

METHODOLOGY

The Humboldt County Grand Jury did a review and study of the 2010-2011 Grand Jury Report titled: *The Headwaters Fund: Charter versus Reality*.

The Humboldt County Grand Jury interviewed past and present representatives of The Headwaters Fund Board, The Arcata Economic Development Corporation, The Redwood Regional Economic Development Commission, the Humboldt Area Foundation and the Humboldt County Treasurers Office.

The Humboldt County Grand Jury did a review and analysis of the current Headwaters Fund Charter, the current Headwaters Fund agreement with the Arcata Economic Development Corporation, the current agreement with the Redwood Regional Economic Development Commission, the current Headwaters Fund investment portfolio, and current Humboldt Area Foundation Investment Strategies.

The Humboldt County Grand Jury read and examined all published Headwaters Fund Annual Reports.

The Humboldt County Grand Jury familiarized itself with various investment strategies and portfolios, including those that protect "in perpetuity" and those that do not.

DISCUSSION

History

The Headwaters Forest Reserve is a group of old growth coast redwood groves managed by the Bureau of Land Management (BLM) as part of the National Landscape Conservation System. It is comprised of approximately 7,500 acres and is located six miles southeast of Eureka in the Northern California coastal forest ecoregion.

Historically, most of the reserve was owned by the now defunct Pacific Lumber Company (PALCO). Beginning in the 1920s, PALCO, a family owned business, had a positive relationship with conservationists. In 1985, Charles Hurwitz and Maxxam, Inc. purchased the company as the result of a hostile takeover. Maxxam changed long standing PALCO policies of sustained-yield logging with clear cutting to finance the debt they incurred in the junk bonds used to purchase the company. As a result of the changed logging practices, the Headwaters Forest became the site of many tree sit-ins and demonstrations. The clash between timber interests and environmentalist became known as the Timber Wars.

In the early to mid-1990s, the conflict over logging the Headwaters Forest moved through the courts, and state and federal processes. In 1996, PALCO agreed to sell the 3,000-acre Headwaters Grove and a 4,500-acre buffer for \$380 million of public funds. It was to be a joint federal/state acquisition with BLM the managing agency. In 1997, the United States Congress approved the government's share of \$250 million. The following year California approved its \$130 million portion. As part of the California authorization, \$12 million was to be provided to Humboldt County for economic assistance. The federal government supplemented the California payment with an additional \$10 million, categorized as a direct payment. Neither payment had guidelines attached to the money. In 1999 the acquisition was completed with the combined properties making up the Humboldt Forest Reserve.

Leading up to the sale, local county officials and community leaders contended that the Headwaters purchase should include an appropriation to offset local economic losses. A July 1997 Board of Supervisors (BOS) resolution supported a Memorandum of Understanding (MOU) between the County of Humboldt, the City of Eureka, the Humboldt Bay Harbor District, and Northwestern Pacific Railroad that requested a \$118 million mitigation package. The entities agreed the money should be used to construct a marine terminal, fund watershed rehabilitation, build economic development projects including the Humboldt Bay Harbor District's Capital Improvement Plan, offset lost taxes and establish retraining programs. This local effort in concert with state and congressional legislators' assistance resulted in the

combined \$22 million federal and state appropriation to the county. It was less than 20 per cent of what they requested.

At the same time, local timber owners and environmental leaders met privately in search of ways to reduce conflict and build areas of agreement. A witness described the proceedings as "painful and slow." On the day the \$22 million payment to the county was announced, an advertisement appeared in the Times-Standard. The ad recommended rules for developing and governing this new influx of money to the county. The ad recommended that an open process available to all county residents should determine the use of the money; that anyone should be able to apply for the funds under clear guidelines; and that no self-interested person should be involved in determining the use of the funds. The ad's recommendations were created and signed by the timber and environmental participants present in those private meetings.

When a member of the Board of Supervisors asked the Humboldt Area Foundation (HAF) to consider managing the soon to be acquired funds, the Humboldt Area Foundation refused. The timber and environmental leaders who created the recommendations had used the HAF office to meet. HAF had designed the ad for them. HAF had also designed and assisted in the process of inclusion for those with pronounced disagreements. At the time, HAF believed, that as a community foundation concerned with public perception, that refusal was necessary.

In late 1999, based in large part upon recommendations negotiated by the timber and environmental leaders showcased in the ad, a Board of Supervisors subcommittee recommended to the full Board that the bulk of the \$22 million be reserved for the "economic prosperity and quality of life for all Humboldt County residents." The BOS approved the recommendation. They also approved using a small portion of the funds to offset certain Humboldt County costs related to the acquisition of Headwaters. The BOS further instructed the Community Development Services Department staff to work with citizens and organizations to develop recommendations for the long-term management and use of the funds.

In the summer of 2000, the BOS approved a plan to acquire public input. Public meetings were held at different locations in the county and over 300 people provided input at those meetings. Following that process, individual interviews were conducted with people having specific expertise or representing specific areas of interest. Also, many organizations and individuals submitted written comments. A consulting firm was hired to assist County staff in the analysis of public input and the development of fund options.

In analyzing the public input, a discussion draft of options was written and released in November 2001. Though there were many opinions expressed during the public process, several areas of consensus were noted. First, there was a near unanimous opinion that the funds should be used to improve the economy and to most that meant creating new jobs. Second, there was a strong consensus that the principal amount of the funds should be preserved to the greatest extent possible, meaning only the use of interest for funding grants. Third, there was a strong sense that the funds should be preserved for future generations. Fourth, most agreed it was better to maximize local investment of principal, through loans or other vehicles. Fifth, most believed the funds should be leveraged with other funds.

The following month a public workshop was held to present initial feedback based on the public meetings and individual interviews contained in the discussion draft. Input was gathered through the workshop to be incorporated in an *Alternatives Report* that would delineate the various fund options for the BOS to consider in providing direction for drafting a fund charter.

Based on the public input presented in the discussion draft and the follow-up workshop, the *Alternatives Report* was presented to the BOS in the spring of 2002. A range of alternatives, covering six areas, was presented to the Board. The areas were Goals, Control and Oversight, Staffing, Financial Management, Community Investment Opportunities and Name. Staff noted their recommended alternatives in each category. Of interest: under Goals, the 1997 MOU was listed but not selected; under Control and Oversight, granting the management of the funds to a foundation was listed but also not selected.

On May 6, 2002 the BOS voted to approve all staff recommended alternatives and directed them to finalize the charter consistent with those alternatives. The official name of the fund was approved – *Headwaters Fund*. The Headwaters Fund Charter was completed on December 2, 2002 and adopted by the Board of Supervisors on December 17, 2002.

The Charter

The last paragraph of the Headwaters Fund Charter that was approved by the Humboldt County Board of Supervisors on December 17, 2002 states:

“The comprehensive reviews of the Charter and Program Manuals will include an evaluation of the Fund’s effectiveness and recommendations for revisions or amendments. The public and participants in Fund activities will be given an opportunity to provide comment and participate in the drafting of the review. The review will be prepared by staff and incorporated in the annual Community Benefits Report. The report will be reviewed and approved by the Headwaters Fund Board and forwarded, with recommendations, to the Board of Supervisors.”

Although the Charter states that the Headwaters Fund Board shall draft a review, the Humboldt County Grand Jury could find no evidence of the existence of any such draft. Representatives of the Headwaters Fund Board verified that no such written documents existed. The Charter also states that the “review will be prepared by staff and incorporated in the annual Community Benefits Report.” Reading and studying the relevant annual reports, the Humboldt County Grand Jury could find no evidence that any “drafted” charter review was ever “incorporated” into an annual report.

The Charter also states that the public will be given an opportunity to provide comment and participate in the drafting of the review. The Humboldt County Grand Jury made note of the fact that the Charter mandates public participation into the drafting of a Charter review and not merely the participation in an after the fact Charter review. The Humboldt County Grand Jury could find no evidence that any such public participation ever occurred or that any plan to invite such public input ever existed.

Perpetuity

From a high of 20,792,475 on 6/30/09, the Headwaters Fund balance declined in four of the following five years. On 6/30/14, the ending balance was 16,543,072. That is a drop of approximately 20% in five years.

From December 17, 2002, the day on which the Humboldt County Board of Supervisors approved the newly created Headwaters Fund Charter until the writing of this Humboldt County Grand Jury report, there has only been one major change to the charter.

In February 2014, the Headwaters Fund Board (HFB) gave their annual report on the status of the Headwaters Fund for the 2012-13 fiscal year. As of 6/30/2013 the ending balance had dropped approximately \$3,300,000 in three years. The Headwaters Fund Charter states that HFB must: keep the funds working in the community in perpetuity (1.b.ii.b.) and manage the funds efficiently and cost effectively (1.b.ii.e)

In November 2012, HFB created the Headwaters Fund Board Operating Committee as an ad hoc committee to look into the financial structure of the fund. Analysis of the structure, returns and commitments of the Fund lead the Operating Committee to conclude that some changes had to be made to ensure the continuation of the mission of the Fund. They found that expected revenues from investments over time had not materialized. The reality at that time was the Fund was only earning .48% on the corpus in the Humboldt County Investment Pool. Also, the Community Investment Fund (CIF) had granted over two million dollars for large infrastructure projects over the first eight years of the CIF with no replenishment mechanism in place. There was also an unexpected lower demand for money borrowed through the eight million dollar Revolving Loan Fund (RLF). Lower demand led to lower returns.

As a result of the previously stated financial issues, the Operating Committee recommended five operational changes to the Headwaters Fund. One of the recommendations required a change to the Fund Charter. That recommendation was to allow the Humboldt County Treasurer to invest up to ten million dollars outside the Humboldt County Investment Pool. This change was approved at the 2/25/14 Humboldt County Board of Supervisors meeting.

The Headwaters Fund Charter is currently, by choice set up to support and mandate that funds work in the community in perpetuity. The Humboldt County Treasurer is currently the de facto Headwaters Liquidity Fund and The Headwaters Investment Portfolio Fund manager.

It is the fiduciary duty of the Headwaters Investment Portfolio Fund manager to protect the *real value* (actual purchasing power that keeps pace with inflation) not to simply protect the nominal value (a fixed dollar amount that will lose purchasing power as inflation occurs).

In order to protect the *real value*, the fund manager must take a reasonable amount of risk, so that earnings over time will be sufficient to fund the causes for which the Liquidity Fund exists plus enough to add to the principal, so that the principal will keep pace with the cost-of-living index. The cost-of-living index average for the last ten years is 2.67%. The current Headwaters Fund investment portfolio for the next ten years ending on December 9th, 2024 shows a mean average return of 2.37%. The current strategy is protecting only the initial fixed dollar amount. The consequence will be over time an erosion of the funds ability to serve its original purpose.

The Headwaters Fund Charter Board has done an admirable job given the conditions and restrictions under which they have worked. The Humboldt County Grand Jury also recognizes the disciplined and restricted work of the Humboldt County Treasurer for his oversight of the Headwaters Fund Investment portfolio.

Humboldt Area Foundation

Humboldt Area Foundation was founded in 1972 by Vera Perrott Vietor. From an original \$2.4 million Fund balance 1972, the Humboldt Area Foundation has grown to over \$106 million in 2014.

From the Humboldt Area Foundation website:

“HAF works to connect donors that invest in our community with projects in their area of interest to put local capital to work for local priorities and the public good. HAF strives to be a good partner with other organizations serving the community and help community groups locate funding that will enable them to find solutions and seize opportunities to build on this region’s strengths and assets. In 40 years, nearly \$60 million dollars have been granted to support the community through the generosity of our donors. The diversity of our giving reflects the diversity of our donors and the creativity of our community.”

Humboldt Area Foundation's Board is a volunteer board. Directors serve four-year terms and may serve for a maximum of three consecutive full terms of office, with a mandatory one-year hiatus following three consecutive terms of office.

Humboldt Area Foundation staff consists of an executive director and 21 employees working in four areas: Donor Services, Grantmaking, Community Strategies, and Administrative Services.

Humboldt Area Foundation has made loans and commitments to various local agencies, including the following: Open Door Clinic, Arcata Fire Department, Sequoia Zoo Foundation and the Northern California Indian Development Corporations.

Humboldt Area Foundation, even with the economic downturn of 2008-2009, has over the last ten years been able to achieve a 6.7% return on over \$90 million in investments.

FINDINGS

F1. The Headwaters Fund Charter mandates a drafting of a review, and by interpretation, a written charter review every three years. There is no evidence any such reviews were ever drafted or written.

F2. The Headwaters Fund Charter mandates public participation in the drafting of charter reviews every three years. There is no evidence that public participation was ever a part of the drafting of a charter review.

F3. The Headwaters Fund Charter mandates that the funds are kept working in the community in perpetuity. The current Headwaters Fund Charter investment portfolio managed by the Humboldt County Treasurer does not meet the necessary requirement of lasting in perpetuity and over time will erode the fund's ability to serve its stated purpose.

RECOMMENDATIONS

- R1. The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors direct the Headwaters Fund Board to begin the process of drafting a full and thorough charter review. (F1)
- R2. The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors direct the Headwaters Fund Board to create and implement a plan for public input into the drafting of a charter review. (F2)
- R3. The Humboldt County Grand Jury recommends that the Humboldt County Board of Supervisors amend the Headwaters Fund Charter, Section 3 - Control and Oversight, to allow the Humboldt Area Foundation to manage the Headwaters Fund investment portfolio. (F3)
- R4. The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors or their appointed proxy begin the contract negotiations necessary to transfer the management and oversight of the Headwaters Fund Investment Portfolio to the Humboldt Area Foundation. (F3)

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

- Humboldt Board of Supervisors (R1, 2, 3, 4)
- Humboldt County Treasurer (R3, 4)

INVITED RESPONSES

- * Humboldt Area Foundation (R3, 4)
- * Headwaters Fund Board (R1, 2, 3, 4)

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

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Hearing Report: Headwaters Fund Alternatives Report, Humboldt County Community Development Services, April 2, 2002

Philanthropy and the Regeneration of Community Democracy, Peter H. Pennekamp with Anne Focke, Kettering Foundation, 2013

Headwaters Fund 2012-13 Annual Report, February 25, 2014



COUNTY ADMINISTRATIVE OFFICE
MANAGEMENT & BUDGET TEAM
COUNTY OF HUMBOLDT

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INTEROFFICE MEMORANDUM

TO: BOARD OF SUPERVISORS
FROM: PHILLIP SMITH-HANES, COUNTY ADMINISTRATIVE OFFICER ^{PSH}
SUBJECT: RESPONSE TO 2014-15 GRAND JURY REPORT *HEADWATERS FUND CHARTER*
DATE: MAY 6, 2015

The 2014-15 Grand Jury has issued report *Headwaters Fund Charter* and the Board of Supervisors is required to respond to the recommendations. I recommend that the Board respond as follows:

Recommendation R1: *The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors direct the Headwaters Fund Board to begin the process of drafting a full and thorough charter review.*

This recommendation has already been implemented.

Most recently, the Headwaters Fund Board (HFB) as part of the FY 2012-13 annual report, recommended to the Board of Supervisors on February 25, 2014 the review and revision of the Headwaters Fund Charter and manuals. The HFB reviewed the charter and manuals in two public meetings: April 15, 2014 and July 15, 2014. Each of the reviews was properly listed and noticed in the agenda and the review and revisions were documented in the meeting minutes. On August 19, 2014, staff recommended the charter changes to the Board of Supervisors for approval. The Charter amendments were listed on the agenda, noticed properly and documented within the Board item. In accordance to the charter, this process will occur again in 2017.

Recommendation R2: *The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors direct the Headwaters Fund Board to create and implement a plan for public input into the drafting of a charter review.*

This recommendation will not be implemented because it is not warranted.

The review and amendment of the charter and manuals governing the Headwaters Fund were presented in at least three public meetings (two HFB meetings and the adoption of amendments by the Board of Supervisors meetings as noted in R1).

As mandated by the Brown Act public comment is invited during each item up for consideration by both the Board of Supervisors and the HFB. Public may also comment on the charter at each meeting during the "public comment on items not on the agenda" item listed on each agenda.

Recommendation R3: *The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors amend the Headwaters Fund Charter, Section 3- Control and Oversight, to allow the Humboldt Area Foundation to manage the Headwaters Fund investment portfolio.*

The Board of Supervisors cannot implement this recommendation.

The Headwaters Fund charter prohibits the change of the structure of the fund, including management of investments, without a vote of the citizens of Humboldt County.

The Charter, Section 5: Revisions and Amendments, subsection (a) states:

Sections 1 and 2 of this document (Name & Purpose, Fund Structure and Activities), can only be changed by Humboldt County voter approval in a simple majority referendum.

The Charter, Section 2: Fund Structure and Activities, subsection (b) states:

The Humboldt County Treasurer's Investment Pool acts as a bank for the funds that are not committed to financing investments or grants in the Revolving Loan Fund, Community Investment Fund, and Grant Fund. Funds in this "Headwaters Liquidity Fund" are invested by the Treasurer/Tax Collector for safety, liquidity, and yield.

Given the language in Section 2 and the requirement of the vote to make any changes, making the amendments to Section 3 wouldn't impact the ability to allow an entity other than the Treasurer to manage the funds.

Recommendation R4: *The Humboldt County Grand Jury recommends that the Humboldt Board of Supervisors or their appointed proxy begin the contract negotiations necessary to transfer the management and oversight of the Headwaters Fund Investment Portfolio to the Humboldt Area Foundation.*

This recommendation will not be implemented because it is not reasonable.

As mentioned in the response to R3, it is against the Headwaters Fund charter to allow the management of the fund to change without the vote of the Humboldt County citizens. Directing the transfer of the management of the fund would be in direct violation of the charter as currently written.



COUNTY OF HUMBOLDT

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Judge J. Hinrichs
Presiding Judge Humboldt County Grand Jury
Superior Court of County of Humboldt

May 13, 2015

Re: "The Headwaters Fund Charter" Report Dated 4/2/15

Dear Judge Hinrichs,

Per the above noted Grand Jury report requesting my response to Recommendations 3 and 4 I submit the following:

Recommendation 3 (R3):

I disagree because I believe all funds remaining as part of the Headwaters Liquidity Fund are subject to California Government Codes (GC) 53601 and 53635.

Recommendation 4 (R4):

I disagree that any action be taken to transfer the "Headwaters Fund Investment Portfolio" to the Humboldt Area Foundation unless a determination is made that these funds are not subject to GC 53601 and 53635.

My 2 cents:

As county treasurer I am required to prudently manage funds of the county according to GC 53601 and 53635; and to prioritize investments for safety, then liquidity, and last for yield. I have faithfully invested county funds according to these mandates for the entire period I have been delegated the authority to do so from the County Board of Supervisors (BOS).

The Headwaters Investment Portfolio (HIP) (referred to as the "Headwaters Fund investment portfolio" in R3) could be managed by the county treasurer in perpetuity provided the Headwaters Fund Board (HFB), as authorized by the BOS, did not spend money faster than is generated in interest each year from the corpus remaining.

The HFB loans and grants money from the Headwaters funds into what they believe will create jobs in the local economy. Those grants in particular have reduced the corpus of money

remaining for future use. The report states on page 6, paragraph 3, sentence 2, that: "As of 6/30/2013 the ending balance had dropped approximately \$ 3,300,000 in 3 years". This is a direct result of those Boards spending the Headwaters money faster than could be replenished by investment returns from the Headwaters Liquidity Fund and / or generated from interest on loans from the Headwaters Revolving Loan Fund and the Community Investment Fund.

Interest rates are at historically low levels due to the Federal Reserve's desire to stimulate the economy by making it cheap to borrow money. Unfortunately these unprecedented low rates have greatly reduced the yield available on safe investments such as those allowed by GC 53601 and 53635; hence the low returns shown in the quarterly apportionment rates below from the county pool.

Quarter End:	Rate:
9/30/2012	0.7290%
12/31/2012	0.5600%
3/31/2013	0.4800%
6/30/2013	0.4600%
9/30/2013	0.6700%
12/31/2013	0.7000%
3/31/2014	0.6000%
6/30/2014	0.6700%
9/30/2014	0.7600%
12/31/2014	0.6900%

These low apportionment rates reflect the U.S. interest rate environment and as that environment changes so too will the apportionment rates from the county pool.

Headwaters funds cannot continue to be expended faster than investment returns on the remaining Headwaters corpus and still be held for perpetuity. Expressed another way, investment returns must be greater than or equal to the Headwaters money being expended or the requirement that the money last for perpetuity cannot be met, no matter whether the funds remain in the county pool as part of the Headwaters Liquidity Fund, or are transferred to the Humboldt Area Foundation (HAF) and invested according to mandates under which they manage those funds.

The first determination to be made is whether the Headwater funds are 'public funds' and if so whether any of those funds may be invested outside the confines of GC 53601 and 53635. Public funds are generated by the government and used by the government to provide goods and services to the public.

If the BOS decides that it is appropriate and lawful to transfer the HIP to the HAF I will offer any assistance necessary to ensure a smooth transfer of those funds.

In response to the 'Perpetuity' section (page 6 and the top of page 7) of the report, I make the following comments:

The Grand Jury (GJ) either knows for a fact, or assumes, that the HIP may be invested outside the confines of California Government Code. I as County Treasurer must invest within those guidelines. I reiterate this again because the Grand Jury's premise in this 'perpetuity' section is that the HIP need not be invested within those same guidelines that I must follow; therefore they recommend it be transferred to HAF and be invested in a way so returns exceed the "cost-of-living index average".

The GJ also notes in this section that the BOS approved up to 10 million dollars of the Headwaters Fund be invested outside the county investment pool. This is correct, and at present 7 million dollars has been set aside in the HIP and tracked as a separate account from the county pool. The only investment related differences between the rest of the county pool and the HIP are that funds in the HIP are now authorized by the BOS to be invested in specific types of securities with longer maturities than 5 years (as is allowed in CG 53601) and as are designated in the County of Humboldt 'Statement of Investment Policy' dated June 3, 2014. No other funds in the county pool are allowed to be invested in securities with maturities longer than 5 years. In addition, the HIP money does not need to be managed for short term liquidity purposes because the HFB said the HIP is set aside strictly for perpetuity; meaning the entire 7 million dollars is fully invested and now generating approximately 2% interest on an annual basis. Those securities with longer than 5 year maturities allow the HIP to capture some extra yield and thereby increase the money available for Headwaters purposes or for rebuilding the principle balance.

In conclusion, I do not object to Headwaters Investment Portfolio funds being transferred to the Humboldt Area Foundation provided those funds are invested within the guidelines of California Government Code, or provided it is legally determined that the Headwaters Investment Portfolio funds do not need to be invested according to California Government Code; which would then allow Humboldt Area Foundation to invest those funds according to 'Prudent-Person Rule' guidelines and to invest in any way they believe appropriate.

Please let me know if there is a need for further clarification, or if there is any other way I may be of service.

Sincerely,

John Bartholomew

The original Headwater's Charter approved in 2002 anticipated that the Economic Development Set-a-Side fund would last 20 years 2003-2023 @ \$90,000 per year.

In 2013 staff realized that the Set-a-Side fund was running out of money. This was primarily due to larger annual expenditures in early years and declining interest rates. The allocation of redevelopment dissolution funds was recommended by staff as a way to provide ongoing financial support to Economic Development.

Board approval of a 10% transfer from redevelopment dissolution funds was approved in the First Qtr FY 2013-14 on 11/5/2013 see below:

- \$172,556 (Contributions to Other Funds 1100-199) – The recommendation before the Board is to set-aside 10 percent, or currently \$172,556 of the funds received from the dissolution of the Redevelopment Agencies and any incremental growth to property tax as a result of the redevelopment dissolution to the Economic Development Set-Aside Trust. The CAO believes this supports the Board's Strategic Framework by supporting business and workforce development and encouraging new and local enterprise. Economic Development Team (EDT) has helped contribute to the increase of 500 jobs from August 2012 to August 2013, as reported by the Employment Development Department.

The Economic Development Set-Aside Trust was intended to fund EDT from 2003 to 2023 at \$90,000 per year. Due to a downturn in the economy, limited grant revenues, and an earlier attempt to create a County Redevelopment agency these funds have been expended more rapidly than originally intended. However, with the dissolution of Redevelopment Agencies the County has received one-time funding. In addition, once the cities have repaid their redevelopment obligations counties should receive additional property tax increment as a result of the redevelopment debts being fulfilled. Should the Board choose not to set-aside 10 percent of these funds, in two years the EDT would be considerably reduced and/or competing for General Fund dollars with other General Fund departments. The EDT is funded largely with grant funds awarded through the Workforce Investment Act and competitive workforce and economic development grant awards. In order to remain competitive in a diminished grant environment, the EDT needs to maintain a source of local funding to fill a small portion of each annual budget. Local money allows staff to write new grant proposals (an unallowable cost under most federal and state grants) and is used when cash match is needed in lieu of leveraged funds.

In FY 2015-16 a First Qtr 11/3/2015 a budget adjustment was done:

- \$69,531 (Contributions to Other Funds 1100-199) – for a contribution to Economic Development, using funds from the dissolution of redevelopment as approved by the Board on November 5, 2013. This supplemental budget supports the Board's Strategic Framework by encouraging new local enterprise and ensure proper operation of markets.

In FY 2016-17 a General Fund contribution of \$80,548 was approved in the adopted budget.

There was an ongoing issue with a negative fund balance in 1120 which was cleared up in FY 2017-18 with a transfer from the Set-a-Side fund of \$181,163.



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
H-1

For the meeting of: November 5, 2013

Date: October 21, 2013
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *BH*
Subject: First Quarter FY 2013-14 Budget Update

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive a review of the Fiscal Year (FY) 2012-13 ending balances, first quarter budget results for FY 2013-14, and an initial projection of the County's budget condition for FY 2014-15;
2. Provide direction to staff regarding conducting systems review to identify opportunities for improvement, assess resource allocations and enhance service delivery;
3. **Authorize staff to transfer 10 percent of tax revenue received from Redevelopment Dissolution to the Headwaters Sale EDA Fund (known informally as the Economic Development Set-Aside Trust) (Fund 3842);**
4. Approve the list of budget adjustments shown on Attachment 1;
5. Approve corrections to the position allocation table as shown on Attachment 2; and

Prepared by Amy S. Nilsen CAO Approval

REVIEW: Auditor ASM County Counsel _____ Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor _____ Seconded by Supervisor _____

Ayes
Nays
Abstain
Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____

By: _____

Kathy Hayes, Clerk of the Board

Board Order

6. Provide additional direction to staff as appropriate.

SOURCE OF FUNDING: All County Funds

DISCUSSION:

The County Administrative Office (CAO) provides quarterly budget reports to keep the Board and the public informed on the status of the County's finances and outside factors that may influence that status going forward.

This report has been divided into four sections: a review of FY 2012-13 ending balances, an update on the first quarter budget results for the current fiscal year, an initial projection of the budget outlook for FY 2014-15, and discussion of recommendations being proposed by staff.

Review of FY 2012-13 Ending Balances

1100 – General Fund

The fund containing the majority of County programs is known as the General Fund. This fund is the source of discretionary money derived from local revenue sources such as property tax and available to be spent on local needs.

For the General Fund, at the end of FY 2012-13 revenues received were \$83.9 million which was 10% below budget or \$9.4 million. Actual expenditures were \$82 million which was 14% below budget or \$12.9 million. The variances between FY 2012-13 adopted and actual budget are largely the result of unrealized revenues and corresponding expenditures related to Proposition 50 funding in Public Works' Natural Resources Division and other grant programs. The remaining differences are discussed below.

At the time of the FY 2012-13 Third Quarter report the year-end fund balance was projected to be \$4.6 million. The FY 2012-13 fund balance was actually \$2.2 million higher and the General Fund ended last fiscal year with a balance of \$6.8 million. This positive financial news is the result of \$900,000 in additional tax revenue from redevelopment dissolution, \$200,000 in prior year District Attorney grant revenue, \$230,000 in prior-year reimbursement for Energy Efficiency and Conservation Block Grant projects from FY 2011-12, and expenditures that came in less than estimated by \$870,000.

As part of the 2011 State Budget Act, the State Legislature approved the dissolution of the State's 400 plus Redevelopment Agencies (RDAs). After a period of litigation, RDAs were officially dissolved as of February 1, 2012. As a result of the elimination of the RDAs, property tax revenues are now being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the RDAs enforceable debt are now being allocated to cities, counties, special districts, and school and community college districts. The General Fund will not likely see a significant ongoing benefit from the dissolution of redevelopment agencies until local cities have paid off their redevelopment debt, a number of years down the road. The dissolution of the RDAs also resulted in the one-time transfer of cash assets previously held by the RDAs, a portion of which went to the County General Fund. The State originally questioned the County's redistribution methodology and therefore previous estimates did not include the full amount of funding received.

The County only counts revenues if they are received in the first two months of the following fiscal year. Due to delays in billing and/or payment funds are sometimes received after that point in which

case they are not included in the prior year fund balance or budget. This what happened in the case of the District Attorney and the Energy Efficiency and Conservation Block grants.

Expenditures were substantially lower than estimated for the following: Jail due to unfilled positions, and lower assistance payments in General Relief. Revenues increased for County Counsel due to increased inter-fund reimbursements.

Reduced expenditures are one-time reductions and the additional revenues realized in FY 2012-13 were all from one-time sources and are not on-going funding sources to be counted on in future fiscal years. Most of this positive performance can be attributed to conservative revenue estimates and efforts by departments to limit expenditures and seek reimbursement for services performed. Department heads should be recognized for their commitment to the County's goal of fiscal sustainability. *It is important to note, however, that the ending fund balance is still only 6% of the FY 2013-14 adopted budget and the target by policy is between 8 and 10%.*

Health & Human Services Funds

The Department of Health and Human Services (DHHS) administers six budgeted funds. Actual revenues were \$115.3 million and actual expenditures were \$119.7 million. This resulted in an overall departmental fund balance of \$8.4 million, a decrease from the previous fiscal year of \$4.4 million, or 35%. This decrease was due to a change in State allocation processing for Social Services and also utilization of fund balance for program needs in Public Health in FY 2012-13. The ending balance for the DHHS funds is 6% of the FY 2013-14 budget which is less than the target by policy of 8 to 10%.

1120 – Economic Development Fund

The Economic Development Fund (EDF) ended FY 2012-13 with a negative fund balance of (\$173,128). The negative fund balance worsened by \$45,431 from the June 30, 2012 balance. However, since the Auditor's receivables cut-off of September 30, receivables posted to the EDF for FY 2012-13 expenditures total \$78,946 reducing the outstanding receivables to (\$94,182). The EDF is primarily funded through State grant programs. Typically, grant revenue is not received until after expenditures have been incurred by the County and billed to the State. Reimbursement from the State can take up to three months and therefore often does not coincide with the close of a fiscal year. This delay in reimbursement is the cause of the ending EDF negative balance.

1200 – Roads Fund

The Roads Fund ended last fiscal year with a fund balance of \$5.2 million, an increase of \$1.6 million from the previous year. This increase is primarily the result of one-time reimbursement revenue received from a property claim for storm damage to local roads. The ending balance represents 17% of the total Roads budget for FY 2013-14. The majority of the fund balance is reserved for construction projects and not available for routine maintenance.

1500 – Library Fund

The Library ended FY 2012-13 with a fund balance of \$625,620, an increase of \$87,212 from June 30, 2012. This increase in fund balance is primarily due to one-time funding resulting from the dissolution of redevelopment agencies. The ending fund balance represents 19% of the total Library budget for FY 2013-14. However, a large portion of the fund balance is being reserved to cover accrued leave balances. When adjusted for that liability the available fund balance is only 2% of the Library budget. This is a concern that will need to be addressed in future budgets. The Library's adopted budget for FY 2013-14 projects expenses to exceed revenues and the Library continues to work to on ways to bring operating costs in line with available financing.

3530 – Aviation Enterprise Fund

The Aviation Enterprise Fund ended FY 2012-13 with a negative fund balance of (\$314,039), which represents an improvement of \$10,498 from the previous year balance of (\$324,537). The current year Aviation budget was adopted with expenditures below estimated revenues and the goal is to return to a positive balance over a four year period.

While the County has a practice of allowing individual funds within its governmental fund series to remain in a negative balance position for short periods of time, a negative cash balance in the Aviation Enterprise Fund raises concern. This is because enterprise funds are classified by accounting standards as “business-type activities” and are supposed to stand on their own without the sort of short-term borrowing typical of the County’s governmental funds. Currently there are sufficient monies in the Aviation Jet Fuel and Hangar trust funds, which are considered part of the Aviation Enterprise system, to cover the short term cash needs. If these funds were not available proper procedure would call for another fund to loan money to Aviation pursuant to a written repayment schedule.

Internal Service Funds

The County has twelve Internal Service funds that provide for Motor Pool, Heavy Equipment, Risk Management, Communication, Purchasing and Information Technology services to other County departments. These funds ended FY 2012-13 with a combined fund balance of \$7.3 million which was an increase of \$1.4 million from the previous year. The increase was primarily due to two factors. The Liability Fund had a negative fund balance of (\$1.5 million) at the end of FY 2011-12. The fund balance at the end of FY 2012-13 is (\$904,695). The reduction in negative fund balance is due to a contribution from the General Fund to the Liability Fund. In addition, the Heavy Equipment and Motor Pool funds increased their fund balances collectively due to depreciation charges exceeding capital expenditures. Changes in the other fund balances were not significant.

Review of First Quarter Budget Results

The County’s FY 2013-14 budget was adopted on June 25, 2013. The nation-wide economic recovery continues to be slow. The County continues to budget for slow revenue growth in the General Fund and no significant revenue deviations from the budget were projected as of September 30, 2013.

County Budget

This review covers the General Fund and funds that have experienced a change in their fiscal condition during the first quarter. Other funds not mentioned have no significant budget variances and appear to be on track as of September 30, 2013.

The FY 2013-14 budget was developed with an estimated 7.5% increase in health insurance rates. Health insurance rates from California Public Employees Retirement System (CalPERS) have now been finalized for calendar year 2014. The County’s share of health insurance for non-Humboldt Deputy Sheriffs Organization staff will increase from \$425.30 to \$550.20, or 29%. This equates to approximately \$456,729 in unanticipated costs to the General Fund, or \$1,390,956 to all County funds. Many of the health plans for 2014 actually decreased in cost, however the lowest cost plan, PERS Select increased. PERS Select is the health plan used to determine the County’s share of cost. When PERS Select costs increase, so do the County’s costs. Due to the fluctuating nature of employee plan changes, funds will be set aside in Contingencies to adjust General Fund departmental budgets at a later date

when exact costs are known. It is estimated that other County funds will have cost increases totaling \$934,227 for health insurance. The County Administrative Office will work with impacted departments to identify funds and make needed budget adjustments.

The dollar amount used to budget the Property Tax Administration Fee (PTAF) for the Assessor, Auditor-Controller, and Treasurer-Tax Collector is based on estimates. Once actuals have been received for the previous fiscal year, in this case FY 2012-13, the County Auditor recalculates PTAF based on actuals for the current fiscal year, FY 2013-14. For FY 2013-14, the Treasurer-Tax Collector will see a slight increase and the Auditor's office will see little change; the Assessor's allocation was reduced by approximately \$27,000 from the budgeted estimate. Staff will monitor these budgets and, if needed, bring recommended adjustments to the Board in the mid-year or third quarter report.

The Sheriff's Office has indicated a need for one-time funding for the Off-Highway Vehicle Deputy grant program. Grant funding in FY 2013-14 is insufficient to cover the full salary of a Sheriff's Deputy. It is anticipated that the Sheriff's Department will come back at a later date to request a portion of the Sheriff's Deputy's salary. In exchange for this one-time funding consideration the Sheriff's Office will receive a reduced General Fund contribution in an equal amount in FY 2014-15.

Public Works - Facility Maintenance has provided call-out services for building maintenance issues, primarily for 24-hour facilities, that arise after regular business hours. Under a call-out scenario staff are not required to respond however, traditionally Facility Maintenance staff has responded to call-out scenarios. Currently, Facility Maintenance staff are not responding to call-out scenarios. In order to ensure that staff will respond, Public Works is exploring placing Facility Maintenance staff on-call. Placing staff on-call increases costs and has not been done in the past. Public Works' estimates the weekday obligation for on-call services at 15 hours at a rate of \$41.06 per hour. Total cost for the week is \$615.90, or annually \$32,027. Public Works is currently exploring other options such as contracting out call-out services. Depending on recommendations received from Public Works this may require a budget adjustment at a future date.

Human Resources, Risk Management has received an updated General Liability (GL) Actuarial Report. Included in this report are estimates of the County's liability for outstanding claims as of June 30, 2013 and June 30, 2014. This report indicates that the County's estimated outstanding liabilities as of June 30, 2013 were approximately \$2.49 million. This is a \$1.12 million increase from the previous year's report. This increase is largely due to the emergence of two large claims in 2012-13. This will likely result in increased insurance costs to County departments for FY 2014-15 and may require a budget adjustment for the Liability Fund in this fiscal year.

During the adoption of the FY 2013-14 budget the Board requested information on providing assistance to start-up neighborhood watch groups. Neighborhood watch informational materials, to address 30 inquiries and 20 start-up meetings, cost approximately \$175. Currently SCOP volunteers are personally donating funds to cover the costs of these materials. The Sheriff's Office will make \$175 available, to order materials to serve additional residents.

During the first quarter of FY 2013-14, the General Fund has received additional revenue in the amount of \$187,428 from the Payments In Lieu of Taxes (PILT). The PILT program seeks to compensate local jurisdictions for non-taxable Federal lands and payments may be used for any governmental purpose.

State Budget

Governor Jerry Brown signed the State's FY 2013-14 budget on June 14, 2013. The foundation of the Governor's 2013-14 budget focused on reinvesting in education, expansion of health care, and a balanced budget but risks remain. The State's FY 2013-14 budget will spend \$96.3 billion and provides a \$1.1 billion reserve. Items contained in the State's budget that will affect Humboldt County include:

- Enacts the agreement reached between California State Association of Counties (CSAC) and other key stakeholders on the roll-out of the Affordable Care Act which will remove \$300 million from the counties in 2013-14.
 - A 60/40 (state/county) split of all Health Realignment, including county maintenance of effort (MOE) payments required by law; In practical terms this means that all County Medical Services Program (CMSP) counties will be required to keep paying to the State the same amount of Health Realignment funding each county currently pays to CMSP. However, this amount is capped at that specified amount and does not grow each year. As a result, all CMSP counties will retain local Health Realignment growth. This amount of funding is sufficient for CMSP to serve roughly 9% of the current CMSP/Path2Health caseload. This level of enrollment is at the bottom of enrollment estimates following implementation of federal health reform. This means that there is financial exposure to CMSP and CMSP counties for costs in excess of that amount.
- No realignment of additional programs to counties.

State Controller John Chiang's Cash Report for September 2013, which reports on California's cash balance, receipts and disbursements, stated that revenues for the month totaled \$8.5 billion, beating estimates in the state budget by \$426.8 million, or 5.3 percent. Revenue from the first three months of the fiscal year totaled \$20.2 billion, beating year-to-date estimates by \$93.2 million. Personal income taxes for the month came in \$460.9 million above (9.5 percent) estimates. Sales tax receipts were up \$167 million (9.7 percent). Only corporate taxes missed the mark for September, coming in \$80.4 million below (9.0 percent) projections. The State ended the month with a General Fund cash deficit of \$14.7 billion, which was covered with both internal and external borrowing. That figure is down from last year, when the State faced a cash deficit of \$22.3 billion at the end of September 2012.

The Local Economy

The Humboldt Economic Index is a report produced by the Economics Department at Humboldt State University. It measures changes in the local economy using data from local business and organizations. The report includes a Composite Index which is a weighted combination of six individual sectors of the local economy. The September 2013 reports the Composite Index increased 0.2 percent from last month's value of 99.2 to the current value of 99.4, and increased 2.6 percent from August 2012. The Index of Home Sales increased significantly by 7.4 percent, and was 40.4 percent higher than the same time last year. Median home prices in Humboldt County fell from \$258,950 to \$242,750. The Total County Employment Index decreased and the county's unemployment rate increased from 9.1 to 9.5 percent. California state unemployment rose for the second consecutive month, up from 8.7 to 8.9 percent.

Beacon Economics Summer 2013 Quarterly report states that California's fiscal situation is improving. However, the hyper-cyclical revenue foundation that California has established also means that there could be more long-term value in being conservative than in being correct. Overall, California's economy appears to be moving toward economic growth.

Initial Budget Outlook for FY 2014-15

The General Fund ended FY 2012-13 with a \$6.8 million fund balance. However, additional revenue received in FY 2012-13 is one time money and therefore not a stable on-going source of funding. The adopted budget for FY 2013-14 required the use of fund balance in the amount of \$2.9 million to balance the General Fund's budget. At the present time, the estimated shortfall for FY 2014-15 is \$2.3 million, which would leave little remaining fund balance. The County Administrative Office will be bringing forward the financial forecasting report in January of 2014 that will further refine these estimates and help shape the financial outlook for FY 2014-15.

There continue to be pressures on the General Fund, both internal and external, to outlay resources for services or benefits. There has been a brief influx of one-time revenue, however there is simply no significant on-going discretionary revenue source. What discretionary revenue the County does have is limited and estimated to grow at an average of 2.8 percent for the next three years, less than increased operating costs for the County. County insurance and benefit costs are estimated to increase by an average of 7.7 percent over the next three years.

The FY 2013-14 budget was adopted with a General Fund structural deficit of \$1.2 million. The desire for increased/improved services and/or benefits is not waning, as proven by the submittal of over \$3.8 million in departmental supplemental requests during the FY 2013-14 budget process. Based on the County's financial information at that time, the County's ability to fund supplemental requests in FY 2013-14 was extremely limited. There is no expectation that these financial circumstances will change for FY 2014-15, in fact the structural deficit is very likely to increase due to increased benefit costs discussed earlier in this report.

One way to begin to address the demand for resources is to conduct a systems review. Successful businesses typically review the products and services they are providing and identify business improvements. So too should government. The County has an opportunity to refocus and restructure its thinking by reviewing its systems. Systems review could mean asking departments the following questions:

- Who are/should be the County's stakeholders (customers, business partners)?
- What do they value (want/need/expect) now, and what will they value in the future?
- Who are the County's competitors?
- What is happening in the larger environment, and how might that affect us?

By asking the above questions the County can begin to ascertain what services the public really wants, as well as whether the County is currently providing the right services, to the right people, in the right way, and at the right cost. In addition, dissecting the cost of actually providing services would be beneficial to see if outside partners could provide a County service better, cheaper, and faster.

The Board, in its Strategic Framework, Five Key Goals for 2013-14, has already begun to refocus and restructure its thinking by placing priorities on rebuilding reserve and contingency accounts, downsizing the inventory of County properties (including raw land, buildings and fleet), and investing in increased internal capacity where this would minimize outside expenses. On the Board's agenda today is a recommendation to reduce Motor Pool charges to the General Fund by \$450,000. This is an example of systems review, particularly focusing in on the value component of Motor Pool.

The Board has already begun some other systems review efforts. These efforts include: increased citizen engagement through the Open Humboldt forum, which engages citizens by asking for input on a variety of topics; expanded access to the annual Community Budget meeting by involving community partnerships with Humboldt County Office of Education and Access Humboldt; and expanding upon city involvement with the Legislative Platform and Leadership Academies.

As pressure is placed on the Board to provide funding for additional services, the Board may wish to further expand upon these existing systems review efforts and explore the feasibility of departmental integrations, reducing non-mandatory services, process improvements, and community partnership development. Each of these activities is mentioned in your Board's Strategic Framework but the CAO lacks the staff resource to tackle all of them at one time and will need guidance on prioritization. Systems review is a tool that staff can utilize to help bring recommendations to the Board. Systems review also gives the County the opportunity to really start looking at programs and seeing if they are cost effective as well as whether the community benefit is the benefit the community actually wants. Some examples of systems review include:

1. Departmental Integration

Span of Control refers to the number of staff that can be managed effectively and efficiently by managers in an organization. Span of Control ranges from a recommended ratio of 1:5 to 1:20 depending on the nature of the organization. The model for higher performing organizations has a flatter organizational structure with a heavy emphasis on competence and trust in staff. If staff are competent there is little need for multiple layers of management. A more hierarchal organizational structure would be comprised of a narrow span of control with a belief that staff need to be managed heavily. Typically, professional level staff is more likely to be suited a broader span of control.

For the County, there are also a certain minimum number of administrative functions that need to be performed in a department of any size such as payroll, accounts payable and answering phones. As the size of the department decreases the cost of these administrative functions remains constant, eating up a relatively larger share of the department's resources. In addition, smaller departments have a more difficult time staffing office hours and meeting after-hours demands.

County departments range in size from 5 full-time equivalents (FTE) to as many as 1,204 FTE. The Board may wish to examine the Span of Control in departments that have a narrow, smaller ratio and the feasibility of integrating these departments with larger departments. With a possible ratio 1 to 20 the Board may choose to explore, within appropriate legal constraints, the feasibility of departmental integrations.

2. Non-mandatory services

The County is required by law to provide certain services such as General Relief and indigent health care, in order to receive State and federal funding. The County has chosen to provide additional services or funding to non-County agencies that are not required by law. These services and funding requests have been approved by the Board due to their recognized County-wide social and economic benefit. Non-mandatory services include State and federal advocacy efforts, wildlife predation protection, Cooperative Extension, and the Regional Facility. These particular efforts have been in place in order to reduce costs in another areas, i.e. out-of county placements for juveniles. Non-mandatory funding to non-County agencies include fire districts, Humboldt County Convention and Visitors Bureau, and Redwood Region Entertainment and

Education Liaisons, Inc. These contractual obligations likely provide an economic benefit that far exceeds the investment of County dollars, in addition contractual obligations may limit the County's ability to redefine the contract. Non-mandatory services provide for safety needs such as County Service Area #4 and Workers Compensation for fire districts. Other non-mandatory functions include County staff travel and training. The Board may wish to engage in systems review to help determine if these non-mandatory services are effective and something the community actually wants.

3. Process improvements

Bureaucracies tend to be process driven in order to ensure proper and appropriate use of public funds, as well as fair and non-discriminatory services to all members of the public. In any bureaucracy there is usually room for process improvement or streamlining. The County needs to align its strategies, structures and systems with the appropriate processes. Processes need to be analyzed to ensure they are in alignment with the Board's strategic framework. Process improvements could be inter-departmental collaborations or as simple as examining paper to electronic conversion for departments that are still paper-centric, duplicative processes such as repetitive data entry in the budget process; and policy revision that may lead to more streamlined service delivery for County departments. The Board may choose to direct staff to review processes to ensure they are in alignment with the Board's strategic framework and then determine what if any processes are ripe for improvement.

4. Community partnership development

The County can also look at effective and meaningful citizen engagement activities to gauge the true needs, thoughts and ideas of the community. To meet the needs of the community the County should not operate in departmental silos, without community involvement, and without creating external partnerships. The County would need to create internal partnerships between departments; external partnerships with cities, counties, state and federal agencies; and engage community partners such as private sector and not for profit organization to help provide new or expanded services. The Board may wish to engage additional partners when the community requests new or expanded services. This may entail creating a process for expeditious service agreements with community partners and/or the creation of a volunteer coordinator position.

Systems review is not a process that can happen overnight. However, systems review lends itself to creating a leaner, more efficient, more modern local government that is appropriate to the 21st Century and current management practices. Stagnant businesses that are not constantly improving frequently go out-of-business. Local government has the same social responsibility to continually provide an improved government experience, and not be stagnant. Systems review, in the end, should provide the Board with information on what Humboldt County residents want out of their government.

Should the Board choose to provide direction to staff on systems review, the CAO would include a recommended timeline for completion in the Mid-Year Report, currently scheduled for February.

Recommendations

During the first quarter review CAO staff and departments identified budget and operational adjustments that are needed to reflect current conditions. These adjustments are described in the following recommendations.

Approve Various Transfers

During quarterly reviews, the CAO brings forward budget adjustments on behalf of departments in order to decrease the number of individual items coming to the Board, and provide time savings to departments. A portion of the budget adjustments are proposed to be funded with additional revenue received from the Payments In Lieu of Taxes, which compensates counties for non-taxable federal lands in their jurisdictions. The President's fiscal year 2014 budget proposes to extend mandatory full funding for the program for another year while a sustainable long-term funding solution is developed for the PILT program. Most of the changes are related to increased expenditures that are offset by dedicated and one-time funding sources. The recommended budget adjustments requested are detailed in Attachment 1. These include:

- \$6,000 (Board of Supervisors 1100-101) - On October 8, 2013 the Board voted to become a member of Rural County Representatives of California (RCRC). RCRC works with its member counties to advocate on behalf of rural issues at the state and federal levels. RCRC provides the rural county perspective on a myriad of issues such as land use, water and natural resources, housing, transportation, wildfire protection policies, and health and human services, among others during legislative and regulatory representation. RCRC membership dues are \$12,000 per year. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by engaging and influencing issues of statewide concern.
- \$6,000 (County Administrative Office 1100-103) - In 2011, the County issued its first procurement solicitation for a federal lobbying firm. The firm of Waterman & Associates was selected, and entered into an agreement with the County on February 14, 2011. This agreement terminates on December 31, 2013. It costs the County \$4,000 monthly, or \$48,000 per year. On October 1, 2013 the Board approved pursuing a new contract for federal lobbying services with Waterman & Associates, but requested that staff negotiate something with increased flexibility regarding termination and ability to refocus on different issues. Waterman & Associates has responded to this request and an open-ended, full issues contract would cost a fee of \$60,000 per year, for three years.

This would allow Waterman & Associates to engage on all issues deemed to be of importance to the Board at the outset of any given year, and would incorporate the current six issues the Board has identified as high priorities for federal advocacy. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by advancing local interests in natural resource discussions and seeking outside funding sources to benefit Humboldt County needs.

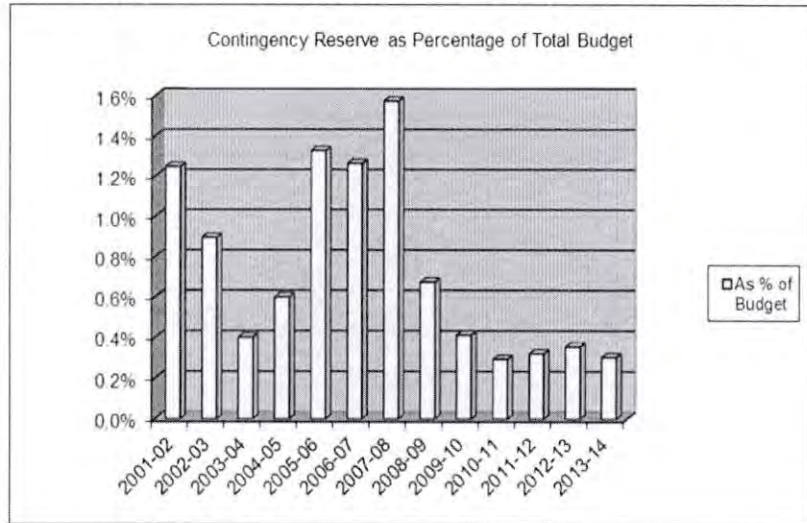
If the Board does not wish to move forward with an expanded contract, Waterman & Associates proposes the current level of advocacy services (lobbying on the County's top six federal priorities) for a fee of \$50,000 per year for three years, an increase of \$2,000 per year.

- \$22,650 (Facility Management 1100-162) – The County experienced a significant malfunction in one of its elevator motors. The supplemental budget is recommended to recognize revenue received from the insurance company as a result of the property claim that was filed. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services.

- \$116,098 (1100-170 Capital Projects) – The contractor bids for the Mental Health Seismic project have exceeded original estimates. California Emergency Management Agency has approved the increase in their financial participation in the seismic project as a result of increased costs. It is recommended a supplemental budget be approved to recognize increased revenue and corresponding expenditures. This supplemental budget supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure.
- \$8,000 (1100-181 Economic Development & Promotion) - The Karuk Tribe has requested assistance with the improvement of broadband service in remote areas of the County. This assistance requires legal research concerning County rights-of-way. This supplemental budget supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure and supporting business and workforce development.
- \$10,000 (1100-205 District Attorney) – The District Attorney’s (DA) Office is responsible for representing the People of the State of California in prosecutions within Humboldt County. In order to do this professional level staff are needed to prepare and file legal motions and make charging decisions in cases. In order to complete these functions the DA utilizes an extra-help Paralegal and an extra-help District Attorney IV. This supplemental budget will assist the DA in continuing to provide prosecutorial assistance to the office. This supplemental budget supports the Board’s Strategic Framework by enforcing laws and regulations to protect residents.
- \$22,300 (Office of Emergency Services 1100-274) - During the FY 2012-13 Mid-Year report the Board approved a \$22,300 match for the Emergency Management Program Grant for the purchase of Incident Command System training and Joint Information Center equipment. Due to grant processes these expenditures were unable to be made in FY 2012-13. The funds that were made available for grant related purchases were rolled into the General Fund’s year-end fund balance. The funds have now been spent in FY 2013-14 and the Sheriff’s Office of Emergency Services budget needs to be adjusted to account for these expenses. This supplemental budget supports the Board’s Strategic Framework, Core Roles and Priorities for New Initiatives by creating opportunities for improved safety and health, and seeking outside funding sources to benefit Humboldt County needs.
- \$23,600 (Office of Emergency Services 1100-274) - The County has the opportunity to receive 50% on State matching funds through the Emergency Management Grant Program for FY 2013-14. The County in years past has been unable to provide the 50% match and has therefore had to return grant funding. The County has one-time funding from Payments in Lieu of Taxes to match funds for one-time emergency related purchases such as: disaster related training known as Incident Command System (ICS) 100, 200, and 700 (\$10,000); Joint Information Center equipment including: phone wiring (\$1,500) and furniture (\$1,000), a backup Exchange Server (\$7,500); and a Smart Board (\$3,600). This supplemental budget supports the Board’s Strategic Framework, Core Roles and Priorities for New Initiatives by creating opportunities for improved safety and health, and seeking outside funding sources to benefit Humboldt County needs.
- \$15,000 (Office of Emergency Services 1100-274) - The Office of Emergency Services (OES) is responsible for preparing and revising a variety of County-wide plans such as the Emergency Operations and Hazard Mitigation Plans. OES will experience a knowledge shortfall as a long-term employee will be retiring. In order to assist with this transition it is recommended that extra-help be brought on board to help review and generate new emergency related plans. This

supplemental budget supports the Board’s Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services.

- \$917,881 (Contingency Reserve 1100-990) – Due to a new accounting practice capital projects were encumbered as well as budgeted in the FY 2013-14 budget. This has resulted in duplicative expenditures in the Capital Projects (1100-170) budget. The requested supplemental budget recommends moving the duplicative expenditures to Contingencies thereby increasing contingencies by \$716,093. As shown in the chart above, Contingency accounts have been set historically at much higher



levels. In addition, these funds need to be set aside for General Fund departmental budget adjustments due to health insurance rate increases. This supplemental budget supports the Board’s Strategic Framework, Five Key Goals by rebuilding reserve and contingency accounts.

- \$1,000,000 (Contributions to Other Funds 1100-199) – As mentioned earlier in this First Quarter report, the Liability Fund continues to face some significant financial challenges due to outstanding liability claims against the County. Due to the dissolution of redevelopment agencies the County received a total of \$1.7 million in one-time funding from redevelopment dissolution, it is recommended that a portion of this one-time funding be transferred to the Liability Fund to offset increased liabilities due to outstanding liability claims. This supplemental budget supports the Board’s Strategic Framework, Priorities for New Initiatives, by managing our resources to ensure sustainability of services.

- \$172,556 (Contributions to Other Funds 1100-199) – The recommendation before the Board is to set-aside 10 percent, or currently \$172,556 of the funds received from the dissolution of the Redevelopment Agencies and any incremental growth to property tax as a result of the redevelopment dissolution to the Economic Development Set-Aside Trust. The CAO believes this supports the Board’s Strategic Framework by supporting business and workforce development and encouraging new and local enterprise. Economic Development Team (EDT) has helped contribute to the increase of 500 jobs from August 2012 to August 2013, as reported by the Employment Development Department.

The Economic Development Set-Aside Trust was intended to fund EDT from 2003 to 2023 at \$90,000 per year. Due to a downturn in the economy, limited grant revenues, and an earlier attempt to create a County Redevelopment agency these funds have been expended more rapidly than originally intended. However, with the dissolution of Redevelopment Agencies the County has received one-time funding. In addition, once the cities have repaid their redevelopment obligations counties should receive additional property tax increment as a result of the redevelopment debts being fulfilled. Should the Board choose not to set-aside 10 percent of

these funds, in two years the EDT would be considerably reduced and/or competing for General Fund dollars with other General Fund departments. The EDT is funded largely with grant funds awarded through the Workforce Investment Act and competitive workforce and economic development grant awards. In order to remain competitive in a diminished grant environment, the EDT needs to maintain a source of local funding to fill a small portion of each annual budget. Local money allows staff to write new grant proposals (an unallowable cost under most federal and state grants) and is used when cash match is needed in lieu of leveraged funds.

- \$12,000 (Information Technology 3550-118) – Information Technology replaces outdated equipment when it is able to do so and this supplemental budget requested to replace outdated switches at the Clark Complex which will improve redundancy for business continuity. This supplemental budget supports the Board’s Strategic Framework, Core Roles, Priorities for New Initiatives by managing resources to ensure sustainability of services.
- \$14,650 (Information Technology 3550-118) – The County has been engaged in an effort to move the Board’s Agenda to a paperless system. In order to complete these efforts an additional Granicus module needs to be purchased to move to a paperless agenda process. This supplemental budget supports the Board’s Strategic Framework, Priorities for New Initiatives by inviting civic engagement and awareness of available services.

In addition, an appropriation transfer is necessary to more accurately reflect expenditures; this can also be found in Attachment 1.

- In Communications (3521-151) - a transfer from a fixed asset account to a Services and Supplies account. This transfer is recommended in to purchase telephone equipment that was budgeted as a fixed asset but based on the purchase price is not a recordable fixed asset. This supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure.

Approve Position Allocation Corrections

In the Personnel Allocation Table submitted to the Board during the FY 2013-14 budget process, positions have been identified that were not recorded correctly. These corrections (Attachment 2) include the following:

- In Public Health Administration (1170-400) agenda item C-15 from December 18, 2012 reallocated 3.0 full time equivalent (FTE) Office Assistants to 3.0 FTE Medical Office Assistants and reallocated 2.0 FTE Senior Office Assistants to 2.0 FTE Senior Medical Office Assistants. The re-allocated Office Assistant positions were not properly dis-allocated on the personnel allocation table. In addition, in the FY 2013-14 budget process, the Medical Office Assistant positions allocated on December 12, 2013 were disallocated due to administrative oversight. These positions need to be re-allocated. The total adopted FTEs for this budget unit will be 47.50 FTE.
- In Public Health Women-Infant-Child Nutrition (1175-415) the 1.0 FTE HHS Program Services Coordinator was inadvertently dis-allocated in the FY 2013-14 budget process. This position needs to be re-allocated. In addition, a 1.0 FTE Health Program Coordinator was submitted in the FY 2013-14 budget process as funded. However, this position is frozen on the Personnel Allocation table and requires correction. Total FTE for this budget unit should be 13.83
- In Mental Health (1170-424) a 1.0 FTE Fiscal Assistant I/II was recorded as frozen on the position allocation table. This position is a funded position as of October 3, 2012 due to

authorization provided to the County Administrative Office in agenda item G-2 from July 26, 2011. This agenda item authorizes the County Administrative Office, after consultation with Human Resources, to make substitutions to positions designated as frozen on the personnel allocation table as may be required by the needs of departments. In addition, a 1.0 FTE Fiscal Assistant was inadvertently dis-allocated. A 1.0 FTE Fiscal Assistant I/II needs to be re-allocated and classified as frozen. Total FTE for the Fiscal Assistant I/II series in budget unit 424 should total 7.00. Total FTE for budget 424 should total 319.50.

- In Alcohol and Other Drug (1170-425) a 1.0 FTE frozen Fiscal Assistant was unintentionally dis-allocated and replaced with a frozen 1.0 FTE Office Assistant. A frozen 1.0 FTE Fiscal Assistant I/II position needs to be re-allocated and the 1.0 FTE frozen Office Assistant should be dis-allocated. Total allocation for the Fiscal Assistant I/II job series should total 2.00 FTE. The total allocation for Office Assistant I/II job series should total 1.00 FTE with the position classified as funded. Total allocation for budget unit 425 should total 20.70 FTE.

FINANCIAL IMPACT:

Acceptance of today's report has no direct financial impact. The recommended budget adjustment will increase the overall County budget by \$415,866. The recommended budget adjustments will reduce the \$6.8 million General Fund balance by \$1,521,032.

OTHER AGENCY INVOLVEMENT: None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve some or all of the budget adjustments and require individual departments to return to the Board with separate supplemental budgets.

ATTACHMENTS:

1. Recommended Budget Adjustments
2. Position Allocation Corrections

ATTACHMENT 1

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment	
Budget Adjustments						
Revenue						
1100	162	682938	Facility Management	Reimbursables	\$ 22,650	Insurance reimbursement elevator motor
1100	274	710050	Office of Emergency Services	Fund Balance Transfer	\$ 22,300	Adjust for FY 2012-13 EMPG grant purchases
1100	170	506105	Capital Projects	Earthquake 2010 -CalEMA	\$ 116,098	Adjust for Mental Health Seismic Project
1100	199	710050	Contributions-Other	Fund Balance Transfer	\$ 1,172,556	Adjust for Liability and Economic Development Set-Aside
1100	888	561000	General Purpose Revenue	Federal In Lieu Public Land	\$ 187,428	Adjust to Actual
					Total General Fund	\$ 1,521,032
3550	118	682135	Information Technology	General Fund Departments	\$ 14,650	Adjust for Granicus purchase
3550	118	682140	Information Technology	Non GF Departments	\$ 12,000	Adjust to Actual
					Total Information Technology	\$ 26,650
					Total Revenue	\$ 1,547,682
Expenditures						
1100	101	2115	Board of Supervisors	Membership	\$ 6,000	RCRC membership
1100	103	2118	County Administrative Office	Professional & Special Services	\$ 6,000	Expanded Waterman & Associates Contract
1100	162	2113	Facility Management	Maintenance-Structures	\$ 22,650	Courthouse elevator motor repair
1100	170	8818	Capital Projects	Jail Facility	\$ (63,385)	Adjust for encumbrances carried forward
1100	170	8823	Capital Projects	Veterans Building	\$ (602,370)	Adjust for encumbrances carried forward
1100	170	8840	Capital Projects	Earthquake Repair	\$ (14,832)	Adjust for encumbrances carried forward
1100	170	8840	Capital Projects	Earthquake Repair	\$ 138,946	Adjust for Mental Health Seismic Project
1100	170	8865	Capital Projects	Regional Facility	\$ (93,286)	Adjust for encumbrances carried forward
1100	170	8967	Capital Projects	Courthouse	\$ (39,830)	Adjust for encumbrances carried forward
1100	170	9316	Capital Projects	Other County Fund-MHB	\$ (22,848)	Adjust for Mental Health Seismic Project
1100	181	2123	Economic Development & Promoc	Special Dept Exp	\$ 8,000	Broadband
1100	199	3343	Contributions-Other	Contribution Economic Developm	\$ 172,556	10% Redevelopment dissolution funds to Economic Development
1100	199	3257	Contributions-Other	Contribution to Other Funds	\$ 1,014,650	Contribution to Liability Fund and Granicus
1100	205	1400	District Attorney	Extra Help	\$ 10,000	Adjust for the need for extra-help
1100	274	2164	Office of Emergency Services	Staff Development	\$ 10,000	Adjust for 13-14 EMPG Grant Expenditures - NIMS Training
1100	274	2106	Office of Emergency Services	Communications	\$ 1,500	Adjust for 13-14 EMPG Grant Expenditures - JIC Phones
1100	274	8066	Office of Emergency Services	Computer Equipment	\$ 7,397	Adjust for 12-13 Grant Expenditures - Smart Board
1100	274	8066	Office of Emergency Services	Computer Equipment	\$ 11,100	Adjust for 13-14 Grant Expenditures - Smart Board and Exchange Server
1100	274	8923	Office of Emergency Services	Surveillance Equipment	\$ 14,102	Adjust for 12-13 EMPG Grant Expenditures - JIC Security
1100	274	8990	Office of Emergency Services	Furniture and Fixtures	\$ 801	Adjust for 12-13 EMPG Grant Expenditures - JIC Screen
1100	274	8990	Office of Emergency Services	Furniture and Fixtures	\$ 1,000	Adjust for 13-14 Grant Expenditures - JIC Furniture
1100	274	1400	Office of Emergency Services	Extra Help	\$ 15,000	Adjust for the need for extra-help
1100	990	2010	Contingency Reserve		\$ 917,881	Increase contingencies
					Total General Fund	\$ 1,521,032

ATTACHMENT 1

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment	
3550	118	8533	Information Technology	Computer Software	\$ 14,650	Granicus
3550	118	8066	Information Technology	Computer Equipment	\$ 12,000	Network computer equipment
				Total Information Technology	\$ 26,650	
				Total Expenditures	\$ 1,547,682	
Appropriation Transfers						
From:						
3521	151	8174	Communications	Telephone System	\$ 15,000	Telephone equipment
				Total Communications	\$ 15,000	
To:						
3521	151	2118	Communications	Professional Services	\$ 6,500	Telephone equipment
3521	151	2317	Communications	Office Expense Equipment	\$ 8,500	Telephone equipment
				Total Communications	\$ 15,000	

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY	FY 2011-12	BOARD	FISCAL YEAR 2012-13		FISCAL YEAR 2013-14		Δ FROM FY2012-13
			RANGE 7/6/2013	YEAR-END AUTHORIZE		MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
400 PUBLIC HEALTH ADMINISTRATION										
FT		117 BUDGET SPECIALIST	413	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		122 OFFICE SVCS SUPERVISOR	356	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		124 SENIOR FISCAL ASSISTANT	333	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		135 SENIOR OFFICE ASSISTANT	320	2.00	2.00	-2.00	0.00	2.00	0.00	0.00
FT		149 FISCAL SERVICES SUPERVISOR (37.5 HR)	349	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		166 ADMINISTRATIVE SECRETARY (MC)	349	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		167 EXECUTIVE SECRETARY (MC)	368	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		177 FISCAL ASSISTANT I/II	283/309	8.00	8.00	0.00	8.00	9.00	9.00	1.00
FT		179 OFFICE ASSISTANT I/II	254/285	3.00	3.00	-2.00	1.00	3.00	1.00	0.00
FT		502 PHARMACIST (37.5 HR)	496	0.80	0.80	0.00	0.80	0.80	0.80	0.00
FT		540 HEALTH PROGRAM COORDINATOR	354	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		544 HHS-PUBLIC HEALTH BRANCH DIRECTOR	536	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		555 EPIDEMIOLOGIST STATISTICIAN	400	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		574 MEDICAL OFFICE ASSISTANT	285/303	0.00	0.00	2.00	2.00	0.00	2.00	0.00
FT		575 SENIOR MEDICAL OFFICE ASSISTANT	331	0.00	0.00	2.00	2.00	0.00	2.00	0.00
FT		626 ADMINISTRATIVE ANALYST I/II	365/398	4.00	8.00	0.00	8.00	8.00	8.00	0.00
FT		761 DEPT. INFORMATION SYSTEMS TECH	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		762 DEPT. INFORMATION SYSTEMS ANALYST	400	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		840 HEALTH OFFICER - MEDICAL DIRECTOR	*	0.70	0.70	0.00	0.70	0.70	0.70	0.00
FT		931 DEPUTY BRANCH DIRECTOR	517	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		933 SENIOR PROGRAM MANAGER	493	1.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		936 DEPT. PROGRAMMER ANALYST	420	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		1425 PROGRAM COORDINATOR	405	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FUNDED POSITIONS				40.50	45.50	0.00	45.50	46.50	46.50	1.00
POSITIONS FROZEN THROUGH 6/30/2014										
FØ		177 FISCAL ASSISTANT I/II	283/309	1.00	1.00	0.00	1.00	0.00	0.00	-1.00
FØ		179 OFFICE ASSISTANT I/II	254/285	1.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ		574 MEDICAL OFFICE ASSISTANT	285/303	0.00	0.00	1.00	1.00	1.00	1.00	0.00
POSITIONS FROZEN INDEFINITELY				2.00	2.00	-1.00	2.00	1.00	1.00	-1.00
TOTAL POSITIONS ALLOCATED				42.50	47.50	-1.00	47.50	47.50	47.50	0.00
415 WOMEN-INFANT-CHILD NUTRITION										
FT		511 COMMUNITY HEALTH OUTREACH WORKER I/II	320/348	0.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		517 HHS PROGRAM SERVICES COORDINATOR	434	1.00	1.00	0.00	1.00	0.00	1.00	0.00
FT		540 HEALTH PROGRAM COORDINATOR	354	1.00	1.00	0.00	1.00	1.00	0.00	-1.00
FT		574 MEDICAL OFFICE ASSISTANT I/II	285/303	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		575 SENIOR MEDICAL OFFICE ASSISTANT	331	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		581 NUTRITION AIDE (37.5 HR)	297	0.83	0.83	0.00	0.83	0.83	0.83	0.00
FT		594 PUBLIC HEALTH NUTRITIONIST (37.5 HR)	399	0.60	0.00	0.00	0.00	0.00	0.00	0.00
FT		1581 NUTRITION AIDE	310	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		1594 PUBLIC HEALTH NUTRITIONIST	412	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FUNDED POSITIONS				13.43	13.83	0.00	13.83	12.83	12.83	-1.00
POSITIONS FROZEN THROUGH 6/30/2014										

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/6/2013	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13
				YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
415	WOMEN-INFANT-CHILD NUTRITION									
	FØ	517 HHS PROGRAM SERVICES COORDINATOR	434	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FØ	540 HEALTH PROGRAM COORDINATOR	354	0.00	0.00	0.00	0.00	1.00	1.00	1.00
		POSITIONS FROZEN INDEFINITELY		0.00	0.00	0.00	0.00	1.00	1.00	1.00
		TOTAL POSITIONS ALLOCATED		13.43	13.83	0.00	13.83	13.83	13.83	0.00
424	MENTAL HEALTH									
	FT	117 BUDGET SPECIALIST	413	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	122 OFFICE SERVICES SUPERVISOR	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	124 SENIOR FISCAL ASSISTANT	333	7.00	7.00	0.00	7.00	7.00	7.00	0.00
	FT	135 SENIOR OFFICE ASSISTANT	320	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	164 ADMINISTRATIVE SECRETARY	323	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	166 ADMINISTRATIVE SECRETARY (MC)	349	3.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	167 EXECUTIVE SECRETARY (MC)	368	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	177 FISCAL ASSISTANT I/II	283/309	4.00	4.00	1.00	5.00	5.00	6.00	1.00
	FT	179 OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	185 FISCAL OFFICER	405	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	269 MENTAL HEALTH MAINTENANCE CUSTODIAN	299	5.00	5.00	0.00	5.00	5.00	5.00	0.00
	FT	270 SENIOR MENTAL HEALTH MAINT. CUSTODIAN	329	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	434 MENTAL HEALTH COOK	306	1.50	1.50	0.50	2.00	2.00	2.00	0.00
	FT	435 MENTAL HEALTH COOK'S AIDE	260	0.50	0.50	0.00	0.50	0.50	0.50	0.00
	FT	491 SUBSTANCE ABUSE COUNSELOR I/II	328/346	2.00	2.00	-1.00	1.00	2.00	2.00	1.00
	FT	492 SR. SUBSTANCE ABUSE COUNSELOR	359	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	515 NURSE CASE MANAGER	415	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	545 HHS-MENTAL HEALTH BRANCH DIRECTOR	536	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	572 SENIOR MEDICAL OFFICE ASSISTANT (37.5 HR)	318	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	574 MEDICAL OFFICE ASSISTANT I/II	285/303	13.50	13.50	0.00	13.50	13.50	13.50	0.00
	FT	575 SENIOR MEDICAL OFFICE ASSISTANT	331	5.00	5.00	0.00	5.00	5.00	5.00	0.00
	FT	626 ADMINISTRATIVE ANALYST I/II	365/398	8.00	9.00	1.00	10.00	11.00	11.00	1.00
	FT	643 ACCOUNTANT/AUDITOR I/II	362/386	3.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	685 SENIOR PAYROLL/PERSONNEL SPECIALIST	356	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	707 SOCIAL WORKER IV - A/B/C/D	392/406/408/438	0.00	0.00	1.00	1.00	0.00	0.00	-1.00
	FT	742 VOCATIONAL TRAINEE/ASSISTANT	263/277	1.00	1.00	1.00	2.00	2.00	2.00	0.00
	FT	761 DEPARTMENT INFORMATION SYSTEMS TECH	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	762 DEPT. INFO. SYSTEMS ANALYST	400	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	768 VOCATIONAL COUNSELOR I/II	331/354	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	900 CRISIS SPECIALIST	398	2.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	901 DIRECTOR OF DIETARY SERVICES	351	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	902 MEDICAL DIRECTOR	711	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	903 DISCHARGE PLANNER	339	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	906 MENTAL HEALTH AIDE	279	6.50	6.50	-0.50	6.00	6.00	6.00	0.00
	FT	907 MENTAL HEALTH CASE MGR. I/II	340/368	39.00	39.00	14.00	53.00	47.50	47.50	-5.50
	FT	909 MENTAL HEALTH CLINICIAN I/II	408/438	47.90	47.90	1.10	49.00	52.00	52.00	3.00
	FT	901 SENIOR ACTIVITY THERAPIST	378	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	911 MENTAL HEALTH WORKER I/II	287/306	12.00	12.00	0.00	12.00	12.00	12.00	0.00
	FT	912 PSYCHIATRIC MID-LEVEL PRACTITIONER	501	2.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	913 PSYCHIATRIC NURSE	443	30.20	30.20	0.00	30.20	30.40	30.40	0.20

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/6/2013	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13
				YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
424 MENTAL HEALTH										
FT	914	PSYCHIATRIC TECHNICIAN I/II	349/378	8.50	8.50	0.00	8.50	8.50	8.50	0.00
FT	915	QUALITY MGMT COORDINATOR	456	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	916	SUPERVISING MENTAL HEALTH CLINICIAN	462	11.00	11.00	1.00	12.00	12.00	12.00	0.00
FT	919	SENIOR MENTAL HEALTH WORKER	335	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	920	SUPERVISING PSYCHIATRIC NURSE	462	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT	922	ASST. DIR. OF PSYCHIATRIC NURSING	482	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	923	SENIOR CASE MANAGER	378	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT	931	DEPUTY BRANCH DIRECTOR	517	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	932	DIRECTOR OF PSYCHIATRIC NURSING	493	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	933	SENIOR PROGRAM MANAGER	493	5.00	6.00	1.00	7.00	7.00	7.00	0.00
FT	934	PROGRAM MANAGER	483	3.00	2.00	1.00	3.00	3.00	3.00	0.00
FT	936	DEPARTMENT PROGRAMMER - ANALYST	420	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	937	PHYSICIAN/PSYCHIATRIST	680	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT	938	PAYROLL/PERSONNEL SPECIALIST	346	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	1425	PROGRAM COORDINATOR	405	3.00	3.00	0.00	3.00	3.00	3.00	0.00
FT	1734	SENIOR VOCATIONAL COUNSELOR	374	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	1735	CHILDREN'S CENTER SPECIALIST I/II	344/367	12.00	12.00	-12.00	0.00	0.00	0.00	0.00
FT	1736	SENIOR CHILDREN'S CENTER SPECIALIST	380	2.00	2.00	-2.00	0.00	0.00	0.00	0.00
FUNDED POSITIONS				283.60	286.60	7.10	293.70	292.40	293.40	-0.30
POSITIONS FROZEN THROUGH 6/30/2014										
FØ	177	FISCAL ASSISTANT I/II	283/309	4.00	4.00	-2.00	2.00	2.00	1.00	-1.00
FØ	491	SUBSTANCE ABUSE COUNSELOR I/II	328/346	0.00	0.00	1.00	1.00	0.00	0.00	-1.00
FØ	626	ADMINISTRATIVE ANALYST I/II	365/398	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ	768	VOCATIONAL COUNSELOR I/II	331/354	3.00	2.00	-2.00	0.00	0.00	0.00	0.00
FØ	900	CRISIS SPECIALIST	398	1.80	0.80	0.00	0.80	0.80	0.80	0.00
FØ	903	DISCHARGE PLANNER	339	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ	904	LIC. CLINICAL PSYCHOLOGIST I/II	415/462	3.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ	906	MENTAL HEALTH AIDE	297	0.00	0.00	0.50	0.50	0.50	0.50	0.00
FØ	907	MENTAL HEALTH CASE MGR. I/II	340/368	2.50	2.50	0.00	2.50	8.00	8.00	5.50
FØ	909	MENTAL HEALTH CLINICIAN I/II	408/438	4.00	4.00	-1.00	3.00	0.00	0.00	-3.00
FØ	911	MENTAL HEALTH WORKER I/II	287/306	0.80	0.80	0.00	0.80	0.80	0.80	0.00
FØ	912	PSYCHIATRIC MID-LEVEL PRACTITIONER	501	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ	913	PSYCHIATRIC NURSE	443	5.00	4.00	0.00	4.00	4.00	4.00	0.00
FØ	914	PSYCHIATRIC TECHNICIAN I/II	349/378	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FØ	916	SUPERVISING MENTAL HEALTH CLINICIAN	462	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ	917	SR. MENTAL HEALTH CLINICIAN	447	1.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ	922	ASST. DIR. OF PSYCHIATRIC NURSING	482	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ	933	SENIOR PROGRAM MANAGER	493	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ	934	PROGRAM MANAGER	483	0.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ	937	PHYSICIAN/PSYCHIATRIST	680	4.00	4.00	0.00	4.00	4.00	4.00	0.00
FØ	939	ACTIVITY THERAPIST	347	2.00	2.00	-1.00	1.00	1.00	1.00	0.00
POSITIONS FROZEN INDEFINITELY				39.10	32.10	-6.50	25.60	27.10	26.10	0.50
TOTAL POSITIONS ALLOCATED				322.70	318.70	0.60	319.30	319.50	319.50	0.20
425 ALCOHOL AND DRUG										
FT	124	SENIOR FISCAL ASSISTANT	333	1.00	1.00	0.00	1.00	1.00	1.00	0.00

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/16/2013	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13
				YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
425	ALCOHOL AND DRUG									
FT	177	FISCAL ASSISTANT I/II	283/309	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	179	OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	491	SUBSTANCE ABUSE COUNSELOR I/II	328/346	6.00	6.00	-1.00	5.00	7.00	7.00	2.00
FT	492	SENIOR SUBSTANCE ABUSE COUNSELOR	359	1.00	2.00	0.00	2.00	2.00	2.00	0.00
FT	574	MEDICAL OFFICE ASSISTANT I/II	285/303	2.70	2.70	0.00	2.70	2.70	2.70	0.00
FT	626	ADMINISTRATIVE ANALYST I/II	365/398	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT	916	SUPERVISING MENTAL HEALTH CLINICIAN	462	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT	933	SENIOR PROGRAM MANAGER	493	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FUNDED POSITIONS				16.70	17.70	-1.00	16.70	18.70	18.70	2.00
POSITIONS FROZEN THROUGH 6/30/2014										
FØ	179	OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	0.00	-1.00
FØ	177	FISCAL ASSISTANT I/II	283/309	0.00	0.00	0.00	0.00	0.00	1.00	1.00
FØ	491	SUBSTANCE ABUSE COUNSELOR I/II	328/346	1.00	0.00	1.00	1.00	0.00	0.00	-1.00
FØ	1595	HEALTH EDUCATION SPECIALIST I/II	356/389	1.00	1.00	0.00	1.00	1.00	1.00	0.00
POSITIONS FROZEN INDEFINITELY				3.00	2.00	1.00	3.00	2.00	2.00	-1.00
TOTAL POSITIONS ALLOCATED				19.70	19.70	0.00	19.70	20.70	20.70	1.00
TOTAL FUNDED POSITIONS				1946.47	1964.92	53.70	2018.62	2012.50	2008.50	-10.12
TOTAL POSITIONS FROZEN THROUGH 6/30/2014				20.00	19.00	0.00	19.00	19.00	19.00	0.00
TOTAL POSITIONS FROZEN INDEFINITELY				187.12	169.62	-6.50	164.12	161.78	176.78	12.66
GRAND TOTAL - POSITIONS ALLOCATED				2153.59	2153.54	47.20	2201.74	2193.28	2204.28	2.54

Dollar figures for Elected and Appointed Officials without a salary range listed (*) may be obtained by contacting Human Resources at (707) 476-2349 or on the County's website at www.co.humboldt.ca.us

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/6/2013	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13
				YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
400 PUBLIC HEALTH ADMINISTRATION										
FT		117 BUDGET SPECIALIST	413	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		122 OFFICE SVCS SUPERVISOR	356	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		124 SENIOR FISCAL ASSISTANT	333	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		135 SENIOR OFFICE ASSISTANT	320	2.00	2.00	-2.00	0.00	2.00	0.00	0.00
FT		149 FISCAL SERVICES SUPERVISOR (37.5 HR)	349	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		166 ADMINISTRATIVE SECRETARY (MC)	349	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		167 EXECUTIVE SECRETARY (MC)	368	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		177 FISCAL ASSISTANT I/II	283/309	8.00	8.00	0.00	8.00	9.00	9.00	1.00
FT		179 OFFICE ASSISTANT I/II	254/285	3.00	3.00	-2.00	1.00	3.00	1.00	0.00
FT		502 PHARMACIST (37.5 HR)	496	0.80	0.80	0.00	0.80	0.80	0.80	0.00
FT		540 HEALTH PROGRAM COORDINATOR	354	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		544 HHS-PUBLIC HEALTH BRANCH DIRECTOR	536	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		555 EPIDEMIOLOGIST STATISTICIAN	400	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		574 MEDICAL OFFICE ASSISTANT	285/303	0.00	0.00	2.00	2.00	0.00	2.00	0.00
FT		575 SENIOR MEDICAL OFFICE ASSISTANT	331	0.00	0.00	2.00	2.00	0.00	2.00	0.00
FT		626 ADMINISTRATIVE ANALYST I/II	365/398	4.00	8.00	0.00	8.00	8.00	8.00	0.00
FT		761 DEPT. INFORMATION SYSTEMS TECH	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		762 DEPT. INFORMATION SYSTEMS ANALYST	400	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		840 HEALTH OFFICER - MEDICAL DIRECTOR	*	0.70	0.70	0.00	0.70	0.70	0.70	0.00
FT		931 DEPUTY BRANCH DIRECTOR	517	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		933 SENIOR PROGRAM MANAGER	493	1.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		936 DEPT. PROGRAMMER ANALYST	420	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		1425 PROGRAM COORDINATOR	405	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FUNDED POSITIONS				40.50	45.50	0.00	45.50	46.50	46.50	1.00
POSITIONS FROZEN THROUGH 6/30/2014										
FØ		177 FISCAL ASSISTANT I/II	283/309	1.00	1.00	0.00	1.00	0.00	0.00	-1.00
FØ		179 OFFICE ASSISTANT I/II	254/285	1.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ		574 MEDICAL OFFICE ASSISTANT	285/303	0.00	0.00	1.00	1.00	1.00	1.00	0.00
POSITIONS FROZEN INDEFINITELY				2.00	2.00	-1.00	2.00	1.00	1.00	-1.00
TOTAL POSITIONS ALLOCATED				42.50	47.50	-1.00	47.50	47.50	47.50	0.00
415 WOMEN-INFANT-CHILD NUTRITION										
FT		511 COMMUNITY HEALTH OUTREACH WORKER I/II	320/348	0.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		517 HHS PROGRAM SERVICES COORDINATOR	434	1.00	1.00	0.00	1.00	0.00	1.00	0.00
FT		540 HEALTH PROGRAM COORDINATOR	354	1.00	1.00	0.00	1.00	1.00	0.00	-1.00
FT		574 MEDICAL OFFICE ASSISTANT I/II	285/303	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		575 SENIOR MEDICAL OFFICE ASSISTANT	331	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		581 NUTRITION AIDE (37.5 HR)	297	0.83	0.83	0.00	0.83	0.83	0.83	0.00
FT		594 PUBLIC HEALTH NUTRITIONIST (37.5 HR)	399	0.60	0.00	0.00	0.00	0.00	0.00	0.00
FT		1581 NUTRITION AIDE	310	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		1594 PUBLIC HEALTH NUTRITIONIST	412	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FUNDED POSITIONS				13.43	13.83	0.00	13.83	12.83	12.83	-1.00
POSITIONS FROZEN THROUGH 6/30/2014										

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13	
			RANGE 7/6/2013	YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED		
415 WOMEN-INFANT-CHILD NUTRITION											
	FØ	517	HHS PROGRAM SERVICES COORDINATOR	434	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	FØ	540	HEALTH PROGRAM COORDINATOR	354	0.00	0.00	0.00	0.00	1.00	1.00	1.00
			POSITIONS FROZEN INDEFINITELY		0.00	0.00	0.00	0.00	1.00	1.00	1.00
			TOTAL POSITIONS ALLOCATED		13.43	13.83	0.00	13.83	13.83	13.83	0.00
424 MENTAL HEALTH											
	FT	117	BUDGET SPECIALIST	413	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	122	OFFICE SERVICES SUPERVISOR	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	124	SENIOR FISCAL ASSISTANT	333	7.00	7.00	0.00	7.00	7.00	7.00	0.00
	FT	135	SENIOR OFFICE ASSISTANT	320	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	164	ADMINISTRATIVE SECRETARY	323	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	166	ADMINISTRATIVE SECRETARY (MC)	349	3.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	167	EXECUTIVE SECRETARY (MC)	368	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	177	FISCAL ASSISTANT I/II	283/309	4.00	4.00	1.00	5.00	5.00	6.00	1.00
	FT	179	OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	185	FISCAL OFFICER	405	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	269	MENTAL HEALTH MAINTENANCE CUSTODIAN	299	5.00	5.00	0.00	5.00	5.00	5.00	0.00
	FT	270	SENIOR MENTAL HEALTH MAINT. CUSTODIAN	329	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	434	MENTAL HEALTH COOK	306	1.50	1.50	0.50	2.00	2.00	2.00	0.00
	FT	435	MENTAL HEALTH COOK'S AIDE	260	0.50	0.50	0.00	0.50	0.50	0.50	0.00
	FT	491	SUBSTANCE ABUSE COUNSELOR I/II	328/346	2.00	2.00	-1.00	1.00	2.00	2.00	1.00
	FT	492	SR. SUBSTANCE ABUSE COUNSELOR	359	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	515	NURSE CASE MANAGER	415	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	545	HHS-MENTAL HEALTH BRANCH DIRECTOR	536	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	572	SENIOR MEDICAL OFFICE ASSISTANT (37.5 HR)	318	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	574	MEDICAL OFFICE ASSISTANT I/II	285/303	13.50	13.50	0.00	13.50	13.50	13.50	0.00
	FT	575	SENIOR MEDICAL OFFICE ASSISTANT	331	5.00	5.00	0.00	5.00	5.00	5.00	0.00
	FT	626	ADMINISTRATIVE ANALYST I/II	365/398	8.00	9.00	1.00	10.00	11.00	11.00	1.00
	FT	643	ACCOUNTANT/AUDITOR I/II	362/386	3.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	685	SENIOR PAYROLL/PERSONNEL SPECIALIST	356	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	707	SOCIAL WORKER IV - A/B/C/D	392/406/408/438	0.00	0.00	1.00	1.00	0.00	0.00	-1.00
	FT	742	VOCATIONAL TRAINEE/ASSISTANT	263/277	1.00	1.00	1.00	2.00	2.00	2.00	0.00
	FT	761	DEPARTMENT INFORMATION SYSTEMS TECH	356	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	762	DEPT. INFO. SYSTEMS ANALYST	400	2.00	2.00	0.00	2.00	2.00	2.00	0.00
	FT	768	VOCATIONAL COUNSELOR I/II	331/354	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	900	CRISIS SPECIALIST	398	2.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	901	DIRECTOR OF DIETARY SERVICES	351	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	902	MEDICAL DIRECTOR	711	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	903	DISCHARGE PLANNER	339	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	906	MENTAL HEALTH AIDE	279	6.50	6.50	-0.50	6.00	6.00	6.00	0.00
	FT	907	MENTAL HEALTH CASE MGR. I/II	340/368	39.00	39.00	14.00	53.00	47.50	47.50	-5.50
	FT	909	MENTAL HEALTH CLINICIAN I/II	408/438	47.90	47.90	1.10	49.00	52.00	52.00	3.00
	FT	901	SENIOR ACTIVITY THERAPIST	378	1.00	1.00	0.00	1.00	1.00	1.00	0.00
	FT	911	MENTAL HEALTH WORKER I/II	287/306	12.00	12.00	0.00	12.00	12.00	12.00	0.00
	FT	912	PSYCHIATRIC MID-LEVEL PRACTITIONER	501	2.00	3.00	0.00	3.00	3.00	3.00	0.00
	FT	913	PSYCHIATRIC NURSE	443	30.20	30.20	0.00	30.20	30.40	30.40	0.20

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/6/2013	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14		Δ FROM FY2012-13
				YEAR-END AUTHORIZE	BOARD ADOPTED	MID-YEAR ADJUST	YEAR-END AUTHORIZE	DEPT. REQUEST	BOARD ADOPTED	
424 MENTAL HEALTH										
FT		914 PSYCHIATRIC TECHNICIAN I/II	349/378	8.50	8.50	0.00	8.50	8.50	8.50	0.00
FT		915 QUALITY MGMT COORDINATOR	456	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		916 SUPERVISING MENTAL HEALTH CLINICIAN	462	11.00	11.00	1.00	12.00	12.00	12.00	0.00
FT		919 SENIOR MENTAL HEALTH WORKER	335	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		920 SUPERVISING PSYCHIATRIC NURSE	462	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		922 ASST. DIR. OF PSYCHIATRIC NURSING	482	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		923 SENIOR CASE MANAGER	378	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FT		931 DEPUTY BRANCH DIRECTOR	517	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		932 DIRECTOR OF PSYCHIATRIC NURSING	493	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		933 SENIOR PROGRAM MANAGER	493	5.00	6.00	1.00	7.00	7.00	7.00	0.00
FT		934 PROGRAM MANAGER	483	3.00	2.00	1.00	3.00	3.00	3.00	0.00
FT		936 DEPARTMENT PROGRAMMER - ANALYST	420	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		937 PHYSICIAN/PSYCHIATRIST	680	6.00	6.00	0.00	6.00	6.00	6.00	0.00
FT		938 PAYROLL/PERSONNEL SPECIALIST	346	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		1425 PROGRAM COORDINATOR	405	3.00	3.00	0.00	3.00	3.00	3.00	0.00
FT		1734 SENIOR VOCATIONAL COUNSELOR	374	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FT		1735 CHILDREN'S CENTER SPECIALIST I/II	344/367	12.00	12.00	-12.00	0.00	0.00	0.00	0.00
FT		1736 SENIOR CHILDREN'S CENTER SPECIALIST	380	2.00	2.00	-2.00	0.00	0.00	0.00	0.00
FUNDED POSITIONS				283.60	286.60	7.10	293.70	292.40	293.40	-0.30
POSITIONS FROZEN THROUGH 6/30/2014										
FØ		177 FISCAL ASSISTANT I/II	283/309	4.00	4.00	-2.00	2.00	2.00	1.00	-1.00
FØ		491 SUBSTANCE ABUSE COUNSELOR I/II	328/346	0.00	0.00	1.00	1.00	0.00	0.00	-1.00
FØ		626 ADMINISTRATIVE ANALYST I/II	365/398	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ		768 VOCATIONAL COUNSELOR I/II	331/354	3.00	2.00	-2.00	0.00	0.00	0.00	0.00
FØ		900 CRISIS SPECIALIST	398	1.80	0.80	0.00	0.80	0.80	0.80	0.00
FØ		903 DISCHARGE PLANNER	339	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ		904 LIC. CLINICAL PSYCHOLOGIST I/II	415/462	3.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ		906 MENTAL HEALTH AIDE	297	0.00	0.00	0.50	0.50	0.50	0.50	0.00
FØ		907 MENTAL HEALTH CASE MGR. I/II	340/368	2.50	2.50	0.00	2.50	8.00	8.00	5.50
FØ		909 MENTAL HEALTH CLINICIAN I/II	408/438	4.00	4.00	-1.00	3.00	0.00	0.00	-3.00
FØ		911 MENTAL HEALTH WORKER I/II	287/306	0.80	0.80	0.00	0.80	0.80	0.80	0.00
FØ		912 PSYCHIATRIC MID-LEVEL PRACTITIONER	501	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ		913 PSYCHIATRIC NURSE	443	5.00	4.00	0.00	4.00	4.00	4.00	0.00
FØ		914 PSYCHIATRIC TECHNICIAN I/II	349/378	2.00	2.00	0.00	2.00	2.00	2.00	0.00
FØ		916 SUPERVISING MENTAL HEALTH CLINICIAN	462	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ		917 SR. MENTAL HEALTH CLINICIAN	447	1.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ		922 ASST. DIR. OF PSYCHIATRIC NURSING	482	1.00	1.00	0.00	1.00	1.00	1.00	0.00
FØ		933 SENIOR PROGRAM MANAGER	493	1.00	0.00	0.00	0.00	0.00	0.00	0.00
FØ		934 PROGRAM MANAGER	483	0.00	1.00	-1.00	0.00	0.00	0.00	0.00
FØ		937 PHYSICIAN/PSYCHIATRIST	680	4.00	4.00	0.00	4.00	4.00	4.00	0.00
FØ		939 ACTIVITY THERAPIST	347	2.00	2.00	-1.00	1.00	1.00	1.00	0.00
POSITIONS FROZEN INDEFINITELY				39.10	32.10	-6.50	25.60	27.10	26.10	0.50
TOTAL POSITIONS ALLOCATED				322.70	318.70	0.60	319.30	319.50	319.50	0.20
425 ALCOHOL AND DRUG										
FT		124 SENIOR FISCAL ASSISTANT	333	1.00	1.00	0.00	1.00	1.00	1.00	0.00

Personnel Allocation by Budget Unit for FY 2013-14

BUDGET		SALARY	FY 2011-12	FISCAL YEAR 2012-13			FISCAL YEAR 2013-14			Δ FROM
UNIT	TYPE CLASSIFICATION NO./TITLE	RANGE	YEAR-END	BOARD	MID-YEAR	YEAR-END	DEPT.	BOARD		
		7/6/2013	AUTHORIZE	ADOPTED	ADJUST	AUTHORIZE	REQUEST	ADOPTED	FY2012-13	
425 ALCOHOL AND DRUG										
FT	177 FISCAL ASSISTANT I/II	283/309	1.00	1.00	0.00	1.00	1.00	1.00	0.00	
FT	179 OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	1.00	0.00	
FT	491 SUBSTANCE ABUSE COUNSELOR I/II	328/346	6.00	6.00	-1.00	5.00	7.00	7.00	2.00	
FT	492 SENIOR SUBSTANCE ABUSE COUNSELOR	359	1.00	2.00	0.00	2.00	2.00	2.00	0.00	
FT	574 MEDICAL OFFICE ASSISTANT I/II	285/303	2.70	2.70	0.00	2.70	2.70	2.70	0.00	
FT	626 ADMINISTRATIVE ANALYST I/II	365/398	2.00	2.00	0.00	2.00	2.00	2.00	0.00	
FT	916 SUPERVISING MENTAL HEALTH CLINICIAN	462	1.00	1.00	0.00	1.00	1.00	1.00	0.00	
FT	933 SENIOR PROGRAM MANAGER	493	1.00	1.00	0.00	1.00	1.00	1.00	0.00	
FUNDED POSITIONS			16.70	17.70	-1.00	16.70	18.70	18.70	2.00	
POSITIONS FROZEN THROUGH 6/30/2014										
FØ	179 OFFICE ASSISTANT I/II	254/285	1.00	1.00	0.00	1.00	1.00	0.00	-1.00	
FØ	177 FISCAL ASSISTANT I/II	283/309	0.00	0.00	0.00	0.00	0.00	1.00	1.00	
FØ	491 SUBSTANCE ABUSE COUNSELOR I/II	328/346	1.00	0.00	1.00	1.00	0.00	0.00	-1.00	
FØ	1595 HEALTH EDUCATION SPECIALIST I/II	356/389	1.00	1.00	0.00	1.00	1.00	1.00	0.00	
POSITIONS FROZEN INDEFINITELY			3.00	2.00	1.00	3.00	2.00	2.00	-1.00	
TOTAL POSITIONS ALLOCATED			19.70	19.70	0.00	19.70	20.70	20.70	1.00	
TOTAL FUNDED POSITIONS			1946.47	1964.92	53.70	2018.62	2012.50	2008.50	-10.12	
TOTAL POSITIONS FROZEN THROUGH 6/30/2014			20.00	19.00	0.00	19.00	19.00	19.00	0.00	
TOTAL POSITIONS FROZEN INDEFINITELY			187.12	169.62	-6.50	164.12	161.78	176.78	12.66	
GRAND TOTAL - POSITIONS ALLOCATED			2153.59	2153.54	47.20	2201.74	2193.28	2204.28	2.54	

Dollar figures for Elected and Appointed Officials without a salary range listed (*) may be obtained by contacting Human Resources at (707) 476-2349 or on the County's website at www.co.humboldt.ca.us