

**Headwaters Fund Board Meeting Minutes
August 13, 2019 – 12:15 p.m.-2:45 p.m.
Prosperity Center, 520 E Street, Eureka**

MEMBERS PRESENT: Elizabeth Cameron, Carl Hansen, Bruce Rupp, Greg Seiler,

MEMBERS ABSENT: Jennifer Catsos, Chuck Ellsworth, Dianna Rios

OTHERS PRESENT: Jayne Lovig, Kenny Spain, Ryan Heitz, Debbie Damiano

Item #	Action	Pass/Fail
1a	Approve 05-28-19 minutes as written	Pass
3	Accept AEDC Quarterly Loan Report	Pass
4	Accept HWF annual BOS presentation with edits and Chair final approval	Pass
5	Accept FY 2018-19 2 nd and 3 rd Quarter financial reports	Pass
7	Amend HWF Board manual	Pass

1. Opening

Chair Carl Hansen called the meeting to order at 12:19p.m. A quorum was present. Introductions were made around the room.

a. Approval of May 28, 2019 Minutes

It was moved by Elizabeth Cameron and seconded by Greg Seiler to approve the May 28, 2019 special meeting minutes as written. Chair called for public comment – none received. Motion carried unanimously.

Greg Seiler noted that he would like the topic of grant applications to be added to a future agenda for discussion.

b. New Headwaters Fund Board Member

Staff reported Jennifer Catsos was appointed as a new member by the Board of Supervisors on July 30, 2019. Her first meeting will be in September.

c. Public Comment on Non-Agenda Items

Chair called for public comment – none received.

d. Report on Meetings Attended

Elizabeth Cameron attended the Innovate Business Challenge competition

Greg Seiler received a request from the Eureka Rotary to give a presentation about the Headwaters Fund.

2. Redwood Region Economic Development Commission (RREDC) Quarterly Report

There was no representative from RREDC available to attend the meeting and no written report was received.

3. Arcata Economic Development Corporation (AEDC) Quarterly Report

Jayne Lovig from AEDC was present. She announced escrow is now open on property for one of their troubled loans. AEDC is in 3rd and 4th positions for payment. They anticipate approximately \$250,000 will be written off. It was moved by Greg Seiler and seconded by Elizabeth Cameron to accept the quarterly report as presented. Chair called for public comment – none received. Motion carried unanimously.

4. Review and Approve HWF Fiscal Year 17/18 Annual Report

Staff provided the report for review. The presentation for the Board of Supervisors is set for September 3, 2019. Members made the following suggestions for changes to be made and incorporated into the report prior to the Board of Supervisors presentation:

- The Revolving Loan Fund section should include historical, current, and active portfolio information
- Information on jobs needs to be included
- A page should be added highlighting RREDC's minimum revenue guarantee

It was moved by Greg Seiler and seconded by Bruce Rupp to accept the annual report with suggested edits and with Chair Hansen's final review/approval. Chair called for public comment – none received. Motion carried unanimously.

5. Review and Approve FY 2018-19 2nd and 3rd Quarter Reports

Staff presented reports for review. The report was amended at the request of members to include accrual amounts for expenses and cash for income. Greg Seiler stated he believes the report doesn't reflect what has been asked for and is too complicated. It also doesn't verify that the balance meets the "floor" test.

After discussion it was decided to bring this topic back on a future agenda in order to make a final decision on the report format and to discuss creating a report that will assist in developing spending plans.

It was moved by Bruce Rupp and seconded by Elizabeth Cameron to accept the reports as submitted. Chair called for public comment – none received. Motion carried unanimously.

6. Update on Fund Management

Staff reported the 19/20 spending plan is on track with estimates.

7. County Administrative Officer (CAO) Request to Amend Headwaters Fund Board Manual

The CAO has requested Section 5.b. of the manual be revised. This section refers to the process of Headwaters Fund Board member selection and currently names the CAO as a required member on the selection committee. The CAO would like to amend the manual to allow the CAO to appoint a designee in the event the CAO is not available to participate. It was moved by Bruce Rupp and seconded by Greg Seiler to recommend the Board of Supervisors adopt the suggested change to the manual. Chair called for public comment – none received. Motion carried unanimously.

8. Summarize/Approve Remaining Agenda Items Requiring Action from 8/12/19 Special Meeting

This item was on agenda in the event there was a need to carryover business from the August 12, 2019 special meeting. There were no items from that meeting requiring additional action.

9. Staff and Board Updates

Chair Hansen and other board members expressed their appreciation to Ryan Heitz for the work he has done during his internship.

10. Adjourn

Chair Hansen adjourned the meeting at 2:34p.m.

Next Meeting: September 10, 2019 – 12:15-2:45p.m.