

Headwaters Fund Board Meeting Minutes
April 15, 2019 – 1:00-4:00 p.m.
Prosperity Center, 520 E Street, Eureka

MEMBERS PRESENT: Elizabeth Cameron, Chuck Ellsworth, Carl Hansen, Dianna Rios, Greg Seiler

MEMBERS ABSENT: Bruce Rupp

OTHERS PRESENT: Hollie Hall, Greg Dale, Larry Oetker, Leila Roberts, Kenny Spain, Scott Adair, Debbie Damiano

Item #	Action Summary	Pass/Fail
1	Approve March 12, 2019 minutes as written	Pass
2	Reappoint Hansen, Rupp, and Ellsworth for three-year terms	Pass
4	Approve budget modification for SBDC grant	Pass
5	Accept draft 1 st Quarter financial report	Pass
6	Approve FY 19-20 Spending Plan as presented	Pass
8	Accept Greater Eureka Chamber of Commerce grant application	Pass

1. Opening

Chair Carl Hansen called the meeting to order at 1:06p.m. A quorum was present. Introductions were made around the room.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to approve the March 12, 2019 minutes as written. Motion passed unanimously.

Chair called for public comment on non-agenda items. Scott Frasier inquired if an application for the 2018-2019 grant round had been submitted by the Harbor District. Staff reported an application had been received.

Members reported out on meetings attended as follows:

- Chuck Ellsworth attended a chamber meeting
- Elizabeth Cameron met with staff to help with work on promoting the Headwaters Fund Board vacancy.

2. Reappointment of Carl Hansen, Bruce Rupp, and Charles Ellsworth for Three-Year Terms

It was moved by Greg Seiler and seconded by Dianna Rios to recommend the Board of Supervisors reappoint Carl Hansen for an additional three-year term. Chair called for public comment – none received. Motion carried unanimously.

It was moved by Greg Seiler and seconded by Dianna Rios to recommend the Board of Supervisors reappoint Bruce Rupp for an additional three-year term. Chair called for public comment – none received. Motion carried unanimously.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to recommend the Board of Supervisors reappoint Chuck Ellsworth for a final three-year term. Chair called for public comment – none received. Motion carried with Chuck Ellsworth abstaining.

3. Discussion Regarding Reconsideration of Board Action to Accept the Humboldt Bay Harbor, Recreation and Conservation District Final Report for Pre-Permitting Grant Award From 2011

Staff explained per Robert's Rules of Order the original action must stand, so the board may not reverse or reconsider its action to accept the final report for this grant.

It was the consensus of board members that the intent of putting this item back on the agenda was not for consideration of reversing receipt of the final report. Instead, the board is wanting to have a discussion at an open meeting to verify the outcomes/deliverables were met.

Staff was directed to prepare an analysis of outcomes/deliverables for discussion at a future meeting. Staff will put this item back on the agenda after the current grant round is over.

Staff was also directed in the future to prepare a summary report addressing timelines, deliverables, and outcomes so future grants go through a more formalized process when closing.

Chair called for public comment. Greg Dale, Scott Frasier, and Larry Oetker all offered comments about the award to the Harbor District.

4. Review and Approve Restructuring Small Business Development Center (SBDC) FY 2017-18 Competitive Grant Budget

SBDC has requested a budget modification to move funds from one category to another. Per the grant fund manual, if the budget modification request is more than \$10,000 it must come before the board for approval. It was moved by Greg Seiler and seconded by Chuck Ellsworth to approve the request. Chair called for public comment – none received. Motion carried unanimously.

5. Review and Approve Draft 1st Quarter Report for Headwaters Funds for FY 2018-19

Staff and members reviewed the draft report. It was moved by Greg Seiler to accept the report as submitted, seconded by Dianna Rios. Chair called for public comment – none received.

During discussion, there was a suggestion that time be set aside at a future meeting to talk about this report and how cash flows through the system; this would be helpful information to have when looking at this report.

Additionally, it was suggested the top left box on page 1 of the report should be modified as follows:

FY 18-19 Operating Budget should reflect cash
FY 17-18 Loan Loss Repayment should reflect cash
FY 17-18 LLR transfer should be removed
FY 18-19 Mini-Grant Budget should reflect accruals
FY 17-18 Grant Budget should be removed

It was also suggested notes be included on the report to identify whether the amount shown is cash or accrual.

Greg Seiler amended his motion to accept the report with the understanding the 2nd quarter report will incorporate the changes discussed, seconded by Dianna Rios. Chair called for public comment – none received. Motion carried unanimously.

6. Review and Approve FY 2019-20 Headwaters Fund Spending Plan

Staff and members reviewed the spending plan. It was moved by Elizabeth Cameron and seconded by Dianna Rios to approve the spending plan as presented. Chair called for public comment – none received. Motion carried unanimously.

7. Discussion and Direction to Staff Regarding Policy Interpretation for Approving Mini-Grant Applications

Staff has the authority to approve mini-grant applications for \$1,500 or less. In the last few months there have been mini-grants awarded for community events. Based on discussion at the last meeting regarding those awards not being sustainable, staff is not sure if the board is supportive of these awards. Staff is seeking clarification and feedback on funding local events. It was suggested by Dianna Rios that two board members be appointed to work with staff on approving mini-grants up to \$1,500. Dianna Rios and Elizabeth Cameron volunteered to assist staff with mini-grant award decision making.

8. Staff Presentation of Competitive Grant Applications List

Staff provided a list of grant applications. A total of 11 applications were received.

Staff noted that the Greater Eureka Chamber of Commerce had emailed what they thought to be their application prior to the deadline date, but when staff opened the attachment it turned out to be a non-related item instead of the grant application. The applicant was informed of this and asked for the application to be sent. When the second email was received, the same non-related document was attached instead of the grant application. A representative from the Chamber brought a hard copy of the application to the office after the deadline date had passed and requested it be accepted explaining they were having technical difficulties with their email. Staff is requesting the board vote on whether the application be accepted. It was moved by Elizabeth Cameron and seconded by Greg Seiler

to accept their application. Chair called for public comment – none received. Motion passed with Dianna Rios opposing.

Staff is requesting the board provide final clarification on whether or not 501(c)(4) corporations are eligible to apply. It was the consensus of the board they are eligible pursuant to the grant manual. Only 501(c)(6) entities should be excluded from applying.

Members reviewed and discussed the list of applicants.

Chair called for public comment. Scott Frazier provided comment on the Humboldt Bay Harbor, Recreation, and Conservation District's application. Hollie Hall provided comment on the International Cannabis Farmers Association's application.

Members were provided binders with the applications and rating sheets. Members will review and score the applications prior to the April 23, 2019 special meeting. Based on the scores, a determination will be made for each application as to whether or not it will be considered for an award, and who the board would like to invite for presentations.

9. Consider whether to have the Regularly Scheduled Meeting on May 14, 2019

It was the consensus of the board to keep the meeting on calendar as scheduled.

10. Staff Update to Board Regarding Ethics Training

Staff reported Ferndale recently contracted out for an ethics training and they will provide staff with feedback on how it was. Staff is also checking with the County Administrative Office to see if there are any current contracts in place to provide this training.

11. Staff and Board Updates

There were no updates.

12. Adjourn

Chair Hansen adjourned the meeting at 4:21p.m.

Next Meeting: April 23, 2019 – Special Meeting – 1:00-4:00p.m.