

**Headwaters Fund Board Special Meeting Minutes  
August 12, 2019 – 9:00-3:30 p.m.  
Humboldt Area Foundation, 363 Indianola Rd., Bayside**

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

**MEMBERS ABSENT:** Jennifer Catsos, Chuck Ellsworth

**OTHERS PRESENT:** Donna Wright, Heidi Benzonelli, Patrick Cleary, Joel Ellinwood, Kenny Spain, Ryan Heitz, Debbie Damiano

<b>Item #</b>	<b>Action</b>	<b>Pass/Fail</b>
3	Amend Grant and CIF manuals to clarify eligible corporations	Pass
3	Amend Grant and CIF manuals to clarify political lobbying groups	Pass
3	Amend Grant and CIF manuals to add to the list of ineligible costs	Pass
5	Amend Grant and CIF manuals to remove Technical Assistance as a project type	Pass
7	Amend Grant and CIF manuals to further clarify eligibility requirements	Pass
8	Adopt numeric scoring format for grant applications	Pass
9	Raise maximum mini-grant amount to \$2,500	Pass

**1. Opening**

Chair Carl Hansen called the meeting to order at 9:11 a.m. A quorum was present. Introductions were made around the room.

Chair called for public comment on non-agenda items – none received.

**2. Presentation by Patrick Cleary on Types of Non-Profit Organizations**

Patrick Cleary of Humboldt Area Foundation provided information regarding the various types of non-profit organizations, their restrictions for lobbying, and determining their eligibility to apply for Headwaters Fund grants. Please see Attachment A for more detail.

**3. Determination on Types of Non-Profits Eligible to Apply for Grants**

Based upon information provided by Patrick Cleary and discussion following his presentation, it was moved by Greg Seiler to amend Section 6.a. of the Grant manual and Section 10.a. of the CIF manual to clarify eligible corporations include all federally registered 501(c)s, as well as California registered non-profits and mutual benefit corporations that have applied for 501(c) status. Amended language shall be forwarded to County Counsel for review and may be subject to change based upon Counsel's recommendation. Chair called for public comment – none received. Motion carried unanimously.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to amend Section 6.b. of the Grant manual and Section 10.b. of the CIF manual to clarify political lobbying groups include all 527 organizations. Amended language shall be forwarded to County Counsel for review and may be subject to change based upon Counsel's recommendation. Chair called for public comment – none received. Motion carried unanimously.

It was moved by Elizabeth Cameron and seconded by Bruce Rupp to amend Section 7.a. of the Grant manual and Section 11.a. of the CIF manual to add the following to the list of ineligible costs:

- Carrying on propaganda or otherwise attempting to influence legislation
- Influencing the outcome of any specific public election
- Carrying on, directly or indirectly, any voter registration drive
- Inducing or encouraging violations of law or public policy
- Causing any private inurement or improper private benefit to occur
- Terrorist activity

Chair called for public comment – none received. Motion carried unanimously.

#### **4. Presentation by County Counsel on Ethics, Conflict of Interest, and Appearance of Conflict of Interest**

Joel Ellinwood from County Counsel provided information on this topic. Please see Attachment B for more detail.

#### **5. Review and Clarification of Grant Guidelines Concerning Project Types**

Staff explained that during the last grant round, project types were not identified correctly by some applicants. After discussion, it was moved by Carl Hansen and seconded by Greg Seiler to remove reference to Technical Assistance from Section 7.b. and the Grant manual and Section 11.b. of the CIF manual. Chair called for public comment – none received. Motion carried unanimously.

#### **6. Lunch Break from 11:40a.m. to 12:40p.m.**

#### **7. Clarification of Grant Applicant Public Partner/Sponsor Status, Non-Profit Location, and Eligibility**

Staff is requesting the Grant manual and CIF manual be amended to add more clarity to the eligibility requirements. After discussion, it was moved by Elizabeth Cameron and seconded by Dianna Rios to amend Section 6 and 7 in the Grant manual and Section 10 and 11 in the CIF manual to read as follows:

##### Grant Manual

- "6. Organizational Eligibility for Funding
  - a. Non-profit 501(c) corporations
  - b. Government jurisdictions located in Humboldt County
  - c. The following are ineligible to apply for funding: political lobbying groups (including all 527 corporations), individuals, and businesses.

7. Costs Eligible for Funding and Funding Match
  - a. Eligible costs: Projects must benefit Humboldt County. All costs are eligible, except the following:.....”

CIF Manual

- “10. Organizational Eligibility for Funding
  - a. Non-profit 501(c) corporations
  - b. Government jurisdictions located in Humboldt County
  - c. The following are ineligible to apply for funding: political lobbying groups (including all 527 corporations), individuals, and businesses.
11. Costs Eligible for Funding and Funding Match
  - a. Eligible costs: Projects must benefit Humboldt County. All costs are eligible, except the following:.....”

Chair called for public comment – none received. Motion carried unanimously.

## **8. Review/Modification of Grant Scoring Process**

Staff presented a revised scoring sheet which was created to enhance transparency and increase flow of information to grant applicants following the review and selection process. It was moved by Greg Seiler and seconded by Bruce Rupp to adopt the numeric scoring format as presented.

After discussion of the category content, members decided on the following changes:

Section A - Economic Impact will allow for 50 overall points. Components of Section A shall consist of the following:

1. Improves market competitiveness
2. Benefits clusters/major industries as identified in CEDS
3. Job creation/retention
4. Drives capital investment
5. Business creation/growth/retention

Section B – Impact on Environment and Quality of Life will allow for 30 overall points.

Components of Section B shall consist of the following:

1. Benefits underserved population
2. Protects and/or improves natural environments
3. Preserves cultural heritage and strengthens community identify
4. Improves existing infrastructure
5. Strengthens community leadership and civic participation

Section C – Project Design and Readiness will allow for 20 overall points. Components of Section C shall consist of the following:

1. Project fulfills an unmet need
2. Demonstrates cross-sector support (i.e., government/private or cross-industry)

3. Ingredients for project success in place – research, planning, permitting
4. Project scope contains sufficient detail to define success
5. Visible private industry sector support (i.e., letter(s) of support)
6. Timeliness of project and likelihood it will succeed
7. Project budget well thought out and reasonable
8. Degree of match funding (both committed and not, with higher points for committed)

The “Other” section will be removed.

A space will be added after each section for the scorer to add narrative.

#### **9. Review Manuals for each Grant Program for Other Possible Changes**

Staff would like to increase the maximum amount allowed for mini-grants to \$2,500 using the same approval process currently in place. It was moved by Bruce Rupp and seconded by Greg Seiler to recommend the Board of Supervisors approve an increase to \$2,500 for the maximum amount allowed for mini-grants. Chair called for public comment – none received. Motion carried unanimously.

There currently isn't a manual for mini-grants. Staff would like to create a mini-grant manual incorporating the proposed language developed today for the Grant and CIF manuals. Staff will prepare a draft for review at the September meeting.

Staff inquired if there should be a time period or limit on the number of times a past awardee can apply for grants/mini-grants. It was the consensus of members to not have a written policy limiting applicants, but rather have staff advise applicants on a case-by-case basis when frequent applications or multiple requests for the same types of projects are submitted.

#### **10. Wrap-Up**

Staff announced that Jennifer Catsos was been appointed as a new member by the Board of Supervisors at their July 30, 2019 meeting. Due to previous commitments, Jennifer won't be able to attend her first meeting until September.

#### **11. Adjourn**

Chair Hansen adjourned the meeting at 4:00p.m.

Next Meeting: August 13, 2019 – 12:15-2:45p.m.