

MINUTES
TRI-AGENCY ECONOMIC
DEVELOPMENT AUTHORITY
Regular Session, Wednesday, December 29, 2010

Members Present: Richard Enea, City
Scott Feller, Harbor
David Finigan, County, Chair
Ron Phillips, Harbor, Secretary/Treasurer
Mike Sullivan, County

Members Absent: Kathryn Murray, City

Others Present: Tamera Leighton, Del Norte Local Transportation Commission
Karen Phillips, PS Business Services
William Renfroe, Tri-Agency Executive Director
Don Reynolds, CPA
Sharon Treptow, Del Norte EDC
Ian Trueblood, Deputy County Counsel
Dave Wallace, Senior Staff Accountant Don Reynolds CPA
Rich Young, Harbormaster/CEO

5:00 p.m. CALL MEETING TO ORDER:

1. Consider public comments regarding closed session. Conduct a closed session with counsel to discuss and receive advice regarding pending litigation pursuant to Government Code Section 54956.9.

Chairman Finigan called the meeting to order at 5:00 p.m. and immediately convened in closed session. There were no public comments regarding the closed session items prior to convening.

2. Call meeting to order in regular session and conduct the pledge of allegiance.

The closed session was adjourned at 5:06 p.m. and the meeting was immediately reconvened in regular session. Deputy Counsel reported that no action was taken during the closed session. Commissioner Feller led the pledge.

PUBLIC COMMENT PERIOD/STAFF REPORT:

3. ANY MEMBER OF THE AUDIENCE MAY ADDRESS THE BOARD ON ANY MATTER EITHER ON OR OFF THE AGENDA THAT IS WITHIN THE BOARD'S JURISDICTION.

The following persons addressed the Commission: None.

4. Report from Executive Director on matters or activities may include, but not be limited to: reporting on activities for Harbor, Airport, Broadband, Wastewater Treatment, Hwy 101/199 (HAS199.COM) or other issues as necessary and appropriate as well as assignments given out

over previous meetings, i.e. sewage treatment plant, micro-enterprise loan fund, and commercial and industrial land inventory, among others.

The following topics were discussed and the executive director welcomed new Commissioner Rich Enea back to the Commission:

- A. Harbor Update* –**
 - i. Inner Harbor Rebuild – design resumed, new schedule pending, finish in late 2013
 - ii. City/Harbor/Alber – CDBG grant application in progress, deadline has been extended, new scheduled will be out soon for
- B. Airport Update* –**
 - Terminal funding - options still being investigated
- C. Sewer Update* –**
 - Intertie from Harbor pressure main almost complete
 - Alber Seafoods permit in comment period
- D. Highway 199 Update *** – Update by Tamera Leighton, executive director of the Del Norte Local Transportation Commission. The project is 15.6% over budget on the progress made to date, timeline (page 2 of handout) showed completed construction dates. None of the construction dates have been noted as being pushed back. There has been a significant loss of environmental staff at Caltrans and they cannot be replaced at this time due to the hiring freeze, which is making it difficult to get project reviews completed. Furlough days are also causing delays. No significant project risks, other than the one listed above, are on the horizon at this time.
- E. .com (Broadband) Update *** – Summary from John Irwin is attached later in the agenda packet. The actual broadband connection up Hwy 199 is gaining business support with two more businesses interested in the connection. Oregon Health Network is sending out a RFP early this year (2011).
- F. Lands Inventory Update *** – decision was made to scrap and start over. We need a Vista/AmeriCorps or data entry person, need 100 hours worth of data entry.
- G. PIO Activities Update *** – article submitted to Triplicate on HAS199.com
- H. Web Site Updates*** – Have photos, waiting on narrative for completed projects
- I. Business Expansion and Retention Program (BEAR) Update *** – follow-up visits to be scheduled with micro loan holders, meetings will begin in January. SBDC is working with applicants to update business plans and business documents.
- J. Micro Loan Program Update *** – Updated agreements & guidelines early in 2011, funds are frozen indefinitely.
- K. Community Event Commission Update *** – Northcoast Marine Mammal Center to sponsor Crab Festival February 12th
- L. Woody Biomass** – Resource Advisory Committee application to be submitted for the feasibility study, analytical testing.
- M. CEDS** – Committee letters out, see list as presented a previous meeting
- N. Del Norte Film Commission** – no Mary Cruse response. Mr. Joseph Aliotti is interested
- O. Surfside** – cleanup completed; roof repair estimate requested by SBA, numerous discussions have been held with DNEDC. Some revenues were received back from the sale and are at Del Norte EDC at this time, while the county figures out how to collect and account for the funds. The tax credit the county offered cannot be credited to the property taxes unless the whole amount is paid
- P. Contacts, Meetings & Public Events of Note:**
 - a. Eric Weir - Surfside 2nd nuisance letter (mow grass) – 12/7
 - b. Patrick Talbott, HCD CDBG – 12/7
 - c. Intergovernmental Relations Committee – 12/8
 - d. Genevieve Evans, Regional Transportation Plan – 12/8
 - e. Visitors Bureau Board Meeting – 12/8

- f. Joseph James, HUB Zone – 12/9
- g. Sammy Gensaw, Business Plan Review – 12/9
- h. Chamber Lunch Meeting – 12/10
- i. New Owner, Hiouchi Cafe – 12/13
- l. Sharon Treptow, DNEDC, Tri-Agency financials – 12/13
- m. Deborah Downs, Humboldt Area Foundation – 12/15
- n. Don Alber, Alber Seafoods – 12/15
- o. Del Norte Resource Conservation District Board Meeting – 12/15
- p. Jim Wilding, Retail site selector – 12/16
- q. Jay Freeman, Woody Biomass grant & RAC grant application – 12/16
- r. Robert Losacco, Pelican Bay State Prison – 12/16
- s. Patrick Talbott, Jim Bernard & Jeannine Galatioto – Airport financing options – 12/22
- t. City Manager – weekly business development coordination meetings
- u. Surfside – ongoing coordination with Del Norte EDC and legal counsel
- v. SBDC – weekly meetings on micro enterprise loan applicants
- w. Regular attendance at:
 - i. Del Norte County Board of Supervisors
 - ii. Crescent City Council Meetings
 - iii. Harbor District Commissioners Meetings
 - iv. Border Coast Airport Authority Board Meeting

Q. Upcoming events/activities:

- Upstate California Economic Development Council – Jan. 14
- CEDS Strategy Committee Initial Meeting – Jan. 13

Next Board Meeting: January 26 – 5:00 p.m. – Flynn Center

Commissioner Sullivan asked why the Del Norte Solid Waste Management Authority was listed as being a member on the CEDS committee. Discussion was held regarding the past work and the fact that the Authority was admitted long ago as an entity that deals with economic development. Mr. Sullivan asked that a person from the agriculture community and dairy community be added to the CEDS committee. Staff will add the agriculture and dairy community to the invitees.

Commissioner Feller asked about the one-stop business center listed in the list of work to be done and inquired as to why it is delayed. Mostly, the delay is because of funding; at this time it is not feasible at this time, according to staff.

Two site selectors contacted the executive director this month. Two new restaurants may be opening soon; a sushi bar and a Chinese restaurant.

CONSENT AGENDA (Items are considered routine in nature and voted on in one motion):

Consider public comments or requests to pull matters from the consent agenda for separate action.

5. Consider and receive the Treasurer's Report and consider and receive the *Chetco Federal* statement, covering the period November 1, 2010 through November 30, 2010 showing cash and money market assets. **
6. Consider and adopt the Tri-Agency EDA minutes of the special session of November 17, 2010. **
7. Consider and adopt the monthly expenditure reports from Humboldt Area Foundation for the months ending October 31, 2010 and November 30, 2010.

8. Authorize the Executive Director to pay the invoice for Surfside Grill clean up and disposal costs in the amount of \$522.34 from Edward Jones (should be Chetco Federal, corrected below) funds. Note: this was previously approved in the amount of \$500; however, costs exceeded the amount approved.

Chairman Finigan asked for comments regarding the consent agenda, there being none, he requested a motion to approve the above listed consent items. Commissioner Sullivan asked about the account listed in item #8. Staff noted that there are not funds in Edward Jones accounts at this time and that the account name should have been listed as Chetco Federal.

On a motion by Commissioner Sullivan, seconded by Commissioner Feller, and unanimously carried, the Tri-Agency EDA approved and adopted the consent agenda, consisting of items 5-8, as presented, with the notation that the funds in item #8 are deposited with Chetco Federal Credit Union.

BUSINESS ACTIVITIES/ADMINISTRATIVE:

9. Consider and approve the annual Agreement for the Del Norte Economic Development Coordination Project between Tri-Agency EDA and Humboldt Area Foundation for the term July 1, 2010 through June 30, 2011. Take action as necessary and appropriate to approve the agreement. **

Discussion was held regarding the annual contract with Humboldt Area Foundation (HAF) to provide fiscal oversight of Tri-Agency funds. The previous agreement expired on July 1, 2010 and HAF has continued to do the work.

On a motion by Commissioner Sullivan, seconded by Commissioner Phillips, and unanimously carried, the Tri-Agency EDA approved and authorized the Chair to sign the agreement with HAF for fiscal services for the period of July 1, 2010 through June 30, 2011.

10. Consider and discuss the contract with independent auditor Don Reynolds, CPA and amending the 2009-2010 audit report. Take action as necessary and appropriate. **

Don Reynolds, CPA, presented issues to the Commission regarding amending the 2009-2010 audit report and a request for additional funds for that purpose as outlined in this December 20, 2010 letter, which was presented to the commission. The Revolving Loan Fund (RLF), administered by Del Norte EDC for Tri-Agency, was discussed earlier in the year, at which time Mr. Reynolds stated he became aware that there were separate funds, books and accounts that represent Tri-Agency's work. He stated that Tri-Agency is in violation of the Government Code for California special districts at this time. As a joint powers authority, he wants to see this pulled together. He wants a single cohesive general ledger for audit. Mr. Reynolds checked to see if we were covered under the Humboldt Area Foundation (HAF) audit, which it appears that Tri-Agency receipts may or may not be covered under that audit. They do nothing but write the checks and take no responsibility for funds. Mr. Reynolds said that the scope of the audit needs to be expanded and he needs to audit the records at HAF which involved Tri-Agency funds. Mr. Reynolds is asking for an increase of \$2,000 to do the work necessary to get the books in order and amend the audit and State Controller's reports to include the HAF records. Going forward, Tri-Agency needs to have a complete set of records from all sources whatever they are. An additional billing was presented for \$1,500 for work already completed. The engagement letter was based on the scope of the organization known to the CPA at that time. The financial statement, in his opinion, did not accurately represent the organizations finances. Mr.

Reynolds stated that he was aware of HAF, but not the complete relationship and not the fiscal activity on behalf of Tri-Agency. Tri-Agency staff was never interviewed by the CPA over the two or more previous years. By consensus, staff and Mr. Reynolds were directed to meet and bring back a proposal to the commission.

11. Receive an update regarding telecommunications from John Irwin in person or via conference call. Take action as necessary and appropriate. **

John Irwin's report on broadband/telecommunications progress was included in the agenda. Simon Pete, who runs the California Emerging Technologies Groups, wrote a book recently, and they have been very supportive of our area. No action was necessary.

12. Consider a letter from Ken and Lori Cowan regarding the Tri-Agency loan secured with a deed of trust recorded against their personal residence. Take action as necessary and appropriate. **

This matter was pulled from the agenda for future discussion in closed session.

LOAN ADVISORY BOARD: None

13. Convene as the Loan Advisory Board and amend Gensaw loan documents approved at the last meeting to reflect \$4,995 for the copier, which was recorded as \$4,595. The total amount of the loan will not change. **

Chairman Finigan recessed the regular session at 5:47 p.m. and immediately convened as the Loan Advisory Board. Discussion was held regarding correcting the loan document to reflect the correct cost of the copier on the Gensaw loan documents approved in November. The correction does not change the total amount loaned; it simply corrects a typographical error.

On a motion by Commissioner Feller, seconded by Commissioner Enea, and unanimously carried, the Loan Advisory Board approved the correction to the Gensaw loan documents as presented.

Chairman Finigan adjourned the Loan Advisory meeting at 5:48 p.m. and immediately reconvened in regular session as the Tri-Agency EDA.

COMMISSIONER REPORTS:

14. This agenda item allows the staff and commissioners the opportunity to discuss items of general interest, provide a reference or other resource, ask for clarification or request staff report to the board of governors on a certain matter on a future agenda.

The following comments/reports were made: Commissioner Phillips commented on the economic situation in Del Norte County. 1,139 children were served by Operation Santa last week. We need jobs for these families. Commissioner Sullivan reported that Assembly members Chesbro and LaMalfa are planning to reintroduce the bill to allow Pelican Bay State Prison to buy food products locally. The milk contract was extended for three years, which was very good news. Commissioner Feller noted that he is now the district representative to Doug LaMalfa, they hope to have their office open by end of January. Commissioner Finigan announced that the Border Coast Airport JPA interviewed three teams for the RFP and the scoring will be announced the first Thursday in January. The team will be responsible for the work to get the airport runway safety area and other work completed.

Commissioner Feller also announced that the Coastal Conservancy coastal trail and design criteria team is working on the preliminary guidelines. Work will be completed this summer for this shovel ready project. The project is separate from the docks and the reconstruction work.

ADJOURN:

15. Adjourn the meeting to the next regular session scheduled for January 26, 2011 at 5:00 p.m.

There being no further business go come before the Commission, Chairman Finigan adjourned the meeting at 5:58 p.m., until the next regularly scheduled meeting on January 26, 2011.

Respectfully submitted,

A handwritten signature in cursive script, reading "Ronald Phillips", written in black ink. The signature is positioned above a horizontal line.

Ronald Phillips, Secretary/Treasurer
Tri-Agency EDA