



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: COUNTY ADMINISTRATIVE OFFICE RESPONSE TO 2012-13 GRAND JURY
REPORT 2013-AF-01
DATE: AUGUST 19, 2013

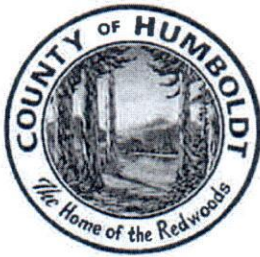
Please find below the County Administrative Office response to the Recommendation in the above-referenced report.

Recommendation R1: *The County should provide training in the Brown Act and the Public Records Act to officers of the Humboldt Lodging Alliance; and should monitor the operations, minutes, and financial records of the Humboldt Lodging Alliance to ensure that the Brown Act is being followed; that all expenditures conform to the requirements of the Humboldt Lodging Alliance's District Management Plan; and that co-mingling of funds between the Humboldt Lodging Alliance and Humboldt County Convention and Visitors Bureau has not occurred.*

This recommendation will be partially implemented.

The County Administrative Office (CAO) is a resource to County departments and often to other local entities. The CAO will offer training, in conjunction with County Counsel, and educational materials to the Humboldt Lodging Alliance (HLA) concerning the Brown Act and Public Records Act. It is incumbent upon the HLA to utilize these opportunities as they are made available.

The agreement with the HLA only provides 1% of the assessment collected to cover County administrative expenses related to the cost of collecting and dispersing the assessment. In Fiscal Year 2012-13 the assessment collected \$185,994 and of this only 1%, or \$1,859, remains with the County. Unfortunately, this is not sufficient to cover the costs of the work performed by the Auditor's Office, Treasurer-Tax Collector's Office, and the CAO. The CAO estimates that additional oversight, including monitoring expenditures, operations, minutes, and other financial records, of the HLA would cost approximately \$9,291.36 per year. This estimate is based on Step 1A, or \$29.78 per hour, for a Senior Administrative Analyst, at 6 hours per week, at 52 weeks. This figure does not include benefit costs. There are currently insufficient funds to support increased administrative oversight of the HLA.



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INTEROFFICE MEMORANDUM

TO: BOARD OF SUPERVISORS
FROM: PHILLIP SMITH-HANES, COUNTY ADMINISTRATIVE OFFICER ^{PH}
SUBJECT: RESPONSE TO 2012-13 GRAND JURY REPORT 2013-AF-01
DATE: AUGUST 19, 2013

The 2012-13 Grand Jury has issued report 2013-AF-01 and the Board of Supervisors is required to respond to the recommendation. I recommend that the Board respond as follows:

Recommendation R1: *The County should provide training in the Brown Act and the Public Records Act to officers of the Humboldt Lodging Alliance; and should monitor the operations, minutes, and financial records of the Humboldt Lodging Alliance to ensure that the Brown Act is being followed; that all expenditures conform to the requirements of the Humboldt Lodging Alliance's District Management Plan; and that co-mingling of funds between the Humboldt Lodging Alliance and Humboldt County Convention and Visitors Bureau has not occurred.*

This recommendation will be partially implemented.

The County Administrative Office (CAO), with the assistance of County Counsel, can offer training and educational materials to the Humboldt Lodging Alliance (HLA) concerning the Brown Act and Public Records Act. HLA works within an agreement with the County and as such it is the responsibility of the HLA to adhere to State law and the agreement's stipulations. As training and educational materials are made available it is the responsibility of the HLA to utilize these resources.

The County does not provide Brown Act and Public Records Act monitoring to other public bodies. Public bodies, and those individuals who serve on these bodies, have a legal and moral responsibility to adhere to State laws. Adding additional oversight duties to County staff would create work flow issues in other areas. There is not sufficient staff, or resources, to provide the level of oversight recommended in the Grand Jury's report.

Phillip Smith-Hanes, CAO
County of Humboldt
825 5th Street, Suite 111
Eureka, CA 95501

July 15, 2013

RECEIVED
JUL 17 2013
CAO

Dear Phillip:

Following the instructions of the Executive Committee of the Board of Directors of the Humboldt Lodging Alliance, I submit the following response to the Humboldt County 2012-13 Grand Jury Report.

The Humboldt Lodging Alliance agrees with the findings of the Grand Jury Report on the formation of the Humboldt Tourism Business Improvement District.

With regard to the recommendations contained within the report:

1. The Humboldt Lodging Alliance agrees that the County should provide training in the Brown Act and the Public Records Act to officers of the Humboldt Lodging Alliance. Please keep us informed of scheduled trainings and other opportunities.
2. The Humboldt Lodging Alliance agrees that the County should monitor the operations, minutes, and financial records of the Humboldt Lodging Alliance to ensure that the Brown Act is being followed. The above documents and records are available for inspection and may be requested through our administrator, the Humboldt County Convention & Visitors Bureau.
3. The Humboldt Lodging Alliance agrees that its expenditures will conform to the requirements of the Management District Plan.
4. The Humboldt Lodging Alliance agrees that no co-mingling of funds between the Humboldt Lodging Alliance and the Humboldt County Convention & Visitors Bureau will occur. Separate bank accounts and accounting systems have been implemented. Apart from the administrative fee of 5% of assessment revenues and the reimbursement of district start-up costs, as specified in the Management District Plan and Humboldt Lodging Alliance bylaws, no Humboldt Lodging Alliance funds have been disbursed to the Humboldt County Convention & Visitors Bureau. Marketing expenditures, community tourism grants and all other expenses have been and shall be drawn directly from Humboldt Lodging Alliance bank accounts and NOT passed through the Humboldt County Convention & Visitors Bureau.

Thank you for the opportunity to respond to the Grand Jury Report. Please let me know if I can provide you or the Board of Supervisors with any additional information.

Sincerely,



Tony Smithers
Executive Director

Copy: Humboldt County Grand Jury

Humboldt Lodging Alliance

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