



HUMBOLDT - DEL NORTE Film Commission

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May 13, 2021

County of Humboldt
825 5th Street
Eureka, CA 95501

Re: Film Commission Funding

Dear Board of Supervisors,

This letter is to inform you of the Film Commission's current funding issue and a request for aid.

As you know, the Film Commission is the representative for the county as the official film office to market the area as film-friendly to the world, be the boots on the ground for productions when they are interested and/or filming here, and promoting film tourism (which we are about to launch a Map of the Movies mobile app for tourists to visit film sites). The previous ten years, we have helped in over \$11.1 million outside dollars' worth of filming in the area. The economic impact is \$32.7 million when you include the economic multiplier. Currently, this fiscal year we helped with an additional \$2.3 million during the pandemic and we are solely responsible in making sure that all productions adhere to the Covid-19 guidelines for the county before they can pull a permit from any of our approximately fifteen agencies (including state and federal properties).

We are honored to represent the county and always grateful to receive funding from all of our funders. Below is the breakdown of our current fiscal year 20-21 funders contribution totaling \$170,571:

HUMBOLDT (5% TOTs + \$20,000)	\$129,721
CITY OF EUREKA	\$25,000
DEL NORTE COUNTY	\$10,000
CITY OF ARCATA	\$3,000
FORTUNA CHAMBER	\$2,850

Compared to previous years, Del Norte County, Fortuna Chamber, and City of Arcata all had to lower their funding due to budgetary issues, while the Humboldt Lodging Alliance did not issue their usual annual \$60,000 for the current fiscal year due to the pandemic. We are currently operating off of \$65,414 less than last fiscal year due to funding cuts and events.



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In addition, we have had complications with receiving our semi-annual funding from the County of Humboldt for first time in over ten years. Per our agreement, the funding is “due and payable the first business day during the months of July and January.” On January 28th, we submitted the invoice \$64,860.50 for the 3rd and 4th quarters of the current fiscal year and as of today it is still unpaid with a total of 105 days overdue and a total of 133 days overdue and payable per the agreement. The issue with the invoice has been everything from the date (which took a month to reject) to not being itemized per the agreement (which was not brought up during the first rejection) to no reason given (literally left blank) to the budget not matching the invoice (which it would not since the County is only one of our funders). We have tried to comply with every revision and correction and have asked for examples/expanded detail and yet to receive any. We believe in checks and balances but unfortunately the way our agreement stands, it asks for an itemized invoice and yet has us invoice for six months that we have yet to spend the money. So, an itemized invoice would be a projected one at best. No other funder is asking for this level of documentation and especially without examples or direction. We hope this is remedied sooner than later so that we can get back to our job of economic development. There has taken many full days and many dollars chasing the funding to no avail. Our office will be crippled, and our budget will be compromised if we do not straighten this out before we must finalize next year's budget, let alone at some point our office will have an issue paying bills including our paychecks if this goes on too long. July 1st (in just a little over 45 days), our office will need to invoice for another semi-annual payment.

Next fiscal year's funding does not appear to look any better. We currently have been notified that the Humboldt Lodging Alliance decided to only allocate \$40,000 of the \$60,000 requested to us. We are not currently aware of where our smaller funders stand until they finish their budget process. With the missing County's funding, as well as HLA's, we are impacted greatly with a loss of \$124,860.50 and now an additional loss for next year of \$20,000, without knowing if July's invoice will also not be paid, brings us to a deficit of almost \$200,000.

We are a staff of two, who work at times 24/7, with no retirement compensation, and just recently in the past few years received health insurance. My assistant and Marketing Specialist is working for a considerably lower salary than what his job entails due to budget restrictions. I have in the past even volunteered my raise to help bring his salary up. Our Board has committed to bring his salary into scale with mine but has not been able to allocate the funds to do so for several years. Employee retention is getting harder by the second with the cuts, delays, and unknowns. This is emotionally hard on a duo that was one of five finalists as Most Outstanding Film Commission *in the world* for our work on Disney's *A Wrinkle In Time* at the Location Managers Guild International annual awards and who was President of over 40 film commissioners in the state of California.

We realize that times are hard everywhere. We would like to continue to help the region bring in outside dollars and stimulate the economy. However, we need ample funding to do so. Thank you for your time on this matter.

Best wishes,

Cassandra Hesseltine
Film Commissioner & Executive Director