




TRINITY COUNTY

Board of Supervisors

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TO: The Honorable Elizabeth Johnson
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors 

CC: Wendy G. Tyler, Clerk of the Board of Supervisors

SUBJECT: Response to Recommendations of 2013/2014
Grand Jury Finance and Administration Committee Final Report
Re: FAR 2013-2014-0185 Business Enterprise Loans

DATE: *September 23, 2014*

The Grand Jury Finance and Administration Committee has requested a written response to their final report on the FAR 2013-2014-0185 Business Enterprise Loans. The response of the Trinity County Board of Supervisors is as follows:

Finding #1: Berkowitz Loan: The County was correct in closing this account. No assets remained for collection

Response: Agree.

Recommendation #1: No action; the matter closed.

Response: Implemented.

Finding #2: Rogers Loan: While no payments are being made on the loan at present, there is some possibility, however small, that repayment may eventually be made.

Response: Agree.

Recommendation #2: TC should continue to monitor progress of the business and take appropriate steps to collect if and when the business turns around.

Response: Implementing.

JUDY PFLUEGER
DISTRICT 1

JUDY MORRIS
DISTRICT 2

KARL FISHER
DISTRICT 3

DEBRA CHAPMAN
DISTRICT 4

JOHN FENLEY
DISTRICT 5

Judge Johnson
FAR 2013-2014-0185
September 23, 2014

Finding #3: Johnson Loan: The complainant was essentially correct in that the loan balance is very large and TC is not taking aggressive, pro-active steps to demand repayment.

Response: Partially agree. The loan amount is larger but the County has made different attempts to obtain payments, including the offer to renegotiate. Attempt of such was not fruitful and after the foreclosure, and lack of UCC-1 filing and personal guarantees the County has not aggressively sought repayment.

Recommendation #3: TC should take immediate steps to attempt to collect this debt. Actions to be explored include:

- a) A letter from County Counsel to the Johnson's indicating that collection steps are about to commence.
- b) Obtaining a court order authorizing wage garnishment on either or both borrowers.
- c) Reporting the loan default to the three major credit-reporting agencies.
- d) Turning the loan over to a professional debt-collecting agency.

Response: The County is reviewing different options with collection of the note within our legal and fiscal means. The County appreciates the recommendations.

