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TRINITY COUNTY
SUPERIOR COURT



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

FROM: Angela Bickle, Auditor-Controller *abs*

CC: Clerk of the Board of Supervisors

SUBJECT: Response to Recommendations of 2015-16
Grand Jury Continuity Committee Final Report
Re: Community Development Block Grant Loans
MONEY, MONEY NOWHERE!... THE BUCK STOPS HERE!!

DATE: August 4, 2016

The Grand Jury Continuity Committee has requested a written response to their final report on the Community Development Block Grant Loans. In my capacity as County Auditor-Controller, my response is as follows:

Finding #1: The Loan Grants accounting spreadsheet is unorganized, poorly documented and in great need of management oversight.

Response: I have no personal knowledge, as the Administration Office manages and provides the oversight of the Grants and therefore I cannot respond.

Recommendation #1: The County should do an immediate audit of the CDBG portfolio accounting, as well as the Housing Rehab loan portfolios. The Grant Department should take advantage of online accounting spreadsheets.

Response: Implementation/non-implementation resides within the Administration office.

Finding #2: There is NO servicing of the loans in the CDBG portfolio other than the posting of payments, mailing out Certificates of Occupancy and Payment Coupon Books. There are no default notifications or collection efforts on the part of the County, resulting in the write off of much needed money for support services.

Response: I have no personal knowledge, as the Administration Office manages and provides the oversight of the Grants and therefore I cannot respond.

Recommendation #2: The County must immediately begin servicing these loans and bringing them up to date by sending out notices of late payments due, opening up communication with borrowers and, if need be, beginning foreclosure as stipulated in loan agreements. Income received would more than cover administrative costs. It should be mandatory to report the status of these loans monthly to the BOS.

Response: Implementation/non-implementation resides within the Administration office.

Finding #3: The HRLC has no clear method to make loan decisions.

Response: I disagree with this finding, based on the fact that I have documented Program Guidelines for CDBG, HOME and CalHome Programs.

Recommendation #3: A Check list or risk assessment policy should be created to ensure the equitable decision making for future loans or amendments. Both HUD and CDBG websites, as well as written procedure manuals, must be used as required by the programs.

Response: The Procedure Manual developed by CDBG is housed, used and should be used.

Finding #4: The HRLC has violated the Brown Act by holding email/phone call meetings as well as conference call meetings.

Response: I have no personal knowledge of any meetings conducted via email/phone call. Based on the limited (3) meetings I have attended, after becoming Auditor-Controller, all have been conducted in the basement conference room.

Recommendation #4: Both the BOS and general public should review the documentation and refer violations to the District Attorney for prosecution, if warranted.

Response: I have no knowledge of any meetings having been conducted via email/phone call, nor what documentation you are referring to.

Finding #5: The BOS and the HRLC failed to provide the required special "Public Meetings" regarding grant funds.

Response: I have no personal knowledge, as the Administration Office manages and provides the oversight of the Grants and therefore I cannot respond.

Recommendation #5: Going forward, the BOS shall ensure transparency of all County business and adhere to Federal and State Laws to avoid possible prosecution.

Response: I agree in part with this recommendation. Transparency and adherence to all Federal and State laws should be observed. However I have no knowledge that any violations previously occurred.

Finding #6: The HRLC meeting minutes indicate new Committee members should be installed with each new open Grant. Current members have been in place for at least the past ten (10) years.

Response: I have no personal knowledge or copy of the meeting minutes which you refer to stating this.

Recommendation #6: With the exception of the County Auditor and a rotating member of the BOS, current committee members should be removed immediately and replacements found among private citizens sought via an advertisement in the Trinity Journal.

Response: As stated above, I have no personal knowledge or copy of the meeting minutes which you refer to. However, if this was unanimous decision of the committee, then the County should adhere by advertising for these positions but not remove the existing committee members until replacements are found.

Finding #7: Due to its inability to properly service the outstanding loans, the Grant Department has suspended applications for new housing/business programs since 2010.

Response: I have no personal knowledge that the Grants Department has suspended applications for new housing/business programs since 2010. The meetings I have attended were relative to existing loans only.

Recommendation #7: The BOS should make re-establishment and reorganization of the Grant Department a priority. They must budget appropriately to attract and retain qualified employees with lending, collections and grant writing experience. Additionally, in order to encourage local citizens to apply.

Response: This recommendation appears to be directly related to the Board of Supervisors and not the Auditor-Controller. However I will state that while I feel that grants are extremely important to this County, when applying for a grant there are costs associated which are not reimbursable. Therefore these costs are required to be covered by the General Fund. I would recommend a cost analysis be performed prior to the County acquiring any grant.