

Vets hall loan in question

By Nick Baptista

The Valley Springs News / Friday, July 5, 2019

The Jenny Lind Veterans Memorial District Board of Directors violated state law in securing a loan to finance completion of its new hall in Valley Springs, according to the 2018-19 Calaveras County Grand Jury report released last week.

In its summary of the situation, the grand jury said: "Although the California Military and Veterans Code gives the authority to 'purchase, construct, lease, furnish, or repair halls,' it does not authorize the District Board to go to a bank or private benefactor to obtain a loan or mortgage."

The loan, which is secured by two district parcels, is a 10-year note in the amount of \$742,798.82 from Farmers & Merchants Bank of Central California.

Bruce Olson, president of the district board, said he was able to print out a copy of the grand jury report Tuesday.

"It is being reviewed and we'll be looking at what they said and make a response to the grand jury after we have thoroughly researched their claims and references to the Military and Veterans Code," Olson said.

"With an outstanding loan on the property, the JLVMD property is at risk of loan default," the grand jury said in its findings.

The grand jury recommended the memorial district should inform the Calaveras County Board of Supervisors of the bank loan on or before Oct. 1 of this year.

In addition, the Board of Supervisors should consider a partnership with the memorial district to pay off the "noncompliant loan" and create a more favorable long-term loan, as may be permitted by law. A joint meeting of the two boards should be scheduled to explore solutions on or before Oct. 1, 2019.

On or before the Oct. 1 date, the district should consider working through the Board of Supervisors to go into bond indebtedness, work through the board to seek a special tax, or work through the board to combine with the county for its financial backing as detailed in the Military and Veterans Code.