



COUNTY OF HUMBOLDT

For the meeting of: 7/13/2021

File #: 21-894

To: Board of Supervisors

From: Treasurer/Tax Collector

Agenda Section: Consent

SUBJECT:

Professional Services Agreement with Linebarger Goggan Blair & Sampson, LLP for Third Party Debt Collection Services

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to execute, the attached agreement with Linebarger Goggan Blair & Sampson, LLP for third party debt collection services (4/5 vote required); and
2. Direct the Clerk of the Board to submit two (2) executed originals of the attached agreement to the Humboldt County Treasurer-Tax Collector's Office - Revenue Recovery Division.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

The Humboldt County Treasurer-Tax Collector's Office - Revenue Recovery Division ("RRD") provides collection services for court ordered debt for the Superior Court. RRD continues to collect debt until collection efforts have been exhausted. Exhaustion is determined when the debtor no longer responds to letters and phone calls, and/or when RRD is unable to obtain a current address and/or phone number for the debtor.

Court ordered debt accounts for which collection efforts have been exhausted are placed with the Franchise Tax Board - Court Ordered Collection Department ("FTB-COD"). Court ordered debt accounts that do not meet the minimum qualification for submission to the FTB-COD, or that have extended recovery efforts exhausted with FTB-COD, are referred to a third-party collection agency for extended recovery services. Such extended recovery efforts result in additional revenue each month for distribution to specific funds for various departments, programs and providers of service in our community, as well as required amounts to the state.

There is also non-court ordered debt for other county departments such as Animal Control, Environmental Health, Planning and Building, and the Library which utilize these third-party collection services. Each month non-court ordered debt accounts for which collection efforts have been exhausted are referred to a third-party collection agency for extended recovery services.

Staff recommends that the Board approve and authorize the Chair of the Board to execute the attached agreement with Linebarger Goggan Blair & Sampson, LLP (“LGBS”) for third-party debt collection services for the county. LGBS is a vendor on the California Administrative Office of the Courts, Statewide Master Vendor list for Collection Services and is the collection agency used by several other California counties.

Due to inadvertent delays the start of this agreement leaves a coverage gap of services provided by LGBS since the previous agreement expired on May 23, 2021; therefore, a letter of intent was signed expressing the will of both parties to conduct themselves pursuant to the terms of that agreement until the new attached agreement is approved by your Board.

Pursuant to Government Code Section 26220(a), approval of the attached agreement requires a four-fifths (4/5) vote of the Board.

FINANCIAL IMPACT:

The county will pay a commission of 15 to 20 percent to LGBS for non-court ordered debt. Such commissions will be added to, and retained from, the principal amount collected by LGBS and remitted to the county.

RRD will be reimbursed by the California Superior Court for commissions on court ordered debt collections. Accordingly, approval of the attached agreement with LGBS will not impact the Humboldt County General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the attached agreement with LGBS for third party collection services. This alternative is not recommended as it would result in reduced revenue to the county.

ATTACHMENTS:

Agreement for Third Party Debt Collection

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-24

File #: 21-894

Meeting of: 05/23/2017

File No.: 17-1898