



Office of the City Manager

CONSENT CALENDAR

June 16, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Eleanor Hollander, Office of Economic Development

Subject: Write-Off of a Delinquent Revolving Loan Fund (RLF) Balance of \$42,755 Owed by Minuteman Press (Synthesis Group, Inc).

RECCOMENDATION

Adopt a resolution authorizing the write-off of the outstanding loan balance of \$42,755 owed by Synthesis Group, Inc. to the City's Revolving Loan Fund (RLF) in accordance with the RLF Administrative Plan.

FISCAL IMPACTS OF RECOMENDATION

The city's general fund will not be impacted by this loan write-off, but the RLF's capital base will be reduced, and future RLF lending capacity will be curtailed by \$42,755.

CURRENT SITUATION AND ITS EFFECTS

Synthesis Group Inc. has not made any payments towards the RLF loan #0474 since April 2024. During the RLF servicing transfer period (March 2025) from City of Berkeley to Working Solutions it was discovered that Synthesis Group, Inc. had sold the business assets of Minuteman Press to a new owner without disclosing the remaining balance of the RLF loan, for which Fred Fassett and his spouse are guarantors. Attempts to reach Fred Fassett have been unsuccessful. Per the regulations set forward in the RLF's Administrative Plan, an act of council is needed to write off the loss to the revolving loan fund's capital base for loans originating prior to 2024.

BACKGROUND

On August 15, 2016 the owner of Minuteman Press Berkeley (Synthesis Group, Inc), Fred Fassett, was granted a \$150,000 loan to support working capital and debt consolidation for his printing business. The loan is backed by a personal guarantee from Fred Fassett and spouse.

On March 27, 2024, a loan modification was granted to Synthesis Group, per their 2023 request, to reduce monthly payments to \$1,500 and extend the remaining number of payments from 17 to 35. In the time since, Synthesis Group has failed to make any payments on loan #0474 and sold the business assets without disclosing the outstanding loan. Attempts at collection were unsuccessful.

After consultation with the federal RLF program administrator and program manager Working Solutions it was suggested that staff could file an IRS form 1099-C which would require the borrower to acknowledge the loan write-off amount as taxable income in addition to pursuing a civil judgment, selling the loan to a collection company and reporting the loan default to the credit bureaus. Currently, this approach is not being pursued because it would be cost neutral at best, and more likely cost more to collect than what the City would recoup.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

None.

RATIONALE FOR RECOMENDATION

The rationale for the recommendation is based on the requirements from the RLF Administrative Plan which regulates the procedures and actions staff shall follow when administering the revolving loan fund (RLF).

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Vincent McCoy, Office of Economic Development, (510) 981-7043

Attachments:

1: Resolution – Write-off of Revolving Loan Fund (RLF) #0474 for \$42,755 owed by Synthesis Group, Inc.

RESOLUTION NO. ##,###-N.S.

AUTHORIZING THE WRITE-OFF OF THE OUTSTANDING LOAN BALANCE OF \$42,755 OWED BY SYNTHESIS GROUP, INC. TO THE CITY'S REVOLVING LOAN FUND (RLF)

WHEREAS, Synthesis Group Inc., doing business as Minuteman Press, located at 1101 5th Street, Berkeley, CA and the City of Berkeley, a municipal corporation, entered into a Loan Agreement on August 15, 2016 for \$150,000; and

WHEREAS, On March 27, 2024 the City's Loan Administration Board (LAB) granted a loan modification to Synthesis Group Inc. to reduce monthly payments to \$1,500 per month and extend the remaining number of payments from 17 to 35; and

WHEREAS, Synthesis Group Inc. has not made any payments towards the RLF Loan #0474 since April 2024 and every first of the month thereafter; and

WHEREAS, during the RLF servicing transfer period (March 2025) from City of Berkeley to Working Solutions it was discovered that Synthesis Group, Inc had sold the business of Minuteman Press to a new owner without disclosing the remaining balance of the RLF loan, for which Fred Fassett and his spouse are guarantors; and

WHEREAS, staff has made diligent efforts to collect delinquent and default accounts, and attempts to reach Fred Fassett have been unsuccessful; and

WHEREAS, the RLF Administrative Plan states that loan fund administrators shall analyze accounts and make write-off recommendations of bad debt to the City Council for loans originating in the RLF fund prior to 2024.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to write off the outstanding loan balance of loan number #0474 of \$42,755 owed by Synthesis Group Inc., to the City's Revolving Loan Fund (RLF).

