



Legislation Details (With Board Report)

File #: 15-0851 **Name:** Transfer of GF Contingencies to the Enterprise Risk Fund

Type: General Agenda Item **Status:** Agenda Ready

File created: 7/21/2015 **In control:** Budget Committee

On agenda: 7/29/2015 **Final action:**

Title: Support a transfer totaling \$2,400,000.00 from General Fund Contingencies, 001-1050-8034-CAO020, to the Enterprise Risk Fund, 001-1210-8429-COU006.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/29/2015	1	Budget Committee		

Support a transfer totaling \$2,400,000.00 from General Fund Contingencies, 001-1050-8034-CAO020, to the Enterprise Risk Fund, 001-1210-8429-COU006.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support a transfer totaling \$2,400,000.00 from General Fund Contingencies, 001-1050-8034-CAO020, to the Enterprise Risk Fund, 001-1210-8429-COU006.

SUMMARY/DISCUSSION:

Since May of 2013, the County has been defending a lawsuit concerning the conditions of the Monterey County Jail in Hernandez v. County of Monterey, et. al. On January 29, 2015, the U.S. District Court Granted Class Certification to Plaintiffs creating a class of “all adult men and women who are now, or will be in the future, incarcerated in Monterey County Jail” and “all qualified individuals with a disability, as that term is defined in 42 U.S.C. § 12102, 29 U.S.C. § 705(9)(B), and California Government Code § 12926(j) and (m), and who are now, or will be in the future, incarcerated in Monterey County Jail.”

In May of 2015, the County reached a tentative settlement of the class action litigation. As part of the settlement, Defendants, County of Monterey and California Forensic Medical Group, will pay Plaintiffs’ counsel a total sum of \$4.8 million in attorneys’ fees and costs. The defendants have agreed to split this cost, and, accordingly, the County’s share will be \$2.4 million.

Because of the significant amount of settlement, and the unique circumstances of the County having to defend a class action lawsuit, we are recommending payment of the settlement amount from the Enterprise Risk Fund. Without the transfer of funds from the General Fund Contingencies, there is not enough money in the

Enterprise Risk Fund to cover the settlement amount.

OTHER AGENCY INVOLVEMENT:

The report has been reviewed by the County Administrative Office and the Auditor-Controller's Office. The CAO's office supports the recommendation.

FINANCING:

The transfer of \$2,400,000.00 is needed to comply with the terms of the settlement agreement.

General Fund Operational Contingencies are sourced with one-time funding. Any use of General Fund Contingencies may require reductions in other programs to continue the program. FY 2015-16 budgeted General Fund Contingencies is \$5,399,351. Considering this requested action to transfer \$2,400,000 from Contingencies and what has already been approved and/or funding committed pending further action, there will be no remaining budgeted funds for FY 2015-16 General Fund Contingencies.

Prepared by:

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