



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-0486, **Version:** 1

Receive and accept the first annual financial report from the Director of Health regarding the funds received by the Health Department from the Childhood Lead litigation settlement and accepted by action of the Board of Supervisors on December 13, 2011.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and accept the first annual financial report from the Director of Health regarding the funds received by the Health Department from the Childhood Lead litigation settlement and accepted by action of the Board of Supervisors on December 13, 2011.

SUMMARY/DISCUSSION:

On December 13, 2011, the Board accepted, on behalf of the Health Department, a settlement in the amount of \$273,305.12 as its share of the Millennium Holdings Childhood Lead Exposure litigation. (Attachment 1) The Board authorized the Auditor-Controller to establish a deferred revenue liability account, 2832-Deferred Revenue-Health, for the lead settlement funds. At that time, the Board also directed the Director of Health to submit an annual financial report to the Board that includes an explanation of supplies, services or equipment that may have been purchased with these funds, and the relationship those expenses had to the costs of lead-based paint litigation, lead testing, lead abatement and/or public education about lead poisoning.

One-third of the settlement funds, \$91,101.71, was entered into a Children's Medical Services Lead Paint Litigation Sub-Balance Sheet Account. Two-thirds of the settlement funds, \$182,203.41, were entered into an Environmental Health Lead Paint Litigation Sub-Balance Sheet Account. The Environmental Health Bureau agreed to assume the responsibility for reimbursement to County Counsel for past and anticipated future litigation costs, thereby simplifying cost accounting within the Health Department while balancing the resources benefit for both the Public Health-Children's Medical Services and the Environmental Health Bureaus.

Environmental Health Bureau made no withdrawals from their sub-balance sheet account in Fiscal Year (FY) 2012-13. In FY 2013-14, Environmental Health Bureau expects to make payments to the Office of the County Counsel for costs of on-going litigation related to childhood lead exposure.

Children's Medical Services expended a total of \$10,283 from their sub-balance sheet account in FY 2012-13 consisting of:

- \$4,253 - reimbursement for 210 hours of temporary staff assistance with scanning and preparing Childhood Lead Poisoning Prevention Program files for on-going childhood lead exposure litigation discovery obligations
- \$5,917 - reimbursement for 81 hours of employee staff time for file preparation, deposition preparation and responses to inquiries from the Office of the County Counsel to further the County's cause in current litigation
- \$83 - reimbursement for mileage costs related to staff deposition for on-going litigation

- \$30 - reimbursement for postage costs for documents mailed to lead counsel for on-going litigation

In FY 2013-14, Children's Medical Services staff expects to withdraw an as-yet unknown amount from their sub-balance sheet account for reimbursement of additional Childhood Lead Poisoning Prevention Program (CLPPP) staff expenses related to the on-going litigation, and for public education activities regarding childhood lead exposure.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

There is no impact to the County General Fund resulting from this Board action

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Approved by: Ray Bullick, Director of Health, 4526

Attachments:

Attachment 1 - Approved Board Order and Board Report dated 12/13/11 on file with the Clerk of the Board