

## FY 2016-18 Budget Hearings Board Inquiry Form

Board Member	
Carbajal	
Wolf	X
Farr	
Adam	
Lavagnino	

Inquiry Number: 10

Department: County Counsel/CEO-Litigation Fund  
 Date: 6/10/16  
 Page(s) of Budget Book/PowerPoint:

**Request/Question:**

The current litigation fund balance of over \$908,000 is significantly higher than the budget development policy of a \$350,000 allocation. Could this fund be prudently reduced to \$500,000 for FY 2016-17, freeing up an additional \$400,000 in funds?

The Litigation Fund Balance Committed (LFBC) account is generally used for unfunded litigation costs & probable uninsured losses.

Typically these funds are used for 1) outside counsel and experts on existing and potential litigation and 2) to fund costs related to expert consultants assisting on material property tax assessment appeal cases. The Board could also appropriate these funds for litigation costs related to prosecution (District Attorney) or defense (Public Defender) and on multiple defendant cases for Conflict Defense Representation (Court Special Services).

The recommended \$350,000 allocation to the LFBC is adequate for next year for both: the \$250,000 identified for County Counsel's potential Board-directed use of Outside Counsel; and the \$100,000 identified for Clerk-Recorder-Assessor; and

The LFBC is projected to have a balance at 6-30-2017 of approximately \$908,000 for unfunded litigation and uninsured losses.

On June 13, 2016, representatives from the offices of CEO, Auditor-Controller, County Counsel and the Courts met to discuss anticipated needs in FY 2016-17. An estimate of \$200,000 for General Litigation (potential losses not covered by Risk Funds; generally land use or breach of contract cases) was identified. In addition, the County has initiated prosecution on the MS-13 gang murder case which has a total of 16 defendants. At this time, it is difficult to determine the final costs that the County will incur on defense and prosecution costs in this case as it is unknown how many of the defendants will ultimately go to trial and may require County funded defense. Based on this uncertainty, it is believed that at least \$500,000 should be retained in this fund for this potential need.

Litigation Fund Balance As of June 14, 2016	
Anticipated Litigation Fund Balance at 6/30/16	\$ 908,000
Identified potential losses not covered by Risk	(200,000)
Multi Defendant cases	(500,000) Amount unknown, costs for up to 11 defendants + investigation costs may be required
	\$ 208,000