



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-403

Board Meeting Date: 5/14/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Gina Wilson, Chief Financial Officer, San Mateo County Health

Subject: Tobacco Settlement Change of Authorized Officers

RECOMMENDATION:

Adopt a resolution substituting the officers authorized to direct transfer of tobacco settlement funds.

BACKGROUND:

In 1998, the State of California, in partnership with other states, filed litigation against major U.S. tobacco companies. The suit successfully alleged years of deceitful advertising and marketing of tobacco products to adults and children. The lawsuit resulted in major changes to the way these products are advertised, as well as a Master Settlement Agreement (MSA) in which the tobacco companies agreed to pay billions of dollars annually to the states.

Since the MSA went into effect, San Mateo County has received approximately \$6 to \$7 million dollars annually from this source. These funds are used by San Mateo County Health (Health) for indigent healthcare costs, tobacco prevention activities, and facility expenses that further Health's mission to help everyone in San Mateo County live longer and better lives.

Starting in 2017, to improve the efficiency of cash handling and internal controls, the County Treasurer's Office established individual account structures within Union Bank for the various departments within the County. As a result, the MSA funds will no longer be deposited into the County's main banking account, but instead will be deposited in an account designated to San Mateo County Health.

DISCUSSION:

Given the foregoing, the Tobacco Settlement funds that are currently being received within the main bank account for the County should be redirected to an account associated with Health.

To make this account change, the Attorney General's Office is requesting a resolution from the County to update the individuals authorized to direct the transfer of the County's settlement funds on behalf of the County from the County's main bank account to the account designated by San Mateo County Health. Two of the individuals originally designated twenty one years ago have retired and the third has had a name change. Staff is now recommending that the following individuals be so designated:

Louise Rogers, Chief, Health
Gina Wilson, Chief Financial Officer, Health
Robert Manchia, Budget Director, San Mateo County

This resolution has been reviewed and approved by County Counsel as to form.

Approval of the resolution contributes to the Shared Vision 2025 outcome of a Healthy Community by providing funds to pay for healthcare services.

FISCAL IMPACT:

There is no fiscal impact as a result of this change.