

DEPARTMENT: Administration

BY: Rick Benson

PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION: Authorize payment to Hanson Bridgett LLP for legal services related to the FICA withholding issue and approve attached budget transfer. (4/5 vote required)

Earlier this year when it was discovered that there was significant potential exposure regarding the treatment of certain FICA payments this office secured the services of legal counsel specializing in IRS matters. As the matter developed, there was a need for more extensive services than originally anticipated costing more than the allotted \$10,000. In order to bring the matter to a definitive conclusion, this office continued to use Hanson Bridgett's services.

Naturally, there was some lag time in receiving the billings, however, we believe the matter is now concluded and we have received our final billing from the firm. The total cost for the services of Hanson Bridgett is \$27,078.24. \$1,457.00 has already been paid to the firm, therefore it is requested that your board authorize payment in the amount of \$25,621.24. As this was an extremely unusual expense it has not been budgeted. Therefore, to facilitate payment is recommended that the funds be taken from the General Fund Contingencies.

BACKGROUND AND HISTORY OF BOARD ACTIONS: The Board was informed that the Administrative Office and County Counsel were engaging outside counsel services.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION: Although it may be possible to withhold payments above the amount in the initial letter of engagement doing so would most likely expose the County to litigation and may jeopardize the County's ability to secure outside legal services in the future.

Financial Impact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partially Funded		
Amount in Budget: \$ -0-		List Attachments, number pages consecutively
Additional Funding Needed: \$ 25,622		Budget Action
Source:		
Internal Transfer _____		
Unanticipated Revenue _____ 4/5's vote		
Transfer Between Funds _____ 4/5's vote		
Contingency <u>X</u> 4/5's vote		
<input checked="" type="checkbox"/> General <input type="checkbox"/> Other		

CLERK'S USE ONLY:

Res. No.: 10-517 Ord. No. _____
 Vote - Ayes: 4 Noes: _____
 Absent: Bibby
 Approved
 Minute Order Attached No Action Necessary

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
 Comments:

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

CAO: 

BUDGET ACTION FORM

FUND	DEPT/DIV	ACCOUNT	DESCRIPTION	PROJECT	INCREASE	DECREASE
001	0102-412	0418	Professional Services		\$25,622	
001	0104-414	1090	GENERAL CONTINGENCY			\$25,622
				TOTAL	\$25,622	\$25,622

TRANSFER BETWEEN FUNDS						
TOTALS					\$0	\$0

ACTION REQUESTED: (Check all that apply)

(X) Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the county budget, or in any one fund of the budget , or appropriating Reserve for Contingencies;

() Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;

JUSTIFICATION: To pay for legal counsel regarding FICA issue.

DEPT HEAD SIGNATURE Mary B. Johnson DATE 11-1-10

APPROVED BY RES NO. 10-512 CLERK mmj DATE 11-9-10

ADMINISTRATION

AUDITOR'S USE ONLY BA #
