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? (x) Yes ( ) No Current FY Cost: $

Budgeted In Current FY? ( ) Yes (x) No ( ) Partially Funded

Amount in Budget: $0

Additional Funding Needed: $25,622

Source:

Internal Transfer

Unanticipated Revenue 4/5's vote

Transfer Between Funds 4/5's vote

Contingency X 4/5's vote

(x) General ( ) Other

List Attachments, number pages consecutively

Budget Action

CLERK’S USE ONLY:
Res. No.: 10-517 Ord. No. ____
Vote - Ayes: 4 Absent: ___
Approved
( ) Minute Order Attached ( ) No Action Necessary

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

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
No Opinion

Comments:

______________________________

CAO:

Revised Dec. 2002
## BUDGET ACTION FORM

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**TOTAL** $25,622 $25,622

### TRANSFER BETWEEN FUNDS

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**TOTALS** $0 $0

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**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.

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

**APPROVED BY RES NO** 10-512 CLERK  
**DATE** 11-9-10

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**ADMINISTRATION**

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**AUDITOR'S USE ONLY**

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Budget Revision Form Revised 11/95