

After Recording Return To: County Controller  
Name: Sharyl Raines  
Address: 3000 Rockefeller Ave., M/S #610  
Everett, WA 98201

**SNOHOMISH COUNTY  
FINANCIAL SERVICES AGREEMENT**

This Agreement is made by and between Snohomish County, a political subdivision of the State of Washington (hereinafter referred to as the "County"), and MARYSVILLE FIRE DISTRICT, a municipal corporation of the State of Washington (hereinafter referred to as the "District").

WHEREAS, the County, through its Department of Finance, has provided to the District payroll and other services set forth in Exhibit A to this Agreement for many years, due to the District's status as a junior taxing district;

WHEREAS, the County and the District now desire to enter into a formal, written interlocal agreement for the performance of certain services and/or tasks set forth below requiring specialized skills and other supportive capabilities of the County; and

WHEREAS, the County represents that it is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

**1. SCOPE OF SERVICES.**

The County shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary, as are designated the responsibilities of the County throughout this Agreement and as described in Exhibit A, attached hereto and incorporated herein.

**2. DISTRICT'S DUTIES.**

**A. With regard to accounts payable services, the District agrees to:**

- 1) Provide to the County, as directed, all information necessary for the County to perform the accounts payable services detailed in Exhibit A within the time frames required by the County.
- 2) Accept full responsibility for ensuring information reported to third parties is accurate and complies with current laws and regulations.
- 3) Timely inform County Department of Finance staff of current names, postal/and/or

email addresses and phone/message numbers of District staff contacts.

- 4) Timely submit all Form 1099/1042 or other confirmations and certifications as required by the County.
- 5) Enroll in EFTPS (Electronic Federal Tax Payment System).
- 6) Attend County required trainings related to accounts payable processes and services.
- 7) Represent the District in audits and respond to inquiries by third parties related to accounts payable information.
- 8) Accept full responsibility for resolution of IRS questions/challenges, including paying any applicable taxes, fines, penalties, etc.
- 9) Accept full responsibility for retaining District's source documents as required by law.

**B. With regard to payroll processing services, the District agrees to:**

- 1) Provide to the County all information necessary for the County to conduct the payroll processing services detailed in Exhibit A within the time frames required by the County;
- 2) Timely inform County Department of Finance staff of current names, postal and/or email addresses and phone/message numbers of District staff contacts.
- 3) Accept full responsibility for ensuring information reported to third parties is accurate and complies with current laws and regulations;
- 4) Timely file all reports required by third parties, including but not limited to Washington Department of Retirement Systems, Washington State Unemployment Insurance, Washington Department of Labor & Industries, Employer's Quarterly Federal Tax Returns, IRS Form 941, and 941-X amendments;
- 5) Attend County required trainings related to payroll processes and services.
- 6) Represent the District in audits and respond to inquiries by third parties related to payroll information.
- 7) Accept full responsibility for resolution of IRS questions/challenges, including payment of any applicable taxes, fines, penalties, etc.
- 8) Accept full responsibility for retaining District's source documents as required by law.

**3. TERM.**

This Agreement shall be effective from January 1, 2014 and shall continue in effect until December 31, 2016. This Agreement shall be automatically extended for additional one year terms annually thereafter beginning January 1, 2017, unless terminated pursuant to Section 11.

**4. COMPENSATION.**

Payment for services provided by the County shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the County and the District. No payment shall be made for any service rendered by the County except for services identified and set forth in this Agreement, including Exhibit A. Fees for services shall be in accordance with the fee schedule attached as Exhibit B, attached hereto and incorporated herein. The parties agree that the fees being charged in accordance with Exhibit B are to compensate the County for those services that the County is not legally mandated to provide to the District.

**5. ADMINISTRATION.**

This Agreement shall be administered for the County by the County Controller, and for the District by Chelsie Reece, Finance Manager

**6. INDEMNIFICATION.**

Each party agrees to be responsible and assume tort liability for its own wrongful acts or omissions, or those of its officers, agents, or employees, to the fullest extent required by law, and agrees to save, indemnify, defend and hold the other party harmless from any such tort liability. In the case of negligence or wrongful acts by both the County and the District, any damages allowed shall be levied in proportion to the percentage of fault attributable to each party, and each party shall have the right to seek contribution from the other party in proportion of the percentage of negligence attributable to the other party.

The District shall indemnify the County against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions except such liability or loss arising solely from an error or omission of the County.

**7. MAINTENANCE AND INSPECTION OF RECORDS.**

A. The District and the County shall maintain books, records and documents, which sufficiently and properly reflect all work related to the performance of the Agreement. In addition, the District shall maintain all accounting records in a form necessary to assure proper accounting of all funds paid pursuant to this Agreement. All of the above shall be subject at all reasonable times to inspection, review, or audit by the County, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B The District and the County shall retain all books, records, documents and other material relevant to this Agreement in accordance with state record retention laws and regulations. The District agrees that the County or its designee shall have full access and right to examine any of said materials at all reasonable times during said period; and that the District shall have similar access to said materials maintained by the County pursuant to this Agreement.

## **8. AMENDMENTS.**

With the exception of annual fee adjustments made as provided in Exhibit B, this Agreement may be amended only upon written agreement of the parties executed in the same manner as provided by law for the execution of this Agreement.

## **9. OWNERSHIP OF WORK PRODUCTS.**

All data, materials, reports, memoranda, and other documents developed under this Agreement, whether finished or not, shall be forwarded to the District at its request, and may be used by the County and the District as each entity sees fit.

## **10. LEGAL RELATIONS.**

The District shall be fully responsible for, and the County will rely upon, all determinations regarding the interpretation and application of state and federal tax laws and regulations in relation to District officials, employees and volunteers. The District is responsible for obtaining, at the District's sole expense, the advice of a tax attorney as necessary.

This Agreement shall be governed by the laws of the State of Washington and any lawsuit regarding this Agreement must be brought in the State of Washington within six years following the end of the calendar year in which any event upon which the lawsuit is based occurred.

## **11. TERMINATION.**

- A. Termination for Convenience. Either party may terminate this Agreement, in whole or in part, at any time, upon at least one hundred twenty (120) days written notice to the other party. The County shall be paid in accordance with Exhibit B for work performed prior to the date of termination. If the County has any property in its possession belonging to the District, the County will account for the same, and dispose of it in the manner directed by the District.
- B. Termination for Cause. If the County fails to perform in the manner called for in this Agreement, or if the County fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within five (5) days written notice thereof, the District may terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the County setting forth the manner in which the County is in default. The County will be paid for those services already performed in accordance with the manner of performance set forth in this Agreement, up to the date of termination.

## **12. MEDIATION AND ATTORNEYS FEES.**

The parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement through a good faith attempt at mediation prior to filing any lawsuit relating to

this Agreement. If an agreement on a mediator cannot be reached within thirty (30) days of a party's notification to the other that it desires to mediate, this provision shall be deemed satisfied. Each party shall share the costs of a mediator and will pay its own attorneys' fees and costs related to mediation and any litigation arising from this Agreement.

**13. WAIVER.**

The waiver by, or the failure to take action with respect to, breach of any term, covenant or condition of the Agreement shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach. All remedies afforded in this Agreement shall be taken as cumulative; that is, in addition to every other remedy provided herein or by law.

**14. SEVERABILITY.**

It is understood and agreed by the parties that if any term or provision of this Agreement is held by any court to be illegal or in conflict with any law of the state of Washington, the validity of the remaining portions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term, part or provision held to be invalid.

**15. ENTIRE AGREEMENT.**

This instrument contains the entire agreement between the parties, and statements, promises, or inducements made by any party or agent of that party that are not contained in this Agreement shall not be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by all parties.

**16. NOTICE**

Notices shall be provided to a party at the address set forth below, which notice addresses may be changed from time to time, by written notice. Notices shall be sent by certified mail, return receipt requested, postage prepaid.

**THE DISTRICT:**

ATTN: Chelsie Reece  
MARYSVILLE Fire Dist.  
1094 - CEDAR AVE.  
MARYSVILLE, WA. 98270

**THE COUNTY:**

ATTN: Controller  
Snohomish County  
3000 Rockefeller Avenue M.S. 610  
Everett, WA 98201

IN WITNESS WHEREOF the parties have executed this Agreement this 21 day of January  
~~2013~~ 2014


**SNOHOMISH COUNTY:**

  
County Executive 8/8/14

Approved as to form:

  
Deputy Prosecuting Attorney

**THE DISTRICT:**

  
(Title) Chief

Approved as to form:

\_\_\_\_\_  
District Attorney

## Exhibit A

### Scope of Services

1. The County's Department of Finance shall perform accounts payable services for the District as follows:
  - a. Process invoices in the County's financial management system by uploading/inputting invoice data submitted by the District, provided data is received from the District in a County-approved electronic format.
  - b. Process vendor warrants. Changes to current processing schedule shall be made only with 120 days notice.
  - c. Mail or hold warrants as requested by the District.
  - d. Set up and maintain a vendor database, as requested by the District using vendor request forms provided by Finance.
  - e. Submit unclaimed warrants to Washington State Department of Revenue as required by state law.
  - f. Make withholding payments and submit mandatory paperwork for withholdings as required by the Internal Revenue Code.
  - g. Produce and submit or mail 1099s/1042s and related forms to the Internal Revenue Service and to District vendors as required by the Internal Revenue Code. Copies of all forms shall be provided to the District.
  - h. Provide record keeping, including W-9s, for the District.
  - i. Produce accounting reports, from those available in the County's financial management system, as requested by the District.
  
2. In addition, the County's Department of Finance shall perform payroll services for the District as follows:
  - a. Set up and maintain payroll system records for District employees using Personnel Record Change (PRC) forms, W-4 information, and Direct Deposit forms in the County's financial management system as directed by the District.
  - b. Set up and maintain payroll system records for earnings and deduction codes as directed by the District.
  - c. Set up and maintain mandatory deductions required by law including but not limited to garnishments, child support, levies, etc.
  - d. Using monthly payroll data submitted by the District, input/upload employee hours, amounts earned, and deductions; calculate pay from gross to net; and create net paychecks and/or direct deposits for District employees.
  - e. Create and provide benefit payments to the District for submittal to appropriate agencies.
  - f. Submit mandatory deductions withheld (such as garnishments, child support, levies, etc.) to appropriate agencies.
  - g. Prepare and submit paperwork related to mandatory deductions (such as garnishments, child support, levies, etc.) to appropriate agencies.
  - h. Deposit the District's federal employer's taxes through the Electronic Federal Tax

Payment System (EFTPS).

- i. The County reserves the right to impose payment of wages to District employees through direct deposit or pay card only, which may result in an adjustment to payroll processing fees. Changes to current processes shall be made only with 120 days notice.
- j. Provide quarterly payroll reporting information to the District for preparation and submittal to appropriate agencies.
- k. Provide amended quarterly payroll reporting information to the District for preparation and submittal to appropriate agencies.
- l. Prepare annual payroll reports, including W-2s, for timely submission to the IRS, the Social Security Administration, District employees, and the District.
- m. Provide other payroll reports, from those available in the County's financial management system, as requested by the District.



## Exhibit B

### Fee Schedule

1. The County will bill quarterly for services provided under this agreement. Services performed in the first quarter will be billed in April; services performed in the second quarter will be billed in July; services performed in the third quarter will be billed in October; and services performed in the fourth quarter will be billed in January.
2. Accounts payable services will be billed by number of invoices processed. Cancellation of an invoice and re-processing as a new invoice shall be counted as an additional invoice.
3. Accounts payable amendments for IRS 1099 and 1042 forms billed per filing form plus a per hour charge which includes but is not limited to review, research, and determining appropriate course of action as noted below under Amended Forms and Research Fees.
4. Review and research of IRS notices and correspondence charged per hour as noted below under Research Fees.
5. Payroll services will be billed by number of payroll warrants and direct deposits issued. Replacement warrants will be counted as additional warrants.
6. Payroll amendments for quarterly IRS Form 941-X and Social Security Administration Forms W-2c and W-3c preparation billed per filing form plus a per hour charge which includes but is not limited to review, research, and determining appropriate course of action as noted below under Amended Forms and Research Fees.
7. Review and research of IRS and Social Security Notices and Correspondence charged per hour as noted below under Research Fees.
8. Rates will be as follows:
  - a. Accounts Payable Invoices payment by e-payable: \$1.37 per invoice
  - b. Accounts Payable Invoices all other forms of payment: \$1.41 per invoice
  - c. Payroll Warrants: \$1.68 per warrant
  - d. Base Fee: \$10 per calendar month
  - e. Amended Forms: \$100 per filing form
  - f. Research Fees: \$39.07 per hour - one hour minimum
  - g. Document Mailing Fee (Districts without e-mail accounts): \$5.00 per mailing
9. Rates for subsequent years will be calculated by the County and presented in writing to the District for its acceptance by October 1<sup>st</sup> of the year preceding the year for which the rates apply. The District shall have until November 14<sup>th</sup> of the same year to inform the County in writing whether it accepts the revised rates or chooses to terminate this Agreement before the beginning of the year to which the revised rates apply. Termination shall be in accordance with Section 11 of this Agreement.

10. The District agrees to provide payment to the County under this Fee Schedule within thirty (30) days after the invoice date.