

**INTERLOCAL AGREEMENT BETWEEN CITY OF ELLENSBURG AND KITTCOM  
FOR ACCOUNTING SERVICES**

This Interlocal Agreement is made by and between City of Ellensburg, Washington, a political subdivision of the State of Washington (the "City"), and KITTCOM (Kittitas County 9-1-1), a Washington municipal corporation ("KITTCOM").

WHEREAS, the City is a municipal corporation organized and existing under the Washington State Constitution and the laws of the State of Washington, and particularly those set forth at Title 35A RCW;

WHEREAS, KITTCOM is a multi-jurisdictional public safety answering point services provider jointly and cooperatively created and administered by various public agencies in Kittitas County under the authority of an Interlocal Cooperative Agreement executed pursuant to Chapter 39.34 RCW; and

WHEREAS, the City and KITTCOM wish to arrange for the City's Finance Department to continue to provide accounting support to KITTCOM; and

WHEREAS, City has agreed to accounting support under the terms and conditions of this Agreement; and

WHEREAS, the City Council authorized the execution of this Agreement by action taken at a regular meeting; and

WHEREAS, KITTCOM's Administrative Board authorized the execution of this Agreement by action taken at a regular meeting;

NOW, THEREFORE, in consideration of the premises and promises, terms and conditions set forth below, it is hereby agreed as follows:

**ARTICLE I  
PURPOSE**

1.01 **Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which City will provide accounting services for KITTCOM.

**ARTICLE II  
SERVICES BY THE CITY**

2.01 **Services by City.** City of Ellensburg shall provide KITTCOM with the services described in Appendix A attached of this Agreement, which by this reference is hereby incorporated into and made part of this Agreement.

2.02 **Availability of Services.** City of Ellensburg shall make a reasonable effort to assure the availability of its Finance staff member(s) for assistance to KITTCOM.

KITTCOM recognizes that from time to time, the City's internal priorities may delay KITTCOM's access to City's services under this Agreement.

2.03 **Travel Included.** City agrees the cost of travel necessary to fulfill this Agreement are included in City's compensation under this Agreement. Other supplies or materials needed will be provided by KITTCOM if possible. If City elects to provide incidental supplies or materials, City may invoice KITTCOM for actual costs for said supplies provided or materials by City.

### **ARTICLE III ADMINISTRATION**

3.01 **Administrator.** The Finance Director shall be responsible for the administration of this Agreement for the City. The Director of KITTCOM shall administer this agreement for KITTCOM.

### **ARTICLE IV DURATION, RENEWAL AND TERMINATION OF AGREEMENT**

4.01 **Duration, Renewal and Termination.** This Agreement shall be effective when executed by both parties and shall continue through December 31, 2019. Thereafter, this Agreement shall automatically renew annually on January 1<sup>st</sup> unless terminated by either party by written notice to the other party served not less than thirty (30) days prior to the annual renewal date. Termination by KITTCOM shall not result in the refund of any payment made to the City for services rendered prior to termination.

### **ARTICLE V COMPENSATION TO CITY**

5.01 **Compensation to City.** City agrees to provide the services specified in Appendix A for Twenty-One Thousand Dollars and No Cents (\$20,000) in 2019. Amount will be updated annually based on City's cost allocation and additional time/processes required.

5.02 **Invoices.** City shall invoice KITTCOM annually in January for services rendered the same calendar year.

5.03 **Payment to City.** KITTCOM shall pay the amount invoiced and due within thirty (30) days after billing.

### **ARTICLE VI INDEMNITY**

6.01 **Claims.** To the extent of its comparative liability, each party shall indemnify, defend and hold the other party, its departments, elected and appointed officials, employees, and agents, harmless from and against any and all claims, damages, losses

and expenses, including attorney's fees, for any bodily injury, sickness, disease, or death, or any damage to or destruction of property, including the loss of use resulting therefrom, which are alleged or proven to be caused in whole or in part by a negligent act or omission of its officers, directors, and employees. This indemnification obligation shall not apply in the limited circumstance where the claim, damage, loss and/or expense is caused by the sole negligence of either party.

## **ARTICLE VII PERFORMANCE OF AGREEMENT**

**7.01 Compliance with All Laws.** Each party shall comply with all federal, state and local laws, rules, regulations and ordinances applicable to the performance of this Agreement, including without limitation all those pertaining to wages and hours, confidentiality, disabilities and discrimination.

**7.02 Maintenance and Audit of Records.** Each party shall maintain books, records, documents and other materials relevant to its performance under this Agreement. These records shall be subject to inspection, review and audit by either party or its designee, and the Washington State Auditor's Office. Each party shall retain all such books, records, documents and other materials for the applicable retention period under federal and Washington law.

**7.03 On-Site Inspections.** Either party or its designee may evaluate the performance of this Agreement through on-site inspection to determine whether performance is in compliance with the standards set forth in this Agreement, and in compliance with federal, state and local laws, rules, regulations and ordinances.

**7.04 Improper Influence.** Each party agrees, warrants and represents that it did not and will not employ, retain or contract with any person or entity on a contingent compensation basis for the purpose of seeking, obtaining, maintaining or extending this Agreement. Each party agrees, warrants and represents that no gratuity whatsoever has been or will be offered or conferred with a view towards obtaining, maintaining or extending this Agreement.

**7.05 Conflict of Interest.** The elected and appointed officials and employees of the parties shall not have any personal interest, direct or indirect, which gives rise to a conflict of interest.

## **ARTICLE VIII DISPUTES**

**8.01 Time.** Time is of the essence of this Agreement.

**8.02 Waiver Limited.** A waiver of any term or condition of this Agreement must be in writing and signed by the waiving party. Any waiver of a term or condition of this

Agreement shall apply only to the specific act, occurrence or omission and shall not constitute a waiver as to any other term or condition or future act, occurrence or omission.

**8.03 Attorney's Fees.** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, each party shall pay its own attorney's fees incurred in that action, arbitration or proceeding.

**8.04 Governing Law and Venue.** This Agreement shall be governed exclusively by the laws of the State of Washington. The Kittitas County Superior Court shall be the sole proper venue for any and all suits brought to enforce or interpret the provisions of this Agreement.

## **ARTICLE IX GENERAL PROVISIONS**

**9.01 Assignment.** Neither party may assign its rights or delegate its duties under this Agreement, whether by assignment, further, subcontract or other means. Any such attempted assignment or delegation shall be void and shall constitute a material breach of this Agreement.

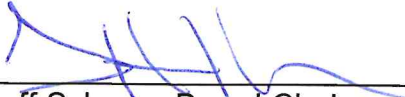
**9.02 Entire Agreement.** This Agreement constitutes the entire agreement between the parties. There are no understandings or agreements between parties other than those set forth in this Agreement. No other statement, representation or promise has been made to induce either party to enter into this Agreement.

**9.03 Modification.** This Agreement may not be amended, supplemented or otherwise modified unless expressly set forth in a written agreement signed by the parties and adopted by each party's legislative authority.

**9.04 Invalid Provisions.** The invalidity or unenforceability of any particular term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision and, to the greatest extent possible, this Agreement shall be construed in all respects as if such invalid or unenforceable term or provision was intentionally omitted.

In WITNESS WHEREOF, the parties hereto have cause this Agreement to be executed this 18<sup>th</sup> day of November 2019.

KITTCOM



Geoff Scherer, Board Chair  
*Glenn Huffman Vice Chair*

Attest:



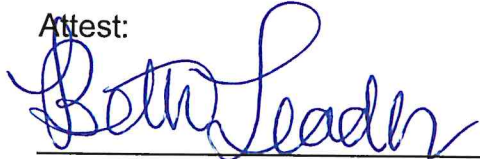
Darlene Mainwaring, Director

CITY OF ELLENSBURG



Bruce Tabb, Mayor

Attest:



Beth Leader, City Clerk

Approved as to form:



Stephanie Hartung



Terry Weiner, City Attorney

## **Appendix A – Scope of Work for Accounting Services**

With guidance from KITTCOM's staff with regard to the specifics of work, City shall assist KITTCOM's staff with, but not limited to the following:

- Payroll Processing and Administration
  - semi-monthly payroll processing
  - payment processing of benefits/deductions
  - filing of 941 quarterlies
  - filing of semi-monthly, monthly, and quarterly benefit reports
  - preparation and filing of W-2's
  - Assisting Kittcom in audits by teamsters, DRS, pension trust, medical eligibility
  
- Claim Processing
  - monthly claims processing and printing (exception of 2 runs in December)
  - preparation of voucher approvals
  - preparation and filing of 1099's
  
- Bank Reconciliations
  
- Processing Monthly Journal Entries and Reports
  
- Preparation and Filing of Annual Financial Statements
  
- Assisting Kittcom in Audits with State Auditor's Office (SAO)
  - Financial Statement Audits
  - Accountability Audits
  - Federal Grant Audits

**Storage of payroll and claims documentation is not included. These will be sent back to Kittcom on an annual basis**

**Appendix B of 2020& 2021 Interlocal Agreement between City of Ellensburg  
& KITTCOM for Accounting Services Cost Allocation (KITTCOM Finance Fee Description)**

The fee to Kittcom for City Finance Department Services will be calculated based on the principles in the City’s Cost Allocation Policy and the Budgeting, Accounting, and Reporting System (BARS) manual published by the Washington State Auditor’s Office (SAO). In addition, if activity for KITTCOM significantly exceeds the allocation amounts, additional charges will be negotiated between the Finance Department and KITTCOM.

This includes the requirements of RCW 43.09.210. This RCW states in part,

*“All service rendered by, or property transferred from, one department, ... institution, or public service industry to another, shall be paid for at its true and full value by the department, ... institution, or public service industry receiving the same, and no department, ... institution, or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another.”*

This statute is regularly summarized as the “beneficiary pays” principle.

The SAO requires the city to maintain a well-developed plan that includes relevant, up-to-date information about our administrative costs and how to distribute them. Additionally, SAO requires that the allocation factors must equitably allocate the costs based on the beneficiary pays principle.

In addition to the requirements for equitable and well documented allocation, the City endeavors to implement a cost allocation plan that creates predictable and steady allocations. Although the City cannot guarantee specific allocations in future years because future activity isn’t certain, the allocation amount can be predictably estimated and presumed to follow the general proportional usage of Finance Department services and the underlying changes to Finance Department costs.

Cost allocation analysis will be completed every two years in preparation for the city’s biennial budget development process. The analysis will establish the rates for the following two years. Allocation factors and their relative weights will be evaluated to ensure compliance with the City’s cost allocation policy. Additional allocation factors may be identified to better assign the costs of the Finance Department work to the beneficiary.

Based on the current cost allocation analysis, KITTCOM would be responsible for the following percentages of each Finance Department cost center.

Administration	3.09%	\$6,061
Accounting	1.71%	\$12,269
Customer Service	0.28%	\$2,096
City Clerk	0.00%	\$0
Financial Applications	0.28%	\$593
<b>Total</b>	<b>1.02%</b>	<b>\$21,019</b>

Presently, the allocation factors are described as follows for each of the cost centers within the Finance Department.

**Finance Admin** – Overall finance service delivery, leadership and supervision, policy development, and review and control of payroll, treasury, budget, and financial statements. Performs the duties of treasurer,

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