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County of Santa Cruz

AUDITOR-CONTROLLER'S OFFICE

701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 950604073
(831) 454-2500 FAX (831) 454-2660

GARY A. KNUTSON, AUDITOR-CONTROLLER

Chief Deputy Auditor-Controllers

Pam Silbaugh, Accounting
Suzanne Young, Audit and Systems
Kathleen Hammons, Budget and Tax

March 7, 2000

AGENDA: March 21, 2000

BOARD OF SUPERVISORS

County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

REQUEST TO EXECUTE PAYROLL SERVICES REVENUE AGREEMENT WITH SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (SCMTD)

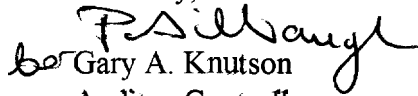
Dear Members of the Board:

SCMTD has requested that the County continue to provide payroll services to their District. We provide a very complex payroll service which they have been unable to duplicate through other avenues. We have provided this service for the past several years and agree to its continuance.

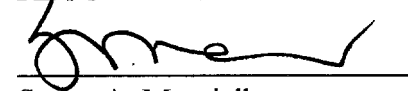
Our office has worked with the District and County Counsel to develop the attached service agreement for payroll services.

It is RECOMMENDED that the Board of Supervisors authorize the Auditor-Controller to execute the payroll services agreement with SCMTD.

Sincerely,


Gary A. Knutson
Auditor-Controller

RECOMMENDED


Susan A. Mauriello
County Administrative Office

Attachment
GAK:ps



COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0020

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: AUDITOR-CONTROLLER (Dept.)
Psillbaugh (Signature) 3-9-00 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- Said agreement is between the County of Santa Cruz (Agency) and the Santa Cruz Metropolitan Transit District, 224 Walnut Ave, Santa Cruz, CA (Name & Address)
- The agreement will provide payroll services to the Transit District
- The agreement is needed to reimburse the County for the cost of the services.
- Period of the agreement is from July 1, 1999 to June 30, 2002
- Anticipated cost is \$ 40,000 per year (Fixed amount; Monthly rate; Not to exceed)
- Remarks: continuing contract-renewal
- Appropriations are budgeted in 123200 (Index#) 1 2 2 0 (Subject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

~~Appropriations are available and have been expended with the~~ Contract No. R-537 Date 3/9/2000

Revenue Contract

GARY A. KNUTSON, Auditor - Controller
By Psillbaugh Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Auditor to execute the same on behalf of the Auditor-Controller (Agency).

Remarks: MP (Analyst) By Samuel Paulmen County Administrative Officer Date 3/10/00

Agreement approved as to form. Date _____

Distribution:
Bd. of Supv. - White
Auditor-Controller - Blue
County Counsel - ~~Goldrod~~
Co. Admin. Officer - Canary
Auditor-Controller - Pink
Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.



State of California)
County of Santa Cruz) ss
I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing request for approval-of agreement was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on _____ 19 _____ County Administrative Officer
BY _____ Deputy Clerk

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Service Agreement

This Agreement is entered into by and between the COUNTY OF SANTA CRUZ, hereinafter referred to as "COUNTY", and SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, hereinafter referred to as "DISTRICT", this 1st day of July, 1999.

Witnesseth

WHEREAS, the County is able to furnish and the District wishes to receive and purchase payroll services as hereinafter set forth it is agreed as follows:

NOW, THEREFORE, in consideration of the policies, covenants and obligations of the parties hereinafter set forth it is agreed as follows:

THE COUNTY shall maintain the level of service provided to DISTRICT as of June 30, 1999, which shall include the following:

I. Scope of Services

- A. The COUNTY agrees during the term of this Agreement to perform the following functions and duties with regard to the DISTRICT'S payroll:
1. To process the District's bi-weekly payroll for approximately 300 employees, all of whom have wages computed hourly and must be reported by department.
 2. To include approximately thirty types of pay such as the following: straight time, overtime, ~~PERS overtime~~, bilingual, shift differential, uniform allowance, instructor **pay**, union non-work pay, sick pay, vacation pay, administrative leave pay, personal leave pay, guarantee pay, termination pay, out-of-class pay, accrual payoffs, accident report pay, travel time, jury duty, holiday pay, trainee pay, over-80 hours pay, double-time, advance pay.
 3. To include with remittance to appropriate payees approximately fifteen deductions such as the following: various insurance deductions, garnishments, retirement, direct deposit to banks, deferred compensation, union dues, Medicare, credit unions, adjustment.

4. To provide for timekeeper data entry and retrieval of attendance information, which shall include corrections and balancing by either:
 - a) hard copy via mail, courier, or
 - b) electronically via IBM type personal computer connected to COUNTY'S database.
5. To issue, sign and prepare checks for pick-up by 12:00 noon on Thursday following the end of the pay period (Wednesday if Thursday is a holiday); to manually prepare pay warrants when necessary, upon request.
6. To provide each payee with a Earnings, Deductions & Leave statement which shows at a minimum the following:
 - a) current earnings by hours and amount, current taxes and other deductions by amount;
 - b) year-to-date earnings, taxes and other deductions;
 - c) current balances for sick, annual, personal, administrative leave and floating holidays;
7. To provide for direct deposit to banks both for saving, checking and net pay.
8. To file all Federal and State payroll taxes within prescribed time limits.
9. To deduct for Medicare from employees hired after 4/1/86, and for FICA as necessary.
10. For DISTRICT employees covered by the Public Employees Retirement System, COUNTY will process all retirement deductions in accordance with PERS contract with DISTRICT, which include deductions on first 80 hours only (not to include overtime). DISTRICT shall provide COUNTY a copy of its contract with PERS.
11. To interface with F.A.M.I.S. to provide journal entries for posting to general ledger within five (5) work days of payday.

12. To provide reports by department with the following information and frequency shown in parenthesis:
 - a) By department and employee, usage and balance-available reports on compensatory time, sick leave, annual leave, administrative leave, personal leave, floating holidays, overtime reports, leave usage, hours and liability for leave reports (payday).
 - b) Payroll history by employee made available by payday.
 - Fiche Master File
 - Fiche Earnings History

(Fiche of commonly used reports in addition to hard copies.)
 - c) Hours and earnings (payday). Hours register by department as well as one total for all departments.
 - d) Deductions (payday).
 - e) Audit report (payday).
 - f) Last rate of pay increase, by employee amount and date (monthly).
 - g) Payroll register (payday).
13. To generate new reports as required, and to provide direct access to the database for retrieval of information as required. (If an additional charge for a report is required by County, County will notify District in advance so that District may approve charges.)
14. To account for taxable, non-cash fringe benefits.
15. To issue W-2's and quarterly reports; to provide, upon request, duplicate W-2's.
16. To provide information needed for special project reports.
17. To maintain the payroll system in conformance with State and Federal laws and regulations and PERS requirements.

II. Duties of the District

- A. DISTRICT shall deposit in advance with the COUNTY such funds as are necessary to process and make payment of required payroll.
- B. DISTRICT shall provide COUNTY accurate documentation of hours worked by each employee in advance of payday.

III. Compensation

- A. DISTRICT agrees to pay COUNTY actual cost of operation, including overhead, not to exceed \$40,000 annually.
- B. The COUNTY agrees to submit an annual itemized invoice for total payroll services at the end of the fiscal year in which services were provided. Payment processing will begin upon receipt of invoice and payment will be sent to the COUNTY via U.S. mail within thirty days of receipt of invoice. Alternatively, DISTRICT may authorize in writing, payment through a journal entry processed by COUNTY.

Iv. Terms of Agreement

- A. The term of this Agreement shall be three years, beginning July 1, 1999 and ending June 30, 2002.
- B. This Agreement may be cancelled by either party as of June 30 of any year by mailing to the other party 120 days written notice of cancellation.
- C. The fees, terms or conditions of this Agreement may be modified in writing with the consent of the parties. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representative of both parties.
- D. Upon termination of this Agreement, a final accounting shall be made of the fees payable to the COUNTY and any funds belonging to the DISTRICT in the possession of the COUNTY and any balance due either party shall be promptly paid by the debtor party.
- E. All records, reports and material pertaining to DISTRICT payroll subject to this Agreement shall be the property of the DISTRICT and shall be available to the DISTRICT upon termination of this Agreement.

V. Assignment

Neither party shall assign this Agreement or any part hereof without the written consent of the other party. This provision is not intended to restrict the COUNTY from engaging personnel, as COUNTY deems reasonably advisable.

VI. Independent Contractor

While performing service hereunder, the COUNTY shall be an independent contractor and not an agent officer, or employee of the DISTRICT.

VII. Authority

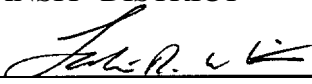
Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

VIII. Governing Law

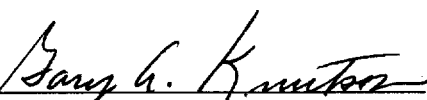
This Agreement shall be interpreted and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

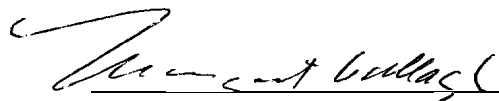
By: 
Leslie R. White, General Manager

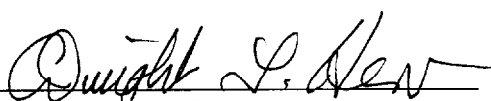
COUNTY OF SANTA CRUZ

By: 
Gary A. Krutson, Auditor-Controller

Approved as to form:

Approved as to form:


Margaret R. Gallagher
District Counsel


County Counsel