FileLocal

Executive Board:

Susy Haugen, Chair
City of Everett

Toni Battersby
City of Bellevue

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Agenda

December 12, 2016

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. CALL TO ORDER
- A. Introductions

2. PUBLIC COMMENT*

3. APPROVAL OF SEPTEMBER 26 AND NOVEMBER 18 MEETING SUMMARIES Page 2

4. REVIEW OF OCTOBER AND SEPTEMBER 2016 FINANCIAL STATEMENTS Page 7

5. ACTION ITEMS
- A. Resolution FL2016-11: 2017 Budget
  - I. Briefing Paper: Resolution FL2016-11 Page 15
  - II. Resolution FL2016-11 Page 16
  - III. Attachment A: 2017 Budget Page 18
- B. Resolution FL2016-12: 2017 Executive Board Meeting Schedule
  - I. Briefing Paper: Resolution FL2016-12 Page 25
  - II. Resolution FL2016-12 Page 26
  - III. Attachment A: Meeting Schedule Page 28

6. OTHER BUSINESS
- A. New City Onboarding Pricing Strategy Page 29
- B. Legislative Update: HB 2959 (Glen Lee & Andy Cherullo) Page 33
- C. Monthly Business Report, October 2016 Page 34
- D. Project Manager Replacement Page 42

7. NEXT MEETING:
- A. Executive Board meeting: Monday, March 27, 2017 at 12:00 pm
- B. Operations Committee Meeting: Monday, March 14, 2017, at 2:00 pm

8. ADJOURNMENT

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

FileLocal

Executive Board Meeting Summary

September 26, 2016

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

Executive Board:

Susy Haugen, Chair
City of Everett

Toni Battersby
City of Bellevue

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

KEY: Underlined text indicates actions/decisions.
Bold/italicized text indicates follow up items.

Standing Items

1. CALL TO ORDER

The September 26, 2016, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 12:11 p.m. and held in Conference Room 4070 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Susy Haugen (phone), Toni Battersby (phone), Glen Lee and Andy Cherullo (phone)

Staff and Guests: Kevin Fitzpatrick, Jamie Carnell, Laurie McVay, Greg Kauper, Yingying Chen (phone), David Linehan (phone), Wendy Bremer (phone), and Isie Wong (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Glen Lee and seconded by Toni Battersby, the board approved the June 3 and June 27, meeting summaries.

4. REVIEW OF FINANCIAL STATEMENT

There were no questions or comments regarding the Financial Statements for May, June, July and August, 2016.

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

5. REVIEW OF MONTHLY BUSINESS REPORT

Kevin Fitzpatrick reviewed the Monthly Business Report. Usage is trending up over last quarter, primarily driven by increases in accounts created and forms filed by Bellevue and Tacoma businesses. Help desk cases will be a driver of portfolio items to ensure businesses' issues are being addressed.

At the request of Andy Cherullo, Kevin will add a section to this report showing a by city break down of total accounts created and forms filed.

6. ACTION ITEMS

A. **Resolution FL2016-07, Program Manager Appointment**: Jamie Carnell reviewed the hiring process that led to Kevin Fitzpatrick coming on board with FileLocal in April. The past five months have been a transitional period during which Kevin has done a good job to get up to speed, build relationships with the cities and our vendors, and improve our internal processes. With the passage of FL2016-07, Jamie will step down as Interim Program Manager and Kevin will be appointed Program Manager. Jamie will still maintain high level management of the Agency. On a motion made by Glen Lee and seconded by Andy Cherullo the resolution was passed unanimously.

B. **Resolution FL2016-09, Kubra Contract**: Kevin noted that the initial Kubra contract was between Kubra and the City of Seattle; this resolution reassigns FileLocal's portion of that contract over to the Agency. After negotiations were completed, Kubra advised they were increasing the credit card convenience fee by 0.6%. Kevin and the Board want to discuss this late development with Kubra and the City of Seattle prior to signing the contract and passing the resolution. This resolution has been tabled and will be revisited at the December 12 meeting of the Executive Board.

C. **Resolution FL2016-10, Ramware Contract**: Kevin reviewed the history of the initial contract between Ramware and the City of Seattle. The contract was assigned to the Agency via FL2016-03. Modifications that were needed to align the contract away from a software development model toward a new city onboarding and Software as a Service model. The updated Statement of Work and Service Level Agreement address these issues. Additionally, the insurance requirements were updated to meet that of the WCIA recommendations, with the exception of coverage for cyber security claims which was increase by $150,000 to provide protection against immediate out of pocket expenses that would be incurred were we to experience a data breach. Finally, the administration of the Agency website, filelocal.org, was included in the revisions. On a motion made by Toni Battersby and seconded by Glen Lee the resolution was passed unanimously.

7. OTHER BUSINESS:

A. On a motion made by Glen Lee and seconded by Toni Battersby, the board voted unanimously to appoint Andy Cherullo to the vacant Vice-Chair seat.

8. ADJOURNMENT

The meeting of the Executive Board adjourned at 12:33 p.m.

Respectfully Submitted,

Laurie McVay
Secretary, FileLocal

FileLocal

Executive Board Meeting Summary

November 18, 2016

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

Executive Board:

Susy Haugen, Chair
City of Everett

Toni Battersby
City of Bellevue

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

KEY: Underlined text indicates actions/decisions.
Bold/italicized text indicates follow up items.

Standing Items

1. CALL TO ORDER

The November 18, 2016, Special meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 10:38 a.m. and held in Conference Room 4090 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Susy Haugen (phone), Toni Battersby (phone) and Glen Lee (phone)

Staff and Guests: Kevin Fitzpatrick, Wendy Thomaston, Laurie McVay, David Linehan (phone), and Toni Call (phone)

2. PUBLIC COMMENT

There were no public comments.

3. ACTION ITEMS

A. Resolution FL2016-09 Kubra Contract: Kevin Fitzpatrick noted this contract was reviewed and tabled at the September 26, 2016 meeting of the Executive Board due to the increase in the Transactional Convenience Fee. The fee increased from 2.49 % to 3.00%. On a motion made by Glen Lee and seconded by Toni Battersby, the board passed the resolution.

4. DISCUSSION ITEMS:

A. Glen Lee noted he and Andy Cherullo will provide the Board with a report on the Department of Revenue task force regarding HB 2959 at the December 12, 2016 meeting.

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

5. ADJOURNMENT

The meeting of the Executive Board adjourned at 10:49 a.m.

Respectfully Submitted,

Laurie McVay
Secretary, FileLocal

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

FileLocal
Financial Statements
October 31, 2016

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Your one stop for local business licensing and tax filing

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2016

	August	September	October
ASSETS			
Cash	$ 656,100	$ 591,575	**$ 506,216**
Accounts receivable	152	96	**2,004**
Due from	2,155	5,491	**2,155**
Prepaid	60,972	46,039	**33,261**
Total Current Assets	719,379	643,200	**541,480**
TOTAL ASSETS	$ 719,379	$ 643,200	**$ 541,480**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	$ 7,736	$ 45,900	**$ 26,278**
Other liability	8	8	**8**
Total Current Liabilities	7,744	45,908	**26,286**
TOTAL LIABILITIES	$ 7,744	$ 45,908	**26,286**
NET ASSETS			
Net assets, unrestricted	$ 711,635	$ 597,292	**515,194**
TOTAL NET ASSETS	$ 711,635	$ 597,292	**515,194**
TOTAL LIABILITIES AND NET ASSETS	$ 719,379	$ 643,200	**$ 541,480**

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED MARCH 31, 2016

	August	September	October	YTD
REVENUES				
User fees	$ 2,016	$ 1,496	**$ 8,908**	$ 27,480
Reimbursable cost/Capital cost recovery charges	-	-	**-**	
City of Seattle	-	-	-	406,490
City of Bellevue	-	-	-	67,172
City of Tacoma	-	-	**-**	107,664
City of Everett	-	-	**-**	31,536
Total reimbursable cost	-	-	**-**	612,862
Total revenues	$ 2,016	$ 1,496	**$ 8,908**	$ 640,342
EXPENSES				
Accounting fees	$ 1,000	$ 5,648	**$ 1,000**	$ 20,545
Agency IT costs	**-**	-	**-**	140
Bank fees	**-**	-	**4**	155
Conference costs	**-**	-	**-**	1,353
Consulting	**-**	-	**-**	3,375
Capital Recovery Payment	**-**	-	**-**	24,000
Insurance	433	433	**433**	4,334
Labor costs	**-**	48,000	**52,670**	228,413
Legal fees	570	570	**-**	28,538
License and membership fees	1,775	-	**-**	2,215
Meals and entertainment	-	-	**-**	706
Office and operation supplies	12	866	**41**	1,050
Printing and copying	-	-	**-**	126
Technology costs	13,400	60,266	**36,857**	274,378
Transaction fees	-	-	**-**	1,281
Travel Expense	83	55	**-**	436
Total expenses	17,273	115,838	**91,005**	591,045
CHANGE IN NET ASSETS	$ (15,257)	$ (114,342)	**$ (82,097)**	$ 49,297

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2016

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
Fund carryover	$ 457,757	$ 343,318	$ -	$ (343,318)
User fees	48,378	36,284	27,480	(8,804)
Reimbursable cost/Capital cost recovery charges		-		-
City of Seattle	406,490	304,868	406,490	101,623
City of Bellevue	67,172	50,379	67,172	16,793
City of Tacoma	107,664	80,748	107,664	26,916
City of Everett	31,536	23,652	31,536	7,884
Total reimbursable cost	612,862	459,647	612,862	153,216
Total revenues	1,118,997	839,248	640,342	(198,906)
EXPENSES				
Labor costs	324,182	243,137	228,413	(14,724)
Contracts	43,520	32,640	25,035	(7,605)
Overhead	48,868	36,651	33,858	(2,793)
Technology costs	269,089	201,817	275,659	73,842
Operating reserve	409,338	307,004	-	(307,004)
Capital cost recovery payments	24,000	18,000	24,000	6,000
Consulting	-	-	3,375	3,375
Meals and entertainment	-	-	706	706
Total operating expenses	1,118,997	839,248	591,045	(248,203)
CHANGE IN NET ASSETS	-	-	49,297	49,297
NET ASSETS, AS OF JANUARY 1, 2016	-	-	465,898	465,898
NET ASSETS, AS OF OCTOBER 31, 2016	$ -	-	$ 515,194	515,194
Schedule I - Contracts				
Accounting	$ 25,890	$ 19,418	$ 20,545	$ 1,128
Auditing	10,445	7,834	-	(7,834)
Insurance	5,745	4,309	4,334	25
Bank fees	1,440	1,080	155	(925)
Total	$ 43,520	$ 32,640	$ 25,035	$ (7,605)
Schedule II - Overhead				
Legal	$ 31,112	23,334	$ 28,538	5,204
Office and operating supplies	5,222	3,917	1,050	(2,867)
Printing	5,222	3,917	126	(3,791)
Licenses/Memberships	5,222	3,917	4,004	88
Agency IT costs	2,089	1,567	140	(1,427)
Total	$ 48,868	$ 36,651	$ 33,858	$ (2,793)

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FileLocal
Financial Statements
September 30, 2016

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS		
Cash	$	591,575
Accounts receivable		96
Due from		5,491
Prepaid		46,039
Total Current Assets		643,200
TOTAL ASSETS	$	643,200
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	45,900
Other Liability		8
Total Current Liabilities		45,908
TOTAL LIABILITIES		45,908
NET ASSETS		
Net assets, unrestricted		597,292
TOTAL NET ASSETS		597,292
TOTAL LIABILITIES AND NET ASSETS	$	643,200

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2016

	September	YTD
REVENUES		
User fees	$ 1,496	$ 18,572
Reimbursable cost/Capital cost recovery charges		
City of Seattle	-	406,490
City of Bellevue	-	67,172
City of Tacoma	-	107,664
City of Everett	-	31,536
Total reimbursable cost	-	612,862
Total revenues	$ 1,496	$ 631,434
EXPENSES		
Accounting fees	$ 5,648	$ 19,545
Agency IT costs	-	140
Bank fees	-	151
Conference costs	-	1,353
Consulting	-	3,375
Capital Recovery Payment	-	24,000
Insurance	433	3,901
Labor costs	48,000	175,743
Legal fees	570	28,538
License and membership fees	-	2,215
Meals and entertainment	-	706
Office and operation supplies	866	1,009
Printing and copying	-	126
Technology costs	60,266	237,521
Transaction fees	-	1,281
Travel Expense	55	436
Total expenses	115,838	500,039
CHANGE IN NET ASSETS	$ (114,342)	$ 131,395

FILELOCAL
SCHEDULE OF BUDGET AND REMAINING BUDGET
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2016

	Budget	YTD Actual	% of Budget	Remaining Balance
REVENUES				
Fund carryover	$ 457,757	-	-	$ 457,757
User fees	48,378	18,572	38%	29,806
Reimbursable cost/Capital cost recovery charges				
City of Seattle	406,490	406,490	100%	-
City of Bellevue	67,172	67,172	100%	-
City of Tacoma	107,664	107,664	100%	-
City of Everett	31,536	31,536	100%	-
Total reimbursable cost	612,862	612,862	100%	
Total revenues	1,118,997	631,434	56%	487,563
EXPENSES				
Labor costs	324,182	175,743	54%	148,439
Contracts	43,520	23,598	54%	19,922
Overhead	48,868	33,816	69%	15,052
Technology costs	269,089	238,802	89%	30,287
Operating reserve	409,338	-	0%	409,338
Capital cost recovery payments	24,000	24,000	100%	-
Consulting	-	3,375	0%	(3,375)
Meals and entertainment	-	706	0%	(706)
Total operating expenses	1,118,997	500,039	45%	618,958
CHANGE IN NET ASSETS	-	131,395		
NET ASSETS, AS OF JANUARY 1, 2016	-	465,898		
NET ASSETS, AS OF SEPTEMBER 30, 2016	$ -	$ 597,292		
Schedule I - Contracts				
Accounting	$ 25,890	$ 19,545	75%	$ 6,345
Auditing	10,445	-	0%	10,445
Insurance	5,745	3,901	68%	1,844
Bank fees	1,440	151	10%	1,289
Total	$ 43,520	$ 23,598	54%	$ 19,922
Schedule II - Overhead				
Legal	$ 31,112	$ 28,538	92%	$ 2,574
Office and operating supplies	5,222	1,009	19%	4,213
Printing	5,222	126	2%	5,096
Licenses/Memberships	5,222	4,004	77%	1,218
Agency IT costs	2,089	140	7%	1,949
Total	$ 48,868	$ 33,816	69%	$ 15,051

FileLocal

FileLocal Resolution FL 2016-11 Briefing Paper

Date: December 12, 2016

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the draft 2017 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL 2016-11 approving the draft 2017 budget.

Rationale: The Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement Section 13 sets a process for approving the annual budget. The process steps are as follows:

- No later than May 1 present a proposed budget to the Executive Board. The budget was sent to the Executive Board on May 12 via email. The proposed budget was presented at the June 3 Executive Board meeting.
- No later than June 15 the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget by Supermajority Vote, and (3) forward the same to the principals no later than July 1.
- A final budget must be approved by December 31.

The Executive Board approved the 2017 draft budget at their June 3, 2016 meeting, included as an attachment to FL2016-06. The draft budget was submitted to each Principal City.

By December 1 each Principal City is to inform the Agency that their city has or will approve their shares of the Portal Agency budget.

The final budget is provided as Attachment A to Resolution FL2016-12

RESOLUTION NO. 2016-11

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2017 Budget.

Whereas, the Washington Multi-City Interlocal Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement ("Agreement") requires the Executive Board to adopt a draft Portal Agency 2017 budget by June 15;

Whereas, the Program Manager shall present a proposed budget to the Executive Board no later than May 1 prior to the commencement of the budget period, together with the Operation Committee's recommendations with respect to the proposed budget;

Whereas, Executive Board received a draft 2017 budget for review on May 12, 2016 and approved a draft 2017 Budget on June 3, 2016;

Whereas, the Cities of Bellevue, Everett, Seattle, and Tacoma have each informed the Portal Agency by December 1, 2016 that they will or have approved their shares of the Portal Agency budget for 2017

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The Executive Board hereby adopts the final 2017 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this 12th day of December, 2016.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

FileLocal

Revised 2017 Budget Final - down 140k

1. Labor down 30k - Q3 labor cost annualized
2. Technology cost is down 67k - Transaction Fees Down
3. Overhead is down 25k - intergovernmental consultants
4. Operating Reserve is down 18k

Washington Cities Business License and Tax Portal Agency
2017 Proposed Budget
October 7, 2016

	2017 Revised Budget	
Revenue		
Fund Carryover	185,606	
User Fees	56,000	<1>
Reimbursable Costs		
- City of Seattle	602,472	<2>
- City of Bellevue	87,701	<2>
- City of Tacoma	141,787	<2>
- City of Everett	40,812	<2>
Total Reimbursable Costs	872,771	
Capital Cost Recovery Charges		
- City of Bellevue	4,000	<8>
- City of Tacoma	6,000	<8>
- City of Everett	2,000	<8>
Total Capital Cost Recovery Charges	12,000	
Total Revenue	**1,126,377**	
Expenditures		
Labor	333,952	<3>
Contracts	44,556	<4>
Overhead	55,031	<5>
Technology Costs	457,000	<6>
Operating Reserve	38,232	<7>
Capital Cost Recovery Payments	12,000	<8>
Total Expenditures	**940,771**	
Excess (Deficit)	185,606	

Assumptions and Notes

<1> User fees are estimated based on 2016 actual user fees and consideration of 2017 marketing efforts.

<2> Reimbursable costs are allocated based on the allocation percentages defined in the Interlocal Agreement.

<3> Labor costs represent 2.5 FTE loaned in from the City of Seattle. The total costs include salaries, fringe benefits, related payroll taxes and other allocated overhead costs.

<4> Professional fees include accounting, insurance, and bank charges. They are budgeted based on the existing contracts or estimate of what cost will be using CPI.

<5> Overhead includes legal, supplies, printing, memberships and allocated information technology costs. They are budgeted based on the existing contracts or estimate of what cost will be using CPI.

<6> Technology costs include fixed annual hosting and licensing fees, services based on the usage, other associated fees and new contract with Leviathan for security monitoring, ADA planning and performance testing every other year. Transaction fees are estimated based on the numbers of actual 2012 transaction count. Technology costs increased based on Ramware contract Payment Schedule.

<7> The operating reserve is estimated based on 15% of the total expenditure budget.

<8> Capital cost recovery is budgeted based on the Interlocal Agreement.

Washington Cities Business License and Tax Portal Agency
Projected User Fees, Transaction Fees, and Payment Processing Fees
October 7, 2016

	Seattle	Bellevue	Tacoma	Everett	Total	Revised 2017
User Fees ($4 per filing)	$ 48,405	$ 20,380	$ 19,280	$ 8,690	$ 96,755	56,000 <2>
2017 Transaction Fees Charged by E-Gov ($1.40 per count) <1>					$ 86,177	19,600 <3>
2018 Transaction Fees Charged by E-Gov ($1.5 per count) <1>					$ 138,499	
2019 Transaction Fees Charged by E-Gov ($1.5 per count) <1>					$ 184,666	
2020 Transaction Fees Charged by E-Gov ($1.6 per count) <1>					$ 246,221	

<1> Estimated based on current fee schedule between Kubra and the City of Seattle. FileLocal Operating Committee will need to make final decision on Kubra fees.

<2> Based on the formula and assumptions herein, we initially projected user fees to be $96K. By reviewing the actual 2016 user fees and considering the marketing efforts in 2017, $56K user fees are projected for 2017 to be conservative.

<3> In response to the reduced user fees, we estimate a lower transaction fees for 2017 to be $19,600.

Transaction Counts

	Seattle	Bellevue	Tacoma	Everett	Total
2012 Actual Transaction Counts *	212,457	30,927	50,000	14,392	307,776
% Allocation *	69%	10%	16%	5%	100%

** Per the Interlocal Agreement, 2012 actual transaction counts are used to estimate transaction fees and to determine cost allocation percentages among participating cities.*

Numbers of Filings

	Seattle	Bellevue	Tacoma	Everett	Total
2012 Actual Filings **	60,506	25,475	24,100	10,863	120,944

*** The 2012 Actual Filings represents the adjusted 2012 actual transaction counts by zero filers and estimated multiple transactions happening for one city. The numbers of filings are used to estimate user fees and payment processing fees.*

Adoption Rate (Five Years)

	2014	2015	2016	2017	2018	2019	2020
Adoption Rate Recommended by E-Gov	15%	40%	50%	60%	70%	80%	90%
Adjusted Adoption Rate ***	0%	10%	10%	20%	30%	40%	50%

**** The adjusted adoption rate reflects the adjustments made to the recommended adoption rate as a result of the expected live operation in the second quarter of 2015.*

Washington Cities Business License and Tax Portal Agency
Expenditure Budget Details
October 7, 2016

	FTE	Revised 2017 Budget
Personnel costs assumes max rate, 35% burden and 3% cola each year		
Portal Manager (assumes existing position salary)	1	157,641
Administrative Specialist (assume mid range)	0.5	48,608
Project Manager/Business Analyst (assume mid range)	1	127,703
Labor Total	**2.5**	**333,952**
Consultants and Service Fees		
Outside Accounting Services		26,506
State Auditor		10,693
Insurance and WCIA Fee		5,882
Bank Fees		1,474
Consultants and Service Fees, Total		**44,556**
Overhead		
Legal		31,852
City of Seattle Technology Fees		2,139
Office and Operating Supplies		5,347
Printing		5,347
Licenses/Memberships		5,347
Marketing		5,000
Overhead Total		**55,031**
Info. Technology		
ASP Hosting fees		55,000
SAAS per Year		150,000
FileLocal.org Hosting Fees		5,400
Portal Improvements (agreed to as part of budget process each year)		150,000
USPS Address Validation (assumes 50,000 new address validations at .04 cents to be trued up after one full year of operation)		2,000
Transaction Fees (cost per transaction is $1.4 for 2017 and goes up subsequent years per agreed upon payment schedule; uses the same adoption rate as user fees as well as the baseline budget allocation transaction count of 307,776 from updated 2012 #'s)		19,600
Contract with Leviathan for security monitoring and auditing (Note 1)		50,000
ADA Planning (Complete ADA requirements to make FileLocal ADA compliant 508 VPAT certified)		25,000
Performance Testing		
Info. Technology, Total (Note 1)		**457,000**
Total Operating Expenditures		**890,539**
Reserves		
Operating Reserve - 15%		133,581
Prior Year(s) Reserve		95,349
Current Year Reserve Need		**38,232**
Total Budget		**928,771**
Unspent/committted fund balance		
Capital recovery payment		12,000
Total		940,771

Washington Cities Business License and Tax Portal Agency
Projected Reimbursable Costs and Capital Recovery Fees
October 7, 2016

1. Reimbursable Costs	
Total Expenditures	928,771
Fund carryover	
User fees	56,000
Costs to be allocated	872,771
- Seattle	602,472
- Bellevue	87,701
- Tacoma	141,787
- Everett	40,812
Total estimated reimbusable costs (revenue)	872,771
2. Capital Recovery Fees	
Bellevue	4,000
Tacoma	6,000
Everett	2,000
Total Capital Recovery Fees	12,000

Washington Cities Business License and Tax Portal Agency
CPI
October 7, 2016

	2015	2016	2017	2018	2019	2020
CPI-U-Sea-Tac-Bell MSA	0.74%	2.42%	2.38%	2.41%	2.35%	2.35%

Washington Cities Business License and Tax Portal Agency
Fund Balance Projection
October 7, 2016

	2016	
Revenue		
Fund Carryover	465,899	<1>
User Fees	28,128	<2>
Reimbursable Costs		
- City of Seattle	406,490	<3>
- City of Bellevue	59,172	<3>
- City of Tacoma	95,664	<3>
- City of Everett	27,536	<3>
Total Reimbursable Costs	588,862	
Capital Cost Recovery Charges		
- City of Bellevue	8,000	<3>
- City of Tacoma	12,000	<3>
- City of Everett	4,000	<3>
Total Capital Cost Recovery Charges	24,000	
Total Revenue	**1,106,889**	
Expenditures		
Labor	286,000	<4>
Contracts	43,520	<4>
Overhead	54,610	<4>
Technology costs	417,804	<5>
Capital cost recovery payments	24,000	<4>
Operating reserve	95,349	<4>
Total Expenditures	**921,283**	
Ending Fund Balance at 12/31/2016	185,606	

Assumptions and Notes

<1> Fund Carryover amount is based on 2015 finalized financial statements.

<2> User fees in Sep and Dec is projected same as June. User fees in Oct is projected same as July. User fees in Nov is projected same as Aug. The projected user fees for these months are added to the actual user fees from Jan to Aug to determine the total user fees for the entire year of 2016.

<3> Reimbursable costs and capital recovery are based on the final 2016 budget, which had been billed and collected.

<4> Annualized based on average 8 months actual.

<5> Annualized based on average 8 months actual and plus $150,000 portal improvement.

File Local Resolution FL 2016-12
Briefing Paper

Date: December 12, 2016

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the FileLocal Executive Board's meeting schedule for 2017?

Recommendation: The Portal Agency Executive Board should pass Resolution FL 2016-11 approving the FileLocal Executive Board's meeting schedule for 2017 as listed in Attachment A.

Rationale:

1. Regular meetings of the Executive board both contributes to transparency and improves accountability of the FileLocal Agency.

2. Regular meetings of the Executive board helps the FileLocal Agency keep on track with respect to mission, vision, strategy, and work plan of the Agency.

3. Consistency in day, time, and location of meetings facilitate participation of the Executive Board and interested parties by simplifying planning which improves attendance.

Background: The Agency's bylaws (§ 4.5) requires an annual meeting of the Executive Board in March of each year. The time and place for holding the annual meeting and any other regular meeting is to be approved by resolution. Further, State law allows for members to attend meetings via teleconference or similar means by which all participants can hear one another except where restricted by the bylaws or the Articles of Incorporation. Special meetings of the Executive Board may be called on an ad hoc basis. Notice of such meetings must comply with state law vis-à-vis open public meetings of local government agencies. (RCW 24.03.075, 24.03.120, and 42.30.080)

RESOLUTION NO. 2016-12

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board establishing the place and times for meetings of the Executive Board in 2017.

Whereas, the Washington Multi-City Interlocal Business License and Tax Portal Agency ("Portal Agency") bylaws section 4.5 establishes that the Portal Agency is required to hold an annual meeting in March of each year, and;

Whereas, the Executive Board may specify by resolution the time and place for holding any other regular Board meetings;

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The regular meetings of the Executive Board shall be held at the times and places described in Attachment A to this resolution.

SECTION 2. If by reason of fire, flood, earthquake or other emergency it shall be unsafe to meet in the place designated in Section 1 above, the meetings of the Executive Board may be held for the duration of the emergency at such a place as is designated by the Board Chair.

ADOPTED this 12th day of December, 2016.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

FileLocal

Executive Board Meetings, 2017

All Meetings will be held at the Seattle Municipal Tower (SMT) and via Skype. The meeting time and call in numbers are consistent. The dates are listed below.

DATES:

Monday, March 27, 2017

Monday, June 12, 2017

Monday, September 25, 2017

Monday, December 11, 2017

LOCATION: SMT 4070

TIME: 12:00 pm – 1:00 pm

FileLocal Your one stop for local business licensing and tax filing www.filelocal-wa.gov

New Member Implementation Options

November 2016

New Member Options

One size does not fit all

- **Option A – Administration/Outsourcing**
  - Complete administration of the City's tax cycle and annual renewals, from initial business registration through taxpayer support, collection, and disbursement of payments
  - Uniformed Implementation
  - Requires minimum time/effort for implementation
  - Implementation Timeline - 30 to 60 Days

FileLocal

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New Member Options

Cost Proposal

- **Option A – Administration/Outsourcing**
  - One-Time Account Setup Fee - $15,000
  - One-Time Portal Integration Fee - $8,000
  - Cost Per Return - $11

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New Member Options

One size does not fit all

- **Option A – Administration/Outsourcing**
- **Option B – eGov System Of Record Integration**
  - Complete End-To-End Turnkey Solution with minimum technical/functional resource involvement from the City, includes robust integration between an eGov SOR and FileLocal
  - Implementation Timeline - 60 to 90 Days

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New Member Options

Cost Proposal

- **Option B – eGov System of Record Integration**
  - **Initial Software License Fee - $24,000 per Return Type**
    (Annual License Renewal Fee – 50% of Initial License)
  - **One-Time Software Implementation Fee - $15,000 to $20,000**
    (includes Data Conversion, Form Development, Server Configuration for Hosting, and User Training)
  - **One-Time User License Fees - $200 per User**
  - **One-Time Portal Integration Fee - $8,000**

FileLocal

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New Member Options

One size does not fit all

- **Option A – Administration/Outsourcing**
- **Option B – eGov System Of Record Integration**
- **Option C – Standard Integration**

  Current web service integration used by FileLocal portal to interact with member Cities --- Seattle, Tacoma, Bellevue, and Everett.

FileLocal

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New Member Options

Cost Proposal

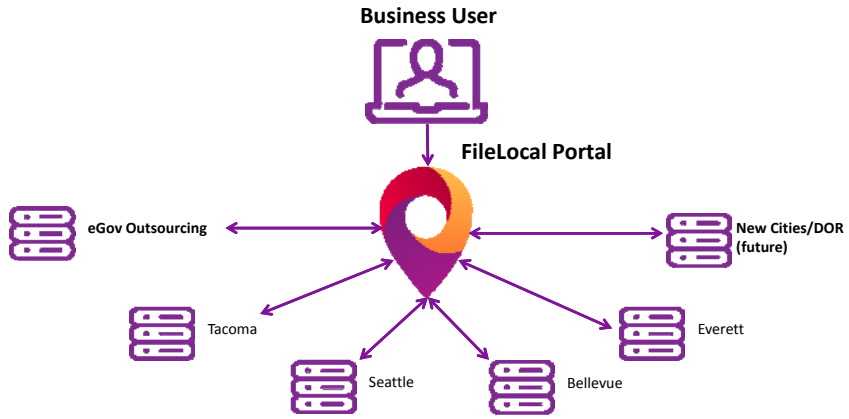
- **Option C – Standard Integration**
  - **One-Time Software Implementation Fee – Time and Material Basis**

    $139 per Hour (includes Form Development, Server Configuration for Hosting, and User Training)

FileLocal

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Overview



FileLocal

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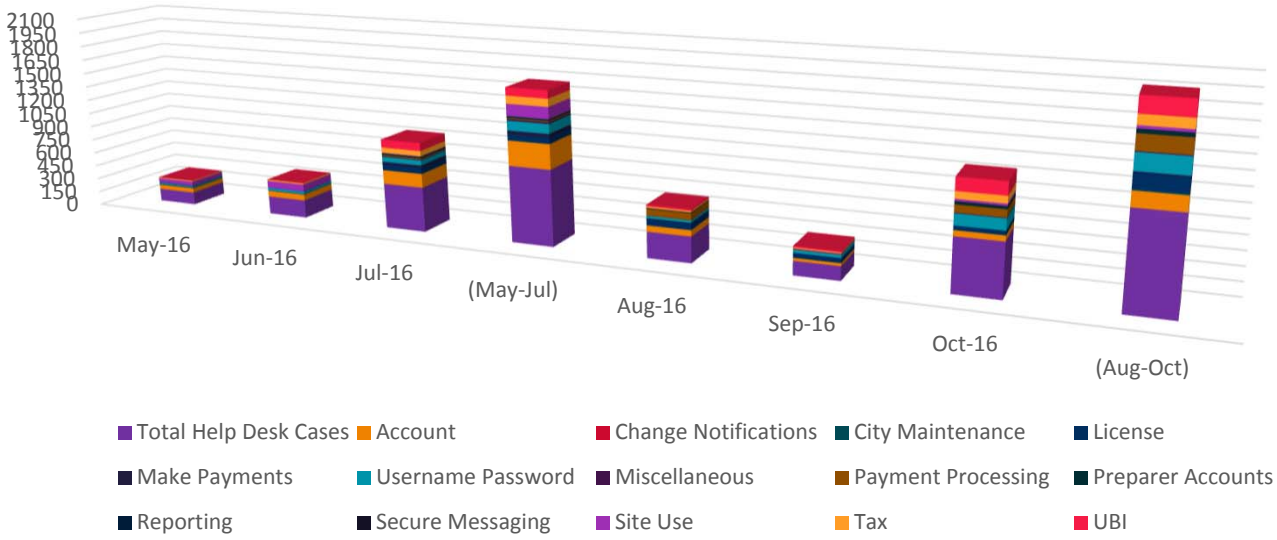
Legislative Update
HB 2959

Andy Cherullo, Glen Lee

FileLocal: Monthly Business Review

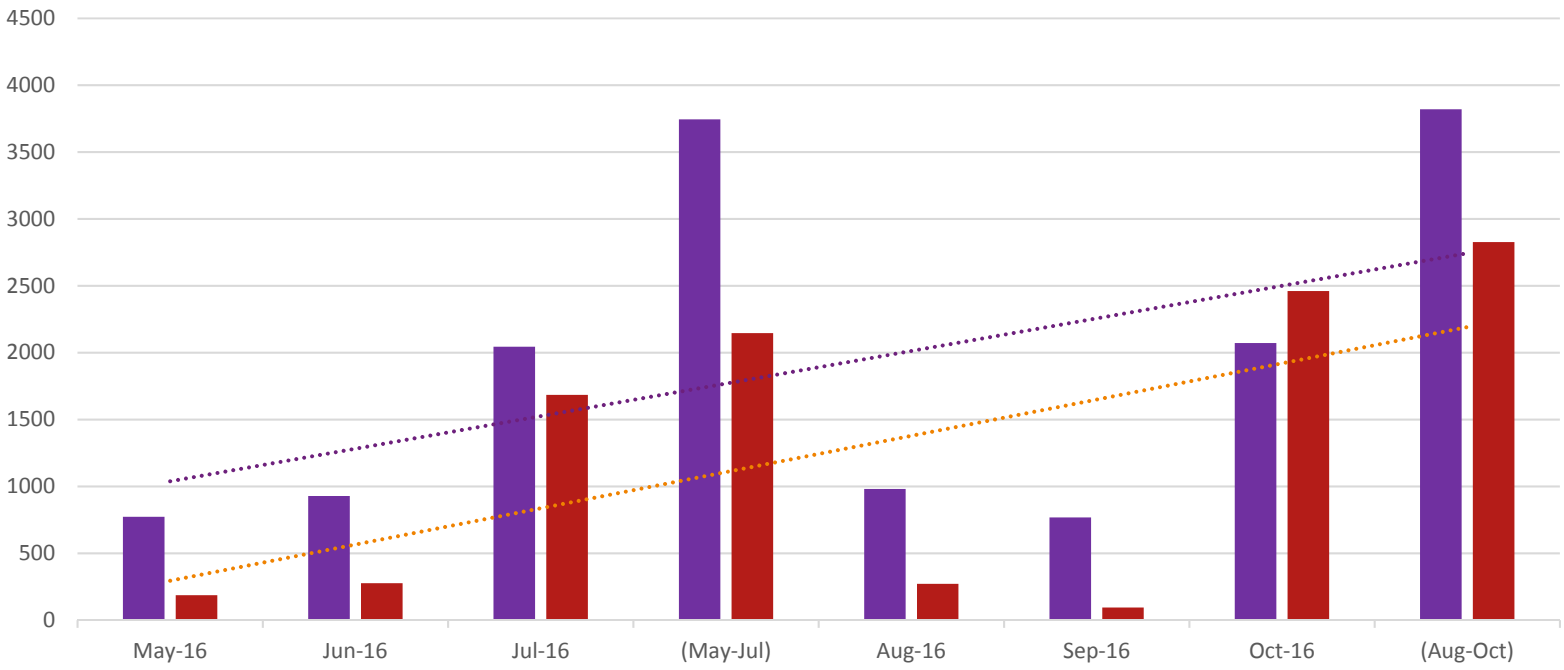
October 2016

Help Desk - by Functional Category/Month



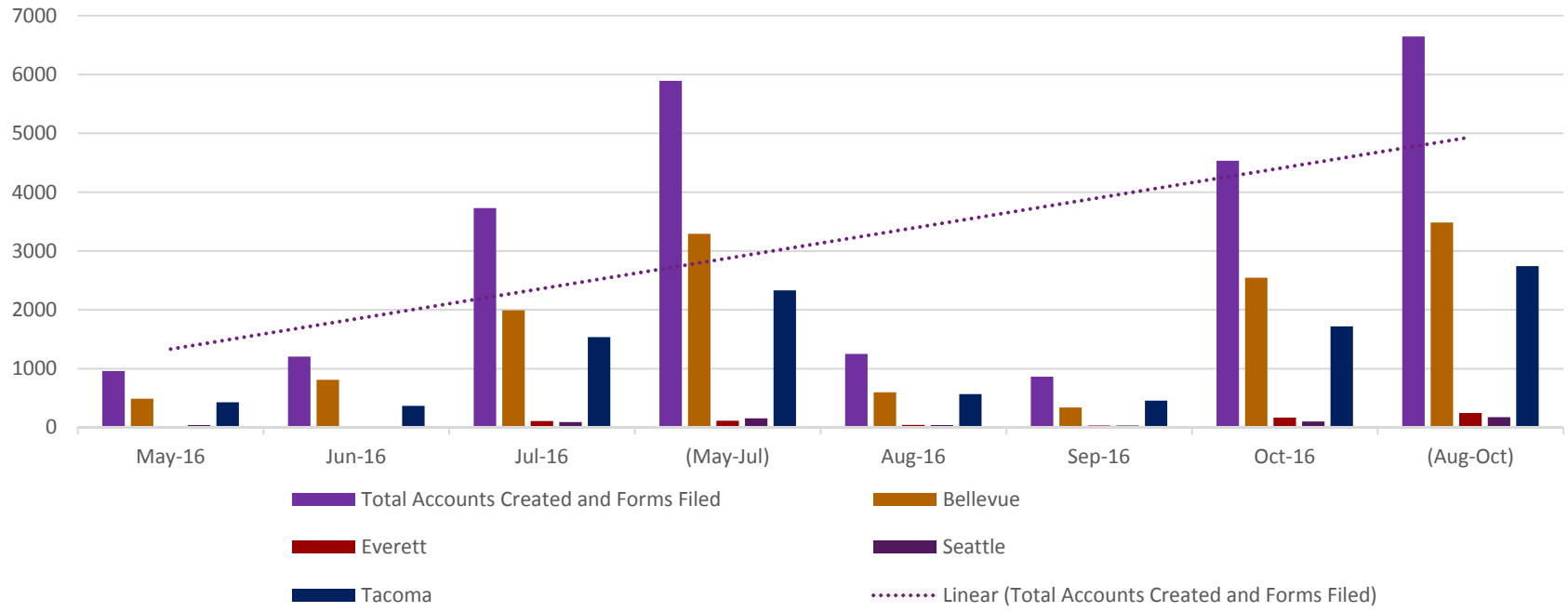
- Help Desk Cases in September totaled 561. The primary classifications, case #, key reasons are as follows:
- UBI had 135 cases. This is primarily due to an increase in Bellevue (105 cases) due to the full UBI not being previously required in Praxis and a full turn on of the system occurring this month.
- Username/Password had 116 cases. This is primarily due to password resets (61), username confirmation (25), and email confirmations (30). Password resets and username confirmation are a function of normal usage while the email confirmation is due to blocks occurring in email settings.
- Payment Processing had 77 cases. This was due to 14 DNS errors that occurred because of the 10-21 cyber-attack, 8 originator ID issues and 21 issues related to shopping cart resets or cache.
- Tax had 73 cases. This was due to a No Returns Available (17 cases) issue that came up in Tacoma with the balance being ease of use or set up.

Total Accounts Created and Forms Filed



- October is the first month that both Accounts Created and Forms Filed grew from the prior Qtr. on Qtr and the Forms Filed exceeded Accounts Created.
  - Accounts Created: 76 accounts/2%
  - Forms Filed: 680 filings/31%

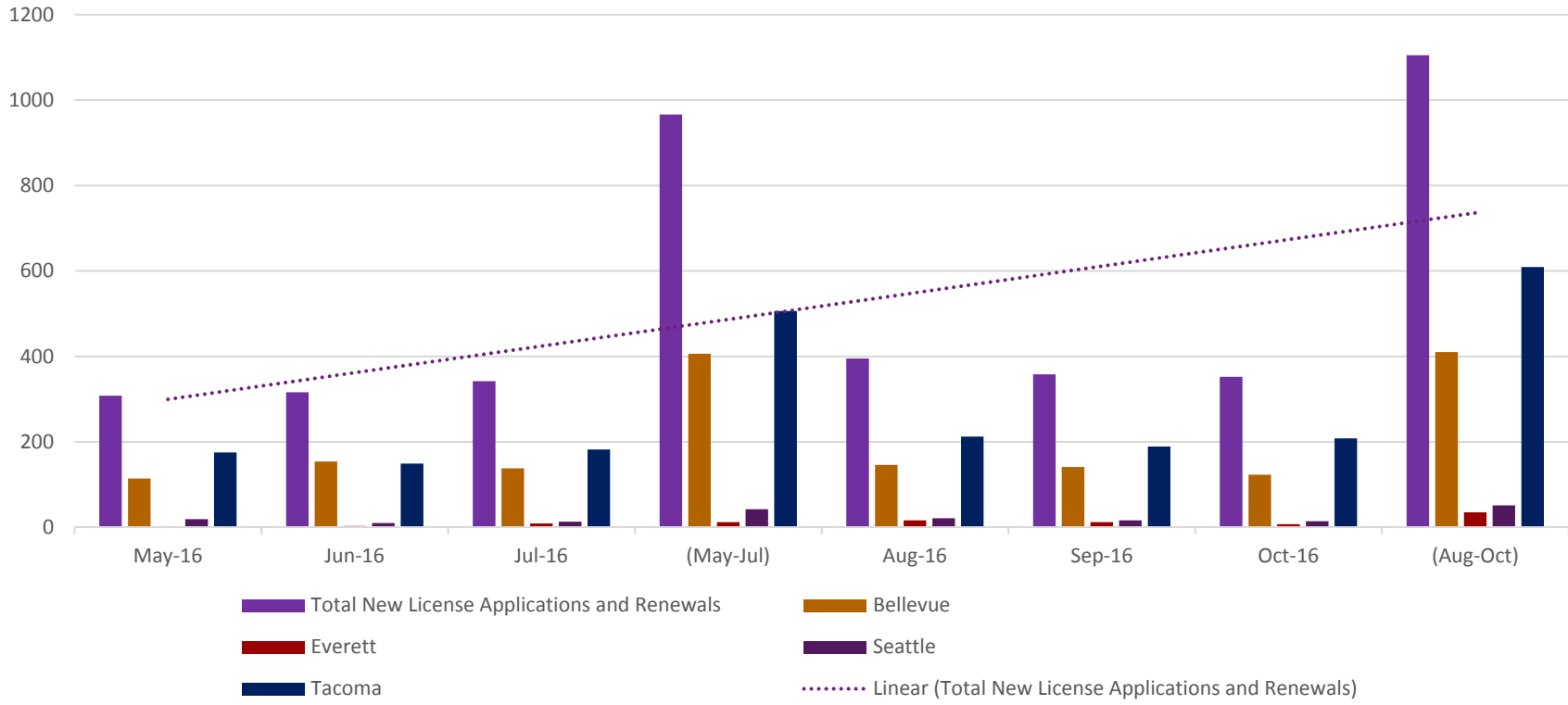
Accounts Created and Forms Filed By City



*** By City is projected using overall city usage**

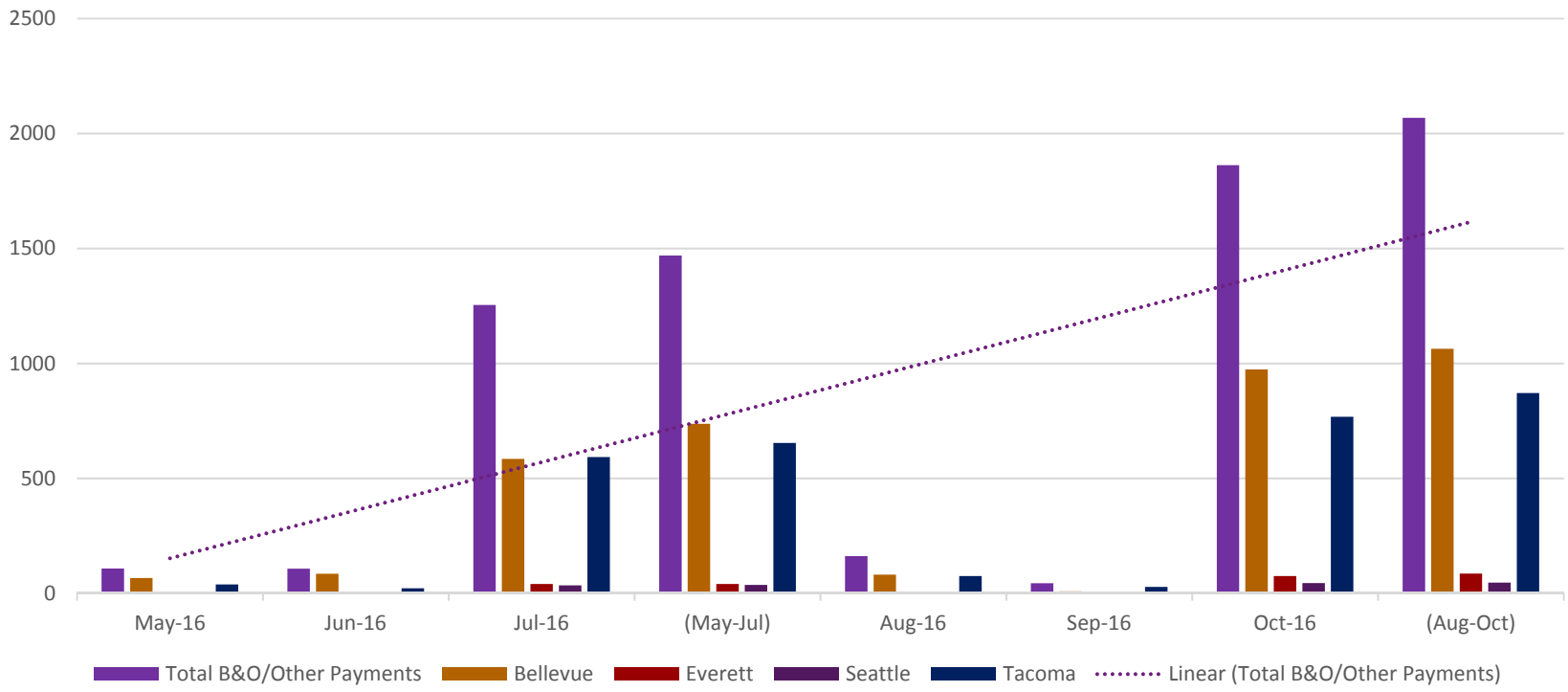
- Total Accounts Created/Forms filed is up (756 units/13%).
- Growth by city and % is up in all cities but is primarily driven by growth in:
  - Tacoma (412 units/18%)
  - Bellevue (194 units/6%)
  - Everett (132 units (115%)
  - Seattle (19 units/12%)

License Applications and Renewals by City/Total



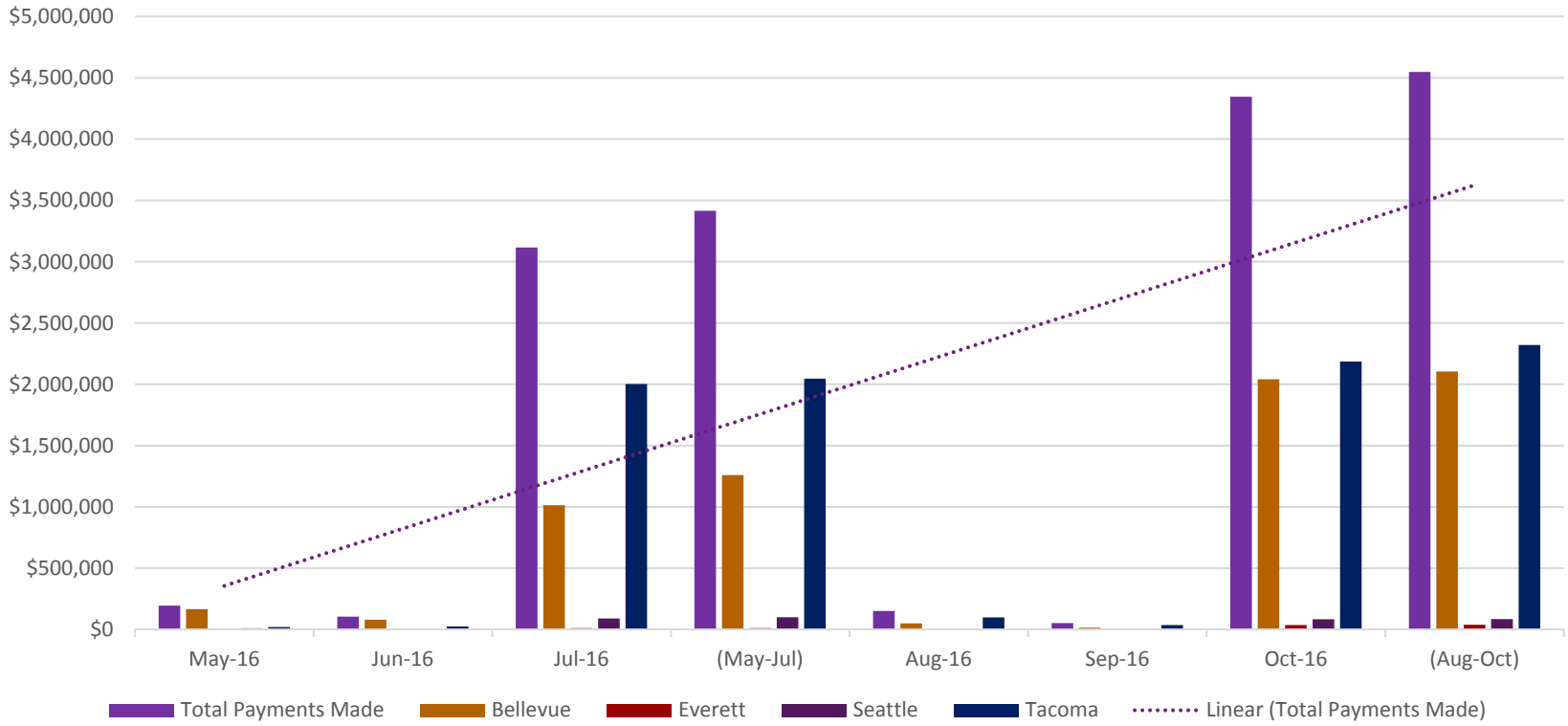
- Total License Applications and Renewals is up 139 licenses quarter on quarter.
- Tacoma (up 103 licenses) is the primary city driving this growth followed by growth in Everett (up 23 licenses), Seattle (up 9 licenses) and Bellevue (up 4 licenses).

B&O/Other Payments by City/Total



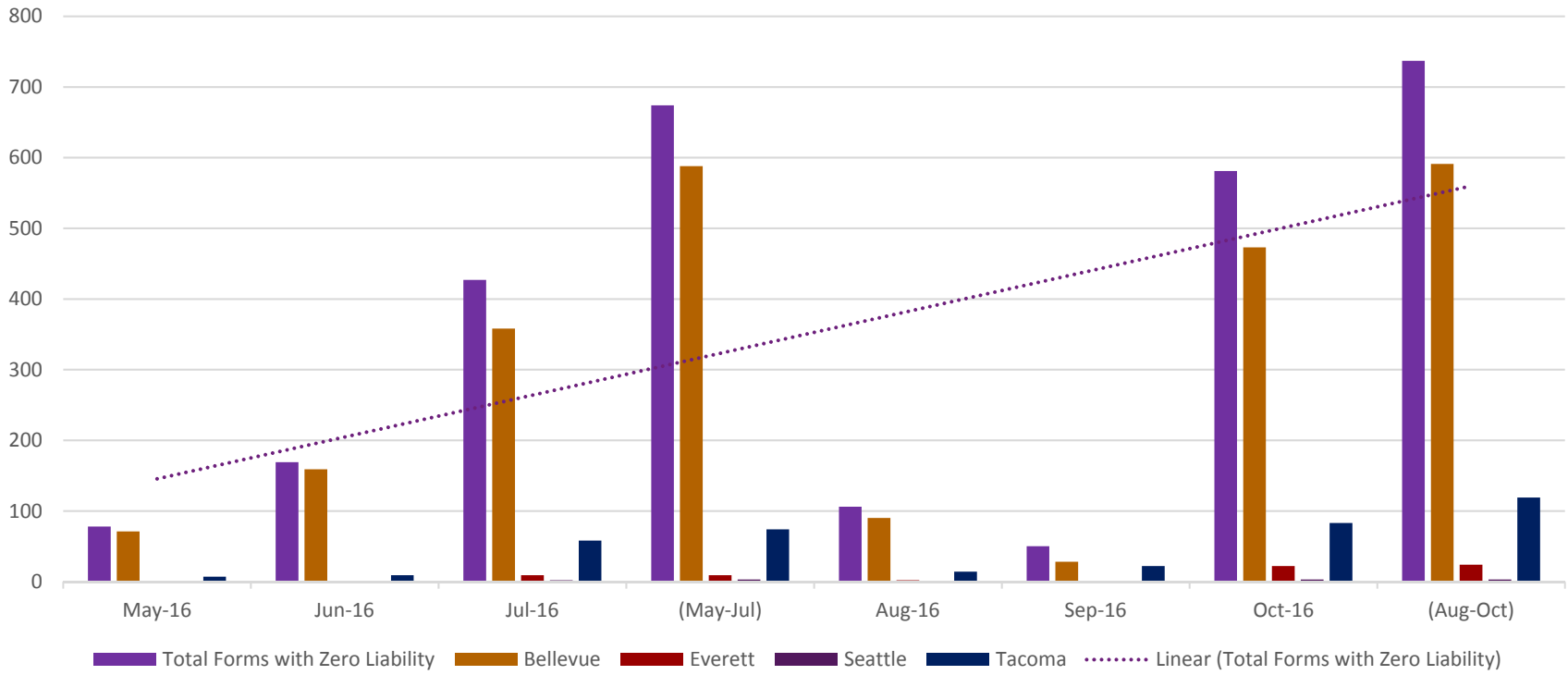
- Total B&O/Other Payments are up 599 payments quarter on quarter.
- All 4 cities are up with Bellevue (up 327 payments), Tacoma (up 217 payments) the primary cities up followed by Everett (up 45 payments) and Seattle (up 10 payments).

Payments by City/Month



- Total $ Payments made are up $1.1m/33% quarter on quarter.
- Bellevue (up $845k/67%) and Tacoma (up $274k/13%) are the primary cities impacting the change followed by Everett (up $27k/253%) and Seattle (down $14k/15%)

Forms with Zero Liability by City/Month



- Forms with Zero Liability by City are up 63 forms/9%.
- Tacoma (45 forms/60%) and Everett (15 forms/166%) are the primary cities up followed by Bellevue (3 forms/1%) and Seattle (0 forms).

FileLocal Project Manager Update

December 2016

- Wendy Thomaston is currently filling the position on a temporary basis
- Full Time Requisition is in the process of being opened.