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

Executive Board:

Andy Cherullo, Chair
City of Tacoma

Jan Hawn
City of Bellevue

Susy Haugen
City of Everett

Glen Lee
City of Seattle

Executive Board Agenda

September 28, 2015

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. **CALL TO ORDER**
   A. Introductions
2. **PUBLIC COMMENT***
3. **APPROVAL OF JULY 27, 2015 MEETING SUMMARY** **PAGE 2**
4. **REVIEW OF JULY AND AUGUST FINANCIAL STATEMENTS** **PAGE 4**
5. **OTHER BUSINESS**
   A. Tacoma Launch Go/No Go Discussion **PAGE 12**
6. **NEXT MEETING:**
   A. Executive Board Meeting: December 14, 2015 at 12:00 noon
7. **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

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Executive Board:

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Executive Board Meeting Summary

July 27, 2015

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

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

Standing Items

1. CALL TO ORDER

The July 27, 2015, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 12:02 p.m. and held in Conference Room 4070 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Susy Haugen (phone), Jan Hawn (phone), Susan Ramirez (Tacoma alternate, phone), and Glen Lee

Board Members Absent: Andy Cherullo (Susan Ramirez attended in his place)

Staff and Guests: Jamie Carnell, Ezra Hodge, Dawn Overbeck, Laurie McVay, David Linehan (phone), Robert Fuller, Troy Lucas (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Susy Haugen and seconded by Glen Lee, the board approved the May 26, 2015, meeting summary unanimously.

4. REVIEW OF FINANCIAL STATEMENT

There were no questions about the May or June Financial Statements. Jamie Carnell noted she will be meeting with Francis & Co on a monthly basis to review the financials prior to them being submitted to the Board for review.

*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. **OTHER BUSINESS:** July 2015 Soft Launch Go/No Go

A. City of Seattle: Jamie reviewed the Go/No Go Decision Report for the City of Seattle (included in the meeting packet). All of the issues that resulted in a NO GO vote in May have been addressed. Results and summaries from each decision factor were reported as completed.

Bob Fuller noted there are no critical defects and that the City of Seattle IT is good to go. He reminded the cities and FileLocal to remain diligent over the first 90 days of the launch.

The only concern still open regards the payment cap. FileLocal is working on increasing the cap to two million.

The Board agreed to a "Go". The City of Seattle will launch at 9:00 a.m. on Tuesday July 28, 2015.

6. **ADJOURNMENT**

On a motion made by Jan Hawn and seconded by Susy Haugen, the Board adjourned at 12:22 p.m.

Respectfully Submitted,

Susy Haugen
Secretary, FileLocal

FileLocal

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FileLocal
Financial Statements
July 31, 2015

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Your one stop for local business licensing and tax filing

www.filelocal.org

FILELOCAL
STATEMENT OF FINANCIAL POSITION
JULY 31, 2015

ASSETS		
Cash	$	608,382
Accounts Receivable		-
Prepaid		18,016
Total Current Assets		626,398
TOTAL ASSETS		626,398
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable		972
Total Current Liabilities		972
TOTAL LIABILITIES		972
NET ASSETS		
Net assets, unrestricted		625,426
TOTAL NET ASSETS		625,426
TOTAL LIABILITIES AND NET ASSETS	$	626,398

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED JULY 31, 2015

	JULY	YTD
REVENUES		
User fees	-	-
Reimbursable cost	-	
City of Seattle	-	368,997
City of Bellevue	-	53,714
City of Tacoma	-	86,841
City of Everett	-	24,996
Total reimbursable cost		534,548
Total revenues	$ -	$ 534,548
EXPENSES		
Accounting fees	9,859	16,112
Agency IT Costs	70	2,126
Bank fees	23	192
Conference costs	919	1,919
Insurance	416	2,920
Labor costs	68,972	124,032
Legal fees	300	11,694
License and membership fees	16	724
Office and Operationg Supplies	314	427
Technology Costs	2,000	22,000
Total expenses	82,889	182,146
CHANGE IN NET ASSETS	$ (82,889)	$ 352,402

FILELOCAL
SCHEDULE OF BUDGET AND REMAINING BUDGET
FOR THE YEAR TO DATE ENDED JULY 31, 2015

	Budget	YTD Actual	% of Budget	Remaining Balance
REVENUES				
User fees	$58,106	$ -	0%	$58,106
Reimbursable cost				
City of Seattle	368,997	368,997	100%	-
City of Bellevue	53,714	53,714	100%	-
City of Tacoma	86,841	86,841	100%	-
City of Everett	24,996	24,996	100%	-
Total reimbursable cost	534,548	534,548	100%	
Total revenues	592,654	534,548	90%	58,106
EXPENSES				
Labor costs	314,740	124,032	39%	190,708
Contracts	36,440	19,224	53%	17,216
Overhead	43,807	16,890	39%	26,917
Technology Costs	230,133	22,000	10%	208,133
Operating Reserve	184,493	-	0%	184,493
Total operating expenses	809,613	182,146	22%	627,467
CHANGE IN NET ASSETS	(216,959)	352,402		
NET ASSETS, AS OF JANUARY 1, 2015	216,958	273,024		
NET ASSETS, AS OF JULY 31, 2015	(1)	625,426		
Schedule I - Contracts				
Accounting	$20,000	$16,112	81%	$3,888
Auditing	10,220	-	0%	10,220
Insurance	5,500	2,920	53%	2,580
Bank fees	720	192	27%	528
Total	$36,440	$19,224	53%	$17,216
Schedule II - Overhead				
Legal	$25,000	$11,694	47%	$13,306
Conference costs	-	1,919	0%	-
Office and operating supplies	5,110	427	8%	4,683
Printing	5,110	-	0%	5,110
Licenses/Memberships	5,110	724	14%	4,386
Agency IT costs	3,477	2,126	61%	1,351
Total	$43,807	$16,890	39%	$26,917

FileLocal

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FileLocal
Financial Statements
August 31, 2015

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Your one stop for local business licensing and tax filing

www.filelocal.org

FILELOCAL
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015

ASSETS		
Cash	$	600,252
Accounts Receivable		-
Prepaid		15,584
Total Current Assets		615,836
TOTAL ASSETS		615,836
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable		2,736
Other liability		36
Total Current Liabilities		2,772
TOTAL LIABILITIES		2,772
NET ASSETS		
Net assets, unrestricted		613,064
TOTAL NET ASSETS		613,064
TOTAL LIABILITIES AND NET ASSETS	$	615,836

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED AUGUST 31, 2015

	AUGUST	YTD
REVENUES		
User fees	$ 12	$ 12
Reimbursable cost	-	
City of Seattle	-	368,997
City of Bellevue	-	53,714
City of Tacoma	-	86,841
City of Everett	-	24,996
Total reimbursable cost		534,548
Total revenues	$ 12	$ 534,560
EXPENSES		
Accounting fees	$ 2,000	$ 18,112
Agency IT Costs	100	2,226
Bank fees	19	212
Conference costs	1,700	3,619
Insurance	416	3,336
Labor costs	-	124,032
Legal fees	5,073	16,767
License and membership fees	156	880
Office and Operationg Supplies	393	820
Printing and Copying	516	516
Technology Costs	2,000	24,000
Total expenses	12,374	194,520
CHANGE IN NET ASSETS	$ (12,362)	$ 340,040

FILELOCAL
SCHEDULE OF BUDGET AND REMAINING BUDGET
FOR THE YEAR TO DATE ENDED AUGUST 31, 2015

	Budget	YTD Actual	% of Budget	Remaining Balance
REVENUES				
User fees	$58,106	$ 12	0%	$58,094
Reimbursable cost				
City of Seattle	368,997	368,997	100%	-
City of Bellevue	53,714	53,714	100%	-
City of Tacoma	86,841	86,841	100%	-
City of Everett	24,996	24,996	100%	-
Total reimbursable cost	534,548	534,548	100%	
Total revenues	$ 592,654	$ 534,548	90%	$ 58,106
EXPENSES				
Labor costs	314,740	124,032	39%	190,708
Contracts	36,440	21,660	59%	14,780
Overhead	43,807	24,829	57%	18,978
Technology Costs	230,133	24,000	10%	206,133
Operating Reserve	184,493	-	0%	184,493
Total operating expenses	$ 809,613	$ 194,520	24%	$ 615,093
CHANGE IN NET ASSETS	(216,959)	340,028		
NET ASSETS, AS OF JANUARY 1, 2015	216,958	273,024		
NET ASSETS, AS OF AUGUST 31, 2015	(1)	$ 613,064		
Schedule I - Contracts				
Accounting	$20,000	$18,112	91%	$1,888
Auditing	10,220	-	0%	10,220
Insurance	5,500	3,336	61%	2,164
Bank fees	720	212	29%	508
Total	$36,440	$21,660	59%	$14,780
Schedule II - Overhead				
Legal	$25,000	$16,767	67%	$8,233
Conference costs	**3,000**	3,619	0%	(619)
Office and operating supplies	5,110	820	16%	4,290
Printing	5,110	516	10%	4,594
Licenses/Memberships	2,110	880	42%	1,230
Agency IT costs	3,477	2,226	64%	1,251
Total	$43,807	$24,829	57%	$18,978

FileLocal

Subject: FILELOCAL CITY IMPLEMENTATION GO/NO GO DECISION REPORT FOR TACOMA LAUNCH

DATE: SEPTEMBER 28, 2015

Topics

1. Project Overview
2. Decision Scope
3. Decision Process
4. Decision Factors
5. Concerns
6. Results of Decision
7. Executive Board Decision

Summary of Processes

1. PROJECT OVERVIEW

The purpose of the project is to streamline access and improve ease for businesses to acquire and renew business licenses, prepare and file B&O tax returns and pay balances owing for multiple jurisdictions via a 'web portal'. The portal will be a new online web application that provides a shared access point (URL) to these services, has underlying connections with existing back-end city systems, efficiently exchanges data, and completes workflows.

This implementation project includes systems and processes covering multiple vendors and the cities of Seattle, Bellevue, Tacoma, and Everett. It will configure the workflows and master data in the vendors' software application, connect the data interchanges with the cities' back-end systems, integrate the front-end workflows with the cities' back-end workflows, test and roll-out the service functionality to the business community, and coordinate the portal's support and customer service with the cities' functions.

Another track running in parallel to the portal implementation will develop and implement a sustainable governance structure and ownership model needed to oversee the portal in operation, make shared data agreements, coordinate stewardship of shared data and workflows, manage cities' and vendor support service level agreements, ensure security, quality assurance, regulatory compliance and audit control services are provided, resolve strategic issues, and determine the portal's evolution roadmap. These activities are the responsibility of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) and will be addressed as part of this report.

2. Decision Scope

The scope of the Go/No Go decision includes the following question:

Question: Should the City of Tacoma move forward with their plans to launch with FileLocal on October 13?

Considerations of schedule and the technology platforms are key to this Go/No Go decision. The following report should assist board members in making a decision.

3. Decision Process

The FileLocal Executive Board has full responsibility for the Go/No Go Decision. Please note the following:

The Executive Board should consult with the members of the Operating Committee and Portal Implementation Committee (PIC) for their city prior to the Go/No Go meeting.

If the Executive Board agrees that the decision is "Go", the implementation project will proceed with the execution tasks outlined in the project implementation plan for the city launch.

If a "No Go" decision is made, the implementation project will re-assess the cities' readiness to launch with FileLocal and make a new petition to the Executive Board to launch the city at a later date.

4. Decision Factors

This section presents factors to consider before making the Go/No Go Decision.

A. FileLocal System API Report Summary

A summary of the delivered functionality based on the requirements traceability matrix from e-Gov systems.

Requirements for Phase 1 Soft Launch
83% of Total Phase 1 Requirements Have Been Satisfied

Module	Status	Requirements to be Delivered by Early Flights Plan/Actual	Requirements to be Delivered by Final Flight Plan/Actual	Primary Reason for Final Flight Additional Requirements
Accounts	101%	60/61	21/21	Reflects difficulty visualizing requirements until basic functionality was delivered
License	100%	36/36	15/15	Reflects difficulty visualizing requirements until basic functionality was delivered
Tax	101%	27/28	49/49	Complex forms with high variability across cities
Payments	100%	40/40	0	
Reporting	100%	20/20	0	
Communications	100%	23/23	1/1	
Data Interchanges	100%	29/29	19/19	Changes to Accounts, License, Tax, and Payments necessitated changes to web services
Help	102%	38/39	28/28	Changes to Accounts, License, Tax, and Payments necessitated changes to Help
Operations (inc. security)	102%	51/52	13/13	Security platform upgraded and audit identified additional areas for improvement
General Usability	100%	9/9	1/1	Includes first set of ADA enhancements
Non-Functional	100%	46/46	4/4	
Extendibility	100%	3/3	0	
Total Phase 1 Soft Launch	101%	**382/386**	**151/151**	

B. System Security Report Summary

Leviathan will continue to monitor the progress of the security changes in the system and is scheduled to conduct a final code review and penetration test prior to the final release this year. Leviathan has no concerns with a small beta launch to a limited set of customers for the Seattle and Tacoma launches.

C. Performance Testing Results

Keynote Systems was contracted to perform three full system performance tests. After some initial testing in April, adjustments to the production environment were made to improve overall system performance. Keynote was able to complete one full performance test using FileLocal's production server. Testing results showed that the system can support up to 14K concurrent users and more than 250K page



views per hour. This level of performance is thought to be sufficient for the size of the audience for FileLocal through the end of 2015, including the launching of all four cities.

D. PCG City Readiness Report

The FileLocal Program Administrator has confirmed the successful completion of the final system testing and bank payment verification. Two defects remain open but are scheduled to be completed and tested prior to implementation. Training of customer support staff is scheduled to be completed as part of Tacoma's launch activities and business process operations are being confirmed by city staff. Based on these reports we believe the City of Tacoma is prepared to implement the FileLocal system in October 2015. However, continued steps must be taken during the first 90 days of operation to continue to monitor both the software system and the business operations to ensure successful tax and license processing.

E. Pre-Launch Testing Results

Tacoma is on track to complete 95% of their pre-launch functional testing by Friday, September 24. The following high or critical defects will be fixed and tested prior to the Tacoma Launch:

- Defect 409 - Wording Change: Service & Other Apportioned line is not a deduction, it's a tax classification similar to retail, service or wholesale.
- Defect 510 - Tax calculation: Service & Other Apportioned line is not calculating as gross income for the threshold causing some returns to not owe tax. Tacoma has indicated this is not necessary for launch but it will remain a critical defect to be fixed as soon after launch as possible.
- Defect 505 - Fax Number should NOT be a required field and it currently is.

Testing in production with live bank accounts to ensure payment are deposited in the expected city bank accounts will be initiated the week of October 5. The City of Tacoma is willing to accept the risk that this testing may fail and adjustments will need to be made to the launch schedule. Tacoma does not feel this should effect the Executive Board's decision regarding their readiness to launch.

5. City Readiness

This section presents a summary of findings related to the readiness of the city to move forward with FileLocal, including technology, people, contracts, and processes. This information was gathered during September 2015 in meetings with the individual task owners.

Milestone	Status	Comments
Launch Timeline		Pending favorable resolutions to the items of concern, all of Tacoma's participants are committed to meeting an October 13th launch date.
Contracts/ Agreements		Tacoma has reviewed the city SLA and will send the signed SLA to the FileLocal Agency before their launch date.
Technology		Tacoma's technology has been setup and is ready to support a move to production.
City Processing		Issues with city processing have been resolved. Final validation of required fixes is underway and will be completed prior to launch.
Customer Service		Tacoma's customer support management has reviewed the Help Desk support plan and confirms that Tacoma's customer support staff will be trained on how to handle calls from taxpayers using FileLocal in time for launch.
Testing		Functional testing has been completed by Tacoma. City validation testing of the Release 2 changes will be completed prior to launch.
Treasury		Tacoma's treasury department has no further questions or outstanding items related to the FileLocal launch.
Overall Rating		The City of Tacoma is ready to launch with FileLocal, pending favorable resolutions to the items of concern.

For a more complete summary of city readiness, please see the City Readiness Checklist for Tacoma: https://mcbltp.box.com/s/98a4ear0y94wohk2blz6xq6g9x1agpos

6. Concerns

This section presents a summary of concerns related to moving forward with FileLocal.

A. **$10 Daily Deposit Minimum**: Chase Paymentech's minimum threshold for daily deposit of $10 is scheduled to be removed on or before September 29.

B. **Privacy Agreements**: The City of Tacoma's treasury department has reviewed the Kubra and Chase Paymentech paperwork and is satisfied that the cities' taxpayer data privacy requirements have been met.

C. **City Process Testing**: Tacoma's back-end priority business processes have passed testing and the city is ready to proceed with launch. Tacoma will need to complete their back-end testing with a few non-priority tests prior to launch.

D. **High Priority Defect Fixes:** Fixes are scheduled to be implemented for High priority defects prior to Tacoma's launch.

7. Results of Decision

This section presents the course of action after making either a "Go" decision or a "No Go" decision to move forward with the city launch with FileLocal.

A. If the Executive Board makes a "Go" decision, the implementation project will proceed with the city launch with FileLocal as outlined in the Integrated Implementation Plan (see Appendix).

B. If the Executive Board makes a "No Go" decision, the implementation project will re-assess the cities' readiness to launch with FileLocal and make a new petition to the Executive Board to launch the city at a later date.

8. Executive Board Decision

Question: Should the City of Tacoma move forward with their plans to launch with FileLocal on October 13?

Municipality	Name	Answer
City of Bellevue	Jan Hawn	
City of Everett	Susy Haugen	
City of Seattle	Glen Lee	
City of Tacoma	Andrew Cherullo	

APPENDIX: SUPPORTING PROJECT DOCUMENTATION

A. Functional API Report – summary of full launch CR

Remaining Requirements
17% of Total Phase 1 Requirements Remain

Module	Phase 1 Remaining	Primary Focus of Remaining Requirements
Accounts	19	Enhance experience for preparers, user can close a business, edit consolidation information
License	6	Everett GBL renewal, enhance printing options, expand upload and attachment options, support regulatory licenses
Tax	14	MATC, enhance form setup, support uploading tax forms and attachments
Payments	0	Payments for regulatory licenses
Reporting	5	Analytics capability, additional views of Payment Batch Report
Communications	16	Client emails for preparers, configurable 'notification ribbon', additional email options, inter-city and eGov communications
Data Interchanges	3	Interface to DOR, support 2-way file attachments with city SOR
Help	14	Additional methods for SME to create/upload help articles and users to access help
Operations (inc. security)	16	Streamline flow for Seattle and Tacoma GBL renewal, security enhancements
General Usability	15	Additional ADA coverage, user can 'save' every page
Non-Functional	0	
Extendibility	0	Support processing and storage of additional file types, interface to new system types (e.g. IVR)
Total Remaining	**108**	
Total Remaining as % of Total	**17%**	

FileLocal Integrated Implementation Plan: https://mcbltp.box.com/s/krtl0xayz8iq8g2hcj1tmb1w8idrmq7n