FileLocal

Executive Board:

Susy Haugen, Chair
City of Everett

Toni Battersby
City of Bellevue

Chris Bothwell
City of Lake Forest Park

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Agenda

December 11, 2017

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. CALL TO ORDER
A. Introductions

2. PUBLIC COMMENT*

3. APPROVAL OF SEPTEMBER 25, 2017 MEETING SUMMARY Page 3

4. REVIEW OF SEPTEMBER AND OCTOBER 2017 FINANCIAL STATEMENTS Page 5

5. ACTION ITEMS

A. Motion to supplement FL2017-05, Lake Forest Park Admission
   I. To "*waive the previously referenced August 12th deadline for the City of Lake Forest Park to execute the Interlocal Agreement, and that with the ILA now having been executed by the City, we ratify the addition of Lake Forest Park as a Principal member of the Agency.*"

B. Resolution FL2017-06: Meeting Schedule
   I. Briefing Paper: Resolution FL2017-06 Page 15
   II. Resolution FL2017-06 Page 16
   III. Attachment A: Meeting Schedule, 2018 Page 18
   IV. Supporting documentation – 2018 Work Plan Page 19

C. Resolution FL2017-07: Final Budget, 2018-2022
   I. Briefing Paper: Resolution FL2017-07 Page 20
   II. Resolution FL2017-07 Page 21
   III. Attachment A: Final Budget, 2018-2022 Page 23
   IV. Supporting documentation – Overview of Changes Page 25

6. OTHER BUSINESS

A. Information Security Audit
   I. Status Update — Page 30
   II. Agency FY18 Action Item: review and align IT Security Policies and Procedures, FL2016-04
      a. Briefing Paper: Resolution FL2016-04 — Page 31

B. ADA Consultant — Page 32

C. Lake Forest Park Launch

D. Account Setup Task Force
   I. Monthly Business Report — Page 33

E. New City Onboarding Status Update — Page 46

7. NEXT MEETING:

A. Executive Board Meeting: Monday, December 11, 2017, at 12:00 pm

B. Operations Committee Meeting: Monday, March 12, 2018, at 2:00 pm

8. ADJOURNMENT

FileLocal

Executive Board Meeting Summary

September 25, 2017

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

Executive Board:

Susy Haugen, Chair
City of Everett

Toni Call
City of Bellevue

Chris Bothwell
City of Lake Forest Park

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 25, 2017, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 12:03 pm and held in Conference Room 4070 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

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

Staff and Guests: Kevin Fitzpatrick, Ellie McVay, Rick Mekdessie (phone), David Linehan (phone), and Horace Francis (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Toni Call and seconded by Glen Lee, the board approved the June 12, 2017, meeting summary.

4. REVIEW OF FINANCIAL STATEMENT

Kevin Fitzpatrick summarized the August financial statement and cash report. Future cash reports will be included in the financial statements going forward. There were no further comments or questions.

5. DISCUSSION ITEMS:

A. New City Onboarding Update: Kevin reviewed the status summary chart of potential new cities included in the meeting materials. Upon request from the Board, Kevin will begin to send a bi-weekly update on

*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.

the onboarding of new cities; any cost summaries provided to new cities considering FileLocal will be included for the Board's review.

I. ***Kevin to send cost summaries already drafted to Executive Board members with the first new city onboarding (NCO) status report.***

B. Monthly Business Report: Kevin reviewed the MBR included in the meeting materials. An increase in user population of the portal brings more maturity and repeat users; this is resulting in fewer help desk calls regarding account set-up. The Operations Committee plan to address ways to make setting up an account easier in 2018.

C. City of Seattle SOR transition has been more challenging than anticipated. Seattle staff is working hard on the project. The roll-out may be slower than expected, however the City of Seattle's financial commitment to FileLocal is solid.

D. City onboarding Go/No-Go: The board has decided they do not wish to vote for each new city prior to Go-Live. An operational report on each onboarded city will be included on the agenda of the next Board meeting.

6. ADJOURNMENT

The meeting of the Executive Board adjourned at 12:36 pm.

Respectfully Submitted,

Laurie McVay
Secretary, FileLocal

FileLocal

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

FileLocal
Financial Statements
October 31, 2017

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2017

ASSETS		
Cash	$	364,698
Accounts receivable		241,472
Billable to Cities		0
Prepaid		30,795
Total Current Assets		636,964
TOTAL ASSETS	$	636,964
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	46,180
Accrued liabilities	$	8
Total Current Liabilities		46,188
TOTAL LIABILITIES	$	46,188
NET ASSETS		
Net assets, unrestricted	$	308,155
Net Income	$	282,622
TOTAL NET ASSETS	$	590,776
TOTAL LIABILITIES AND NET ASSETS	$	636,964

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FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED OCTOBER 31, 2017

	August	September	October	YTD
REVENUES				
User fees	2,680	2,340	15,708	**66,840**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**502,378**
City of Bellevue	-	-	-	**77,130**
City of Tacoma	-	-	-	**124,231**
City of Everett	-	-	-	**36,032**
Total reimbursable cost	-	-	-	**739,771**
Shared cost reimburseme	32,832	44,230	-	**193,391**
Total revenues	35,512	46,570	15,708	**1,000,002**
EXPENSES				
Accounting fees	2,208	2,208	2,208	**27,206**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**196**
Conference costs	-	-	-	**-**
Consulting	-	-	-	**2,775**
Capital Recovery Payment	-	-	-	**-**
Insurance	433	433	433	**4,330**
Labor costs	27,829	27,829	17,026	**257,303**
Legal fees	553	1,042	685	**8,903**
License and membership fee:	-	-	-	**815**
Meals and entertainment	-	51	-	**360**
Office and operation supplies	17	-	-	**947**
Printing and copying	-	-	-	**-**
Technology costs	14,950	14,950	14,950	**188,288**
Transaction fees	5,516	2,274	6,861	**31,084**
Travel Expense	-	776	42	**1,783**
Reimbursable Shared Costs	32,832	44,230	-	**193,391**
Total expenses	84,337	93,792	42,206	**717,380**
CHANGE IN NET ASSETS	(48,825)	(47,223)	(26,498)	**282,622**
			-	-

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2017

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
Fund carryover	$ 151,578	126,315	$ -	$ (126,315)
User fees	$ 56,000	46,667	66,840	20,173
Reimbursable cost/Capital cost recovery charges		-		
City of Seattle	$ 502,378	418,649	502,378	83,729
City of Bellevue	$ 77,130	64,275	77,130	12,855
City of Tacoma	$ 124,231	103,526	124,231	20,705
City of Everett	$ 36,032	30,026	36,032	6,006
Total reimbursable cost	739,771	616,476	739,771	123,295
Total revenues	947,349	789,457	806,611	17,154
EXPENSES				
Labor costs	333,952	278,293	257,303	(20,990)
Contracts	44,556	37,130	31,732	(5,398)
Overhead	55,031	45,859	12,448	(33,412)
Technology costs	457,000	380,833	219,372	(161,461)
Operating reserve	38,232	31,860	-	(31,860)
Capital cost recovery payments	12,000	10,000	-	(10,000)
Consulting	-	-	2,775	2,775
Meals and entertainment	-	-	360	360
Total operating expenses	940,771	783,976	523,989	(259,986)
CHANGE IN NET ASSETS			282,622	
NET ASSETS, AS OF JANUARY 1, 2017			308,155	
NET ASSETS, AS OF OCTOBER 31, 2017			590,777	
Schedule I - Contracts				
Accounting	26,506	22,088	27,206	5,117
Auditing	10,693	8,911	-	(8,911)
Insurance	5,882	4,901	4,330	(571)
Bank fees	1,474	1,229	196	(1,033)
Total	44,556	37,130	31,732	(5,398)
Schedule II - Overhead				
Legal	31,852	26,544	8,903	(17,641)
Office and operating supplies	5,347	4,456	947	(3,509)
Printing	5,347	4,456	-	(4,456)
Licenses/Memberships	5,347	4,456	2,598	(1,857)
Agency IT costs	2,139	1,782	-	(1,782)
Marketing	5,000	4,167		(4,167)
Total	55,031	45,859	12,448	(33,412)

FILE LOCAL
CASH STATUS VS. REMAINING BUDGETED EXPENSE
FOR THE MONTH ENDED OCTOBER 31, 2017

Cash	$	364,698
A/R		241,472
Billable to cities		0
Total		**606,169**
Current Liabilities		46,188
Operating reserve		38,232
Cash available to spend		**521,749**
Remaining budgeted expense		385,057
Surplus(Deficit)	**$**	**136,693**

FileLocal

700 5th Avenue, Suite 4350
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FileLocal
Financial Statements
September 30, 2017

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017

ASSETS		
Cash	$	546,541
Accounts receivable		238,484
Billable to Cities		0
Prepaid		45,728
Total Current Assets		830,753
TOTAL ASSETS	$	830,753
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	213,471
Accrued liabilities	$	8
Total Current Liabilities		213,479
TOTAL LIABILITIES	$	213,479
NET ASSETS		
Net assets, unrestricted	$	308,155
Net Income	$	309,119
TOTAL NET ASSETS	$	617,274
TOTAL LIABILITIES AND NET ASSETS	$	830,753

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FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2017

	July	August	September	YTD
REVENUES				
User fees	12,448	2,680	2,340	**51,132**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**502,378**
City of Bellevue	-	-	-	**77,130**
City of Tacoma	-	-	-	**124,231**
City of Everett	-	-	-	**36,032**
Total reimbursable cost	-	-	-	**739,771**
Shared cost reimburseme	116,329	32,832	44,230	**193,391**
Total revenues	128,777	35,512	46,570	**984,294**
EXPENSES				
Accounting fees	1,972	2,208	2,208	**24,998**
Agency IT costs	-	-	-	**-**
Bank fees	33	-	-	**196**
Conference costs	-	-	-	**-**
Consulting	-	-	-	**2,775**
Capital Recovery Payment	-	-	-	**-**
Insurance	433	433	433	**3,897**
Labor costs	27,829	27,829	27,829	**240,277**
Legal fees	-	553	1,042	**8,218**
License and membership fee:	-	-	-	**815**
Meals and entertainment	-	-	51	**360**
Office and operation supplies	-	17	-	**947**
Printing and copying	-	-	-	**-**
Technology costs	(35,288)	14,950	14,950	**173,338**
Transaction fees	918	5,516	2,274	**24,223**
Travel Expense	-	-	776	**1,741**
Reimbursable Shared Costs	116,329	32,832	44,230	**193,391**
Total expenses	112,226	84,337	93,792	**675,174**
CHANGE IN NET ASSETS	16,551	(48,825)	(47,223)	**309,119**

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2017

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
Fund carryover	$ 151,578	113,684	$ -	$ (113,684)
User fees	$ 56,000	42,000	51,132	9,132
Reimbursable cost/Capital cost recovery charges		-		
City of Seattle	$ 502,378	376,784	502,378	125,594
City of Bellevue	$ 77,130	57,848	77,130	19,282
City of Tacoma	$ 124,231	93,173	124,231	31,058
City of Everett	$ 36,032	27,024	36,032	9,008
Total reimbursable cost	739,771	554,828	739,771	184,943
Total revenues	947,349	710,512	790,903	80,391
EXPENSES				
Labor costs	333,952	250,464	240,277	(10,187)
Contracts	44,556	33,417	29,091	(4,326)
Overhead	55,031	41,273	11,721	(29,553)
Technology costs	457,000	342,750	197,560	(145,190)
Operating reserve	38,232	28,674	-	(28,674)
Capital cost recovery payments	12,000	9,000		(9,000)
Consulting	-	-	2,775	2,775
Meals and entertainment	-	-	360	360
Total operating expenses	940,771	705,578	481,784	(223,794)
CHANGE IN NET ASSETS			309,119	
NET ASSETS, AS OF JANUARY 1, 2017			308,155	
NET ASSETS, AS OF SEPTEMBER 30, 2017			617,274	
Schedule I - Contracts				
Accounting	26,506	19,880	24,998	5,118
Auditing	10,693	8,020	-	(8,020)
Insurance	5,882	4,411	3,897	(514)
Bank fees	1,474	1,106	196	(910)
Total	44,556	33,417	29,091	(4,326)
Schedule II - Overhead				
Legal	31,852	23,889	8,218	(15,671)
Office and operating supplies	5,347	4,010	947	(3,063)
Printing	5,347	4,010	-	(4,010)
Licenses/Memberships	5,347	4,010	2,556	(1,454)
Agency IT costs	2,139	1,604	-	(1,604)
Marketing	5,000	3,750		(3,750)
Total	55,031	41,273	11,721	(29,553)

FILE LOCAL
CASH STATUS VS. REMAINING BUDGETED EXPENSE
FOR THE MONTH ENDED SEPTEMBER 30, 2017

Cash	$	546,541
A/R		238,484
Billable to cities		0
Total		**785,025**
Current Liabilities		213,479
Operating reserve		38,232
Cash available to spend		**533,314**
Remaining budgeted expense		412,329
Surplus(Deficit)	**$**	**120,985**

File Local Resolution FL2017-06
Briefing Paper

Date: December 11, 2017

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the FileLocal Executive Board's meeting schedule for 2018?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2017-06 approving the FileLocal Executive Board's meeting schedule for 2018 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. 2017-06

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 2018.

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 11th day of December, 2017.

ATTEST:

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

Board Secretary

Board Chair

Executive Board Meetings, 2018

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 and conference ID numbers are listed below.

Date	Skype ID
March 26, 2018	TBD
May 29, 2018	TBD
September 24, 2018	TBD
December 10, 2018	TBD

Location:	SMT 4070
Time:	12:00 pm – 1:00 pm

FILELOCAL EXECUTIVE BOARD AND OPERATIONS COMMITTEE 2018 WORK PLAN

2018 Schedule	Tasks
January	• *No board meeting, No operations committee meeting*
February	• *No board meeting, No operations committee meeting*
March OC = 12th EB = 26th	• Hold "annual meeting" per Bylaws (§4.5) • Ministerial items (review minutes, financial statements, etc.) • POSSIBLE RESOLUTION RE: REVISED IT SECURITY POLICIES • POSSIBLE RESOLUTION RE: ADDITIONAL CITIES
April	• *No board meeting, No operations committee meeting* • Draft Budget due to Executive Board no later than 05.01.2017 • **LEVIATHAN CONTRACT FL LSG 2017-2018 EXPIRES AS OF 04.30.2018**
May OC = 14th EB = 29th	• Ministerial items (review minutes, financial statements, etc.) • RESOLUTION ON 2019-2023 DRAFT BUDGET (DUE BY 06.15.2016) • POSSIBLE RESOLUTION RE: ADDITIONAL CITIES • 2016 Financial Report due to State Auditor no later than May 30, 2017
June	• *No board meeting, No operations committee meeting* • **CITY OF SEATTLE IT CONTRACT #DIT ENT 033 EXPIRES AS OF 06.30.2018**
July	• *No board meeting, No operations committee meeting*
August	• *No board meeting, No operations committee meeting*
September OC = 10th EB = 24th	• Ministerial items (review minutes, financial statements, etc.) • POSSIBLE RESOLUTION RE: ADDITIONAL CITIES • **RAMWARE CONTRACT FL2016-10 EXPIRES AS OF 09.06.2018**
October	• *No board meeting, No operations committee meeting*
November OC = 26th	• Operations Committee
December EB = 10th	• Ministerial items (review minutes, financial statements, etc.) • RESOLUTION APPROVING FINAL 2019-2023 BUDGET • RESOLUTION APPROVING MEETING SCHEDULE FOR 2019 • POSSIBLE RESOLUTION RE: ADDITIONAL CITIES • **LOANED STAFF AGREEMENT FL2014-09 EXPIRES AS OF 12.31.2018** • **KENYON DISEND CONTRACT FL2014-18 EXPIRES AS OF 12.31.2018** • **FRANCIS & CO CONTRACT (AMENDMENT NO. 2) EXPIRES AS OF 12.31.2018**

Please note the following Agreements/Contracts will expire in 2019

Contract No.	Other Party	Expiration	Notes
FL2016-09	KUBRA	02.06.2019	
FileLocal Trademark	WA Secretary of State	03.12.2019	Renewal period opens April 2, 2018
Interlocal Agreement	Principal Cities	12.31.2019	Section 2: "This Agreement shall have an initial term of approximately five years, ending on December 31, 2019, (the "Initial Term"), and shall thereafter be perpetual, subject to the termination provisions in Section 19 of this Agreement"
SLAs	Cities	12.31.2019	Bellevue, Everett, Seattle, Tacoma

FileLocal

FileLocal Resolution FL 2017-07
Briefing Paper

Date: December 11, 2017

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the final 2018-2022 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2017-07 approving the final 2018-2022 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 proposed budget was presented to the Board at their March 27, 2017 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 2018-2022 draft budget at their March 27, 2017 meeting, included as an attachment to FL2017-03. 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 FL2017-07

RESOLUTION NO. 2017-07

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2018-2022 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 2018-2022 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 2018-2022 budget for review on March 27, 2017 and approved the draft 2018-2022 Budget on the same day;

Whereas, the Cities of Bellevue, Everett, Lake Forest Park, Seattle, and Tacoma have each informed the Portal Agency by December 1, 2017 that they will or have approved their shares of the Portal Agency budget for 2018-2022.

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 2018-2022 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this 11th day of December, 2017.

ATTEST:

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

Board Secretary

Board Chair

DECEMBER 2017 FINAL BUDGET 1 of 2

Washington Cities Business License and Tax Portal Agency
2018-2022 Proposed Budget
11/16/2017

		2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Revenue						
Fund Carryover		30,000				
User Fees	<1>	167,200	223,920	306,312	426,943	604,638
User Fees from Lake Forest Park		16,800	18,480	20,328	22,361	24,597
Reimbursable Costs						
- City of Seattle	<2>	543,559	523,068	511,358	476,238	419,437
- City of Bellevue	<2>	79,125	76,142	74,437	69,325	61,057
- City of Tacoma	<2>	127,922	123,100	120,344	112,079	98,711
- City of Everett	<2>	36,821	35,433	34,640	32,261	28,413
- City of Lake Forest Park		8,955	8,617	8,424	7,846	6,910
Total Reimbursable Costs		796,382	766,360	749,203	697,748	614,527
Capital Cost Recovery Charges						
- City of Bellevue	<8>	6,000	6,000	6,000	6,000	6,000
- City of Tacoma	<8>	6,000	6,000	6,000	6,000	6,000
- City of Everett	<8>	2,000	2,000	2,000	2,000	2,000
- City of Lake Forest Park		2,000	2,000	2,000	2,000	2,000
Total Capital Cost Recovery Charges		16,000	16,000	16,000	16,000	16,000
Total Revenue		**1,026,382**	**1,024,760**	**1,091,843**	**1,163,052**	**1,259,762**
Expenditures						
Labor	<3>	343,971	354,290	364,918	375,866	387,142
Contracts	<4>	45,670	46,766	47,841	48,942	50,067
Overhead	<5>	56,407	57,761	59,089	60,448	61,839
Technology Costs	<6>	543,585	542,555	589,249	645,412	724,645
Operating Reserve	<7>	15,299	1,784	8,983	10,460	13,979
Capital Cost Recovery Payments	<8>	16,000	16,000	16,000	16,000	16,000
Incremental Cost from Lake Forest Park		5,451	5,605	5,762	5,924	6,090
Total Expenditures		**1,026,382**	**1,024,760**	**1,091,843**	**1,163,052**	**1,259,762**
Excess (Deficit)		-	-	-	-	-

DECEMBER 2017 FINAL BUDGET 2 of 2

Assumptions and Notes

Overall The allocation methodology being used is based on 2012 amounts but ends in 2018. The methodology is the same for 2019-2022 budget but will revert to actual transactions in future forecasts.

<1> 2018 User Fees are estimated based on 20% growth for Tacoma, Bellevue and Everett and conversion of Seattle (25k). For 2019-2022 - Tacoma, Bellevue, and Everett assumed year over year growth is 10% and Seattle is 50% year over year growth.

<2> Reimbursable costs are allocated based on the allocation percentages defined in the 3-2014 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 2017 budget.

<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 assumptins are included in worksheet 2. 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 3-2014 Interlocal Agreement.

FileLocal: 2018 Budget Modifications

December 11, 2017

Changes made to the 2018 budget include:

1. ADA Audit – Portal audit to ensure ADA compliance was moved from Q4'17 to Q1'18. Fund Carryover will be used to pay for the audit.

2. Addition of Lake Forest Park – overall the impact is $0 due to a reduction in current cities reimbursable charges of $8,124 and a change in the operating reserve $5,880.

3. Fund balance carryover from previous years was added to operating reserve.

Washington Cities Business License and Tax Portal Agency
Budget Comparison Between March and Dec 2017 Versions

11/16/2017	March 2017 Draft Budget	December 2017 Final Budget	2018 Delta's		
	2018 Budget	2018 Budget	ADA Audit	Lake Forest Park	Total Delta
Revenue					
Fund Carryover		30,000	30,000		(30,000)
User Fees	167,200	167,200			-
User Fees from Lake Forest Park		16,800		16,800	(16,800)
Reimbursable Costs					-
- City of Seattle	549,167	543,559		(5,608)	5,608
- City of Bellevue	79,941	79,125		(816)	816
- City of Tacoma	129,242	127,922		(1,320)	1,320
- City of Everett	37,201	36,821		(380)	380
- City of Lake Forest Park		8,955		8,955	(8,955)
Total Reimbursable Costs	795,551	796,382	-	831	(831)
Capital Cost Recovery Charges					
- City of Bellevue	6,000	6,000			-
- City of Tacoma	6,000	6,000			-
- City of Everett	2,000	2,000			-
- City of Lake Forest Park		2,000		2,000	(2,000)
Total Capital Cost Recovery Charges	14,000	16,000	-	2,000	(2,000)
Total Revenue	**976,751**	**1,026,382**	**30,000**	**19,631**	**(49,631)**
Expenditures					
Labor	343,971	343,971			-
Contracts	45,670	45,670			-
Overhead	56,407	56,407			-
Technology Costs	507,285	543,585	30,000	6,300	(36,300)
Operating Reserve	9,419	15,299		5,880	(5,880)
Capital Cost Recovery Payments	14,000	16,000		2,000	(2,000)
Incremental Cost from Lake Forest Park		5,451		5,451	(5,451)
Total Expenditures	**976,751**	**1,026,382**	**30,000**	**19,631**	**(49,631)**
Excess (Deficit)	-	-			-

Below are the changes made to the 2019-2022 Budget

All changes are related to the FY17 Lake Forest Park addition. Overall impact is $0 due to a reduction in current cities reimbursable charges and change in the operating reserve.

Washington Cities Business License and Tax Portal Agency
Budget Comparison Between March and Dec 2017 Versions

11/16/2017	March 2017 Draft Budget				December 2017 Final Budget				2019 Delta	2020 Delta	2021 Delta	2022 Delta
	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	Lake Forest Park Addition Only			
Revenue												
Fund Carryover	-	-	-	-	-	-	-	-	-	-	-	-
User Fees	223,920	306,312	426,943	604,638	223,920	306,312	426,943	604,638	-	-	-	-
User Fees from Lake Forest Park	-	-	-	-	18,480	20,328	22,361	24,597	(18,480)	(20,328)	(22,361)	(24,597)
Reimbursable Costs					-	-	-	-	-	-	-	-
- City of Seattle	536,145	521,474	486,725	430,081	523,068	511,358	476,238	419,437	13,077	10,116	10,487	10,644
- City of Bellevue	78,046	75,910	70,852	62,606	76,142	74,437	69,325	61,057	1,904	1,473	1,527	1,549
- City of Tacoma	126,177	122,725	114,547	101,216	123,100	120,344	112,079	98,711	3,078	2,381	2,468	2,505
- City of Everett	36,319	35,325	32,971	29,134	35,433	34,640	32,261	28,413	886	685	710	721
- City of Lake Forest Park					8,617	8,424	7,846	6,910	(8,617)	(8,424)	(7,846)	(6,910)
Total Reimbursable Costs	776,688	755,434	705,094	623,037	766,360	749,203	697,748	614,527	10,327	6,231	7,347	8,509
Capital Cost Recovery Charges												
- City of Bellevue	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	-	-	-	-
- City of Tacoma	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	-	-	-	-
- City of Everett	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-	-
- City of Lake Forest Park					2,000	2,000	2,000	2,000	(2,000)	(2,000)	(2,000)	(2,000)
Total Capital Cost Recovery Charges	14,000	14,000	14,000	14,000	16,000	16,000	16,000	16,000	(2,000)	(2,000)	(2,000)	(2,000)
Total Revenue	**1,014,608**	**1,075,746**	**1,146,037**	**1,241,674**	**1,024,760**	**1,091,843**	**1,163,052**	**1,259,762**	**(10,153)**	**(16,097)**	**(17,014)**	**(18,088)**
Expenditures												
Labor	354,290	364,918	375,866	387,142	354,290	364,918	375,866	387,142	-	-	-	-
Contracts	46,766	47,841	48,942	50,067	46,766	47,841	48,942	50,067	-	-	-	-
Overhead	57,761	59,089	60,448	61,839	57,761	59,089	60,448	61,839	-	-	-	-
Technology Costs	535,625	581,118	636,468	714,807	542,555	589,249	645,412	724,645	(6,930)	(8,131)	(8,944)	(9,839)
Operating Reserve	6,166	8,779	10,314	13,820	1,784	8,983	10,460	13,979	4,382	(204)	(146)	(159)
Capital Cost Recovery Payments	14,000	14,000	14,000	14,000	16,000	16,000	16,000	16,000	(2,000)	(2,000)	(2,000)	(2,000)
Incremental Cost from Lake Forest Park					5,605	5,762	5,924	6,090	(5,605)	(5,762)	(5,924)	(6,090)
Total Expenditures	**1,014,608**	**1,075,746**	**1,146,037**	**1,241,674**	**1,024,760**	**1,091,843**	**1,163,052**	**1,259,762**	**(10,153)**	**(16,097)**	**(17,014)**	**(18,088)**
Excess (Deficit)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Expenditure Budget Details
11/16/2017

	FTE	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Personnel costs assumes max rate, 35% burden and 3% cola each year						
Portal Manager (assumes existing position salary)	1	162,370	167,241	172,259	177,426	182,749
Administrative Specialist (assume mid range)	0.5	50,066	51,568	53,115	54,709	56,350
Project Manager/Business Analyst (assume mid range)	1	131,534	135,480	139,545	143,731	148,043
Incremental Labor		3,912	4,029	4,150	4,274	4,403
Labor Total	**2.5**	**347,882**	**358,319**	**369,068**	**380,140**	**391,544**
Consultants and Service Fees						
Outside Accounting Services		27,169	27,821	28,461	29,115	29,785
State Auditor		10,961	11,224	11,482	11,746	12,016
Insurance and WCIA Fee		6,029	6,173	6,315	6,461	6,609
Bank Fees		1,511	1,547	1,583	1,619	1,657
Consultants and Service Fees, Total		**45,670**	**46,766**	**47,841**	**48,942**	**50,067**
Overhead						
Legal		32,649	33,432	34,201	34,988	35,793
City of Seattle Technology Fees		2,192	2,245	2,296	2,349	2,403
Office and Operating Supplies		5,480	5,612	5,741	5,873	6,008
Printing		5,480	5,612	5,741	5,873	6,008
Licenses/Memberships		5,480	5,612	5,741	5,873	6,008
Other		-	-	-	-	-
Marketing		5,125	5,248	5,369	5,492	5,619
Incremental Overhead		641	657	672	687	703
Overhead Total		**57,049**	**58,418**	**59,761**	**61,136**	**62,542**
Info. Technology						
ASP Hosting fees		56,375	57,728	59,056	60,414	61,804
SAAS per Year		153,750	157,440	161,061	164,766	168,555
FileLocal.org Hosting Fees		5,535	5,668	5,798	5,932	6,068
USPS Address Validation (assumes 50,000 new address validations at .04 cents to be trued up after one full year of operation)		2,050	2,099	2,147	2,197	2,247
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)		69,000	90,900	130,656	179,722	251,694
Contract with Leviathan for security monitoring and auditing (Note 1)		51,250	52,480	53,687	54,922	56,185
Miscellaneous Technology Expense (Eg. Performance Testing,ADA)		25,625	26,240	26,844	27,461	28,093
Software Development		150,000	150,000	150,000	150,000	150,000
Incremental IT		898	919	940	962	984
Info. Technology, Total		**544,483**	**543,474**	**590,189**	**646,374**	**725,629**
Total Operating Expenditures		**995,083**	**1,006,976**	**1,066,860**	**1,136,592**	**1,229,783**
Reserves						
Operating Reserve - 15%		149,262	151,046	160,029	170,489	184,467
Prior Year(s) Reserve		133,963	149,262	151,046	160,029	170,489
Current Year Reserve Need		**15,299**	**1,784**	**8,983**	**10,460**	**13,979**
Total Budget		**1,010,382**	**1,008,760**	**1,075,843**	**1,147,052**	**1,243,762**
Unspent/committed fund balance						
Capital recovery payment		16,000	16,000	16,000	16,000	16,000
Total		**1,026,382**	**1,024,760**	**1,091,843**	**1,163,052**	**1,259,762**

Assumptions
Transaction Assumptions

	2018	2019	2020	2021	2022
	# of Transactions	**# of Transactions**	**# of Transactions**	**# of Transactions**	**# of Transactions**
Bellevue, Tacoma, Everett *	16,800	18,480	20,328	22,361	24,597
Seattle**	25,000	37,500	56,250	84,375	126,563
Lake Forest Park*	4,200	4,620	5,082	5,590	6,149
Total	46,000	60,600	81,660	112,326	157,309

*Assumes 20% growth in 2018 and 10% growth years 2019 - 2022
**Assumes in 2018 transactions of 25k and a 50% growth in subsequent years

	Seattle	**Bellevue**	**Tacoma**	**Everett**	**Lake Forest Park**	**Total**
Transactions * **	212,457	30,927	50,000	14,392	3,500	311,276
% Allocation	68.25%	9.94%	16.06%	4.62%	1.12%	100%

* Transactions based on 2012 actual filings for Original Principal cities - Seattle, Bellevue, Tacoma and Everett. These tranactions will be used through December 2021 per resolution 2017-04 passed in June 2017.
** Lake Forest Park transaction estimates were provided by Lake Forest Park during the preadmission process.

INFORMATION SECURITY AUDIT

Purpose

To ensure and provide evidence that FileLocal is in compliance with our Information Technology Securities Policies

Scope of Work

1. **Gap Identification:** Leviathan staff will review FileLocal documentation and interview FileLocal staff to identify gaps between current practice and FileLocal's policy statements as well as ISO 27002.
2. **Remediation Guidance**: Leviathan will propose remediation for gaps identified during Gap Identification, including estimates of effort, cost and dependent activities that will be required of FileLocal for each proposed remediation.

Tentative Project Schedule

TASK	SCHEDULE
Kick-off Meeting	11.08.2017
FileLocal to gather requested documentation and note gaps	11.08.2017 – 12.01.2017
In person meetings between Leviathan and FileLocal to review issues and gaps	12.04.2017 – 12.15.2017
Initial draft of gaps documented by Leviathan	12.18.2017
Final Deliverable – gaps and proposed remediation activities	01.12.2018

File Local Resolution FL 2016-04
Briefing Paper

Date: March 25, 2016

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency (“Agency”) Executive Board approve the Information Technology Security Policies?

Recommendation: The Portal Agency Executive Board should pass Resolution FL 20616-04 approving the Agency’s Information Technology Security Policies.

Rationale: The Portal Agency purpose is to provide a safe and secure technology environment for our customers.

- Through the implementation project the City of Seattle has contracted with Leviathan, a local and highly respected Information Technology security firm, to act as the Agency’s Chief Information Security office through the implementation. The Agency will also be contracting with Leviathan in 2016 to continue acting as the Agency’s Chief Information Security office.
- Included in the scope of work for Leviathan is the development of the FileLocal Agency Information Technology Security Policies which serve to ensure a safe and secure environment for our customers (businesses and participating cities).
- The policies will be posted in the Operating Procedures for the Agency.
- Each City’s Information Technology and/or Chief Information Security Officers group as reviewed the policies – there are outstanding questions on how the policies will be implemented. The procedures for the policies will be developed in 2016 once the policies are adopted by the Board as part of the Agency work plan. The procedures will be reviewed by the Agency and participating cities Information Technology office and/or Chief Information Security Officer’s work group and posted in the Operating Procedures for the Agency.

The Operations Committee discussed the policies for the March 14 meeting and recommended the policies move to the Executive Board.

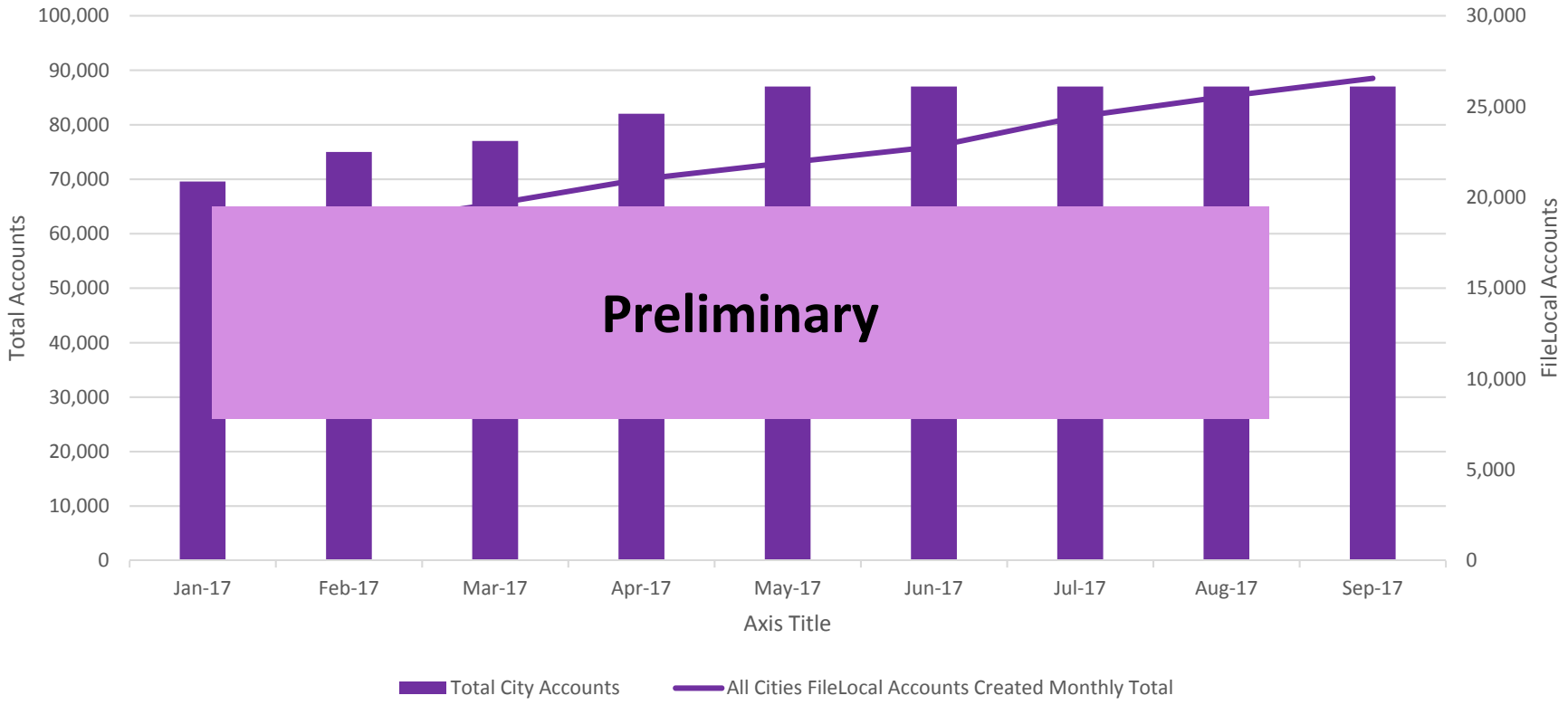
ADA CONSULTANT REQUEST FOR PROPOSAL PROCUREMENT SCHEDULE

SCHEDULE OF EVENTS	DATE	STATUS
Solicitation Release	Oct 2, 2017	Invitations to submit proposals were sent on Oct 2 & announcement posted to filelocal.org
Pre-Submittal Conference	Oct 16, 2017 (optional)	Held on Oct 16, 10:00 am
Deadline for Questions	Oct 26, 2017	
Response Deadline	Nov 1, 2017	One firm, Level Access, submitted a proposal
Interviews	Nov 13- Nov 17, 2017	Level Access interview/fit review held Nov 16
Announcement of Successful Proposer(s)	Dec 4, 2017	Level One Access notified of the acceptance of their proposal.
Anticipated Negotiation Schedule	Dec 5 – Dec 15, 2017	Complete; the acceptance of the Agency contract is pending legal review by Level Access.
Contract Execution	Dec 20, 2017	

FileLocal: Monthly Business Review

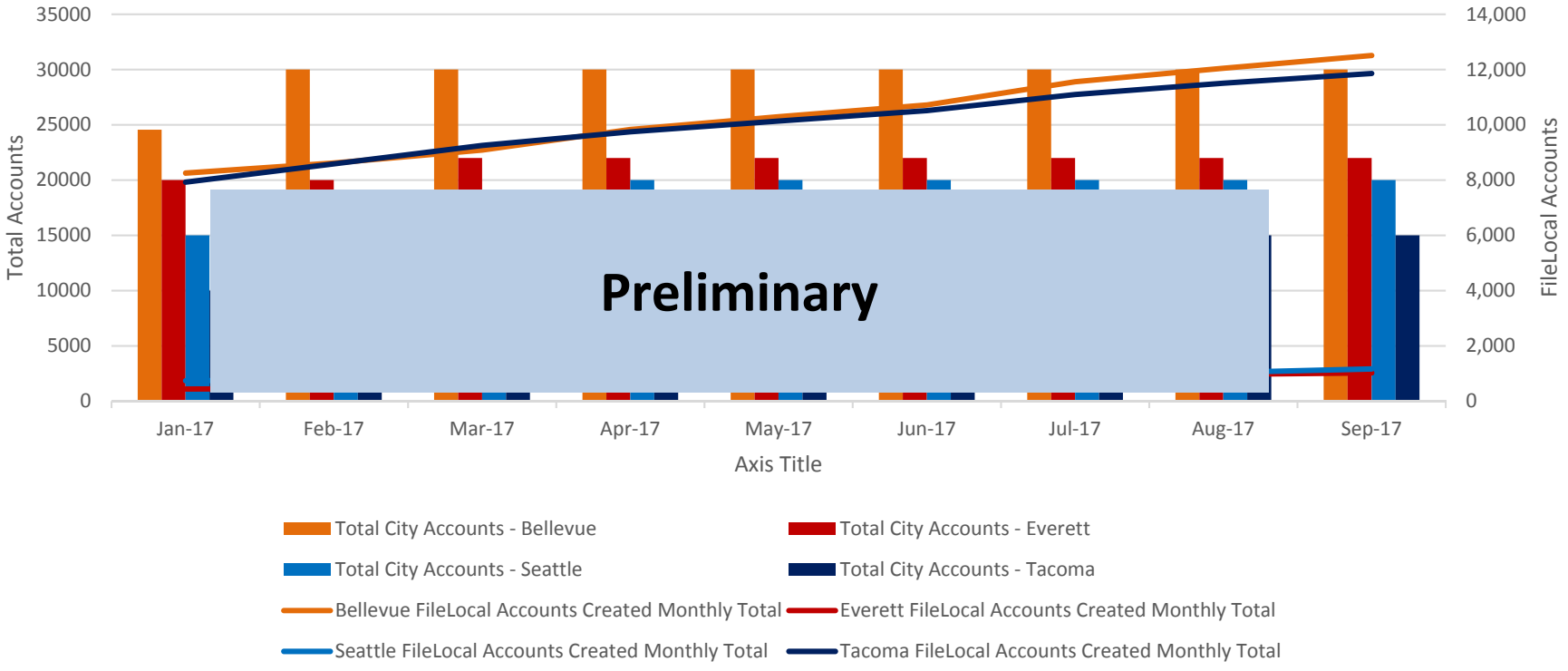
October 2017

Total Accounts versus FileLocal Accounts

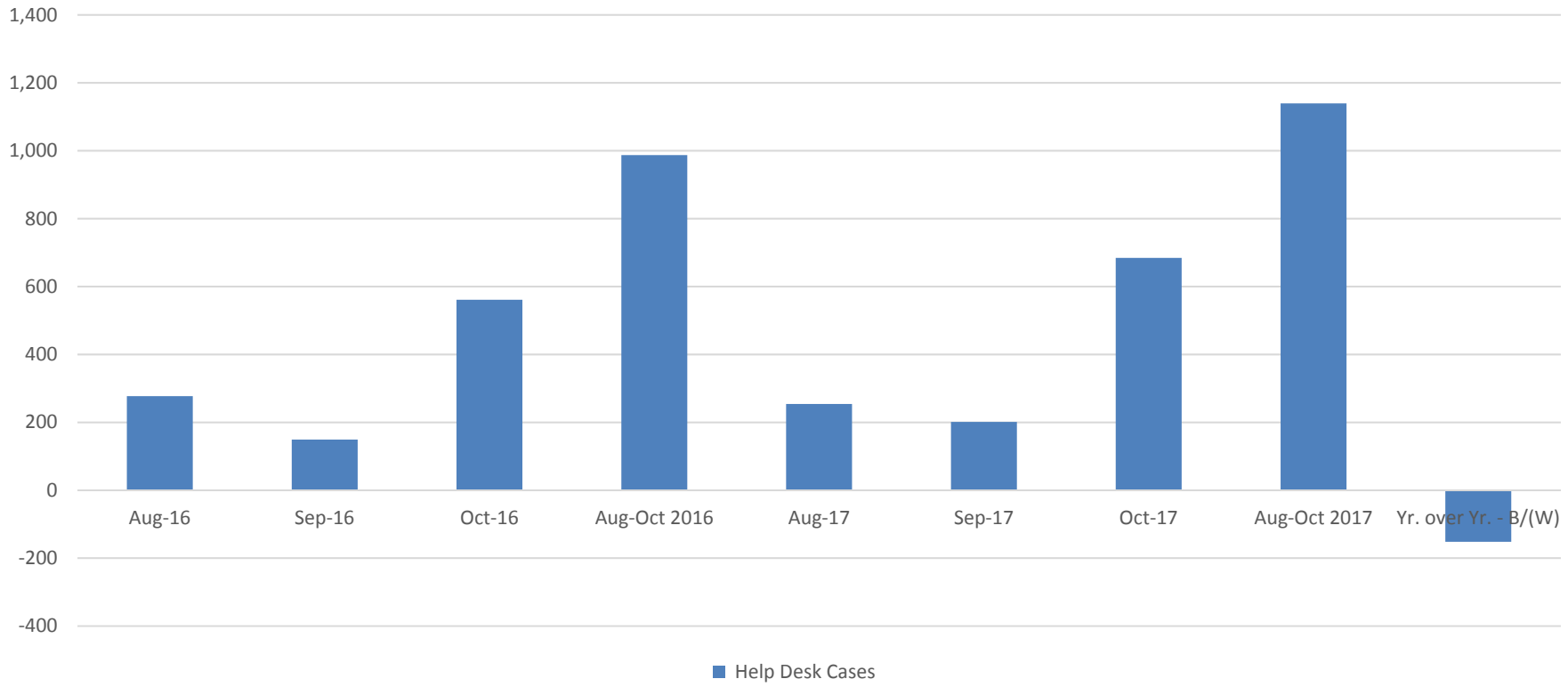


Measure of customer adoption .

Total Accounts versus FileLocal Accounts

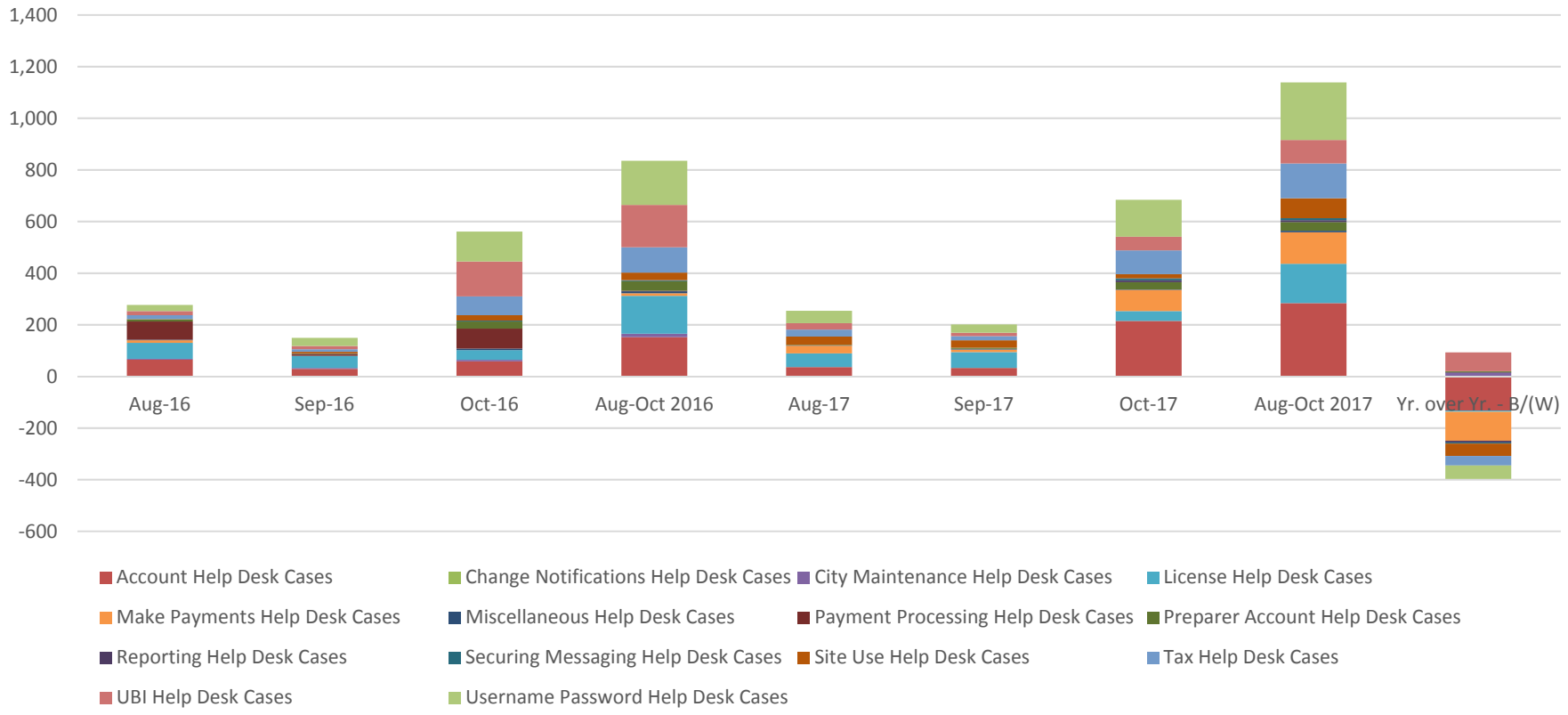


Help Desk Calls - Year over Year

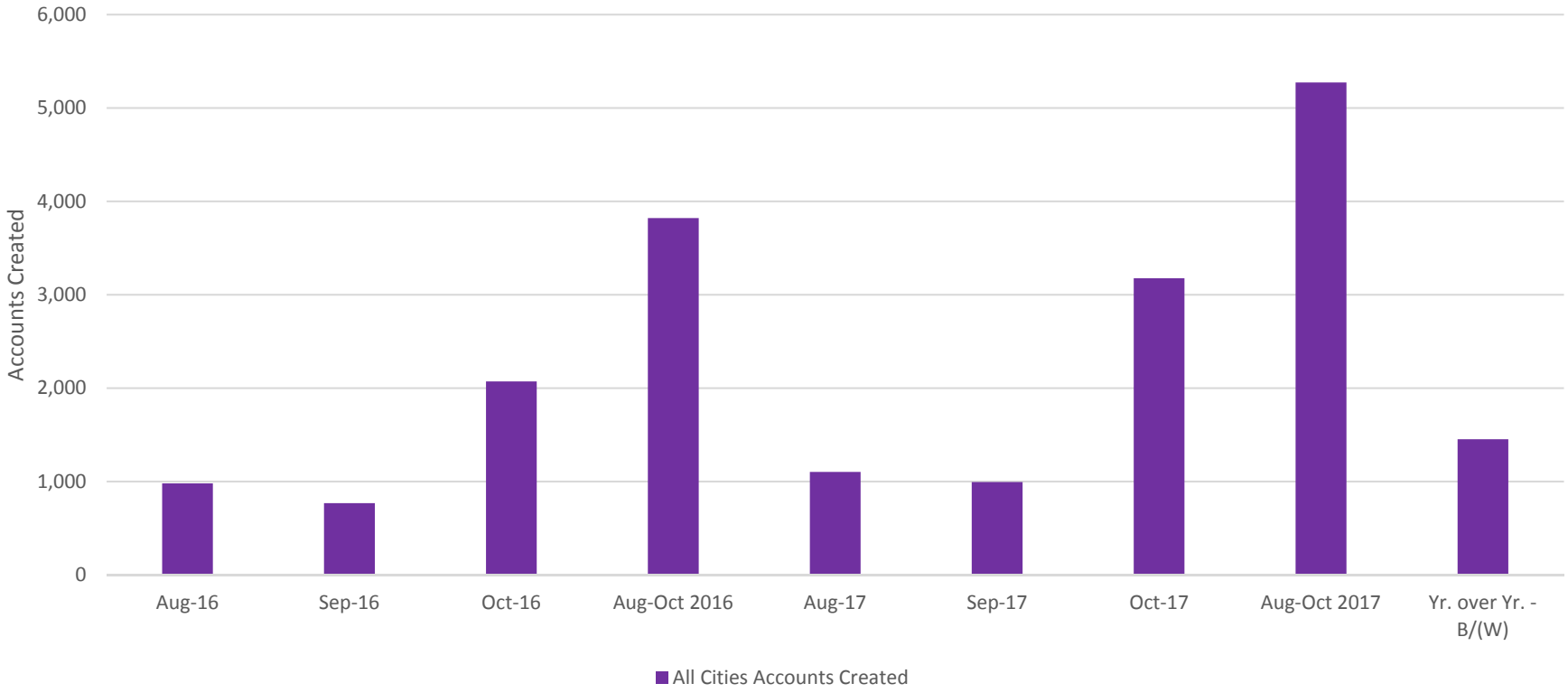


Help desk calls totaled 684 calls for the month of October 2017. This is 9% of the accounts created and forms filed which is significantly lower (6.3%) than the prior month but still high. Compared to the prior year, the number of calls were up by 123 calls. Three categories make up the highest % of calls - licenses, account creation and username/password reset.

Help Desk Calls by Functional Category Year over Year

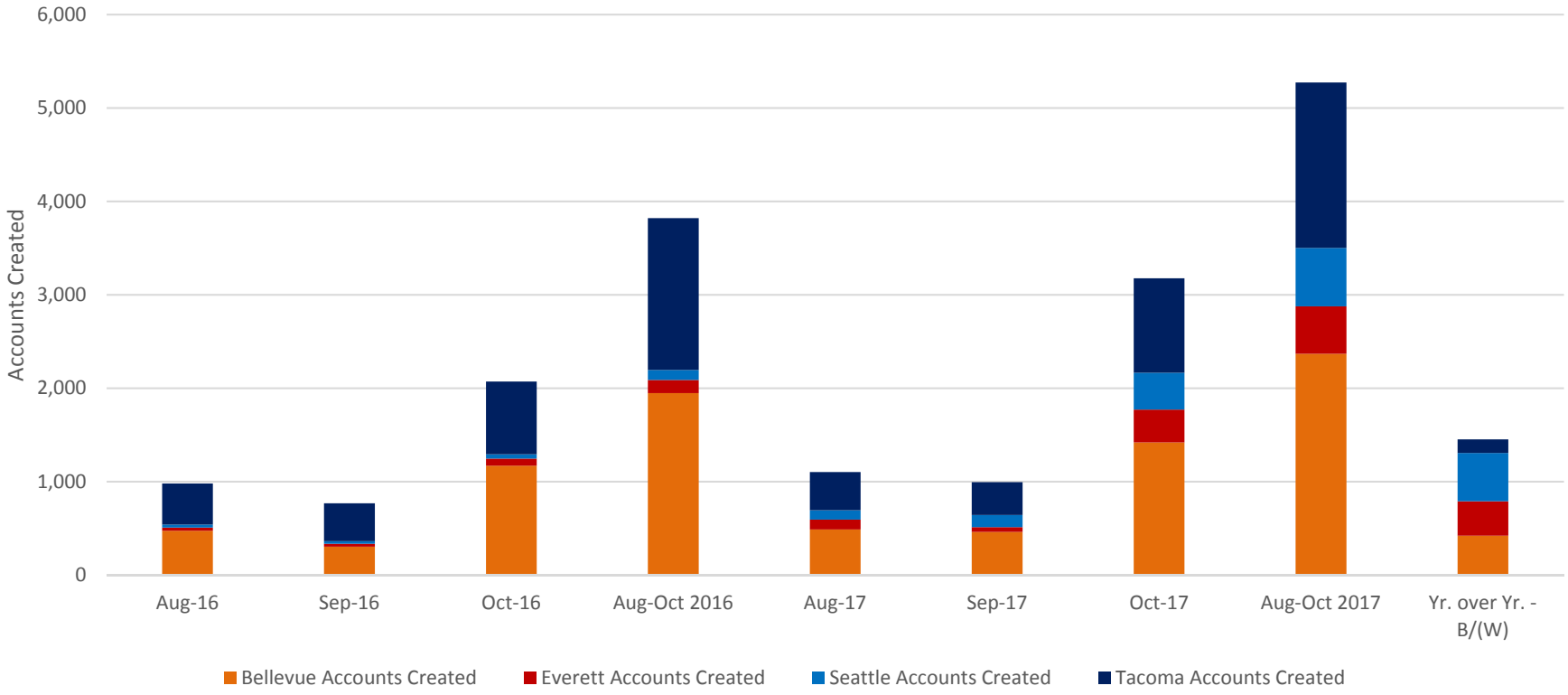


Total Accounts Created

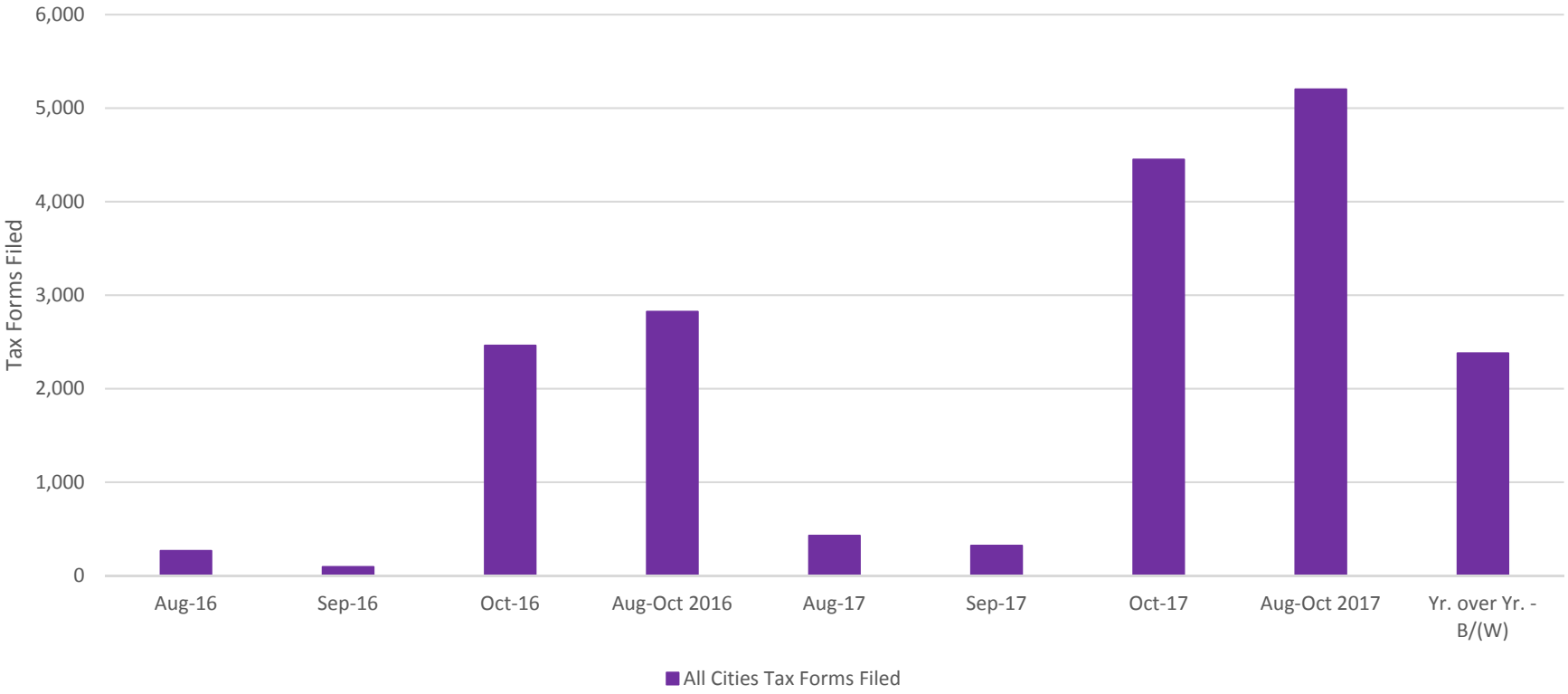


Accounts created for the 3 months ended Oct 2017 were 5,272 which is up 1,452 accounts compared to the 3 months ended Oct 2016. All four cities were up with Seattle up 517 accounts, Bellevue up 421 accounts, Everett up 367 accounts and Tacoma up 146 accounts. Note: Accounts created doesn't represent fully registered customers. Per 11/7 note from eGov, about 51% of the accounts started were not completed. This will be reviewed/explored by the Account Set-Up Task Force

Accounts Created by City

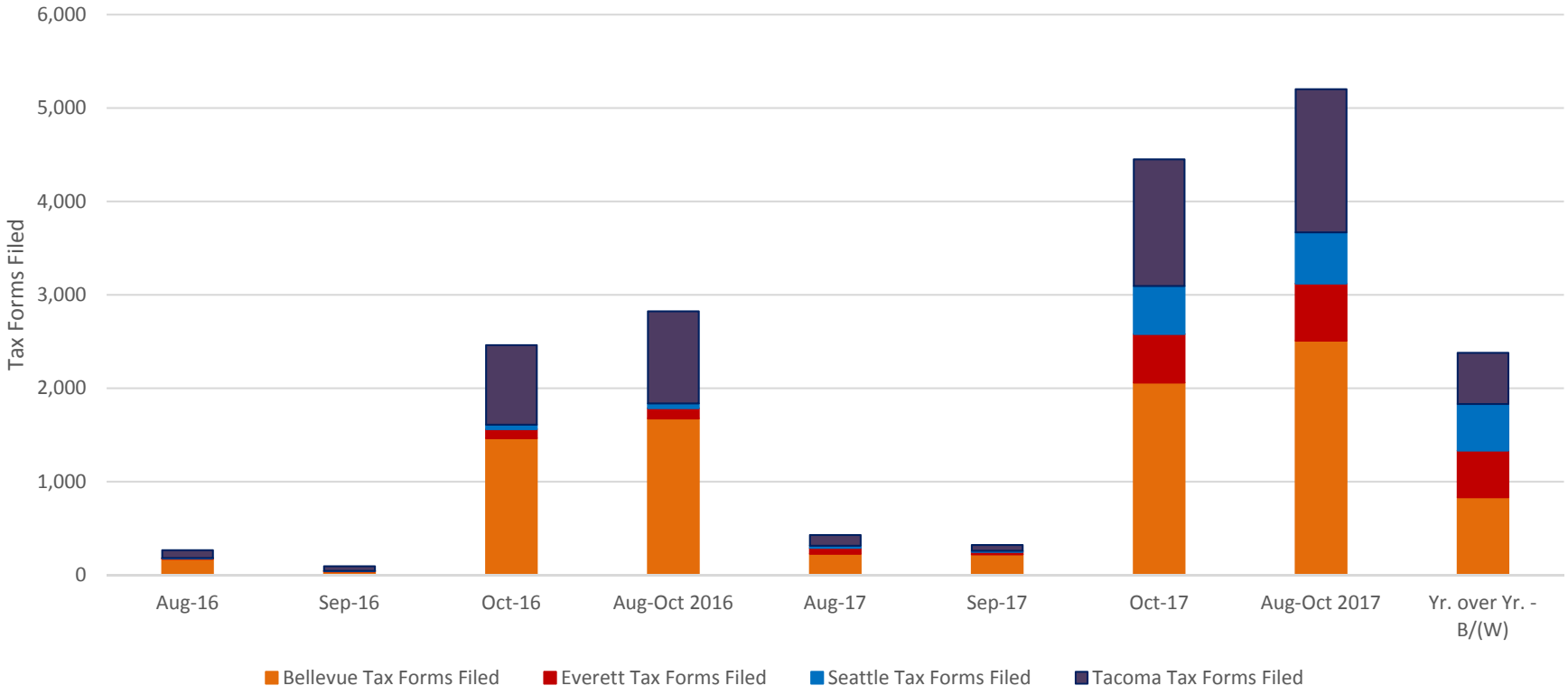


Total Tax Forms Filed

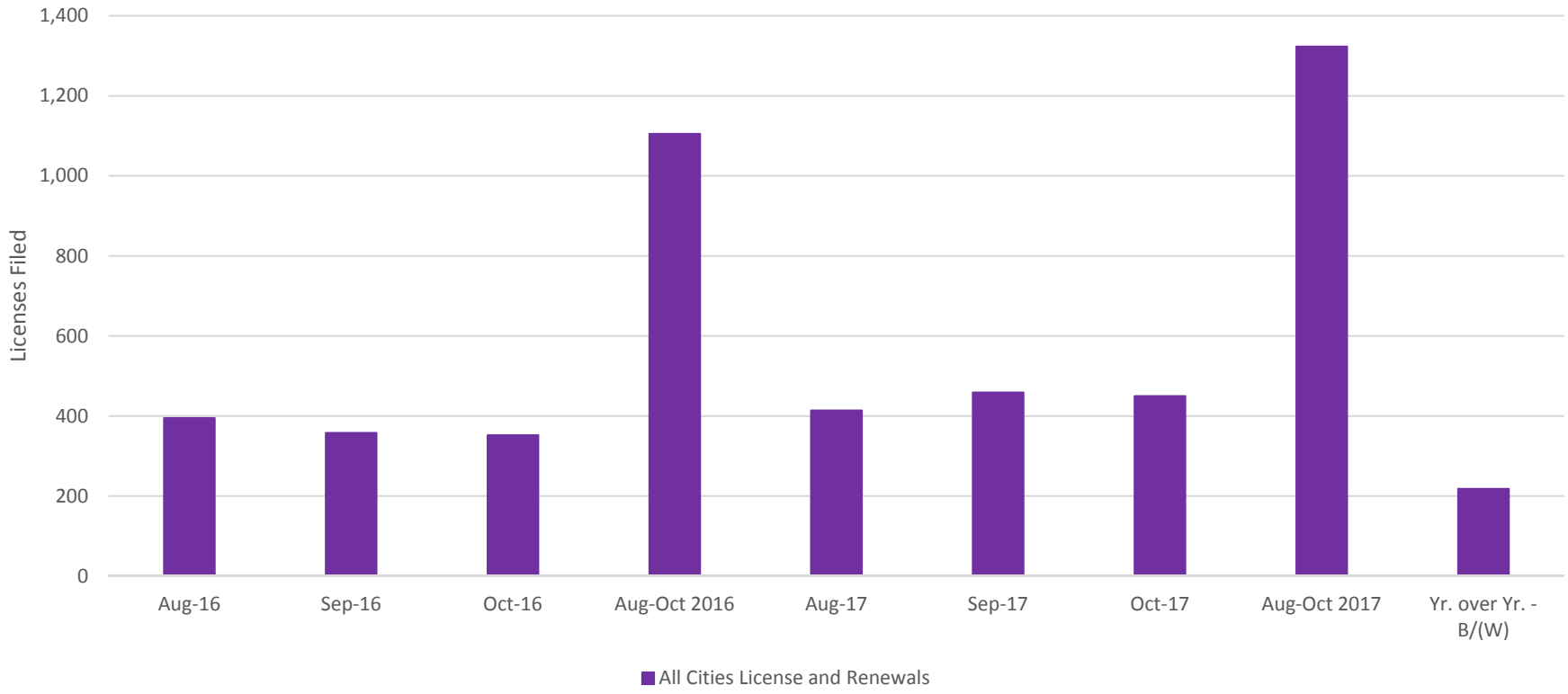


Tax Forms created for the 3 months ended Oct 2017 were 5,202 which is up 2,379 accounts compared to the 3 months ended Oct 2016. All four cities were up with Bellevue up 833, Tacoma up 547, Everett up 500 and Seattle up 499.

Tax Forms Filed by City

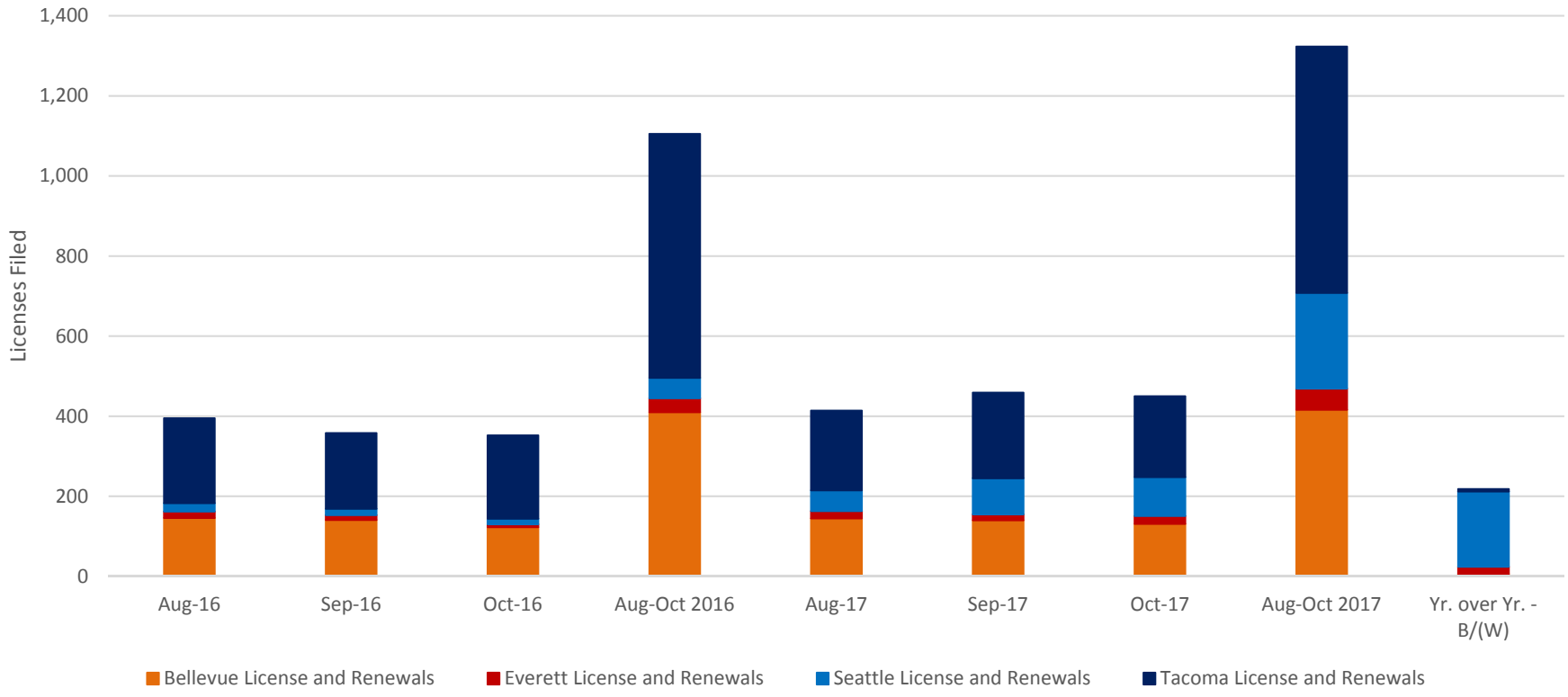


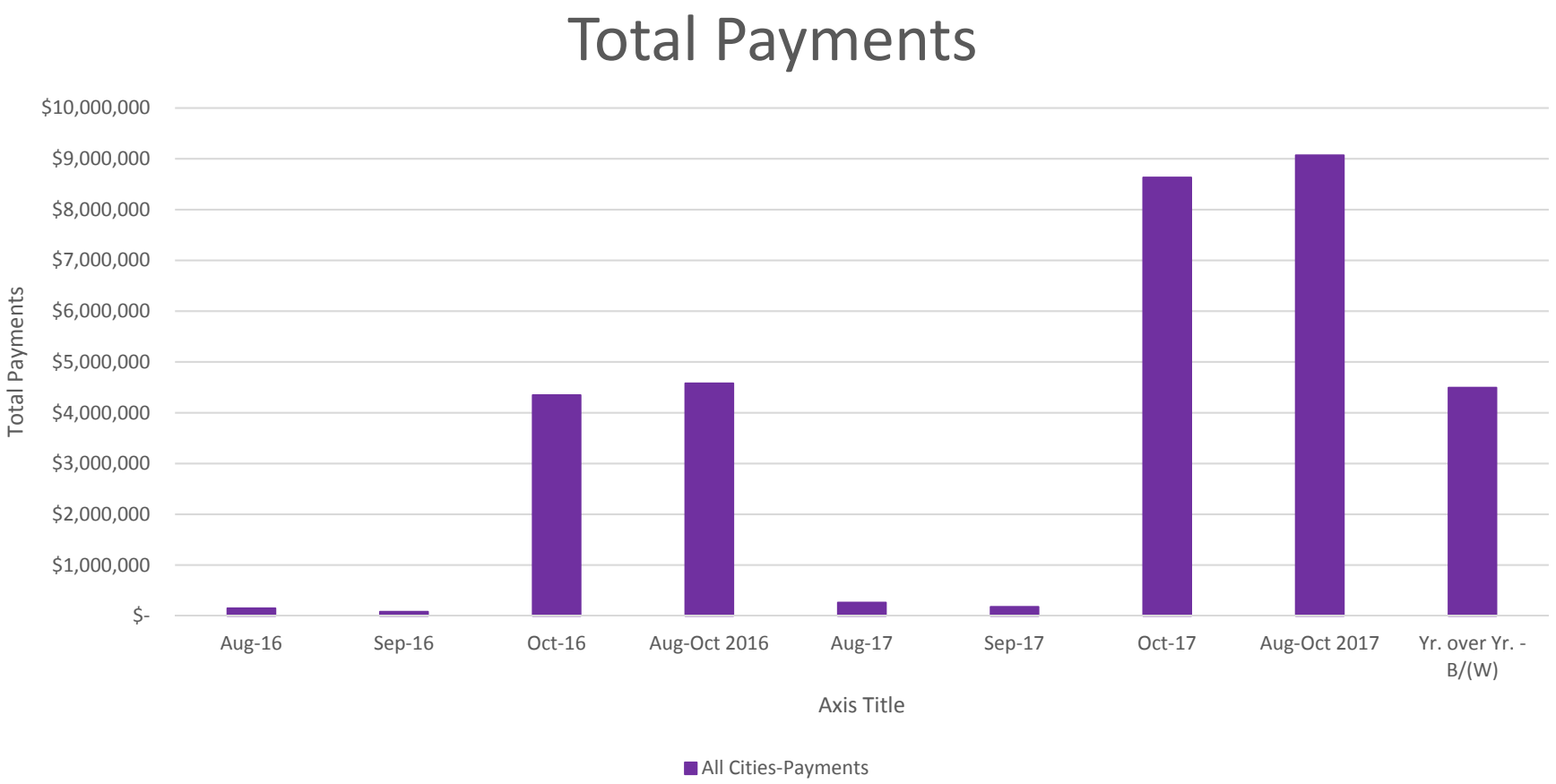
Licenses/Renewals Filed



License/Renewals created for the 3 months ended Oct 2017 were 1,323 which is up 218 filings compared to the 3 months ended Oct 2016. All four cities were up but Seattle (188) was the primary city up followed by Everett up 18, Bellevue up 6 and Tacoma up 6.

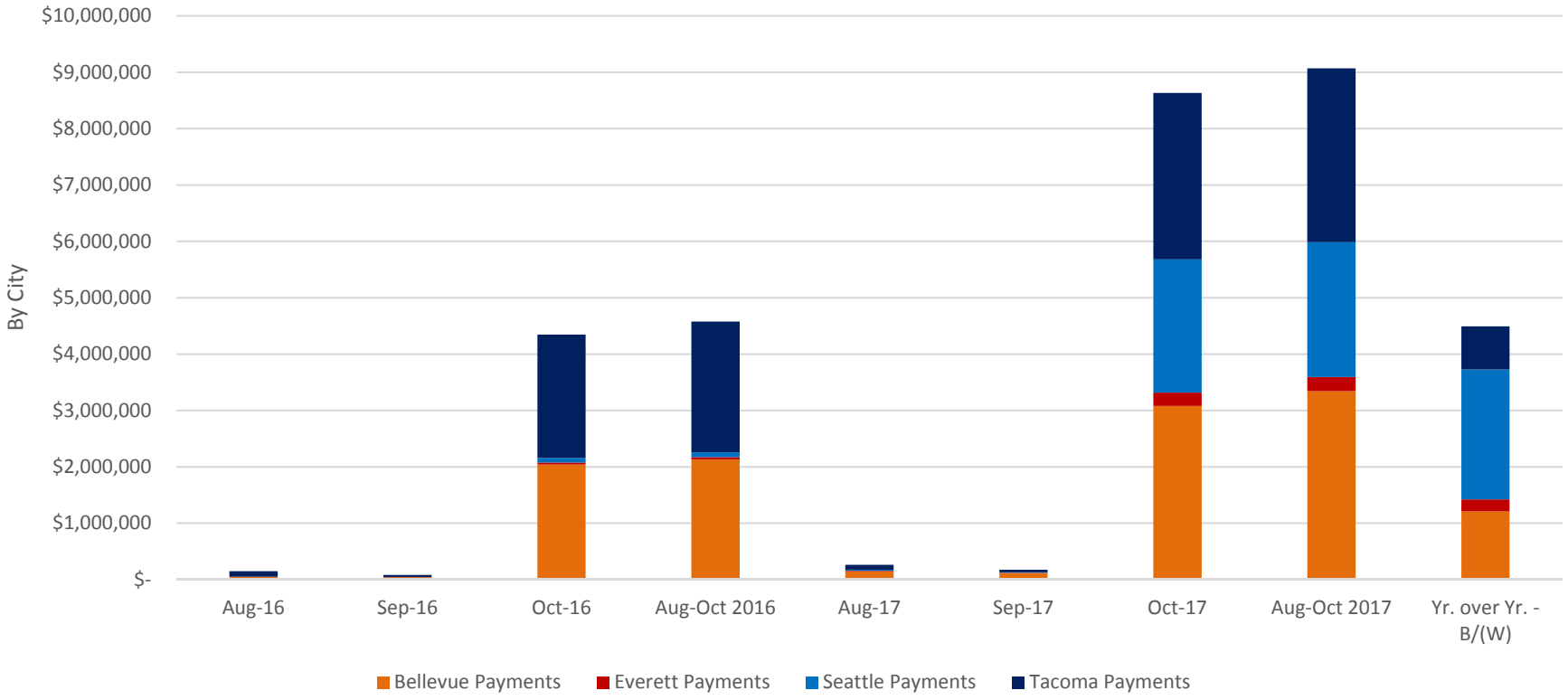
Licenses/Renewals Filed by City





Payments made for the 3 months ended Oct 2017 were $9.068m which is up $4.491m compared to the 3 months ended Oct 2016. All four cities were up with Seattle up $2.306m, Bellevue up $1.208m, Tacoma up $.764m, and Everett up .212m.

Payments by City



New City Onboarding Status

Activity Active Last Contact Week of	Lake Forest Park OB	Renton Yes 4-Dec	Bremerton Yes 4-Dec	Shoreline Yes 4-Dec	Kent Yes 4-Dec	Woodland Yes 23-Oct	Port Townsend FY18 16-Oct	Issaquah FY18	Snoqualmie 6-Nov	AWC Jun 2017 N/A	WFOA Sep 2017 N/A
Introduction Email/City Presentation	X	X	X	X	X	X	X	X	X	X	X
Forms Received	X	X	X		X				X		
Preadmin	X	X	X		X			X	X		
Tax	X	X	X		X				X		
License	X	X	X		X				X		
Agency Documentation Review	X	X	X		X						
Financial/Compatibility Review Mtg	X	X	X		X						
S.I. Tax/Lic Compatibility	X	X	X					X			
Yearly Fees	X	X	X						X		
Software Implementation Fees	X		X								
Onboarding Type	P	Principal	Subscriber								
Resolution Drafted & Vote Scheduled	X										
FLEB Resolution Vote/Approval	X		11-Dec								
Standard Implementation Guide	X										
Project Plan Developed	X										
New City Legislative Action/Sign off	X										