FileLocal

Executive Board:

Susy Haugen
City of Everett

Toni Call, Vice-Chair
City of Bellevue

Chris Bothwell, Chair
City of Lake Forest Park

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

Jan Hawn
City of Renton

Executive Board Agenda

September 24, 2018

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. **CALL TO ORDER**
    a. Introductions

2. **PUBLIC COMMENT***

3. **APPROVAL OF 5-29-18 MEETING SUMMARY**
    a. 5-29-18 Meeting Summary

4. **REVIEW OF AUGUST, JULY AND JUNE 2018 FINANCIAL STATEMENTS**
    a. July 2018 Financial Statements
    b. June 2018 Financial Statements
    c. May 2018 Financial Statements
    d. April 2018 Financial Statements

5. **ACTION ITEMS**
    a. Resolution **FL2018-08: Aproving Admission of Shoreline**
        i. Briefing Paper: **FL2018-08**
        ii. Resolution: **FL2018-08**
        iii. Contract: **FL2018-08**

    b. Resolution **FL2018-09: Contract Loan Staff Extension**
        i. Briefing Paper: **FL2018-09**
        ii. Resolution: **FL2018-09**
        iii. Contract: **FL2018-09**

    c. Resolution **FL2018-10: Appointment of Secretary**
        i. Resolution Paper: **FL2018-10**

6. **OPERATIONAL UPDATES**
    a. Monthly Business Report

*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.

7. OTHER BUSINESS

a. New Cities Update
b. ADA Compliance

8. NEXT MEETING:

a. FLEB: **December 10th, 2018**

9. ADJOURNMENT

FileLocal

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

Executive Board Meeting Summary

May 29, 2018

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

Executive Board:

Susy Haugen,
City of Everett

Toni Call
City of Bellevue

Chris Bothwell, Chair,
City of Lake Forest Park

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

Jan Hawn
City of Renton

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

Standing Items

1. CALL TO ORDER

The 5-29-18, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 12:05 p.m. and held in Conference Room 4090 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Susy Haugen (phone), Jamie Robinson (phone) for Toni Call, Chris Bothwell (phone), Joseph Cunha for Glen Lee, Andy Cherullo (phone), Jan Hawn (phone)

Staff and Guests: Kevin Fitzpatrick, David Linehan (phone), Rick Mekdessie (phone), and Wendy Thomaston

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Susy Haugen and seconded by Chris Bothwell, the board approved the 3-26-18, meeting summary.

4. REVIEW OF FINANCIAL STATEMENT

Kevin Fitzpatrick summarized the March/Feb 2018 financial statements and cash status. There were no questions or comments

*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. ACTION ITEMS

A. Resolution 2018-05 Reimbursement Allocation for New and Originating Cities

a. Kevin Fitzpatrick reviewed the resolution there were no questions for comments.

i. Supermajority vote discussion was led by David Linehan

ii. Chris Bothwell put the resolution to vote.

b. Supermajority Vote - passed

VOTE FL2018-05	**City**	**Member**
YES	Bellevue	Jamie Robinson (for Toni Call)
YES	Everett	Susy Haugen
YES	Lake Forest Park	Chris Bothwell
YES	Renton	Jan Hawn
YES	Seattle	Joseph Cunha (For Glenn Lee)
(absent for vote)	Tacoma	Andy Cherullo

B. Resolution 2018-06 Draft Budget 2019-2023

a. Kevin Fitzpatrick reviewed the resolution there were no questions for comments.

i. Motion to accept: Andy Cherullo

ii. Motion seconded: Jan Hawn

b. Supermajority Vote - passed

VOTE FL2018-06	**City**	**Member**
YES	Bellevue	Jamie Robinson (for Toni Call)
YES	Everett	Susy Haugen
YES	Lake Forest Park	Chris Bothwell
YES	Renton	Jan Hawn
YES	Seattle	Joseph Cunha (For Glenn Lee)
YES	Tacoma	Andy Cherullo

C. Resolution 2018-07 Leviathan Contract

a. Kevin Fitzpatrick reviewed the resolution there were no questions for comments.

i. Motion to accept: Susy Haugen
ii. Motion seconded: Andy Cherullo

b. Majority Vote - passed

VOTE FL2018-07	**City**	**Member**
YES	Bellevue	Jamie Robinson (for Toni Call)
YES	Everett	Susy Haugen
YES	Lake Forest Park	Chris Bothwell
YES	Renton	Jan Hawn
YES	Seattle	Joseph Cunha (For Glenn Lee)
YES	Tacoma	Andy Cherullo

6. DISCUSSION ITEMS:

A. April Monthly Business Review

a. Improvements to eGov/Avenu support desk
b. Increases in tax filings, renewals/licenses, account setup, and payments

B. IT Services Agreement

a. 4-year contract extension between the Agency and City of Seattle IT Services.

C. New City Updates

City	Status
Bremerton	Q3 launch
Renton	Q3 launch
Shoreline	Fit analysis complete, SIP guide in process, planned for Q3 EB meeting
Issaquah	City has a new finance director. Fit analysis done; SIP guide in mid-June. City is finalizing SOR now, which will determine when they can launch. Expect to schedule for Q3 EB meeting.
Snoqualmie	City reviewing SORs. Fit analysis done. SIP guide to be scheduled. EB meeting depends on SOR decision.

Kent	Fit analysis complete. Appears to be standard. City developing SOR. Was scheduled for Q1'19, but the City wants to push to Q1'20.
Des Moines	Fit analysis in process, due this week.
Tukwila	Meeting in 2 weeks
Burien	Meeting in 2 weeks
Redmond	Provided annual cost estimate. Due to call back in Oct.
Mercer Island	Provided annual cost estimate. Due to call back in Oct.

D. Employee Updates

Admin Spec II

a. Selected 5 applicants for interviews. Interviewed 4. Interviews conducted by Kevin Fitzpatrick, Wendy Thomaston, and Jackie Mitchell (Seattle).
b. One strong candidate was identified, references checked and is currently in the HR Hiring Process.

Incremental position

c. Will assess what we need after we get Admin Spec II position settled.
d. Plan to fill temporary unless/until the 2020 date is extended.

E. HB 2005 FileLocal Date Extension

a. Current legislation under HB 2005 will end new city participation in FileLocal as of 7-1-2020. The question to the board, is this date acceptable and if it is not then does any city want to take the lead on extending this date.
b. Cities suggested that we need a strategy to work on this so Kevin will schedule working meeting with individual or paired board members to develop a strategy which will then be taken to an open meeting of the board for review and vote.
    a. Kevin to meet with Glen regarding Seattle's.
    b. Kevin to schedule meetings.

7. ADJOURNMENT

On a motion made by Andy Cherullo and seconded by Susy Haugen, the meeting of the Executive Board adjourned at 12:56 p.m.

Respectfully Submitted,

Jamie Robinson on behalf of Toni Call
Acting Secretary, FileLocal

FileLocal

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

FileLocal
Financial Statements
JULY 31, 2018

TABLE OF CONTENT	PAGE
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF ACTIVITIES	2
SCHEDULE OF BUDGET AND ACTUAL	3
STATEMENT OF CASH FLOW	4

Your one stop for local business licensing and tax filing

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
JULY 31, 2018

ASSETS		
Cash	$	835,428
Accounts receivable		13,932
Billable to Cities		13,498
Prepaid		75,276
Total Current Assets		938,134
TOTAL ASSETS	$	938,134
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	73,030
Accrued liabilities		45,630
Total Current Liabilities		118,660
TOTAL LIABILITIES	$	118,660
NET ASSETS		
Net assets, unrestricted	$	395,500
Net Income		423,974
TOTAL NET ASSETS	$	819,474
TOTAL LIABILITIES AND NET ASSETS	$	938,134

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED JULY 31, 2018

	May	June	July	YTD
REVENUES				
User fees	$ 6,068	$ 5,196	$ 30,372	**$ 116,368**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**543,559**
City of Bellevue	-	-	-	**85,125**
City of Tacoma	-	-	-	**133,922**
City of Everett	-	-	-	**38,821**
City of Lake Forest Park	-	-	-	**10,955**
City of Bremerton	13,854	-	-	**13,854**
Total direct reimbursable costs	13,854	-	-	**826,236**
Shared cost reimbursements	-	-	-	**-**
Total revenues	$ 19,922	$ 5,196	$ 30,372	**$ 942,604**
EXPENSES				
Accounting fees	$ 2,500	$ 13,776	$ 2,500	**$ 28,776**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	-	-	1,750.00	**2,750**
Consulting	-	-	-	**-**
Insurance	433	433	433.00	**3,031**
Labor costs	(9,603)	30,000	4,092	**144,489**
Legal fees	-	1,915	522.00	**8,746**
License and membership fees	-	-	-	**335**
Meals and entertainment	-	-	-	**-**
Office and operation supplies	66	-	-	**66**
Printing and copying	-	-	-	**-**
Technology costs	108,711	64,392	(6,563)	**277,477**
Transaction fees	-	1,948	19,790	**51,650**
Travel Expense	-	-	702	**1,310**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 102,107	$ 112,464	$ 23,226	**$ 518,630**
CHANGE IN NET ASSETS	$ (82,185)	$ (107,268)	$ 7,146	**$ 423,974**

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED JULY 31, 2018

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 184,000	$ 107,333	$ 116,368	$ 9,035
Reimbursable cost/Capital cost recovery charges				
City of Seattle	543,559	543,559	543,559	-
City of Bellevue	85,125	85,125	85,125	-
City of Tacoma	133,922	133,922	133,922	-
City of Everett	38,821	38,821	38,821	-
City of Lake Forest Park	10,955	10,955	10,955	-
City of Bremerton	-	-	13,854	13,854
Total direct reimbursable costs	812,382	812,382	826,236	13,854
Other				
Fund carryover	30,000			
Total sources	$ 1,026,382	$ 919,715	$ 942,604	$ 22,889
EXPENSES				
Labor costs	$ 347,882	$ 202,931	$ 144,489	$ 58,442
Contracts	45,670	26,641	31,807	(5,166)
Overhead	57,049	33,279	13,207	20,072
Technology costs	544,482	317,615	329,127	(11,512)
Operating reserve	15,299	8,924	-	8,924
Capital cost recovery payments	16,000	9,333	-	9,333
Consulting	-	-	-	-
Meals and entertainment	-	-	-	-
Total operating expenses	$ 1,026,382	$ 598,723	$ 518,630	$ 80,093
CHANGE IN NET ASSETS			423,974	
NET ASSETS, AS OF JANUARY 1, 2018			395,500	
NET ASSETS, AS OF JULY 31, 2018			$ 819,474	
Schedule I - Contracts				
Accounting	$ 27,169	$ 15,849	$ 28,776	$ (12,927)
Auditing	10,961	6,394	-	6,394
Insurance	6,029	3,517	3,031	486
Bank fees	1,511	881	-	881
Total	$ 45,670	$ 26,641	$ 31,807	$ (5,166)
	-	-	-	
Schedule II - Overhead				
Legal	$ 33,021	$ 19,262	$ 8,746	$ 10,516
Office and operating supplies	5,543	3,233	66	3,167
Printing	5,542	3,233	-	3,233
Licenses/Memberships	5,542	3,233	1,645	1,588
Agency IT costs	2,218	1,295	-	1,295
Marketing	5,183	3,023	2,750	273
Total	$ 57,049	$ 33,279	$ 13,207	$ 20,072

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED JULY 31, 2018

		JULY 2018
Net Income		$ 423,974
Adjustments to reconcile Net Income		
to net cash provided by operations:		
	Accounts Receivable	140
	Billable to Cities	(18,763)
	Prepaid	(74,347)
	Accounts Payable and Accrued Liabilities	(10,150)
Net cash increase for seven months ending 7/31/2018		320,854
Cash at 1/1/2018		514,574
Cash at 7/31/2018		**835,428**
Less Operating Reserve		**149,262**
Cash Available		**$ 686,166**

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FileLocal
Financial Statements
JUNE 30, 2018

TABLE OF CONTENT	PAGE
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF ACTIVITIES	2
SCHEDULE OF BUDGET AND ACTUAL	3
STATEMENT OF CASH FLOW	4

FILELOCAL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS		
Cash	$	895,226
Accounts receivable		56
Billable to Cities		14,597
Prepaid		90,210
Total Current Assets		1,000,089
TOTAL ASSETS	$	1,000,089
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	80,257
Accrued liabilities		107,504
Total Current Liabilities		187,761
TOTAL LIABILITIES	$	187,761
NET ASSETS		
Net assets, unrestricted	$	395,500
Net Income		416,828
TOTAL NET ASSETS	$	812,328
TOTAL LIABILITIES AND NET ASSETS	$	1,000,089

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED JUNE 30, 2018

	April	May	June	YTD
REVENUES				
User fees	$ 26,060	$ 6,068	$ 5,196	**$ 85,996**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**543,559**
City of Bellevue	-	-	-	**85,125**
City of Tacoma	-	-	-	**133,922**
City of Everett	-	-	-	**38,821**
City of Lake Forest Park	-	-	-	**10,955**
City of Bremerton	-	13,854	-	**13,854**
Total direct reimbursable costs	-	13,854	-	**826,236**
Shared cost reimbursements	-	-	-	**-**
Total revenues	$ 26,060	$ 19,922	$ 5,196	**$ 912,232**
EXPENSES				
Accounting fees	$ 2,500	$ 2,500	$ 13,776	**$ 26,276**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	1,000	-	-	**1,000**
Consulting	-	-	-	**-**
Insurance	433	433	433	**2,598**
Labor costs	30,000	(9,603)	30,000	**140,397**
Legal fees	1,234	-	1,915	**8,224**
License and membership fees	-	-	-	**335**
Meals and entertainment	-	-	-	**-**
Office and operation supplies	-	66	-	**66**
Printing and copying	-	-	-	**-**
Technology costs	45,648	108,711	64,392	**284,040**
Transaction fees	12,391	-	1,948	**31,860**
Travel Expense	336	-	-	**608**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 93,542	$ 102,107	$ 112,464	**$ 495,404**
CHANGE IN NET ASSETS	$ (67,482)	$ (82,185)	$ (107,268)	**$ 416,828**

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED JUNE 30, 2018

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 184,000	$ 92,000	$ 85,996	$ (6,004)
Reimbursable cost/Capital cost recovery charges				
City of Seattle	543,559	543,559	543,559	-
City of Bellevue	85,125	85,125	85,125	-
City of Tacoma	133,922	133,922	133,922	-
City of Everett	38,821	38,821	38,821	-
City of Lake Forest Park	10,955	10,955	10,955	-
City of Bremerton	-	-	13,854	13,854
Total direct reimbursable costs	812,382	812,382	826,236	13,854
Other				
Fund carryover	30,000			
Total sources	$ 1,026,382	$ 904,382	$ 912,232	$ 7,850
EXPENSES				
Labor costs	$ 347,882	$ 173,941	$ 140,397	$ 33,544
Contracts	45,670	22,835	28,874	(6,039)
Overhead	57,049	28,525	10,233	18,292
Technology costs	544,482	272,241	315,900	(43,659)
Operating reserve	15,299	7,650	-	7,650
Capital cost recovery payments	16,000	8,000	-	8,000
Consulting	-	-	-	-
Meals and entertainment	-	-	-	-
Total operating expenses	$ 1,026,382	$ 513,192	$ 495,404	$ 17,788
CHANGE IN NET ASSETS			416,828	
NET ASSETS, AS OF JANUARY 1, 2018			395,500	
NET ASSETS, AS OF JUNE 30, 2018			$ 812,328	
Schedule I - Contracts				
Accounting	$ 27,169	$ 13,585	$ 26,276	$ (12,691)
Auditing	10,961	5,479	-	5,479
Insurance	6,029	3,015	2,598	417
Bank fees	1,511	756	-	756
Total	$ 45,670	$ 22,835	$ 28,874	$ (6,039)
	-	-	-	
Schedule II - Overhead				
Legal	$ 33,021	$ 16,511	$ 8,224	$ 8,287
Office and operating supplies	5,543	2,772	66	2,706
Printing	5,542	2,771	-	2,771
Licenses/Memberships	5,542	2,771	943	1,828
Agency IT costs	2,218	1,109	-	1,109
Marketing	5,183	2,591	1,000	1,591
Total	$ 57,049	$ 28,525	$ 10,233	$ 18,292

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED JUNE 30, 2018

		JUNE 2018
Net Income		$ 416,828
Adjustments to reconcile Net Income		
to net cash provided by operations:		
	Accounts Receivable	14,016
	Billable to Cities	(19,862)
	Prepaid	(89,280)
	Accounts Payable and Accrued Liabilities	58,951
Net cash increase for four months ending 6/30/2018		380,653
Cash at 1/1/2018		514,573
Cash at 6/30/2018		**895,226**
Less Operating Reserve		**149,262**
Cash Available		**$ 745,964**

FileLocal

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FileLocal
Financial Statements
MAY 31, 2018

TABLE OF CONTENT	PAGE
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF ACTIVITIES	2
SCHEDULE OF BUDGET AND ACTUAL	3
STATEMENT OF CASH FLOW	4

FILELOCAL
STATEMENT OF FINANCIAL POSITION
MAY 31, 2018

ASSETS		
Cash	$	961,185
Accounts receivable		13,938
Billable to Cities		5,081
Prepaid		105,143
Total Current Assets		1,085,347
TOTAL ASSETS	$	1,085,347
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	80,195
Accrued liabilities		85,556
Total Current Liabilities		165,751
TOTAL LIABILITIES	$	165,751
NET ASSETS		
Net assets, unrestricted	$	395,500
Net Income		524,096
TOTAL NET ASSETS	$	919,596
TOTAL LIABILITIES AND NET ASSETS	$	1,085,347

-

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED MAY 31, 2018

	March	April	May	YTD
REVENUES				
User fees	$ 5,320	$ 26,060	$ 6,068	**$ 80,800**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**543,559**
City of Bellevue	-	-	-	**85,125**
City of Tacoma	-	-	-	**133,922**
City of Everett	-	-	-	**38,821**
City of Lake Forest Park	-	-	-	**10,955**
City of Bremerton	-	-	13,854	**13,854**
Total direct reimbursable costs	-	-	13,854	**826,236**
Shared cost reimbursements	-	-	-	**-**
Total revenues	$ 5,320	$ 26,060	$ 19,922	**$ 907,036**
EXPENSES				
Accounting fees	$ 2,500	$ 2,500	$ 2,500	**$ 12,500**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	-	1,000	-	**1,000**
Consulting	-	-	-	**-**
Insurance	433	433	433	**2,165**
Labor costs	30,000	30,000	(9,603)	**110,397**
Legal fees	1,885	1,234	-	**6,309**
License and membership fees	-	-	-	**335**
Meals and entertainment	-	-	-	**-**
Office and operation supplies	-	-	66	**66**
Printing and copying	-	-	-	**-**
Technology costs	9,234	45,648	108,711	**219,648**
Transaction fees	1,995	12,391	-	**29,912**
Travel Expense	209	336	-	**608**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 46,256	$ 93,542	$ 102,107	**$ 382,940**
CHANGE IN NET ASSETS	$ (40,936)	$ (67,482)	$ (82,185)	**$ 524,096**
			-	**-**

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED MAY 31, 2018

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 184,000	$ 76,667	$ 80,800	$ 4,133
Reimbursable cost/Capital cost recovery charges				
City of Seattle	543,559	543,559	543,559	-
City of Bellevue	85,125	85,125	85,125	-
City of Tacoma	133,922	133,922	133,922	-
City of Everett	38,821	38,821	38,821	-
City of Lake Forest Park	10,955	10,955	10,955	-
City of Bremerton	19,623	19,623	13,854	(5,769)
Total direct reimbursable costs	832,005	832,005	826,236	(5,769)
Other				
Fund carryover	30,000			
Total sources	$ 1,046,005	$ 908,672	$ 907,036	$ (1,636)
EXPENSES				
Labor costs	$ 347,882	$ 144,951	$ 110,397	$ 34,554
Contracts	45,670	19,029	14,665	4,364
Overhead	57,049	23,770	8,318	15,452
Technology costs	544,482	226,868	249,560	(22,692)
Operating reserve	15,299	6,375	-	6,375
Capital cost recovery payments	16,000	6,667	-	6,667
Consulting	-	-	-	-
Meals and entertainment	-	-	-	-
Total operating expenses	$ 1,026,382	$ 427,660	$ 382,940	$ 44,720
CHANGE IN NET ASSETS			524,096	
NET ASSETS, AS OF JANUARY 1, 2018			395,500	
NET ASSETS, AS OF MAY 31, 2018			$ 919,596	
Schedule I - Contracts				
Accounting	$ 27,169	$ 11,320	$ 12,500	$ (1,180)
Auditing	10,961	4,566	-	4,566
Insurance	6,029	2,512	2,165	347
Bank fees	1,511	630	-	630
Total	$ 45,670	$ 19,028	$ 14,665	$ 4,363
	-	(1)	-	
Schedule II - Overhead				
Legal	$ 33,021	$ 13,759	$ 6,309	$ 7,450
Office and operating supplies	5,543	2,310	66	2,244
Printing	5,542	2,309	-	2,309
Licenses/Memberships	5,542	2,309	943	1,366
Agency IT costs	2,218	924	-	924
Marketing	5,183	2,160	1,000	1,160
Total	$ 57,049	$ 23,771	$ 8,318	$ 15,453

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED MAY 31, 2018

		MAY 2018
Net Income		$ 524,096
Adjustments to reconcile Net Income		
to net cash provided by operations:		
	Accounts Receivable	134
	Billable to Cities	(10,346)
	Prepaid	(104,213)
	Accounts Payable and Accrued Liabilities	36,941
Net cash increase for four months ending 5/31/2018		446,612
Cash at 1/1/2018		514,573
Cash at 5/31/2018		**961,185**
Less Operating Reserve		**149,262**
Cash Available		**$ 811,923**

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

FileLocal
Financial Statements
APRIL 30, 2018

TABLE OF CONTENT	PAGE
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF ACTIVITIES	2
SCHEDULE OF BUDGET AND ACTUAL	3
STATEMENT OF CASH FLOW	4

FILELOCAL
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2018

ASSETS		
Cash	$	1,057,628
Accounts receivable		4,780
Billable to Cities		5,081
Prepaid		120,076
Total Current Assets		1,187,565
TOTAL ASSETS	$	1,187,565
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	42,728
Accrued liabilities		143,056
Total Current Liabilities		185,784
TOTAL LIABILITIES	$	185,784
NET ASSETS		
Net assets, unrestricted	$	395,500
Net Income		606,281
TOTAL NET ASSETS	$	1,001,781
TOTAL LIABILITIES AND NET ASSETS	$	1,187,565

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED APRIL 30, 2018

	February	March	April	YTD
REVENUES				
User fees	$ 8,536	$ 5,320	$ 26,060	**$ 74,732**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**543,559**
City of Bellevue	-	-	-	**85,125**
City of Tacoma	-	-	-	**133,922**
City of Everett	-	-	-	**38,821**
City of Lake Forest Park	-	-	-	**10,955**
Total direct reimbursable costs	-		-	**812,382**
Shared cost reimbursements	-		-	**-**
Total revenues	$ 8,536	$ 5,320	$ 26,060	**$ 887,114**
EXPENSES				
Accounting fees	$ 2,500	$ 2,500	$ 2,500	**$ 10,000**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	-	-	1,000	**1,000**
Consulting	-	-	-	**-**
Insurance	433	433	433	**1,732**
Labor costs	30,000	30,000	30,000	**120,000**
Legal fees	1,653	1,885	1,234	**6,309**
License and membership fees	-	-	-	**335**
Meals and entertainment	-	-	-	**-**
Office and operation supplies	-	-	-	**-**
Printing and copying	-	-	-	**-**
Technology costs	40,705	9,234	45,648	**110,937**
Transaction fees	2,471	1,995	12,391	**29,912**
Travel Expense	63	209	336	**608**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 77,825	$ 46,256	$ 93,542	**$ 280,833**
CHANGE IN NET ASSETS	$ (69,289)	$ (40,936)	$ (67,482)	**$ 606,281**

FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED APRIL 30, 2018

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 184,000	$ 61,333	$ 74,732	$ 13,399
Reimbursable cost/Capital cost recovery charges				
City of Seattle	543,559	543,559	543,559	-
City of Bellevue	85,125	85,125	85,125	-
City of Tacoma	133,922	133,922	133,922	-
City of Everett	38,821	38,821	38,821	-
City of Lake Forest Park	10,955	10,955	10,955	-
Total direct reimbursable costs	812,382	812,382	812,382	-
Other				
Fund carryover	30,000			
Total sources	$ 1,026,382	$ 873,715	$ 887,114	$ 13,399
EXPENSES				
Labor costs	$ 347,882	$ 115,961	$ 120,000	$ (4,039)
Contracts	45,670	15,223	11,732	$ 3,491
Overhead	57,049	19,016	8,252	$ 10,764
Technology costs	544,482	181,494	140,849	$ 40,645
Operating reserve	15,299	5,100	-	$ 5,100
Capital cost recovery payments	16,000	5,333	-	$ 5,333
Consulting	-	-	-	$ -
Meals and entertainment	-	-	-	$ -
Total operating expenses	$ 1,026,382	$ 342,127	$ 280,833	$ 61,294
CHANGE IN NET ASSETS			606,281	
NET ASSETS, AS OF JANUARY 1, 2018			395,500	
NET ASSETS, AS OF APRIL 30, 2018			$ 1,001,781	
Schedule I - Contracts				
Accounting	$ 27,169	$ 9,056	$ 10,000	$ (944)
Auditing	10,961	3,653	-	$ 3,653
Insurance	6,029	2,010	1,732	$ 278
Bank fees	1,511	504	-	$ 504
Total	$ 45,670	$ 15,223	$ 11,732	$ 3,491
Schedule II - Overhead				
Legal	$ 33,021	$ 11,007	$ 6,309	$ 4,698
Office and operating supplies	5,543	1,848	-	$ 1,848
Printing	5,542	1,847	-	$ 1,847
Licenses/Memberships	5,542	1,847	943	$ 904
Agency IT costs	2,218	739	-	$ 739
Marketing	5,183	1,728	1,000	$ 728
Total	$ 57,049	$ 19,016	$ 8,252	$ 10,764

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED APRIL 30, 2018

		APRIL 2018
Net Income		$ 606,281
Adjustments to reconcile Net Income		
to net cash provided by operations:		
	Accounts Receivable	9,292
	Billable to Cities	(10,346)
	Prepaid	(119,146)
	Accounts Payable and Accrued Liabilities	56,974
Net cash increase for four months ending 4/30/2018		543,055
Cash at 1/1/2018		514,573
Cash at 4/30/2018		**1,057,628**
Less Operating Reserve		**149,262**
Cash Available		**$ 908,366**

File Local Resolution FL2018-08
Briefing Paper

Date: 9-24-18

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the addition of a new city – City of Shoreline – as a Subscriber city.

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL2018-08 approving the addition of the City of Shoreline as a Subscriber city as determined by the FileLocal Executive Board (FLEB).

Rationale: The Agency was founded through an Interlocal Agreement ("ILA") signed in March 2014 by the cities of Bellevue, Everett, Seattle, and Tacoma. The founding cities ("Principals") created a web application gateway ("Portal") to collectively administer business licensing and tax collection that allows businesses in the Principal cities to use a "one-stop" system for licensing and tax payments. The ILA anticipates the addition of new cities either as Principals or Subscribers, with the costs of operating the Portal thereby being spread among a greater number of participants. New cities may join as Principals by becoming signatories to the ILA after approval by a super-majority vote of the Executive Board. Cities joining as Principals obtain a voting seat on the Executive Board. Alternatively, new cities may join as "Subscribers" by entering into a separate agreement with the Agency, upon approval by super-majority vote of the Executive Board. In general, Subscriber cities do not have voting rights on the Executive Board, and they may have somewhat different financial obligations to the Agency, depending on the terms of the negotiated Subscriber agreement approved by the Board. The proposed Subscriber Agreement for Shoreline is attached as Attachment A to the Resolution.

This Resolution approves the admittance of the City of Shoreline as a Subscriber city, conditioned upon Shoreline's Administrative Services Director, under authority granted by its legislative body, also approving the attached Subscriber Agreement.

RESOLUTION NO. FL2018-08

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving the Addition of the City of Shoreline as a Subscriber City.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Agency") was originally established under the Interlocal Agreement By and Between the Cities of Bellevue, Everett, Seattle, and Tacoma, dated March 1, 2014 ("Interlocal Agreement"); and

Whereas, Section 8.c. and 8.d. of the Interlocal Agreement authorize the Executive Board to approve, by super-majority vote, the admission of new cities as either Principals or Subscribers; and

Whereas, the City of Shoreline has indicated its interest and desire to become a Subscriber of the Portal, and its willingness to execute a Subscriber Agreement in a form substantially similar to the agreement attached hereto as Attachment A, upon approval of its Administrative Services Director (under authority granted by the City's legislative body), and to fulfill any and financial terms and conditions included therein as the Executive Board may deem appropriate and consistent with the Agency's Bylaws and Portal Operations Policy;

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 approves admission of the City Shoreline as a Subscriber of the Agency, pursuant to Section 8 of the ILA.

SECTION 2. The addition of the City Shoreline as a Subscriber is conditioned upon its execution of the Subscriber Agreement in a form substantially similar to that which is attached hereto as Attachment A, provided such execution by the City's Administrative Services Director is completed by no later than December 15, 2018.

SECTION 3. The addition of the City Shoreline as a Participating City is further conditioned upon its written consent to comply with the Agency's Portal Operations Policy.

ADOPTED by super-marority vote, this 24 day of September, 2018.

ATTEST:

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

Board Secretary

Board Chair

FILE LOCAL AGENCY

SUBSCRIBER AGREEMENT

This Subscriber Agreement is entered into by and between the Washington Multi-City Business License and Tax Portal Agency d/b/a FileLocal ("Agency") and the City of Shoreline, Washington ("City").

WHEREAS, the Agency was formed and is governed by that certain Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement by and between the Cities of Bellevue, Everett, Seattle, and Tacoma ("Interlocal Agreement"); and

WHEREAS, the Interlocal Agreement provides for the acceptance of new cities to join the Agency as either Principals or Subscribers, as those terms are defined in the Interlocal Agreement; and

WHEREAS, the City enters into this Subscriber Agreement pursuant to chapter 35.90 RCW, electing to participte in FileLocal in lieu of partnering with the Washington State Department of Revenue; and

WHEREAS, the Agency has determined by vote of its Executive Board, as set forth in Resolution No. FL2018-08, to accept City as a new Subscriber, as that term is defined in Section 3.cc of the Interlocal Agreement; and

WHEREAS, City has agreed to become a Subscriber of the Agency on the terms and conditions set forth in this Subscriber Agreement;

NOW, THEREFORE, the Agency and City agree as follows:

1. Scope of Services. Agency shall provide City with a Standard Implementation package of services, comprising access to and use of the General Business License ("GBL"), GBL Renewal, and Taxes functionalities of the FileLocal Portal, utilizing information from the Standard Implementation Guide which will be agreed upon by both parties and will be on file with the City.

2. Commencement of Services. Services provided by Agency to City under this Subscriber Agreement shall commence on September 18, 2018, or the day during the third quarter of 2018 that the anticipated update to the File Local Portal software is released, whichever is later ("Commencement Date").

3. Subscriber Status. City shall have and enjoy all the rights, benefits, and obligations of a Subscriber, as that term is defined in Section 3.cc of the Interlocal Agreement.

4. Compensation Payable to Agency.

A. Onboarding Costs. At the time of execution of this Subscriber Agreement, City shall pay to Agency a total implementation charge of $18,282.00, comprising the following onboarding costs:

(i) eGov setup: $3,000.00;

(ii) Custom work by eGov re B&O changes: $4,500.00;

(iii) Praxis implementation: $5,282.00;

(iv) Standardized City Template Recovery Charge: $2,000.00; and

(v) Kubra setup: $3,500.00.

The foregoing scope and costs of implementation shall not be altered except by a written change order signed by authorized representatives of both parties.

B. Yearly Costs. In addition to the Onboarding Costs listed above, City shall also pay the Agency yearly costs in amounts to be determined in accordance with Section 13 of the Subscriber Agreement. The first annual payment of yearly costs shall be prorated based on a Q4 2018 start. The 2018 yearly costs to be prorated total $4,465.00, as broken out below. Payment is due within 30 days of Subscriber's receipt of the annual invoice from the Agency. Projected yearly costs through the year 2023 are shown in Exhibit A, but are subject to revision and final determination annually pursuant to Section 13.e. of the Interlocal Agreement.

Yearly Costs 2018:

(i) Prorated Yearly Fee: $3,465.00;

(ii) Capital Cost Recovery Charge $1,000.00.

C. Delinquencies. As provided in Section 13.k. and 13.l. of the Interlocal Agreement, Subscriber agrees that if fees and charges are not paid in full within 30 days of receipt of an invoice from the Agency, interest shall begin accruing immediately on any unpaid fees and charges at the Federal Reserve Prime Rate as of the date payment was originally due, plus three percent per year. In the event that Subscriber fails to pay all fees and charges within six months of receipt of the Agency's invoice, then the Executive Board may terminate provision of the Agency's services to Subscriber.

5. Duration of Agreement. This Subscriber Agreement takes effect on the date it is last signed by one of the parties hereto. This Subscriber Agreement will remain in full force and effect until December 31, 2028, unless sooner terminated under the provisions

of this Subscriber Agreement or extended by a mutual, written agreement of the parties.

6. Termination of Agreement. Either party may terminate this Subscriber Agreement at any time, with or without cause, by giving notice in writing to the other party. If Subscriber elects to terminate this Subscriber Agreement before the end of the initial term, it must provide written notice to the Executive Board on or before December 31st, with termination effective on the last day of the next calendar year. Upon termination (with or without cause) or expiration of this Subscriber Agreement, Subscriber shall have the same right to copies of data as departing Principals have under Section 17.c. of the Interlocal Agreement. A termination of this Subscriber Agreement by either party for cause will not prevent the terminating party from seeking any other legal remedies it may otherwise have for the violation or nonperformance of any provisions of this Subscriber Agreement.

7. Subscriber's Non-Voting Seat on Executive Board. Pursuant to Section 7.d. of the Interlocal Agreement, City shall select a representative to serve as City's non-voting member of the Agency's Executive Board. This selection shall be made and reported to the Secretary of the Agency no later than 10 days before the next regular meeting of the Executive Board following execution of this Subscriber Agreement. If other cities later join the Agency as Subscribers, then City shall confer with such new Subscriber(s) to determine the means by which to select the non-voting member of the Executive Board to jointly represent the Subscribers. If the voting members of the Executive Board later vote to increase the number of non-voting seats on the Executive Board pursuant to Section 7.d. of the Interlocal Agreement, then the cities who are Subscribers at that time shall confer among themselves to determine the means by which to select the representatives who will fill the non-voting seats on the Executive Board to represent the Subscribers, and further, they shall report their selection(s) as required by Section 7.d. of the Interlocal Agreement. All persons serving as non-voting members of the Executive Board must meet the eligibility requirements of Section 7.e. of the Interlocal Agreement, and their service on the Executive Board is subject to all other requirements of the Interlocal Agreement pertaining to members of the Executive Board.

8. Ownership and Use of Documents. Any records, files, documents, drawings, specifications, data or information, regardless of form or format, and all other materials provided by Agency to City in connection with the services provided to the City hereunder, shall be the property of the Agency whether the project for which they were created is executed or not.

9. Assignment of Intellectual Property Rights. City hereby assigns to the Agency all rights, title, and interest City has or may have in any data and publications created, developed, or adapted by City under this Subscriber Agreement for the Agency's use or benefit. City may not seek to patent or register trademark or copyright in any data or publications assigned to the Agency under this Subscriber Agreement, and City shall cooperate reasonably with the Agency in pursuing any patent, trademark, or copyright registrations available to it. City may not, without the Agency's prior written approval, publish any results of studies and/or services performed or to be performed under this

Subscriber Agreement for any purpose other than for Agency use. This intellectual property assignment provision does not apply to any data that is developed by City independently of this Subscriber Agreement.

10. Intellectual Property Infringement. If the City or any of its agents' or consultants' work under this Subscriber Agreement infringes upon or misappropriates any patent, copyright, trade secret, trademark or other intellectual property right belonging to a third party, City shall either (a) procure for Agency the right to use such work at no cost to the Agency; or (b) modify such work so that it no longer infringes or misappropriates any such third-party intellectual property right.

11. Independent Contractor. Nothing in this Subscriber Agreement is intended to create the relationship of employer and employee between the parties hereto or any of their employees or contractors. The work of any of City's employees shall remain at all times under the direct control and supervision of City, and not the Agency. City shall provide at its sole expense all materials, office space, and other materials necessary to utilize the services contemplated under this Subscriber Agreement. City is solely responsible for its acts and for the acts of its employees, agents, officers, volunteers, and representatives during the performance of this Subscriber Agreement. Neither City nor any of its employees, agents, officials, volunteers, or representatives is entitled to any benefits accorded Agency employees. The Agency is not responsible for paying wages to any employee, agent, official, volunteer, or representative of City, nor is Agency responsible for withholding or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or the like. The Agency assumes no duties of an employer with respect to the City or any employee, agent, official, volunteer, or representative of City.

12. Indemnification.

A. City shall protect, defend, indemnify, and hold harmless the Agency, its officers, board members, officials, employees, agents, and volunteers while acting within the scope of their employment or capacity as such, from any and all third party claims, costs, losses, injuries, demands, judgments, suits, actions, awards of damages, or liabilities of any kind, including attorney's fees, that arise out of, or in any way result from, City's acts, errors, or omissions, or the acts, errors, or omissions of City's employees, consultants, or agents in connection with this Subscriber Agreement. City's obligations under this paragraph extend to any claims, demands, suits, or actions asserted by third parties against the Agency, and any resulting costs, awards of damages, liability of any kind arising out of or resulting in any way from the acts or omissions of City. City will not be required to indemnify, defend, or hold harmless the Agency if the claim, suit, demand, or action for loss, injury, or damages (whether to persons or property, or both) is caused by the sole negligence of the Agency. Where such claims, suits, or actions result from the concurrent negligence of City and the Agency (including its officers, board members, employees, and volunteers) or any third party, or involves those actions covered by RCW 4.24.115, the indemnity provisions provided herein,

including the duty and cost to defend, apply only to the extent of City's proportionate fault. In the event that the Agency incurs attorneys' fees, costs, or other legal expenses to enforce the indemnity provisions of this Agreement, all such fees, costs, and expenses shall be recoverable by the Agency from City.

B. This indemnification and waiver shall survive the termination of this Subscriber Agreement. Any failure or delay by either party in seeking to enforce any provisions of this Subscriber Agreement may not be construed as a waiver of such provisions or of any other provision of this Agreement.

13. Public Records. If City seeks the assistance of Agency in identifying, searching, retrieving, copying, or producing City records that are in the possession or control of Agency and that are or may be responsive to a public records request directed to City under the state Public Records Act, Chapter 42.56 RCW, City agrees to reimburse Agency for its costs associated with fulfilling such request for assistance.

14. Entire Agreement. This Subscriber Agreement, including the Exhibits referenced herein, contains the entire agreement between the parties, and it supersedes all oral or written proposals and contracts previously made on the subject matter hereof. Either party may request changes to this Subscriber Agreement. No changes to this Subscriber Agreement are effective unless reflected in written amendments, signed by both parties.

15. Notices. Except where otherwise noted in this Subscriber Agreement, notices required or permitted under this Subscriber Agreement must be sent to the following addresses, and are considered effective only when delivered by the U.S. Mail, postage prepaid, return-receipt requested, or when personally delivered by messenger or nationally recognized overnight courier service (e.g., Federal Express), addressed to:

Agency: FileLocal
Attn: Program Manager
700 Fifth Avenue, Suite 4350
P.O. Box 94669
Seattle, WA 98124-4669

City: City of Shoreline
Attn: City Manager
17500 Midvale Ave N
Shoreline, WA 98133

16. Applicable Law; Venue; Attorneys' Fees. This Agreement is governed by and shall be interpreted and construed in accordance with the laws of the State of Washington, excluding its conflict-of-laws rules. The parties specifically understand and agree that King County, Washington, is the exclusive venue for any suit, arbitration, or other dispute-resolution proceeding instituted to resolve any dispute arising out of or related to this Agreement or the parties' performance hereunder. The prevailing party in any such action is entitled to its reasonable attorneys' fees, costs, and expenses incurred,

the amount of which shall be fixed by the judge or arbitrator hearing the case, and such fees, costs, and expenses shall be included in the judgment or award.

17. Severability. Any provision or part of this Subscriber Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the Agency and City. The parties agree that the Subscriber Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as reasonably possible to effectuating the original intent of the parties with respect to the stricken provision.

18. Captions. The titles of sections of any other parts of this Subscriber Agreement are for convenience only and do not define or limit the contents.

19. Counterparts. This Subscriber Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall consistute one agreement. The execution of one counterpart by a party shall have the same force and effect as if that party had signed all other counterparts.

20. Authority to Execute. Each person executing this Subscriber Agreement on behalf of a party represents and warrants that he or she is fully authorized to execute and deliver this Subscriber Agreement on behalf of the party. The Parties hereby warrant to each other that each has full power and authority to enter into this Subscriber Agreement and to undertake the actions contemplated herein and that this Subscriber Agreement is enforceable in accordance with its terms.

AGREED TO AND EXECUTED BY:

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY d/b/a FILE LOCAL	**CITY OF SHORELINE**
By: _____	By: _____
Kevin Fitzpatrick	Sara Lane
Title: Program Manager	Title: Admin. Services Director
Date: _____	Date: _____
APPROVED AS TO FORM:	APPROVED AS TO FORM:
_____	_____
David A. Linehan, Agency Attorney	Margaret J King, Shoreline City Attorney

EXHIBIT A

PROJECTED YEARLY COSTS

Pursuant to the Subscriber Agreement, yearly charges to the City of Shoreline are projected as shown on the attached FY2019-FY2023 Draft Budget, but are subject to revision and final determination annually pursuant to Section 13.e. of the Interlocal Agreement.

Washington Cities Business License and Tax Portal

Agency FY2019-FY2023 Draft Budget (FL2018-06) *updated with the addition of the City of Shoreline Resolution FL2018-08*

7/5/2018

Washington Cities Business License and Tax Portal Agency
FY2019-FY2023 Draft Budget (FL2018-06)
7/5/2018

		Actual	Budget 2019-2023						Variance to Prior Year Budget to Budget					
		2017	2018 Projected	2019	2020	2021	2022	2023	2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	2020	2021	2022	2023
Revenue:	<1>													
Fund Carryover	<2>		30,000						30,000	(30,000)	-	-	-	-
User Fees	T1**	87,615	251,000	385,884	484,440	637,076	846,790	888,642	163,385	134,884	98,556	152,636	209,714	41,852
Reimbursable Costs	T3	730,037	828,516	786,135	754,864	643,786	552,797	543,677	98,479	(42,381)	(31,271)	(111,078)	(90,989)	(9,120)
Capital Cost Recovery Charges	T2	12,000	21,000	18,000	18,000	20,000	21,000	21,000	9,000	(3,000)	-	2,000	1,000	-
Total Revenue		829,652	1,130,516	1,190,019	1,257,304	1,300,862	1,420,587	1,453,319	300,864	59,503	67,285	43,558	119,725	32,732
Expenditures														
Regular Expenditures:														
Labor	T4.1	318,796	343,970	349,738	361,785	374,473	387,607	401,097	25,174	5,768	12,047	12,688	13,134	13,490
Contracts	T4.2	35,185	45,670	46,766	47,888	49,038	50,214	51,419	10,485	1,096	1,122	1,150	1,176	1,205
Overhead	T4.3	29,585	56,408	97,764	99,151	60,571	62,023	63,513	26,823	41,356	1,387	(38,580)	1,452	1,490
Technology Costs	T4.4	346,741	568,710	596,362	652,671	721,139	812,617	837,131	221,969	27,652	56,309	68,468	91,478	24,514
Operating Reserve	T4.5	-	23,063	16,328	10,906	6,843	16,378	6,406	23,063	(6,735)	(5,422)	(4,063)	9,535	(9,972)
Capital Cost Recovery Payments	T4.6	12,000	21,000	18,000	18,000	20,000	21,000	21,000	9,000	(3,000)	-	2,000	1,000	-
Total Regular Expenditures		742,307	1,058,821	1,124,958	1,190,401	1,232,064	1,349,839	1,380,566	316,514	66,137	65,443	41,663	117,775	30,727
Incremental Expenses from The New Partners:	<3>													
Incremental Labor	T4.1	-	23,024	46,768	48,171	49,616	51,104	52,637	23,024	23,744	1,403	1,445	1,488	1,533
Incremental Overhead	T4.3	-	3,775	7,623	7,806	7,993	8,186	8,382	3,775	3,848	183	187	193	196
Incremental Technology Cost	T4.4	-	5,283	10,670	10,926	11,189	11,458	11,734	5,283	5,387	256	263	269	276
Total Incremental Expenditures		-	32,082	65,061	66,903	68,798	70,748	72,753	32,082	32,979	1,842	1,895	1,950	2,005
Total Expenditures		742,307	1,090,903	1,190,019	1,257,304	1,300,862	1,420,587	1,453,319	348,596	99,116	67,285	43,558	119,725	32,732
Excess (Deficit)		87,345	39,613	-	-	-	-	-	(47,732)	(39,613)	-	-	-	-

Assumptions and Notes

<1> The allocation methodology 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.

<2> 2018 Fund Carryover is up $30k. Fund carryover in 2018 is $30K.

<3> Incremental expenses - to be completed. FCO

** User fee increases are due to increase in total fee for current cities' transactions($145K) and adding 3,000 transactions for Renton and Bremerton ($12K),
T1, T2 and T3 are presented in the budgeted revenue.

**T4.1-T4.6 : Expenditures and Reserves are included in "T4. Expenditures and Reserves"

Washington Cities Business License and Tax Portal Agency

FY2019-FY2023 Draft Budget (FL2018-06)

T1. User Fees:

	Budgeted Fee Per Transaction	Fee Revenue							Variances - Comparison to Prior Year Revenue					
		2017 Actual	2018 Projected	2019	2020	2021	2022	2023	2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	Budget to Budget 2020	Budget to Budget 2021	Budget to Budget 2022	Budget to Budget 2023
Bellevue	$4	33,850	46,388	78,376	86,836	90,036	93,560	97,436	12,538	31,988	8,460	3,200	3,524	3,876
Tacoma	$4	31,036	57,180	96,612	107,040	110,984	115,328	120,104	26,144	39,432	10,428	3,944	4,344	4,776
Everett	$4	5,644	14,180	23,960	26,548	27,524	28,604	29,788	8,536	9,780	2,588	976	1,080	1,184
Lake Forest Park	$4	-	4,536	5,040	5,600	8,400	11,200	14,000	4,536	504	560	2,800	2,800	2,800
Renton	$4	-	6,000	6,164	12,328	24,656	36,984	49,312	6,000	164	6,164	12,328	12,328	12,328
Bremerton	$4	-	6,000	6,272	12,688	25,376	38,064	50,752	6,000	272	6,416	12,688	12,688	12,688
Shoreline	$4	-	5,852	7,560	8,400	12,600	16,800	21,000	5,852	1,708	840	4,200	4,200	4,200
Seattle	$4	17,085	110,864	161,900	225,000	337,500	506,250	506,250	93,779	51,036	63,100	112,500	168,750	-
Total		87,615	251,000	385,884	484,440	637,076	846,790	888,642	163,385	134,884	98,556	152,636	209,714	41,852

The users fees are based on the number of transactions provided in the following table "T1. a. Transactions Schedule "

** User fee increases are due to increase in total fee for current cities' transactions($145K) and adding 3,000 transactions for Renton and Bremerton ($12K)

T1. a. Transactions Schedule

	Growth Rate %				Budgeted Transactions							Variances - Comparison to Prior Year Revenue					
	2018	2019	2020-2022	2023	2017 Actual	2018 Projected	2019	2020	2021	2022	2023	2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	Budget to Budget 2020	Budget to Budget 2021	Budget to Budget 2022	Budget to Budget 2023
Bellevue	20%	10%	10%	10%	8,463	11,597	19,594	21,709	22,509	23,390	24,359	3,134	7,997	2,115	800	881	969
Tacoma	20%	10%	10%	10%	7,759	14,295	24,153	26,760	27,746	28,832	30,026	6,536	9,858	2,607	986	1,086	1,194
Everett	20%	10%	10%	10%	1,411	3,545	5,990	6,637	6,881	7,151	7,447	2,134	2,445	647	244	270	296
Lake Forest Park	10%	10%	20%	20%	-	1,134	1,260	1,400	2,100	2,800	3,500	1,134	126	140	700	700	700
Renton *	*	10%	20%	20%	-	1,500	1,541	3,082	6,164	9,246	12,328	1,500	41	1,541	3,082	3,082	3,082
Bremerton *	*	10%	20%	20%	-	1,500	1,568	3,172	6,344	9,516	12,688	1,500	68	1,604	3,172	3,172	3,172
Shoreline	10%	10%	20%	20%	-	1,463	1,890	2,100	3,150	4,200	5,250	1,463	427	210	1,050	1,050	1,050
Seattle	**	50%	50%	0%	4,271	27,716	40,475	56,250	84,375	126,563	126,563	23,445	12,759	15,775	28,125	42,188	-
Total					21,904	62,750	96,471	121,110	159,269	211,698	222,161	40,846	33,721	24,639	38,159	52,429	10,463

* Renton and Bremerton: 1,500 transactions for each city in 2018

**Assume 25k transactions for Seattle for 2018.

**User Fees assume various groups of growth rate for different cities: Bellevue, Tacoma, Everett 10% from 2019-2023; Lake Forest Park, Renton, Bremerton, Shoreline 10% in 2019, and 20% from 2020-2023, Seattle 50% from 2019-2022 and 0% in 2023.

T2. - Capital Cost Recovery Charge *

	2017 Actual	Capital Cost Recovery Budget						Variances - Comparison to Prior Year Revenue					
		2018 Projected	2019	2020	2021	2022	2023	2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	Budget to Budget 2020	2021	2022	2023
City of Bellevue	4,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	-	-	-	-	-
City of Tacoma	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	-	-	-	-	-	-
City of Lake Forest Park	-	2,000	1,000	1,000	1,000	1,000	1,000	2,000	(1,000)	-	-	-	-
City of Renton	-	2,000	1,000	1,000	2,000	2,000	2,000	2,000	(1,000)	-	1,000	-	-
City of Bremerton	-	2,000	1,000	1,000	2,000	2,000	2,000	2,000	(1,000)	-	1,000	-	-
City of Shoreline	-	1,000	1,000	1,000	1,000	2,000	2,000	1,000	-	-	-	1,000	-
Total	12,000	21,000	18,000	18,000	20,000	21,000	21,000	9,000	(3,000)	-	2,000	1,000	-

* Capital cost recovery is budgeted based on the 3-2014 Interlocal Agreement.

T3.Reimbursement:

	Allocation % *				2017 Actual		Budgeted Reimbursement Revenue from Cities Allocation						Variances - Comparison to Prior Year Revenue					
	Transaction #	2018%	Updated %				2018 Projected	2019	2020	2021	2022	2023	2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	Budget to Budget 2020	2021	2022	2023
Allocable Cost *				<1>	730,037		828,516	786,135	754,864	643,786	552,797	543,677	98,479	(42,381)	(31,271)	(111,078)	(90,989)	(9,120)
Allocation:																		
City of Seattle	212,457	68%	60.98%		502,378	(1)	539,415	479,387	460,318	392,582	337,097	331,536	37,037	(60,028)	(19,069)	(67,736)	(55,485)	(5,561)
City of Bellevue	30,927	10%	8.88%		73,130	-	78,522	69,784	67,008	57,148	49,071	48,261	5,392	(8,738)	(2,776)	(9,860)	(8,077)	(810)
City of Tacoma	50,000	16%	14.35%		118,231	-	126,947	112,820	108,332	92,391	79,333	78,024	8,716	(14,127)	(4,488)	(15,941)	(13,058)	(1,309)
City of Everett	14,392	5%	4.13%		34,032	-	36,540	32,474	31,182	26,594	22,835	22,458	2,508	(4,066)	(1,292)	(4,588)	(3,759)	(377)
City of Lake Forest Park	3,500	1%	1.00%	<2>	2,266	-	8,886	7,897	7,583	6,467	5,553	5,462	6,620	(989)	(314)	(1,116)	(914)	(92)
City of Renton	15,410	FA	4.42%	<3>	-	-	17,118	34,771	33,388	28,475	24,450	24,047	17,118	17,653	(1,383)	(4,913)	(4,024)	(403)
City of Bremerton	15,865	FA	4.55%		-	-	17,623	35,798	34,374	29,316	25,172	24,757	17,623	18,175	(1,424)	(5,058)	(4,143)	(415)
City of Shoreline	5,852	FA	1.68%			-	3,465	13,204	12,679	10,813	9,285	9,132	3,465	9,739	(525)	(1,866)	(1,528)	(153)
Total Allocation	348,403	100%	100%	<3>	730,037		828,516	786,135	754,864	643,786	552,797	543,677	98,479	(42,381)	(31,271)	(111,078)	(90,989)	(9,120)

<1> Overall, allocated cost are calculated based on the differences between Expenses less User Fee". The detailed cost calculations are provided in the following table "T3.b. Reimbursement Amount".

i.Originating Cities – Bellevue, Everett, Tacoma and Seattle. Allocation will be done using the 2012 actual schedule through FY2021. After 2021, the reimbursement allocation will be based on actual transactions.

ii.New Cites – The cities historical counts agreed on during the implementation phase will be used through FY2021. After 2021, the reimbursement allocation will be based on actual transactions.

<2> Per the Interlocal Agreement, 2012 actual transaction counts are used to estimate transaction fees and to determine cost allocation percentages among participating cities.

Lake Forest Park, Shoreline, Renton and Bremerton were not included in the initial allocation; therefore, based on the projected allocation, the updated percentage were calculated for 2018 based on including LFP, but using a fee per transaction for Renton and Bremerton. For 2019 and thereafter, the allocation percentage were re-calculated

FA= Fixed Amount

<3> Assume 2018 Renton, Bremerton and Shoreline contribute $17k, $17.6k, and $3.5k reimbursable cost respectively to Filelocal.

T3. b. Reimbursement Amount

	Actual 2017	Capital Cost Recovery Budget					
		2018 Projected	2019	2020	2021	2022	2023
Total Projected Cost *	730,307	1,069,903	1,172,019	1,239,304	1,280,862	1,399,587	1,432,319
Less: User Fee Revenue	(87,615)	(251,000)	(385,884)	(484,440)	(637,076)	(846,790)	(888,642)
Less: Fund Carryover		(30,000)					
Add (less): Planned Excess (deficit):	87,345	39,613					
Cost to be Recovered:	730,037	828,516	786,135	754,864	643,786	552,797	543,677

Variances - Comparison to Prior Year Revenue					
2018 Projected to 2017 Actual	2019 Budget to 2018 Projected	Budget to Budget			
		2020	2021	2022	2023
339,596	102,116	67,285	41,558	118,725	32,732
(163,385)	(134,884)	(98,556)	(152,636)	(209,714)	(41,852)
(30,000)	30,000	-	-	-	-
(47,732)	(39,613)	-	-	-	-
98,479	(42,381)	(31,271)	(111,078)	(90,989)	(9,120)

* Projected Cost have been calculated based on the budgeted Expenditures
* Projected User Fees have been calculated based on "T1.User Fees"

T4. Expenditures and Reserves

		Actual	Projected	Budgeted Expenditures				2018 Projected to 2017 Actual	Variance to Prior Year				
		2017	2018	2019	2020	2021	2022	2023		2019 Budget to 2018 Projected	2020	2021	2022	2023
T4.1. Labor Cost	<1>													
Personnel costs assumes max rate, 35% burden and 3% cola each year	FTE													
Portal Manager (assumes existing position salary)	1.0	162,972	162,370	166,708	172,396	178,443	184,701	191,130	(602)	4,338	5,688	6,047	6,258	6,429
Administrative Specialist (assume mid range)	0.5	44,920	50,066	45,406	47,020	48,668	50,375	52,128	5,146	(4,660)	1,614	1,648	1,707	1,753
Project Manager/Business Analyst (assume mid range)	1.0	110,904	131,534	137,624	142,369	147,362	152,531	157,839	20,630	6,090	4,745	4,993	5,169	5,308
Total Reg Labor Cost		318,796	343,970	349,738	361,785	374,473	387,607	401,097	25,174	5,768	12,047	12,688	13,134	13,490
										5,768				
Incremental Labor from Lake Forest Park		-	3,912	4,029	4,150	4,275	4,403	4,535	3,912	117	121	125	128	132
Incremental Labor from Renton & Bremerton		-	17,477	36,003	37,083	38,195	39,341	40,521	17,477	18,526	1,080	1,112	1,146	1,180
Incremental Labor from Shoreline		-	1,635	6,736	6,938	7,146	7,360	7,581	1,635	5,101	202	208	214	221
Total Incremental Labor Cost		-	23,024	46,768	48,171	49,616	51,104	52,637	23,024	23,744	1,403	1,445	1,488	1,533
										23,744				
Labor Total		318,796	366,994	396,506	409,956	424,089	438,711	453,734	48,198	29,512	13,450	14,133	14,622	15,023
										29,512				
T4.2. Consultants and Service Fees	<2>													
Outside Accounting Services		29,794	27,169	27,821	28,489	29,173	29,873	30,590	(2,625)	652	668	684	700	717
State Auditor		-	10,961	11,224	11,493	11,769	12,051	12,340	10,961	263	269	276	282	289
Insurance and WCIA Fee		5,195	6,029	6,174	6,322	6,474	6,629	6,788	834	145	148	152	155	159
Bank Fees		196	1,511	1,547	1,584	1,622	1,661	1,701	1,315	36	37	38	39	40
Consultants and Service Fees, Total		35,185	45,670	46,766	47,888	49,038	50,214	51,419	10,485	1,096	1,122	1,150	1,176	1,205
										1,096				
T4.3. Overhead	<3>													
Legal		12,826	32,648	33,432	34,234	35,056	35,897	36,759	19,822	784	802	822	841	862
City of Seattle Technology Fees		9,675	2,192	2,245	2,299	2,354	2,410	2,468	(7,483)	53	54	55	56	58
Office and Operating Supplies		947	5,481	5,613	5,748	5,886	6,027	6,172	4,534	132	135	138	141	145
Printing		-	5,481	5,613	5,748	5,886	6,027	6,172	5,481	132	135	138	141	145
Licenses/Memberships		2,898	5,481	5,613	5,748	5,886	6,027	6,172	2,583	132	135	138	141	145
Travel		-	0	0	0	0	0	0	-	-	-	-	-	-
Other	<4>	3,239	0	40,000	40,000				(3,239)	40,000	-	(40,000)	-	-
Marketing		-	5,125	5,248	5,374	5,503	5,635	5,770	5,125	123	126	129	132	135
Total Reg Overhead Cost		29,585	56,408	97,764	99,151	60,571	62,023	63,513	26,823	41,356	1,387	(38,580)	1,452	1,490
										41,356				
Incremental Overhead from Lake Forest Park		-	641	656	672	688	705	722	641	15	16	16	17	17
Incremental Overhead from Renton & Bremerton		-	2,866	5,869	6,010	6,154	6,302	6,453	2,866	3,003	141	144	148	151
Incremental Overhead from Shoreline		-	268	1,098	1,124	1,151	1,179	1,207	268	830	26	27	28	28
Total Incremental Overhead		-	3,775	7,623	7,806	7,993	8,186	8,382	3,775	3,848	183	187	193	196
										3,848				
Overhead Total		29,585	60,183	105,387	106,957	68,564	70,209	71,895	30,598	45,204	1,570	(38,393)	1,645	1,686
T4.4. Info. Technology	<5>													
ASP Hosting fees		24,000	24,000	24,576	25,166	25,770	26,388	27,021	-	576	590	604	618	633
SAAS per Year		150,000	153,750	157,440	161,219	165,088	169,050	173,107	3,750	3,690	3,779	3,869	3,962	4,057
FileLocal.org Hosting Fees		5,400	5,535	5,668	5,804	5,943	6,086	6,232	135	133	136	139	143	146
USPS Address Validation (assumes 50,000 new address validations at .04 cents to be		-	2,050	2,099	2,149	2,201	2,254	2,308	2,050	49	50	52	53	54
Transaction Fees (cost per transaction is $1.4 for 2017 and goes up subsequent years	<6>	39,099	94,125	144,707	193,776	254,830	338,716	355,457	55,026	50,582	49,069	61,054	83,886	16,741
Contract with Leviathan for security monitoring and auditing (Note 1)		23,375	51,250	52,480	53,740	55,030	56,351	57,703	27,875	1,230	1,260	1,290	1,321	1,352
Miscellaneous Technology Expense (Eg. Performance Testing,ADA)		-	88,000	59,392	60,817	62,277	63,772	65,303	88,000	(28,608)	1,425	1,460	1,495	1,531
Software Development		104,867	150,000	150,000	150,000	150,000	150,000	150,000	45,133	-	-	-	-	-
Total Reg IT Cost		346,741	568,710	596,362	652,671	721,139	812,617	837,131	221,969	27,652	56,309	68,468	91,478	24,514
Incremental IT from Lake Forest Park		-	898	920	942	965	988	1,012	898	22	22	23	23	24
Incremental IT from Renton & Bremerton		-	4,010	8,213	8,410	8,612	8,819	9,031	4,010	4,203	197	202	207	212
Incremental IT from Shoreline			375	1,537	1,574	1,612	1,651	1,691	375	1,162	37	38	39	40
Total Incremental IT		-	5,283	10,670	10,926	11,189	11,458	11,734	5,283	5,387	256	263	269	276
Info. Technology, Total		346,741	573,993	607,032	663,597	732,328	824,075	848,865	227,252	33,039	56,565	68,731	91,747	24,790
Total Operating Expenditures		730,307	1,046,840	1,155,691	1,228,398	1,274,019	1,383,209	1,425,913	316,533	108,851	72,707	45,621	109,190	42,704
T5. Reserves														
Operating Reserve - 15%	<7>	-	157,026	173,354	184,260	191,103	207,481	213,887	157,026	16,328	10,906	6,843	16,378	6,406
Prior Year(s) Reserve			133,963	157,026	173,354	184,260	191,103	207,481	133,963	23,063	16,328	10,906	6,843	16,378
Current Year Reserve Need		-	23,063	16,328	10,906	6,843	16,378	6,406	23,063	-6,735	-5,422	-4,063	9,535	-9,972
Total Budget		730,307	1,069,903	1,172,019	1,239,304	1,280,862	1,399,587	1,432,319	339,596	102,116	67,285	41,558	118,725	32,732
T6. Capital recovery payment														
Capital recovery payment	<8>	12,000	21,000	18,000	18,000	20,000	21,000	21,000	9,000	(3,000)	-	2,000	1,000	-
Total Expenditures & Reserves & Capital Recovery		742,307	1,090,903	1,190,019	1,257,304	1,300,862	1,420,587	1,453,319	348,596	99,116	67,285	43,558	119,725	32,732

<1> Labor Costs are derived assuming 2.5 FTE on loan from the City of Seattle and incremental costs associated with adding new cites.

i.The labor cost estimates are provided by the City of Seattle and the Incremental Costs are derived using a formula in the Interlocal Agreement.

<2> Consulting and Service Fees are made up of Accounting, State Audit, Insurance and Bank Fees. These are estimated based on 2017 actuals.

<3> Overhead includes normal overhead and incremental costs associated with adding new cities.

<4> Lobby costs of $40K are budgeted in 2019 and 2020.

<5> Technology is made up of Hosting Fees, SAAS Fees, Misc. Technology Fees, Transaction Fees, Leviathan, software development and incremental IT costs associated with adding new cities. 2018 Technology is up $227k. This is due to the increased number of transactions ($55k), IT Audit ($30k), software development flat and forecasted growth of 2.5% for all other ($142k).

<6> Transaction Fees are per the FAS3102 contract.

-(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)

Transaction Fee Schedule						
Year	2018	2019	2020	2021	2022	2023
Cost/Transaction	1.5	1.5	1.6	1.6	1.6	1.6
Total Cost	94,125	144,707	193,776	254,830	338,716	355,457

- 2018 transaction cost increases by $4,500 when Renton & Bremerton come onboard.

<7> Operating Reserve is per the ILA and is set at 15% of the total expenditure budget.

<8> Capital cost recovery is budgeted based on the 3-2014 ILA.

<9> CPI: Extracted from https://www.seattle.gov

	2018	2019	2020	2021	2022	2023	
CPI-U-Sea-Tac-Bell MSA	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	Note 1

Shoreline

Yearly Shoreline Fees	2018	2019	2020	2021	2022	2023
Yearly Reimbursement	$3,465	$13,204	$12,679	$10,813	$9,285	$9,132
Capital Cost Recovery Charge	$1,000	$1,000	$1,000	$1,000	$2,000	$2,000
Total	$4,465	$14,204	$13,679	$11,813	$11,285	$11,132

Agency

Yearly Transaction Fees/Expenses	2018	2019	2020	2021	2022	2023
Transaction Fees	**$0**	$5,852	$7,560	$8,400	$12,600	$16,800
Capital Cost Recovery Charge	$0	-$2,195	-$3,024	-$3,360	-$5,040	-$6,720
Total	$0	$3,658	$4,536	$5,040	$7,560	$10,080

Yearly Transaction Schedule	2018	2019	2020	2021	2022	2023
Transactions	0	1,463	1,890	2,100	3,150	4,200
Total	0	1,463	1,890	2,100	3,150	4,200

Yearly Incremental Costs	2018	2019	2020	2021	2022	2023
Labor	$1,635	$6,736	$6,938	$7,146	$7,360	$7,581
Overhead	$268	$1,098	$1,124	$1,151	$1,179	$1,207
Info Technology	$375	$1,537	$1,574	$1,612	$1,651	$1,691
Total	$2,278	$9,371	$9,636	$9,909	$10,190	$10,479

File Local Resolution FL2018-09
Briefing Paper
Staff and Office Space Assignment

Date: September 24, 2018

Issue: Should the Executive Board of Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") authorize the Program Manager to execute an amendment extending the duration of the existing "Agreement for Assignment of Staff and Provisions of Related Office Space and Other Support" ("Loan Staff Agreement") with the City of Seattle?

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL 2018-09 to authorize the Program to execute a contract amendment to extend the Loan Staff Agreement with the City of Seattle through December 31, 2022, unless terminated earlier.

Rationale: Sections 10.a and 11.d of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement ("ILA") contemplate an agreement with a participating city to provide staff and auxiliary services to the Portal Agency. The Portal Agency has benefitted from this contractual arrangement and desires to continue the relationship with the City of Seattle on the terms set forth in the Loan Staff Agreement.

Background: The City of Seattle and the Portal Agency negotiated a set of terms to provide services including but not limited to assignment of support staff, support staff reporting, backfill of support staff positions, support staff office space, equipment, supplies, records, payment, allowable costs, dispute resolution, property, and insurance. The Portal Agency desires to continue receiving the benefits of these staffing, office space, and auxiliary support services it receives from the City of Seattle, and the City has indicated its willingness to continue providing such services on the original terms for an additional four years.

RESOLUTION NO. FL2018-09

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing an Extension of the Agreement Between the Agency and the City of Seattle for the Provision of Support Staff, Office Space, and Related Support Services

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement Sections ("ILA") 10.a and 11.d contemplate the Portal Agency entering into an agreement with a participating city to provide staff, office space, and auxiliary services;

Whereas, the Portal Agency and the City of Seattle entered into that certain Agreement for Assignment of Staff and Provision of Related Office Space and Other Support ("Loan Staff Agreement"), via Resolution No. FL2014-19, consistent with the terms of the ILA;

Whereas, the Portal Agency continues to benefit from the Loan Staff Agreement and desires to extend the duration of the Loan Staff Agreement beyond its initial term;

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 authorizes the Program Manager of the Portal Agency to execute an amendment to the Loan Staff Agreement, extending its term through December 31, 2022, as set forth in Exhibit A attached hereto.

ADOPTED this 24th day of September, 2018.

ATTEST:

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

Board Secretary

Board Chair

AMENDMENT TO EXTEND TERM OF CONTRACT

This Amendment amends that certain Agreement for Assignment of Staff and Provision of Related Office Space and Other Support ("Agreement"), entered into by and between the Washington Multi-City Business License and Tax Portal Agency ("Agency") and the City of Seattle ("City"), and adopted by the Agency on September 22, 2014, for the purpose of the City providing employee resources and support services to the Agency.

Whereas, the Agreement provides in Section 2, entitled Term of Agreement, that the Agreement will terminate on December 31, 2018, unless earlier terminated; and

Whereas the Agency and the City now desire to further extend the term of the agreement an additional four years; and

Whereas the Agency and the City note a typographic error in Section 2 which provides the term of the agreement may be terminated by Section 17, which is the "Notice" provision and both parties intended the Section 2 refer to Section 16, which is the "Termination" provision; and

Whereas the Agreement provides in Section 15, entitled Amendment, that the Agreement may be amended at any time, in writing signed by the authorized representatives of both parties;

Now therefore, the Agency and City hereby agree that Section 2 of the Agreement is amended to read as follows:

> *Section 2. Term of Agreement. This Agreement shall take effect and be in force from and after its signature by both parties and shall continue in effect until December 31, 2022, unless earlier terminated per Section 16.*

Except as set forth in this Amendment, all other provisions of the Agreement remain in full force and effect.

AGREED TO THIS _____ DAY OF _____, 2018, BY:

AGENCY	CITY OF SEATTLE
Kevin Fitzpatrick FileLocal Program Manager	[Printed Name] [Title]

RESOLUTION NO. FL2018-10

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Appointing the Agency Secretary

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") bylaws Article 5 Section 5.7 calls for the Portal Agency to appoint a Secretary; and

Whereas, the Executive Board of the Portal Agency has determined that Julie Panick is willing and capable of performing the duties of the office of Secretary;

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

SECTION 1. The Secretary for the Portal Agency commencing September 24, 2018, shall be Julie Panick, who shall serve for an indefinite term.

ADOPTED this 24th day of September, 2018.

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

ATTEST:

Board Secretary **Board Chair**

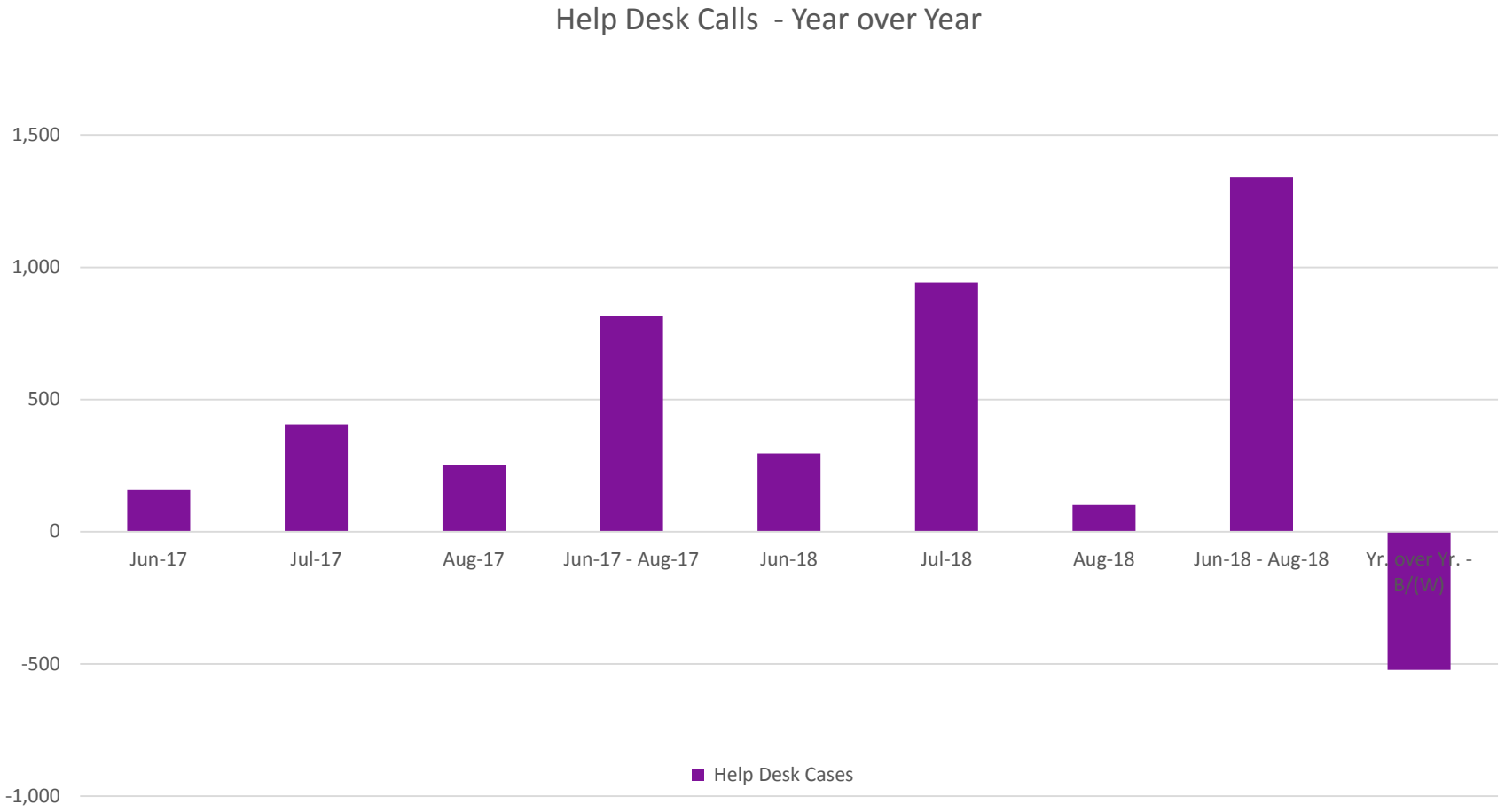
FileLocal

Your one stop for local business licensing and tax filing

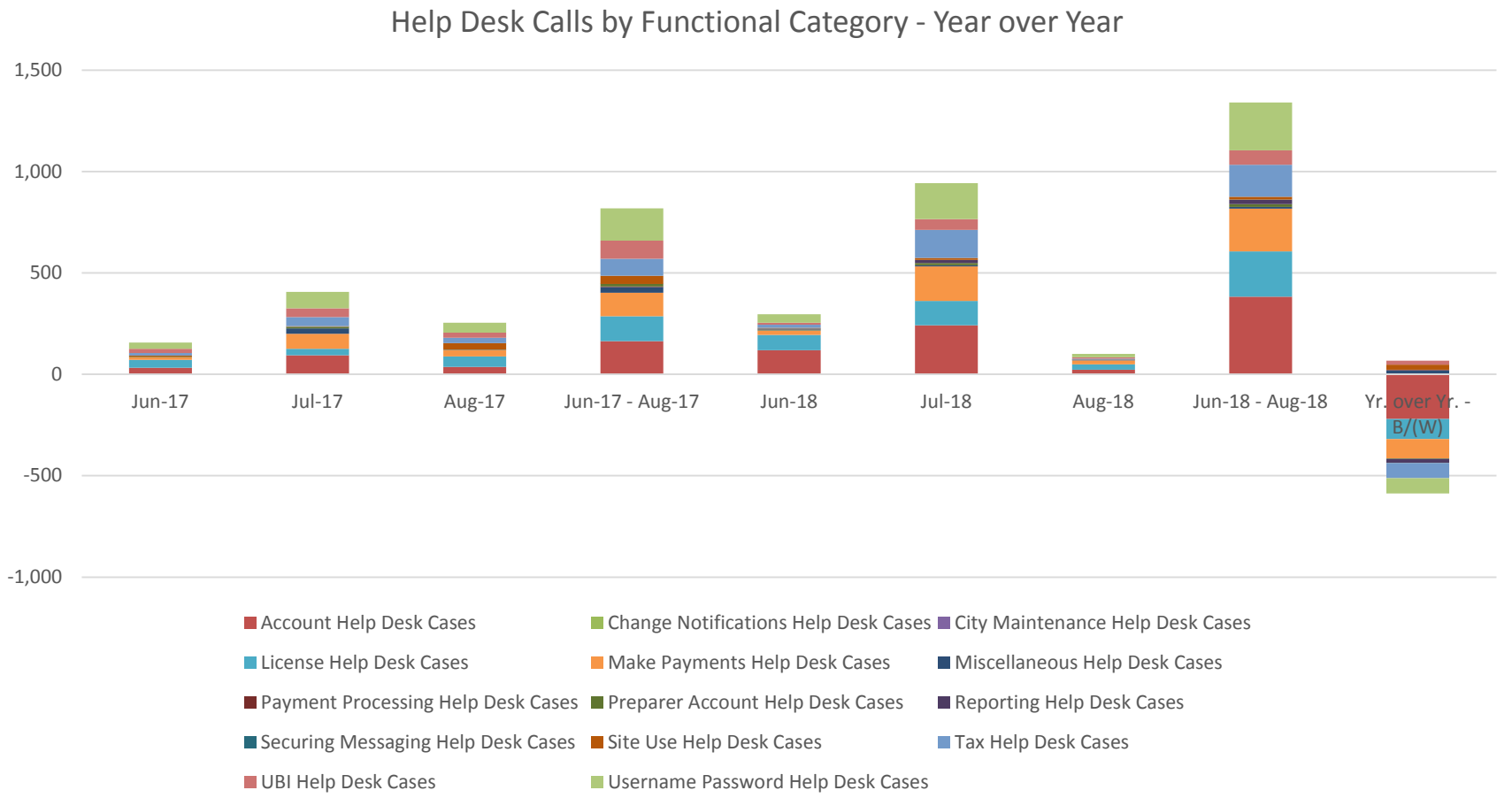
www.filelocal-wa.gov

FileLocal: Monthly Business Review

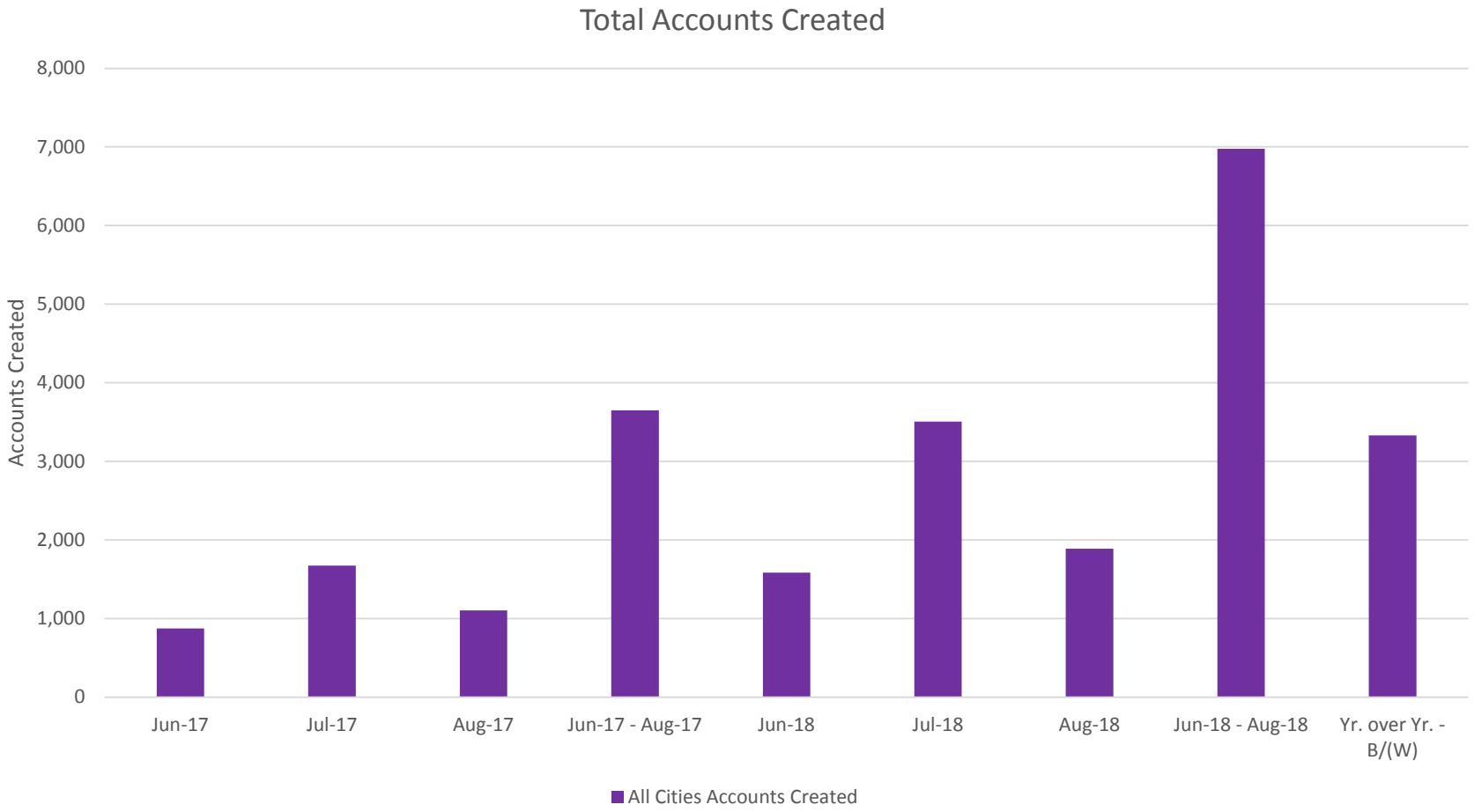
August 2018



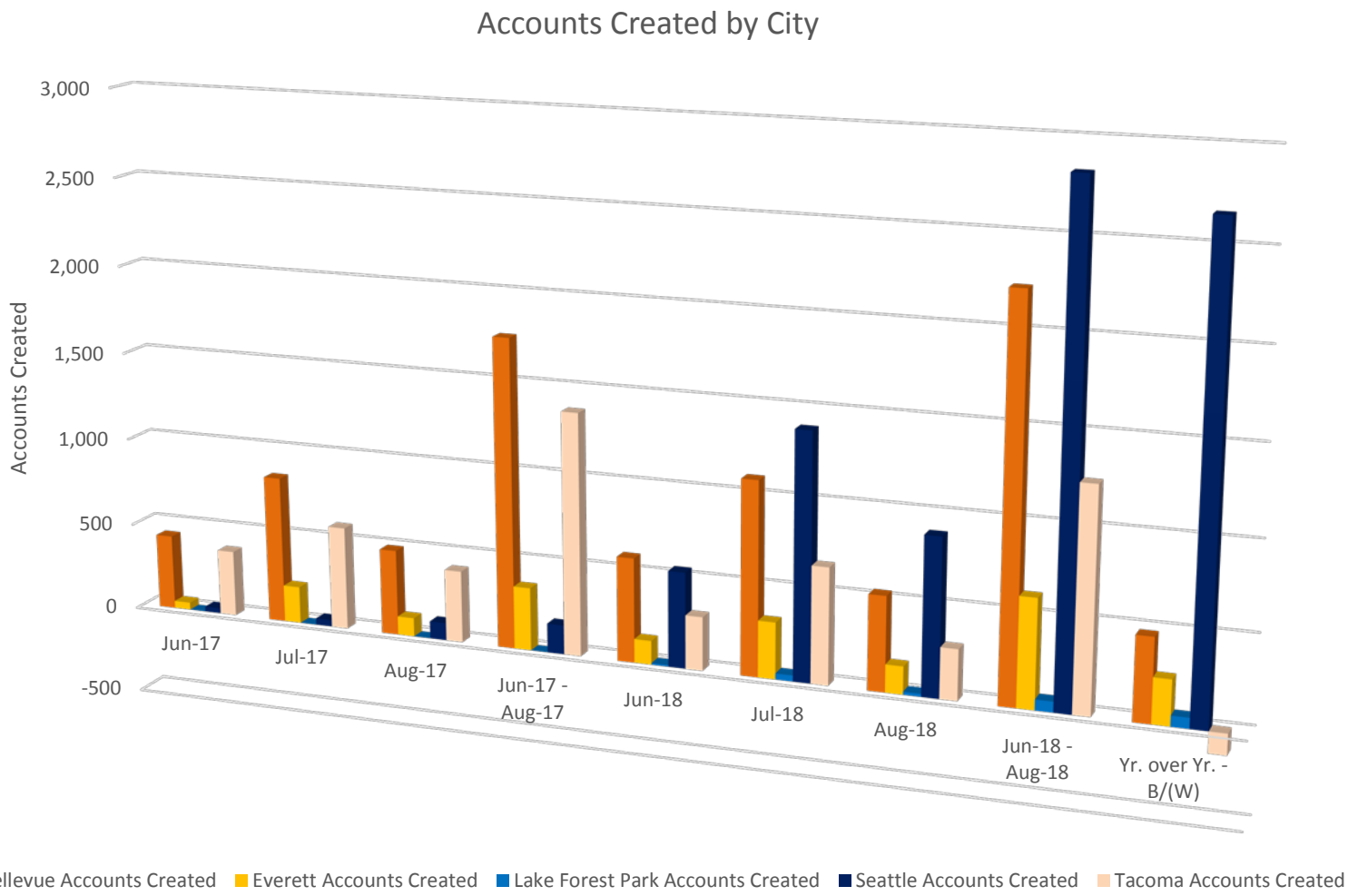
Help Desk Calls by Functional Category	Help desk calls totaled 1,340 for the three months ending August. 2018. This is 7.6% of the accounts created and forms filed which is 2.7% lower than the same three months in the prior year (10.3%). Compared to the prior year, the number of calls were up 877. Three categories make up the highest (64%) % of calls - account creation (29%), licenses (17%) and username/password reset (18%).



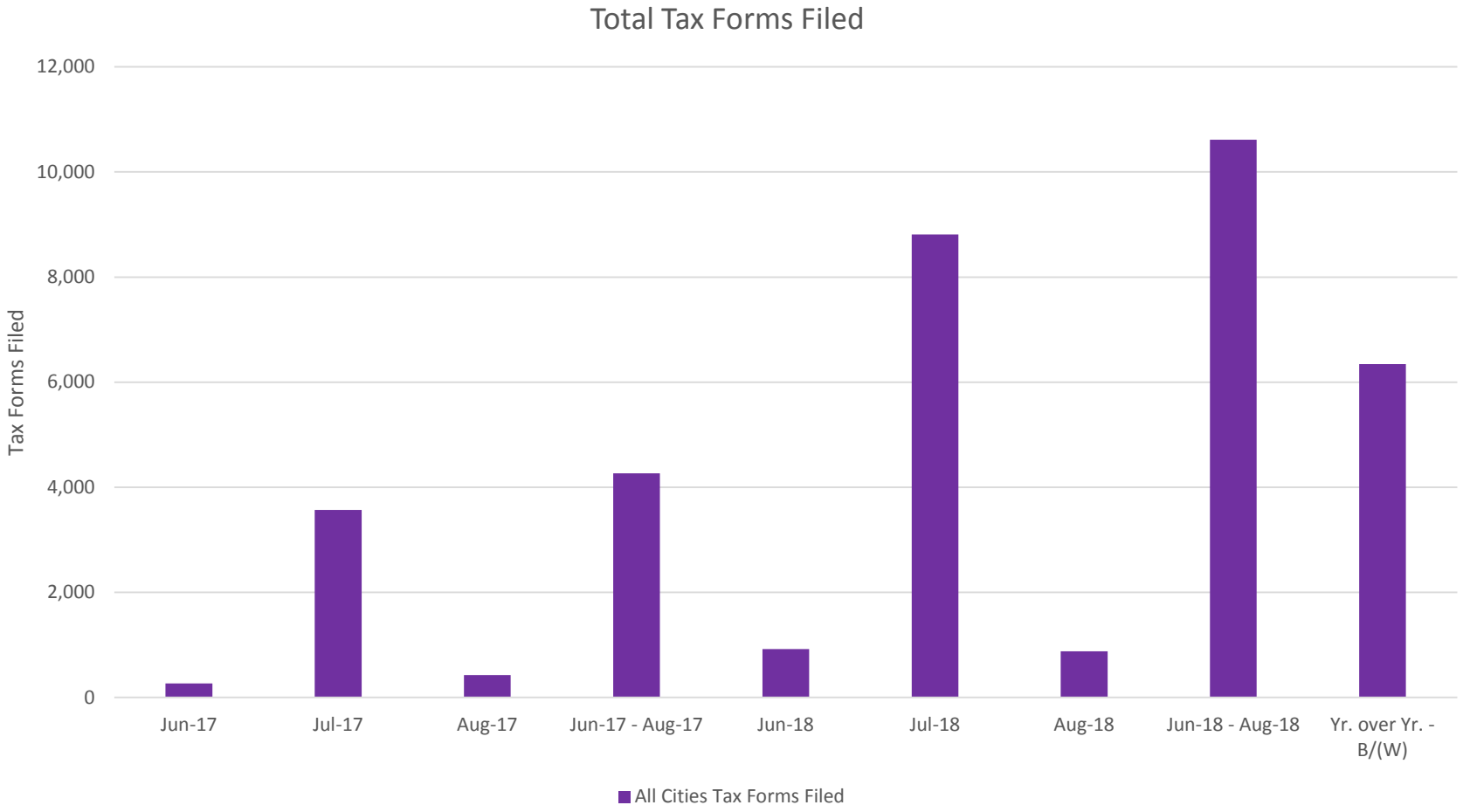
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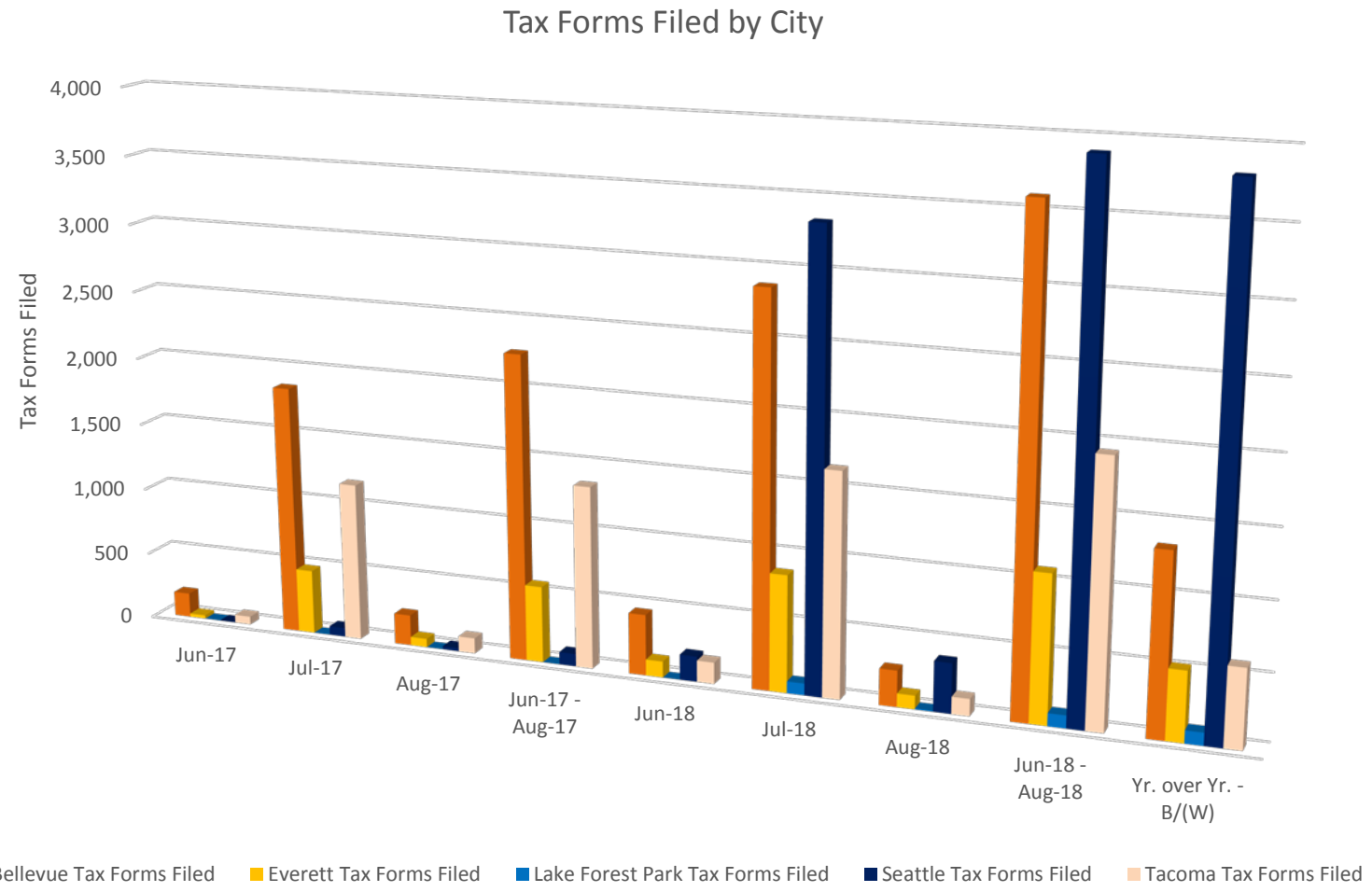
Accounts Created	Accounts created for the 3 months ended August 2018 were 6,978 which is up 3,329 accounts compared to the same 3 months in the prior year. Four of the five cities were up with Seattle up 2,661 accounts, Tacoma down 122, Bellevue up 473 accounts, Everett up 256 accounts and Lake Forest Park up 61 accounts.



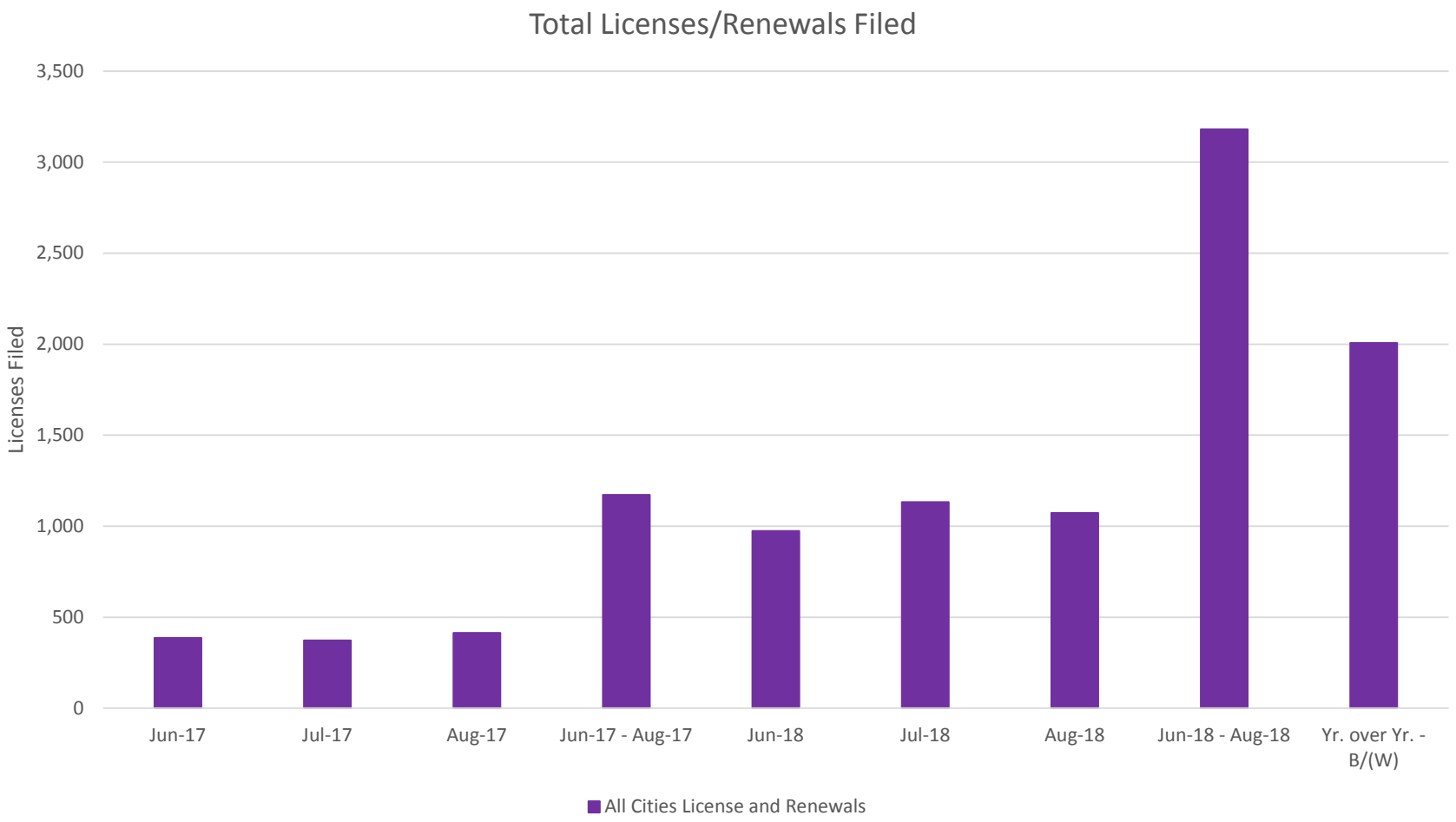
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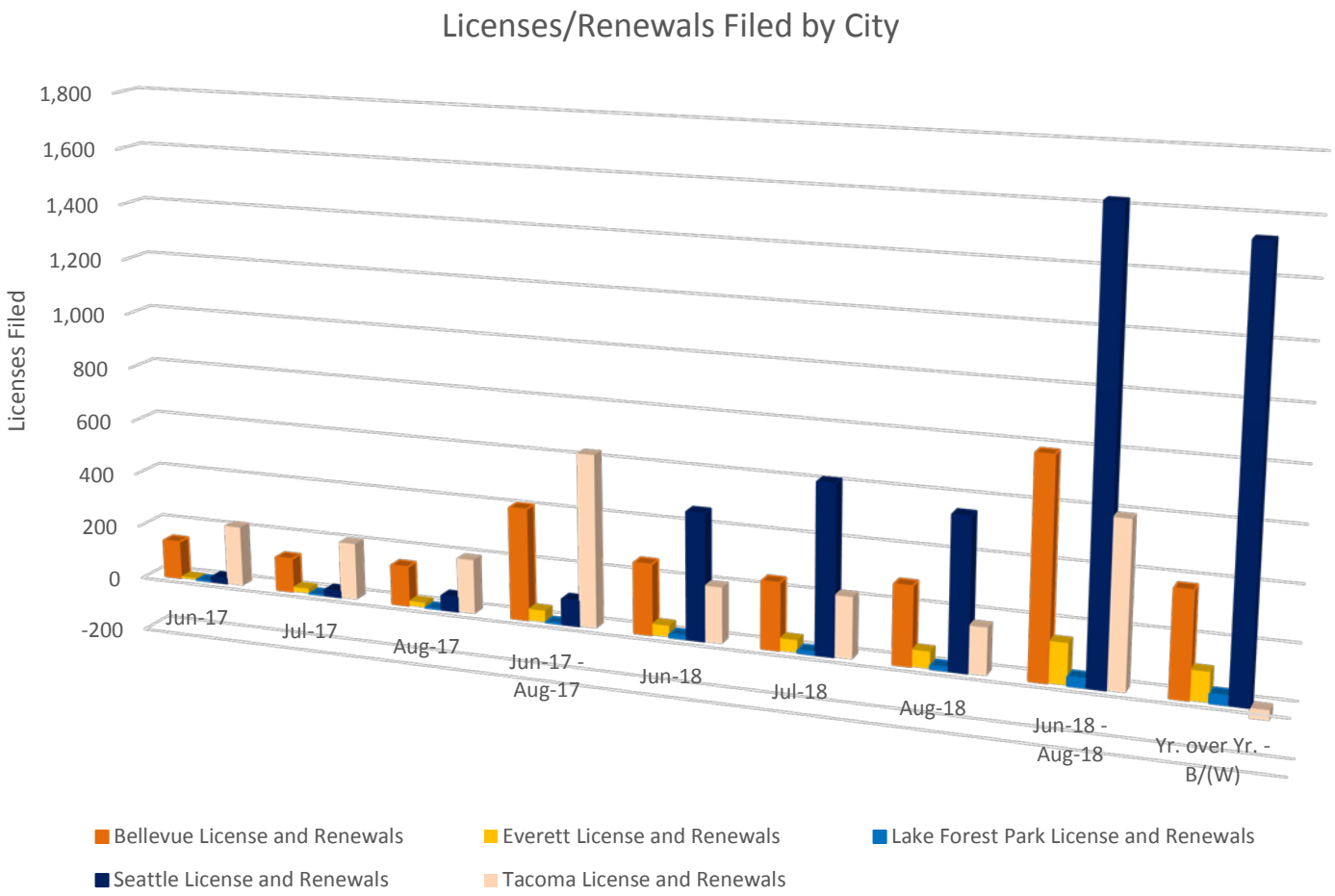
Tax Forms Filed	Tax Forms filed for the 3 months ended August 2018 were 10,613 which is up 6,347 filings compared to the same 3 months from the prior year. All five cities were up with Seattle up 3,806, Tacoma up 589, Everett up 521 and Bellevue up 1,335 and Lake Forest Park up 96.



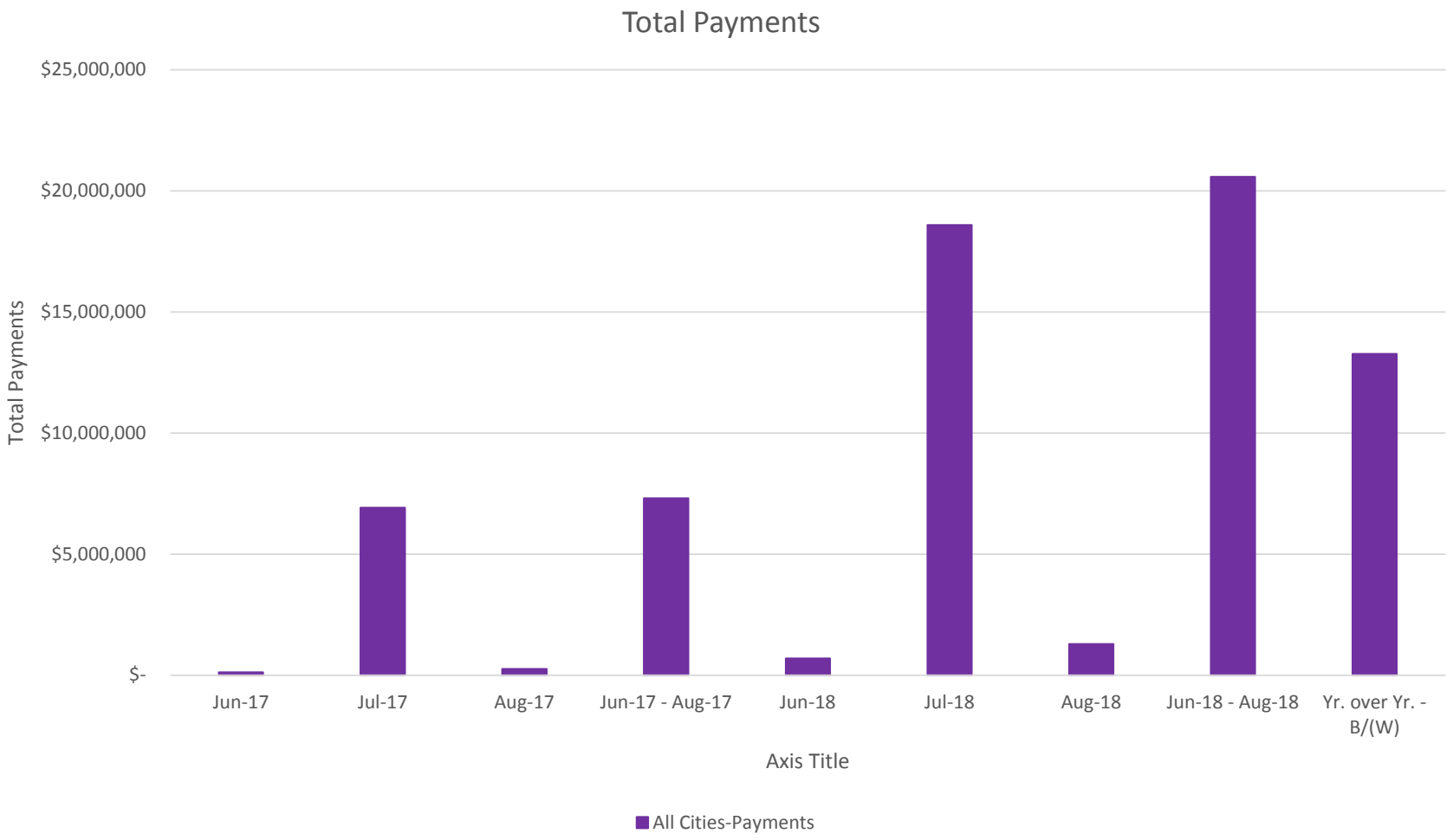
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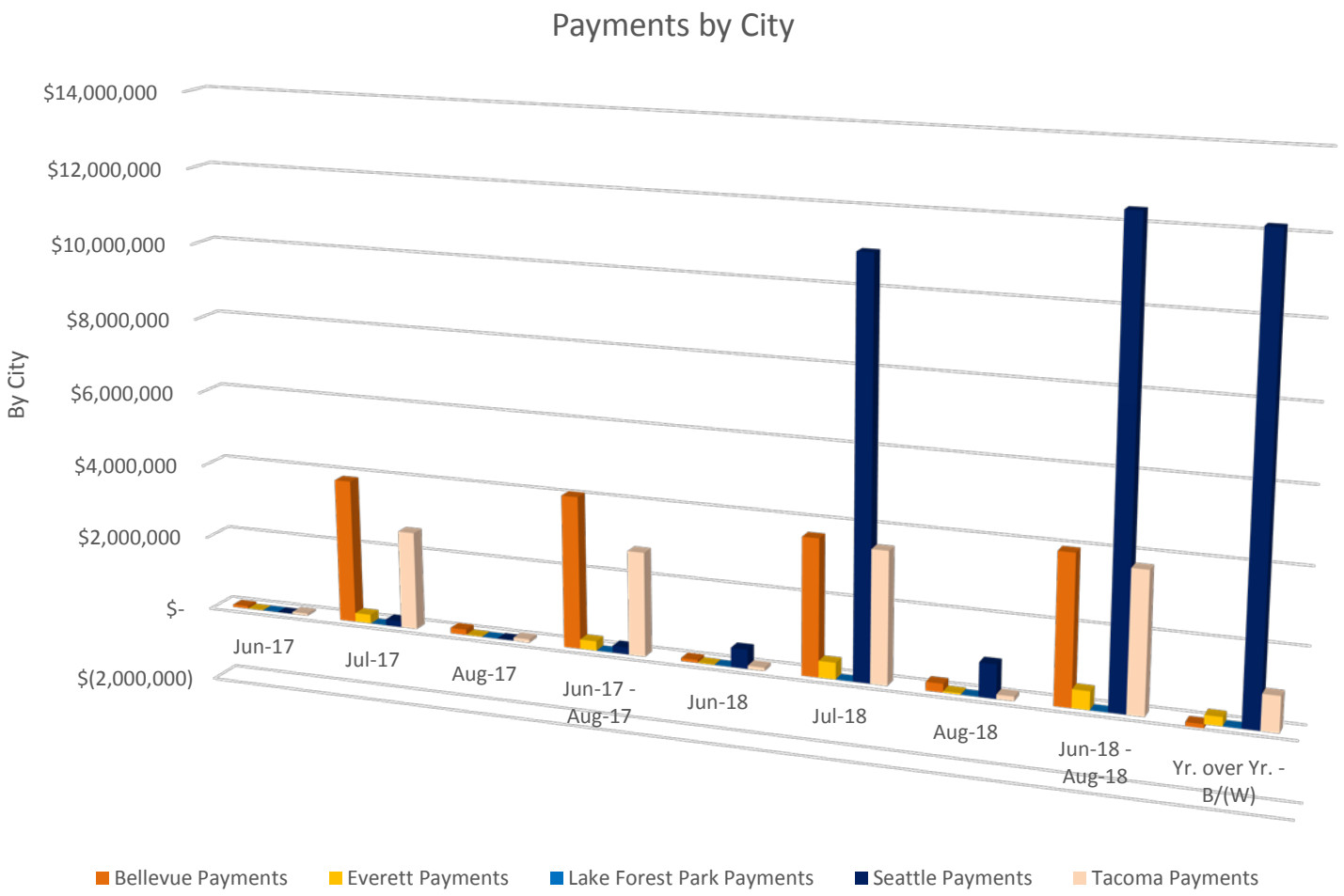
Licenses/Renewals Filed	License/Renewals created for the 3 months ended August 2018 were 3,180 which is up 2,007 filings compared to the same 3 months from the prior year. Four cities were up with Seattle up 1,530, Everett up 106, Bellevue up 376 and Lake Forest Park up 31 and Tacoma down 36.



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Payments Made by City	Payments made for the 3 months ended August 2018 were $20,583m which is up $13.271m compared to the same 3 months from the prior year. All five cities were up with Seattle up $12,198k, Tacoma up $942k, Bellevue down $117k, Everett up $239k and Lake Forest Park up $9k.



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User Account Usage Metrics

Description	Jul-18	18-Aug
Users that completed email validation	3,075	1,702
% of users that completed email validation	94%	95%
Users that completed email validation and assigned a license	1,888	1,078
% of users that completed email validation and assigned a license	61%	63%
Filed a Tax Return for the First Time	1,159	534

Seattle Import Account Sign-Up Metrics

Description	Jul-18	18-Aug
Seattle Import Started	750	113
Seattle Import Completed	660	94
Seattle - % that started and completed import	88%	83%

New Cities Update

- Renton is on track for Q3'18 release to production.
- Bremerton has pushed their release to Q4'18.
-
- Shoreline – finalizing the documentation now for a Q3'18 board approval and Q4'18 go live.
- Issaquah documentation, including costing, is pending a final system of record selection. They have requested a Q1'19 start so the plan is to present this to the board during the Q4'18 board meeting.
- Snoqualmie documentation, including costing, is scheduled to be completed by the end of September. They have requested a Q1'19 start so the plan is to present this to the board during the Q4'18 board meeting.
- Burien, Oak Harbor, Redmond, Des Moines, Mercer Island, Olympia, Tumwater, Auburn, Tukwila and Kent have all expressed various levels of interest in FileLocal. The Agency will continue to work with these cities to help bring their decisions to closure

LEVEL access

FileLocal Website Audit



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Executive Summary

In July 2018, Level Access (Level) performed an audit for FileLocal in order to determine its FileLocal's level of compliance with WCAG 2.0 A & AA. Accessibility experts performed ad-hoc and assistive technology testing according to AMP (Level's Accessibility Management Platform) best practices and guidelines. Level employed a variety of manual inspection methods, such as testing navigation with exclusive use of the keyboard (i.e., not using a mouse to navigate) and extensive use of JAWS 2018, ZoomText 2018, and Dragon® NaturallySpeaking 15.

Upon completion of this audit, Level found FileLocal website to be partially compliant with these accessibility standards. The most significant and frequent violations of these standards are related to images with uninformative or missing alternative text, missing labels for form fields and lack of keyboard accessibility

A critical issue that impacts how assistive technology (AT) users interact with the FileLocal website is improperly implemented images were found throughout the FileLocal website. The existing images either do not provide an alternative textual equivalent or provide uninformative alternative text. Alternative text for an image communicates the meaning of images to users who cannot perceive the image, such as users of screen readers.

The second most critical issue is the lack of labels or labels that are not associated with their form fields. Screen reader users rely on form field labels to provide the information that is required to make sure they are entering information to correctly submit a form. When labels are missing, or incorrect, assistive technologies may inaccurately guess at the label, or provide no label at all to users who, in turn, cannot perform the given task.

Another common issue across the website is the overall lack of keyboard accessibility. Throughout the website, there are several instances of elements that either cannot receive programmatic focus using the keyboard or are not actionable using keyboard controls. The functionality of these elements is therefore limited to mouse users.

Most of the accessibility issues found during this audit are syntactic in nature and typically require rather straightforward remediation. A few more complex issues might require deeper focus on the part of FileLocal developers such as improving the overall keyboard accessibility of the website. These are problems that Level has encountered before, has helped other clients resolve, and is offering to assist FileLocal in troubleshooting.

This report explains and illustrates the **primary** accessibility issues that were found during this audit, as well as recommendations for remediation. The entire list of accessibility issues can be found in AMP online version of website, along with a wealth of information about the accessibility requirements, how to test and remediate them, self-paced accessibility training courses, and more. It is likely that this document and the online testing results in AMP will be sufficient for developers to understand and address many or most of the problems.

Level recommends that after developers and team members have reviewed this report, a conference call be arranged. At that time, any questions about the existing accessibility issues will be answered and recommendations will be made for fixing them. Your Level Accessibility Services Project Lead will contact you to arrange this delivery conference call and access to AMP.

Report Organization

This audit report and the online version report in AMP include the following information:

- Using a table format, examples of specific problems found within the FileLocal website are identified. This includes the screens (modules) where the problem was found, the accessibility Best Practice(s) that were violated, screenshot(s) and a description of the problems and the recommended changes. In general, the report is arranged in decreasing order of severity, with the modules that need most immediate remediation located toward the top.
- Each link in the Best Practice(s) row opens the relevant page of the online report in AMP. The Best Practice page offers a full description of the accessibility issues, compliant and non-compliant code examples, recommended changes, mappings to accessibility standards, testing standards for violations and more. It also identifies every module that was found to have violated that Best Practice during the audit.
- URLs in the Pages row hyperlink to the online report in AMP. The URLs identify each module in which the specific violation occurs, or alternately, to a Pattern where this problem occurs on some or many pages.

This audit report illustrates the most significant accessibility issues that were found — **not every issue**. As mentioned above, Level recommends that FileLocal developers review the online version of the report in AMP to learn about additional violations that were identified. FileLocal developers can then locate and fix these (or similar) problems that occur elsewhere in the application, not just on the module(s) cited in this report.

Table of Contents

Executive Summary 2
Report Organization 3
Table of Contents 4
Use Case Summary 5
Use Case Results 5
JAWS 5
ZoomText 6
Dragon® NaturallySpeaking 7
Web Media Types 8
Links 8
Images 10
Form 13
Keyboard Accessibility 15

Use Case Summary

Assistive technology (AT) users performed accessibility testing on 8 use cases with JAWS, ZoomText, and Dragon® NaturallySpeaking to showcase real world situations a user may encounter when accessing the FileLocal website. Full use case results are available in the Use Case section of the AMP report online.

The accessibility analysts scored their ability to complete each use case based on their experience with the assigned assistive technology. Use cases are scored on a 1-5 scale:

- 1 (Fail - Severe Accessibility Problems): The analyst is unable to complete the use case due to the existence of one or more major accessibility problems. When a use case receives a score of 1, it included stoppers, which are instances when an analyst could not complete a specific use case step with the assistive technologies they conducted testing with. A rating of 1 is a very serious failing score.
- 2 (Fail - Major Accessibility Problems): The use case includes one or more major accessibility problems. In these instances, the analyst is forced to use advanced techniques that an average user may not turn to, and would, in essence, be forced to give up on completing the use case. A rating of 2 is also a failing score, although it is less severe.
- 3 (Pass - Minor Accessibility Problems): The use case can be completed by assistive technology users. However, in these instances, minor accessibility issues appear that may make the completion of the use case more difficult than it should be. A rating of 3 is a passing score, although improvements should be made.
- 4 (Pass - Optimizations Suggested): The use case can be readily completed, but a slight modification would make it easier or more reliably accessible. A rating of 4 is a passing score, and some improvements may be made.
- 5 (Pass - No Accessibility Problems): No accessibility issues were found whatsoever in the use case. A rating of 5 is a perfect passing score.

Use Case Results

AT users have a wide range of visual acuities and technical experience. Therefore, AT settings may be different among individual users. These use case findings are specific to an individual accessibility tester's settings and visual acuity. Therefore, other users may experience issues that are not necessarily non-compliant with WCAG 2.0 A & AA. For example, one user might experience difficulties identifying content due to low color contrast. However, the contrast may have a sufficient color contrast ratio according to WCAG 2.0 A & AA. Therefore, Level encourages FileLocal authors to review the use case findings in conjunction with the automatic and manual testing results.

JAWS

The JAWS use cases had an average score of 3 (Pass - Minor Accessibility Problems). Three use cases received a score of 2, meaning a major accessibility issues were discovered. Two use cases received a score of 3, indicating minor accessibility problems. One use case received a score of 4 and two use cases received a score of 5, indicating these use cases passed either optimizing suggested or no accessibility issues.

Issues that contributed to this use case score include: Form fields are not labeled properly, Custom controls are missing name State and Role information and are not accessible via the keyboard, Focus is shifted unexpectedly when working with Combo boxes.

One issue that contributed to this use case score is Form fields are not labeled properly. When this occurs, JAWS may not announce the label for the control or may announce the wrong label. It is not possible to determine the required fields. For example, when Creating an Account: when navigating through the form using the TAB key, JAWS does not announce the * (asterisk) that indicates the required field. The * is announced after the required field when using the ARROW keys in the JAWS virtual cursor mode. When Creating an Account and navigating to the Select a Location Combo Box, Jaws announces to add the location. When navigating to the No radio button using the TAB key, JAWS does not announce Are you a Contractor?.

Another issue that contributed to this use case score is custom controls are missing Name State and Role information and are not accessible via the keyboard. When this occurs, it is not clear that a control can be activated or it might not be possible to activate the control at all. For example, When Creating a Business Account: the only way to get the Find information about fees, required information ... content to appear is to use the JAWS OnMouseOver command (INSERT+CTRL+ENTER) and navigate to the end of the page. Note most users will not do this. When filing a Tax Return, the information icon is announced as QuestionHelp42 by JAWS. There is no way to activate this icon with JAWS. It is also not possible to get to the help text associated with this icon. When Working with FAQS, JAWS does not announce that the questions such as Can I save a tax form and continue filing it at a later time? are links even though they are in the TAB order. When ENTER is pressed on a link, nothing happens. The questions expand when navigating to them using the TAB key.

Another issue that contributed to this use case score is that focus was shifted on input. When this occurs, it is necessary to navigate back to the control that was in use before the focus was shifted. For example, when creating an Account and the Tacoma Check Box is activated, the focus is shifted away from the check box. When working with FAQS and a selection is made in the filter combo box the page is reloaded.

ZoomText

The ZoomText use cases had an average score of 3 (Pass - Minor Accessibility Problems). Five use cases received a score of 3, indicating minor accessibility problems. Three use cases received a score of 5, indicating no accessibility issues.

Issues that contributed to this use case score include: There was no Skip navigation link on the page, Controls did not have visual keyboard focus, Error messages did not gain focus or contain the word error.

One issue that contributed to this use case score is there was no visual indication of keyboard focus. When this occurs, it is not possible to determine what control has focus when navigating the page using the TAB key. For Example, when sending an e-mail to FileLocal, there is no visual focus when navigating to the navigational links near the beginning of the page.

Another issue that contributed to this use case score is there is no Skip navigation link. When this occurs, it is necessary to TAB past the navigation links at the beginning of the page every time a new page is loaded.

Another issue that contributed to this use case score was Error messages did not receive focus when they appeared. When this occurs, it is difficult to locate the error message as it can appear outside of the magnified area. For example, when Creating an account and an error occurred, the focus was not set to the error message.

Dragon® NaturallySpeaking

The Dragon use cases had an average score of. 3 (Pass - Minor Accessibility Problems). Five use cases received a score of 3, indicating minor accessibility problems. Three use cases received a score of 5, indicating no accessibility issues.

The main issue that contributed to this use case score was that the Mouse grid had to be used to activate some controls. When this occurs, it is not as efficient as using a direct command such as First name. For example, when creating a business account, it was necessary to use the Mouse grid to activate the security question control.

Web Media Types

Links

Best Practice(s)	• Ensure alternative text for image links is informative
Page(s)	• Pattern: Logo image lacks informative alt
Notes	Both the FileLocal logo and the text “Your one ... filing” links needs to announce to the screen reader the target of the anchor through the alternative text value of the image link (**Figure 1**). Both links do have the alt attribute of the image but requires the target of the `anchor`. When link images are not provided with complete alternative text of both the image and the target of the `anchor`, this lowers the user experience for screen reader users. When images are informative or provide additional information, developers must ensure that clear and concise alternative text is provided. Images of text for example that are links should include all the same text in the alternative text attribute. Developers must add appropriate `alt` attributes for link images. The developers can add “FileLocal Home” to the `alt` attribute to provide a target of the `anchor`. **Code Snippet:** Non-Compliant Code: `<img tabindex="0" class="logo" id="Header1_STOHdr" onkeypress="if(event.keyCode == 13){ $('.banner a')[0].click(); }" alt="FileLocal" src="/images/logo_header.png">` `<img tabindex="0" class="tagline" onkeypress="if(event.keyCode == 13){ $('.banner a')[0].click(); }" alt="Your one stop for local business licensing and tax filing" src="/images/tagline.jpg">` Compliant Code: `<img tabindex="0" class="logo" id="Header1_STOHdr" onkeypress="if(event.keyCode == 13){ $('.banner a')[0].click(); }" alt="FileLocal Home" src="/images/logo_header.png">` `<img tabindex="0" class="tagline" onkeypress="if(event.keyCode == 13){ $('.banner a')[0].click(); }" alt="Your one stop for local business licensing and tax filing. FileLocal Home" src="/images/tagline.jpg">`

Screenshot(s)	

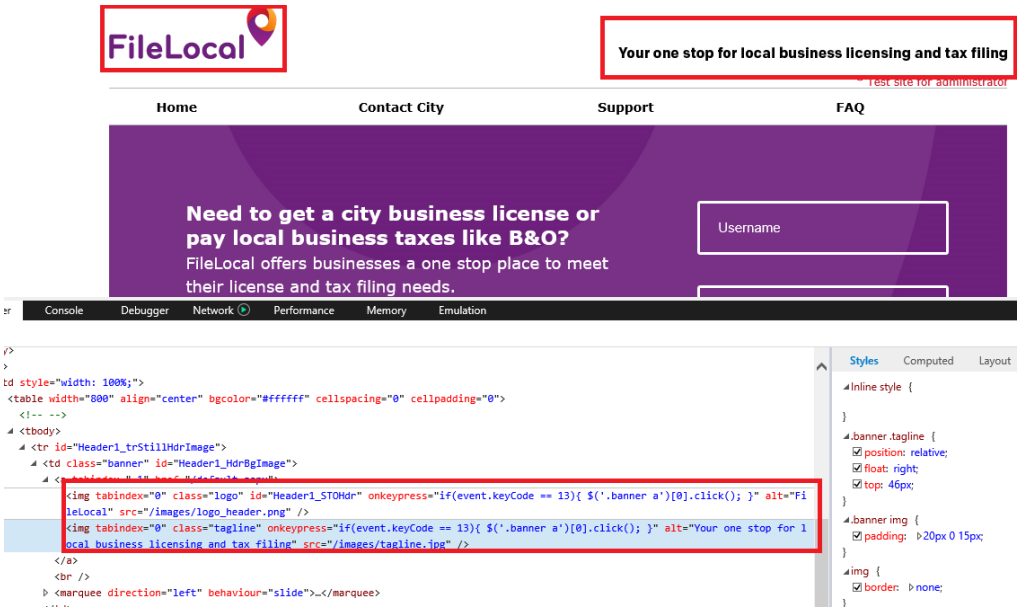


Figure 1 – Links lack target anchor that do not inform screen reader users of the destination of the anchors.

Images

Best Practice(s)	• Provide alternative text for images • Ensure images provide informative alternative text
Page(s)	• 17 File a New Tax Return Step 3 • 21 Payment Detail
Notes	Images that have no alternative text will have their source path URLs announced to screen reader users. Screen reader users will not know the purpose of any images that do not have any alternative text attribute. For example, the Cart (Figure 2) does not have any alternative text attribute. When users navigate to this control they won't understand it's purpose and will most likely miss the functionality associated with the control. When images are not provided alternative text, this will lower the user experience for screen reader users. When images are informative or provide additional information, developers must ensure that clear and concise alternative text is provided. The developers should provide an `alt=”Cart of saved taxes and fees”` attribute. This `alt` attribute gives the screen reader users information to help them understand the content of the webpage. **Code Snippet:** Non-Compliant Code: `<input name="Header1$btCart" id="Header1_btCart" style="height: 22px;" type="image" src="/Images/Buttons/shoppingcart_N.png">` Compliant Code: `<input name="Header1$btCart" id="Header1_btCart" alt="Cart of saved taxes and fees" style="height: 22px;" type="image" src="/Images/Buttons/shoppingcart_N.png">` During testing, a couple of images were set to null alternative text values but the images are meaningful and require an alternative value. The images for the routing and account numbers (Figure 3) have a null alternative text attribute. When the alternative text attribute is set to null the screen reader users do not recognize the images. Images that are meaningful that have a null alt value never have their meaning announced to screen readers. The developer should add alt="OCR Branch Bank Identification" and alt="OCR Dash" values to alt attributes. **Code Snippet:** Non-Compliant Code:

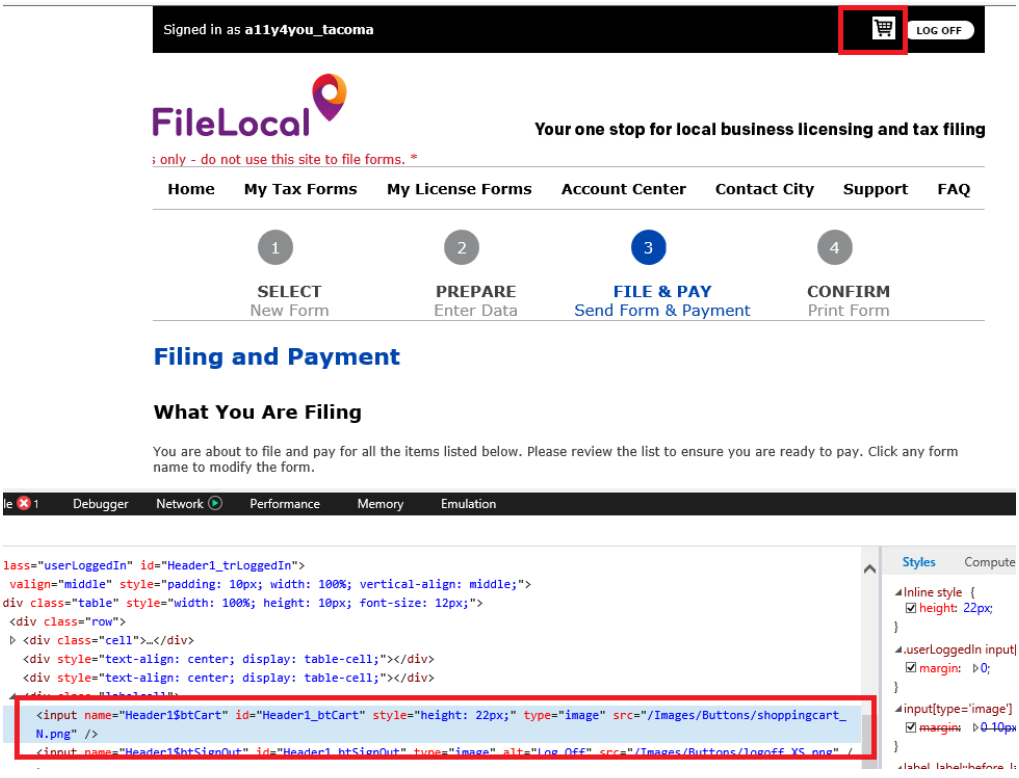
	<img alt="" height="12px" src="Resources/Images/Symbol2.png" style="display:inline"> <img alt="" height="12px" src="Resources/Images/ACHSymbol1.png" style="display:inline"> Compliant Code: <img **alt="OCR Branch Bank Identification"** height="12px" src="Resources/Images/Symbol2.png" style="display:inline"> <img **alt="OCR Dash"** height="12px" src="Resources/Images/ACHSymbol1.png" style="display:inline">
Screenshot(s)	

Figure 2 – Image of cart lack alt text value that informs the screen reader users of the image's purpose.

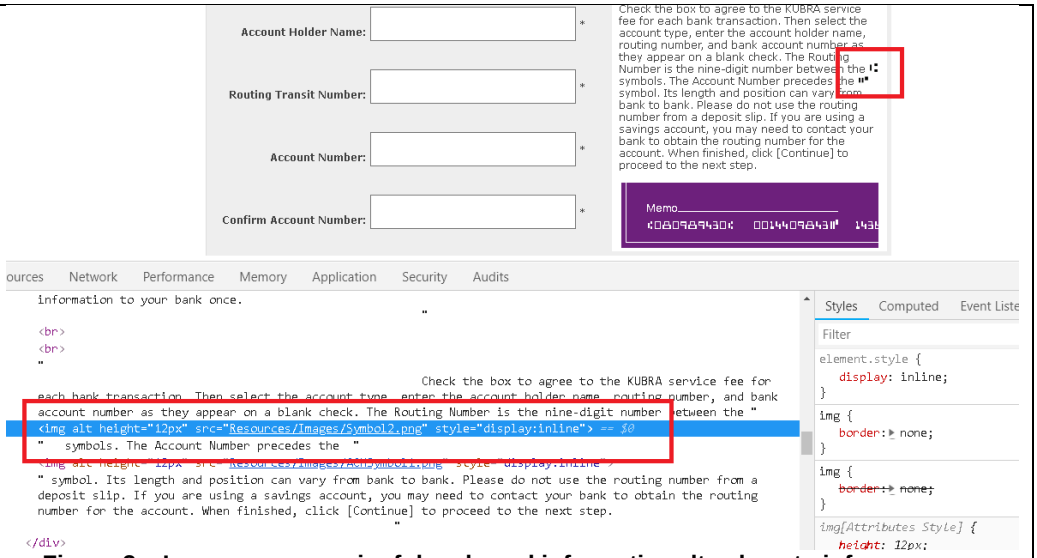
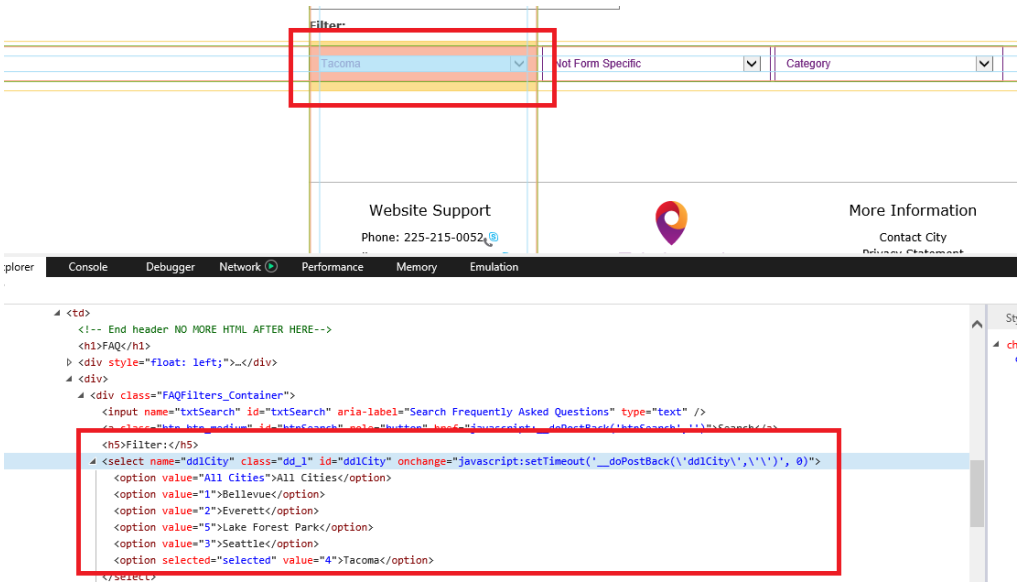


Figure 3 – Images are meaningful and need informative alt values to inform screen readers of the content.

Form

Best Practice(s)	• Provide a valid label for form fields
Page(s)	• 04 FAQ Search Results • 06 Create Business Account • 09 Activity Center • 12 Compose Secure Message • 18 View Statement • 19 UBI Number Questionnaire • 21 Payment Detail
Notes	A valid `label` is necessary to understand the purpose of the form field elements for screen reader users. During testing, some fields were found to be without labels (Figure 4). Not having labels that explicitly associated with field makes filling out the form difficult and can lead to unintentional information. Assistive technology users need to have the labels explicitly associated with the form fields to know what kind of information is required to fill out the form properly. When on-screen labels are present, they must be explicitly associated with form fields. When they are not present, form fields must be given accessible labels. When labels are missing, or incorrect, assistive technologies may inaccurately "guess" at the label or provide no label at all to users who, in turn, cannot perform the given task. Developers must define form labels using the `label` element whenever an on-screen label is present. The `label` element's value is then explicitly associated with the relevant form field using the `for` and `id` attributes. **Code Snippet:** Non-Compliant Code: `<div class="FAQFilters_Container">` `...` `<h5>Filter:</h5>` `<select name="ddlCity" class="dd_l" id="ddlCity"` `onchange="javascript:setTimeout('__doPostBack(\'ddlCity\'` `,\'\')', 0)">` `<option value="All Cities">All Cities</option>` `...` `<option selected="selected" value="4">Tacoma</option>` `</select>` Compliant Code: **`<label for="ddlCity">Select City</label>`** `<select name="ddlCity" class="dd_l" id="ddlCity"` `onchange="javascript:setTimeout('__doPostBack(\'ddlCity\'` `,\'\')', 0)">` `<option value="All Cities">All Cities</option>`

	... <option selected="selected" value="4">Tacoma</option> </select>
Screenshot(s)	 **Figure 4 – Fields need labels for assistive technology users to fill out the form properly.**

Keyboard Accessibility

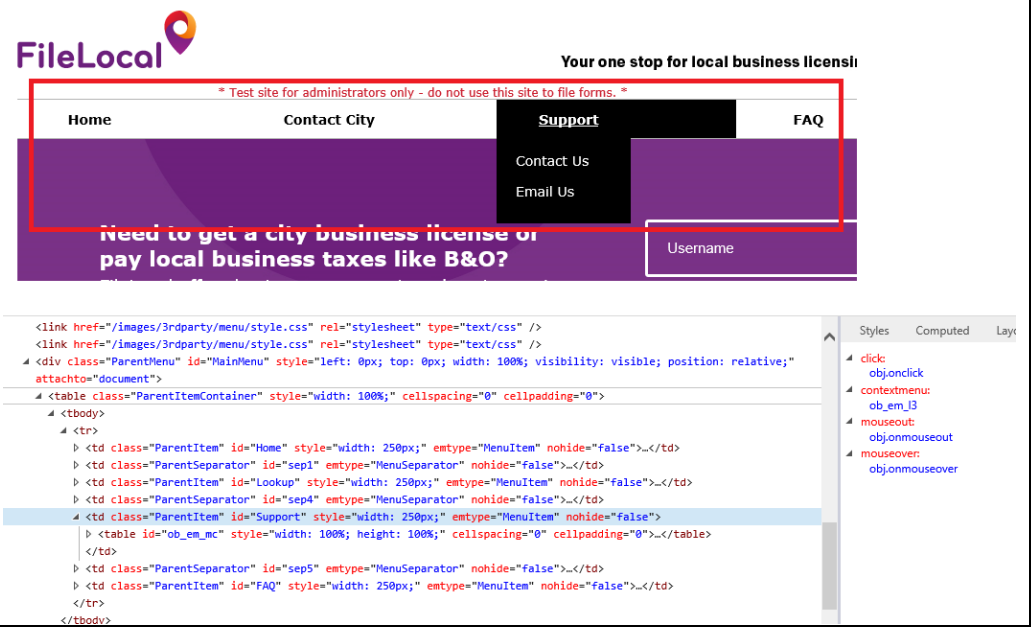
Best Practice(s)	• Avoid the sole use of device-dependent event handlers
Page(s)	• Pattern: Internal Mouse-only events should not be the only means • 01 Top Menu
Notes	During testing, the main menu and submenus were found not to be keyboard accessibility (Figure 5). The menus were unable to receive clear programmatic focus using the keyboard and elements that are actionable via the mouse, but not the keyboard. When an element can be activated using the mouse, it must also be actionable using the keyboard. Screen reader and keyboard-only users rely on the keyboard to navigate the site and perform functions. If a website's elements can be opened only with a mouse, then keyboard-only users cannot navigate the site, nor perform any of the site's functions. Currently, the website's main menu and submenu allow users to access to all the page's functions and with only a mouse, not from a keyboard. For example, the menu and submenus can only be accessed with a mouse (Figure x). Assistive technology users who rely on the keyboard will not have access to these elements. Keyboard accessibility is paramount to ensuring overall accessibility of applications. Many users with disabilities exclusively use the keyboard to navigate and interact with web applications. Developers should ensure that keyboard-only users can access all of the site's elements by adding the `tabindex="0"` attribute and using an `OnKeyPress` event to activate the function. Using `OnKeyPress` and `onClick` events will activate the "user-link" button when receiving focus by either the keyboard or the mouse.
Screenshot(s)	

	Figure 5 – Main menu and submenus are mouse-only events that cannot be accessed by keyboard users.