RESOLUTION NO. FL2020-06

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Adopting a Draft Budget for 2021-2025.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement, Section 13.b., requires the Executive Board to adopt a draft Portal Agency budget for the years 2021-2025 by June 15, 2020; and

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

Whereas, the Portal Agency Manager developed a draft 2021-2025 budget; and

Whereas, the Operations Committee reviewed and recommended a draft 2021-2025 budget on May 14, 2020, and transmitted the draft budget to the Executive Board; and

Whereas, the draft budget must be approved by a supermajority vote by June 15, 2020, and forwarded to the Principal Cities by no later than July 1, 2020;

Now Therefore,

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

SECTION 1. The Executive Board hereby adopts the draft 2021-2025 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

SECTION 2. The Executive Board directs the Portal Agency Program Manager to forward the approved draft budget to the Principals by July 1, 2020.

ADOPTED this 28th day of May, 2020.

ATTEST:

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

Julie Patrick
Board Secretary

Board Chair

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Budget FY2021-FY2025

May, 2020

Washington Cities Business License and Tax Portal Agency
Key Assumptions for Budget
FY2021-FY2025
5/3/2020 FY2021-FY2025 Draft Budget

Assumptions and Notes

Revenue

Fund Carryover	T4	Fund Carryover is the process by which unobligated funds remaining at the end of the budget period may be carried over to the next budget period. This is typically approved during the December Board Meeting
User Fees	T1	User Fees are fees charged to the business user for each city specific transaction net of zero dollar returns. The allocation methodology is based on projected transaction amounts.
Reimbursable Costs	T3	Costs to be reimbursed by participating cities.
Capital Cost Recovery Charges	T2/T4.6	Capital Cost Recovery Charge is an annual fee charged to all participating cities other than Seattle, for the purposes of reimbursing Seattle for a portion of the funding provided to pay for the start up of the Portal Agency. See Section 13.j in the Interlocal Agreement for further information.

Expense

Labor	T4.1	Labor is broken into two primary categories. Agency employees which are budgeted based on City of Seattle estimates and Incremental Labor which is based on new city additions with the calculation determined in the Interlocal Agreement.
Contracts	T4.2	Consulting and Service Fees - is comprised of Outside Accounting, State Auditor, Insurance and Bank Fees.
Overhead	T4.3	Overhead is comprised of Legal, City of Seattle Technology Fees, Office and Operating Supplies, Printing, Licenses, Travel, Marketing, Incremental
Technology Costs	T4.4	Technology Costs are outside IT Costs and comprised of ASP Hosting, Software as a Service, USPS Address Lists, Transaction Fees, IT and Security Audit, Misc. Technology, Software Development and Incremental IT.
Operating Reserve	T4.5	Operating Reserve is an unrestricted fund balance set aside to provide a cushion against unexpected events. The current operating reserve is 15% of total operating expenditures.
Incremental Labor	T4.1	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.
Incremental Overhead	T4.3	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.
Incremental Technology Cos	T4.4	Incremental Labor, Overhead and Technology Costs are amounts calculated with each new city to determine the maximum amount which costs can increase as new cities are added.

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2021-FY2025
5/3/2020 FY2021-FY2025 Draft Budget

		Actual (A), Projection (P), Budget (B)							B/(W)					
		2019 (A)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2020 (B) vs. 2019 (A)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)
Revenue:														
Fund Carryover	T4	-	36,292	-	-	-	-	-	36,292	(36,292)	-	-	-	-
User Fees	T1	350,568	398,010	496,025	619,269	648,269	681,113	718,374	47,442	98,015	123,244	29,001	32,844	37,261
Reimbursable Costs	T3	793,216	818,386	846,299	818,479	826,456	841,418	855,221	25,170	27,913	(27,820)	7,977	14,962	13,803
Capital Cost Recovery Charges	T2	18,000	21,000	15,500	16,000	16,500	23,000	23,000	3,000	(5,500)	500	500	6,500	-
Total Revenue B/(W)		1,161,784	1,273,688	1,357,823	1,453,748	1,491,225	1,545,531	1,596,595	111,904	84,135	95,924	37,478	54,306	51,064
Expenditures														
Regular Expenditures:														
Labor	T4.1	398,257	377,037	390,610	404,672	419,241	434,333	449,969	21,220	(13,573)	(14,062)	(14,568)	(15,093)	(15,636)
Contracts	T4.2	64,757	61,044	62,387	63,759	65,098	66,465	67,861	3,713	(1,343)	(1,373)	(1,339)	(1,367)	(1,396)
Overhead	T4.3	24,870	47,770	48,820	49,895	50,942	52,012	53,104	(22,900)	(1,051)	(1,074)	(1,048)	(1,070)	(1,092)
Technology Costs	T4.4	607,580	678,603	741,137	817,352	843,047	871,008	901,543	(71,023)	(62,534)	(76,215)	(25,696)	(27,960)	(30,535)
Operating Reserve	T4.5	-	12,972	13,384	14,192	6,674	7,106	7,587	(12,972)	(411)	(809)	7,518	(432)	(481)
Capital Cost Recovery Payments	T4.6	18,000	21,000	15,500	16,000	16,500	23,000	23,000	(3,000)	5,500	(500)	(500)	(6,500)	-
Total Regular Expenditures		1,113,464	1,198,425	1,271,837	1,365,870	1,401,503	1,453,924	1,503,064	(84,961)	(73,412)	(94,033)	(35,633)	(52,421)	(49,140)
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	-	50,976	55,395	56,614	57,802	59,016	60,256	(50,976)	(4,419)	(1,219)	(1,189)	(1,214)	(1,239)
Incremental Overhead	T4.3	-	8,191	8,802	8,996	9,184	9,377	9,574	(8,191)	(611)	(194)	(189)	(193)	(197)
Incremental Technology Cost	T4.4	-	16,096	21,789	22,268	22,736	23,214	23,701	(16,096)	(5,693)	(479)	(468)	(477)	(487)
Total Incremental Expenditures		-	75,263	85,986	87,878	89,723	91,607	93,531	(75,263)	(10,723)	(1,892)	(1,845)	(1,884)	(1,924)
Total Expenditures B/(W)		1,113,464	1,273,688	1,357,823	1,453,748	1,491,225	1,545,531	1,596,595	(160,224)	(84,135)	(95,924)	(37,478)	(54,306)	(51,064)
Excess (Deficit)		48,320	-	-	-	-	-	-	(48,320)	(0)	-	0	(0)	(0)

Revenue	
T4	FY2020 (B) Fund Carryover is $36k. This is due to FY2019 labor charges accrued for FY2020 payment.
T1	FY2021 (B) user fees are up $98k compared to FY2020 (B). This is due to an increase in transaction count by approximately 23K.
T3	FY2021 (B) changes are due to changes in transaction estimates.
Expense	
T4.1	FY2021 (B) Labor increases by approximately 3.5%. The increase reflects the negotiated COLA increases.
T4.2	FY2021 (B) Contracts increased slightly, approximately 2%, due to the estimated CPI inflation adjustments.
T4.3	FY2021 (B) Overhead slightly increased versus FY2020, approximately 2%, primarily due to the estimated CPI inflation adjustments.
T4.4	FY2021 (B) Technology costs are up $63K. This is primarily due to the increase in transaction count, approximately 33K more transactions.
T4.1/.3/.4	FY2021 (B) increases in incremental labor, overhead and techonology costs were results of new members of Des Moines and Kent and also, CPI annual inflation.
T4.5	FY2021 (B) Operating Reserve increased by approximately $1K, primarily due to the accumulated operating reserves in previous years.

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2020-FY2024 December 2019 Final
11/26/2019

		Actual (A), Projection (P), Budget (B)							B/(W)					
		2019 (P)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	Note <1>	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	Note <1>
Revenue:														
Fund Carryover	T4	50,000	36,292	-	-	-	-		(13,708)	(36,292)	-	-	-	
User Fees	T1	319,800	395,010	488,825	610,629	637,901	668,672		75,210	93,815	121,804	27,273	30,771	
Reimbursable Costs	T3	816,611	809,343	829,799	803,802	812,175	827,678		(7,268)	20,455	(25,997)	8,373	15,503	
Capital Cost Recovery Charges	T2	20,000	20,000	20,000	20,000	20,000	20,000		-	-	-	-	-	
Total Revenue B/(W)		1,206,411	1,260,645	1,338,623	1,434,431	1,470,076	1,516,350		54,234	77,978	95,808	35,646	46,273	
Expenditures														
Regular Expenditures:														
Labor	T4.1	351,489	377,037	390,610	404,672	419,241	434,333		(25,548)	(13,573)	(14,062)	(14,568)	(15,093)	
Contracts	T4.2	59,788	61,044	62,387	63,759	65,098	66,465		(1,256)	(1,343)	(1,373)	(1,339)	(1,367)	
Overhead	T4.3	46,787	47,770	48,820	49,895	50,942	52,012		(983)	(1,051)	(1,074)	(1,048)	(1,070)	
Technology Costs	T4.4	636,228	677,003	737,297	812,744	837,518	864,372		(40,775)	(60,294)	(75,447)	(24,774)	(26,854)	
Operating Reserve	T4.5	27,094	11,402	11,658	14,017	6,478	6,881		15,692	(257)	(2,359)	7,540	(403)	
Capital Cost Recovery Payments	T4.6	20,000	20,000	20,000	20,000	20,000	20,000		-	-	-	-	-	
Total Regular Expenditures		1,141,386	1,194,254	1,270,772	1,365,087	1,399,276	1,444,063		(52,868)	(76,518)	(94,315)	(34,189)	(44,787)	
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	46,768	47,750	48,801	49,874	50,922	51,991		(982)	(1,051)	(1,074)	(1,047)	(1,069)	
Incremental Overhead	T4.3	7,609	7,769	7,940	8,114	8,285	8,459		(160)	(171)	(175)	(170)	(174)	
Incremental Technology Cost	T4.4	10,648	10,872	11,111	11,355	11,594	11,837		(224)	(239)	(244)	(238)	(243)	
Total Incremental Expenditures		65,025	66,391	67,851	69,344	70,800	72,287		(1,366)	(1,461)	(1,493)	(1,456)	(1,487)	
Total Expenditures B/(W)		1,206,411	1,260,645	1,338,623	1,434,431	1,470,076	1,516,350		(54,234)	(77,978)	(95,808)	(35,646)	(46,273)	
Excess (Deficit)		-	-	-	-	-	-		-	-	-	0	(0)	

Note <1>: The 2020 Budget adopted December 19, 2019 did not contain any forecast for 2025 and thus, no comparision

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2021-FY2025 Amendment v.s. Dec 2019 Final

		Actual (A), Projection (P), Budget (B)							B/(W)					
		2019 (P/A)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	Note <1>	2020 (B) vs. 2019 (A)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	Note <1>
Revenue:														
Fund Carryover	T4	(50,000)	-	-	-	-	-		50,000	-	-	-	-	
User Fees	T1	30,768	3,000	7,200	8,640	10,368	12,442		(27,768)	4,200	1,440	1,728	2,074	
Reimbursable Costs	T3	(23,395)	9,043	16,500	14,677	14,281	13,740		32,438	7,457	(1,823)	(396)	(541)	
Capital Cost Recovery Charges	T2	(2,000)	1,000	(4,500)	(4,000)	(3,500)	3,000		3,000	(5,500)	500	500	6,500	
Total Revenue B/(W)		(44,627)	13,043	19,200	19,317	21,149	29,181		57,670	6,157	117	1,832	8,032	
Expenditures														
Regular Expenditures:														
Labor	T4.1	46,768	-	-	-	-	-		46,768	-	-	-	-	
Contracts	T4.2	4,969	-	-	-	-	-		4,969	-	-	-	-	
Overhead	T4.3	(21,917)	-	-	-	-	-		(21,917)	-	-	-	-	
Technology Costs	T4.4	(28,648)	1,600	3,840	4,608	5,530	6,636		(30,248)	(2,240)	(768)	(922)	(1,106)	
Operating Reserve	T4.5	(27,094)	1,571	1,725	175	197	225		(28,665)	(155)	1,550	(22)	(29)	
Capital Cost Recovery Payments	T4.6	(2,000)	1,000	(4,500)	(4,000)	(3,500)	3,000		(3,000)	5,500	(500)	(500)	(6,500)	
Total Regular Expenditures		(27,922)	4,171	1,065	783	2,226	9,861		(32,093)	3,105	282	(1,443)	(7,635)	
Incremental Expenses from The New Partners:														
Incremental Labor	T4.1	(46,768)	3,226	6,594	6,739	6,881	7,025		(49,994)	(3,368)	(145)	(142)	(144)	
Incremental Overhead	T4.3	(7,609)	422	862	881	900	919		(8,031)	(440)	(19)	(19)	(19)	
Incremental Technology Cost	T4.4	(10,648)	5,224	10,678	10,913	11,142	11,376		(15,872)	(5,454)	(235)	(229)	(234)	
Total Incremental Expenditures		(65,025)	8,872	18,135	18,534	18,923	19,320		(73,897)	(9,263)	(399)	(389)	(397)	
Total Expenditures B/(W)		(92,947)	13,043	19,200	19,317	21,149	29,181		(105,990)	(6,157)	(117)	(1,832)	(8,032)	
Excess (Deficit)		48,320	-	-	-	-	-		(48,320)	(0)	-	0	0	

Note <1>: The 2020 budget adopted in December 2019 did not contain any forecast for FY 2025 and thus, no comparison.

Washington Cities Business License and Tax Portal Agency
Supplemental Schedules
FY2021-FY2025
5/3/2020 FY2021-FY2025 Draft Budget

	Reimbursable Costs							Actual (A), Projection (P), Budget (B)					
	2019 (A)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2020 (B) vs. 2019 (A)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	2025 (B) vs. 2024 (B)
T3. Reimbursement	$ 793,216	$ 818,386	$ 846,299	$ 818,479	$ 826,456	$ 841,418	$ 855,221						
Bellevue	$ 70,517	$ 69,763	$ 72,142	$ 69,771	$ 70,451	$ 71,726	$ 72,903	754	(2,379)	2,372	(680)	(1,275)	(1,177)
Bremerton	$ 36,091	$ 35,787	$ 37,008	$ 35,791	$ 36,140	$ 36,794	$ 37,398	304	(1,221)	1,217	(349)	(654)	(604)
Everett	$ 32,760	$ 32,464	$ 33,572	$ 32,468	$ 32,785	$ 33,378	$ 33,926	295	(1,107)	1,104	(316)	(594)	(548)
Lake Forest Park	$ 7,932	$ 7,895	$ 8,164	$ 7,896	$ 7,973	$ 8,117	$ 8,250	37	(269)	268	(77)	(144)	(133)
Renton	$ 35,060	$ 34,761	$ 35,946	$ 34,765	$ 35,104	$ 35,739	$ 36,325	299	(1,186)	1,182	(339)	(635)	(586)
Seattle	$ 483,703	$ 479,246	$ 495,592	$ 479,300	$ 483,972	$ 492,733	$ 500,816	4,457	(16,346)	16,291	(4,672)	(8,761)	(8,083)
Shoreline	$ 13,326	$ 13,201	$ 13,651	$ 13,202	$ 13,331	$ 13,572	$ 13,795	125	(450)	449	(129)	(241)	(223)
Tacoma	$ 113,827	$ 112,787	$ 116,633	$ 112,799	$ 113,899	$ 115,961	$ 117,863	1,040	(3,847)	3,834	(1,099)	(2,062)	(1,902)
Des Moines	N/A	$ 15,565	$ 16,095	$ 15,566	$ 15,718	$ 16,003	$ 16,265	(15,565)	(531)	529	(152)	(285)	(263)
Snoqualmie	N/A	$ 16,918	$ 17,495	$ 16,920	$ 17,085	$ 17,394	$ 17,679	(16,918)	(577)	575	(165)	(309)	(285)
Total	$ 793,216	$ 818,386	$ 846,299	$ 818,479	$ 826,456	$ 841,418	$ 855,221	(25,170)	(27,913)	27,820	(7,977)	(14,962)	(13,803)

Washington Cities Business License and Tax Portal Agency
Reimbursement
FY2020-FY2024 December 2019 Final

	Reimbursable Costs							Actual (A), Projection (P), Budget (B)						
	2019 (P)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	Note <1>	2019 (B) vs. 2018 (A)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	Note <1>
T3. Reimbursement	$ 816,611	$ 809,343	$ 829,799	$ 803,802	$ 812,175	$ 827,678								
Bellevue	$ 72,597	$ 71,951	$ 73,769	$ 71,458	$ 72,202	$ 73,581		8,608	646	(1,818)	2,311	(744)	(1,378)	
Bremerton	$ 37,156	$ 36,825	$ 37,756	$ 36,573	$ 36,954	$ 37,659		(24,237)	331	(931)	1,183	(381)	(705)	
Everett	$ 33,726	$ 33,426	$ 34,271	$ 33,197	$ 33,543	$ 34,183		4,061	300	(845)	1,074	(346)	(640)	
Lake Forest Park	$ 8,166	$ 8,093	$ 8,298	$ 8,038	$ 8,122	$ 8,277		1,023	73	(205)	260	(84)	(155)	
Renton	$ 36,094	$ 35,773	$ 36,677	$ 35,528	$ 35,898	$ 36,583		(15,943)	321	(904)	1,149	(370)	(685)	
Seattle	$ 497,969	$ 493,538	$ 506,011	$ 490,158	$ 495,264	$ 504,718		59,856	4,432	(12,474)	15,853	(5,106)	(9,454)	
Shoreline	$ 13,719	$ 13,597	$ 13,941	$ 13,504	$ 13,645	$ 13,905		(7,861)	122	(344)	437	(141)	(260)	
Tacoma	$ 117,184	$ 116,141	$ 119,076	$ 115,346	$ 116,547	$ 118,772		14,095	1,043	(2,935)	3,731	(1,202)	(2,225)	
Total	$ 816,611	$ 809,343	$ 829,799	$ 803,802	$ 812,175	$ 827,678		39,601	7,268	(20,455)	25,997	(8,373)	(15,503)	

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2021-FY2025 Draft v.s. Dec 2019 Final

	Reimbursable Costs							Actual (A), Projection (P), Budget (B)						
	2019 (P)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	Note <1>	2019 (B) vs. 2018 (A)	2020 (B) vs. 2019 (A)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)	Note <1>
T3. Reimbursement	$ (23,395)	$ 9,043	$ 16,500	$ 14,677	$ 14,281	$ 13,740								
Bellevue	$ (2,080)	$ (2,188)	$ (1,627)	$ (1,687)	$ (1,751)	$ (1,854)		-	108	(561)	60	64	103	
Bremerton	$ (1,064)	$ (1,038)	$ (748)	$ (782)	$ (814)	$ (865)		-	(27)	(290)	34	32	51	
Everett	$ (966)	$ (961)	$ (699)	$ (729)	$ (758)	$ (805)		-	(5)	(262)	30	29	47	
Lake Forest Park	$ (234)	$ (198)	$ (134)	$ (142)	$ (149)	$ (160)		-	(36)	(65)	8	7	11	
Renton	$ (1,034)	$ (1,012)	$ (731)	$ (763)	$ (795)	$ (844)		-	(22)	(281)	33	31	50	
Seattle	$ (14,266)	$ (14,292)	$ (10,420)	$ (10,858)	$ (11,293)	$ (11,985)		-	26	(3,872)	439	434	692	
Shoreline	$ (393)	$ (396)	$ (290)	$ (302)	$ (314)	$ (333)		-	3	(107)	12	12	19	
Tacoma	$ (3,357)	$ (3,354)	$ (2,443)	$ (2,546)	$ (2,648)	$ (2,811)		-	(3)	(911)	104	102	163	
Des Moines	N/A	$ 15,565	$ 16,095	$ 15,566	$ 15,718	$ 16,003		N/A	(15,565)	(531)	529	(152)	(285)	
Snoqualmie	N/A	$ 16,918	$ 17,495	$ 16,920	$ 17,085	$ 17,394		N/A	(16,918)	(577)	575	(165)	(309)	
Total	$ (23,395)	$ 9,043	$ 16,500	$ 14,677	$ 14,281	$ 13,740		-	(32,437)	(7,457)	1,823	396	541	

Note <1>: The 2020 budget adopted in December 2019 did not contain any forecast for FY 2025 and thus, no comparison.