FileLocal

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

Executive Board:

Jamie Robinson
City of Bellevue

Beth Anne Wroe
City of Des Moines

Susy Haugen
City of Everett

Paula Painter
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Glen Lee, Chair
City of Seattle

Andy Cherullo, Vice Chair
City of Tacoma

Executive Board Meeting Agenda

December 16, 2021

CONFERENCE CALL
SEATTLE, WA

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

2. **PUBLIC COMMENT***

3. **APPROVAL OF 09-30-21 MEETING SUMMARY**
   a. 09-30-21 Meeting Summary

4. **REVIEW OF NOVEMBER 2021, OCTOBER 2021, AND SEPTEMBER 2021 FINANCIAL STATEMENTS**
   a. November 2021 Financial Statements
   b. October 2021 Financial Statements
   c. September 2021 Financial Statements

5. **ACTION ITEMS**
   a. Resolution **FL2021-04: Admission City of Auburn** (Supermajority Vote)
      i. Briefing Paper: **FL2021-04**
      ii. Resolution: **FL2021-04**
      iii. Attachment A: **FL2021-04 ILA Fifth Addendum**
      iv. Attachment B: **FL2021-04 Discussion Points**
   b. Resolution **FL2021-05**: **Final Budget 2022-2026** (Supermajority Vote)
      i. Briefing Paper: **FL2021-05**
      ii. Resolution: **FL2021-05**
      iii. Attachment A: **FL2021-05 Final Budget 2022-2026**
   c. Resolution **FL2021-06: Legal Services – Madrona Law Group (**Majority Vote)
      i. Briefing Paper: **FL2021-06**
      ii. Resolution: **FL2021-06**
      iii. Attachment A: **FL2021-06 Contract**
   d. Resolution **FL2021-07: Information Technology (IT) Manual Additions** (Majority Vote)
      i. Briefing Paper: **FL2021-07**
      ii. Resolution: **FL2021-07**
      iii. Attachment A: **FL2021-07 POL-150 Breach Notification Policy**

*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.

iv. Attachment B: **FL2021-07 POL-160 Risk Management Policy**

e. Resolution **FL2021-08: Meeting Schedule** (Majority Vote)
   i. Resolution: **FL2021-08**
   ii. Attachment A: **FL2021-08 Meeting Schedule**

6. OPERATIONAL UPDATES

a. MBR
b. Workplan 2022
c. Vendor warrants

7. ADJOURNMENT

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Seattle, WA 98124-4669

Executive Board Meeting Summary

September 30, 2021

CONFERENCE CALL

Executive Board:

Toni Call, Chair
City of Bellevue

Beth Anne Wroe
City of Des Moines

Susy Haugen
City of Everett

Paula Painter
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Glen Lee, Chair
City of Seattle

Andy Cherullo, Vice-Chair
City of Tacoma

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

Standing Items

1. CALL TO ORDER

The 09-30-21 meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:04a.m. and conducted by conference call.

ROLL CALL

Board Members Present: Toni Call (phone) Beth Anne Wroe (phone), Susy Haugen (phone), Paula Painter (phone), Lindsey Vaughn (phone), Kari Roller (phone), Glen Lee (phone), Andy Cherullo (absent)

Staff and Guests: Horace Francis (phone), David Linehan (phone), Kevin Fitzpatrick (phone), Wendy Thomaston (phone) and Julie Panick (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Toni Call and seconded by Beth Anne Wroe, the board approved the 05-27-21 meeting summary.

4. REVIEW OF FINANCIAL STATEMENTS

Kevin Fitzpatrick summarized the August 2021 financial statements and cash status. There were no questions or comments.

5. DISCUSSION ITMS:

A. August Monthly Business Review

- Kevin Fitzpatrick reviewed the Monthly Business Review. Continued focus on Hardware, Production Support Tickets and Call Center. For Hardware, RAM, Storage and CPU usage were all within guidelines. Production Support escalated tickets have grown. Q4'21 development

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resources will be deployed to address older production support tickets and systemic batch processing issues. The Call Center has a new call routing system. As part of this, Avenu has automated call center metrics.

Kevin Fitzpatrick stated that Avenu is focused on resolving open 2020 batches. Avenu has not fixed the underlining problem with their software which they are working to resolve now. To address the staffing shortage Avenu experienced in 2020, three programmers are now working on FileLocal. Based on what we have seen of their performance in the April 2021 filing period, they are staying on top of issues.

Even though the tax filing deadline has moved from January to April, it is expected many will still file in January since they have been used to filing then.

Glenn Lee suggested a broader discussion at the next board meeting regarding our underlining vendors and issues that are affecting us collectively.

B. New Cities Update

Kevin Fitzpatrick reviewed the New Cities Update. There were no questions or comments.

C. Vendor Warrants

Kevin reviewed the 2nd Quarter 2021 Vendor Warrant list. There were no questions or comments.

6. ADJOURNMENT

On a motion made by Kari Roller and seconded by Paula Painter, the meeting of the Executive Board adjourned at 11:38a.m.

Respectfully Submitted,

Julie Panick
Secretary, FileLocal

700 5th Avenue, Suite 4350
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FileLocal
Financial Statements
November 30, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2021

ASSETS		
Cash	$	193,961
LGIP Investment		1,115,234
Due from cities		73,584
Prepaid		14,930
Total Current Assets		1,397,709
TOTAL ASSETS	**$**	**1,397,709**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	-
Accrued liabilities		97,655
Total Current Liabilities		97,655
TOTAL LIABILITIES		97,655
NET ASSETS		
Net assets, unrestricted		867,695
Change in net assets		432,359
TOTAL NET ASSETS		1,300,054
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,397,709**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED NOVEMBER 30, 2021

	September	October	November	YTD
REVENUES				
User fees	$ 12,560	$ 65,228	$ 72,652	**$ 524,264**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**495,593**
City of Bellevue	-	-	-	**76,142**
City of Tacoma	-	-	-	**120,633**
City of Everett	-	-	-	**35,572**
City of Lake Forest Park	-	-	-	**8,664**
City of Bremerton	-	-	-	**37,508**
City of Renton	-	-	-	**37,946**
City of Des Moines	-	-	-	**17,095**
City of Snoqualmie	-	-	-	**18,495**
City of Shoreline	-	-	-	**14,151**
City of Kent	-	-	-	**9,094**
Total direct reimbursable costs	-	-	-	**870,893**
Interest income	85	95	84	**931**
Total revenues	$ 12,645	$ 65,323	$ 72,736	**$ 1,396,088**
EXPENSES				
Accounting fees	$ 4,690	$ 7,452	$ 4,167	**52,498**
Agency IT costs	-	-	-	**-**
Bank fees	49	57	36	**407**
Capital Cost recovery	-	-	-	**16,000**
Insurance	430	430	430	**4,734**
Labor costs	35,399	37,776	35,399	**362,617**
Legal fees	-	210	270	**5,550**
License and membership fees	-	-	-	**410**
Office and operating supplies	-	-	-	**10**
Technology costs	14,950	26,149	14,500	**262,685**
Transaction fees	6,936	38,525	18,524	**258,818**
Travel Expense	-	-	-	**-**
Other Expense	-	-	-	**-**
Total expenses	62,454	110,599	73,326	**963,729**
CHANGE IN NET ASSETS	**$ (49,809)**	**$ (45,276)**	**$ (590)**	**$ 432,359**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED NOVEMBER 30, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 497,585	$ 456,120	$ 524,264	$ 68,144
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,501	495,501	495,593	92
City of Bellevue	74,878	74,878	76,142	1,264
City of Tacoma	118,589	118,589	120,633	2,044
City of Everett	34,983	34,983	35,572	589
City of Lake Forest Park	8,521	8,521	8,664	143
City of Bremerton	36,859	36,859	37,508	649
City of Renton	37,316	37,316	37,946	630
City of Des Moines	16,813	16,813	17,095	282
City of Snoqualmie	18,188	18,188	18,495	307
City of Shoreline	13,911	13,911	14,151	240
City of Kent	9,094	9,094	9,094	-
Total direct reimbursable costs	864,653	864,653	870,893	6,240
Interest income	-	-	931	931
Fund carryover	-	-	-	-
Total sources	$ 1,362,238	$ 1,320,773	$ 1,396,088	$ 75,315
EXPENSES				
Labor costs	$ 446,924	$ 409,680	$ 362,617	$ 47,063
Contracts	62,387	57,188	57,639	(451)
Overhead	57,737	52,925	5,970	46,955
Technology costs	765,296	701,521	521,503	180,018
Operating reserve	13,894	12,736	-	12,736
Capital cost recovery payments	16,000	14,667	16,000	(1,333)
Total operating expenses	$ 1,362,238	$ 1,248,717	$ 963,729	$ 284,988
CHANGE IN NET ASSETS			432,359	
NET ASSETS, AS OF JANUARY 1, 2021			867,695	
NET ASSETS, AS OF NOVEMBER 30, 2021			$ 1,300,054	
Schedule I - Contracts				
Accounting	$ 42,657	$ 39,102	$ 52,498	$ (13,396)
Auditing	11,689	10,715	-	10,715
Insurance	6,430	5,894	4,734	1,160
Bank fees	1,611	1,477	407	1,070
Total Contracts	$ 62,387	$ 57,188	$ 57,639	$ (451)
Schedule II - Overhead				
Legal	$ 41,175	$ 37,744	$ 5,550	$ 32,194
Office and operating supplies	2,445	2,241	10	2,231
Printing	2,445	2,241	-	2,241
Licenses/Memberships	2,445	2,241	410	1,831
Agency IT costs	2,763	2,533	-	2,533
Marketing	6,464	5,925	-	5,925
Total Overhead	$ 57,737	$ 52,925	$ 5,970	$ 46,955

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FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED NOVEMBER 30, 2021

		Nov 30, 2021
Change in Net Assets		$ 432,359
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Due from Cities	(2,389)
	Prepaid	(9,655)
	Accounts Payable and Accrued Liabilities	(33,453)
Cash provided by operating activities		386,862
	Contributions to LGIP	(400,000)
	Net interest earned	(898)
Cash (used) for investing activities		(400,898)
Net cash increase (decrease)		(14,036)
Cash at January 1, 2021		207,997
Cash at November 30, 2021		**193,961**
Less Operating Reserve		**12,736**
Cash Available		**$ 181,225**

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FileLocal
Financial Statements
October 31, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2021

ASSETS		
Cash	$	289,315
LGIP Investment		1,115,155
Due from cities		73,584
Prepaid		29,861
Total Current Assets		1,507,915
TOTAL ASSETS	**$**	**1,507,915**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	167,705
Accrued liabilities		39,566
Total Current Liabilities		207,271
TOTAL LIABILITIES		207,271
NET ASSETS		
Net assets, unrestricted		867,695
Change in net assets		432,949
TOTAL NET ASSETS		1,300,644
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,507,915**

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FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED OCTOBER 31, 2021

	August	September	October	YTD
REVENUES				
User fees	$ 9,528	$ 12,560	$ 65,228	**$ 451,612**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**495,593**
City of Bellevue	-	-	-	**76,142**
City of Tacoma	-	-	-	**120,633**
City of Everett	-	-	-	**35,572**
City of Lake Forest Park	-	-	-	**8,664**
City of Bremerton	-	-	-	**37,508**
City of Renton	-	-	-	**37,946**
City of Des Moines	-	-	-	**17,095**
City of Snoqualmie	-	-	-	**18,495**
City of Shoreline	-	-	-	**14,151**
City of Kent	-	-	-	**9,094**
Total direct reimbursable costs	-	-	-	**870,893**
Interest income	80	85	95	**847**
Total revenues	$ 9,608	$ 12,645	$ 65,323	**$ 1,323,352**
EXPENSES				
Accounting fees	$ (4,167)	$ 4,690	$ 7,452	**48,331**
Agency IT costs	-	-	-	**-**
Bank fees	34	49	57	**371**
Capital Cost recovery	16,000	-	-	**16,000**
Insurance	430	430	430	**4,304**
Labor costs	35,399	35,399	37,776	**327,218**
Legal fees	-	-	210	**5,280**
License and membership fees	-	-	-	**410**
Office and operating supplies	-	-	-	**10**
Technology costs	57,630	14,950	26,149	**248,185**
Transaction fees	6,299	6,936	38,525	**240,294**
Travel Expense	-	-	-	**-**
Other Expense	-	-	-	**-**
Total expenses	111,625	62,454	110,599	**890,403**
CHANGE IN NET ASSETS	**$ (102,017)**	**$ (49,809)**	**$ (45,276)**	**$ 432,949**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 497,585	$ 414,654	$ 451,612	$ 36,958
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,501	495,501	495,593	92
City of Bellevue	74,878	74,878	76,142	1,264
City of Tacoma	118,589	118,589	120,633	2,044
City of Everett	34,983	34,983	35,572	589
City of Lake Forest Park	8,521	8,521	8,664	143
City of Bremerton	36,859	36,859	37,508	649
City of Renton	37,316	37,316	37,946	630
City of Des Moines	16,813	16,813	17,095	282
City of Snoqualmie	18,188	18,188	18,495	307
City of Shoreline	13,911	13,911	14,151	240
City of Kent	9,094	9,094	9,094	-
Total direct reimbursable costs	864,653	864,653	870,893	6,240
Interest income	-	-	847	847
Fund carryover	-	-	-	-
Total sources	$ 1,362,238	$ 1,279,307	$ 1,323,352	$ 44,045
EXPENSES				
Labor costs	$ 446,924	$ 372,437	$ 327,218	$ 45,219
Contracts	62,387	51,990	53,006	(1,016)
Overhead	57,737	48,117	5,700	42,417
Technology costs	765,296	637,747	488,479	149,268
Operating reserve	13,894	11,578	-	11,578
Capital cost recovery payments	16,000	13,333	16,000	(2,667)
Total operating expenses	$ 1,362,238	$ 1,135,202	$ 890,403	$ 244,799
CHANGE IN NET ASSETS			432,949	
NET ASSETS, AS OF JANUARY 1, 2021			867,695	
NET ASSETS, AS OF OCTOBER 31, 2021			$ 1,300,644	
Schedule I - Contracts				
Accounting	$ 42,657	$ 35,548	$ 48,331	$ (12,783)
Auditing	11,689	9,741	-	9,741
Insurance	6,430	5,358	4,304	1,054
Bank fees	1,611	1,343	371	972
Total Contracts	$ 62,387	$ 51,990	$ 53,006	$ (1,016)
Schedule II - Overhead				
Legal	$ 41,175	$ 34,313	$ 5,280	$ 29,033
Office and operating supplies	2,445	2,038	10	2,028
Printing	2,445	2,038	-	2,038
Licenses/Memberships	2,445	2,038	410	1,628
Agency IT costs	2,763	2,303	-	2,303
Marketing	6,464	5,387	-	5,387
Total Overhead	$ 57,737	$ 48,117	$ 5,700	$ 42,417

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FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2021

		Oct 31, 2021
Change in Net Assets		$ 432,949
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Due from Cities	(2,389)
	Prepaid	(24,586)
	Accounts Payable and Accrued Liabilities	76,158
Cash provided by operating activities		482,132
	Contributions to LGIP	(400,000)
	Net interest earned	(814)
Cash (used) for investing activities		(400,814)
Net cash increase (decrease)		81,318
Cash at January 1, 2021		207,997
Cash at October 31, 2021		**289,315**
Less Operating Reserve		**11,578**
Cash Available		**$ 277,737**

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Financial Statements
September 30, 2021

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS		
Cash	$	251,830
LGIP Investment		1,115,066
Due from cities		62,971
Prepaid		44,791
Total Current Assets		1,474,658
TOTAL ASSETS	**$**	**1,474,658**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	14,012
Accrued liabilities		114,726
Total Current Liabilities		128,738
TOTAL LIABILITIES		128,738
NET ASSETS		
Net assets, unrestricted		867,695
Change in net assets		478,225
TOTAL NET ASSETS		1,345,920
TOTAL LIABILITIES AND NET ASSETS	**$**	**1,474,658**

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FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH
AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2021

	July	August	September	YTD
REVENUES				
User fees	$ 64,520	$ 9,528	$ 12,560	**$ 386,384**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**495,593**
City of Bellevue	-	-	-	**76,142**
City of Tacoma	-	-	-	**120,633**
City of Everett	-	-	-	**35,572**
City of Lake Forest Park	-	-	-	**8,664**
City of Bremerton	-	-	-	**37,508**
City of Renton	-	-	-	**37,946**
City of Des Moines	-	-	-	**17,095**
City of Snoqualmie	-	-	-	**18,495**
City of Shoreline	-	-	-	**14,151**
City of Kent	9,094	-	-	**9,094**
Total direct reimbursable costs	9,094	-	-	**870,893**
Interest income	174	80	85	**752**
Total revenues	$ 73,788	$ 9,608	$ 12,645	**$ 1,258,029**
EXPENSES				
Accounting fees	$ 1,788	$ (4,167)	$ 4,690	**40,879**
Agency IT costs	-	-	-	**-**
Bank fees	51	34	49	**314**
Capital Cost recovery	-	16,000	-	**16,000**
Insurance	430	430	430	**3,873**
Labor costs	17,743	35,399	35,399	**289,442**
Legal fees	1,650	-	-	**5,070**
License and membership fees	-	-	-	**410**
Office and operating supplies	-	-	-	**10**
Technology costs	4,738	57,630	14,950	**222,036**
Transaction fees	37,250	6,299	6,936	**201,770**
Travel Expense	-	-	-	**-**
Other Expense	-	-	-	**-**
Total expenses	63,650	111,625	62,454	**779,804**
CHANGE IN NET ASSETS	**$ 10,138**	**$ (102,017)**	**$ (49,809)**	**$ 478,225**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2021

	Budget (Final)	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 497,585	$ 373,189	$ 386,384	$ 13,195
Reimbursable cost/Capital cost recovery charges				
City of Seattle	495,501	495,501	495,593	92
City of Bellevue	74,878	74,878	76,142	1,264
City of Tacoma	118,589	118,589	120,633	2,044
City of Everett	34,983	34,983	35,572	589
City of Lake Forest Park	8,521	8,521	8,664	143
City of Bremerton	36,859	36,859	37,508	649
City of Renton	37,316	37,316	37,946	630
City of Des Moines	16,813	16,813	17,095	282
City of Snoqualmie	18,188	18,188	18,495	307
City of Shoreline	13,911	13,911	14,151	240
City of Kent	9,094	9,094	9,094	-
Total direct reimbursable costs	864,653	864,653	870,893	6,240
Interest income	-	-	752	752
Fund carryover	-	-	-	-
Total sources	$ 1,362,238	$ 1,237,842	$ 1,258,029	$ 20,187
EXPENSES				
Labor costs	$ 446,924	$ 335,193	$ 289,442	$ 45,751
Contracts	62,387	46,791	45,066	1,725
Overhead	57,737	43,303	5,490	37,813
Technology costs	765,296	573,972	423,806	150,166
Operating reserve	13,894	10,421	-	10,421
Capital cost recovery payments	16,000	12,000	16,000	(4,000)
Total operating expenses	$ 1,362,238	$ 1,021,680	$ 779,804	$ 241,876
CHANGE IN NET ASSETS			478,225	
NET ASSETS, AS OF JANUARY 1, 2021			867,695	
NET ASSETS, AS OF SEPTEMBER 30, 2021			$ 1,345,920	
Schedule I - Contracts				
Accounting	$ 42,657	$ 31,993	$ 40,879	$ (8,886)
Auditing	11,689	8,767	-	8,767
Insurance	6,430	4,823	3,873	950
Bank fees	1,611	1,208	314	894
Total Contracts	$ 62,387	$ 46,791	$ 45,066	$ 1,725
Schedule II - Overhead				
Legal	$ 41,175	$ 30,881	$ 5,070	$ 25,811
Office and operating supplies	2,445	1,834	10	1,824
Printing	2,445	1,834	-	1,834
Licenses/Memberships	2,445	1,834	410	1,424
Agency IT costs	2,763	2,072	-	2,072
Marketing	6,464	4,848	-	4,848
Total Overhead	$ 57,737	$ 43,303	$ 5,490	$ 37,813

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.
Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF CASHFLOW
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2021

		Sept 30, 2021
Change in Net Assets		$ 478,225
Adjustments to reconcile Change in Net Assets		
to net cash provided by operations:		
	Due from Cities	8,223
	Prepaid	(39,516)
	Accounts Payable and Accrued Liabilities	(2,368)
Cash provided by operating activities		444,564
	Contributions to LGIP	(400,000)
	Net interest earned	(731)
Cash (used) for investing activities		(400,731)
Net cash increase (decrease)		43,833
Cash at January 1, 2021		207,997
Cash at September 30, 2021		**251,830**
Less Operating Reserve		**10,421**
Cash Available		**$ 241,409**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

Sustancially all disclosures required by accounting principles generally accepted in the United States are not included.

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

File Local Resolution FL2021-04
Briefing Paper
Admission of City of Auburn as Principal City

Date: December 16, 2021

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

Recommendation: The FileLocal Agency Executive Board should pass Resolution FL2021-04 approving the addition of the City of Auburn as a Principal City.

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 participating 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. By contrast, Subscriber cities do not have voting rights on the Executive Board. Here, the City of Auburn has indicated its desire to become a Principal City, which will require it to become a signatory to the ILA. To become a signatory, the Auburn City Council will need to approve the ILA "as is" and authorize the Mayor to execute the ILA by signing the Fifth Addendum to the ILA, which is attached as Attachment A to this Resolution.

This Resolution approves the admittance of the City of Auburn as a Principal City, which will entitle Auburn to a new position as a voting member of the Board.

RESOLUTION NO. FL2021-04

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving the Addition of the City of Auburn as a Principal 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 of the Agency to approve, by super-majority vote, the admission of new cities as either Principals and Subscribers; and

Whereas, the City of Auburn has indicated its interest and desire to become a Principal of the Agency, and its willingness to execute the Interlocal Agreement, upon approval of its legislative body, and to fulfill any and all 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 of Auburn, Washington, as a Principal of the Agency, pursuant to Section 8 of the ILA.

SECTION 2. The addition of the City of Auburn as a Principal City is conditioned upon the consent of the Auburn City Council to the terms of the ILA. The Mayor of the

City of Auburn shall signify the City Council's consent and approval of the ILA by signing the form attached hereto as Attachment A by no later than March 16, 2022.

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

ADOPTED by super-marority vote, this _____ day of_____, 2021.

ATTEST:

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

_____
Board Secretary

_____
Board Chair

FIFTH ADDENDUM TO PAGE 31 OF THE WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY INTERLOCAL AGREEMENT DATED MARCH 1, 2014 TO ADD CITY OF AUBURN AS A PRINCIPAL.

Pursuant to FileLocal Resolution 2021-04 and Section 8 of the foregoing, this Agreement has been executed by the City of Auburn to become a Principal city on the date set forth below:

City of Auburn

_____
City Manager [or title]

_____
Date

FileLocal
Save Time, Increase Compliance
FL2021-04 Attachment B

December 2021

Key New City Onboarding Activities

- Preadmission Guide
  - Complete
- Fit Analysis
  - Complete
- Standard Implementation Guide
  - Complete
- Onboarding Schedule
  - Q1’22
- Fees
  - Complete
- Onboarding City Type
  - Principal City
- Executive Board Approval
  - Q4’21 Board Meeting

Onboarding Option/Schedule/Fees

- Onboarding Option – Standardized City Template
  1. Taxes Only
  2. Web Services – web services as part of the implementation.

Plus Implimentation	
Software Development Fee	$3,000.00
Capital Cost Recovery	$2,000.00
Kubra Setup	$21,000.00
Standard Web Services	$5,560.00
Standard Costs	$31,560.00
Customization	
Custom City Account Number	$1,529.00
Square Footage	$6,394.00
New Business Tax Credit	$11,815.00
Not implimenting License Feature	$6,116.00
Business Requirements Doc Overages	$2,224.00
Web Service Overages	$1,598.00
Testing and Release	$15,728.28
Customization Costs	$45,404.28
Total	$76,964.28

Yearly Agency Fee's

- **Auburn Key Assumptions**
  - Starting Budget is the December 2021 December Final (2022-2026) Budget
  - City of Auburn will onboard Q1'22
    - FY22 Annual Costs - full year
  - 2022 Full Year Auburn Transactions 4,544. Assumes 400 transactions in FY2022 growing by 20% in FY2023
    - Capital Recovery Cost $500 based on 400 projected transactions

Yearly Agency Fee's

Schedule of Estimated Capital Cost Recovery Charge

		Projected	Capital Cost Recovery Charge				
		2021 (B/P)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
T2 Capital Cost Recovery Charge							
	Auburn	N/A	$ 500	$ 500	$ 500	$ 500	$ 500
	Bellevue	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
	Bremertion	$ 500	N/A	N/A	N/A	N/A	N/A
	Des Moines	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
	Everett	$ 2,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
	Kent	$ 500	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
	Lake Forest Park	$ 500	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
	Renton	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
	Shoreline	$ 500	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
	Snoqualmie	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
	Tacoma	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
	Total	$ 16,000	$ 20,500	$ 20,500	$ 20,500	$ 20,500	$ 20,500

Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
December 2021 Final

			December 2021 Final				
			Actual (A), Projection (P), Budget (B)				
	2020 (A)	2021 Budget Approved - Dec 2020	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
Reimbursable Costs							
Auburn	-	-	9,897	10,286	10,666	11,102	11,554
Bellevue	71,951	70,910	67,357	70,011	72,596	75,560	78,637
Bremertion	36,825	36,376	0	0	0	0	0
Des Moines	10,662	15,821	15,028	15,620	16,197	16,858	17,544
Everett	33,426	32,998	31,345	32,580	33,783	35,162	36,594
Kent	-	17,196	16,335	16,978	17,605	18,324	19,070
Lake Forest Park	8,093	8,025	7,623	7,923	8,216	8,551	8,899
Renton	35,773	35,332	33,562	34,884	36,172	37,649	39,182
Seattle	493,538	487,128	462,720	480,947	498,706	519,070	540,204
Shoreline	13,597	13,418	12,745	13,247	13,737	14,297	14,880
Snoqualmie	19,325	17,196	16,335	16,978	17,605	18,324	19,070
Tacoma	116,141	114,641	108,897	113,187	117,366	122,159	127,133
Total	839,331	849,041	781,844	812,641	842,648	877,057	912,767

Onboarding City Type

- **Principal**
  1. Interlocal Agreement – City Legislative Authorization
  2. Assist with the Management of the Agency
  3. Voting Member of the Executive Board

FileLocal

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

FileLocal Resolution FL2021-05 Briefing Paper –Final Budget 2022-2026

Date: December 16, 2021

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the final 2022-2026 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2021-05 approving the final 2022-2026 budget.

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

- No later than May 1 present a proposed budget to the Executive Board. The proposed budget was initially presented to the Board at their March 18, 2021 meeting and formalized in resolution FL2021-03 at the May 27, 2021 meeting.
- No later than June 15 the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget by Supermajority Vote, and (3) forward the same to the principal/subscriber cities no later than July 1.
- A final budget must be approved by December 31.

The Executive Board approved the 2022-2026 draft budget at their May 27, 2021 meeting included as an attachment to FL2021-03. The draft budget was submitted to each principal/subscriber city.

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

The final budget is provided as Attachment A to Resolution FL2021-05.

RESOLUTION NO. FL2021-05

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2022-2026 Budget.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement ("Agreement") requires the Executive Board to adopt a draft Portal Agency 2022 budget by June 15;

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

Whereas, the Executive Board received a draft 2022-2026 budget for review on March 18, 2021 and approved the draft 2022-2026 Budget on May 27, 2021.

Whereas, the cities of Bellevue, Des Moines, Everett, Kent, Lake Forest Park, Renton, Seattle, and Tacoma have each informed the Portal Agency by December 1, 2021 that they will or have approved their shares of the Portal Agency budget for 2022-2026.

Now Therefore,

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

SECTION 1. The Executive Board hereby adopts the final 2022-2026 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this____day of_____, 2021.

ATTEST:

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

Board Secretary

Board Chair

Final Budget 2022-2026

FL2021-05 Attachment A

December 2021

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
12-16-21 FY2022-FY2026 Budget Final

			Actual (A), Projection (P), Budget (B)							B/(W)					
			2020 (A)	2021 Budget Approved - Dec 2020	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	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)	2026 (B) vs. 2025 (B)
Revenue:															
	Fund Carryover	T4	-	-	-	-	-	-	-	-	-	-	-	-	-
	User Fees	T1	437,628	497,196	550,500	576,921	588,747	600,655	612,719	59,568	53,304	26,421	11,826	11,908	12,064
	Reimbursable Costs	T3	839,331	849,041	781,844	812,641	842,648	877,057	912,767	9,710	(67,197)	30,796	30,007	34,409	35,710
	Capital Cost Recovery Charges	T2	21,000	16,000	20,500	20,500	20,500	20,500	20,500	(5,000)	4,500	-	-	-	-
	Total Revenue B/(W)		1,297,959	1,362,237	1,352,844	1,410,062	1,451,895	1,498,211	1,545,985	64,278	(9,393)	57,217	41,833	46,317	47,774
Expenditures															
Regular Expenditures:															
	Labor	T4.1	416,739	390,611	422,376	435,047	448,099	461,542	475,388	26,128	(31,765)	(12,671)	(13,051)	(13,443)	(13,846)
	Contracts	T4.2	52,175	62,387	71,762	73,341	74,998	76,896	78,841	(10,212)	(9,375)	(1,579)	(1,658)	(1,897)	(1,945)
	Overhead	T4.3	20,379	48,820	69,801	71,512	73,295	75,259	77,276	(28,441)	(20,981)	(1,711)	(1,784)	(1,964)	(2,017)
	Technology Costs	T4.4	429,723	741,760	758,810	791,248	817,084	845,293	874,641	(312,038)	(17,050)	(32,438)	(25,836)	(28,210)	(29,347)
	Operating Reserve	T4.5	12,972	13,894	0	7,463	6,430	6,880	7,129	(922)	13,894	(7,463)	1,033	(450)	(249)
	Capital Cost Recovery Payments	T4.6	21,000	16,000	20,500	20,500	20,500	20,500	20,500	5,000	(4,500)	-	-	-	-
	Total Regular Expenditures		952,988	1,273,472	1,343,249	1,399,111	1,440,406	1,486,370	1,533,775	(320,485)	(69,777)	(55,862)	(41,295)	(45,964)	(47,405)
Incremental Expenses from The New Partners:															
	Incremental Labor	T4.1	-	56,314	3,203	3,689	3,924	4,096	4,278	(56,314)	53,111	(486)	(234)	(172)	(182)
	Incremental Overhead	T4.3	-	8,916	386	436	454	466	478	(8,916)	8,530	(49)	(19)	(12)	(12)
	Incremental Technology Cost	T4.4	-	23,535	6,006	6,826	7,111	7,279	7,455	(23,535)	17,529	(820)	(286)	(168)	(175)
	Total Incremental Expenditures		-	88,765	9,596	10,951	11,489	11,841	12,211	(88,765)	79,169	(1,355)	(538)	(352)	(369)
	Total Expenditures B/(W)		952,988	1,362,237	1,352,844	1,410,062	1,451,895	1,498,211	1,545,985	(409,250)	9,393	(57,217)	(41,833)	(46,317)	(47,774)
Excess (Deficit)			344,971	(0)	-	-	-	-	-	(344,972)	0	(0)	(0)	0	(0)

Revenue

T1 FY2022 (B) user fees are up $53k compared to FY2021 (B). This is due to an increase in transaction count by approximately 18K.
T3 FY2022 (B) reimbursable costs decreases due primarily to the increase in transactions.

Expense
T4.1 FY2022 (B) Labor increases by approximately 3%.
T4.2 FY2022 (B) Contracts increases by $10k, due to the estimated CPI inflation adjustments and additional costs for accounting
T4.3 FY2022 (B) Overhead increased versus FY2021 due to estimated CPI inflation adjustments.
T4.4 FY2022 (B) Technology costs are up by $17K. This is primarily due to the the estimated CPI inflation, and higher transaction numbers.
T4.1/.3/.4 FY2022 (B) Incremental labor, overhead and technology costs are reflecting the incremental costs from Auburn and Kent.

Washington Cities Business License and Tax Portal Agency
Key Assumptions for Budget
FY2022-FY2026
12-16-21 FY2022-FY2026 Budget Final

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
FY2022-FY2026
May 2021 Draft FY2022-FY2026 w Auburn Bridge

	May 2021 Draft with Auburn					May 2021 Draft Budget					Delta				
	Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)				
	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
Transaction counts:	183,500	192,307	196,249	200,218	204,240	183,100	191,827	195,697	199,611	203,602	400	480	552	607	638
Revenue:															
Fund Carryover	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
User Fees	550,500	576,921	588,747	600,655	612,719	549,300	575,481	587,091	598,833	610,806	1,200	1,440	1,656	1,822	1,913
Reimbursable Costs	781,844	812,641	842,648	877,057	912,767	779,159	810,486	840,532	874,949	910,631	2,685	2,155	2,116	2,109	2,136
Capital Cost Recovery Charges	20,500	20,500	20,500	20,500	20,500	18,500	18,500	25,000	25,000	25,000	2,000	2,000	-4,500	-4,500	-4,500
Total Revenue B/(W)	1,352,844	1,410,062	1,451,895	1,498,212	1,545,986	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	5,885	5,595	-728	-570	-452
Expenditures															
Regular Expenditures:															
Labor	416,666	437,499	459,374	482,343	506,460	416,665	437,499	459,374	482,342	506,460	1	1	1	1	1
Contracts	71,762	73,341	74,998	76,895	78,841	71,762	73,341	74,998	76,895	78,841	0	0	0	0	0
Overhead	50,243	51,348	52,509	53,837	55,200	50,243	51,348	52,509	53,837	55,200	0	0	0	0	0
Technology Costs	784,078	808,959	826,595	845,915	865,646	783,438	808,191	825,712	844,943	864,625	640	768	883	972	1,020
Operating Reserve	0	7,463	6,430	6,880	7,129	-507	7,435	6,403	6,856	7,110	507	28	27	24	19
Capital Cost Recovery Payments	20,500	20,500	20,500	20,500	20,500	18,500	18,500	25,000	25,000	25,000	2,000	2,000	-4,500	-4,500	-4,500
Total Regular Expenditures	1,343,249	1,399,111	1,440,406	1,486,370	1,533,775	1,340,101	1,396,314	1,443,996	1,489,874	1,537,236	3,147	2,797	-3,589	-3,504	-3,461
Incremental Expenses from The New Partners:															
Incremental Labor	3,203	3,689	3,924	4,096	4,278	2,288	2,754	2,967	3,115	3,272	915	935	956	980	1,005
Incremental Overhead	386	436	454	466	478	276	323	339	348	357	110	113	115	119	122
Incremental Technology Cost	6,006	6,826	7,111	7,279	7,455	4,293	5,075	5,321	5,444	5,573	1,712	1,750	1,790	1,835	1,882
Total Incremental Expenditures	9,596	10,951	11,489	11,841	12,211	6,857	8,153	8,627	8,907	9,202	2,738	2,798	2,862	2,934	3,009
Total Expenditures B/(W)	1,352,844	1,410,062	1,451,895	1,498,212	1,545,986	1,346,959	1,404,467	1,452,623	1,498,782	1,546,437	5,885	5,595	-728	-570	-452
Excess (Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
May 2021 Draft FY2022-FY2026 w
Auburn Bridge - Reimbursement

	May 2021 Draft with Auburn					May 2021 Draft Budget					Delta				
	Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)				
	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
Reimbursable Costs															
Auburn	9,897	10,286	10,666	11,102	11,554	0	0	0	0	0	9,897	10,286	10,666	11,102	11,554
Bellevue	67,357	70,011	72,596	75,560	78,637	67,987	70,720	73,342	76,345	79,458	-629	-710	-746	-785	-822
Bremertion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Des Moines	15,028	15,620	16,197	16,858	17,544	15,168	15,778	16,363	17,033	17,728	-140	-158	-166	-175	-183
Everett	31,345	32,580	33,783	35,162	36,594	31,638	32,910	34,130	35,527	36,976	-293	-330	-347	-365	-382
Kent	16,335	16,978	17,605	18,324	19,070	16,487	17,150	17,786	18,514	19,269	-153	-172	-181	-190	-199
Lake Forest Park	7,623	7,923	8,216	8,551	8,899	7,694	8,003	8,300	8,640	8,992	-71	-80	-84	-89	-93
Renton	33,562	34,884	36,172	37,649	39,182	33,876	35,238	36,544	38,040	39,592	-314	-354	-372	-391	-409
Seattle	462,720	480,947	498,706	519,070	540,205	467,043	485,821	503,831	524,461	545,850	-4,323	-4,874	-5,125	-5,391	-5,645
Shoreline	12,745	13,247	13,737	14,297	14,880	12,864	13,382	13,878	14,446	15,035	-119	-134	-141	-148	-155
Snoqualmie	16,335	16,978	17,605	18,324	19,070	16,487	17,150	17,786	18,514	19,269	-153	-172	-181	-190	-199
Tacoma	108,897	113,187	117,366	122,159	127,133	109,915	114,334	118,573	123,428	128,461	-1,017	-1,147	-1,206	-1,269	-1,329
Total	781,844	812,641	842,648	877,057	912,767	779,159	810,486	840,532	874,949	910,631	2,685	2,155	2,116	2,109	2,136

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
December 2021 Final vrs May 2021 w Auburn Bridge

	December 2021 Final					May 2021 Draft with Auburn					Delta				
	Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)				
	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
Transaction counts:	183,500	192,307	196,249	200,218	204,240	183,500	192,307	196,249	200,218	204,240	0	0	0	0	0
Revenue:															
Fund Carryover	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
User Fees	550,500	576,921	588,747	600,655	612,719	550,500	576,921	588,747	600,655	612,719	0	0	0	0	0
Reimbursable Costs	781,844	812,641	842,648	877,057	912,767	781,844	812,641	842,648	877,057	912,767	0	0	-1	0	0
Capital Cost Recovery Charges	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	0	0	0	0	0
Total Revenue B/(W)	1,352,844	1,410,062	1,451,895	1,498,211	1,545,985	1,352,844	1,410,062	1,451,895	1,498,212	1,545,986	0	0	-1	0	0
Expenditures															
Regular Expenditures:															
Labor	422,376	435,047	448,099	461,542	475,388	416,666	437,499	459,374	482,343	506,460	5,710	-2,452	-11,276	-20,801	-31,072
Contracts	71,762	73,341	74,998	76,896	78,841	71,762	73,341	74,998	76,895	78,841	0	0	0	0	0
Overhead	69,801	71,512	73,295	75,259	77,276	50,243	51,348	52,509	53,837	55,200	19,557	20,163	20,786	21,422	22,077
Technology Costs	758,810	791,248	817,084	845,293	874,641	784,078	808,959	826,595	845,915	865,646	-25,267	-17,711	-9,512	-621	8,995
Operating Reserve	0	7,463	6,430	6,880	7,129	0	7,463	6,430	6,880	7,129	0	0	0	0	0
Capital Cost Recovery Payments	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	0	0	0	0	0
Total Regular Expenditures	1,343,249	1,399,111	1,440,406	1,486,370	1,533,775	1,343,249	1,399,111	1,440,406	1,486,370	1,533,775	0	0	-1	0	0
Incremental Expenses from The New Partners:															
Incremental Labor	3,203	3,689	3,924	4,096	4,278	3,203	3,689	3,924	4,096	4,278	0	0	0	0	0
Incremental Overhead	386	436	454	466	478	386	436	454	466	478	0	0	0	0	0
Incremental Technology Cost	6,006	6,826	7,111	7,279	7,455	6,006	6,826	7,111	7,279	7,455	0	0	0	0	0
Total Incremental Expenditures	9,596	10,951	11,489	11,841	12,211	9,596	10,951	11,489	11,841	12,211	0	0	0	0	0
Total Expenditures B/(W)	1,352,844	1,410,062	1,451,895	1,498,211	1,545,985	1,352,844	1,410,062	1,451,895	1,498,212	1,545,986	0	0	-1	0	0
Excess (Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2022-FY2026
December 2021 Final vrs May 2021 w Auburn Bridge - Reimbursement

	December 2021 Final					May 2021 Draft with Auburn					Delta				
	Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)					Actual (A), Projection (P), Budget (B)				
	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)	2022 (B)	2023 (B)	2024 (B)	2025 (B)	2026 (B)
Reimbursable Costs															
Auburn	9,897	10,286	10,666	11,102	11,554	9,897	10,286	10,666	11,102	11,554	0	0	0	0	0
Bellevue	67,357	70,011	72,596	75,560	78,637	67,357	70,011	72,596	75,560	78,637	0	0	0	0	0
Bremertion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Des Moines	15,028	15,620	16,197	16,858	17,544	15,028	15,620	16,197	16,858	17,544	0	0	0	0	0
Everett	31,345	32,580	33,783	35,162	36,594	31,345	32,580	33,783	35,162	36,594	0	0	0	0	0
Kent	16,335	16,978	17,605	18,324	19,070	16,335	16,978	17,605	18,324	19,070	0	0	0	0	0
Lake Forest Park	7,623	7,923	8,216	8,551	8,899	7,623	7,923	8,216	8,551	8,899	0	0	0	0	0
Renton	33,562	34,884	36,172	37,649	39,182	33,562	34,884	36,172	37,649	39,182	0	0	0	0	0
Seattle	462,720	480,947	498,706	519,070	540,204	462,720	480,947	498,706	519,070	540,205	0	0	0	0	0
Shoreline	12,745	13,247	13,737	14,297	14,880	12,745	13,247	13,737	14,297	14,880	0	0	0	0	0
Snoqualmie	16,335	16,978	17,605	18,324	19,070	16,335	16,978	17,605	18,324	19,070	0	0	0	0	0
Tacoma	108,897	113,187	117,366	122,159	127,133	108,897	113,187	117,366	122,159	127,133	0	0	0	0	0
Total	781,844	812,641	842,648	877,057	912,767	781,844	812,641	842,648	877,057	912,767	0	0	-1	0	0

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

File Local Resolution FL2021-06
Briefing Paper Legal Services Contract – Madrona Law Group

Date: December 16, 2021

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board authorize the Program Manager to execute a contract renewal for legal services with Madrona Law Group, PLLC, so that the Agency's current attorney David Linehan may continue to provide legal services to the Agency?

Recommendation: The Executive Board should pass Resolution FL2021-06 approving the continued use of Madrona Law Group and David Linehan as general counsel to the Agency.

Rationale: The Agency has used David Linehan as its legal counsel since April 2015. Madrona Law Group, PLLC, specializes in providing high quality legal services to Washington municipalities and local government agencies like FileLocal. There is great value in continuity of legal service, given Mr. Linehan's significant history and knowledge of Agency operations. Mr. Linehan's hourly rate has not changed in several years. The proposed contract renewal with Madrona Law Group includes a 3% rate increase, from $300 to $310/hour. The contract includes a two-year term, with automatic annual renewals unless terminated with prior written notice.

RESOLUTION NO. FL2021-06

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing a Contract with Madrona Law Group PLLC to Provide Legal Services for 2022-2023.

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles for integrity and accountability and a goal of compliance with all applicable legal requirements were established for the FileLocal Agency; and

Whereas, Pursuant to Section 6 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, the Executive Board of the FileLocal Agency has the power to enter into agreements with third parties for the provision of services necessary to fully implement the purposes of the Agency and the Interlocal Agreement; and

Whereas, The Agency has previously contracted with Madrona Law Group PLLC, to provide legal services to the Agency, pursuant to a contract; and

Whereas, David Linehan has served as the Agency's general counsel since April 2015; and

Whereas, to preserve the continuity and quality of legal services, the Agency would like to retain David Linehan as general counsel due to his history and familiarity with the Agency and the quality of service he has provided to date; and

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

SECTION 1. The Executive Board authorizes the Program Manager to execute a contract with Madrona Law Group PLLC to provide legal services to the Agency as set forth in Attachment A to this Resolution.

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ADOPTED this _____ day of December, 2021.

ATTEST:

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

_____
Board Secretary

_____
Board Chair

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services ("Agreement") is made on this ___ day of December, 2021, between Madrona Law Group, PLLC ("Attorneys") and Washington Multi-City Business License and Tax Portal Agency ("Client").

SECTION 1. LEGAL SERVICES.

Attorneys shall provide legal services to Client under the direction of the Client's Program Manager. David Linehan will serve as the designated General Counsel to the Client. Attorneys shall be principally responsible for performing all legal work for the Client, except for matters assigned to insurance counsel, criminal prosecution, matters in which Attorneys have a conflict, or matters assigned to other counsel by the Program Manager.

SECTION 2. RESPONSIBILITIES OF ATTORNEYS AND CLIENT.

Attorneys will perform the legal services called for under this Agreement in accordance with the rules of professional responsibility for attorneys in Washington State, keep Client informed of progress and developments, and respond promptly to Client's inquiries and communications. Client will be truthful and cooperative with Attorneys, keep Attorney reasonably informed of developments, and timely make any payments required by this Agreement.

SECTION 3. COMPENSATION.

A. Client will pay Attorneys for the legal services provided under this Agreement pursuant to the fees listed in Exhibit A. Attorneys will charge in increments of one tenth of an hour, rounded off for each particular activity to the nearest one tenth of an hour. The minimum time charged for any particular activity will be one tenth of an hour. Attorneys will charge for all activities undertaken in providing legal services to Client under this Agreement, including, but not limited to, the following: providing legal advice on agency matters; attending meetings and conferences; appearing in court; reviewing and preparing correspondence and legal documents; performing legal research and writing legal opinions; drafting of court papers, ordinances, and resolutions; and engaging in telephone conversations. Attorneys will charge for their reasonable travel time at Attorneys' regular hourly rates; however, travel to and from City Hall shall be limited to a flat, one-hour round trip rate. When two of more of Attorneys' personnel are engaged in working on a matter at the same time, such as in conferences between them, the time of each will be charged at his or her hourly rate.

B. If applicable, Client will pay Attorneys for services related to public records pursuant to the fees listed in Exhibit A and as further defined below:

   i. Attorneys shall be compensated at the "Attorney" hourly rates for reviewing public records for responsiveness and exemptions, redacting exempt records, reviewing

exemption logs, and providing legal advice related to Public Records Act (Ch. 42.56 RCW) compliance.

ii. Attorneys shall be compensated at the "Public Records Processing" rate for services such as, but not limited to, converting and deduplicating files, preparing exemption logs, downloading and transmitting files to and from Client, and other tasks typically performed by the Public Records Officer that do not call for the independent legal judgment of Attorneys.

C. Attorneys will review their hourly rates once per year. If, while this Agreement is in effect, Attorneys implement an increase in the hourly rates being charged to clients, that increase may be applied to fees incurred under this Agreement, but only with respect to services provided thirty (30) days or more after written notice of the increase is mailed to Client. If Client declines to accept the increased rates, the parties may negotiate an alternate rate, or Client may terminate this Agreement by written notice effective when received by Attorneys, provided Client executes and returns a substitution-of-attorney form immediately on its receipt from Attorney if Attorneys are Client's attorney of record in any proceeding.

SECTION 4. COSTS.

A. Client will pay all costs in connection with Attorneys' representation of Client under this Agreement. Costs may be advanced by Attorney and then billed to Client. Costs include, but are not limited to, court filing fees, deposition costs, expert fees and expenses, investigation costs, messenger service fees, postage fees, photocopying expenses, and process server fees.

B. Attorneys shall not charge Client for mileage nor for long-distance telephone charges. In addition, Attorneys shall not charge Client for legal research fees incurred by Attorneys as part of their standard use of any online legal research database. Extraordinary legal research costs may be billed to the Client upon Client's approval.

SECTION 5. STATEMENTS

A. Attorneys shall render to Client a statement for fees, costs, and expenses incurred on a monthly basis. Such statement(s) shall indicate the basis of the fees, including the hours worked, the hourly rate(s), and a brief description of the work performed. Separate billing categories can be established to track costs associated with Client funding categories or to track project costs, or such other basis as the Client may direct. Reimbursable costs shall be separately itemized.

B. Payments shall be made by Client within thirty (30) days of receipt of the statement, except for those specific items on an invoice which are contested or questioned and are returned by Client with a written explanation of the question or contest, within thirty (30) days of

receipt of the invoice. Payments made more than thirty (30) days after the due date shall draw interest at the rate of 12% per annum.

SECTION 6. INDEPENDENT CONTRACTOR

Attorneys shall perform all legal services required under this Agreement as an independent contractor of Client, and shall remain, at all times as to Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither Client, nor any of its employees, shall have any control over the manner, mode, or means by which Attorneys, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth and as required by the rules of professional conduct applicable to Attorneys. Client shall have no voice in the selection, discharge, supervision or control of Attorneys' employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

SECTION 7. INSURANCE.

Attorneys shall maintain for the duration of this Agreement professional liability insurance with limits no less than $1,000,000 per claim and $1,000,000 policy aggregate limit. Attorneys shall provide Client with written notice of any policy cancellation within two business days of their receipt of such notice. Failure on the part of Attorneys to maintain the insurance as required shall constitute a material breach of contract, upon which Client may, after giving five business days' notice to Attorneys to correct the breach, immediately terminate the contract.

SECTION 8. NOTICES

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor; postage prepaid and addressed as follows:

CLIENT: File Local Attn: Program Manager 700 Fifth Avenue, Suite 4350 Seattle, WA 98124	ATTORNEYS: Madrona Law Group, PLLC 14205 SE 36th Street Suite 100, PMB 440 Bellevue, WA 98006

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given three (3) consecutive business days following the deposit of the same in the custody of said Postal Service. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that specified above.

SECTION 9. TERM

A. This Agreement is effective upon mutual execution by the parties, and shall remain in full force and effect until December 31, 2023 ("Initial Term"). At the end of the Initial Term

and on each January 1 thereafter, this Agreement shall automatically renew for an additional one-year term (each a "Renewal Term") unless Client gives written notice of termination at least 30 days before the beginning of any Renewal Term. Client may discharge Attorneys at any time. Attorneys may withdraw from Client's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon thirty (30) days' notice to Client.

B. In the event of such termination or withdrawal, Client will pay Attorneys professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation.

SECTION 10. CONFLICTS

Attorneys have no present or contemplated engagements which are adverse to the Client. Attorneys agree that they shall not represent any other client in a matter (either litigation or non-litigation) in which Attorneys' representation would be adverse the Client. If, in the future, the Client asks Attorneys to represent the Client in a matter that is adverse to another current or former client of Attorneys, Attorneys will determine whether and under what circumstances Attorneys may undertake such representation and, if appropriate, seek informed consent(s) from affected parties.

SECTION 11. GENERAL PROVISIONS.

This Agreement sets forth the entire agreement of the parties and supersedes any prior agreements between the parties. Any amendments must be in writing and signed by both parties. This Agreement shall be construed and enforced under the laws of the State of Washington. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining portions of this Agreement shall remain in full force and effect and construed so as to best effectuate the original intent and purpose of this Agreement.

AGREED TO AND ACKNOWLEDGED BY:

WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY	MADRONA LAW GROUP, PLLC
By:_____	By:_____
Kevin Fitzpatrick, Program Manager	David A. Linehan, Member
Dated:_____	Dated: _____

EXHIBIT A

MADRONA LAW GROUP, PLLC

HOURLY BILLING RATES

2022

ATTORNEYS:

Eileen M. Keiffer	$250
David A. Linehan	$310
Kim Adams Pratt	$310
Ann Marie J. Soto	$250
Rachel B. Turpin	$250

LEGAL SUPPORT:

Paralegal	$135
Legal Assistant	$90
Public Records Processing	$135

FileLocal

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

File Local Resolution FL2021-07
Briefing Paper: Additions to the Agency IT Manual

Date: December 16, 2021

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve additions to the Information Technology Securities Policies (IT Manual) as recommended by the Program Manager and Operations Committee?

Operating Committee Recommendation: The Portal Agency Executive Board should pass Resolution FL2021-07 to adopt the following additions to the IT Manual as recommended by the Program Manager and Operations Committee:

- Breach Notification Policy (POL-150) – to ensure Agency is securing personal information in compliance with Washington State Code.

- Risk Management Policy (POL-160) – describes how FileLocal approaches the challenge of understanding and treating risk to its information resources.

Rationale: It is important for Agency operations policies and procedures to reflect current best practices and to ensure the efficient functioning of the Agency and its process. As part of its governing policy documents, the Agency develops and maintains its Portal Agency Operations Policies, including technology security policies referred to as the IT Manual.

RESOLUTION NO. FL2021-07

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving Amendments to the Portal Agency Operations Policy — Information Technology Security Policies (IT Manual).

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement requires the development of a Portal Agency Operations Policy;

Whereas, FileLocal Resolution FL2019-03 adopted the current portions of the Portal Agency Operations Policy referred to as the IT Manual;

Whereas, the Interlocal Agreement specifies that the Operations Committee shall assist in the review of the Portal Agency Operations Policy and any amendments thereto;

Whereas, the Operations Committee has reviewed and recommends the addition of a Breach Notification Policy (POL-150) and a Risk Management Policy (POL-160) to the Portal Agency Operations Policy known as the IT Manual, as shown on Attachment A hereto; and

Whereas, approval of amendments to the Portal Agency Operations Policy requires a super-majority vote of the Executive Board;

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 the attached amendments to the IT Manual portion of the Portal Agency Operations Policy, as shown in Attachment A to this Resolution.

ADOPTED by super-majority vote this _____ day of _____, 2021.

ATTEST:

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

_____
Board Secretary

_____
Board Chair

Breach Notification Policy

1. Purpose

The unauthorized disclosure of Personal Information entrusted to FileLocal puts our reputation with customers, regulators, and the general public at risk. When a breach has occurred, it is FileLocal's responsibility to respond and notify stakeholders in an appropriate manner that meets with the legal, regulatory, and contractual requirements FileLocal operates under. Specifically, FileLocal is responsible for securing personal information as required under Rev. Code Wash. Chapter 19.255.

The purpose of the Breach Notification Policy is to ensure that FileLocal meets those requirements and notifies affected parties in a manner that complies with applicable law.

2. Scope

This policy applies to all FileLocal employees, subcontractors, vendors, and business partners and their agents and employees. Data subjects are individuals whose personal information is stored or processed by FileLocal, its employees, subcontractors, vendors, and business partners and their agents and employees.

3. Definitions

A. Breach

A breach is defined as any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of personal information maintained by the agency. Good faith acquisition of personal information by an employee or agent of the agency for the purposes of the agency is not a breach of the security of the system when the personal information is not used or subject to further unauthorized disclosure.

B. Personal Information

Personal information means:

- An individual's first name or initial combined with their last name **and** one or more of the following elements of information:
  - Social security number or the last four digits of the social security number
  - Driver's license number or Washington identification card number
  - Account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account, or any other numbers or information that can be used to access a person's financial account
  - Full date of birth
  - Private key that is unique to an individual and that is used to authenticate or sign an electronic record
  - Student, military, or passport identification number
  - Health insurance policy number or health insurance identification number
  - Any information about a consumer's medical history or mental or physical condition or about a health care professional's medical diagnosis or treatment of the consumer
  - Biometric data generated by automatic measurements of an individual's biological characteristics, such as a fingerprint, voiceprint, eye retinas, irises, or other unique biological patterns or characteristics that is used to identify a specific individual; or
  - An individual's username or email address in combination with a password or security questions and answers that would permit access to an online account; or

- Any of the data elements or any combination of the data elements listed above without the consumer's first name or first initial and last name if:
    - Encryption, redaction, or other methods have not rendered the data element or combination of data elements unusable; and
    - The data element or combination of data elements would enable a person to commit identity theft against a consumer.

C. Public Information

Personal information does not include publicly available information that is lawfully made available to the general public by local, state, or federal agency records. Public Information can contain similar elements as Personal Information. As an example: Data Subject A's full name and Driver's license number have been previously and lawfully released to the public. A second unauthorized release of the same information would not constitute a breach for the purposes of this Policy. An unauthorized release of an individual's name along with an account number with necessary authentication to effect purchases or access the account would constitute a breach for the purposes of this Policy.

4. Policy

A. Ascertaining Affected Parties

If FileLocal identifies a breach as defined above, FileLocal must identify the Data Subjects whose Personal Information has been disclosed or altered by unauthorized persons as soon as is practicable, without unreasonable delay.

B. Notification

- Method of Notification

  FileLocal must notify all affected parties in writing within thirty (30) days of discovering the breach, subject to limited exceptions provided by law. Notice may be provided by one of the following methods:

  - Written notice;
  - Electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in 15 U.S.C. Sec. 7001;
  - Substitute notice, if the agency demonstrates that the cost of providing notice would exceed two hundred fifty thousand dollars, or that the affected class of subject persons to be notified exceeds five hundred thousand, or the agency does not have sufficient contact information. Substitute notice shall consist of all of the following:
  - Email notice when the agency has an email address for the subject persons
  - Conspicuous posting of the notice on the agency's web site page, if the agency maintains one; and
  - Notification to major statewide media; or
  - If the breach of the security of the system involves personal information including a user name or password, notice may be provided electronically or by email. In such cases, the notice must, among other requirements, inform the person whose personal information has been breached to promptly change his or her password and security question or answer, as applicable, or to take other appropriate steps to protect the online account with the person or business and all other online accounts for which the person whose personal information has been breached uses the same user name or email address and password or security question or answer, However, when the breach of the security of the system involves login credentials of an email account furnished by the agency, the agency may not provide the notification to that email address, but must provide notice using another method described in the relevant statutes. The notice must inform the person whose personal information has been breached to promptly change his or her password and security question or answer, as applicable, or to take other appropriate steps to protect the online account

and all other online accounts for which the person whose personal information has been breached uses the same user name or email address and password or security question or answer.

- This notification may be on paper or electronic, but must be written in plain language and include:
- The name and contact information of the reporting agency subject to this section
- A list of the types of personal information that were or are reasonably believed to have been the subject of a breach
- A time frame of exposure, if known, including the date of the breach and the date of the discovery of the breach
- The toll-free telephone numbers and addresses of the major credit reporting agencies if the breach exposed personal information

.

C. Attorney General

If more than five hundred (500) Washington residents are affected by the breach, the State Attorney General must be notified in writing within thirty (30) days of discovering the breach. This notification must include:

- The number of Washington residents affected by the breach, or an estimate if the exact number is not known
- A list of the types of personal information that were or are reasonably believed to have been the subject of a breach
- A time frame of exposure, if known, including the date of the breach and the date of the discovery of the breach
- A summary of steps taken to contain the breach
- A single sample copy of the security breach notification, excluding any personally identifiable information.

The notice to the attorney general must be updated if any of the information identified in this subsection is unknown at the time notice is due.

Letters to the Attorney General should be reviewed by the agency's legal counsel.

D. Law Enforcement

If they have a good faith belief that the cause of the breach was a malicious actor, FileLocal shall contact the Federal Bureau of Investigation in the Seattle Field Office.

E. Staff Roles and Accountabilities

The Program Manager is responsible for administering this policy and preserving any related records as may be required under applicable laws, as well as conducting an annual review of this policy to ensure continued consistency with applicable law and regulation. The agency's legal counsel should be consulted as part of the annual review.

References and Compliance

ISO 27002:2013: Section 18.1 – Compliance with legal and contractual requirements

Rev. Code Wash. Chapter 19.255

Risk Management Policy

1. Introduction

This Risk Management Policy describes how FileLocal approaches the challenge of understanding and treating risk to its information resources. FileLocal must ensure that risks to its information systems are understood and treated appropriately and cost-effectively.

FileLocal defines information risk as the probable frequency and probable magnitude of future loss with respect to information resources.

2. Scope

All FileLocal staff and contractors must ensure that they carry out any identified responsibilities under this policy.

Any exceptions to this Risk Management Policy must undergo the risk management process. Exceptions must be approved and documented before implementation or as soon as feasible after discovery.

3. Information Risk Management Policy Statements

A. Timing of the Information Risk Assessment and Management Processes:

The risk management process must be performed before significant changes, after serious incidents, when new significant risk factors are identified, and at minimum annually. In addition, exceptions to security policies must undergo this process before implementation or as soon as feasible after discovery.

Risk assessments must be performed regularly or at major changes, according to the documented process.

B. Making and Documenting Decisions

Risk assessments are performed according to the Information Risk Assessment Process by the FileLocal Security Team or the asset owner. The FileLocal Security Team makes recommendations regarding treatment.

Each Low and Medium risk is reviewed by asset owners and treated according to the owner's judgment. No further documentation is required.

Each High risk must be appropriately treated and documented by senior leadership, as per the Information Risk Management Process, below.

The results of risk assessments and treatment decisions must be used to inform decisions regarding preventive security controls, logging and monitoring requirements, and business processes. Risk treatment decisions are made by the information or asset owners.

C. Reviewing the Risk Management Policy and Process

The Information Risk Management Policy and Process must be reviewed annually and updated based on the results of security assessments, audits, infrastructure changes, and incidents.

4. Information Risk Assessment Process

FileLocal uses the Binary Risk Assessment (BinRA) methodology documented https://binary.protect.io.

The risk analyst selects an information asset from the asset inventory and identifies one or more threat scenarios relevant to one or more probable loss events for this asset.

The risk analyst, in consultation with subject matter experts or asset owners, performs a BinRA for each threat scenario. If the assessment does not appropriately identify the risk to an asset, based on the analyst's understanding of the FileLocal environment, the assessment may be adjusted up or down one level with the approval of the Executive With Information Security Responsibilities. The assessments are documented and stored in location accessible by approved FileLocal personnel.

5. Information Risk Management Process

A. Assessing the Risk of Information Resources

Information resources must be assessed and documented according to the Information Risk Assessment Process, above. Risk assessments must consider the risk of fraud, misuse of insider information, misuse of privileged access by employees or contractors, and pressures that might consider someone to commit fraudulent activities.

B. Risk Treatment

Each Low and Medium risk is reviewed by information or asset owners and treated according to the owner's judgment. No further documentation is required.

Each High risk must be appropriately treated and documented. Decisions for treatment must be made by FileLocal senior leadership.

Risk treatment options include:

- Avoiding risk by discontinuing the activities that introduce it (for example, not storing cardholder data)
- Mitigating risk by introducing controls that reduce the probable frequency or probable magnitude of a loss (for example, sanitizing electronic media)
- Transferring risk to a third party by purchasing insurance or outsourcing a process
- Accepting risk by ensuring the appropriate level of management documents their agreement that FileLocal will cover any losses that result from the risk (or losses that result from any risk remaining after one of the previous treatments has been implemented)

Risk treatment plans must be assigned to the appropriate personnel for execution.

C. Documenting High Risks and Treatment Decisions

Low and Medium risks and any treatments do not require risk management documentation.

High risk assessments must be documented in the Risk Register. The risk assessments and Risk Register must be stored in a location accessible by approved FileLocal.

D. High Risks and Treatment Decisions

The Risk Register and associated documentation must be reviewed and updated annually by senior leadership to ensure that risks are appropriately understood and treated.

6. Staff Roles

A. Asset Owners

The asset owner is responsible for:

- Conducting or assisting the Executive With Information Security Responsibilities in conducting risk assessments
- Ensuring the accuracy and completeness of information used in risk assessments
- Determining risk treatments, if any, for Low and Medium risks to their assets
- Implementing approved risk treatments
- Notifying the Executive With Information Security Responsibilities of situations that would cause a change in the risk assessment

B. Senior Leadership

Senior leadership is responsible for:

- Determining and approving risk treatments for High risks
- Reviewing the Risk Register annually

C. Executive With Information Security Responsibilities

The Executive with Information Security Responsibilities is responsible for:

- Conducting or assisting asset owners in conducting risk assessments
- Approving any adjustments in the risk rating of a risk assessment
- Maintaining risk management documentation, including assessments and the Risk Register
- Facilitating the annual review of the Risk Register

RESOLUTION NO. FL2021-08

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board establishing the place and times for meetings of the Executive Board in 2022.

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

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

Now therefore,

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

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

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

SECTION 3. The Board is expressly authorized to meet with one or more members attending by remote access technology, rather than in person, during the pendency of the COVID-19 pandemic and consistent with the Governor's emergency Proclamation 20-28.12 et seq.

ADOPTED this _____ day of _____, 2021.

ATTEST:

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

_____
Board Secretary

_____
Board Chair

Executive Board Meetings, 2022

For the duration of the COVID-19 pandemic and related emergency orders issued by Governor Inslee, including Proclamation 20-05 and 20-28.12 et seq., all Executive Board meetings will be held via Microsoft Teams, with an option for the public to attend by telephonic access. The meeting call-in number is 206-686-8357. The dates and conference ID numbers are listed below.

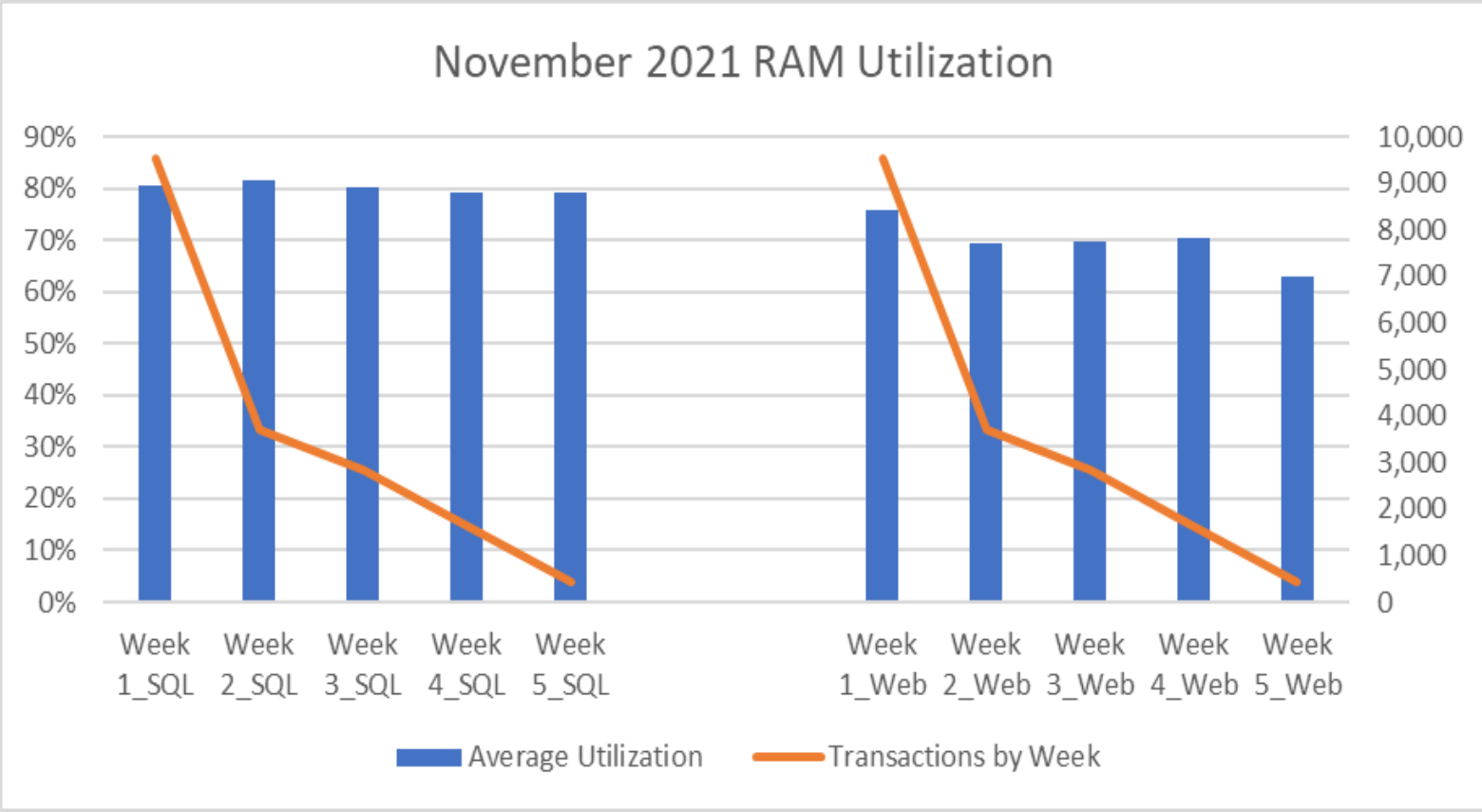
Dates	Conference ID	Time
March 24, 2022	**692 468 384**	**11:00a.m.**
May 26, 2022	**292 127 648**	**11:00a.m.**
September 29, 2022	**434 096 264**	**11:00a.m.**
December 15, 2022	**934 334 342**	**11:00a.m.**

Operations Committee Meetings, 2022

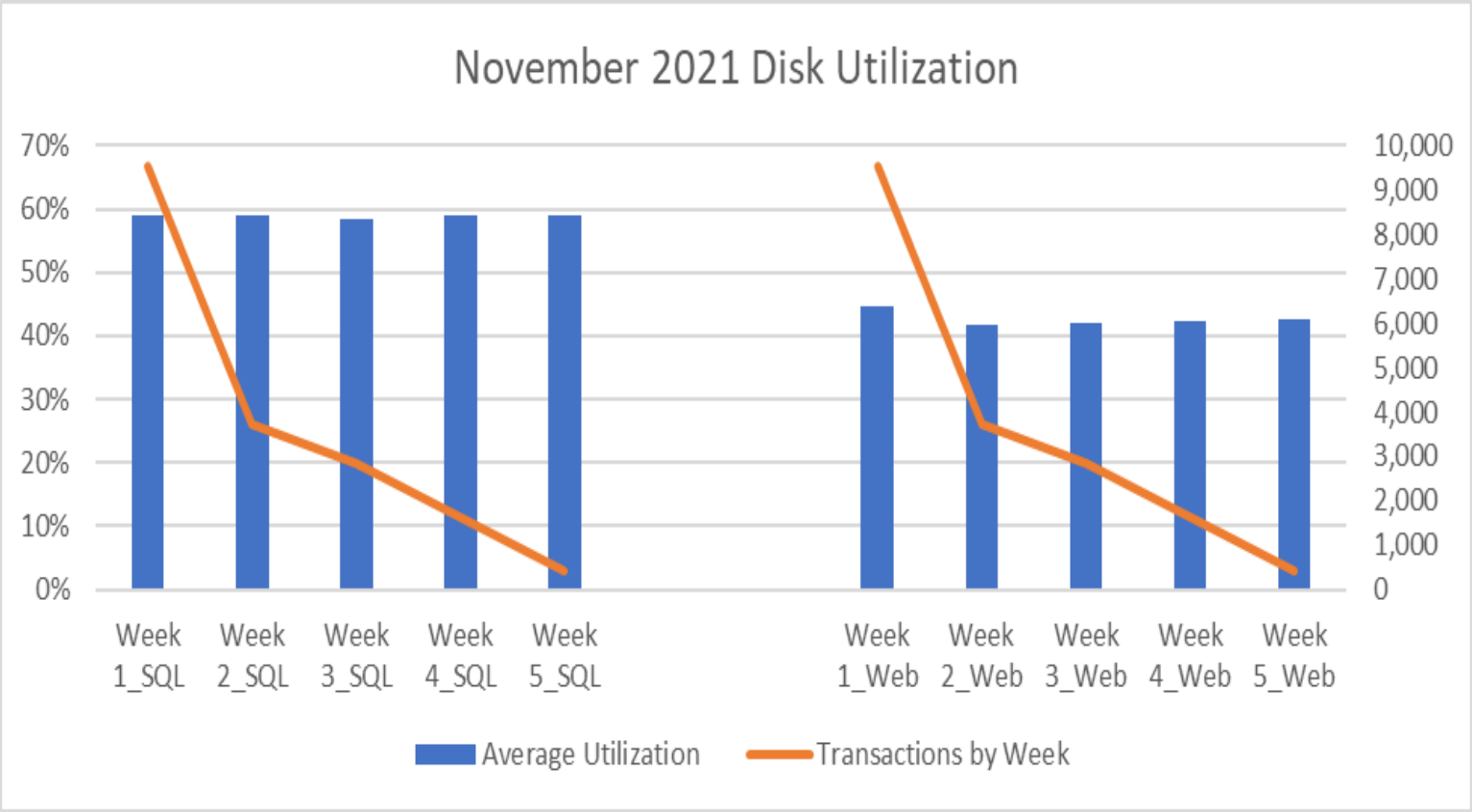
Date	Conference ID	Time
March 16, 2022	**917 099 317**	**11:00a.m.**
May 11, 2022	**311 045 896**	**11:00a.m.**
September 14, 2022	**510 267 477**	**11:00a.m.**
November 30, 2022	**194 959 746**	**11:00a.m.**

FileLocal: Monthly Business Review

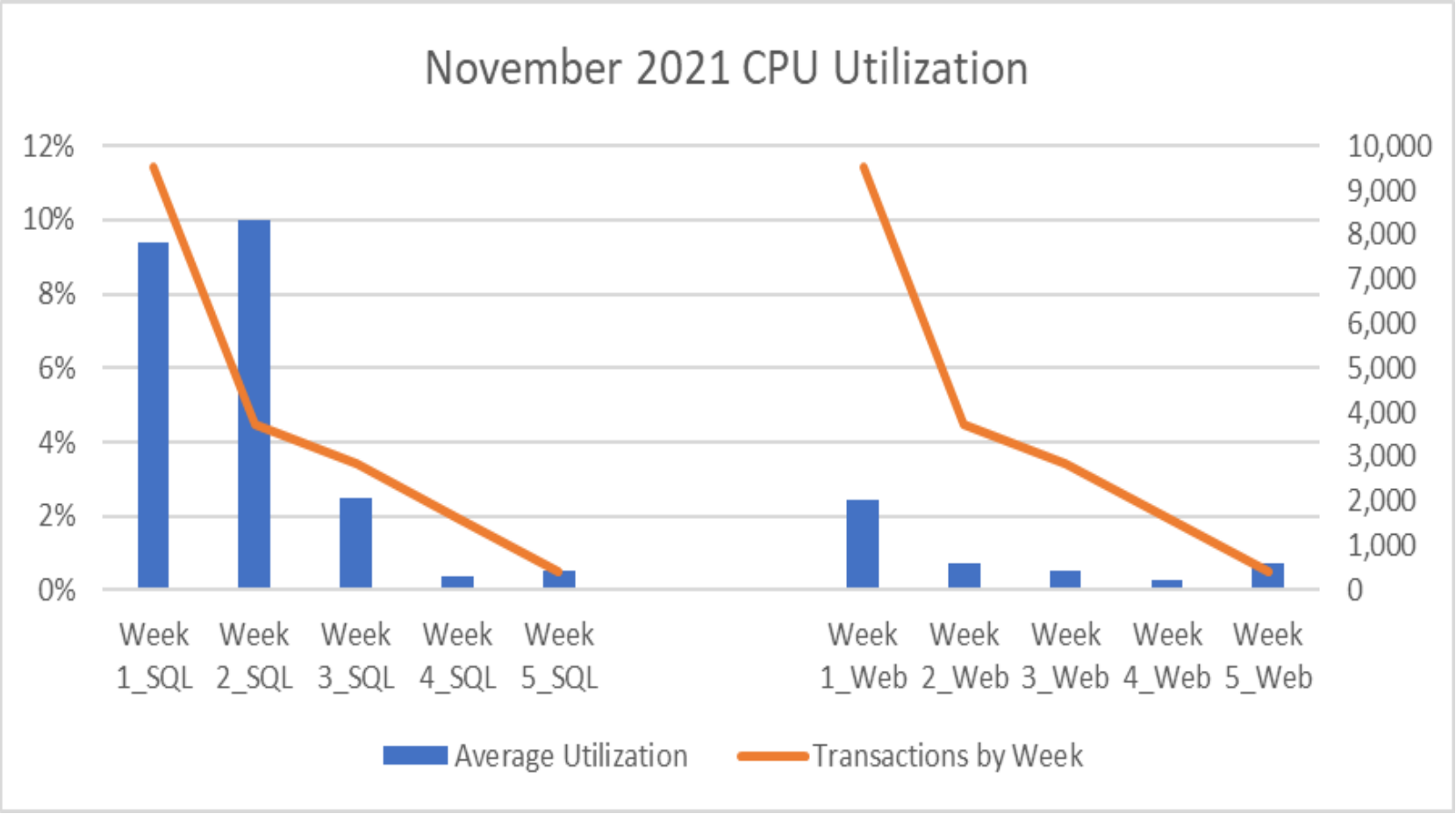
November 2021



RAM Utilization averaged 80% for the SQL Servers and 70% for the Web Servers. Both percentages are within acceptable bounds



Disk Utilization averaged 59% for the SQL Servers and 43% for the Web Servers. Both percentages are within acceptable bounds.



CPU Utilization averaged 5% for the SQL Servers and 1% for the Web Servers. Both percentages are within acceptable bounds.

November'21	1 Week	2 Weeks	3+ Weeks	Total
In Progress	1	1	12	14
Ready to Start	0	0	0	0
Escalated	5	6	90	101
Waiting for customer	4	1	10	15
Pending	0	0	1	1
Subtotal FY21	10	8	113	131
<FY21	0	0	13	13
Total Tickets	10	8	126	144

October'21	1 Week	2 Weeks	3+ Weeks	Total
In Progress	5	1	12	22
Ready to Start	10	0	1	1
Escalated	20	3	67	124
Waiting for customer	8	7	16	49
Pending	0	0	2	4
Subtotal FY21	43	11	98	200
<FY21	0	0	24	24
Total Tickets	33	44	136	213

Delta	1 Week	2 Weeks	3+ Weeks	Total
In Progress	4	0	0	4
Ready to Start	10	0	1	11
Escalated	15	-3	-23	-11
Waiting for customer	4	6	6	16
Pending	0	0	1	1
Subtotal FY21	33	3	-15	21
<FY21	0	0	11	11
Total Tickets	33	3	-4	32

Production support tickets are down by 32 tickets month over month. During the quarter, Avenu focused on a few key objectives. Programmatically improving the batch process, and working down the 2 and 3+ week buckets.

Programmatic improvements were made to the batch process resulting in a material reduction in batch issues. These improvements allowed development resources to quickly pivot to current weeks issues and address older items.

	# Handled	Average Handle Time (AHT)	Average Speed of Answer (ASA)	# Abandoned	% Abandoned	# Missed	% Missed
November Call Center Info	3030	5.78	5.04	147	4.21%	133	4.00%
October Call Center Info	2154	6.93	2.16	82	3.61%	81	3.61%
Month over Month Change	-876	1.14	-2.88	-65	-0.60%	-52	-0.39%

Call Center Reports - the vendor implemented a new call center reporting tool in Q3'21. The Agency meets with the vendor weekly to review key metrics. Avenu experienced a significant surge in November compared to the prior year - transactions are up by 7,822 or 78%. Increases in calls handled, average speed of answer, abandoned and missed are the result of this increase and were addressed early in the month.

Average MOS (Mean Option Score)

The average rating across all calls to indicate the quality of service rendered. It is based on a scale of 1 – 5, with 5 being the best score, and 1 being the worst score. Industry averages are around 4.3, which is considered excellent. - (Higher is better).

 # Handled

The total number of calls that were answered by agents.

AHT (Average Handle Time)

The average time, from start to finish, that a contact was connected with an agent (average handle time). It includes talk time, hold time, and After Contact Work (ACW) time. AHT is calculated by averaging the amount of time between the contact being answered by an agent and the completion of work on that contact by an agent.

ASA (Average Speed of Answer)

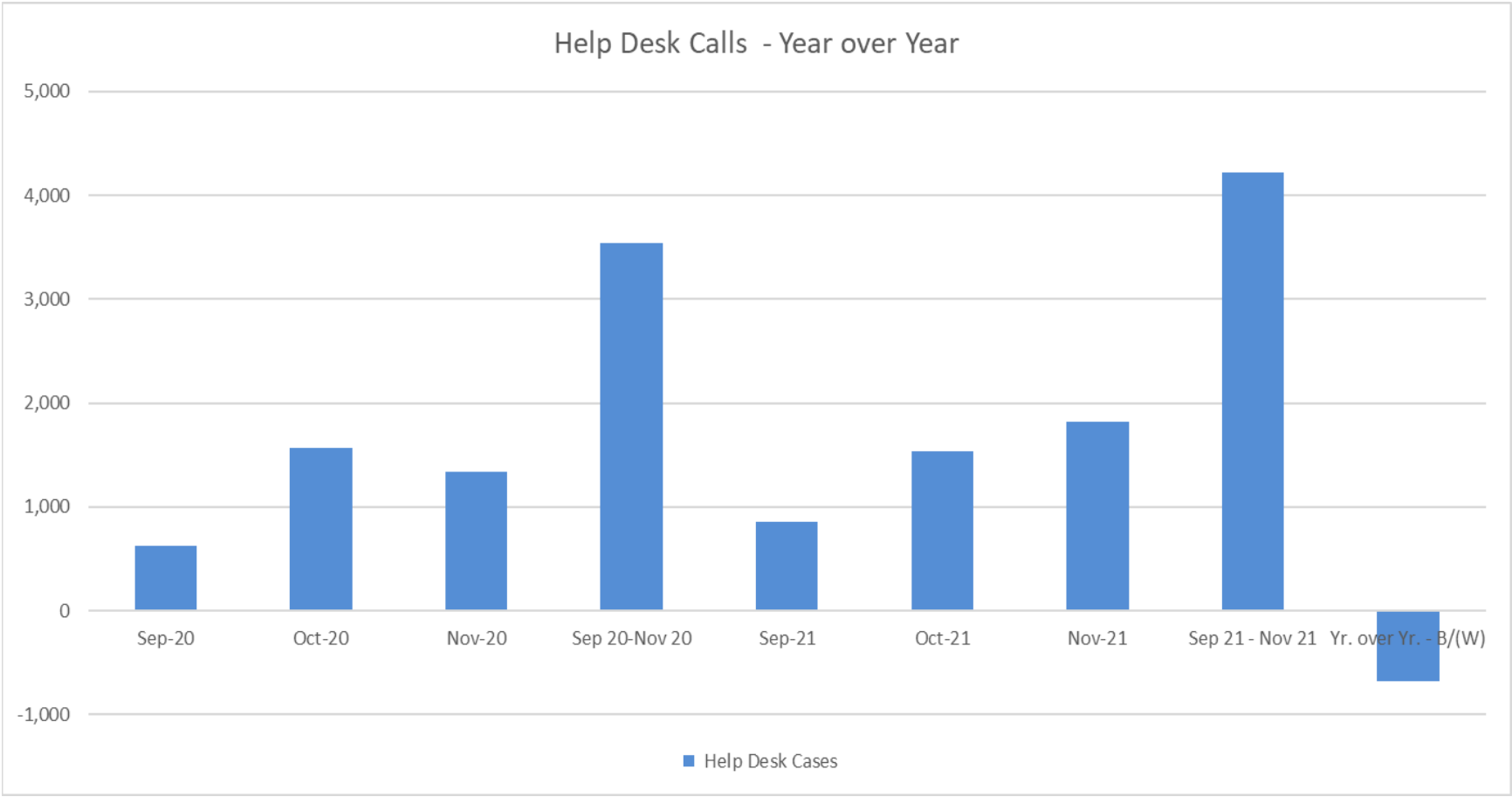
The average time from when a call is in the queue, to the time that it is answered by an agent.

Abandoned /Abandoned %

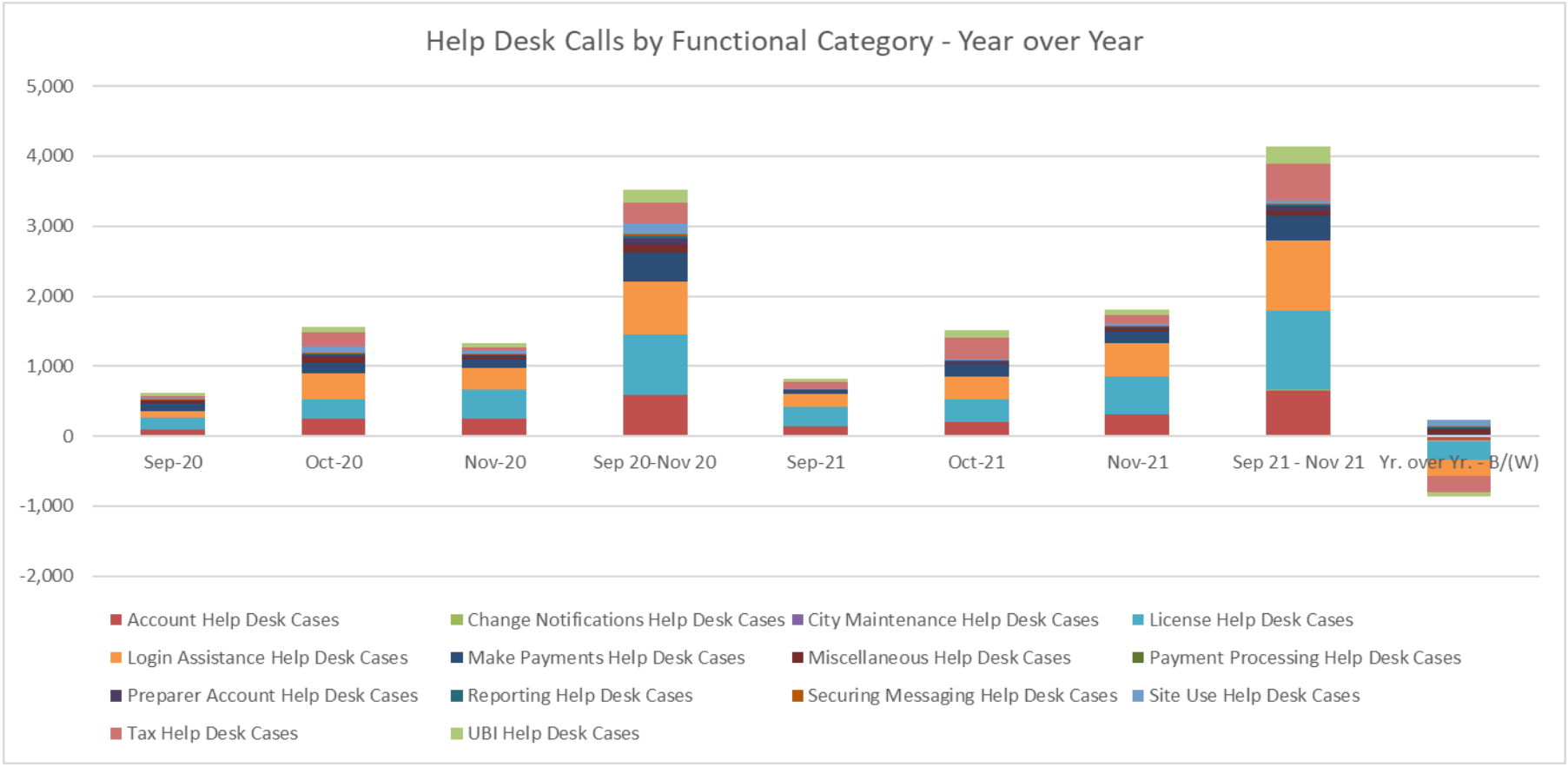
Count of calls disconnected by the customer while in the queue during the specified time range. Calls queued for callback are not counted as abandoned.

Missed / Missed %

Count of calls routed to an agent but not answered by that agent, including calls abandoned by the customer. If a call is not answered by a given agent, we attempt to route it to another agent to handle; the call is not dropped. Because a single call can be missed multiple times (including by the same agent), it can be counted multiple times: once for each time it is routed to an agent but not answered.



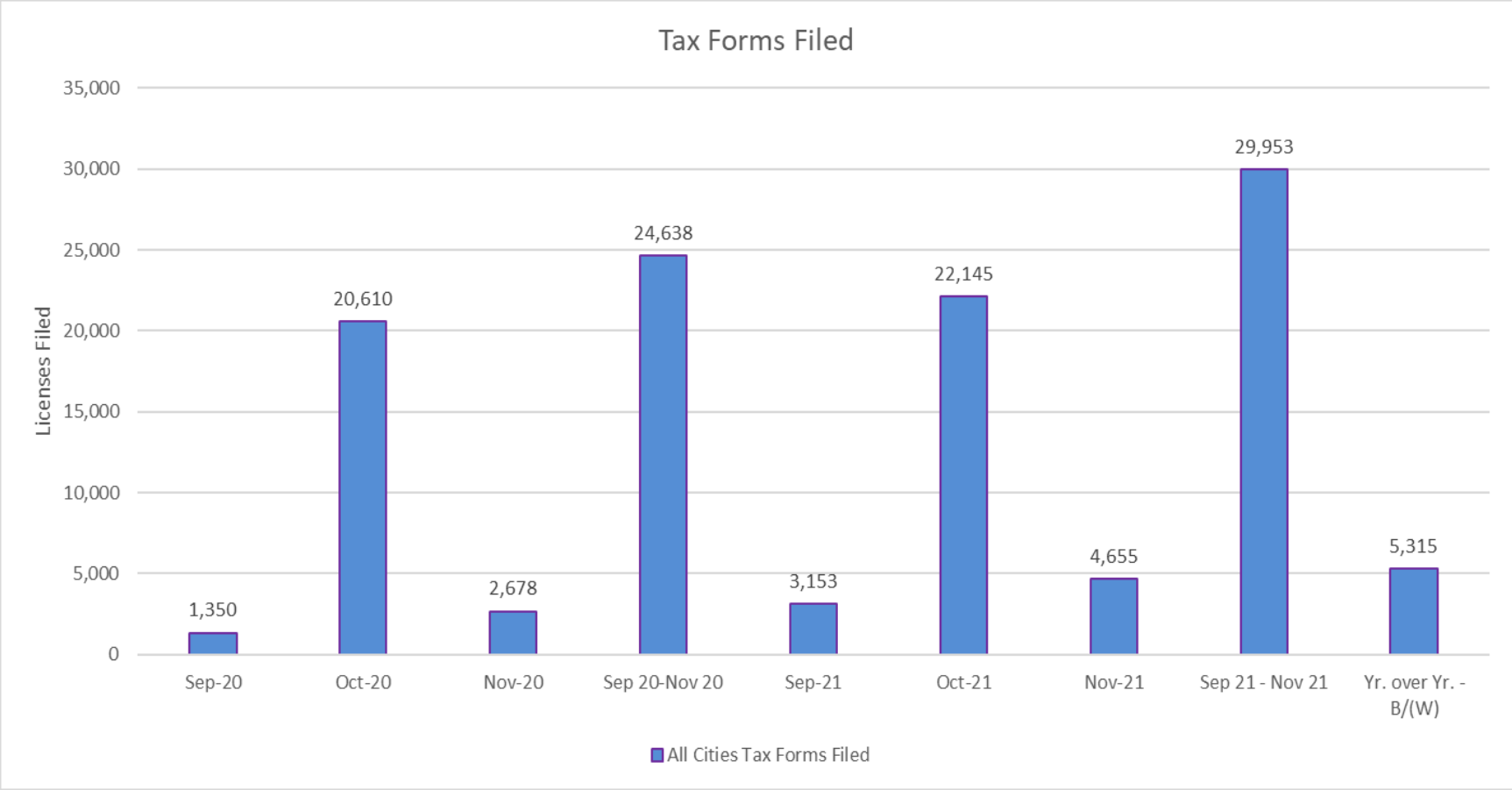
Help Desk Calls by Functional Category	Help desk calls totaled 4,217 for the three months ending November 2021. This is 8.1% of the accounts created and transactions processed which is .1% lower than the same three months in the prior year. Three items make up 66% of the calls. Licenses (27%), Login Assistance (24%), and Help Desk Cases (15%).



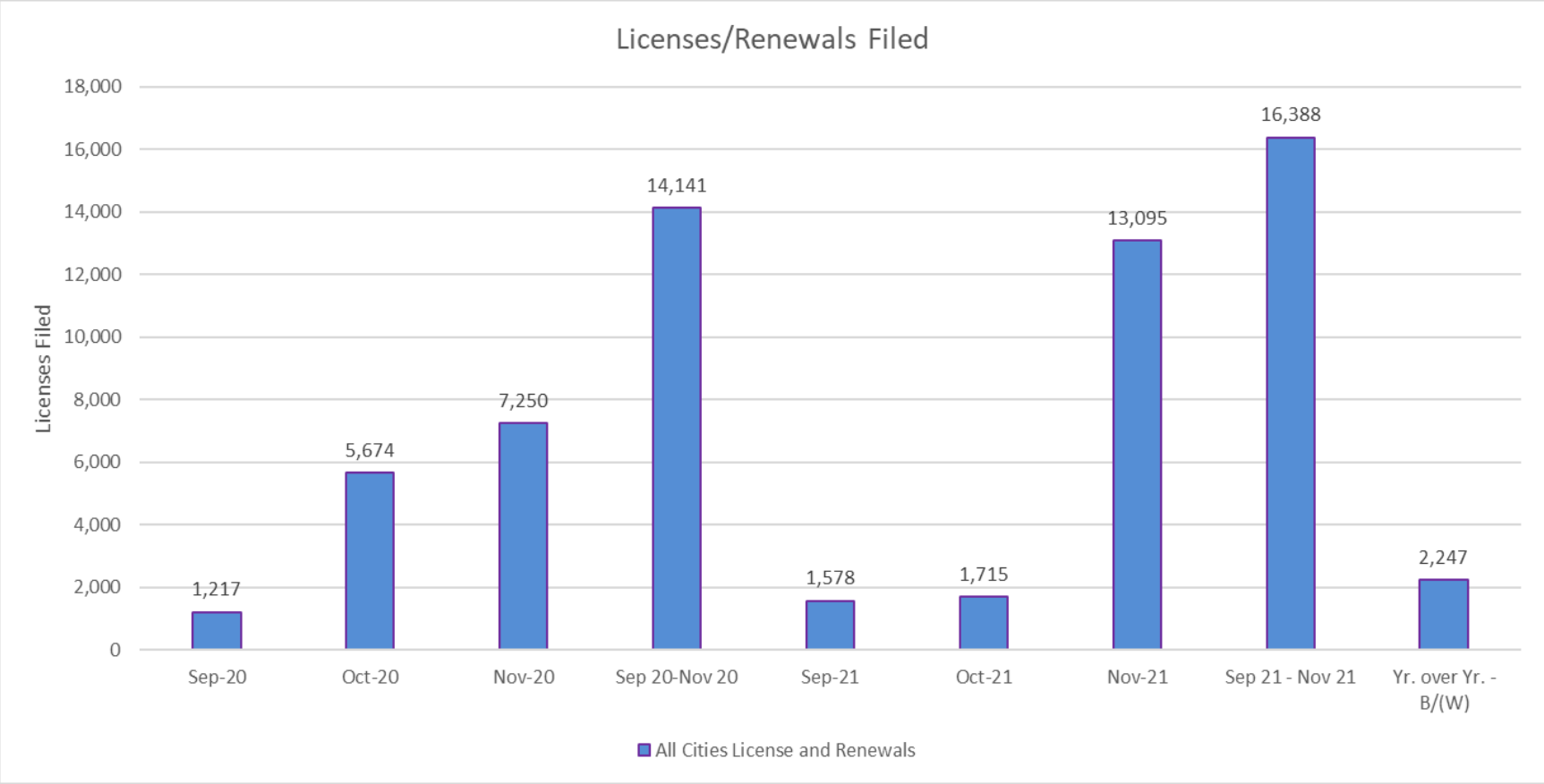
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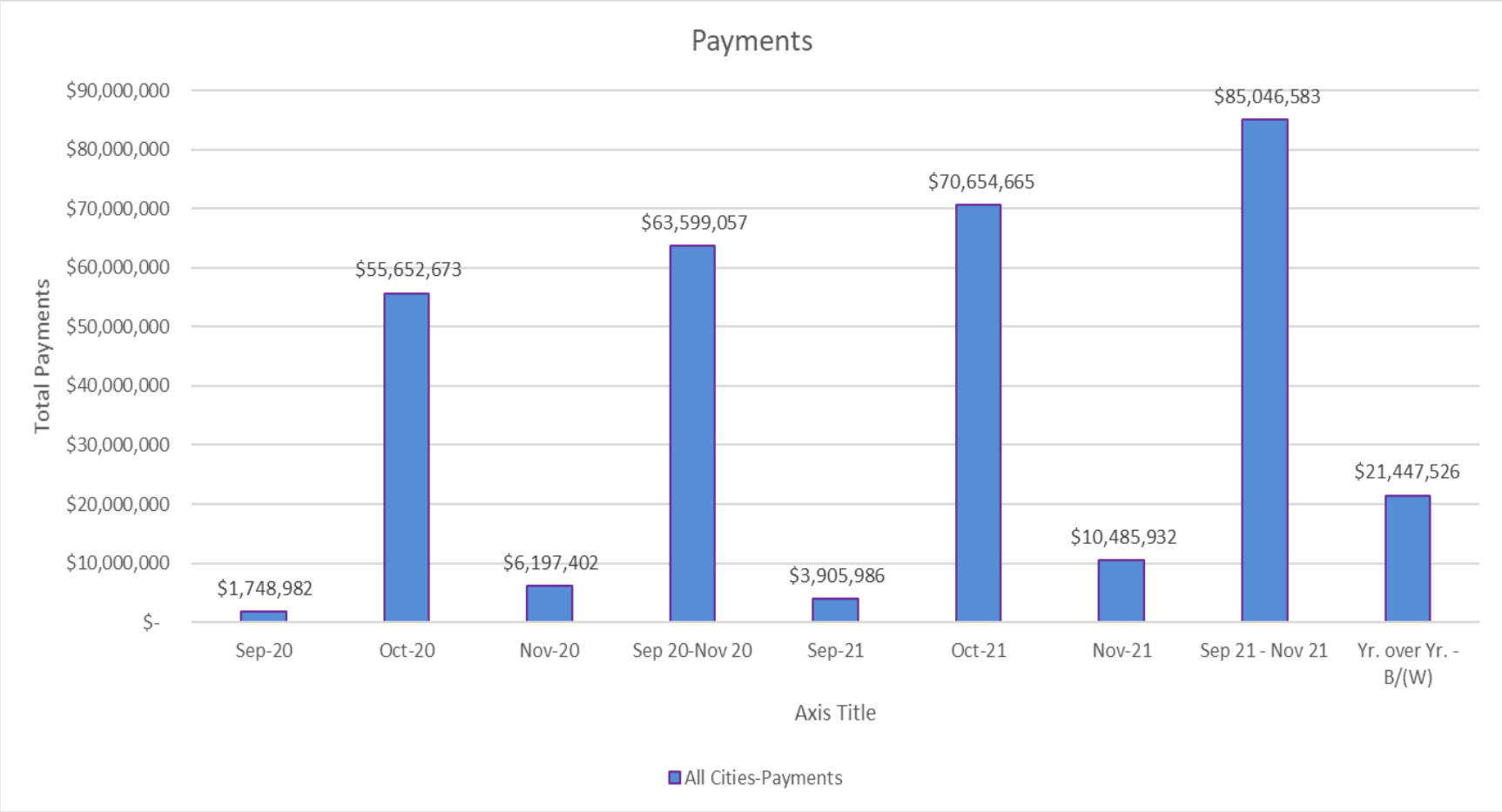
Accounts Created	Accounts created for the 3 months ended November 2021 were 5,504 which is down 15 compared to the same 3 months in the prior year. 5 of the cities were up and 5 cities were down - Bellevue up 40, Bremerton down 45, Des Moines up 5, Everett down 20, Kent is up 35, Lake Forest Park down 1, Renton up 50, Seattle up 0, Shoreline down 7, Snoqualmie up 25 and Tacoma down 97.



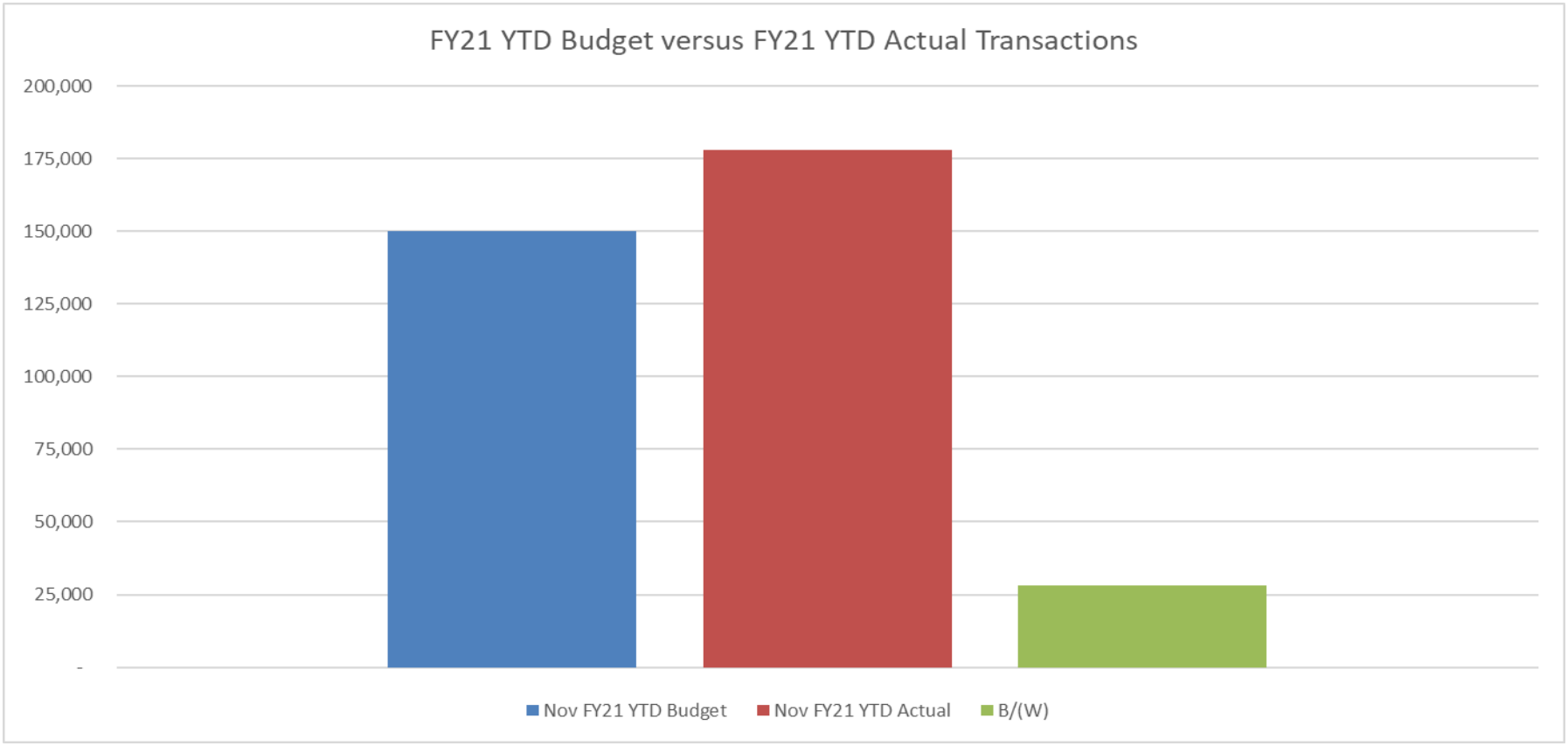
Tax Forms Filed	Tax Forms filed for the 3 months ended November 2021 were 29,953 which is up 5,315 filings compared to the same 3 months from the prior year. 2 cities were down and 7 cities were up. Bellevue up 500, Bremerton down 167, Des Moines up 100, Everett up 1,196, Kent doesn't file tax returns , Lake Forest Park up 87, Renton up 469, Seattle up 2,287, Shoreline down 9, Snoqualmie up 313 and Tacoma up 539.



Licenses/Renewals Filed	License/Renewals created for the 3 months ended November 2021 were 16,388 which is up 2,247 filings compared to the same 3 months from the prior year. 4 cities were down and 6 cities were up. Bellevue up 41, Bremerton down 107, Des Moines up 70, Everett up 23, Kent up 221 , Lake Forest Park down 6, Renton down 7, Seattle up 2,061, Shoreline up 58, Snoqualmie up 15 and Tacoma down 122.



Payments Made by City	Payments made for the 3 months ended November 2021 were $85,046k which is up $21,447k (34%) compared to the same 3 months from the prior year. Note: year to year quarterly comparisons may not be one to one due to covid related tax deferrals.



Transactions YTD Budget versus YTD Actual	YTD Transactions FY21 Budget versus Actual is 149,924 (B) compared to 177,946 (A) which is favorable by 28,022 or 19%. This projects to 196,708 which is up 19% from the prior year actuals. Payments are $293,600k YTD and project to $324,556k. This is a growth of $114,212k or 54% versus FY20 actuals.

User Account Sign-Up Metrics

Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Users that completed email validation	3,168	1,799	1,680	2,531	1,371	1,377	1,543	1,407	1,426	1,590	1,806
% of users that completed email validation	98%	97%	98%	97%	99%	97%	98%	98%	98%	97%	97%
Users that completed email validation and assigned a license	2,116	1,184	1,142	1,678	914	944	1,073	962	941	1,089	1,249
% of users that completed email validation and assigned a license	67%	66%	68%	66%	67%	69%	70%	68%	66%	68%	69%
Filed a Tax Return for the First Time	1,246	625	633	1,014	471	446	608	564	550	621	647

Seattle Import Account Sign-Up Metrics

Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Seattle Import Started	70	39	16	58	10	7	11	5	8	3	7
Seattle Import Completed	66	35	13	52	10	7	7	5	8	3	4
Seattle - % that started and completed import	94%	90%	81%	90%	100%	100%	64%	100%	100%	100%	57%

Workplan 2022

December 2021

FileLocal Workplan 2022

2022 Schedule	Tasks
January	• *No board meeting, No operations committee meeting*
February	• *No board meeting, No operations committee meeting* • Schedule Quarterly Program Manager City Meetings
March **OC = 16th** **EB = 24th**	• Hold "annual meeting" per Bylaws (§4.5) • Other items (review minutes, financial statements, etc.) • Per ILA present draft budget to board • **RESOLUTION ELECTION OF OFFICERS** • Operational Updates
April	• No board meeting. No operations committee meeting • Schedule Quarterly Program Manager City Meetings
May **OC = 11th** **EB = 26th**	• Other items (review minutes, financial statements, etc.) • **RESOLUTION FY2023-FY2027 Draft Budget** • **RESOLUTION RENEWAL SECURITY SERVICES CONTRACT (expires 7/15/22)** • Operational Updates • **2021 Financial Report due to State Auditor no later than 5/30/22**
June	• *No board meeting, No operations committee meeting* • **Send draft budget to subscriber cities by June 15.** • **City of Seattle – ITD Contract (Expires 6/30/22)**
July	• *No board meeting, No operations committee meeting* • **Leviathan Contract (expires 7/15/22)**
August	• *No board meeting, No operations committee meeting* • Schedule Quarterly Program Manager City Meetings
September **OC = 14th** **EB = 29th**	• Other items (review minutes, financial statements, etc.) • Operational Updates
October	• *No board meeting, No operations committee meeting*
November **OC = 30th**	
December **EB = 16th**	• Other items (review minutes, financial statements, etc.) • **RESOLUTION APPROVING MEETING SCHEDULE FOR 2023** • **RESOLUTION FINAL BUDGET FY2023-FY2027** • **RESOLUTION ACCOUNTING SERVICES CONTRACT** • **RESOLUTION RENEWAL LOANED STAFF AGREEMENT** • Operational Updates • **Send final budget to subscriber cities** • **Send Annual Budget City Billings to Francis & Company by 1/15/23** • **Renew Annual Business Licenses (expires 12/31/22)** • **Francis and Company Contract (expires 12/31/22)** • **Loaned Staff Agreement (expires 12/31/22)**

Vendor Warrant List – 3rd Quarter 2021

December 2021

FileLocal
Quarterly Warrant List
9/30/2021

Vendor Name	Payment for Current Quarter	Payments Year-To-Date
Association of Washington Cities	10.00	310.00
City of Seattle Treasury Dept	88,540.71	291,420.19
e.Gov Systems	146,806.70	631,236.45
Francis & Company	10,841.75	33,759.00
Kevin Fitzpatrick	-	400.00
Kubra	8,662.00	8,662.00
Leviathan	9,399.00	15,449.00
Madrona Law Group, PLLC	1,950.00	5,070.00