RESOLUTION NO. FL2024-03

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Adopting a Draft Budget for 2025-2029.

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 2025-2029 by June 15, 2024; and

Whereas, the Program Manager shall present a proposed budget to the Executive Board no later than May 1 before 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 2025-2029 budget; and

Whereas, the Operations Committee received a draft 2025-2029 budget on March 6, 2024, and transmitted the draft budget to the Executive Board on March 21, 2024; and

Whereas, the draft 2025-2029 budget was revised in Attachment A to FL2024-02 on May 6, 2024, for the addition of the City of Poulsbo as a subscriber member; and

Whereas, the draft budget must be approved by a supermajority vote by June 15, 2024, and forwarded to the Principal Cities by no later than July 1, 2024;

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 2025-2029 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, 2024.

ADOPTED this 6th day of June 2024.

ATTEST:

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

Julie Panick
Julie Panick (Jun 14, 2024 10:31 PDT)

Board Secretary

Jamie Carnell (Jun 14, 2024 10:26 PDT)

Board Vice-Chair

Washington Cities Business License and Tax Portal Agency
Draft 2025- 2029 Budget (May 2024)
Summary

Budget		Actual (A), Projection (P), Budget (B) 2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	2023 (A) vs 2024 (P)	2024 (P) vs 2025 (B)	2025 (B) vs 2026 (B)	2026 (B) vs 2027 (B)	2027 (B) vs 2028 (B)	2028 (B) vs 2029 (B)
User Fees	1	767,588	746,330	771,893	783,472	793,265	797,231	801,189	(21,258)	25,564	11,578	9,793	3,966	3,957
Revenue		**767,588**	**746,330**	**771,893**	**783,472**	**793,265**	**797,231**	**801,189**	**(21,258)**	**25,564**	**11,578**	**9,793**	**3,966**	**3,957**
Contract Labor	2	(532,687)	(494,409)	(503,992)	(517,446)	(531,304)	(545,578)	(560,279)	38,278	(9,583)	(13,454)	(13,858)	(14,274)	(14,701.73)
Contracts	3	(68,867)	(70,771)	(87,447)	(74,280)	(76,159)	(93,086)	(80,062)	(1,905)	(16,676)	13,167	(1,879)	(16,927)	13,024
Overhead	4	(26,654)	(30,254)	(32,935)	(33,768)	(34,623)	(35,499)	(36,397)	(3,600)	(2,681)	(833)	(854)	(876)	(898)
Technology Costs	5	(588,509)	(1,349,584)	(1,416,310)	(1,734,626)	(1,711,890)	(1,657,279)	(1,814,044)	(761,075)	(66,726)	(318,316)	22,736	54,611	(156,766)
Transaction Fees	6	(246,983)	-	-	-	-	-	-	246,983	-	-	-	-	-
Operating Costs		**(1,463,699)**	**(1,945,018)**	**(2,040,684)**	**(2,360,121)**	**(2,353,976)**	**(2,331,441)**	**(2,490,782)**	**(481,319)**	**(95,666)**	**(319,436)**	**6,145**	**22,535**	**(159,341)**
Operating Deficit		**(696,111)**	**(1,198,689)**	**(1,268,791)**	**(1,576,649)**	**(1,560,711)**	**(1,534,210)**	**(1,689,594)**	**(502,577)**	**(70,102)**	**(307,858)**	**15,938**	**26,501**	**(155,384)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	(31,519)	340,956	70,468	271,641	198,863	(114,366)	(159,835)	372,475	(270,488)	201,173	(72,778)	(313,229)	(45,469)
Investment income	9	88,269	46,440	-	-	-	-	-	(41,830)	(46,440)	-	-	-	-
Cost Reimbursement	10	778,175	812,793	1,198,323	1,305,008	1,361,848	1,648,576	1,849,429	34,618	385,530	106,685	56,840	286,728	200,853
Surplus/ (Deficit)		**138,814**	**1,500**	**-**	**-**	**-**	**-**	**-**	**(137,314)**	**(1,500)**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft 2025 - 2029 Budget (May 2024)
Notes and key assumptions

Revenue

User Fees	1	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.

Operating Costs

Contract Labor	2	Labor is broken into two primary categories. Agency employees are budgeted based on the City of Seattle estimates and Incremental Labor is based on new city additions with the calculation determined in the Interlocal Agreement.
Contracts	3	Contracts are comprised of Outside Accounting, State Auditor, Insurance, and Bank Fees.
Overhead	4	Overhead comprise of Legal, City of Seattle Technology Fees, Office and Operating Supplies, Licensing and Membership and Travel.
Technology Costs	5	Technology Costs comprise of Software as a Services (SAAS), Software Development, Platform Replacement, Web Security and Project Management.
Transaction Fees	6	Transaction fees historically represented the per transaction fee charged by the Platform software provider. Under the new agreement these costs have been converted into a fixed SAAS fee included in Technology costs above.

Operating Deficit		The amount by which the User Fees are less than the amount necessary to pay all Operating Expenses.
Capital Cost Recovery	7	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. Funds are collected on and paid to Seattle on their behalf.
Reserves	8	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.
Investment income	9	Income generated by bank deposits and interest-bearing assets.
Cost Reimbursement	10	An annual amount paid by participating cities to cover the operating deficit. From 2025 the charge is based on budgeted transitions.

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) vs Final Budget 2024-2028 (Dec 2023)

		Draft 2025- 2029 Budget (May 2024)							Final 2024- 2028 Budget (December 2023)					
		Actual (A), Projection (P), Budget (B)							Actual (A), Projection (P), Budget (B)					
Budget		**2023 (A)**	**2024 (P)**	**2025 (B)**	**2026 (B)**	**2027 (B)**	**2028 (B)**	**2029 (B)**	**2023 (P)**	**2024 (B)**	**2025 (B)**	**2026 (B)**	**2027 (B)**	**2028 (B)**
User Fees	1	767,588	746,330	771,893	783,472	793,265	797,231	801,189	757,594	791,749	870,924	958,016	1,053,818	1,159,200
Revenue		**767,588**	**746,330**	**771,893**	**783,472**	**793,265**	**797,231**	**801,189**	**757,594**	**791,749**	**870,924**	**958,016**	**1,053,818**	**1,159,200**
Contract Labor	2	(532,687)	(494,409)	(503,992)	(517,446)	(531,304)	(545,578)	(560,279)	(521,783)	(484,120)	(490,930)	(497,944)	(505,169)	(512,610)
Contracts	3	(68,867)	(70,771)	(87,447)	(74,280)	(76,159)	(93,086)	(80,062)	(78,098)	(70,771)	(87,562)	(74,398)	(76,280)	(93,210)
Overhead	4	(26,654)	(30,254)	(32,935)	(33,768)	(34,623)	(35,499)	(36,397)	(40,011)	(41,023)	(42,061)	(43,125)	(44,216)	(45,335)
Technology Costs	5	(588,509)	(1,349,584)	(1,416,310)	(1,734,626)	(1,711,890)	(1,657,279)	(1,814,044)	(655,599)	(1,349,584)	(1,368,840)	(1,503,931)	(1,641,435)	(1,784,315)
Transaction Fees	6	(246,983)	-	-	-	-	-	-	(246,983)	-	-	-	-	-
Operating Costs		**(1,463,699)**	**(1,945,018)**	**(2,040,684)**	**(2,360,121)**	**(2,353,976)**	**(2,331,441)**	**(2,490,782)**	**(1,542,472)**	**(1,945,499)**	**(1,989,393)**	**(2,119,398)**	**(2,267,101)**	**(2,435,470)**
Operating Deficit		**(696,111)**	**(1,198,689)**	**(1,268,791)**	**(1,576,649)**	**(1,560,711)**	**(1,534,210)**	**(1,689,594)**	**(784,878)**	**(1,153,749)**	**(1,118,469)**	**(1,161,381)**	**(1,213,283)**	**(1,276,270)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	(31,519)	340,956	70,468	271,641	198,863	(114,366)	(159,835)	(231,371)	340,956	(6,584)	(19,501)	(22,155)	(25,255)
Investment income	9	88,269	46,440	-	-	-	-	-	79,607	-	-	-	-	-
Cost Reimbursement	10	778,175	812,793	1,198,323	1,305,008	1,361,848	1,648,576	1,849,429	778,175	812,793	1,125,053	1,180,882	1,235,438	1,301,526
Surplus/ (Deficit)		**138,814**	**1,500**	**-**	**-**	**-**	**-**	**-**	**(158,467)**	**-**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025- 2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Budget Delta

		Delta					
Budget		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
User Fees	1	9,994	(45,419)	(99,031)	(174,545)	(260,553)	(361,968)
Revenue		**9,994**	**(45,419)**	**(99,031)**	**(174,545)**	**(260,553)**	**(361,968)**
Contract Labor	2	(10,904)	(10,289)	(13,062)	(19,502)	(26,135)	(32,967)
Contracts	3	9,231	-	115	118	121	124
Overhead	4	13,357	10,769	9,126	9,357	9,594	9,836
Technology Costs	5	67,089	-	(47,470)	(230,695)	(70,454)	127,036
Transaction Fees	6	-	-	-	-	-	-
Operating Costs		**78,773**	**480**	**(51,292)**	**(240,723)**	**(86,875)**	**104,029**
Operating Deficit		**88,767**	**(44,939)**	**(150,322)**	**(415,267)**	**(347,428)**	**(257,939)**
Capital Cost Recovery	7	-	-	-	-	-	-
Reserves	8	199,852	(0)	77,052	291,142	221,018	(89,111)
Investment income	9	8,663	46,440	-	-	-	-
Cost Reimbursement	10	-	-	73,270	124,126	126,410	347,050
Surplus/ (Deficit)		**297,281**	**1,500**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025 - 2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Cost Reimbursement

	Draft 2025 - 2029 Budget (May 2024)						
	Actual (A), Projection (P), Budget (B)						
	2023 (A)	2024 (F)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)
Auburn	9,850	10,978	8,741	9,519	9,934	12,026	13,424
Bellevue	67,041	74,716	137,979	150,263	156,807	189,822	212,957
Bremerton	-	-	-	-	-	-	-
Des Moines	14,957	7,192	21,036	22,908	23,906	28,939	32,466
Everett	31,198	34,769	106,714	116,214	121,276	146,810	164,702
Kent	16,258	10,234	13,236	14,415	15,043	18,210	20,429
Lake Forest Park	7,587	6,134	15,005	16,340	17,052	20,642	23,158
Poulsbo	-	-	9,315	10,144	10,586	12,815	14,376
Renton	33,405	25,640	71,138	77,471	80,846	97,867	109,795
Seattle	460,549	513,272	603,703	657,450	686,086	830,537	931,758
Shoreline	12,686	9,064	21,582	23,503	24,527	29,691	33,310
Snoqualmie	16,258	-	-	-	-	-	-
Tacoma	108,386	120,794	189,875	206,779	215,786	261,218	293,054
Total	**778,175**	**812,793**	**1,198,323**	**1,305,008**	**1,361,848**	**1,648,576**	**1,849,429**

	Final 2024- 2028 Budget (December 2023)					
	Actual (A), Projection (P), Budget (B)					
	2023 (P)	2024 (B)	2025 (B)	2026 (B)	2027 (B)	2028 (B)
Auburn	9,850	10,978	6,718	7,052	7,378	7,772
Bellevue	67,041	74,716	135,471	142,194	148,763	156,721
Bremerton	-	-	-	-	-	-
Des Moines	14,957	7,192	17,957	18,849	19,719	20,774
Everett	31,198	34,769	100,243	105,217	110,078	115,967
Kent	16,258	10,234	12,445	13,063	13,667	14,398
Lake Forest Park	7,587	6,134	14,165	14,868	15,555	16,387
Poulsbo	-	-	-	-	-	-
Renton	33,405	25,640	60,584	63,590	66,528	70,087
Seattle	460,549	513,272	579,513	608,271	636,372	670,414
Shoreline	12,686	9,064	17,493	18,361	19,209	20,237
Snoqualmie	16,258	-	-	-	-	-
Tacoma	108,386	120,794	180,462	189,417	198,168	208,769
Total	**778,175**	**812,793**	**1,125,053**	**1,180,882**	**1,235,438**	**1,301,526**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024- 2028 (Dec 2023)
Cost Reimbursement Delta

	Delta					
	2023	**2024**	**2025**	**2026**	**2027**	**2028**
Auburn	-	-	2,023	2,468	2,556	4,253
Bellevue	-	-	2,507	8,069	8,044	33,101
Bremerton	-	-	-	-	-	-
Des Moines	-	-	3,078	4,060	4,187	8,165
Everett	-	-	6,471	10,997	11,198	30,843
Kent	-	-	791	1,352	1,376	3,812
Lake Forest Park	-	-	840	1,473	1,497	4,255
Poulsbo	-	-	9,315	10,144	10,586	12,815
Renton	-	-	10,554	13,881	14,318	27,780
Seattle	-	-	24,190	49,179	49,713	160,122
Shoreline	-	-	4,089	5,142	5,318	9,454
Snoqualmie	-	-	-	-	-	-
Tacoma	-	-	9,413	17,362	17,617	52,449
Total	**-**	**-**	**73,270**	**124,126**	**126,410**	**347,050**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 2023)
Capital Cost

	Draft 2025 - 2029 Budget (May 2024)							Final 2024- 2028 Budget (December 2023)					
	Actual (A), Projection (P), Budget (B)							Actual (A), Projection (P), Budget (B)					
	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	2023 (P)	2024 (B)	2025 (B)	2026 (B)	2027 (B)	2028 (B)
Collected from Cities													
Auburn	2,500	1,000	1,000	1,000	1,000	1,000	1,000	2,500	1,000	1,000	1,000	1,000	1,000
Bellevue	4,000	6,000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000
Bremerton	-	-	-	-	-	-	-	-	-	-	-	-	-
Des Moines	1,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	2,000	2,000	2,000	2,000	2,000
Everett	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	6,000
Kent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000
Lake Forest Park	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000
Poulsbo	-	-	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-
Renton	2,000	4,000	4,000	4,000	4,000	4,000	4,000	2,000	4,000	4,000	4,000	4,000	4,000
Seattle	-	-	-	-	-	-	-	-	-	-	-	-	-
Shoreline	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Snoqualmie	1,000	-	-	-	-	-	-	1,000	-	-	-	-	-
Tacoma	4,000	6,000	6,000	6,000	6,000	6,000	6,000	4,000	6,000	6,000	6,000	6,000	6,000
Total Charged to Cities	**22,500**	**27,000**	**26,000**	**26,000**	**26,000**	**26,000**	**26,000**	**22,500**	**27,000**	**27,000**	**28,000**	**31,000**	**31,000**
Paid to Seattle													
Capital Recovery Payment	(22,500)	(27,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(22,500)	(27,000)	(27,000)	(28,000)	(31,000)	(31,000)
Total Capital Recovery	**(22,500)**	**(27,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(26,000)**	**(22,500)**	**(27,000)**	**(27,000)**	**(28,000)**	**(31,000)**	**(31,000)**
Capital cost Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-

	Per InterLocal Agreement				
Transactions	**<1000**	**<4001**	**<14401**	**<31001**	**>31001**
Capital Cost	**$500**	**$1,000**	**$2,000**	**$4,000**	**$6,000**

Washington Cities Business License and Tax Portal Agency
Draft Budget 2025-2029 (May 2024) v.s. Final Budget 2024-2028 (Dec 202
Capital Cost Delta

	Delta					
	2023	**2024**	**2025**	**2026**	**2027**	**2029**
Auburn	-	-	-	-	-	-
Bellevue	-	-	(2,000)	(2,000)	(2,000)	(2,000)
Bremerton	-	-	-	-	-	-
Des Moines	-	-	-	-	-	-
Everett	-	-	-	-	(2,000)	(2,000)
Kent	-	-	-	-	(1,000)	(1,000)
Lake Forest Park	-	-	-	(1,000)	(1,000)	(1,000)
Poulsbo	-	-	1,000	1,000	1,000	1,000
Renton	-	-	-	-	-	-
Seattle	-	-	-	-	-	-
Shoreline	-	-	-	-	-	-
Snoqualmie	-	-	-	-	-	-
Tacoma	-	-	-	-	-	-
Total	**-**	**-**	**(1,000)**	**(2,000)**	**(5,000)**	**(5,000)**