RESOLUTION NO. FL2024-08

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2025-2029 Budget

Whereas the Washington Multi-City Interlocal Business License and Tax Portal Agency ("FileLocal") Interlocal Agreement ("Agreement") requires the Executive Board to adopt a draft FileLocal 2025 budget by June 15.

Whereas the Portal Agency 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 Operations Committee's recommendations with respect to the proposed budget.

Whereas the Executive Board received a draft 2025-2029 budget for review on March 21, 2024, and approved the draft budget on June 6, 2024.

Whereas, the cities of Auburn, Bellevue, Des Moines, Everett, Kent, Lake Forest Park, Renton, Seattle, and Tacoma have each informed FileLocal by December 1, 2024, that they will, or have approved their shares of the FileLocal budget for 2025-2029.

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 2025-2029 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this 21st day of November 2024.

ATTEST:

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

Julie Panick
Julie Panick (Jan 7, 2025 07:22 PST)

Board Secretary

Paula Painter
Paula Painter (Jan 6, 2025 08:16 PST)

Board Chair

Washington Cities Business License and Tax Portal Agency
Summary of Budget
Final Budget 2025 - 2029

Budget		2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
User Fees	1	437,628	616,180	637,552	767,588	745,358	779,938	791,637	801,533	805,540	809,533	(22,230)	34,580
Revenue		**437,628**	**616,180**	**637,552**	**767,588**	**745,358**	**779,938**	**791,637**	**801,533**	**805,540**	**809,533**	**(22,230)**	**34,580**
Contract Labor	2	(418,788)	(398,016)	(415,137)	(532,687)	(511,776)	(527,344)	(541,499)	(556,078)	(571,095)	(586,562)	20,911	(15,568)
Contracts	3	(51,221)	(54,536)	(77,159)	(73,367)	(65,875)	(87,447)	(74,280)	(76,159)	(93,086)	(80,062)	7,491	(21,572)
Overhead	4	(10,116)	(7,800)	(26,096)	(26,654)	(52,036)	(72,935)	(33,768)	(34,623)	(35,499)	(36,397)	(25,382)	(20,899)
Technology Costs	5	(216,695)	(299,682)	(339,233)	(588,509)	(1,212,438)	(1,520,000)	(1,638,410)	(1,715,769)	(1,661,256)	(1,818,123)	(623,929)	(307,562)
Transaction Fees	6	(217,541)	(296,810)	(322,697)	(246,983)	-	-	-	-	-	-	246,983	-
Operating Costs		**(914,360)**	**(1,056,843)**	**(1,180,322)**	**(1,468,199)**	**(1,842,125)**	**(2,207,727)**	**(2,287,957)**	**(2,382,629)**	**(2,360,936)**	**(2,521,144)**	**(373,926)**	**(365,601)**
Operating Deficit		**(476,732)**	**(440,663)**	**(542,770)**	**(700,611)**	**(1,096,767)**	**(1,427,789)**	**(1,496,320)**	**(1,581,097)**	**(1,555,396)**	**(1,711,610)**	**(396,156)**	**(331,021)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	-	(199,852)	-	(31,519)	179,678	229,466	120,140	173,658	(114,577)	(160,052)	211,197	49,788
Investment income	9	589	979	26,610	88,269	99,753	-	-	-	-	-	11,483	(99,753)
Cost Reimbursement	10	839,331	854,893	781,844	778,175	812,793	1,198,323	1,376,180	1,407,439	1,669,973	1,871,662	34,618	385,530
Surplus/ (Deficit)		**363,188**	**215,357**	**265,684**	**134,314**	**(4,544)**	**-**	**-**	**-**	**-**	**-**	**(138,858)**	**4,544**

Washington Cities Business License and Tax Portal Agency
Notes and key assumptions
Final Budget 2025 - 2029

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
Cost Reimbursement
Final Budget 2025 - 2029

City	2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
Auburn	-	-	9,897	9,850	10,978	10,274	11,799	12,067	14,318	15,968	1,128	(704)
Bellevue	71,951	72,142	67,357	67,041	74,716	148,732	170,807	174,687	207,272	232,315	7,675	74,016
Bremerton	36,825	37,008	-	-	-	-	-	-	-	-	-	-
Des Moines	10,662	16,095	15,028	14,957	7,192	21,591	24,796	25,359	30,089	33,724	(7,765)	14,399
Everett	33,426	33,572	31,345	31,198	34,769	98,018	112,566	115,123	136,597	153,101	3,571	63,249
Kent	-	8,594	16,335	16,258	10,234	12,842	14,748	15,083	17,897	20,059	(6,024)	2,608
Lake Forest Park	8,093	8,164	7,623	7,587	6,134	15,991	18,364	18,781	22,285	24,977	(1,453)	9,857
Poulsbo	-	-	-	-	-	9,274	10,650	10,892	12,924	14,486	-	9,274
Renton	35,773	35,946	33,562	33,405	25,640	73,947	84,923	86,852	103,053	115,504	(7,765)	48,307
Seattle	493,538	495,593	462,720	460,549	513,272	599,453	688,425	704,062	835,393	936,327	52,723	86,181
Shoreline	13,597	13,651	12,745	12,686	9,064	23,252	26,703	27,309	32,404	36,319	(3,622)	14,188
Snoqualmie	19,325	17,495	16,335	16,258	-	-	-	-	-	-	(16,258)	-
Tacoma	116,141	116,633	108,897	108,386	120,794	184,948	212,398	217,223	257,742	288,883	12,408	64,154
Total	**839,331**	**854,893**	**781,844**	**778,175**	**812,793**	**1,198,323**	**1,376,180**	**1,407,439**	**1,669,973**	**1,871,662**	**34,618**	**385,530**

Washington Cities Business License and Tax Portal Agency
Capital Cost
Final Budget 2025 - 2029

City	2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
Collected from Cities												
Auburn	-	-	500	2,500	1,000	1,000	1,000	1,000	1,000	1,000	(1,500)	-
Bellevue	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	-
Bremerton	2,000	500	-	-	-	-	-	-	-	-	-	-
Des Moines	500	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	-
Everett	1,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-
Kent	-	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Lake Forest Park	1,000	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Poulsbo	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	-	1,000
Renton	4,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	2,000	-
Seattle	-	-	-	-	-	-	-	-	-	-	-	-
Shoreline	2,000	500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	-
Snoqualmie	500	1,000	1,000	1,000	-	-	-	-	-	-	(1,000)	-
Tacoma	6,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	-
Total Charged to Cities	**21,000**	**16,000**	**20,500**	**22,500**	**27,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**4,500**	**1,000**
Paid to Seattle												
Capital Recovery Payment	(21,000)	(16,000)	(20,500)	(22,500)	(27,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(4,500)	(1,000)
Total Capital Recovery	**(21,000)**	**(16,000)**	**(20,500)**	**(22,500)**	**(27,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(4,500)**	**(1,000)**
Capital cost Recovery	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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