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

Executive Board:

Andy Cherullo, Chair
City of Tacoma

Jan Hawn
City of Bellevue

Susy Haugen
City of Everett

Glen Lee
City of Seattle

Executive Board Agenda

July 27, 2015

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. **CALL TO ORDER**
   A. Introductions
2. **PUBLIC COMMENT***
3. **APPROVAL OF MAY 26, 2015 MEETING SUMMARY** **PAGE 2**
4. **REVIEW OF MAY AND JUNE FINANCIAL STATEMENTS** **PAGE 5**
5. **OTHER BUSINESS**
   A. Seattle Launch Go/No Go Discussion **PAGE 13**
6. **NEXT MEETING:**
   A. Executive Board Meeting: September 28, 2015 at 12:00 noon
7. **ADJOURNMENT**

*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.

FileLocal

700 5th Avenue, Suite 4350
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Executive Board:

Andy Cherullo, Chair
City of Tacoma

Jan Hawn
City of Bellevue

Susy Haugen
City of Everett

Glen Lee
City of Seattle

Executive Board Meeting Summary

May 26, 2015

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

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

Standing Items

1. CALL TO ORDER

The May 26, 2015, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11: 39 a.m. and held in Conference Room 4070 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Susy Haugen (phone), Sara Lane (Bellevue alternate, phone), and Glen Lee

Board Members Absent: Andy Cherullo (no alternate), Jan Hawn (Sara Lane attended in her place)

Staff and Guests: Jamie Carnell, Ezra Hodge, Greg Kauper, Dawn Overbeck, Laurie McVay, David Linehan (phone), Robert Fuller (phone), Marianne Bichsel (phone), Mike Doubleday (phone), Horace Francis (phone),

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Glen Lee and seconded by Sara Lane, the board approved the April 27, 2015, meeting summary unanimously.

4. REVIEW OF FINANCIAL STATEMENT

There were no questions about the April Financial Statement.

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

5. ACTION ITEMS

A. FL 2015-03 - 2016 Budget Draft:

I. Jamie briefly reviewed the annual budget approval process and reduction of the user fee adoption rate as indicated in the FileLocal Resolution FL2015-03 Briefing Paper.

II. On a motion made by Sara Lane and seconded by Glen Lee the resolution was passed.

B. FL 2015-04 – 2014 Financial Report:

I. The 2014 Financial Report, which must be filed with the Washington State Auditor's Office no later than May 30, 2015, includes all the same information that was presented to the board at the end of 2014 in the

II. On a motion made by Sara Lane and seconded by Glen Lee the resolution was passed.

6. DISCUSSION ITEMS: May 2015 Soft Launch Go/No Go

A. City of Seattle: Jamie led a discussion of the City of Seattle's readiness to Go Live with a Soft Launch. After reviewing the Go/No Go Decision Report for the City of Seattle (included in the meeting packet) the Board agreed to a "No Go". They further agreed to:

I. Request that Seattle launch in the next quarterly release window on the cities' release calendar.

II. Seattle Launch is delayed until:

a. End-to-end testing with all data interchanges are completed,

b. All critical and high defects are resolved,

c. Performance, banking and security testing is completed,

d. CRs required to be completed for soft launch – all CRs including tax calculations,

e. High priority full launch CRs are completed for the summer launch,

f. Remaining CRs to be completed post-launch

III. A Soft Launch will be conducted to include a small group of businesses, including some that do business in both Seattle and Tacoma

IV. Direct mailings, selected businesses, taxpayer and city user quick start guides, and the first three training videos will be used for training and communications

B. City of Tacoma: Tacoma is slightly ahead of Seattle, but still not ready to launch. As the issues facing Tacoma are similar to those facing Seattle, and as the City of Tacoma had no representation at the meeting, the full report for Tacoma was not reviewed during the meeting.

C. Section 6 "Results of Decision" and Section 7 "Executive Board Decision" from each report will be sent to the Board members so they can fill out their decision answers.

D. The next Go/No Go decision will be made at either the July 27, 2015 meeting of the Executive Board or a special meeting will be called for the discussion.

7. ADJOURNMENT

On a motion made by Glen Lee and seconded by Sara Lane, the Board adjourned at 12:25 p.m.

Respectfully Submitted,

Susy Haugen
Secretary, FileLocal

FileLocal

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

FileLocal
Financial Statements
May 31, 2015

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Your one stop for local business licensing and tax filing

www.filelocal.org

FILELOCAL
STATEMENT OF FINANCIAL POSITION
MAY 31, 2015

ASSETS		
Cash	$	698,803
Accounts Receivable		-
Prepaid		22,880
Total Current Assets		721,683
TOTAL ASSETS		721,683
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable		9,028
Total Current Liabilities		9,028
TOTAL LIABILITIES		9,028
NET ASSETS		
Net assets, unrestricted		712,655
TOTAL NET ASSETS		712,655
TOTAL LIABILITIES AND NET ASSETS	$	721,683

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED MAY 31, 2015

	MAY	YTD
REVENUES		
User fees	-	-
Reimbursable cost	-	
City of Seattle	-	368,997
City of Bellevue	-	53,714
City of Tacoma	-	86,841
City of Everett	-	24,996
Total reimbursable cost		534,548
Total revenues	$ -	$ 534,548
EXPENSES		
Accounting fees	1,000	5,253
Agency IT Costs	956	1,556
Bank fees	22	150
Conference costs	-	1,000
Insurance	416	2,088
Labor costs	-	55,059
Legal fees	5,240	11,006
License and membership fees	16	692
Office and Operationg Supplies	113	113
Technology Costs	2,000	18,000
Total expenses	9,763	94,917
CHANGE IN NET ASSETS	$ (9,763)	$ 439,631

FILELOCAL
SCHEDULE OF BUDGET AND REMAINING BUDGET
FOR THE YEAR TO DATE ENDED MAY 31, 2015

	Budget	YTD Actual	% of Budget	Remaining Balance
REVENUES				
User fees	$58,106	$ -	0%	$58,106
Reimbursable cost				
City of Seattle	368,997	368,997	100%	-
City of Bellevue	53,714	53,714	100%	-
City of Tacoma	86,841	86,841	100%	-
City of Everett	24,996	24,996	100%	-
Total reimbursable cost	534,548	534,548	100%	
Total revenues	592,654	534,548	90%	58,106
EXPENSES				
Labor costs	314,740	55,059	17%	259,681
Contracts	36,440	7,491	21%	28,949
Overhead	43,807	14,366	33%	29,441
Technology Costs	230,133	18,000	8%	212,133
Operating Reserve	184,493	-	0%	184,493
Total operating expenses	809,613	94,917	12%	714,696
CHANGE IN NET ASSETS	(216,959)	439,631		
NET ASSETS, AS OF JANUARY 1, 2015	216,958	273,024		
NET ASSETS, AS OF MAY 31, 2015	(1)	712,655		
Schedule I - Contracts				
Accounting	$20,000	$5,253	26%	$14,747
Auditing	10,220	-	0%	10,220
Insurance	5,500	2,088	38%	3,412
Bank fees	720	150	21%	570
Total	$36,440	$7,491	21%	$28,949
Schedule II - Overhead				
Legal	$25,000	$11,006	44%	$13,994
Conference costs	-	1,000	0%	-
Office and operating supplies	5,110	113	2%	4,997
Printing	5,110	-	0%	5,110
Licenses/Memberships	5,110	692	14%	4,418
Agency IT costs	3,477	1,556	45%	1,921
Total	$43,807	$14,366	33%	$29,441

FileLocal

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FileLocal
Financial Statements
June 30, 2015

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Your one stop for local business licensing and tax filing

www.filelocal.org

FILELOCAL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS		
Cash	$	692,992
Accounts Receivable		-
Prepaid		20,448
Total Current Assets		713,440
TOTAL ASSETS		713,440
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable		5,125
Total Current Liabilities		5,125
TOTAL LIABILITIES		5,125
NET ASSETS		
Net assets, unrestricted		708,315
TOTAL NET ASSETS		708,315
TOTAL LIABILITIES AND NET ASSETS	$	713,440

FILE LOCAL
STATEMENT OF ACTIVITIES
FOR THE MONTH AND YEAR-TO-DATE ENDED JUNE 30, 2015

	JUNE	YTD
REVENUES		
User fees	-	-
Reimbursable cost	-	
City of Seattle	-	368,997
City of Bellevue	-	53,714
City of Tacoma	-	86,841
City of Everett	-	24,996
Total reimbursable cost		534,548
Total revenues	$ -	$ 534,548
EXPENSES		
Accounting fees	1,000	6,253
Agency IT Costs	500	2,056
Bank fees	19	169
Conference costs	-	1,000
Insurance	416	2,504
Labor costs	-	55,059
Legal fees	389	11,394
License and membership fees	16	708
Office and Operationg Supplies	-	113
Technology Costs	2,000	20,000
Total expenses	4,340	99,257
CHANGE IN NET ASSETS	$ (4,340)	$ 435,291

FILELOCAL
SCHEDULE OF BUDGET AND REMAINING BUDGET
FOR THE YEAR TO DATE ENDED JUNE 30, 2015

	Budget	YTD Actual	% of Budget	Remaining Balance
REVENUES				
User fees	$58,106	$ -	0%	$58,106
Reimbursable cost				
City of Seattle	368,997	368,997	100%	-
City of Bellevue	53,714	53,714	100%	-
City of Tacoma	86,841	86,841	100%	-
City of Everett	24,996	24,996	100%	-
Total reimbursable cost	534,548	534,548	100%	
Total revenues	592,654	534,548	90%	58,106
EXPENSES				
Labor costs	314,740	55,059	17%	259,681
Contracts	36,440	8,926	24%	27,514
Overhead	43,807	15,271	35%	28,536
Technology Costs	230,133	20,000	9%	210,133
Operating Reserve	184,493	-	0%	184,493
Total operating expenses	809,613	99,257	12%	710,356
CHANGE IN NET ASSETS	(216,959)	435,291		
NET ASSETS, AS OF JANUARY 1, 2015	216,958	273,024		
NET ASSETS, AS OF JUNE 30, 2015	(1)	708,315		
Schedule I - Contracts				
Accounting	$20,000	$6,253	31%	$13,747
Auditing	10,220	-	0%	10,220
Insurance	5,500	2,504	46%	2,996
Bank fees	720	169	24%	551
Total	$36,440	$8,926	24%	$27,514
Schedule II - Overhead				
Legal	$25,000	$11,394	46%	$13,606
Conference costs	-	1,000	0%	-
Office and operating supplies	5,110	113	2%	4,997
Printing	5,110	-	0%	5,110
Licenses/Memberships	5,110	708	14%	4,402
Agency IT costs	3,477	2,056	59%	1,421
Total	$43,807	$15,271	35%	$28,536

FileLocal

Subject: **FILELOCAL CITY IMPLEMENTATION GO/NO GO DECISION REPORT FOR SEATTLE**

DATE: **JULY 27, 2015**

Topics

1. Project Overview
2. Decision Scope
3. Decision Process
4. Decision Factors
5. Concerns
6. Results of Decision
7. Executive Board Decision

Summary of Processes

1. PROJECT OVERVIEW

The purpose of the project is to streamline access and improve ease for businesses to acquire and renew business licenses, prepare and file B&O tax returns and pay balances owing for multiple jurisdictions via a 'web portal'. The portal will be a new online web application that provides a shared access point (URL) to these services, has underlying connections with existing back-end city systems, and efficiently exchanges data and completes workflows.

This implementation project includes systems and processes covering multiple vendors and the cities of Seattle, Bellevue, Tacoma, and Everett. It will configure the workflows and master data in the vendors' software application, connect the data interchanges with the cities' back-end systems, integrate the front-end workflows with the cities' back-end workflows, test and roll-out the service functionality to the business community, and coordinate the portal's support and customer service with the cities' functions.

In parallel to the portal implementation the project will develop and implement a sustainable governance structure and ownership model needed to oversee the portal in operation, make shared data agreements, coordinate stewardship of shared data and workflows, manage cities' and vendor support service level agreements, ensure security, quality assurance, regulatory compliance and audit control services are provided, resolve strategic issues, and determine the portal's evolution roadmap. These activities are the responsibility of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) and will be addressed as part of this report.

2. Decision Scope

The scope of the Go/No Go decision includes the following question:

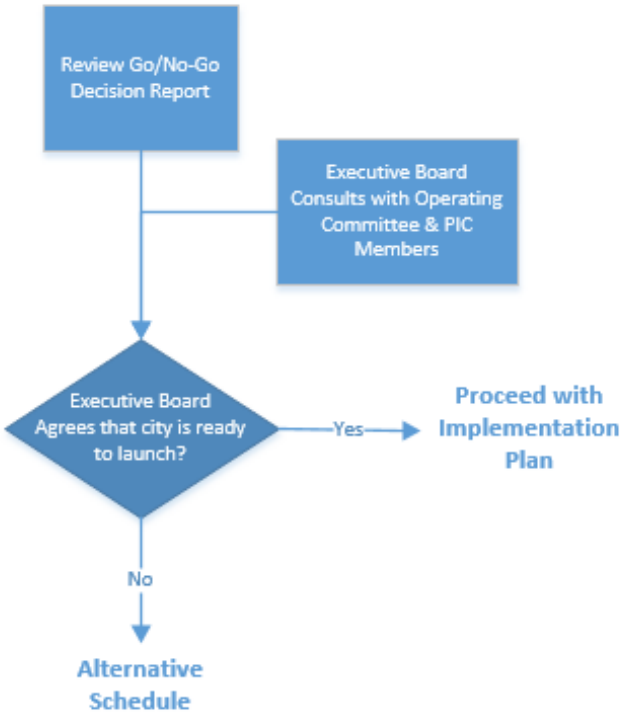
> **Question**: Should Seattle move forward with a "soft" launch of FileLocal to a select group of businesses on July 28, 2015?

Considerations of schedule and the technology platforms are key to this Go/No Go decision. If the decision is a "No" decision, then the Executive Board will take into account considerations of schedule and technology when selecting the next implementation options in the Results of Decision section below.

3. Decision Process

The Project Executive Board has full responsibility for the Go/No Go Decision, with the Program Manager having authority to make the final decision. The diagram below presents the decision process.

A. The Executive Board should consult with their cities' members of the Operating Committee and Portal Implementation Committee (PIC) prior to the Go/No Go meeting.
B. If both the Executive Board agrees that the answer is "Yes," then the work of the project will proceed to the execution of the project implementation plan.
C. Note that if a "No" decision is made, then Executive Board will select an alternate schedule for implementation and will re-visit the go/no go decision prior to city launch.



4. Decision Factors

This section presents factors to consider before making the Go/No Go Decision.

A. System API Report Summary

Delivered functionality from e-Gov systems based on the requirements traceability matrix:

Requirements for Phase 1 Soft Launch
83% of Total Phase 1 Requirements Have Been Satisfied

Module	Status	Requirements to be Delivered by Early Flights Plan/Actual	Requirements to be Delivered by Final Flight Plan/Actual	Primary Reason for Final Flight Additional Requirements
Accounts	101%	60/61	21/21	Reflects difficulty visualizing requirements until basic functionality was delivered
License	100%	36/36	15/15	Reflects difficulty visualizing requirements until basic functionality was delivered
Tax	101%	27/28	49/49	Complex forms with high variability across cities
Payments	100%	40/40	0	
Reporting	100%	20/20	0	
Communications	100%	23/23	1/1	
Data Interchanges	100%	29/29	19/19	Changes to Accounts, License, Tax, and Payments necessitated changes to web services
Help	102%	38/39	28/28	Changes to Accounts, License, Tax, and Payments necessitated changes to Help
Operations (inc. security)	102%	51/52	13/13	Security platform upgraded and audit identified additional areas for improvement
General Usability	100%	9/9	1/1	Includes first set of ADA enhancements
Non-Functional	100%	46/46	4/4	
Extendibility	100%	3/3	0	
Total Phase 1 Soft Launch	101%	**382/386**	**151/151**	

B. System Security Report Summary

Leviathan will continue to monitor the progress of the security changes in the system and is scheduled to conduct another code review and pen test prior to the final release this year. Leviathan has no concerns with a small beta launch to a limited set of customers for the Seattle launch.

C. Performance Testing Results

Keynote Systems was contracted to perform three full system performance tests. After some initial testing in April, adjustments to the production environment were made to improve overall system performance. Keynote was able to complete one full performance test using FileLocal's production server. Testing results showed that the system can support up to 14K concurrent users and more than 250K page views per hour. This level of performance is thought to be sufficient for the size of the audience for FileLocal through the end of 2015, including the onboarding of all four cities.

D. PCG City Readiness Report

The FileLocal Program Administrator has confirmed the successful completion of the final system testing and bank payment verification. No critical defects impacting production are reported. Training for user staff have been completed. Based on these reports we believe the City is prepared to implement the FileLocal system the end of July. However, continued steps must be taken during the first 90 days of operation to continue to monitor both the software system and the business operations to ensure successful tax and license processing.

E. Pre-Launch Testing Results

Seattle successfully passed the Pre-Launch testing phase that occurred between June 26th and the July 10th. Seattle and FileLocal Team met on Friday July 10th and determined test phase was successful and the project was ready to move on toward launch. During this testing phase the following items were tested and no critical or high defects were left unresolved.

- CR58 Tax Rate Changes
- Previously found and fixed defects
- Test cases including Accounts, License, Tax, Secure Messaging, and Making Payments

System testing using live bank accounts was successfully completed in the production environment. Seattle's Treasury department validated that payments made in to the appropriate city bank account as expected. Seattle was able to complete their internal reconciliation process testing using the live bank account data.

A customer support live testing event was conducted with Seattle and the FileLocal Help Desks. Testing ensured that both Help Desks had the appropriate contact information and processes available to provide the customer support required for FileLocal. As this is a small launch it will further help both e-Gov, the Agency and Seattle to understand the types of questions users will be asking which will aid in the launch to the other three cities.

F. City Readiness

This section presents a summary of findings related to the readiness of the city to move forward with FileLocal, including technology, people, contracts, and processes.

Milestone	Status	Comments
Launch Timeline		Seattle's launch date is tentatively scheduled for July 28, 2015. All Seattle participants are committed to meeting this date.
Contracts/ Agreements		The initial city SLA has been reviewed with Seattle's technology and Legal teams. Some clarifying language has been added and the city has approved the SLA for launch.
Technology		All of Seattle's web services and data interchanges are working. Seattle has been able to download the test batches with payments and create the payment files for STORM import. The test import process to records these payments in STORM ran successfully. Seattle is working to run the export from STORM that would ultimately process these payments into SLIM.
City Processing		As most business processes will be staying the same with the use of SELF to input data. City processing and reconciliation testing was completed with live bank testing.
Customer Service		Seattle's customer service staff and processes are ready to integrate with FileLocal. City Help Desk staff have reviewed the customer support processes for FileLocal. A dry run of the city and eGov Help Desks was successfully completed
Testing		Testers have completed the required test scripts to validate that the system functionality and city tax calculations are accurate. Tax calculation changes included in CR58 were validated during the pre-launch testing in Seattle.
Treasury		Seattle's Treasury department has reviewed the process flow for payment transactions, with no further questions have been reported. Live bank testing was completed with participation from Seattle's Treasury department.
Overall Rating		Significant progress has been made in finalizing the technology base between Seattle and FileLocal. Web service data connections have been developed and connected. City testers were able to complete system testing and validate the final tax rates and calculations for launch. Seattle is ready to move forward with their launch of FileLocal to a select group of businesses that meet the "soft" launch criteria.

For a more complete summary of city readiness, please see the City Readiness Checklist for Seattle: https://mcbltp.box.com/s/dmlmke38vwflo2ezachjrxgf8shdpr8q

5. CONCERNS

This section presents a summary of concerns related to moving forward with FileLocal.

A. **Payment cap is $25K:** The current cap on payments for the City of Seattle through FileLocal is $25K. A request to raise the cap is in process. Only businesses with tax bills historically lower than $25K have been selected to participate in Seattle's soft launch.

6. RESULTS OF DECISION

This section presents the course of action from either a “Go” decision or a “No Go” decision to move forward with the city launch with FileLocal.

A. If the Executive Board makes a “Go” decision, the implementation project will proceed with the city launch with FileLocal as outlined in the Integrated Implementation Plan (see Appendix).

B. If the Executive Board makes a “No Go” decision, the implementation project will re-assess Seattle’s readiness to launch and make a petition to the Executive Board to launch Seattle at a later date.

7. EXECUTIVE BOARD DECISION

Question: Should Seattle move forward with a “soft” launch of FileLocal to a select group of businesses on July 28, 2015?

Municipality	Name	Answer
City of Bellevue	Jan Hawn	
City of Everett	Susy Haugen	
City of Seattle	Glen Lee	
City of Tacoma	Andrew Cherullo	

APPENDIX: SUPPORTING PROJECT DOCUMENTATION

A. Functional API Report – summary of development enhancement requests

Remaining Requirements
17% of Total Phase 1 Requirements Remain

Module	Phase 1 Remaining	Primary Focus of Remaining Requirements
Accounts	19	Enhance experience for preparers, user can close a business, edit consolidation information
License	6	Everett GBL renewal, enhance printing options, expand upload and attachment options, support regulatory licenses
Tax	14	MATC, enhance form setup, support uploading tax forms and attachments
Payments	0	Payments for regulatory licenses
Reporting	5	Analytics capability, additional views of Payment Batch Report
Communications	16	Client emails for preparers, configurable 'notification ribbon', additional email options, inter-city and eGov communications
Data Interchanges	3	Interface to DOR, support 2-way file attachments with city SOR
Help	14	Additional methods for SME to create/upload help articles and users to access help
Operations (inc. security)	16	Streamline flow for Seattle and Tacoma GBL renewal, security enhancements
General Usability	15	Additional ADA coverage, user can 'save' every page
Non-Functional	0	
Extendibility	0	Support processing and storage of additional file types, interface to new system types (e.g. IVR)
Total Remaining	**108**	
Total Remaining as % of Total	**17%**	

B. FileLocal Integrated Implementation Plan: https://mcbltp.box.com/s/krtl0xayz8iq8g2hcj1tmb1w8idrmq7n