



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Danielle Larson, Tax & License Manager, Finance Department  
Andy Cherullo, Finance Director  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Amendment to the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement - September 19, 2017  
**DATE:** August 14, 2017

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**SUMMARY:**

Approval of an amendment to the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement (ILA) to modify the method for allocating Agency costs among Bellevue, Everett, Seattle and Tacoma, (Original Principals) for the years 2019 – 2021 so that the allocation method used in years 2014-2018 may continue to be used through 2021.

**STRATEGIC POLICY PRIORITY:**

Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

The Washington Multi-City Business License and Tax Portal Agency (Agency) was originally established under the ILA by and between the cities of Bellevue, Everett, Seattle, and Tacoma, dated March 1, 2014.

The ILA provides that, for the years 2014-2018, the allocation of Agency costs among the Original Principals shall generally be based on 2012 transaction counts of each Original Principal as set forth in Exhibit A to the ILA; and further provides that, beginning in 2019 and afterward, Agency costs shall be allocated among the Original Principals based on the actual number of transactions processed through the Portal for each city.

**ISSUE:**

Due to various city-specific factors associated with implementation of the Portal in the Original Principal cities, the Original Principals have determined that converting to use of actual transaction counts as the basis for allocating Agency costs beginning in 2019 would be inequitable, and that continuing to use historical transaction counts of the Original Principals for an additional three years, through 2021, would be a preferable way to allocate Agency costs. The ILA requires that any changes to the contribution responsibilities of Principal cities must be approved by the legislative authorities of all Principals.

**ALTERNATIVES:**

Use actual transaction counts as the basis for allocating Agency costs beginning in 2019; this will provide an unequitable distribution between the cities and greatly increase Tacoma's share of the costs.

**RECOMMENDATION:**

Approval of the Resolution will amend the allocation of Agency costs in years 2019-2021 that are more equitable between the Original Principals.



**FISCAL IMPACT:**

The City’s share of the Agency costs in 2017/2018 is \$256,691 and was included in the approved budget. The City’s estimated share of the Agency costs for 2019 - 2021, assuming no additional cities join the Agency, are:

2019	2020	2021
\$ 129,225	\$ 125,736	\$ 117,479

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund – Finance	106500	5412170	\$ 256,691
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
<b>TOTAL</b>			

*This section should only be completed if a subsequent request will be made to increase or decrease the current position count.*

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$256,691**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**