

Exhibit A

Proposed 2014 PORTAL AGENCY OPERATING BUDGET SUMMARY **(including number of Transactions used for cost allocation as between Original Principals)** (June to December 2014)

Labor Total ¹	152,649
Contracts Total ²	27,000
Overhead Total ³	12,500
Vendor Costs ⁴	180,208
Operating Reserves	55,854
Total Budgeted Costs	428,210
Total Budgeted Revenues	428,210
Estimated User fee Revenues ⁵	72,566
Estimated Revenue from City Cost Allocations ⁶	355,644
<i>City of Seattle Cost Allocation⁷</i>	<i>245,394</i>
<i>City of Bellevue Cost Allocation</i>	<i>35,654</i>
<i>City of Tacoma Cost Allocation</i>	<i>56,903</i>
<i>City of Everett Cost Allocation</i>	<i>17,782</i>

This budget estimates a six month budget beginning after the Multi-City Business License and Tax Portal is up and running in mid-2014, the first six months are covered by the Portal

¹ This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

² Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

³ Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

⁴ Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes "live." For the first five years of Portal operation,.e-Gov Systems will charge the Portal Agency \$1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing.

⁵ Assumes the Executive Board approves a proposed user fee of \$4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

⁶ Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in the table at the End of this Exhibit A.

⁷ Excludes Seattle's contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

Implementation Project costs funded by Seattle. This budget estimates also assumes only four cities participate in 2014.

Transaction Counts Calculations used for Cost Allocation as between Original Principals

Transaction Counts	Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal				
	Seattle	Bellevue	Tacoma	Everett	Total
Transactions	212,457	30,927	50,000	14,392	307,776
% Allocation	69%	10%	16%	5%	100%

Exhibit B:
**Multi-City Business License and Tax Portal Agency
 2015-2020 Estimated Operating Budget Summary**

This budget is an estimated six year budget and assumes only four cities participating.

	2015	2016	2017	2018	2019	2020
Labor Total⁸	314,740	324,182	333,908	343,925	354,243	364,870
Contracts Total⁹	55,188	56,402	57,643	58,911	60,207	61,532
Overhead Total¹⁰	15,330	15,667	16,012	16,364	16,724	17,092
Vendor Total¹¹	344,888	383,360	421,832	460,304	479,540	498,776
Operating Reserve - 15%	53,668	7,420	7,467	7,516	4,681	4,733
Total Estimated Budget	783,814	787,031	836,862	887,021	915,396	947,003
Estimated User Fee Revenue¹²	193,510	241,888	290,266	338,643	362,832	387,021
Estimated City Cost Allocation Revenues¹³						
City of Seattle¹⁴	415,419	383,379	384,541	385,932	388,987	394,276
City of Bellevue	60,206	55,562	55,731	55,932	56,375	57,141
City of Tacoma	96,329	88,900	89,169	89,492	90,200	91,426
City of Everett	30,103	27,781	27,865	27,966	28,187	28,571

⁸ This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

⁹ Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

¹⁰ Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

¹¹ Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes “live.” e-Gov Systems will charge the Portal Agency \$1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing. This per-filing cost is fixed for the first five years of Portal operation.

¹² Assumes the Executive Board approves a proposed user fee of \$4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

¹³ Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in Table 2.

¹⁴ Excludes Seattle’s contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

Transaction Counts Calculations used for Cost Allocation as between Original Principals

Transaction Counts	Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal				
	Seattle	Bellevue	Tacoma	Everett	Total
Transactions	212,457	30,927	50,000	14,392	307,776
% Allocation	69%	10%	16%	5%	100%

Estimated Adoption Rates

e-Gov Systems Recommended Adoption Rate	This is the recommended rate of adoption from e-Gov systems based on previous implementations.					
	2015	2016	2017	2018	2019	2020
Adoption Rate	40%	50%	60%	70%	75%	80%

CPI-U Rates Forecast

	2014	2015	2016	2017	2018	2019	2020
CPI-U Forecast (Bellevue)	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%