



BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

AB22-160
December 12, 2022
Discussion

AGENDA BILL INFORMATION

TITLE:	Termination of FileLocal Subscriber Agreement	<input type="checkbox"/> Discussion Only
PROPOSED ACTION:	Authorize the Mayor to terminate FileLocal Subscriber Agreement prior to December 31, 2022	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

REVIEW:	Department Director/Peer	Jen Ferguson	11/10/2022
	Finance	Drew Bouta	11/10/2022
	Legal	Bob Sterbank	11/10/2022
	City Administrator	Mike Sauerwein	11/10/2022

DEPARTMENT:	Finance		
STAFF:	Jen Ferguson, Finance & HR Director		
COMMITTEE:	Finance & Administration	COMMITTEE DATE: December 6, 2022	
MEMBERS:	James Mayhew	Cara Christensen	Bryan Holloway
EXHIBITS:	1. FileLocal Subscriber Agreement		

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUESTED	\$ n/a

SUMMARY

INTRODUCTION

The purpose of this agenda bill is for Council consideration and approval to terminate the FileLocal Subscriber Agreement.

LEGISLATIVE HISTORY & BACKGROUND

The City Council approved AB20-049 in April 2020, executing a subscriber agreement with FileLocal providing a self-service portal for businesses to apply for a business license and submit business and occupation (B&O) tax returns.

ANALYSIS

In July of 2020, staff established a FileLocal self-service portal for businesses to apply for a City of Snoqualmie business license and submit quarterly B&O tax returns and quickly learned that the new portal was not going to perform as expected and has consequently created more manual work for finance staff. No efficiencies have been realized and further, the FileLocal portal is not a system of record to maintain the city B&O tax program data. Finance staff is not able to export FileLocal payment information but rather has to manually

download a pdf file and then manually enter information into it's current Enterprise Resource Planning (ERP) system (Springbrook). Staff continues to have to mail B&O tax return forms to businesses. Additionally, finance staff has discovered that the FileLocal portal will not integrate with the new ERP system (Tyler/Munis) putting the city at risk for continued manual processes.

Businesses have found the FileLocal customer service to be poor, often having difficulties getting assistance with their business payment account. Finance staff are limited or restricted from assisting or troubleshooting issues.

Finance staff has been in contact with the State Business Licensing department to discuss a transition to the State licensing system (Business Licensing Service), at no cost, for handling city business license applications, renewals. The state has worked to improve their licensing system payment portal and the ability to export license data is easier.

Ultimately, the city has to establish it's own business licensing and tax management programs. This was and is the case with either the BLS or FileLocal systems, as neither are systems of record. The recently approved 2023-2024 Biennial Budget includes an appropriation to purchase a Business Management suite from Tyler Technologies, LLC that will integrate into the City's new ERP system and become the system of record. The Finance and Human Resources Director has also contacted other communities who have terminated their FileLocal subscriber agreements, and returned to the state BLS, and our concerns and challenges with FileLocal coincide.

The FileLocal subscriber agreement includes a term of ten (10) years. However, the city may notify FileLocal of plans to terminate by December 31 of any year with service ending December 31 of the following year. This means that the City would continue to use FileLocal until December 2023. However, this timeline is feasible and aligns with the implementation and set up of the Business Management suite which will occur in 2023 with a go-live date estimated for January 2024.

BUDGET IMPACTS

The budget impacts will be positive and cost savings will be realized in the amount of \$22,000 annually beginning in 2024.

NEXT STEPS

Should Council authorize the termination of the FileLocal subscriber agreement, staff will bring an ordinance forward for council consideration to partner with the State Business Licensing Service.

PROPOSED ACTION

Authorize the Mayor to terminate the FileLocal Subscriber Agreement prior to December 31, 2022.