



# CITY OF CALISTOGA

Proposal for  
Business License Administration Services  
January 30, 2017

Presented by:  
Robert Hamud, Client Services Manager



# TABLE OF CONTENTS

<b>Transmittal Letter</b> .....	<b>2</b>
<b>Experience</b> .....	<b>4</b>
<b>Executive Leadership and Project Team</b> .....	<b>6</b>
<b>Confidentiality and Access Control</b> .....	<b>8</b>
<b>Scope of Work</b> .....	<b>10</b>
Project Timeline .....	10
Tax Registration Database Management .....	11
A. Collecting, Posting and Processing Payments.....	13
B. Taxpayer and City Staff Communications.....	13
C. Online Filing and Payment Processing .....	14
D. Optional Services.....	15
E. Consulting Services – Review of Business Tax Program .....	19
<b>Timeline and Milestones</b> .....	<b>20</b>
Implementation Plan .....	20
<b>Proposed Compensation</b> .....	<b>22</b>
Turnkey Tax Administration .....	22
Local Tax Compliance Discovery Services (Optional) Discovery/LTC.....	22
Local Tax Compliance Audit Services.....	23
Additional Consulting Services .....	23
<b>References</b> .....	<b>25</b>
<b>Alternative Service Offering</b> .....	<b>26</b>
BizLINK™ Business License Software.....	26
BizLINK™ Compensation.....	28



# TRANSMITTAL LETTER

January 30, 2017

Ms. Gloria Leon,  
Administrative Services Director  
City of Calistoga  
1232 Washington Street  
Calistoga, CA 94515

Re: Proposal for Business License Administration Services

Dear Ms. Leon:

MuniServices is pleased to present the City of Calistoga with this proposal for Business License Administration to provide turnkey business license administration services including a tax registration database, renewal processing, new account processing, collect and post payments, communicate with City staff, and on-line filing and payment processing to the City. As an optional service delivery MuniServices is also proposing to provide its Discovery, Audit and Consulting services.

## WHY CHOOSE MUNISERVICES

Some of the differentiators that make MuniServices stand out in the industry:

***Tax Administration Experience:*** MuniServices now serves over 500 local jurisdictions for their tax administration service, processing close to \$1 billion in taxes annually, over 2.4 million in complex tax transactions (one million performed online) and over 400,000 in unique tax forms.

***Business License Tax:*** The City will find our professional approach to providing these services as a way to not only strengthen the City's revenue, but also to strengthen your relationship with your business community. We develop a full and collaborative partnership with the City to ensure our results correct past tax delinquencies and omissions, present errors and future compliance while simultaneously positively representing the City to its business community. These services complement current City operations with additional sophisticated technology, enhanced data intelligence, effective discovery processes and door-to-door investigations.

***Experience:*** For nearly 40 years, MuniServices has provided revenue enhancement, administration, information, and consulting services to over 1,000 municipalities nationally and recovered billions of dollars in new tax revenue for its clients. This experience has provided MuniServices staff with broad viewpoint on a full array of revenue enhancement trends and challenges. MuniServices is the only revenue enhancement firm to offer services for all general fund revenue sources.

***Online File and Pay:*** Our online file and pay service is available 24/7 access to a secure web-based portal thereby providing convenient, easy and expedited access for businesses to process and pay their business license.



**Service Customizations:** To assist with new business and renewal “walk-ins”, MuniServices recommends an optional on-site kiosk that will enable businesses to file and pay for a business license through the online filing application at a location determined by the City.

**Focus:** MuniServices only provides services to government agencies. Our exclusive focus allows us to avoid real or perceived conflicts of interest. This exclusive focus qualifies us to review confidential taxpayer information and other confidential data that could be out of reach for other consulting and CPA firms due to conflicts of interest.

**Government Relations:** MuniServices maintains a Government Relations team dedicated to tracking and researching legislation with the potential to affect tax revenues. Their efforts at the federal, state and local levels have surfaced and successfully resolved numerous major issues, and helped to preserve the tax base for MuniServices’ clients. MuniServices’ clients are routinely informed of legislation that can negatively impact their revenue sources.

Robert Hamud, Client Services Manager will be supporting the City. Robert may be reached by email at [Robert.Hamud@MuniServices.com](mailto:Robert.Hamud@MuniServices.com), or by phone at 559.960.6091. We are confident that MuniServices Business License Administration Service offers the City a comprehensive and cost effective solution to your business license needs.

Sincerely,



Doug Jensen, SVP Client Services  
MuniServices, LLC

MuniServices, LLC, a Delaware limited liability company  
Headquarters: 7625 N. Palm Avenue, Suite 108  
Fresno, California 93711  
Phone: 800.800.8181 ext. 76212  
Email: [Doug.Jensen@MuniServices.com](mailto:Doug.Jensen@MuniServices.com)



# EXPERIENCE

## COMPANY HISTORY AND PROFILE

MuniServices, LLC, was founded in 1978 as Municipal Resource Consultants (MRC). The firm flourished throughout California and quickly branched out into other regions. In 1998, MRC was acquired and combined with other entities forming what is known today as MuniServices, LLC. Over the years, MuniServices expanded its services and broadened its client base into multiple states and has an established a track record of proven results. Since its inception MuniServices has generated over \$2.4 billion in new found general fund tax revenue for its local jurisdiction clients.

*MuniServices is one of the few firms in the United States that provides revenue enhancement and information services that encompass all general fund revenue and fee types. The new found tax revenue directly funds programs and services provided by the communities we serve.*

## CONSULTING EXPERIENCE

MuniServices specializes in providing innovative revenue enhancement audit services to local and state governments. We are the only firm in California and throughout the United States, offering proprietary revenue enhancement audit services encompassing all general sources of municipal tax revenue including Business License Administration, Discovery, Audit and Collections; Transient Occupancy Tax Discovery, Audit and Compliance; Transaction and Use Tax Audits for Transportation Districts; Sales and Use Tax Audits; Property Tax; and Utility Users Taxes and Franchise Fees Compliance services.

We earned the trusted reputation as the premiere revenue enhancement partner to the public sector through our professional administration services, valuable analyses, forecasting and information services, and reporting tools. These services and information assets enable local governments to make informed business decisions and create sound policies. MuniServices currently provides revenue enhancement and consulting services to more than 1,000 jurisdictions nationwide, with over 500 using our business tax discovery, recovery and administration services.

Our programs are also designed to help prevent tax revenue leakage through an array of focused tax administrative service offerings. We have an established track record of providing our clients with consistent and quantifiable results recovering billions of dollars in combined new tax revenue for our local jurisdiction clients. The new tax revenue directly funds programs and services provided by the communities we serve.

Our experience and knowledge base can be utilized to address revenue and economic development issues. For example, and based on our prior work experience and completion of services for clients, we have the capability to provide studies on the implementation of new taxes and rate comparisons, economic development studies, profiles and general plan elements, cluster analysis, revenue and economic forecasting tools, and business retention and attraction strategies.



## LOCATION OF THE FIRM

**Headquarters:** MuniServices, LLC, 7625 N. Palm Avenue, Suite 108, Fresno, CA 93711

Phone: 800.800.8181. Fax: 559.312.2852. Email: [Info@MuniServices.com](mailto:Info@MuniServices.com).

MuniServices has five offices in California, including Fresno, with additional offices nationally located in New Jersey, Texas and Alabama.

## WORK PERFORMED WITH OTHER PUBLIC AGENCIES

As described above, MuniServices has a proven track record of revenue enhancement and protection success along with quantifiable results on behalf of our local jurisdiction clients. Our reputation as the premiere revenue enhancement partner has been earned over the years based on our consistent work quality in partnership with more than 1,000 jurisdictions nationwide, including several jurisdictions in the Bay Area. Our experience working with local jurisdictions, coupled with our high quality data management, tax investigation techniques and the tenure of our experienced staff are all contributing factors to our ability to excel in the area of revenue enhancement, administration, information and consulting.



# EXECUTIVE LEADERSHIP AND PROJECT TEAM

## EXECUTIVE MANAGEMENT AND PROJECT MANAGER

**Doug Jensen, SVP Client Services.** With over 25 years of expertise in tax policy, municipal finance, and economic development and consulting, Doug oversees the Western Region of MuniServices. Doug manages the delivery of municipal revenue enhancement management and local government revenue consulting to hundreds of cities in California with breadth and depth of knowledge and experience in local government focused on customer care. Doug is a frequent speaker to professional organizations, committees and governing bodies. **Education:** Doug has a BS in Business Administration with an emphasis in Accounting from California State University, Fresno. **Affiliations & Memberships:** Doug is a member of the California Society of Municipal Finance Officers and the California Municipal Revenue and Tax Association.

**Robert Hamud, MPA, Client Services Manager.** Robert has over 13 years of public sector experience, with 11 years working directly in state and local government finance. Robert has extensive fiscal management, analytical and forecasting experience including serving as the Chief Fiscal Officer for Cascade County, the Principal Financial Analyst for the City of Santa Rosa, as a budget analyst for the Montana Department of Public Health and Human Services, and for the City of Myrtle Beach, South Carolina. Robert also has legislative analysis experience, including having served as a Field Representative for a California State Assembly member. **Education:** Robert has a Master's in Public Administration from the University of Utah and a BA in Government from California State University, Sacramento. **Professional Affiliations:** Robert is a member of the Government Finance Officers Association (GFOA) and the International City/County Management Association (ICMA).

## BUSINESS LICENSE ADMINISTRATION TEAM

**Christy Cato, VP Operations.** Christy manages the Tax Administration and Discovery/Recovery team. Christy has supervised the implementation and successful completion of more than 250 individual Discovery/Recovery projects that have generated over \$15 million in newly found tax and license revenue for our clients. Under Christy's direction, more than 50 managers and FTEs deliver Tax Administration and Discovery/Recovery services to more than 500 local governments, representing more than \$800 million in annual revenues received from over 70,000 business taxpayers. **Education:** Christy studied business administration at Coastal Carolina College, and completed additional coursework at Lee University. She holds an ACA Collection Manager Certification, Dale Carnegie Leadership and Communication Certification, and Dale Carnegie Leadership and Management Certification.

**Doug Estes, Senior Client Relations Manager.** Doug has been with the company for five years. He is responsible for the process and implementation of bringing new clients on board, as well as the continued relationship management of our clients. **Education:** Masters of business administration from the University of Alabama. Doug is also a Lieutenant colonel in the Air National Guard.

## BUSINESS TAX COMPLIANCE TEAM

**Lisa Varalli, AVP Local Tax Compliance Operations.** Lisa Varalli has been with MuniServices since 1987. Lisa has 30 years' experience servicing municipal clients in the day-to-day management of collections of tax and municipal debt, audit and discovery services, receipts and controls, current tax administration and tax base expansion. Lisa will partner with and assist the City staff in developing and implementing strategies to preserve and enhance the City's business license



and business tax revenue. Lisa manages the team providing discovery, audit, collections and compliance services to a number of MuniServices' clients. Lisa has a record of success and excellent leadership skills, directing her team to provide clients with the highest level of customer service and revenue enhancement results. **Education:** Lisa graduated Magna Cum Laude with a Bachelor of Science degree in Accounting from Rowan University, Rohrer College of Business.

**Raymond Beye, MBA, Local Tax Compliance Manager.** Raymond Beye has been with MuniServices since 2014. Ray is responsible for managing the Local Tax Compliance group. He has over 30 years' experience servicing both commercial and government accounts in client service, client relationship management and collections. In his prior roles, Ray has a proven record of success and leadership guiding his teams to providing excellent customer service and collection results. **Education:** Ray graduated from San Diego State University with B.A. degree in Economics and an MBA from National University.

**Kelli Greene, Data Intelligence Service Manager.** Kelli has been with MuniServices since 1995 and manages a staff of 15 employees responsible for standardizing millions of records each year. Kelli is responsible for providing the quality control necessary to eliminate the discrepancies that are imbedded within the data, ensuring accuracy and consistency within all data, supporting continual analysis of all processes in order to increase efficiencies, coordinating the training of staff, and offering technical analysis to the programmers that test all updates, new programs, and improvements to new programs.

## GOVERNMENT RELATIONS

**Brenda Narayan, Director Government Relations/In-House Lobbyist.** Brenda monitors legislation in Washington, California and Washington D.C. that may have potential impacts to local government. Brenda is the primary author of MuniServices Policy, Regulatory and Legislative updates and is our in-house lobbyist. Brenda is responsible for coordinating the Company's day-to-day legislative and regulatory activity. She researches, identifies and tracks key legislation for MuniServices on behalf of clients. She provides internal and external leadership insight and concepts in public and community relations activities as they pertain to policy matters. Prior to joining MuniServices, Brenda served as an assistant to the Speaker of the California State Assembly. Brenda serves on the Executive Committee for the League of California Cities (business) Partner program and has served numerous terms as a member of the League of California Cities Revenue and Taxation Policy Committee. Brenda was recently appointed to the U.S. Conference of Mayors' Business Council Steering Committee. **Education:** BA in Humanities from, Sacramento State, and a Certificate in Leadership and Management from UC Berkeley Extension.





# CONFIDENTIALITY AND ACCESS CONTROL

## ABILITY TO ENSURE CONFIDENTIALITY AND SECURED ELECTRONIC DATA TRANSMISSION

### CONFIDENTIALITY

MuniServices' partnership with local, state and federal taxing agencies requires the secure storage, maintenance and retention of all confidential and sensitive data for a period of six years. The storage of offsite disaster recovery data is facilitated through Iron Mountain™. This bonded and insured computer data storage facility provides secure transport and storage of disaster recovery data, and maintains a secure climate controlled facility. New employee drug screen testing, background investigations, and signed confidentiality agreements emphasize MuniServices commitment to data security and restricted access. MuniServices is restricted by state and federal regulations from selling, using, publishing, or otherwise disclosing to any third party, confidential information not related to activities required for completion of specific contractual agreements.

MuniServices works exclusively in the public sector, and employees understand the importance of non-disclosure. MuniServices monitors employee activity and interaction with both internal and external entities to further adhere to data confidentiality and security. Supervisors and managers have the ability to monitor phone conversations, access e-mail accounts, and review employee system files. MuniServices through the Department of the Treasury, Internal Revenue Service's regional disclosure officer, has been certified to receive Federal tax return information (FTI). The certification was granted after a review that thoroughly vetted MuniServices' confidentiality and data security policies and procedures according to the requirements of Section 9.0 of Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies and IRC 6103, which clearly outlines the usage, dissemination, protection and destruction of all FTI. Transfer of confidential and sensitive data to and from MuniServices by clients can be facilitated through the use of its secure FTP (File Transport Protocol), PGP™ encryption, or certified mail carrier. MuniServices ability to accept multiple confidential data formats provides its clients not only security, but also ease of transport.

### ACCESS CONTROLS

Network operation center security engineers control access to all MuniServices systems and central data storage. Access is based on a need-to-know basis, and further restricted to hours of operation. Users are required to login, utilizing a unique access code that meets the following minimum enforced standards:

1. Password must be a minimum of 8 characters long;
2. Contain both uppercase and lowercase;
3. Have digits and punctuation characters as well as letters;
4. Not a word in any language, slang, dialect, and jargon; and
5. Not based on personal information, account information, or general knowledge information.

While SSL (Secure Socket Layer) is an industry standard, MuniServices adds additional security requirements for access to data from outside of its trusted networks. MuniServices utilization of RSA™ provides an additional 2-factor authentication with one minute rotating access codes to its security segmented services. VPN (Virtual Private Network) technology utilizes the following IPSEC (IP Security Protocol):



1. Authentication Header (AH)
2. Encapsulating Security Payload (ESP)
3. Data Encryption Standard (DES)
4. Triple DES (3DES)
5. Diffie-Hellman (D-H)
6. Message Digest 5 (MD5)
7. Secure Hash Algorithm-1 (SHA-1)
8. Rivest, Shamir, and Adelman (RSA) Signatures
9. Internet Key Exchange (IKE)Certificate Authorities (CA)

Once work has been completed, an employee has been re-assigned, or is no longer employed access to key systems and confidential data is revoked. Supervisors and managers next review employee files and records to ensure appropriate actions are taken to ensure confidential data is reassigned or properly destroyed.

### **DESTRUCTION AND PROLIFERATION OF DATA**

All confidential and highly sensitive data is maintained exclusively on MuniServices owned and operated systems, with the exclusion of MuniServices disaster recovery data maintained at Iron Mountain™. The destruction and disposal of all confidential and highly sensitive data is accomplished through Iron Mountain™ a certified secure document and data disposal company. Documents no longer required, which contain confidential information, are placed in Iron Mountain™ security containers for proper disposal. All tape, electronic media and disks undergo a two-phase data destruction process. Electronic media undergo an EMF (electric magnetic field) degaussing by use of an electromagnetic device, are placed in an Iron Mountain™ electronic media disposal security container, for a second phases of degaussing, and then undergo physical destruction. The destruction of all confidential data is certified; appropriate documentation provided to MuniServices by Iron Mountain™.



# SCOPE OF WORK

## PROJECT TIMELINE

As shown in the section titled Timeline and Milestones, based on the initial meeting, MuniServices develops a work plan that incorporates the logistical matters agreed to in the initial meeting and describes in detail how the objectives shall be met. The table provides details for the steps that we will follow in each phase of the project implementation and who has responsibility for each step (City and/or MuniServices).

Following the standard project implementation plan below, which has been developed and successfully implemented on behalf of hundreds of municipalities by our managers and staff business license specialists, the MuniServices project team will:

- Provide and operate a secure automated system to which electronic records of the City's taxpayers may be transferred. Records will be provided by the City in a mutually agreeable format.
- Print and mail the initial notification of license renewal to taxpayers, according to a schedule to be verified with the City.
- Process new applicants and review and verify applications and application data, data input and correspondence, including processing of special short term licenses.
- Receive process, reconcile, and deposit all payments.
- Remit funds to the City in one of two ways:
  1. 10 – 15 deposits per month via ACH
  2. Once at the end of the month via check
- Perform data entry necessary to maintain a taxpayer database.
- Provide day-to-day taxpayer support using a toll free telephone line and email communication. MuniServices' National Taxpayer Call Center will be available through a toll free telephone line Monday through Friday, 7:00AM to 5:00PM Pacific Time.
- Handle all taxpayer communications including general questions, account inquiries, business license application questions and issue resolution.
- Respond to taxpayer correspondence via return phone call or written correspondence.
- Maintain logs identifying the date of the inquiry, the name and address of the person or entity making the inquiry and the advice or other information provided.



- Provide NSF check processing and collection as needed for taxpayer payments.
- Implement delinquency follow-up procedures for accounts that fail to submit a return and payment by the due date set by the City.
- Identify accounts that become delinquent and inform the taxpayer of the delinquency via telephone and printed notices; and
- Send notices to those businesses advising them of their legal obligation to obtain a business license in accordance with the City’s ordinance.

## TAX REGISTRATION DATABASE MANAGEMENT

MuniServices proposes to provide the City with a full-service turnkey Tax Administration program related to the City’s business tax processing, renewals, collections, and ongoing monitoring and administration of the City’s business tax. The service will be performed utilizing MuniServices’ internal programs and processes.

Prior to execution of the Administration service MuniServices needs certain items from the City in order to ensure the highest level of performance.

1. Registration Database – MuniServices will need a copy of the business license tax registry in electronic format along with the payment history of all registered businesses in the City. A Business Tax File Layout form will be included with the project plan for additional information on the data transfer process.
2. Supporting City Data Files – MuniServices would also like to receive additional City database files to include in the master business inventory build for the City. Examples include a copy of the commercial utility billing records and a copy of City preferred vendors.
3. Registration Forms – MuniServices will need a copy of the business tax application currently used by the City (in Microsoft Word if available).
4. Accompanying Documents to the Business Registration Forms – MuniServices will also need any other documentation required as a prerequisite to the issuing of a certificate.

## BUSINESS INVENTORY BUILD

The tax registration file(s) provided by the City will be integrated the with multiple public and private database files. The end result will be an inventory of the compliant and non-compliant entities operating in the City. At this stage our staff of tax specialists can review the potential non-compliant accounts or “leads” for accuracy.



## **NEW ACCOUNT PROCESSING**

The new application processing will include a review and verification of applications and application data, establishing processes for established departmental prerequisites to licensure. Included in the administration project setup will be review of the City's current new application process for mutually agreed upon liaisons and modification if necessary.

## **RENEWAL PROCESSING**

MuniServices can provide a service customization to assist with new business and renewal "walk-ins". MuniServices recommends an optional on-site kiosk that will enable businesses to file and pay for a business license through the online filing application at a location determined by the City.

The annual renewal application processing will include mailing of renewal applications and processing of completed renewal applications; and generating business license certificates.

As a taxpayer follow up for taxpayers that do not return their annual renewal application, MuniServices will send two additional notices and make one follow up phone call.

## **SERVICE CUSTOMIZATIONS FOR CITY**

In addition to the standard administration service, the City has the option to enhance the service with an onsite kiosk once the online file and pay application is implemented. To assist with "walk-in" registrations, an onsite kiosk offers a way to (1) enable businesses to register unassisted at a location determined by the City and (2) print a temporary certificate on-site.

Our standard business model, in use with most of our clients, is set up so that we collect our fee out of business license payments as they are remitted, disbursing the balance to the City ("net remit"). This model assumes that payments are due upon application/renewal, and that licenses are issued only upon completion of all necessary forms/documentation and receipt of payment. We have found that this model works to assure timely receipt of payment both to MuniServices and to our clients.

If the City requires that licenses be issued in advance of payment, MuniServices can invoice the City monthly in arrears as licenses are issued, and disburse payments in full as they are received.

## **BUSINESS LICENSE SOFTWARE**

MuniServices has found the administration service to be much more cost effective to the City than software. As a result, MuniServices has developed its administration service as the option clients prefer over software. Experience has shown and client feedback confirms, the contents in the reports on the reporting portal enable the City to find, review and discuss the information it needs. Additionally, the Client Support team is available to aid in additional research or reporting. Our administration service places the cost and system maintenance responsibilities on us rather than you and keeps your true costs far below what you would pay for software and in-house administration.



## A. COLLECTING, POSTING AND PROCESSING PAYMENTS

**Collection of Business License taxes and fees:** For both new licenses, renewals, and special short term licenses with timely remittance or deposit on behalf of the City;

**Monthly detail reporting of payments received:** Including monthly reconciliation of payments received to payments remitted or deposited on behalf of the City; Credit Card payment processing will be accepted pursuant to City approval. MuniServices and City will work together to determine the best method for processing credit card payments;

**Taxpayer compliance:** For taxpayers who do not remit payment with their application or whose check is not honored by the bank (NSF check), MuniServices will send two additional notices and make one follow up phone call.

## B. TAXPAYER AND CITY STAFF COMMUNICATIONS

### TAXPAYER COMMUNICATIONS

MuniServices will handle all taxpayer communications including general questions, account inquiries, business license application questions and issue resolution. Our National Taxpayer Call Center will be available through a toll free telephone line Monday through Friday, 7:00AM to 5:00PM Pacific Time. MuniServices will respond to taxpayer correspondence via return phone call or written correspondence. All standard correspondence templates will be subject to City approval.

### CLIENT COMMUNICATIONS

MuniServices will maintain regular and close communications with City staff to communicate project activity and any issues. MuniServices will provide prompt responses to City staff regarding any questions or issues.

### CITY ASSISTANCE

To begin the Administration work, and throughout the project MuniServices will ask the City for assistance as follows:

1. Provide an electronic copy of the City's License Registration File and License Payment History file to MuniServices, together with any other information necessary for MuniServices to compute MuniServices' billing for services, in electronic format, to MuniServices on no less than a quarterly basis during the term of the Agreement and thereafter for so long as MuniServices' right to invoice for services rendered continues.
2. Use reasonable and diligent efforts to collect, or to assist MuniServices in the collection of, deficiencies identified by MuniServices pursuant to the Agreement.
3. Notify MuniServices within 10 days following receipt by the City of payments, if there is any, resulting from deficiencies identified by MuniServices; and
4. Approve business license workflow for the administration of new business license applications.



Because the Tax Administration service may result in collection of deficiencies after termination of the Agreement, the City's obligation to collect fees and notify MuniServices, and MuniServices' right to continue to receive contingency fees, shall survive termination of the Agreement for any reason.

The City will have the right, at the City's option, to elect not to proceed with recovery of any identified deficiencies. Deficiencies which are uncollectible due to insolvency or dissolution of the entity liable, or for deficiencies which are otherwise incapable of collection (e.g. statute of limitations expiration or other legal defense) will not be considered an "election" by the City for the purposes of the Agreement. For deficiencies otherwise collectable but for which the City elects not to collect, the City will notify MuniServices of its election not to pursue ("waive") collection of said deficiencies. MuniServices will be entitled to one-half (½) of the fee MuniServices would have been entitled to for the waived portion of the deficiency.

### C. ONLINE FILING AND PAYMENT PROCESSING

MuniServices has successfully implemented, and continues to support our online file-and-pay option for over 135 of our clients, and have found that online business license filing and payment is the most convenient option for most businesses, and results in expedited filing and payment throughput for our clients.

Our system seamlessly handles the basic processing steps in the filing process:

- Taxpayer filings and payments are entered using secure website.
- Online payments are recorded in our system.
- Automatic reconciliation between payment and application.

Typically the process takes most taxpayers no more than five minutes from start to finish. The same portal enables businesses to update their account information, correspond with MuniServices tax specialists, view their previously filed returns that were submitted through the online filing website and receive assistance for their Business License Tax questions. We encourage businesses to utilize our online file-and-pay option by providing 24/7 access to a secure web-based portal.

### **REPORTING**

While we administer the tax revenue you are never far from the information. Our online reporting system allows you to access reports and business information whenever you need it.

Here is a list of the reports available online:

- New Account Listing
- Transfer and Distribution Report
- Daily, Weekly and Monthly Reconciliation Reports
- Detailed Payment History Reports
- Delinquency Reports
- Top Remitters Reports
- Business Tax Certificates Issued Report



- Business Tax Certificates On Hold Report
- Business Search Tool

Should any additional reports be needed in addition to the robust online reports, MuniServices will work with the City staff for its reporting needs.

## D. OPTIONAL SERVICES

### A. **DISCOVERY/LICENSE AND LOCAL TAX COMPLIANCE (LTC)**

In order to provide the most valuable and efficient service to the City, we begin with the discovery and compliance work. We then move to the audit work. Experience has shown moving sequentially from discovery to audit accomplishes two important objectives. The first is bringing the business community into compliance in a methodical, controlled, business-sensitive process. This demonstrates the City determination to make sure everyone is playing by the rules rather than simply targeting businesses. It also generates revenue quickly for the City. The second is identifying the business most in need of an audit, which might be those found in the discovery process rather than already known businesses.

We understand the City’s desire to identify and bring into compliance all businesses engaged in business in the City. We define those as doing business as any person engaged in or carrying on any profession, trade, calling, occupation or business within the City. Our discovery and compliance service ensures these business are or become properly registered and have or will make all appropriate payments to the City.

The flexible nature of our approach gives the City choice in the degree to which our team complements the work City Staff does, from an integrated, side-by-side approach to MuniServices taking on the responsibilities of City Staff. Not only will our collaborative approach, data mining, proprietary systems, and experience generate significant revenue, but our business-focused customer service focus also will strengthen relations between the City and business community.

### **PROGRAM OBJECTIVES AND METHODS**

Our LTC service is designed to assist the City in locating tax revenue that the City may not be receiving from its local tax registry. MuniServices provides detection, documentation and correction of errors and omissions causing deficiencies, thereby producing new revenue that would not otherwise have been realized by the City. Moreover, our team works in full and collaborative partnership with City revenue staff to supplement the operations and procedures currently in place.

The LTC service also aims to reduce future errors by informing businesses about the proper methods of compliance. Reducing the number of future errors reduces the costs of future enforcement efforts and increases ongoing revenue.

The beginning of the process focuses on communication between the City and MuniServices. Here are the initial steps:

***Initial Meeting.*** MuniServices meets with the City staff to review the procedures and objectives of the LTC service, business entity relations and logistical matters, including establishing an appropriate liaison with City management and staff and logical checkpoints for measuring progress (the “Initial Meeting”). Typically this meeting will occur within 5-10 days of the fully executed Agreement.





**Work plan.** Based on the Initial Meeting, MuniServices develops a work plan that incorporates the logistical matters agreed to in the Initial Meeting and describes in detail how the objectives of the LTC service shall be met.

**Commencement of Services.** After the Work plan is developed, MuniServices shall begin providing the Discovery and Audit services described below. MuniServices' obligation to provide services is contingent on the City providing the necessary information and cooperation.

## PHASE 1: PREPARATION PHASE

The Preparation Phase will allow MuniServices to make certain that all necessary steps are accomplished to lay the foundation for a successful project. These steps include meeting with the City to obtain a thorough understanding of the client's processes and requirements, obtaining data from both the client and external sources, standardizing this data for use in MuniServices proprietary database integration software, generating correspondence and forms, and modifications to our Compliance Administration System to calculate delinquent taxes.

The standard timing of this phase is approximately 30 to 60 days. This timeframe is dependent on items such as timely receipt of data and client requirements. Because of this, the timeframe may be shortened or lengthened as necessary.

**Initial Project Meeting/Draft Work Plan Review.** The first draft version of the work plan will be completed and submitted to the City for their review on this date. Revisions to the work plan will be implemented in conjunction with the City after the initial meeting and throughout the duration of the project.

### BUSINESS INVENTORY BUILD

The tax registration file(s) provided by the City will be integrated with multiple public and private database files. The end result will be an inventory of the compliant and non-compliant entities operating in the City. At this stage our staff of tax specialists can review the potential non-compliant accounts or "leads" for accuracy.

## PHASE 2: TESTING PHASE

During this phase we will begin to test the processes and procedures developed during the preparation phase. Prior to bulk mailing, a smaller test batch of notifications will be mailed to ensure that the processes outlined are functioning correctly. During this phase any modifications to process can be initiated in a timely manner. The standard timing of this phase is 60 days.

1<sup>st</sup> Test Mailing. MuniServices will prepare a mailing designed to assess the procedures outlined in the work plan. The test batch usually consists of 100 – 150 notices and will be tracked closely to determine impact on MuniServices as well as City staff. During the testing phase, MuniServices and the City can make immediate modifications to the processes to ensure the highest level of effectiveness prior to bulk notifications starting.

Invoice & Tax Calculation Approval. Once the first round of respondents has been processed, MuniServices will submit sample account statements for the City's review. This allows the City to validate tax calculations and classifications prior to invoicing of the non-compliant entities.



Payment Process Test. This procedure will validate MuniServices payment posting and application processing procedures. MuniServices and the City will ensure funds are transmitted timely and that documentation for each payment batch meets the City’s guidelines.

Application & Batch Forwarding. MuniServices will submit to the City the first batch of applications where payment has been received by the taxpayer.

### PHASE 3: ACTIVE PHASE

Stated simply, this phase will be the execution of the work plan developed by MuniServices for the notification and registration of non-compliant entities. During the testing phase, MuniServices will work with the City to refine the processes and ensure accuracy prior to the volumes associated with the active phase. MuniServices will continue to modify the timing related to new milestones of the active phase as the project continues.

Testing Validation. Upon completion of the testing phase, MuniServices will review the processes with the City and review any additions or modifications to the procedures outlined in the work plan. MuniServices will then prepare a final operation version of the work plan and submit to the City for approval.

Bulk Mailing/Active Phase. The active phase begins with MuniServices first bulk mailing. Each mailing will continue the processes refined during the testing phase and continue on a weekly basis throughout the duration of the project.

## B. AUDIT

Following the initial steps, we move to the rest of the steps in and components of the service.

Comprehensive Inventory. MuniServices will establish a comprehensive inventory of the entities subject to taxation by the City and the database elements needed to facilitate a comprehensive comparative analysis with the City’s records of those entities current and prior year’s tax remittance to ensure proper registration. We will compare the City’s records with MuniServices’ database of business records to identify potential non-reporting and non-registered entities subject to taxation.

Communication with City staff. MuniServices will work directly with designated City staff to review and discuss potential audit candidates subject to review. Only entities mutually agreed by MuniServices and the City to be reviewed shall be subject to MuniServices’ audit services. For potential under-reporting entities identified, MuniServices will obtain authorization from the City to conduct a review of the entities’ records and determine the amount of tax due for current and prior periods (plus applicable interest and penalties, where appropriate). Additionally we will submit audit summaries (also referred to as “Deficiency Notice”) to the City to permit the City to determine the amount of a deficiency owed, if any.

Communication with Business Community. We will work with personnel at each target business to determine whether a business license fee is due, when necessary and appropriate. This is accomplished with the highest regard to discretion and professional conduct. We deploy a non-controversial, constructive public relations approach that emphasizes the importance of each business to the City and the mutual benefits of correcting non-reporting errors.



Taxpayer Assistance. For each unregistered or non-reporting entities identified and confirmed, MuniServices will assist the entities, as necessary, to complete the City’s applicable registration form(s) and determine the amount of tax due for current and prior periods (plus applicable interest and penalties, where appropriate) and ensure that registration forms are complete and correct. Additionally we will educate entities regarding the City’s reporting requirements to prevent recurring deficiencies in future years.

Call Center Assistance. Our call center is open during normal business hours to assist entities with questions concerning application of the City’s taxes, and reporting and remittance requirements.

Invoicing. After the applications have been completed, on behalf of the City we invoice entities for the amount of identified deficiencies together with supporting documentation, and remit payment received to the City. Entities can remit payments to MuniServices by mail, over the phone, or online.

Collection and Remittance. When all completed registration forms and associated payments are completed MuniServices will forward them to the City in batches at the frequency directed by the City. (MuniServices will follow the City’s business rules in collecting partial payments or the tax in full at the City’s direction.) Applications will be forwarded with copies of the payments and payments deposited into an account designated by the City.

Payment Deposit Services. If the City elects to have MuniServices conduct payment deposit services, applications will be forwarded with copies of the payments and the payments will be deposited into an account designated by the City.

Reporting. On a monthly basis we provide the City with reports addressing each taxpayer not reporting, including the business name, address, and telephone number to the City and we monitor and analyze the business license registration files of the City each quarter in order to determine non-reporting businesses.

## **TIMING AND DELIVERABLES**

MuniServices will provide the City with audit progress reports to include the following:

1. Status of work in progress – to include copies of reports provided to taxpayers/ intermediaries addressing each reporting error/omission individually, including where applicable the business name, address, telephone number, account identification number, individuals contacted, date(s) of contact, nature of business, reason(s) for error/omission and recommended corrective procedure;
2. Actual revenue produced for the City – on a monthly and cumulative basis;
3. Projected revenue forthcoming to the City – as a result of MuniServices’ audit service, specified according to source, timing, and one-time versus ongoing; and
4. Alphabetical listing of all errors/omissions detected – for the City by MuniServices, including the account number, correction status, payment amount received by the City, period to which payment is related and payment type (e.g., reallocation, deficiency assessment) for each one.



## CITY ASSISTANCE

To begin the work and throughout the project MuniServices will ask the City for assistance as follows:

1. Provide an electronic copy of the City's License Registration File and License Payment History file to MuniServices, together with any other information necessary for MuniServices to compute MuniServices' billing for services, in electronic format, to MuniServices on no less than a quarterly basis during the term of the Agreement and thereafter for so long as MuniServices' right to invoice for services rendered continues;
2. Use reasonable and diligent efforts to collect, or to assist MuniServices in the collection of, deficiencies identified by MuniServices pursuant to the Agreement; and
3. Notify MuniServices within 10 days following receipt by the City of payments, if there is any, resulting from deficiencies identified by MuniServices.

## E. CONSULTING SERVICES – REVIEW OF BUSINESS TAX PROGRAM

### ORDINANCE ANALYSIS SERVICE

Most cities just do not have the resources to do such, and it is common to hire MuniServices to conduct this type of project. In addition to the Administration, Discovery and Audit services, at the City's request MuniServices will conduct the review of the City's business license ordinance and tax registration database to identify items that may warrant further review, including:

1. Conduct an analysis of the current business license ordinance and the City's tax registration database;
2. Prepare a report comparing the City's program to those of neighboring municipalities;
3. Draft a series of possible business tax re-structuring options for City consideration which may include the proposing of gross receipt based taxes, employee based taxes, flat taxes or a hybrid of all mentioned options; and
4. If applicable, draft a proposed alternate structure to be used in the City's new ordinance. Consultant will also review and provide sample ordinance language from neighboring cities "model ordinances."

MuniServices then provides a report summarizing the identified items and the reason why an item was identified for possible further review and meets with the City to discuss the report. This initial review does not include recommended fixes or issues related to proposition 218. MuniServices reviews the City's business tax ordinance to: identify areas, based on our practical experience that may be subject to challenge based on the dormant commerce clause; Identify useful provisions that are missing from the ordinance; and Identify potential challenges to the ordinance based on administration.



# TIMELINE AND MILESTONES

## IMPLEMENTATION PLAN

The implementation process for a standard fixed annual due date (i.e. all renewals due on one specific date) typically consists of 60-90 days following contract implementation.

Requirements outside of this standard fixed annual due date requires customization and can be expected to extend the setup timeline.

The following table provides details on the steps that we follow in each phase of the implementation process.

Implementation Phase		Action Item
Phase 1 - Preparation & Data Receipt	1	Signed Contract Received
Phase 1 - Preparation & Data Receipt	2	Designate Point of Contacts for both City and MuniServices
Phase 1 - Preparation & Data Receipt	3	Schedule kick-off call to formalize transition and agree to joint objectives
Phase 1 - Preparation & Data Receipt	4	City forwards copies of all relevant ordinances, resolutions, tax and fee schedules, sample tax forms, etc.
Phase 1 - Preparation & Data Receipt	5	City sends current detailed Business Tax file
Phase 1 - Preparation & Data Receipt	6	City sends detailed business tax account history
Phase 1 - Preparation & Data Receipt	7	Formal kick-off meeting
Phase 2 - Setup/Requirements/Approvals	8	Supply requirements document to City
Phase 2 - Setup/Requirements/Approvals	9	Receive requirements document back from City
Phase 2 - Setup/Requirements/Approvals	10	Send BL Requirements to online vendor for online filing
Phase 2 - Setup/Requirements/Approvals	11	Notify MuniServices IT of special requirements
Phase 2 - Setup/Requirements/Approvals	12	Confirm local telephone number and toll free number
Phase 2 - Setup/Requirements/Approvals	13	Confirm MuniServices remittance address
Phase 2 - Setup/Requirements/Approvals	14	Create BL correspondence/forms/FAQ's/Video etc.
Phase 2 - Setup/Requirements/Approvals	15	Get City Approval on BL correspondence/forms/FAQ's/Video etc.
Phase 3 – Testing	16	Data Conversion Complete/Accounts Setup
Phase 3 – Testing	17	Determine BL fee schedules/classes/etc. and set up in MuniServices system
Phase 3 - Testing	18	MuniServices Employee Training Completed
Phase 3 - Testing	19	MuniServices Data Entry System Testing Completed
Phase 3 - Testing	20	Conduct Online File and Pay Demo
Phase 3 - Testing	21	Online File & Pay Testing Completed
Phase 3 - Testing	22	Renewal test data pulled for verification



Implementation Phase		Action Item
Phase 4 - Active	23	Mail introduction letter to businesses (if applicable)
Phase 4 - Active	24	Upload City information to MuniServices Website
Phase 4 - Active	25	Supply triplicate forms for City use for internal applications
Phase 4 - Active	26	Confirm distribution information with City for electronic funds transfer
Phase 4 - Active	27	Generate final data for renewal package
Phase 4 - Active	28	City website updated with MuniServices remittance address and instructions
Phase 4 - Active	29	Set Up Client Online Report Access
Phase 4 - Active	30	Renewal packages mailed
Phase 4 - Active	31	Conduct Online Client Report Training Session
Phase 4 - Active	32	Online File and Pay available
Phase 4 - Active	33	MuniServices courtesy calls to businesses regarding address change
Phase 4 - Active	34	Receive and process payments



# PROPOSED COMPENSATION

## TURNKEY TAX ADMINISTRATION

MuniServices offers the following proposal for compensation:

- \$12.00 for each license payment processed per license period; and
- Set-up fees up to \$5,000.

The per-license fee is adjusted at the beginning of each calendar year by the percentage change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. The initial CPI-WU used for the first CPI adjustment will be the CPI-WU for the month in which the agreement is fully signed. The adjustments thereafter will be based on the CPI-WU from December of the prior calendar year. Each annual adjustment will not be less than two percent (2%) or greater than ten percent (10%).

Included in the above compensation for Tax Administration Services are:

1. Printing and Mailing costs (for notifications, license issuance, etc.)
2. Ongoing database management and back-up (taxpayer information)
3. Forms processing and funds disbursement (secure lockbox operation)
4. Development and support of an on-line business license filing and payment application.

### Cost for sending the original license/application to the City

MuniServices archives all original licenses/applications. If the City wants a copy of the original license/application, MuniServices will charge the City a fee equal to \$1.75 per business license/ application for the mailing or faxing.

## DELINQUENCIES

Should the usual process of taxpayer notifications (2 additional notices and a follow-up phone call) result in the non-payment of a business listed on our system or the data sent to MuniServices from the city, the account will then be considered a delinquency. Delinquency processing involves another strongly worded notice and additional phone calls. The account is then subject to the same fees as the Discovery/LTC services listed below.

## LOCAL TAX COMPLIANCE DISCOVERY SERVICES (OPTIONAL) DISCOVERY/LTC

MuniServices' compensation for providing Discovery Services will be a contingency fee of 40% of the additional revenue received by the City from the services. The 40% applies to the current tax year, all eligible prior period revenues, and any applicable penalties, interest, and late charges. The contingency fee only applies to revenue actually received by the City. The term "current tax year" shall mean the most recent tax year for which local taxes are due and payable to the City, and in which MuniServices has identified deficiencies. If the City accepts full Business License Administration services, the contingency fee will be reduced to 35%.



## LOCAL TAX COMPLIANCE AUDIT SERVICES

MuniServices' compensation for the Audit Service will be a contingency fee of 40%. The 40% contingency fee will apply to revenue received by the City as a result of deficiencies identified in the review and will include any eligible prior period revenues together with all applicable penalties, interest and late charges. The City agrees to use reasonable and diligent efforts to collect deficiencies identified by MuniServices. If the City accepts full Business License Administration services, the fee will be reduced to 35%.

## TAXPAYERS' PAYMENTS AND INVOICE PROCESS FOR DISCOVERY AND AUDIT SERVICES

The following section describes how MuniServices handles the taxpayers' payments, and invoices the City for its fees related to the Discovery and Compliance Audit Services:

1. Taxpayers' payments received by MuniServices will be deposited into a general escrow account maintained by MuniServices. The taxpayers' payments deposited into the escrow account will be remitted to the City on a monthly basis net of MuniServices fees.
2. MuniServices will send to the City a remittance package no less frequently than once per month that may contain MuniServices' generated report identifying each taxpayer payment received and the amount of MuniServices fees attributed to the taxpayer payment, a check made payable to the City for the amount of fees collected less MuniServices' fees, and an invoice showing our contingency fee.
3. Should there be any disputed payments MuniServices will work with City to mutually resolve these issues. If the resolution results in City's favor, MuniServices will refund the applicable portion of the fee to City within 10 days of resolution.

## ADDITIONAL CONSULTING SERVICES

City may request that MuniServices provide additional consulting services at any time during term of the Agreement. If MuniServices and the City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates range from \$75 per hour to \$200 per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

## NON-SUFFICIENT FUNDS, CUSTOMARY AND REQUIRED BANK FEES, AND OTHER RELATED CHARGES AND FEES

If a business pays its business tax by check without sufficient funds, then MuniServices will charge the business a \$25 NSF charge. If the NSF payment causes the business tax payment to be late, then the associated late penalties and interest will apply.

MuniServices offers a variety of payment options to businesses seeking a tax certificate. Some of these options incur additional fees and costs. MuniServices understands it is customary and reasonable for certain fees and charges to be absorbed by the issuing party and others to be charged to the taxpayer. MuniServices will follow existing City policy in





charging any applicable fees and charges to either the taxpayer or continue to allow the City to absorb those fees and charges.

### **CREDIT CARD PROCESSING FEE**

If the City opts to absorb the credit card processing fees charged by the credit card companies, MuniServices will withhold the exact processing fees charged by the credit card companies when MuniServices remits tax revenues to the City. If the City opts-out of absorbing this cost, a standard 3% processing fee will be directly paid by businesses that choose this payment option and added to the business licensing fees at the time of payment.



# REFERENCES

## **City of Folsom**

Mr. Jim Francis, Chief Finance Officer  
50 Natomas Street, Folsom, CA 95630  
Telephone: 916.355.7347  
Email: [jfrancis@folsom.ca.us](mailto:jfrancis@folsom.ca.us)  
Relationship: Since 2012; Business License since 2015

## **City of Santa Rosa**

Mr. Alan Alton, Deputy Finance Director  
90 Santa Rosa Avenue, Santa Rosa, CA 95402  
Telephone: 707.543.3093  
Email: [aalton@srcity.org](mailto:aalton@srcity.org)  
Relationship: Since 1989; Business License since 2007 and Administration since 2013

## **City of Sacramento**

Ms. Julie Coffeen, Senior Management Analyst  
915 I Street, Room 1201, Sacramento, CA 95814  
Telephone: 916.808.1259  
Email: [jcoffeen@cityofsacramento.org](mailto:jcoffeen@cityofsacramento.org)  
Relationship: Relationship: Since 1989; Business License since 2006

## **City of Ceres**

Ms. Deborah Madrigal, Account Clerk I  
2720 Second Street, Ceres, CA 95307  
Telephone: 209.538.5768  
Email: [debra.madrigal@ci.ceres.ca.us](mailto:debra.madrigal@ci.ceres.ca.us)  
Relationship: Since 2012



# ALTERNATIVE SERVICE OFFERING

## BizLINK™ BUSINESS LICENSE SOFTWARE

BizLINK™ Business License software is a comprehensive business license management system. This web-based, single solution application can be utilized within the Licensing Department of any City. BizLINK™ allows authorized users within the City to enter the initial license information, track the status of a license, renew an expired license, and collect the appropriate fees. In addition, the Licensing Department will have the capability of viewing standard reports and creating ad-hoc reports. BizLINK™ can also provide seamless integration to or online payment portals, which allow City's customers to register, renew and make payments online. BizLINK™ can also be integrated with the City's GIS system to provide real-time business address validation during the registration process.

The BizLINK™ application interface is very user-friendly and is easy to navigate from tab to tab in order to view all of the information that has been entered by city staff. It can be customized by our developer team upon request, and can be integrated with outside system through API call and other services.

BizLINK™ is a secure Internet-based application that allows Users to access the following functions:

- Initial Business License information gathering and issuing
- Automatic SDIC to NAICS Transactions
- Built in Transaction History Log, with unlimited notes capability
- Unlimited Owner and Contract Listings
- Renewal Notification – Mail-Merge Compatible Export
- Renewal processing
- Online File & Pay
- Flexibility to handle even the most complex ordinances
- Access to current and historical business tax data
- Security utilizing two-factor authentication
- Ability to easily export data or connect through API's to other City systems

BizLINK's pre-defined reports include but are not limited to the following:

- Business Inventory Report
- SIC /NAIC
- Financials (Daily, Weekly, Monthly, Quarterly and Annually)

In addition to standard reports, BizLINK™ provides the power of an Ad-Hoc query capability enhanced by MuniServices' report building tools to allow for:

- Integrated Custom Report Designer with complete control of Ad-Hoc Report Generation
- Automatic Report Generation
- Easy to use selection criteria for field selection
- Full control of tabular field selection, sorting and display
- Ability to send selected data to Tabular Data export for Excel, Delimited (Tab/Comma), or XML file formats



## SOFTWARE IMPLEMENTATION

The following is our standard Implementation Plan for the services required for new BizLINK™ systems. MuniServices can provide access to BizLINK™ within 90 working days following receipt of required data. Implementation of enhanced BizLINK™ system features (Online File & Pay, GIS integration) are done in three phases:

### PHASE ONE: GATHERING INFORMATION

MuniServices sister company, eGov Systems will conduct an information gathering session with the appropriate City personnel to ascertain City's feature requirements. City will provide the following:

- All existing forms and electronic materials used in the issuance of a Business License by City.
- A written description of the administrative process used in the issuance of a new Business License by City or renewal of an existing license.
- A detailed list of the Job Classification Standards in use by City, whether SIC or NAICS, or other City specific classifications.
- A detailed written description of how the Business License Fee is calculated, business improvement districts and any other additional calculations taking into account businesses with multiple locations.
- A detailed written description of City's interest and/or penalty rates and how they are calculated.
- A detailed written description of the procedure used when terminating, revoking and suspending a Business License.
- City's current procedures for archiving and retrieving Business License forms.
- Unique printing/processing requirements for Business License Certificates
- Identify the type of reports that would be most useful in the Business License Process. (BizLINK™ can provide up to seven standard reports.)
- Provide a summary of any information gathered in the business license process that is not stored electronically, such as questionnaires or voluntary information,
- A list of the current status codes and descriptions associated with the system for applications, renewals, holds, inactive, etc.
- Identify any City specific coding structures developed for Business Class, Hazardous Materials, Process Status Codes, etc.

### PHASE TWO: PROJECT PLAN APPROVAL

After the City provides eGov Systems with all the information required under phase one, eGov Systems will deliver to the City the final Service specifications. City must make any requests for changes to the Service at this time, prior to implementation. The final Service specifications are approved when signed by both City and eGov Systems, at which time the final Service specifications become part of this Agreement.

The approved final Service specifications are referred to as the "Final Project Plan." Any changes to the Final Project Plan must be made in writing. If City requests a change to the Final Project Plan, eGov Systems will implement the change after eGov Systems and City have agreed on the cost of the requested change and City has approved the scope and cost of the change in writing.



### **PHASE THREE: IMPLEMENTATION AND TESTING**

After the Final Project Plan has been developed, eGov Systems will implement the Final Project Plan and install the Service according to the requirements in the Final Project Plan. City has 30 calendar days from the date eGov Systems installs the Service to begin using the Service and ensure that City is able to access the Service (the “Testing Period.”). City will notify eGov Systems of any problems in accessing the Service during the Testing Period.

At the end of the Testing Period, unless City has notified eGov Systems to the contrary, it is deemed that City is able to access the Service and that implementation was successful. eGov Systems will correct problems relating to the stated requirements and functionality of the Service that arise after the end of the Testing Period at no cost to City if: City first discovered the problems after the Testing Period; and City notifies eGov Systems of the specific problem and the date on which the problem was first discovered.

### *BIZLINK™* COMPENSATION

MuniServices would charge the City a one-time \$28,000 set up fee the first year plus an additional \$3,000 for Data Migration if necessary. For future years, an annual maintenance fee of \$5,600 will be charged to the City.

