

# City of Calistoga Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Gloria Leon, Administrative Services Director  
**DATE:** April 18, 2017  
**SUBJECT:** Business License System Professional Services Agreement,

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APPROVAL FOR FORWARDING:



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Dylan Feik, City Manager

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1 **ISSUE:** Consideration of a resolution that:

- 2 1. Authorizes the City Manager to enter into a professional services agreement with
- 3 MuniServices, LLC to provide administration services for business licenses
- 4 2. Assesses a processing fee of \$12.00 per business license to partially defray the
- 5 cost of the system
- 6 3. Approves a budget adjustment decreasing appropriations in the FY 2016/17
- 7 Computer System budget, Account #15-4975-4823 by (\$3,500) derived from the
- 8 Equipment Replacement reserves

9 **RECOMMENDATION:** Adopt the attached resolution

10 **BACKGROUND:** Administrative Services Department is currently using Hdl Business  
11 License Module to process approximately 1,000 business licenses per year. The  
12 Administrative Services Department has been using Hdl since 2005. In 2016 Hdl  
13 provided a proposal to the City to upgrade their business license module to "Prime" with  
14 the option of having a web-based module where business owners could pay for their  
15 business license on-line. The Hdl consultant asked that we look at "Prime" since we  
16 had an old version of the business license module and with time it would not be  
17 supported by Hdl. At that time the price of \$15,000 plus \$3,685 for annual maintenance  
18 for software migration and full web-based module did not fit into the budget. In addition  
19 a staff person would be required to process the 1,000 business licenses.

20 As research was done on various companies providing business license modules it was  
21 determined a system that could provide full processing of business license where

22 business owners would have access 24/7 to a secure web-based portal thereby  
23 providing convenient, easy and expedited access and minimal staff time would be a  
24 better choice than processing business licenses in-house.

25 **DISCUSSION:** A majority of jurisdictions use software that is specifically designed for  
26 on-line applications and payment of business licenses.

27 Staff has been discussing the need for a modern, more-efficient business-license  
28 process for a number of years and recently solicited proposals from three companies  
29 experienced in this area. All three companies made presentations to staff,  
30 demonstrating the features of their particular system.

31 Three proposals were received:

- 32 • Hdl would charge \$2,500 for the migration of data and \$14.00 for each business  
33 license processed.
- 34 • Online Solutions for its Citizenserve system which is currently used by the  
35 Planning and Building Department for permit tracking did not have an on-line  
36 web-based module.
- 37 • MuniServices, LLC, would charge \$5,000 for the migration of data and \$12.00 for  
38 each business license processed.

39 Staff chose to further investigate MuniServices' capabilities and the experience of other  
40 jurisdictions using the system, which was favorable. Staff looked at the process of  
41 applying for a business license and found MuniServices to be the most user-friendly.

42 MuniServices' features are described in the attached proposal. In summary they will  
43 provide:

- 44 • A secure automated system to which electronic records of the City's taxpayers  
45 may be transferred.
- 46 • Print and mail the initial notification of license renewal to taxpayers
- 47 • Process new applications and review and verify applications and application data
- 48 • Receive, process, reconcile and deposit all payments
- 49 • Provide day-to-day support using a toll free telephone line and email  
50 communication
- 51 • Handle all taxpayer communications, including general questions, account  
52 inquires, business license applications questions and issue resolution
- 53 • Implement delinquency follow-up orcueures for accounts that fail to submit a  
54 return and payment by the due date set by the City

55 To assist with new businesses and renewal "walk-ins", MuniServices will provide an on-  
56 site kiosk that will enable businesses to file and pay for a business license through the  
57 online filing application at City Hall – Finance Department. City staff will have access to

58 the business license module for general questions from the public. By MuniServices  
59 taking on the responsibility of processing business licenses it will enable staff personnel  
60 to take on additional responsibilities.

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62 Should customers choose to pay with a credit card, a standard 3% processing fee will  
63 be directly paid by the business owner and added to the business licensing fees at the  
64 time of payment.

65 **FISCAL IMPACT:** A budget appropriation of \$8,500 was included in the FY 2016/17  
66 Computer System budget, Account #15-4975-4823. Staff is recommending a budget  
67 adjustment of (\$3,500) for a total of \$5,000 for FY 2016/17 to cover the migration of  
68 data, training and implementation. Staff will also recommend an appropriation in the FY  
69 2017/18 Computer System budget, Account #15-49-75-4823 of \$13,000 for the annual  
70 processing of business licenses, during the budget process.

71 The \$13,000 annual cost for subsequent years could be partially recovered by  
72 assessing a modest processing fee of \$12.00 per business license.

73 **IMPLEMENTATION OF COUNCIL GOALS:** Utilizing tracking system would advance the  
74 following goal, objectives and priority project adopted by the Council for FY 16-17:

75	<i>Goal 2</i>	<i>Offer excellent professional service to all customers</i>
76	<i>Objective 1</i>	<i>Provide a high standard in the delivery of...general municipal</i>
77		<i>services.</i>
78	<i>Objective 2</i>	<i>Streamline and simplify processes.</i>
79	<i>Priority Project 1</i>	<i>Research and implement various opportunities for outside</i>
80		<i>service agencies or private companies to provide routine city</i>
81		<i>functions in order to free City staff for higher-level activities</i>
82		<i>and special projects.</i>

## **ATTACHMENTS**

1. Draft resolution
2. MuniServices Business License System Proposal
3. Professional Services Agreement

RESOLUTION NO. 2017-XXX

1 **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF**  
2 **NAPA, STATE OF CALIFORNIA AUTHORIZING THE CITY MANAGER TO ENTER**  
3 **INTO A PROFESSIONAL SERVICES AGREEMENT WITH MUNISERVICES, LLC TO**  
4 **PROVIDE AN ON-LINE BUSINESS LICENSE MODULE SYSTEM**

5 **WHEREAS**, the City desires to improve the efficiency and processing of  
6 business licenses in order to reduce time spent by staff in administrative services  
7 department and provide better service to the public; and

8 **WHEREAS**, the Council's goals and objectives for Fiscal Year 16-17 include  
9 offering excellent professional service to all customers, and streamlining and simplifying  
10 processes; and

11 **WHEREAS**, MuniServices, LLC specializes in providing business license  
12 services to municipalities at a reasonable cost through its business license system; and

13 **WHEREAS**, the public would have access to applying for a business license 24/7  
14 on a daily basis.

15 **NOW, THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City  
16 of Calistoga as follows:

- 17 1. The City Manager is authorized to enter into a service agreement with  
18 MuniServices, LLC to provide the business license system, including setup,  
19 training, implementation and annual processing of business licenses.
- 20 2. Assesses a processing fee of \$12.00 per business license to partially defray  
21 the cost of the system.
- 22 3. A budget adjustment is approved to decrease the appropriation in the FY  
23 2016/17 Computer System budget, Account #15-4975-4823, by \$3,500 to  
24 cover the business license system's initial setup, training and implementation.

25 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of  
26 Calistoga at a regular meeting held the **18th day of April 2017** by the following vote:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

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**CHRIS CANNING, Mayor**

**ATTEST:**

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**KATHY FLAMSON, City Clerk**