City of Calistoga Staff Report

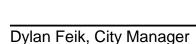
TO: Honorable Mayor and City Council

FROM: Gloria Leon, Administrative Services Director

DATE: April 18, 2017

SUBJECT: Business License System Professional Services Agreement,

APPROVAL FOR FORWARDING:



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ISSUE: Consideration of a resolution that:

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

9 **RECOMMENDATION:** Adopt the attached resolution

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

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

- business owners would have access 24/7 to a secure web-based portal thereby providing convenient, easy and expedited access and minimal staff time would be a
- better choice than processing business licenses in-house.
- DISCUSSION: A majority of jurisdictions use software that is specifically designed for on-line applications and payment of business licenses.
- Staff has been discussing the need for a modern, more-efficient business-license process for a number of years and recently solicited proposals from three companies experienced in this area. All three companies made presentations to staff, demonstrating the features of their particular system.
- Three proposals were received:

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- Hdl would charge \$2,500 for the migration of data and \$14.00 for each business license processed.
- Online Solutions for its Citizenserve system which is currently used by the Planning and Building Department for permit tracking did not have an on-line web-based module.
- MuniServices, LLC, would charge \$5,000 for the migration of data and \$12.00 for each business license processed.
- Staff chose to further investigate MuniServices' capabilities and the experience of other jurisdictions using the system, which was favorable. Staff looked at the process of applying for a business license and found MuniServices to be the most user-friendly.
- MuniServices' features are described in the attached proposal. In summary they will provide:
 - A secure automated system to which electronic records of the City's taxpayers may be transferred.
 - Print and mail the initial notification of license renewal to taxpayers
 - Process new applications and review and verify applications and application data
 - Receive, process, reconcile and deposit all payments
 - Provide day-to-day support using a toll free telephone line and email communication
 - Handle all taxpayer communications, including general questions, account inquires, business license applications questions and issue resolution
 - Implement delinquency follow-up orcueures for accounts that fail to submit a return and payment by the due date set by the City
 - To assist with new businesses and renewal "walk-ins", MuniServices will provide an onsite kiosk that will enable businesses to file and pay for a business license through the online filing application at City Hall – Finance Department. City staff will have access to

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

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- Should customers choose to pay with a credit card, a standard 3% processing fee will be directly paid by the business owner and added to the business licensing fees at the time of payment.
- FISCAL IMPACT: A budget appropriation of \$8,500 was included in the FY 2016/17 Computer System budget, Account #15-4975-4823. Staff is recommending a budget adjustment of (\$3,500) for a total of \$5,000 for FY 2016/17 to cover the migration of data, training and implementation. Staff will also recommend an appropriation in the FY 2017/18 Computer System budget, Account #15-49-75-4823 of \$13,000 for the annual processing of business licenses, during the budget process.
- The \$13,000 annual cost for subsequent years could be partially recovered by assessing a modest processing fee of \$12.00 per business license.
 - **IMPLEMENTATION OF COUNCIL GOALS:** Utilizing tracking system would advance the following goal, objectives and priority project adopted by the Council for FY 16-17:

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

ATTACHMENTS

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

RESOLUTION NO. 2017-XXX

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

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

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

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

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

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

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

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

AYES: NOES: ABSTAIN: ABSENT:	
ATTEST:	CHRIS CANNING, Mayor
KATHY FLAMSON, City Clerk	