

# Agenda Executive Board Meeting

*Friday, October 26, 2018 • 10:00-1:30pm*

*Kirkland City Hall, Peter Kirk Room*

*Audio - Please call 1-877-848-7030 and then NEW Access Code 8765293.*

## Consent Items

---

Approval of June 15, 2018 Executive Board Meeting Minutes (attached)

## Strategic Issues, Planning and/or Action Items

---

1. Executive Director Interviews
  - 10:00 – Board Briefing and Interview Preparation
  - Interviews
    - i. 10:15 -- Tyler Running Deer
    - ii. 10:50 – Lisa Yeager
    - iii. 11:25 – Charlene Moran
2. Executive Session to Discuss Qualifications of Applicants for Executive Director (RCW 42.30.110(1)(g))
- 3.
4. Executive Director Discussion and Direction
5. Information Updates
  - 
  - Audit Schedule
  - GovJobsToday and NW Property Update
  - Final Budget Adjustments
  - Preview of Agenda Items for November 16 Executive Board Meeting
6. Adjourn

TO: eCityGov Alliance Executive Board  
FROM: Marilynne Beard, Interim Executive Director  
DATE: October 22, 2018  
SUBJECT: OCTOBER 16, 2018 EXECUTIVE BOARD MEETING

The next Executive Board meeting will be held on Friday, October 26 at 10:00 am at Kirkland City Hall, Peter Kirk Room. Please note that the meeting will end at 1:30 pm. Lunch will be provided. Following are a few updates and introductory comments to the proposed agenda items.

#### Executive Director Interviews

Five applicants for the Executive Director Position were interviewed on October. Three candidates were chosen to proceed to the next interview with the Executive Board on October 26:

10:15 Tyler Running Deer

10:50 Lisa Yeager

11:25 Charlene Moran

Candidates were asked to provide a 5-minute presentation at the beginning of their interview discussing why they should be the next Executive Director of the eCityGov Alliance. Proposed final interview questions will be presented to the Executive Board at the October 26 meeting prior to the interviews and the Board can finalize which questions to ask and how to conduct the interviews.

At the end of the interviews, the Executive Board will suspend the regular meeting and convene an Executive Session to discuss the qualifications of the candidates and provide direction about potentially offering the job to one of three candidates. Reference checks were conducted for all three candidates and the results will be presented to the Board during the Executive Session. At the end of the Executive Session, the Board will reconvene in open session and complete discussion and provide direction regarding the Executive Director appointment.

#### Information Items

##### **Annual Audit Update**

The State Auditor's Office was unable to conduct the 2016 audit for the Alliance during 2017 due to a lack of staff resources at the SAO. Instead, they are conducting audits for 2016 and 2017 in 2018. The State Auditor's Office has been on-site since early October and should be complete with their on-site work by the end of the week of October 22. The Alliance Interim Executive Director and the Bellevue IT Finance Manager attended an entrance conference with

the SAO and discussed the audit process (see attached entrance letter from the SAO). The Audit Program Manager indicated that the Alliance could remain on a two-year audit cycle or return to an annual audit cycle. The lack of complexity of the Alliance's transactions and low potential for risk allows the Executive Board to choose the two-year audit cycle.

It is recommended that the Alliance move to a two-year audit cycle. If the Board agrees with the recommendation, a resolution will be presented to the Board at the November 16 meeting authorizing the Executive Director to notify the State Auditor's Office of the change.

## **NWProperty and GovJobsToday Updates**

### **GovJobsToday**

Following the June Executive Board meeting the Interim Executive Director, Board member PJ Rodriguez and Alliance Senior Business Analyst Michele Miller met with Aaron Elder of Crelate to discuss a potential partnership for GovJobsToday (GJT). Mr. Elder presented additional functionality that had been added to their applicant management product which met additional requirements that the Alliance had identified in the initial gap analysis conducted in 2017. After some discussion, it was determined that the best path going forward would be to explore the use of Crelate's product as the back-end applicant management system while retaining the central GJT portal where potential applicants can see all jobs available in participating jurisdictions. This model is similar to MyBuildingPermit whereby the Alliance would provide a central portal with some functionality and the Crelate back-end applicant management system would process and each jurisdiction's applications at their location and provide reporting capabilities. The Crelate product is affordable for smaller jurisdictions and has a contemporary look and feel that will appeal to applicants.

Microsoft announced that it will continue to support the Webforms platform utilized by GJT through 2021 which allows time to explore and possibly develop an alternative product. It is recommended that the newly appointed Executive Director continue working with Crelate to develop a more detailed plan for the potential development of the portal and integration with Crelate and negotiate the terms of a potential contract between the Alliance and Crelate.

### **NWProperty**

The Alliance conducted a survey of NWProperty (NWP) subscribers and partners in 2017 to determine customers' familiarity with the product's functionality and level of usage. Alternative providers of similar services were also identified. Since that time, three subscribers have provided notice that they will end their subscriptions. Anecdotal outreach to remaining users revealed a low level of usage. Most previous users have transitioned to other sources for commercial property availability.

During the 2019-2020 Budget process, the Board gave preliminary approval to reduce NWProperty's share of the overall Alliance budget from 12.5% to 2.5%. In addition, the ESRI subscription was renewed with fewer licensed users resulting in a decrease in annual fees from

\$8,000 to \$550. These two actions significantly reduced the overall cost of the product but the loss of three subscribers redistributed costs to the Alliance partners.

The possibility of terminating the product has been discussed in the past. Over the past few months, the Interim Executive Director contacted some of the larger partner agencies to determine if termination would cause a hardship. Generally speaking, the product is not heavily used since there are alternatives available. The product is still viable and is a low maintenance application for the Alliance Service Delivery Team. Nonetheless, it may be time to “call the question.”

At this time, it is recommended that the Alliance terminate NWP by the end of 2019. This will allow one more opportunity to touch base with customers about the intent to discontinue the product and give them time to identify an alternative product. User fees for NWP would cease at the end of 2019. The Board can also decide to terminate the product in mid-2019 and provide refunds to rate payers (similar to the process used for discontinuing the Shared Procurement Portal).

### **Final Budget Adjustments**

Since the June 15 Executive Board meeting updated information was received that necessitate a series of adjustments to the preliminary budget presented in June:

- Subscriber Changes:
  - The City of SeaTac executed a subscription agreement for MyBuildingPermit. They will pay an onboarding fee in 2018 (\$10,660) and begin paying subscription fees in 2019 (\$24,857). The 2018 year-end estimate and 2019-2020 budget were updated to reflect these changes
  - The Alliance had previously received notice from the City of Woodinville that they will unsubscribe to MyBuildingPermit effective January 1, 2019. Since then, the City of Newcastle has notified the Alliance that they will end their subscription to GovJobsToday effective December 31, 2019 and the cities of Everett and SeaTac will end their subscriptions to NWProperty on December 31, 2018.
- ESRI Subscription for NWProperty – The subscription fees to support the mapping function for NWProperty had been estimated at \$8,000 per year. The City of Bellevue Service Delivery Manager determined that the Alliance could reduce the number of subscribers to one resulting in an annual subscription fee of \$550.
- State Auditor’s Office Fees –The budget for the SAO fees was previously incorporated in the “Miscellaneous Professional Services” line item at \$7,000. The SAO Estimates that the 2016 and 2017 audits together will cost \$13,000 plus expenses. Unpaid audit fees for 2017 were carried over in the beginning fund balance for 2018.

If the Executive Board agrees to continue with a two-year audit cycle, the estimated cost for 2020 (for the 2018 and 2019 fiscal years) will be \$13,650 plus expenses,

reflecting a 5% increase in the SAO's hourly rate beginning in 2019.

- GovJobsToday Rate – The Executive Board agreed to change the distribution formula for GovJobsToday for partners that only use a portion of the functionality of GJT. Bellevue and Issaquah will receive a 65% reduction on their actual population to produce a lower fee. Their fee reductions will be redistributed to the remaining partners and subscribers (see minutes of June 15, 2018 Executive Board meeting). The withdrawal of Newcastle from GJT will result in an additional redistribution to partners in 2020.
- The 2019-2020 Budget currently assumes that NWProperty will continue through 2019 unless the Board decides to terminate the product sooner.

### **Miscellaneous Updates**

The City of Edmonds has indicated that they are interested in subscribing to MyBuildingPermit in 2019 and would like to pay their onboarding fee in 2018. Staff is working with Edmonds on a draft subscription agreement and, if Edmonds commits to signing a subscription agreement, a resolution will be presented to the Executive Board in November authorizing the Executive Director to execute a subscription agreement.

# Minutes

## Executive Board Meeting

*Friday, June 15, 2018 • 10:00am - 12:00pm*  
*Peter Kirk Room, Kirkland City Hall*

*Call in only: Audio - 1-877-848-7030 and then Access Code 8765293.*

**Executive Board Attendees:** Kurt Triplett, Kirkland; Nathan McCommon, Bellevue; John Traeger, Issaquah; Aaron Antin, Sammamish; PJ Rodriguez, Snoqualmie; Nancy Ousley, Kenmore

**Subscriber Board Attendees:** Barbara Mock, Snohomish County

### **Other**

Marilynne Beard, eCityGov Alliance Interim Executive Director; Warren Cheney, King County; Michele Miller, eCityGov; M'Lisa Marks, eCityGov; Sabra Schneider, City of Bellevue

### **Call to Order**

The meeting was called to order by Aaron Antin at 10:03am.

### **Consent Calendar**

Motion to approve the consent calendar by Kurt Triplett, seconded by John Traeger and the motion carried unanimously.

### **Strategic Issues, Planning and/or Action Items**

#### **Executive Director Update**

Marilynne Beard presented updates to the board:

- Marilynne will present the preliminary budget to the board today. Rates need to be sent to subscribers by September 15<sup>th</sup>. Formal adoption of the budget by the board is in December.
- The Executive Director job announcement has been posted, until filled
- Executive Board members were encouraged to reach out to potential candidates
- Large projects the Alliance is currently working:
  - eChecks for MBP – The Alliance attorney, Deanna Gregory, has concluded that the use of eChecks appears to be allowable under Washington State Law. She suggested that the team meet with a representative from the State Treasury

Department to discuss details. The team will also meet with the Bellevue and Kirkland Finance Departments.

- The City of SeaTac will present the MBP proposal to a City Council committee in two weeks
- Michele Miller and Marilynne Beard provided an MBP demonstration to the City of Bellingham in May.
- Michele and Marilynne will be meeting with King County (regarding plumbing permits) next week

### Preliminary 2019/2020 Budget

Marilynne Beard presented a summary of the preliminary 2019/2020 Budget to the Board.

- The Board needs to approve the 2019/2020 preliminary budget by August 31<sup>st</sup>. Subscriber and Principal rates need to be distributed by September 15<sup>th</sup> and the Board's next regular meeting is on September 21<sup>st</sup>.
- Subscribers must inform the Alliance by early October if they plan on withdrawing from the Alliance or unsubscribing to any product.

Marilynne presented an overview of the 2019/2020 budget compared to the 2018 budget and a summary of the budget changes.

- Kurt Triplett asked if the onboarding costs are included in the budget.
- Marilynne Beard stated that The Alliance now has an onboarding fee the size of which is dependent on the amount of integration assistance the jurisdiction needs from the Alliance team.

Marilynne presented budget changes in the restricted and unrestricted categories as well as changes after smoothing rates across the two-year biennium (see PowerPoint).

### GovJobsToday Options and Rates

The GovJobsToday platform (Webforms) will not be supported after 2021. Marilynne presented future options for GovJobsToday including:

1. Sunset GovJobsToday at the end of 2021
2. Sunset GovJobsToday (GJT) and transition to NeoGov
  - a. Jurisdictions new to NeoGov will be given a one-time 30% discount. This offer is only good for jurisdictions who do not currently use.
  - b. Jurisdictions that sign up with NeoGov would to subscribe to the Insight application and Government Jobs portal to achieve similar functionality to GJT. There are additional modules but jurisdictions are not required to purchase them.
  - c. NeoGov will provide a one-time training to all jurisdictions

- d. City of Bellevue has offered to assist in the training of new jurisdictions
3. Rewrite GovJobsToday – proposal from City of Bellevue was approximately \$1.4 million
4. Partner with private software company, Crelate of Kirkland
  - a. Currently Crelate does not have the functionality that GovJobsToday has but Crelate has indicated it can build what is needed. They would host the new software, continue to call it GovJobsToday and suggested a revenue sharing agreement with The Alliance. John Traeger expressed concern with the timetable and the possibility of losing customers because Crelate is not functioning when GovJobsToday is phased out. He also questioned the impact on partner fees. The Alliance would no longer have the need for the development team at the City of Bellevue to support GJT therefore the Alliance would not incur those costs. Marilynne agreed that the details of the partnership need to be better defined before the Alliance can consider this a viable option.

Discussion:

- PJ Rodriguez questioned how many GovJobsToday subscribers the Alliance currently supports; there are 6
- Sabra Schneider stated that The Alliance ILA does not clearly state what will happen when/if a partner would like to withdraw from a program. She also stated that the City of Bellevue would like a rate reduction because they are not using GovJobsToday.
- Kurt Triplett reminded the board that NeoGov is an annual subscription. If we move to NeoGov, we can still work with Crelate to build the software functionality needed.
- PJ Rodriguez stated that he sees Crelate as a minimal risk for the Alliance.
- Marilynne cautioned that details of the agreement need to be ironed out. She will be visiting Crelate with PJ Rodriguez. Nathan McCommon would like to meet with Marilynne and PJ before they meet with Crelate. He has experience in contracts similar to this and would like to discuss details before the meeting.
- John Traeger stated that Issaquah has submitted a formal letter of withdrawal from GovJobsToday. Marilynne did not recall a letter from Issaquah but will look into the matter.

GovJobsToday Rates

Marilynne Beard reminded the Board that the Alliance ILA states that a supermajority vote is required if the board decides to change the rate for jurisdictions that withdraw from GovJobsToday or the distribution methodology.

Marilynne presented the GovJobsToday background demographics and the number of jobs posted by jurisdiction. She presented eight scenarios ranging from no change, changing the distribution formula to an FTE based rate, providing rate offsets to Principals not using the entire GJT product, and a base rate plus distribution model.

Discussion:

The Board accepted “Scenario X” which maintains the population-based distribution, provides a 65% offset to cities not using the entire application functionality, and slightly increases subscriber fees. This rate model results in some increase to Principals that do not have a population offset.

Nathan McCommon reminded the board that per The Alliance ILA the loss of revenue from Issaquah (if they indeed withdraw from GovJobsToday) will be absorbed by the principals. The board can vote on a cost-share model but a partner cannot opt out of the fees unless a supermajority vote approves.

Kurt Triplett, offered to have Kirkland pay the increased cost to the other principals (Kenmore, Snoqualmie and Sammamish. The offer is good for the 2019/2020 biennium. Issaquah agreed to continue paying rates (at the offset rate) through the biennium.

Aaron Antin asked for a motion to accept the Scenario X with Bellevue and Issaquah population adjusted to 35%, an increase in subscriber fees and the City of Kirkland’s offer to absorb the increased cost to the partners:

- Kenmore increased cost of \$277
- Sammamish increased cost of \$2,457
- Snoqualmie increased cost of \$113

The motion was made by Kurt Triplett and seconded by PJ Rodriguez. The motion carried unanimously.

Kurt Triplett made a motion to approve the preliminary budget including the changes to GovJobsToday as noted in Scenario X. The motion was seconded by Nathan McCommon and the motion carried unanimously.

Executive Board Position

- The interview team will consist of board members, Service Delivery Team members and Management Committee members
- Volunteers from the board included Aaron Antin, Nathan McCommon, Nancy Ousley and Tracey Dunlap. They will meet within the next month to discuss the interview process.
- Barbara Mock also volunteered to assist with the recruitment and selection to bring the Subscriber perspective. She also suggested having a “client subscriber panel” or a “multiple discipline panel.”

Next Board Meeting will be September 21<sup>st</sup> 10 – 12 at Kirkland City Hall. Preliminary agenda items include:

- GovJobsToday follow-up

- New subscriber update and action plan
- Preliminary budget and partner/subscriber rates update
- Executive Director recruitment status

### **Adjournment**

---

Motion to adjourn was made by PJ Rodriguez, and seconded by Kurt Triplett. The meeting adjourned at 11:28am.



# Office of the Washington State Auditor

Pat McCarthy

## **Entrance Conference: eCityGov Alliance**

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share our planned audit scope so that we are focused on the areas of highest risk. We value and appreciate your input.

### **Audit Scope**

Based on our planning, we will perform the following audit:

#### **Accountability audit for January 1, 2016 through December 31, 2017**

We will examine the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

We plan to evaluate the following areas:

- Procurement cards
- Membership dues & fees
- Contracts & agreements
- Procurement of personal services
- Interlocal agreements
- Payroll (special recognition awards)

### **Engagement Letter**

We have provided an engagement letter that confirms both management and auditor responsibilities, and other engagement terms and limitations. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

### **Levels of Reporting**

#### **Findings**

Findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations or policies. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

#### **Management Letters**

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

## **Exit Items**

Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant effect on the audit objectives. These issues are informally communicated to management.

## **Important Information**

### **Confidential Information**

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

### **Audit Costs**

The cost of the audit is estimated to be approximately \$13,000, plus other expenses, if any.

### **Expected Communications**

During the course of the audit, we will communicate with Evan Phillips, Finance Manager, on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Evan Phillips to keep us informed of any such matters.

### **Audit Dispute Process**

Please contact the Audit Manager or Assistant Director to discuss any unresolved disagreements or concerns you have during the performance of our audit. At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

### **Loss Reporting**

State agencies and local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at <http://portal.sao.wa.gov/saoportal/public.aspx/LossReport>.

### **Peer Reviews of the Washington State Auditor's Office**

To ensure that our audits satisfy *Government Auditing Standards*, our Office receives external peer reviews every three years by the National State Auditors Association (NSAA). The most recent peer review results are available online at <http://www.sao.wa.gov/about/Pages/PeerReviews.aspx>. Our Office received a “pass” rating, which is the highest level of assurance that an external review team can give on a system of audit quality control.

## **Emerging Issues**

Some of the emerging issues affecting local governments are the following:

- September 2018 Audit Connection – see attached document
- Bid Thresholds for Purchases – see attached document
- About the Performance Center – see attached document

## **Working Together to Improve Government**

### **Audit Survey**

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide us feedback.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **Performance Center**

The Performance Center is a resource for local governments that need to solve problems, reduce costs, and improve the value of their services to citizens. The Center offers training and tools to help local governments improve performance and effectiveness.

### **Audit Team Qualifications**

**Kelly Collins, CPA, Director of Local Audit** – Kelly has been with the Washington State Auditor’s Office since 1992. In her role, she oversees the audit teams which perform the audits for over 2,200 local governments. She serves on the Washington Finance Officers Association Board and is a member of the Washington Society of Certified Public Accountants’ Government Auditing and Accounting Committee. Phone: (360) 902-0091 or [Kelly.Collins@sao.wa.gov](mailto:Kelly.Collins@sao.wa.gov)

**Mark Rapozo, CPA, Assistant Director of Local Audit** – Mark has been with the Washington State Auditor’s Office since 1983. In his role as Assistant Director he assists with the statewide oversight and management of all the audits for local government. He also served as the chairman of the Local Records Committee of the Washington State Archives for 10 years. Phone: (360) 902-0471 or [Mark.Rapozo@sao.wa.gov](mailto:Mark.Rapozo@sao.wa.gov)

**Wendy Choy, Program/Audit Manager** – Wendy has been with the Washington State Auditor’s Office since 2002 and is also the Program Manager for public hospital districts. In her role she oversees Team North King County which performs the audits for over 85 state and local governments. She has also worked on four teams covering different audits throughout the King County and south Snohomish County regions. Wendy received her Bachelor of Arts degrees in Business Administration with a concentration in Accounting at the University of Washington. Phone: (425) 502-7067, Ext. 102 or [Wendy.Choy@sao.wa.gov](mailto:Wendy.Choy@sao.wa.gov)

**Jessie Fleming, CFE & MBA, Audit Lead** – Jessie has been with the Washington State Auditor’s Office since June 2015. She earned her Bachelor’s degree in Business Administration with a focus in accounting from Gonzaga University. She has been assigned to various audit types including cities, counties, and schools. Jessie recently earned her Master’s degree in Business Administration from Gonzaga University. In January 2018, she became a member of Team North King County after previously working with Team Spokane. Phone: (425) 502-7067 or [Jessica.Fleming@sao.wa.gov](mailto:Jessica.Fleming@sao.wa.gov)