

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Business License Software Acquisition
DATE: March 6, 2007

Needs:

For the City Council to approve the acquisition of business license software.

Facts:

1. The City's current business license software was last updated in 1994 and is virtually unusable. Typically, software of this nature should be upgraded or replaced every three to five years.
2. Staff has been forced to use Quick Books software, "off the shelf" bookkeeping software, as a "temporary fix" until a new business license application could be selected.
3. City staff participated in software demonstrations, received proposals from those vendors and based on price, functionality, company profile, and client references, staff has selected HdL Software as the preferred provider.
4. The City already utilizes HdL's Sales Tax and Property Tax software. Their business licensing software will enable the City to locate unlicensed businesses through a seamless interface with HdL's Sales Tax and Property Tax software.
5. HdL's business licensing software also interfaces with the income tax data provided by the Franchise Tax Board to provide additional business licensing enforcement capabilities.
6. It is likely that these enforcement capabilities would recover the cost or most of the cost of the upgrade.
7. This software will also serve to meet Emergency Services objectives with their newly approved annual fire inspection program. They will be able to access current business data with ease and will accommodate the billing and collection of their annual inspection fees.
8. The business license software will also serve the needs of the Police Department in their code enforcement endeavors on commercial properties by providing quick easy access to business owner/operator information.

9. Consistent with the City's adopted Information Systems Strategic Plan, the business licensing software would offer improved customer service, assist with information collection, reporting methods to assist with auditing, analysis, revenue generation and tracking.
10. The City's IT manager participated in both software demonstrations and was impressed with their functionality and ease of use. Both software systems are compatible with existing IT systems.

Analysis
and
Conclusion:

The City's current use of Quick Books software for business license processing was a "temporary fix" for one year until a state of the art business license application was selected. Quick Books is unsatisfactory as it lacks the functionality of a business license software, lacks reporting features, and inquiry features. This system also resides on only one workstation in the Administrative Services Department restricting the work flow and customer service.

The City currently contracts with HdL for their sales tax reporting software and property tax reporting software. HdL has developed a business licensing program which interfaces with both software applications providing their clients the opportunity to electronically audit for unlicensed businesses. More importantly, the business licensing software is windows based for easy user interface and provides all the features and reports that one would expect to find in a well written licensing software program.

HdL Software has over a 100 business license clients throughout the State of California, including San Luis Obispo, Morro Bay, and Lompoc just to mention a few local communities (copy of client list attached). The City will reduce delinquencies and underreporting by linking with other databases such as telephone directories. The City will find the "transparent" business by linking with sales tax and property tax data bases. The business license software tracks the entire licensing process from beginning to end. Designed for Windows users, HdL software products are easy to learn and easy to use.

Most financial management software programs simply "throw in" a business license application so they may tout a "complete municipal accounting system". However, business licensing software is more of a data management system than an accounting function. These "throw in" applications, more often than not, do not meet the specific needs of municipalities relative to the business license function. Thus, it is common for municipalities to purchase business licensing software from alternate vendors. A sampling of this is attached. In our case, we don't have an operational application in place.

In conclusion, the acquisition of HdL's software only serve to enhance the City's over all revenue generation including fire safety inspection fee revenues while enhancing business licensing administration activities. Additionally, the acquisition of business

licensing software will not impact nor influence the upgrade of the City's current financial management software system.

Fiscal

Impact:

The cost of the HdL Business License software is \$16,200 including data conversion, training and \$3,000 for the Downtown Business Improvement District component for billing, tracking recording their annual assessment fees. The annual maintenance fee is \$3,000 with the first year included in the purchase price.

On November 7, 2006, the Council approved Resolution 06-211 setting aside \$500,000 in the Equipment Replacement Fund to purchase new financial software. This \$19,200 investment will not diminish the City's ability to acquire replacement financial management software with the remaining funds allotted.

Thus, the only impact to the General Fund is the annual maintenance cost totaling \$3,000 beginning in the second year.

Options:

- a. Adopt Resolution No. 07-xxx approving one time budget appropriations as follows:
 1. \$19,200 from the Equipment Replacement Fund; and
 2. \$3,000 from the General Fund for fiscal year 2008; or
- b. Amend, modify, or reject the above option.

Business License Software Upgrade

City	Contact	Financial System	Offer BL Software	BL Software Used
Half Moon Bay	Jud Norrell	Harris Computer	Yes	HdL
Lompoc	Rene Vise	In House Product	No	HdL
Menlo Park	John 650-330-6644	Cayenta	No	HdL
Morro Bay	Joyce Bunting	New World Systems	Yes	HdL
Pleasanton	Sally Madrid	Mitchell Humphrey	No	HdL
San Luis Obispo	Carolyn Domingues	Sungard Pentamation	Yes	HdL
Santa Maria	Diana Brown	Eden Systems	Yes	Progressive Solutions
Watsonville	Rose Guerrero	GEMS	Yes	GEMS



HdL SOFTWARE, LLC

Full Service Software Client List

2006



ANIMAL LICENSE

- Adelanto
- Hobbs, NM
- Roseville
- South Pasadena
- Temple City
- Yucca Valley

BUSINESS LICENSE

- Adelanto
- Agoura Hills
- Anderson
- Apple Valley
- Arcadia
- Arcata
- Azusa
- Baldwin Park
- Banning
- Beaumont
- Bellflower
- Bell Gardens
- Brentwood
- Calistoga
- Carson
- Cathedral City
- Claremont
- Clayton
- Colton
- Commerce
- Concord
- Corona
- Coronado
- Covina
- Culver City
- Danville
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Fremont
- Fillmore
- Fontana
- Half Moon Bay
- Hawaiian Gardens
- Hermosa Beach
- Indian Wells
- Inglewood
- Irwindale
- King City
- La Canada Flintridge
- La Habra
- La Mesa
- La Palma
- Lawndale
- Lemon Grove
- Livermore
- Lompoc
- Los Alamitos
- Lynwood
- Mammoth Lakes
- Marysville
- Menlo Park
- Millbrae
- Milpitas
- Montebello
- Monterey Park
- Moreno Valley
- Morro Bay
- Murrieta
- Newark
- Norco

- Oakland-Audit Only
- Pacifica
- Palos Verdes Estates
- Pleasanton
- Port Hueneme
- Rancho Cucamonga
- Redlands
- Rialto
- Rosemead
- Roseville
- San Gabriel
- San Jacinto
- San Leandro
- San Marino
- San Rafael
- Sand City
- Santa Clara
- Santa Monica
- Signal Hill
- South El Monte
- South Pasadena
- Sunnyvale
- Taft
- Tehachapi
- Temecula
- Temple City
- Vacaville
- Vallejo
- Vernon
- Vista
- Walnut Creek
- West Covina
- West Hollywood
- Westminster
- Whittier
- Windsor
- Yucca Valley
- Yorba Linda

California Counties

- Alameda
- Alameda – Audit Only
- Contra Costa
- Marin
- Merced
- Placer

Out of State Cities

- Bellingham, WA
- Bothell, WA
- Brentwood, MO
- Bridgeton, MO
- Hoquiam, WA
- Kennewick, WA
- Midvale, UT
- Port Townsend, WA
- Sparks, NV
- Surprise, AZ

CODE ENFORCEMENT

- Adelanto
- Arcadia
- Azusa
- Claremont
- Covina
- Highland
- Rialto
- Roseville
- Temple City
- Yorba Linda

FALSE ALARM

- Carson
- Covina
- El Cajon
- Inglewood

FIRE INSPECTION

- Arcadia
- La Habra
- Lemon Grove
- Santa Clara

PARKING PERMITS

- West Hollywood

PERMIT TRACKING

- Adelanto
- Agoura Hills
- Arcadia
- Azusa
- Baldwin Park
- Calabasas
- Claremont
- Colton
- Covina
- Dublin
- El Monte
- Fillmore
- Highland
- Indian Wells
- Irwindale
- Lemon Grove
- Los Alamitos
- Marysville
- Morro Bay
- Taft
- San Marino
- Vernon
- West Hollywood
- Westminster

Reg. Licenses / Rent Stabilization

- West Hollywood-RL
- West Hollywood-Rent

SUMMARY TOTAL = 168

<b style="color: green;">Animal License Clients = 6 Software Installed = 6
<b style="color: purple;">Business License Clients = 117 Software Installed = 117
<b style="color: magenta;">Code Enforcement Clients = 10 Software Installed = 8
<b style="color: red;">False Alarm Clients = 4 Software Installed = 4
<b style="color: orange;">Fire Inspection Clients = 4 Software Installed = 2
<b style="color: cyan;">Parking Permit Clients = 1 Software Installed = 1
<b style="color: blue;">Permit Tracking Clients = 24 Software Installed = 24
Regulatory License = 1 Software Installed = 1 Rent Stabilization = 1 Software Installed = 1

RESOLUTION NO. 07-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING A ONE TIME BUDGET APPROPRIATION FOR ACQUISITION
OF BUSINESS LICENSE SOFTWARE

WHEREAS, the City's current business license software is inoperable forcing the utilization of a "temporary fix" for processing business license renewals and new applications until a state of the art business license application could be selected; and

WHEREAS, City staff received proposals from vendors and based on price, functionality, company profile, and client references, and software demonstrations, staff has selected HdL Software; and

WHEREAS, consistent with the City's adopted Information Systems Strategic Plan, the upgrade would offer improved customer services, assist with information collection, reporting methods to assist with auditing, analysis, revenue generation and tracking; and

WHEREAS, the Administrative Service Department has non-General Fund resources from which to purchase the business license software.

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles authorizes the following:

1. One time budget appropriation in the amount of \$19,200 from the Equipment Replacement Fund to budget account 112-140-5454-125; and
2. Ongoing appropriations from General Fund Reserves to budget account 100-140-5224-125 in the amount of \$3,000 beginning in fiscal year 2008.

BE IT FURTHER RESOLVED that the City Council of the City of El Paso de Robles authorizes the Director of Administrative Services to contract with HdL for the acquisition of business license and ongoing software maintenance support.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 6th day of February 2007 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk