

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Administrative Services Director
Subject: Contracting with Muni Services to provide Business License Discovery and Audit Services
Date: May 18, 2017

Purpose:

To ensure the regulations related to businesses within the City are enforced.

Recommendation:

Staff recommends the City enter into an agreement with Muni Services to provide business license discovery and audit services.

Background:

On August 15, 2015 the City Council directed staff to hire MuniServices to perform Business License processing for the City. MuniServices has been performing this service for two years and has done the job well. Businesses can apply for, renew, and access their business license on-line or in person at City Hall. The number of businesses who use the on-line feature has reduced the walk-ins at City Hall allowing staff to concentrate on other duties. Also, having MuniServices do the renewal process has allowed staff to focus on other aspects of their jobs such as; implementing the new Financial System, getting the Utility Billing payment system on-line, develop an electronic timecard system, and other efficiencies which were necessary based on the increasing workload in the Finance Department.

On January 23, 2017 the City received an inquiry on a number of businesses that have been performing work in the City and if they had applied for and received business licenses. The City has not had a proactive method of determining which businesses are in town and then following-up with them for the completion of the business license process. The City has used the Water Billing application as one method of catching new businesses and through word of mouth or advertisements in the Luminary.

This old method has not been able to capture all new businesses or transient businesses that have short duration jobs. Staff requested MuniServices our partner in Sales Tax Auditing and Business License Processing to submit a proposal for the Compliance Discovery and Audit Services of the Business License process.

Discussion:

MuniServices will not only use City databases to discover businesses which need licenses but will also use their own databases based on other audit services they provide and State databases to ensure businesses operating within Brisbane are paying the business license tax to Brisbane. They will also assist the City in educating businesses to ensure future compliance. The details of this aspect will be determined based on the types of businesses not reporting. In addition to capturing non-reporting

businesses MuniServices will also review and audit business license submittals for correct financial information. Currently, the City would only request additional financial information to verify gross receipts if there seemed to be an anomaly in the reporting process. With MuniServices access to additional databases they will be able to do further audit work to ensure businesses are reporting their information correctly to the City.

The discovery and audit work will be billed on a contingency basis. MuniServices will receive 35% of any revenue the City receives based upon the work that they do. The 35% is not based on the amount discovered but on actual receipts of the City. Also, the 35% is only for the money paid based on the work not for future business licenses. This is a similar method MuniServices uses for Sales Tax auditing.

Fiscal Impact:

There is no direct cost to the City for entering into this contract. The City will only pay based on receiving revenue from businesses that are not currently paying Business License Taxes but should be.

Measure of Success


The City's revenues from Business License Tax increases due to greater compliance.

Attachments:

Business License Proposal for Local Tax Compliance Discovery and Audit Services.



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager



City of Brisbane

Proposal for Local Tax Compliance Discovery and Audit Services

April 14, 2017

Mary Flynn DeLaRosa

Client Services Manager

MuniServices, LLC

559.271.6809

Mary.Flynn@MuniServices.com



Table of Contents

Letter of Introduction 3

Scope of Services..... 4

 Local Tax Compliance Discovery and Audit4

Cost Proposal 11

 Local Tax Compliance Discovery Services11

 Local Tax Compliance Audit Services11

 Additional Consulting Services11

References..... 12

Qualifications..... 13

 Background13

 Sophisticated Features of MuniServices Tax Compliance Systems13

 Government Relations.....14

Staffing..... 15

 Executive/Management Team15

 Client Services/Project Manager16

 Compliance Audit Team16

 Government Relations.....16

 Production and IT Team17

 Project Support Team17

Distinguishing Features 18



Letter of Introduction

April 14, 2017

Stuart Schillinger
Administrative Services Director
City of Brisbane
50 Park Place
Brisbane, CA 94005

Re: MuniServices Proposal for Local Tax Compliance Discovery and Audit Services

Dear Mr. Schillinger:

MuniServices is pleased to present the City of Brisbane with this proposal for Local Tax Compliance Discovery and Audit Services (sometimes referred to as Business License Tax).

MuniServices Business License Tax Discovery, Audit and Compliance service is designed to assist the City in locating tax revenue that the City may not be receiving from its local tax registry. We provide 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 Business License service also aims to reduce future errors by informing the businesses that are identified as having errors or omissions about the proper methods of compliance informing business owners of the requirements of the ordinance helps to prevent future mistakes by businesses making future enforcement efforts by the City less burdensome for the City.

Mary Flynn DeLaRosa, Client Services Manager will serve as the City's primary contact for this project. Mary may be reached by email at Mary.Flynn@MuniServices.com or by phone at 559.271.6809.

We are confident that MuniServices offers the City Brisbane the greatest opportunity for success and look forward to the opportunity to continue to the City and its residents. The proposal included here is valid for a period of at least 90 days from the date of this proposal.

As MuniServices' Senior Vice President of Client Services I am duly authorized to commit MuniServices to a contract and represent the firm in all oral presentations and negotiations. The project will be managed out of our Headquarters in Fresno at 7625 N. Palm Avenue, Suite 108, Fresno, CA 93711.

Respectfully submitted,

Doug Jensen
SVP Client Services

MuniServices, LLC
7625 N. Palm Avenue, Suite 108
Fresno, California 93711
Phone: 800.800.8181 ext. 76212
Fax: 559.312.2920
E-mail: Doug.jensen@MuniServices.com



Scope of Services

Local Tax Compliance Discovery and Audit

The objective is to assist the City in identifying businesses that are conducting business in City and are not registered with the City. MuniServices Local Tax Compliance ("LTC") Services include identifying any person engaged in or carrying on any profession, trade, calling, occupation or business within the City that are not registered with the City to ensure that the business is properly registered and has made all appropriate payments to the City.

The LTC service to be contracted for will not replace or duplicate the current tax discovery and collections efforts undertaken by the City's employees. Our LTC Services are intended to complement the current efforts by bringing to the City more sophisticated technology, data and door-to-door investigations that may not presently be available to the City.

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 the businesses that are identified as having errors or omissions about the proper methods of compliance informing business owners of the requirements of the ordinance helps to prevent future mistakes by businesses making future enforcement efforts by the City less burdensome for the City.

Local Tax Discovery Services

Local Tax Discovery Services are designed to provide a full service solution to City's business license enforcement procedures. It does not replace current functions, but provides a focused and full-time solution to the identification of entities subject to taxation by the City, which are not properly registered, or otherwise not reporting taxes to the City. In performing the Discovery Services, MuniServices will:

1. 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 that are properly registered;
2. Compare MuniServices' database of business records with the City's records to identify potential non-reporting and non-registered entities subject to taxation;
3. For each unregistered or non-reporting entities identified and confirmed, 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);
4. Invoice entities (including supporting documentation) on behalf of the City for the amount of identified deficiencies, with payment to be remitted to MuniServices;



5. Ensure that all submitted registration forms are completed correctly and in their entirety;
6. Forward all completed registration forms and associated payments to the City in batches at the frequency directed by the City. Applications will be forwarded with copies of the payments and payments deposited into an account designated by the City;
7. Collect the amount of identified deficiencies, together with supporting documentation, and remit payment received to the City in weekly batches. (MuniServices will follow the City's business rules in collecting partial payments or the tax in full at the City's direction.);
8. Establish a call center open during normal business hours to assist entities with questions concerning application of the City's taxes, and reporting and remittance requirements;
9. Educate entities regarding the City's reporting requirements to prevent recurring deficiencies in future years;
10. Contact personnel in sales, operations and/or tax accounting 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. MuniServices' LTC audits are predicated on 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;
11. Provide reports addressing each taxpayer not reporting, including the business name, address, and telephone number to the City; and
12. Monitor and analyze the business license registration files of the City each quarter in order to determine non-reporting businesses.

Deficiency Audit Services

Local Tax Deficiency Audit Services are designed to identify entities subject to taxation by the City that are not properly reporting the full amount of tax to which they are subject to under the City's ordinances. These Audit Services identify entities that are potentially underreporting, or not reporting all applicable taxes, and MuniServices reviews the entity's records to ensure compliance with the City's taxes. In performing the Audit Services, MuniServices will:

1. Establish a comprehensive inventory of the registered entities subject to taxation by the City and the database elements needed to facilitate an analysis of records of those entity's current and prior year's tax remittance;
2. Compare MuniServices' records with the City's records to identify potential under-reporting entities subject to taxation;
3. Meet with designated City staff to review and discuss potential audit candidates and mutually agree which entities will be subject to review. Only entities mutually agreed by MuniServices and the City to be reviewed shall be subject to MuniServices' audit services.



4. 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).
5. 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.
6. Invoice entity for the amount of identified deficiencies, together with supporting documentation, and remit payment received to the City;
7. If the City elects to have MuniServices conduct payment deposit services, applications will be forwarded with copies of the payments and payments deposited into an account designated by the City; and
8. Educate entity regarding the City's reporting requirements to prevent recurring deficiencies in future years.

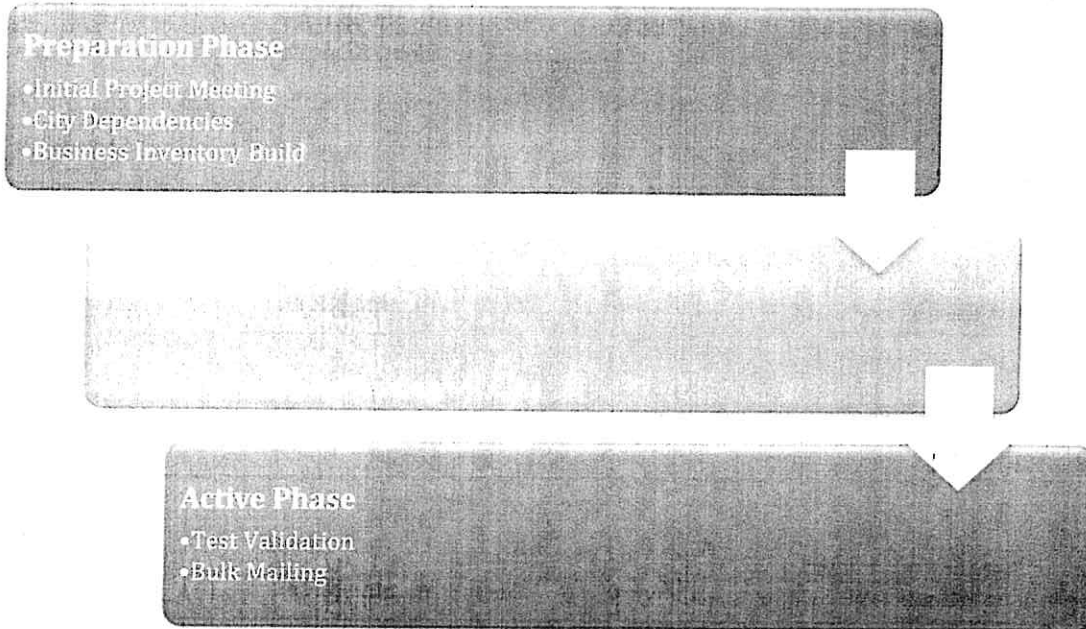
Additional Performance Metrics

1. Meet with the City's designated staff to review service objectives, scope, work plan schedule, public relations and logistical matters. MuniServices will also establish an appropriate liaison with the City's coordinator and logical checkpoints for reviewing progress;
2. Review applicable provisions of the City's municipal code and ordinances adopted by the City;
3. Represent the City for purposes of examining records pertaining to the Business Tax to identify and confirm any errors/omissions that are resulting in deficient payment to the City;
4. As necessary, meet with designated City officials to review MuniServices' findings and recommendations; and
5. Provide additional assistance, as necessary, to support the City in recovering and preventing tax deficiencies.



Timeline for Project Implementation

MuniServices implements its new projects in phases. The phased approach ensures the highest quality of service to both our client and their constituents. The Project will be executed in three phases. Each phase will be discussed briefly below, along with the projected timing of these phases.



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 dependant 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.

City Dependencies

Prior to execution of the discovery program, 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 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.

1st 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.

Timing and Deliverables

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

1. Status of work in progress, including 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 by MuniServices' service on a quarterly 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.

MuniServices will commence project planning within 10 working days following authorization.

City Assistance

The City will be expected and obligated to:

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.



Completion of Services

Because MuniServices' LTC 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.



Cost Proposal

Local Tax Compliance Discovery Services

MuniServices' compensation for providing Discovery Services will be a contingency fee of 35% of the additional revenue received by the City from the services. The 35% will apply 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.

Local Tax Compliance Audit Services

MuniServices' compensation for the Audit Service will be a contingency fee of 35%. The 35% 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.

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.

Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates will apply. The following are sample hourly rates based on the job classification:

- Principal: \$200 per hour
- Project Manager: \$175 per hour
- Client Services: \$150 per hour
- Information Technology (IT) support: \$175 per hour
- Operational Support:
 - Director or Manager: \$175 per hour
 - Senior Analyst: \$125 per hour
 - Analyst: \$100 per hour
 - Administrative: \$75 per hour

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.



References

MuniServices has partnered with over 100 jurisdictions in California, Michigan, Nevada, Pennsylvania, and Washington for Business License Tax services. We have performed business license audit, collections, consulting, and discovery work generating over \$70 million in new revenue for our clients.

We have identified certain industries that are known to have major issues across the state with local taxes. We analyze these industries in the City and determine if industry wide audits are necessary.

Our comprehensive Local Tax Compliance service assists the City in locating businesses operating within the City limits which are not properly registered or not reporting taxes to the City. MuniServices' proprietary detection system, which integrates a variety of public and private data sources, will enhance our ability to build and maintain an up-to-date and accurate inventory of businesses subject to the business license tax.

City of Napa

Ms. Tracy Thompson, Revenue Manager

955 School Street, Napa CA 94559

Telephone: 707.257.9399

Email: tthompso@cityofnapa.org

Relationship: Since 1988; Business License since 2009

Revenue and Compensation: The City has been paying a 45% contingency fee for each Discovery and Audit services and MuniServices has identified over \$176,000 in new business license revenue to the City.

City of San Mateo

Ms. Lisa Wesley, Treasury and Budget Manager

330 W 20th Avenue, San Mateo, CA 94403

Telephone: 650.522.7110

Email: wesley@cityofsanmateo.org

Relationship: Since 2008

Revenue and Compensation: The City has been paying a contingency fee of 40% for each Discovery and Audit services and MuniServices has identified over \$896,000 in new business license revenue for the City.

City of Modesto

Gloriette Genereux, Finance Director

1010 10th Street, Suite 5200, Modesto, CA 95354

Telephone: 209-577-5371; Email: ggenereux@modestogov.com

Business License Tax Services Provided: This program has been in place since 1993 and includes audit, discovery and collections.

Revenue and compensation: Estimated average annual business license revenue identified to the client: \$150,000; Compensation for business license tax: 43% contingency fee.

Description: MuniServices' partnership with the City was established in 1990 and continues to evolve. We have a full-service compliance contract with the City that includes business license tax services.



Qualifications

Background

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 on the East Coast forming what is known today as MuniServices, LLC. Over the years, MuniServices expanded its services and strengthened its client base, and has established a track record of impressive results. In 2008, MuniServices became a wholly owned subsidiary of PRA Group, a full service provider of outsourced receivables management and related services (NASDAQ:PRAA). PRA's complete Annual Reports, as well as other SEC filings, are publicly available at <http://ir.pragroup.com>. PRA is headquartered in Norfolk, Virginia and has over 4,000 employees.

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 our unique 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 tax 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 over \$2.4 billion 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.

MuniServices and its affiliates employ over 200 professional level staff members who are completely dedicated to the success of each unique public entity that we serve. Our offices are strategically located across the nation, including offices and employees based in California, Alabama, Colorado, Nevada, North Carolina, New Jersey, Oklahoma, Texas, and Virginia.

Sophisticated Features of MuniServices Tax Compliance Systems

1. Creation and maintenance of valid inventory of business entities operating in the City;
2. Accessible database for MuniServices' staff to ascertain information regarding the status of each business;
3. Notifications to non-reporting taxpayers are organized and tracked throughout the process with statistics kept on the effectiveness of each mailing.



4. Telephone contacts are made with a wealth of information at MuniServices' disposal, enabling better evaluation of the responses provided by business owner;
5. Closed businesses, ownership changes, and changes of addresses are detected allowing MuniServices to assist the City in updating records and eliminate unnecessary postage and handling costs associated with the renewal process; and
6. Management reports provide performance and effectiveness measures of the detection, identification, and processing component. The reports also provide notifications, individual performance of each analyst, and the ability to analyze the composition and performance of the business tax revenue realized.

Government Relations

MuniServices' product and service offerings are complemented by a dedicated Government Relations team that provides local government advocacy, policy, regulatory and legislative consulting support and expertise. MuniServices has a proven track record of surfacing and successfully resolving numerous issues that have resulted in the preservation and expansion of the tax base for its clients. MuniServices' Government Relations Team is located in the League of California Cities building in Sacramento which provides opportunities for first hand collaboration on a daily basis with the advocacy groups that support California cities. MuniServices' overall Government Relations program brings tremendous value to the client and is a natural progression in the successful determination of revenue preservation and enhancement; and for which no consulting fee is charged to your city for the associated policy, regulatory, and legislative support.



Staffing

Executive/Management Team

Doug Jensen, SVP Client Services & Executive Contact. Doug will assist the City's staff in developing and implementing strategies to preserve and enhance the City's sales and use/transaction tax revenue. In addition, his management responsibilities are to ensure the various deliverables and aspects of services are provided to the City and meet with their expectations. Doug is an expert in the field of municipal revenue enhancement management and local government revenue consulting and ensures the delivery of audit, information, and consulting services, with breadth and depth of knowledge and experience in local government focused on customer care. Doug has over 24 years of expertise in tax policy, municipal finance, and economic development and consulting. Doug oversees the Western Region of MuniServices. 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.

Patrick Scott, VP Muni-East and Subsidiary IT. Patrick is responsible for managing MuniServices Technology Services Group having responsibility for integrating all of MuniServices technologies to maximize revenue and deliver client satisfaction. Patrick joined MuniServices as a Senior Analyst and was subsequently promoted to Vice President East Operations and Technology Services Group. For over 20 years Patrick has been the leader shaping our Business License Tax projects. Patrick is instrumental in the management of tax compliance programs in numerous municipalities, including the District of Columbia, Detroit, Philadelphia, and California. He supervises forty-five employees on and offsite and contributes to contract agreements and specifications. Patrick has over 20 years of direct, day-to-day management experience in the information technology, operations, municipal consulting and compliance. As part of the MuniServices senior management team, Patrick has successfully led partnerships with state and local governments providing revenue enhancement and compliance services to maximize clients revenues, expand their tax base and increase compliance. Patrick began his professional career in New York working on a collaboration between IBM, CBS and Sears as a programmer and support specialist in the membership services division. This collaboration gave birth to the first fully graphical online service known today as PRODIGY. **Education:** Studied Computer Science at Pace University-Pleasantville/Briarcliff Campus.

Lisa Varalli, AVP Local Tax Compliance Operations. Lisa is responsible for managing the tax compliance services. She has over 28 years of experience servicing municipal clients in the day-to-day management of collections of tax and municipal debt, litigation support, receipts and controls, current tax administration and tax base expansion. Past and present clients serviced include but are not limited to, the City of Los Angeles, Fresno, Santa Barbara, Santa Rosa, District of Columbia, New Jersey, Oklahoma, Detroit, Philadelphia, Raleigh, Bensalem and Harrisburg. Lisa is currently working as the AVP of Local Tax Compliance Operations, managing MuniServices' West and East coast Local Tax Compliance Operations in the delivery of current tax administration, discovery, auditing, delinquent collections and compliance services for approximately 50 clients. Lisa has a proven record of success and excellent leadership skills, directing her team to provide clients with the highest level of customer service and collection results. **Education:** Lisa graduated Magna Cum Laude with a Bachelor of Science degree in Accounting from Rowan University, Rohrer College of Business.



Client Services/Project Manager

Mary (Flynn) DeLaRosa, Client Services Manager. In her initial role as Production Manager of STARS (Sales Tax Analysis Reporting Service), Mary was responsible for the management of six staff members who cleaned, standardized, and analyzed the sales tax data for 150 client city quarterly reports. Mary has been a Client Services Manager since 1996 and is responsible for providing audit, information, and consulting services to more than 50 clients. Mary has over 27 years of local government and public sector experience interfacing with the business community and providing revenue and economic consulting services. Prior to joining MuniServices, Mary worked for the City of Fresno. Education: BS in Business Management from California State University, Fresno. Professional Affiliations: Mary is a member of the California Society of Municipal Finance Officers.

Compliance Audit Team

Raymond Beye, MBA, LTC Manager. Ray is responsible for managing the Local Tax Compliance. Ray has over 30 years of experience servicing both commercial and government accounts in client service, client relationship management and collections. Ray is a recent addition to the MuniServices team. 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.

Government Relations

Francesco D. Mancia, MBA, VP Government Relations & Business Development. Fran is responsible for overseeing company Legislative, Regulatory, and Government Relations work at the state and federal level as well as business development in the western region of the country. Fran has a strong working knowledge of local government general fund tax laws and state and federal regulatory and legislative issues that impact local governments. He monitors, analyzes and leads company lobbying efforts related to legislation, state mandates, and regulatory changes and policies that affect client revenue streams. Fran currently serves as a member of the League of California Cities Revenue and Taxation Policy Committee and was the 2007 and 2008 President of the League's Partner Program. Currently Fran serves as Advisor and Chairman of the California Contract Cities Association, Associate Members Program and is a member of the Board of Trustees of the California City Management Foundation. **Education:** Fran graduated from the University of California, Santa Barbara and earned a Bachelor of Arts degree in Communications, and attended the University of San Francisco where he earned an MBA.

Brenda Narayan, Director Government Relations/In-House Lobbyist. Brenda monitors legislation in Sacramento 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. Brenda 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 State Assembly. Brenda serves on the Executive Committee for the League's (business) Partner program and has served numerous terms as a member of the League of California Cities Revenue and Taxation Policy Committee. Brenda was also selected to serve on the United States



Conference of Mayors Steering Committee beginning June 2016. **Education:** BA in Humanities from, Sacramento State, and a Certificate in Leadership and Management from UC Berkeley Extension.

Production and IT Team

Scott Eckman, Manager Database Control Services. Scott currently oversees MuniServices' team of Information Technology experts to ensure that all technology and software is meeting the needs of the City and is a key player in bringing our Online Reporting Portal to the forefront. Scott has created load applications to process sales tax permit data for existing clients. He will be the primary MuniServices point of contact on all data related matters for this project. His background in data analysis, procedure design processing programs as well as his experience communicating with external entities regarding data issues has helped MuniServices compile the vast amount of data that is imperative to its product base. **Education:** Scott earned a Bachelor of Arts degree in Geography from California State University at Fresno.

Kelli Greene, Data Intelligence Service Manager. Kelli manages a staff of 15 employees responsible for standardizing millions of records each year. Kelli has been with us since 1995. 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.

Project Support Team

Patricia Dunn, MSHR, Client Services-Operations & Contracts Manager. Patricia will oversee the contract preparation and compliance. In her role as the Contracts Compliance Manager she is responsible for reviewing, drafting, and negotiating client and vendor contracts, and provides administrative and technical support to client services and senior and executive management. Patricia is also responsible for issuing and maintaining compliance-related documents including insurance certificates, local business licenses, and corporate filings. She has over 25 years of paralegal experience. **Education:** BA in Organizational Leadership from Fresno Pacific University, graduating magna cum laude, and a MS in Human Resources from Chapman University, graduating summa cum laude.



Distinguishing Features

Nonintrusive business compliance process

A review of the non-compliant leads for accuracy prior to any taxpayer contact will be conducted. Validation tools within the Tax Compliance Software help to substantiate that a lead is a non-compliant entity. This step helps to minimize "intrusion" problems that would otherwise be created when firms that are in compliance receive a notice in error. MuniServices' approach utilizes the power of proprietary technology and the experience of its Tax Specialists so that an accurate determination of compliance or non-compliance occurs in all but the most unique and difficult situations.

Government Relations

MuniServices' product and service offerings are complemented by a dedicated Government Relations team, located in the League of California Cities building in Sacramento, which provides local government advocacy, policy, regulatory and legislative consulting support and expertise. MuniServices has a proven track record of surfacing and successfully resolving numerous issues that have resulted in the preservation and expansion of the tax base for its clients. Our associated policy, regulatory and legislative support service is provided free of charge.

Information Security

To control sensitive and confidential data MuniServices deploys a multi-layered approach to application security. Applications validate user authentication and access via an encrypted SID (System Identification) that is maintained and monitored by network security personnel. Two-factor authentication is also utilized to further enhance network security and user identification. Additionally, access to authorized work areas is also controlled by the use of security devices and monitored by internal building security personnel. CCTV (Closed Circuit Television) provides 24-hour recorded surveillance of the building and surrounding grounds. Any attempts to breach perimeter security results in notification of security personnel and local law enforcement.

Confidentiality

MuniServices continuing 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.

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.

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.