



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference Room 4, City Hall

THURSDAY, FEBRUARY 23, 2023 3:00 PM

-
1. CALL TO ORDER
 2. ROLL CALL
 3. FINANCIAL REPORTS
 - 3.A [Sales Tax Report](#) - 20 minutes
Michelle Meyer, Finance Director
 4. DISCUSSION ITEM
 - 4.A [Update on Possible 2023 Debt Issuance](#) - 15 minutes
Michelle Meyer, Finance Director
 5. ADJOURN

FINANCE COMMITTEE 3.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, City Council

SUMMARY:

Review of Sales Tax Revenues through January 2023

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

The City receives Sales Tax revenue distributions on a monthly basis for sales that occurred two months prior. Detailed reports through November 2022 sales (revenues received in January 2023) will be reviewed.

Quarterly comparisons are not included because there is not yet one full quarter of data for 2023.

SUGGESTED ACTION:

Review of Sales Tax detail

PREVIOUS COUNCIL ACTIONS:

The Finance Committee reviews monthly sales tax detail at each meeting.

DEPARTMENT ATTACHMENTS

Description:

[Lynnwood Sales Tax Analysis Through January 2023.pdf](#)

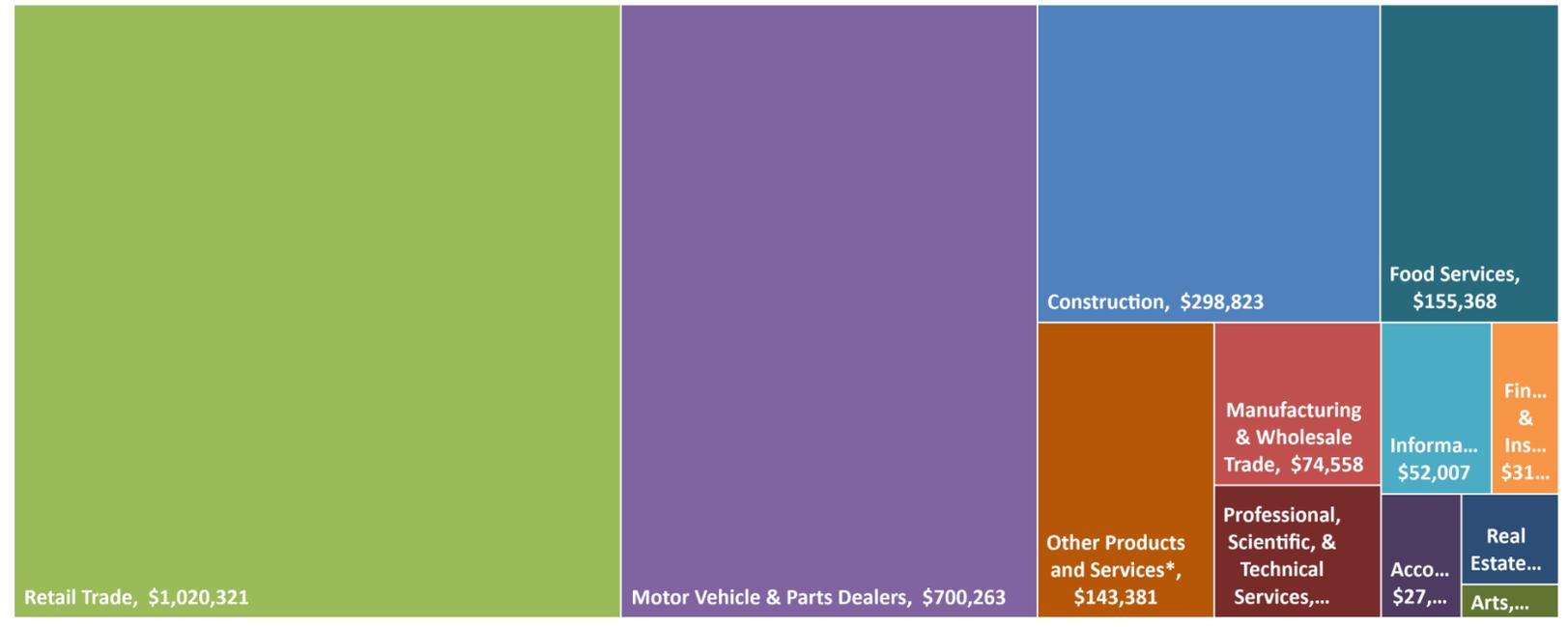


Sales Tax Analysis - Annual Summary
January 2023

Tax Categories	Jan - Jan 2020	Jan - Jan 2021	Jan - Jan 2022	Jan - Jan 2023
Construction	\$ 142,632	\$ 163,723	\$ 187,098	\$ 298,823
Manufacturing & Wholesale Trade	48,209	69,086	55,222	74,558
Retail Trade	667,004	669,205	730,401	1,020,321
Motor Vehicle & Parts Dealers	407,721	406,546	497,515	700,263
Information	59,541	49,483	49,894	52,007
Finance & Insurance	19,652	24,180	31,898	31,442
Real Estate Rental and Leasing	21,201	18,683	23,309	24,180
Professional, Scientific, & Technical Services	30,986	56,514	41,480	60,761
Arts, Entertainment, & Recreation	12,750	4,557	7,721	8,926
Accommodation	27,433	11,006	16,656	27,274
Food Services	151,841	95,321	128,462	155,368
Other Products and Services*	93,812	104,875	131,898	143,381
Total Sales Tax Collected	\$ 1,682,782	\$ 1,673,179	\$ 1,901,554	\$ 2,597,304
Budgeted Sales Tax Collections	\$ 23,058,883	\$ 24,453,852	\$ 24,744,533	\$ 28,186,576
Realized Revenue as Compared to Budget	7%	7%	8%	9%

*Categories with small amounts of sales tax revenues have been combined

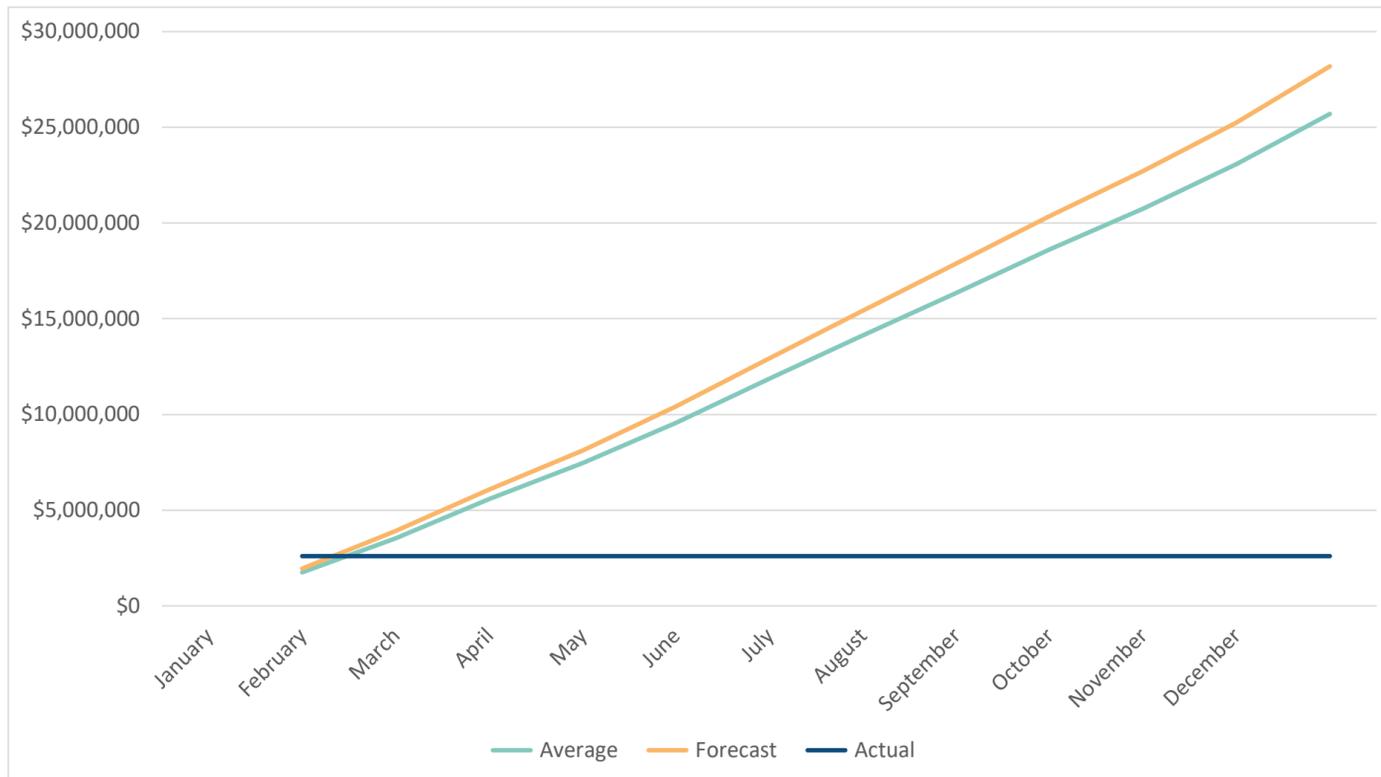
YEAR TO DATE SALES TAX COLLECTION BY CATEGORY





Sales Tax Analysis - Annual Summary
January 2023

				3-Year Average Collection 2020 - 2022		Forecast 2023	Actual 2023	% Change 2022 - 2023
	2020	2021	2022	Rate	Amount			
January	\$ 1,682,783	\$ 1,673,177	\$ 1,901,554	6.91%	\$ 1,752,505	\$ 1,948,729	\$ 2,599,134	26.84%
February	1,515,996	1,733,822	2,074,602	6.92%	1,774,807	1,951,314	-	NA
March	1,207,193	2,355,720	2,568,509	7.77%	2,043,807	2,189,026	-	NA
April	1,148,763	2,267,311	2,271,016	7.22%	1,895,697	2,035,803	-	NA
May	1,606,386	2,286,659	2,404,505	8.13%	2,099,183	2,290,332	-	NA
June	1,810,757	2,456,345	2,631,081	8.92%	2,299,394	2,513,967	-	NA
July	1,911,463	2,405,511	2,485,667	8.85%	2,267,547	2,494,207	-	NA
August	1,905,468	2,370,461	2,380,789	8.68%	2,218,906	2,445,371	-	NA
September	1,973,911	2,348,177	2,485,667	8.88%	2,269,252	2,502,243	-	NA
October	1,817,809	2,191,650	2,380,789	8.32%	2,130,083	2,344,204	-	NA
November	1,925,471	2,296,275	2,734,291	9.02%	2,318,679	2,543,213	-	NA
December	2,514,925	2,717,370	2,658,769	10.39%	2,630,355	2,928,167	-	NA
Total Sales Tax Collected	\$ 21,020,925	\$ 27,102,478	\$ 28,977,239			\$ 28,186,576	\$ 2,599,134	-1014.88%
Percentage Increase(Decrease)		22.44%	6.47%					

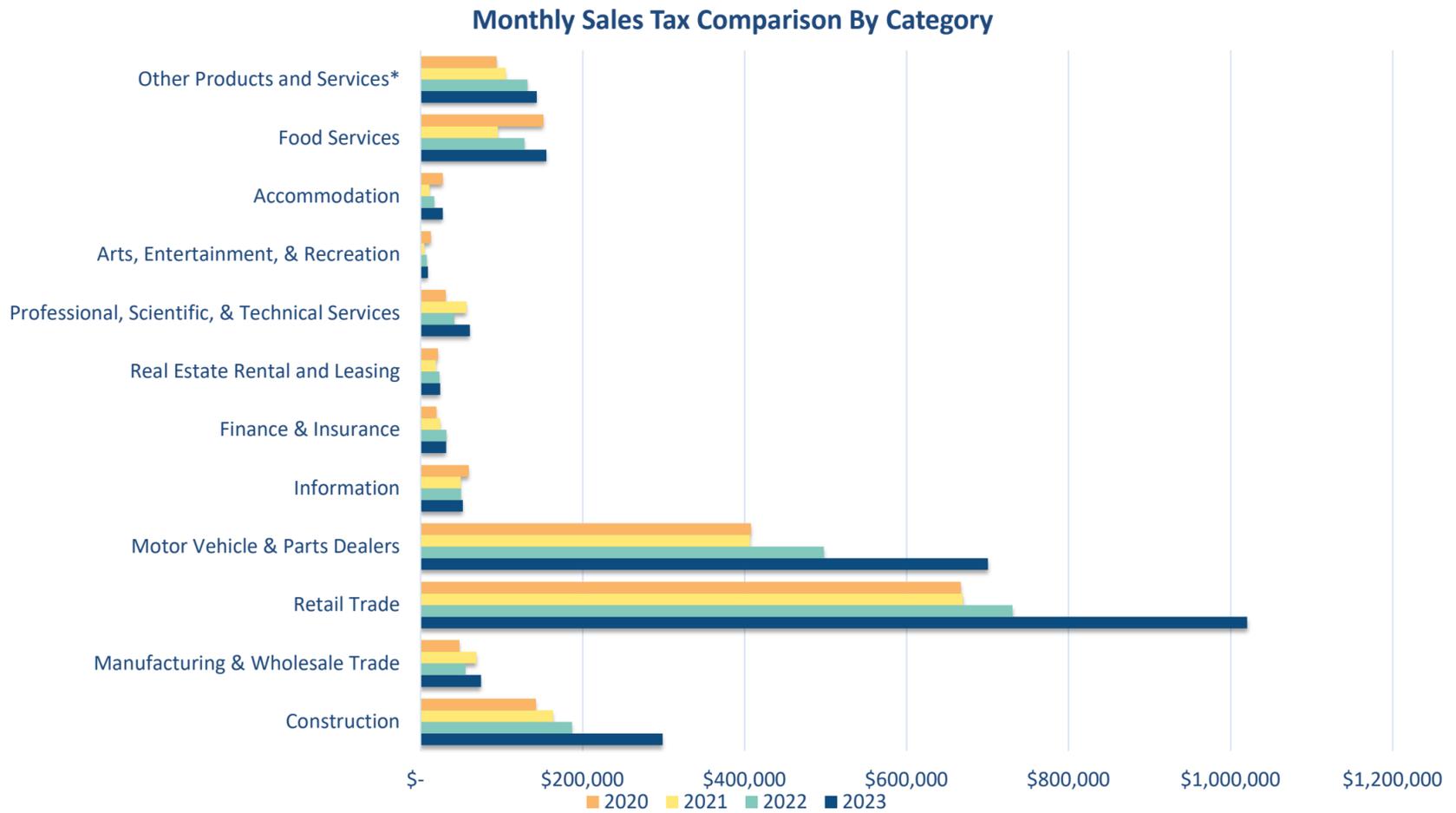




Sales Tax Analysis - Monthly Comparison
January 2023

Tax Categories	January 2020	January 2021	January 2022	January 2023	Change in Collections from Prior Year	
					\$	%
Construction	\$ 142,632	\$ 163,723	\$ 187,098	\$ 298,823	\$ 111,725	59.71%
Manufacturing & Wholesale Trade	48,209	69,086	55,222	74,558	19,336	35.02%
Retail Trade	667,004	669,205	730,401	1,020,321	289,920	39.69%
Motor Vehicle & Parts Dealers	407,721	406,546	497,515	700,263	202,748	40.75%
Information	59,541	49,483	49,894	52,007	2,113	4.23%
Finance & Insurance	19,652	24,180	31,898	31,442	(456)	(1.43%)
Real Estate Rental and Leasing	21,201	18,683	23,309	24,180	871	3.74%
Professional, Scientific, & Technical Services	30,986	56,514	41,480	60,761	19,281	46.48%
Arts, Entertainment, & Recreation	12,750	4,557	7,721	8,926	1,205	15.61%
Accommodation	27,433	11,006	16,656	27,274	10,618	63.75%
Food Services	151,841	95,321	128,462	155,368	26,906	20.94%
Other Products and Services*	93,812	104,875	131,897	143,381	11,484	8.71%
Total Sales Tax Collected	\$ 1,682,782	\$ 1,673,179	\$ 1,901,553	\$ 2,597,304	\$ 695,751	36.59%

*Categories with small amounts of sales tax revenues have been combined



FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Update on Possible 2023 Debt Issuance

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Update of 2012 LTGO Bond refunding

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

15

BACKGROUND:

The City sold bonds on June 2, 2021 to fund the construction of the Community Justice Center in accordance with the terms set forth in Ordinance No. 3387.

On December 13, 2021, the City Council approved ordinance 3407 outlining parameters for a 2022 debt issuance to refund the City's outstanding 2012 bonds and issue additional funds towards the construction of the Community Justice Center and acquisition of Town Square Park.

At the time of sale for the 2022 bonds, the interest rate environment was not favorable to refund the 2012 bonds, so that portion was removed and the sale proceeded for only the new funding.

Ordinance 3407 still allows for refunding of the 2012 bonds as long as a savings of 3% is achieved. The interest rate environment has stabilized since the 2022 sale. The City's financial advisors put together a Request for Proposals (RFP) to refund the 2012 bonds. Only a few proposals were received by the deadline, none of which met the minimum criteria outlined in Ordinance 3407 so no action will be taken at this time.

Staff will provide an update on the work with our financial advisors and bond counsel towards a possible sale later in the year.

SUGGESTED ACTION:

Update on 2023 debt issuance to refund the City's 2012 Limited Term General Obligation bonds.

PREVIOUS COUNCIL ACTIONS:

December 13, 2021, adoption of Ordinance 3407
February 6, 2023, Memorandum for Information
February 21, 2023, Memorandum for Information

FUNDING:

Any interest rate savings from refunding the 2012 LTGO bonds would benefit the City's General Fund.

DEPARTMENT ATTACHMENTS

Description: _____