



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference Room 4, City Hall

THURSDAY, APRIL 27, 2023 3:30 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 Planned 2023 Debt Issuance](#) - 15 minutes
Michelle Meyer, Finance Director
 - 4.B [American Rescue Plan Act Update](#) - 30 minutes
Michelle Meyer, Director of Finance
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 March 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 January 2023 sales (revenues received in March 2023) will be reviewed.

Quarterly comparisons are included now that there is 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 March 2023.pdf](#)

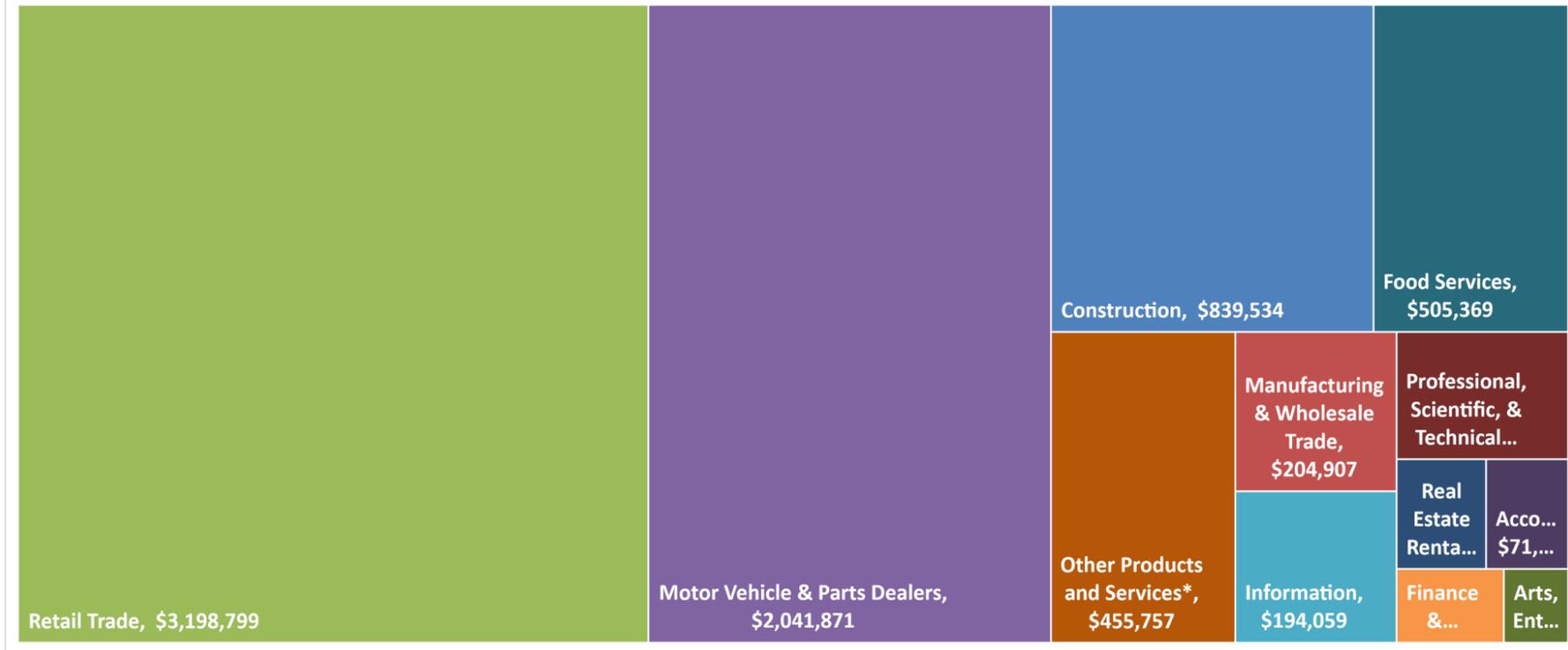


Sales Tax Analysis - Annual Summary
March 2023

Tax Categories	Jan - Mar 2020	Jan - Mar 2021	Jan - Mar 2022	Jan - Mar 2023
Construction	\$ 401,274	\$ 627,604	\$ 760,989	\$ 839,534
Manufacturing & Wholesale Trade	181,267	242,590	193,092	204,907
Retail Trade	1,877,882	2,221,461	2,450,340	3,198,799
Motor Vehicle & Parts Dealers	913,405	1,473,425	1,751,907	2,041,871
Information	152,179	150,772	154,442	194,059
Finance & Insurance	58,885	80,619	91,057	62,723
Real Estate Rental and Leasing	59,865	64,564	72,778	78,289
Professional, Scientific, & Technical Services	106,537	186,302	141,984	173,511
Arts, Entertainment, & Recreation	31,349	16,939	32,511	37,559
Accommodation	52,734	34,942	60,339	71,542
Food Services	314,382	331,906	416,455	505,369
Other Products and Services*	256,214	331,594	418,772	455,757
Total Sales Tax Collected	\$ 4,405,973	\$ 5,762,718	\$ 6,544,666	\$ 7,863,920
Budgeted Sales Tax Collections	\$ 23,058,883	\$ 24,453,852	\$ 24,744,533	\$ 28,186,576
Realized Revenue as Compared to Budget	19%	24%	26%	28%

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

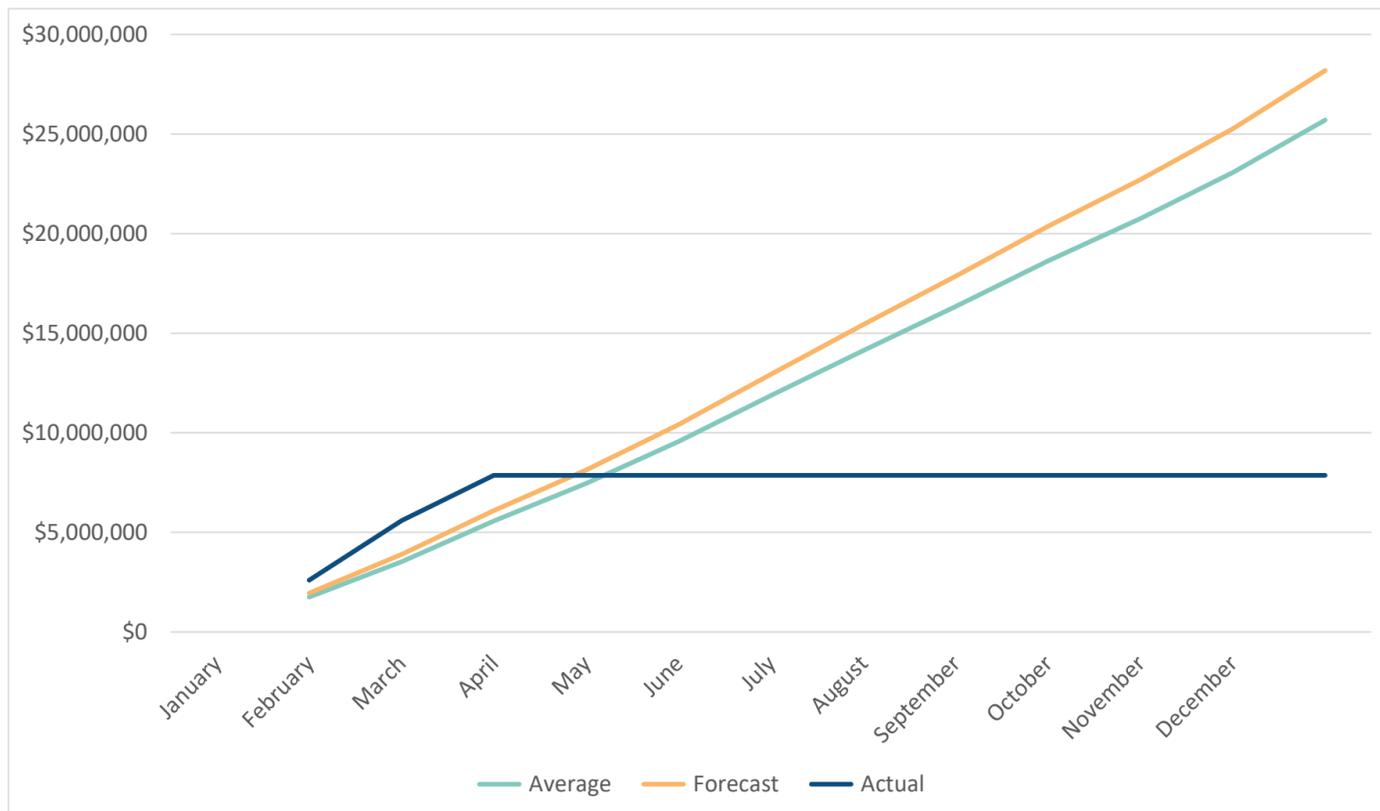
YEAR TO DATE SALES TAX COLLECTION BY CATEGORY





Sales Tax Analysis - Annual Summary
March 2023

	2021		2022		3-Year Average Collection 2020 - 2022		Forecast 2023	Actual 2023	% Change 2022 - 2023
					Rate	Amount			
January	\$	1,673,177	\$	1,901,554	6.91%	\$ 1,752,505	\$ 1,948,729	\$ 2,599,134	26.84%
February		1,733,822		2,074,602	6.92%	1,774,807	1,951,314	2,998,393	30.81%
March		2,355,720		2,568,509	7.77%	2,043,807	2,189,026	2,266,392	-13.33%
April		2,267,311		2,271,016	7.22%	1,895,697	2,035,803	-	NA
May		2,286,659		2,404,505	8.13%	2,099,183	2,290,332	-	NA
June		2,456,345		2,631,081	8.92%	2,299,394	2,513,967	-	NA
July		2,405,511		2,485,667	8.85%	2,267,547	2,494,207	-	NA
August		2,370,461		2,380,789	8.68%	2,218,906	2,445,371	-	NA
September		2,348,177		2,485,667	8.88%	2,269,252	2,502,243	-	NA
October		2,191,650		2,380,789	8.32%	2,130,083	2,344,204	-	NA
November		2,296,275		2,734,291	9.02%	2,318,679	2,543,213	-	NA
December		2,717,370		2,658,769	10.39%	2,630,355	2,928,167	-	NA
Total Sales Tax Collected	\$	27,102,478	\$	28,977,239			\$ 28,186,576	\$ 7,863,919	-268.48%
Percentage Increase(Decrease)		22.44%		6.47%					



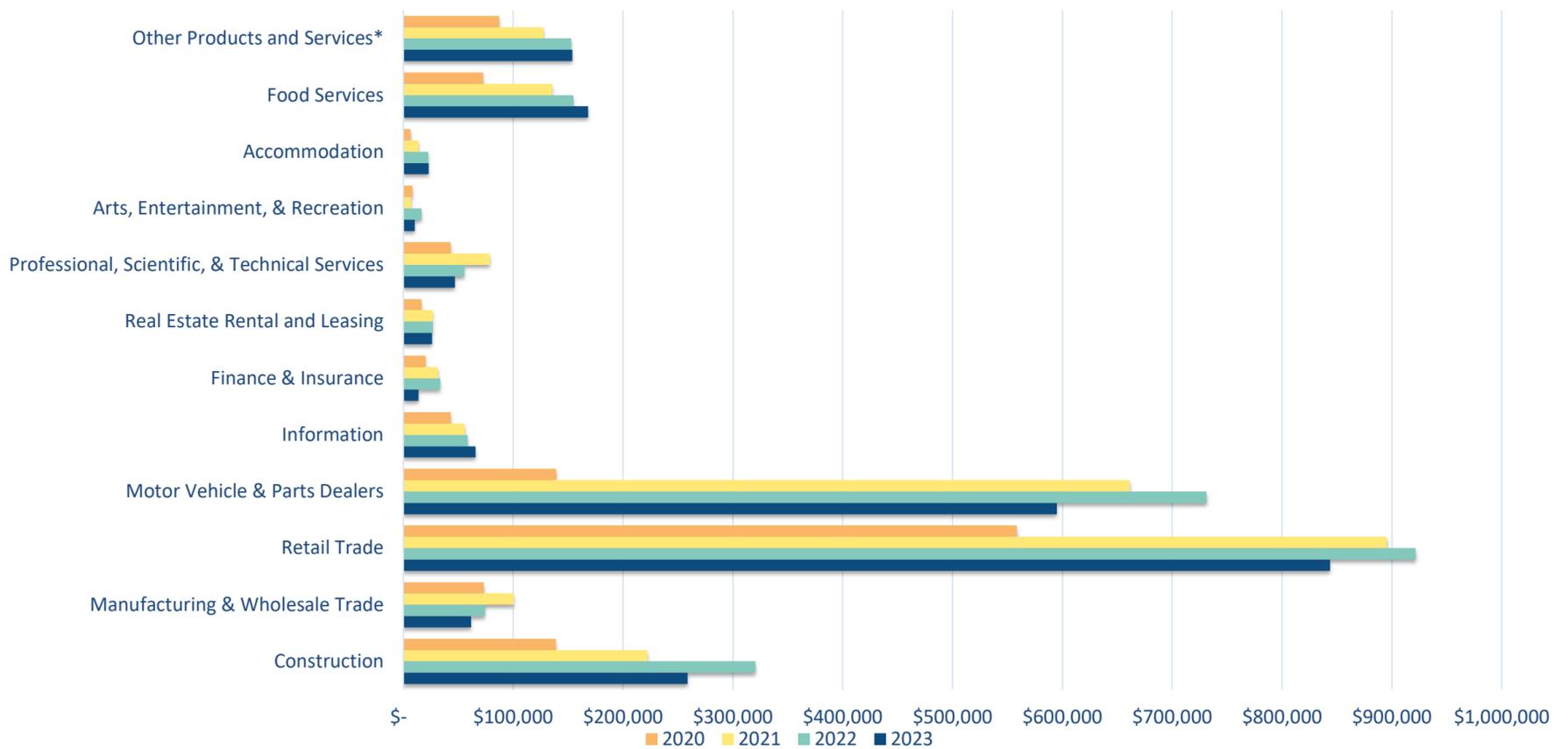


Sales Tax Analysis - Monthly Comparison
March 2023

Tax Categories	March 2020	March 2021	March 2022	March 2023	Change in Collections from Prior Year	
					\$	%
Construction	\$ 138,698	\$ 222,278	\$ 320,577	\$ 258,701	\$ (61,876)	(19.30%)
Manufacturing & Wholesale Trade	73,386	100,683	74,169	61,594	(12,575)	(16.95%)
Retail Trade	558,270	895,281	921,504	843,832	(77,672)	(8.43%)
Motor Vehicle & Parts Dealers	139,331	661,347	731,239	594,935	(136,304)	(18.64%)
Information	43,170	55,891	58,405	65,614	7,209	12.34%
Finance & Insurance	20,158	31,572	33,430	13,731	(19,699)	(58.93%)
Real Estate Rental and Leasing	16,344	26,669	26,797	26,007	(790)	(2.95%)
Professional, Scientific, & Technical Services	43,140	78,775	55,574	46,752	(8,822)	(15.87%)
Arts, Entertainment, & Recreation	8,149	6,892	16,631	10,348	(6,283)	(37.78%)
Accommodation	6,610	13,624	22,548	22,882	334	1.48%
Food Services	72,649	135,236	154,805	168,269	13,464	8.70%
Other Products and Services*	87,289	127,472	152,832	153,727	895	0.59%
Total Sales Tax Collected	\$ 1,207,194	\$ 2,355,720	\$ 2,568,511	\$ 2,266,392	\$ (302,119)	-11.76%

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

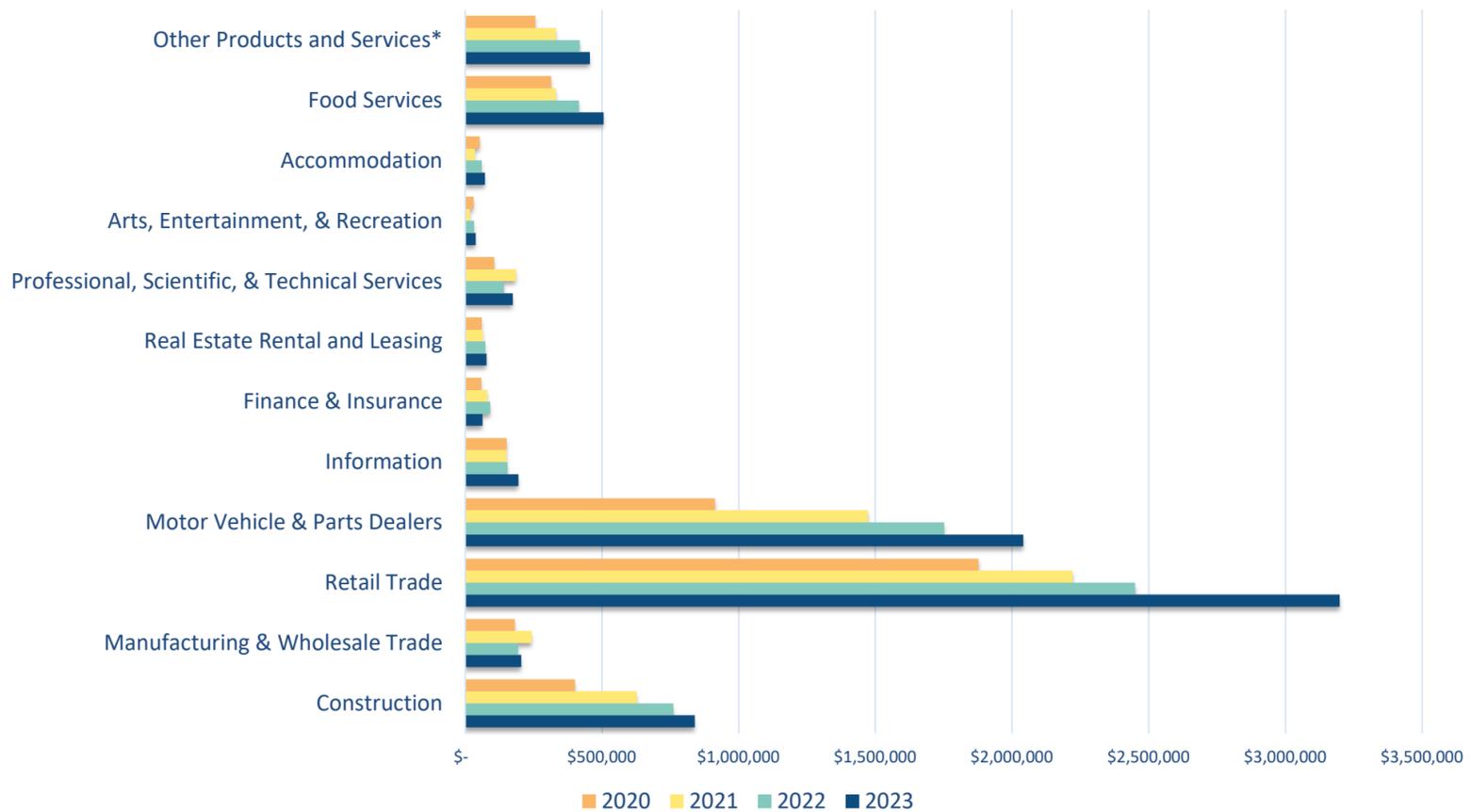
Monthly Sales Tax Comparison By Category



Tax Categories	Quarter 1 2020		Quarter 1 2021		Quarter 1 2022		Quarter 1 2023		Change in Collections	
	\$		\$		\$		\$		\$	%
Construction	\$ 401,274		\$ 627,604		\$ 760,989		\$ 839,534		\$ 78,545	10.32%
Manufacturing & Wholesale Trade	181,267		242,590		193,092		204,907		11,815	6.12%
Retail Trade	1,877,882		2,221,461		2,450,340		3,198,799		748,459	30.55%
Motor Vehicle & Parts Dealers	913,405		1,473,425		1,751,907		2,041,871		289,964	16.55%
Information	152,179		150,772		154,442		194,059		39,617	25.65%
Finance & Insurance	58,885		80,619		91,057		62,723		(28,334)	(31.12%)
Real Estate Rental and Leasing	59,865		64,564		72,778		78,289		5,511	7.57%
Professional, Scientific, & Technical	106,537		186,302		141,984		173,511		31,527	22.20%
Arts, Entertainment, & Recreation	31,349		16,939		32,511		37,559		5,048	15.53%
Accommodation	52,734		34,942		60,339		71,542		11,203	18.57%
Food Services	314,382		331,906		416,455		505,369		88,914	21.35%
Other Products and Services*	256,214		331,594		418,772		455,757		36,985	8.83%
Total Sales Tax Collected	\$ 4,405,973		\$ 5,762,718		\$ 6,544,666		\$ 7,863,920		\$ 1,319,254	20.16%

*Categories with less significant amounts of sales tax revenues have been combined

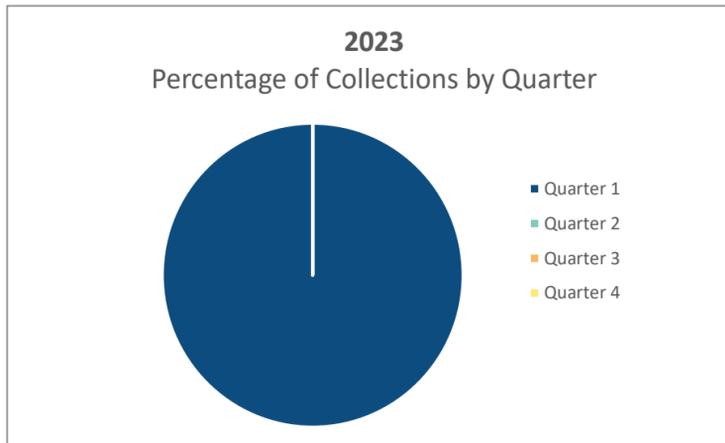
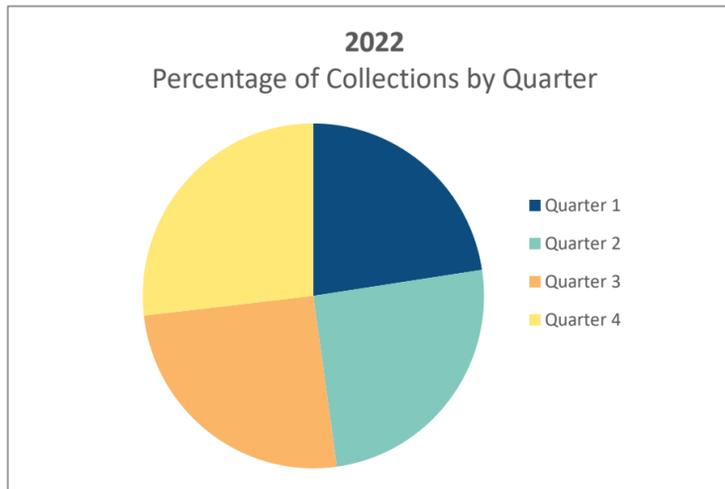
Quarterly Sales Tax Comparison By Category





Sales Tax Analysis - Quarterly Comparison
2023 Quarter 1

Total Gross Sales Tax Earned by Quarter				
	2022	2023	% Change	
Quarter 1	\$ 6,544,664	\$ 7,863,920	16.78%	
Quarter 2	7,306,602	-	NA	
Quarter 3	7,352,122	-	NA	
Quarter 4	7,773,850	-	NA	
Total	\$ 28,977,238	\$ 7,863,920		

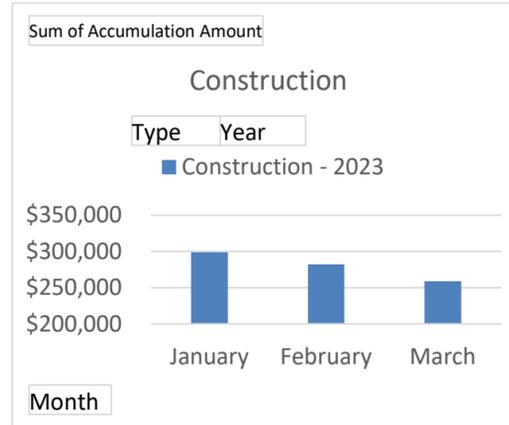




LYNNWOOD
WASHINGTON

Sales Tax Analysis - Monthly Category Comparisons
March 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Construction 2023
January	\$298,823
February	\$282,011
March	\$258,701
Grand Total	\$839,534



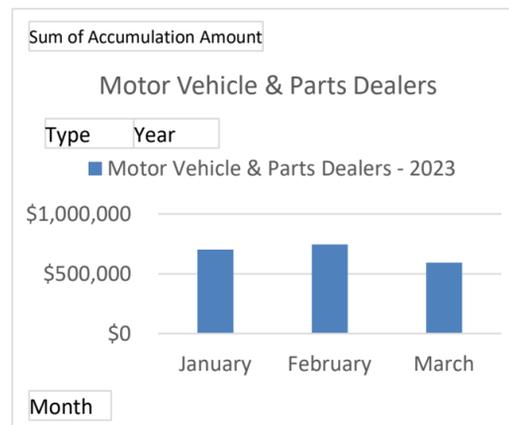
Sum of Accumulation Amount	Column Labels
Row Labels	Manufacturing & Wholesale Trade 2023
January	\$74,558
February	\$68,755
March	\$61,594
Grand Total	\$204,907



Sum of Accumulation Amount	Column Labels
Row Labels	Retail Trade 2023
January	\$1,020,321
February	\$1,334,647
March	\$843,832
Grand Total	\$3,198,799



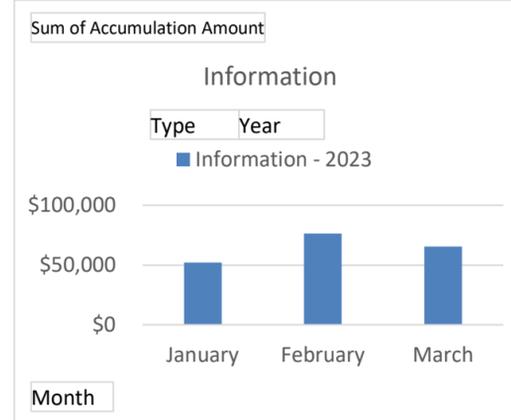
Sum of Accumulation Amount	Column Labels
Row Labels	Motor Vehicle & Parts Dealers 2023
January	\$700,263
February	\$746,673
March	\$594,935
Grand Total	\$2,041,871



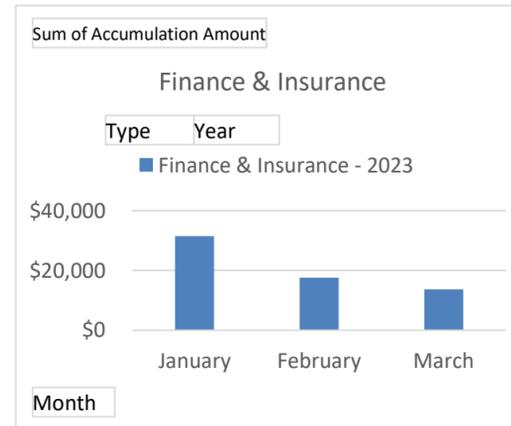


Sales Tax Analysis - Monthly Category Comparisons
March 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Information 2023
January	\$52,007
February	\$76,438
March	\$65,614
Grand Total	\$194,059



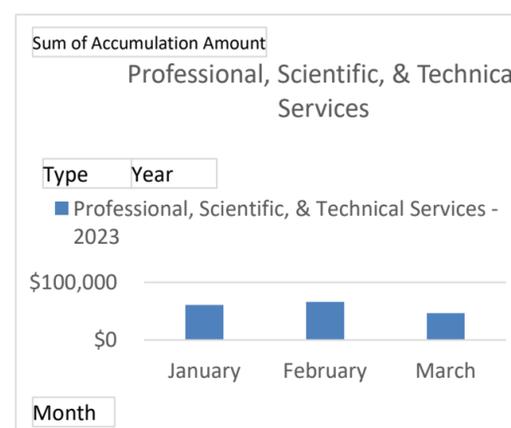
Sum of Accumulation Amount	Column Labels
Row Labels	Finance & Insurance 2023
January	\$31,442
February	\$17,551
March	\$13,731
Grand Total	\$62,723



Sum of Accumulation Amount	Column Labels
Row Labels	Real Estate Rental and Leasing 2023
January	\$24,180
February	\$28,101
March	\$26,007
Grand Total	\$78,289

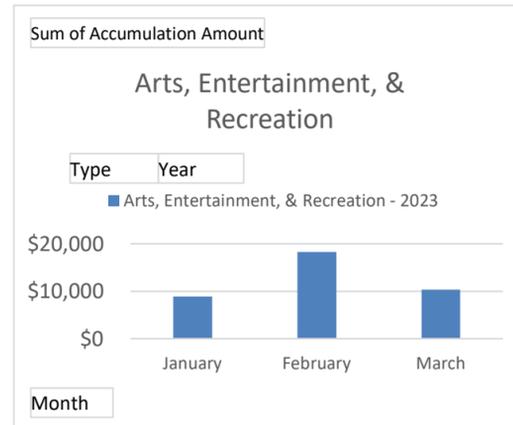


Sum of Accumulation Amount	Column Labels
Row Labels	Professional, Scientific, & Technical 2023
January	\$60,761
February	\$65,998
March	\$46,752
Grand Total	\$173,511





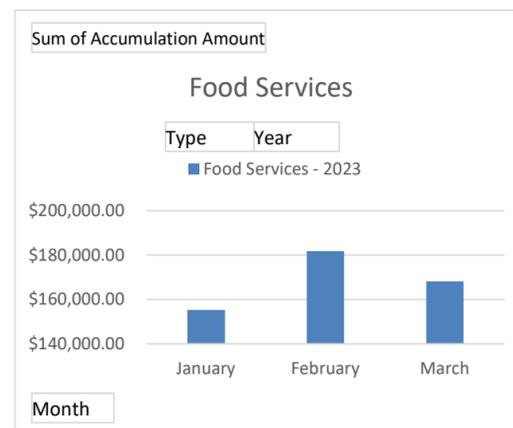
Sum of Accumulation Amount	Column Labels
Row Labels	Arts, Entertainment, & Recreation 2023
January	\$8,926
February	\$18,285
March	\$10,348
Grand Total	\$37,559



Sum of Accumulation Amount	Column Labels
Row Labels	Accommodation 2023
January	\$27,274
February	\$21,385
March	\$22,882
Grand Total	\$71,542



Sum of Accumulation Amount	Column Labels
Row Labels	Food Services 2023
January	\$155,368.42
February	\$181,730.93
March	\$168,269.30
Grand Total	\$505,368.65



Sum of Accumulation Amount	Column Labels
Row Labels	Other Products and Services 2023
January	\$145,212
February	\$156,818
March	\$153,727
Grand Total	\$455,757



FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Update on Planned 2023 Debt Issuance

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Update of 2012 LTGO Bond refunding

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

15

BACKGROUND:

In August of 2022, Council adopted ordinance 3423 which included parameters to refund the City's outstanding 2012 bonds in addition to issuing new bonds for other projects.

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 3423 still allows for refunding of the 2012 bonds in 2023 as long as a savings of 3% is achieved.

In January of 2023, the City issued a Request for Proposals (RFP) to refund the 2012 bonds but none of the responses met the minimum savings so no action was taken.

Staff have continued to work with our financial advisors to evaluate the possibility of a negotiated or competitive sale and recent reductions in long term bond rates have opened the opportunity to move forward again to achieve at least the minimum required savings.

An Official Statement was completed and a Conditional Notice of Redemption was issued to allow the City to proceed with the refunding if rates remain favorable.

An updated credit rating was issued by S&P Global confirming our AA + rating with a Stable outlook.

The issuance calendar is attached. Staff will provide an update on the process.

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
August 8, 2022, adoption of Ordinance 3423
February 6, 2023, Memorandum for Information
February 21, 2023, Memorandum for Information
April 17, 2023, Memorandum for Information

FUNDING:

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

DEPARTMENT ATTACHMENTS

Description:

[CD_Time_Schedule_Series 2023_LTGO Refunding_Lynnwood_2023-04-05.pdf](#)



City of Lynnwood, Washington
Limited Tax General Obligation Refunding Bonds, 2023
(As of April 5, 2023)

APRIL							MAY						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6
2	3	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	24	25	26	27
23	24	25	26	27	28	29	28	29	30	31			
30													

City Council: Council
 City Finance Director/City Manager Staff: City
 Foster Garvey (Bond Counsel): FG
 PFM Financial Advisors LLC (Financial Advisor): PFM
 Piper Sandler & Co. (Underwriter): UW

References to "All Parties" includes City, FG, PFM, and UW

Date	Event	Responsibility
3/27	▪ Draft POS distributed	FG
4/3	▪ Comments due on Draft POS	City, PFM, UW
4/3	▪ Working group call to discuss draft POS	All Parties
4/5	▪ Second draft POS Distributed (to be shared with S&P)	FG
4/11	▪ Responses due to S&P	City, PFM, UW
4/13	▪ Comments due on second draft POS	City, PFM, UW
4/17	▪ Final draft POS distributed for sign off	FG
4/17	▪ Due diligence call to review POS (10:00 am)	All Parties
4/18	▪ Provide final sign-off on POS	All Parties
By 4/18	▪ Rating received	City, PFM
4/18	▪ POS published	FG
4/18	▪ Conditional Call Notice provided to US Bank	FG
4/26	▪ Bond Pricing	All Parties
4/28	▪ Final OS distributed for sign-off	FG
5/2-3	<i>FOMC Meeting</i>	
By 5/2	▪ Final sign-off on OS	All Parties
5/3	▪ Final OS posted	FG
5/10	▪ Bond closing	All Parties

FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: American Rescue Plan Act Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review ARPA project listing

PRESENTER:

Michelle Meyer, Director of Finance

ESTIMATED TIME:

30

BACKGROUND:

Review of ongoing ARPA projects.

Allocations and expenditures through the grant reporting period ended 3/31/23 are attached.

SUGGESTED ACTION:

Review status of ARPA allocations

PREVIOUS COUNCIL ACTIONS:

FUNDING:

Funds were awarded in a prior year and are available in the the 2023-2024 Budget in the American Rescue Plan Act Fund (131).

DEPARTMENT ATTACHMENTS

Description:

[ARPA Expenditures and Balance Remaining 3.31.2023.pdf](#)

City of Lynnwood American Rescue Plan Act Allocations						
Date Approved	Expenditure Category and Detailed Description	2021 ACTUAL	2022 ACTUAL	2023 THROUGH Q1	2023+ REMAINING	Total
2. Negative Economic Impacts						
5/23/2022	2.1 Household Assistance: Food Programs Lynnwood Food Bank				\$ 400,000	
2/27/2023	2.34 Assistance to Impacted Nonprofit Organizations: NW Veteran's Museum				\$ 2,500	
2/27/2023	2.34 Assistance to Impacted Nonprofit Organizations: Sno-Isle Genealogical Society				\$ 2,500	
2/27/2023	2.34 Assistance to Impacted Nonprofit Organizations: Lynnwood Alderwood-Manor Heritage Assn.				\$ 2,500	
4/25/2022	2.37 Economic Impact Assistance: Other: Heroes' Café				\$ 5,000	
5/23/2022	2.37 Economic Impact Assistance: Other: VOAWW Neighborhood Center Construction				\$ 1,000,000	
7/25/2022	2.37 Economic Impact Assistance: Other: Kids in Transition Snohomish County Grant Match				\$ 150,000	
11/14/2022	2.37 Economic Impact Assistance: Other: Lynnwood Chamber of Commerce Shop Lynnwood				\$ 43,000	
3. Public Sector Capacity						
8/9/2021	3.2 Rehiring Public Sector Staff: PW Custodian (1 FTE)	\$ 18,720			\$ -	
9/13/2021	3.4 Effective Service Delivery: City Council Chambers AV	\$ 6,133	\$ 100,954		\$ 42,913	
6. Replace Lost Revenue & Provide Expanded Services up to \$10M						
8/9/2021	6.1 Provision of Government Services: Body camera equipment, services, and warranty	\$ 400,000	\$ -		\$ -	
8/9/2021	6.1 Provision of Government Services: Body camera program staff (1 FTE)		\$ 52,312		\$ -	
4/11/2022	6.1 Provision of Government Services: Municipal Court Chambers AV			\$ 32,939	\$ 37,061	
4/25/2022	6.1 Provision of Government Services: Residential Street Improvements				\$ 2,500,000	
5/9/2022	6.1 Provision of Government Services: Recreation Scholarships				\$ 25,000	
6/27/2022	6.1 Provision of Government Services: Hire 5 new full time police officers through 2024		\$ 187,883	\$ 137,867	\$ 1,532,127.53	
6/27/2022	6.1 Provision of Government Services: 18 additional body cameras for Police Department		\$ 92,512		\$ -	
6/27/2022	6.1 Provision of Government Services: 20 Tasers for Police Department		\$ 75,644		\$ -	
7/25/2022	6.1 Provision of Government Services: Capital Facilities Plan for Veteran's Hub				\$ 55,000	
10/10/2022	6.1 Provision of Government Services: Lynnwood Police Assistance Fund				\$ 20,000	
11/14/2022	6.1 Provision of Government Services: Community and Human Services Position				\$ 300,000	
2/27/2023	6.1 Provision of Government Services: Hire 2 FTE for Parks Graffiti Mitigation & Trailer				\$ 388,432	
5/23/2022	6.2 Non-federal match for other Federal Programs: Scriber Lake Park Boardwalk				\$ 2,000,000	
7. Administrative						
6/13/2022	7.1 Administrative Expenses: ARPA Accountant (.5 FTE 2.5 years)		\$ 19,561	\$ 12,727	\$ 92,712	
Eligible Category to be defined						
5/23/2022	Silver Creek Church (\$15K lighting, \$50K repave parking lot for FB)				\$ 65,000	
7/25/2022	VOAWW Rapid Rehousing Snohomish County Grant Match				\$ 250,000	
11/14/2022	Tutoring				\$ 60,000	
	Total	\$ 424,852	\$ 528,867	\$ 183,533	\$ 8,973,746	\$ 10,110,997.29
	ARPA Revenue (tranches 1 and 2)					\$ 10,936,804.00
	Allocated To Date					\$ 10,110,997.29
	Balance Remaining					\$ 825,806.71