



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference Room 4, City Hall

THURSDAY, OCTOBER 26, 2023 3:30 PM

-
1. CALL TO ORDER
 2. ROLL CALL
 3. FINANCIAL REPORTS
 4. DISCUSSION ITEM
 - 4.A [Sales Tax Report](#) - 20 minutes
Michelle Meyer, Finance Director
 - 4.B [Travel Policy Update](#) - 15 minutes
Michelle Meyer, Finance Director
 - 4.C [American Rescue Plan Act Update](#) - 20 minutes
Michelle Meyer, Finance Director
 - 4.D [Mid-biennial Budget Review](#) - 45 minutes
Michelle Meyer, Finance Director
 - 4.E [2024 Property Tax Levy](#) - 20 minutes
Michelle Meyer, Finance Director
 5. ADJOURN

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, City Council

SUMMARY:

Review of Sales Tax Revenues through September 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 July 2023 sales (revenues received through September 2023) will be reviewed.

SUGGESTED ACTION:

Review of Sales Tax detail

PREVIOUS COUNCIL ACTIONS:

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

DEPARTMENT ATTACHMENTS

Description:

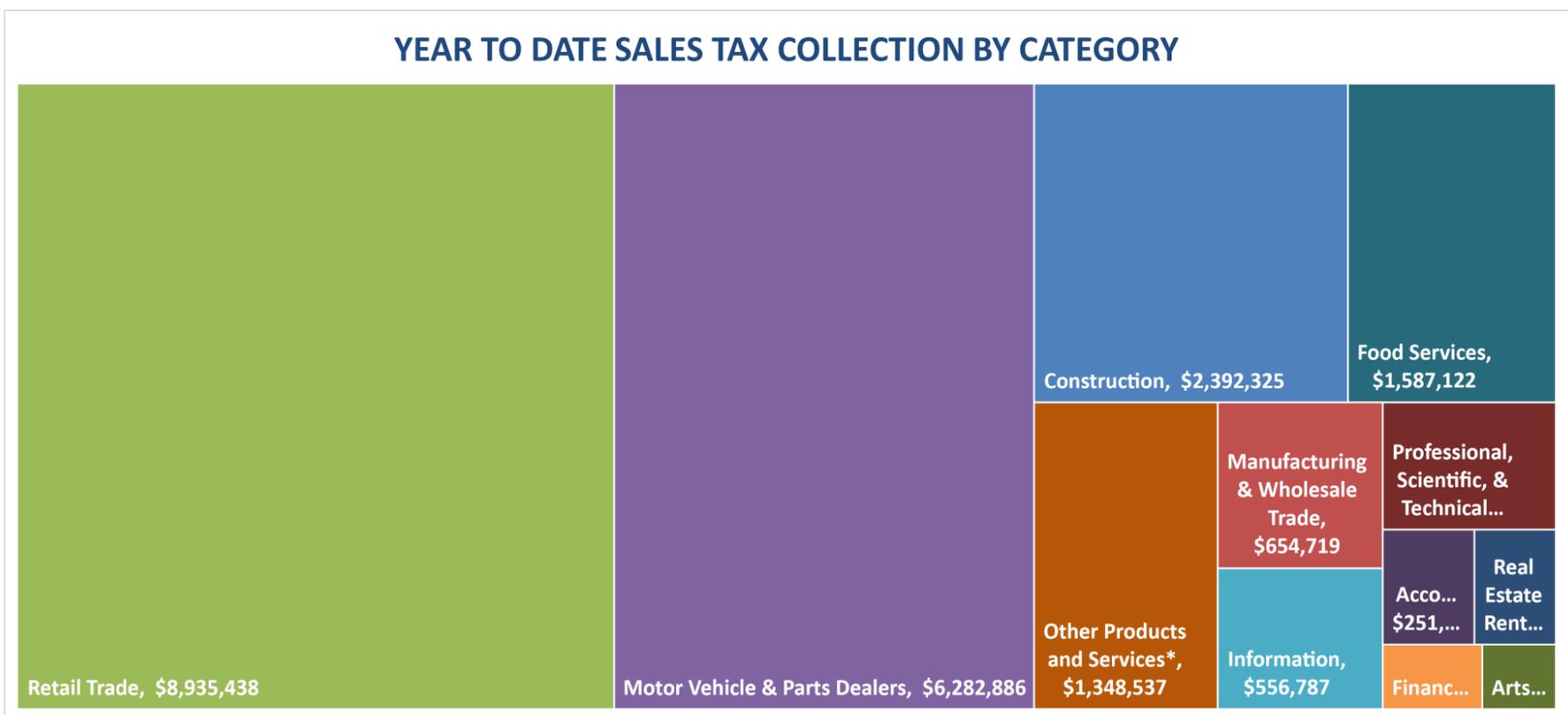
[Lynnwood Sales Tax Analysis Through Sep 2023.pdf](#)



Sales Tax Analysis - Annual Summary
September 2023

Tax Categories	Jan - Sep 2020	Jan - Sep 2021	Jan - Sep 2022	Jan - Sep 2023
Construction	\$ 1,344,372	\$ 2,274,496	\$ 2,591,411	\$ 2,392,325
Manufacturing & Wholesale Trade	616,059	703,060	\$ 625,470	654,719
Retail Trade	6,006,375	7,759,116	\$ 8,436,623	8,935,438
Motor Vehicle & Parts Dealers	3,553,138	5,012,512	\$ 5,109,204	6,282,886
Information	416,562	467,361	\$ 473,090	556,787
Finance & Insurance	219,794	299,684	\$ 254,976	153,493
Real Estate Rental and Leasing	182,820	212,347	\$ 230,290	223,785
Professional, Scientific, & Technical Services	425,564	619,190	\$ 434,174	527,063
Arts, Entertainment, & Recreation	47,779	73,450	\$ 88,745	113,137
Accommodation	120,366	173,873	\$ 273,210	251,568
Food Services	989,605	1,191,680	\$ 1,352,445	1,587,122
Other Products and Services*	840,288	1,110,414	\$ 1,333,753	1,348,537
Total Sales Tax Collected	\$ 14,762,722	\$ 19,897,183	\$ 21,203,390	\$ 23,026,860
Budgeted Sales Tax Collections	\$ 23,058,883	\$ 24,453,852	\$ 24,744,533	\$ 28,186,576
Realized Revenue as Compared to Budget	64%	81%	86%	82%

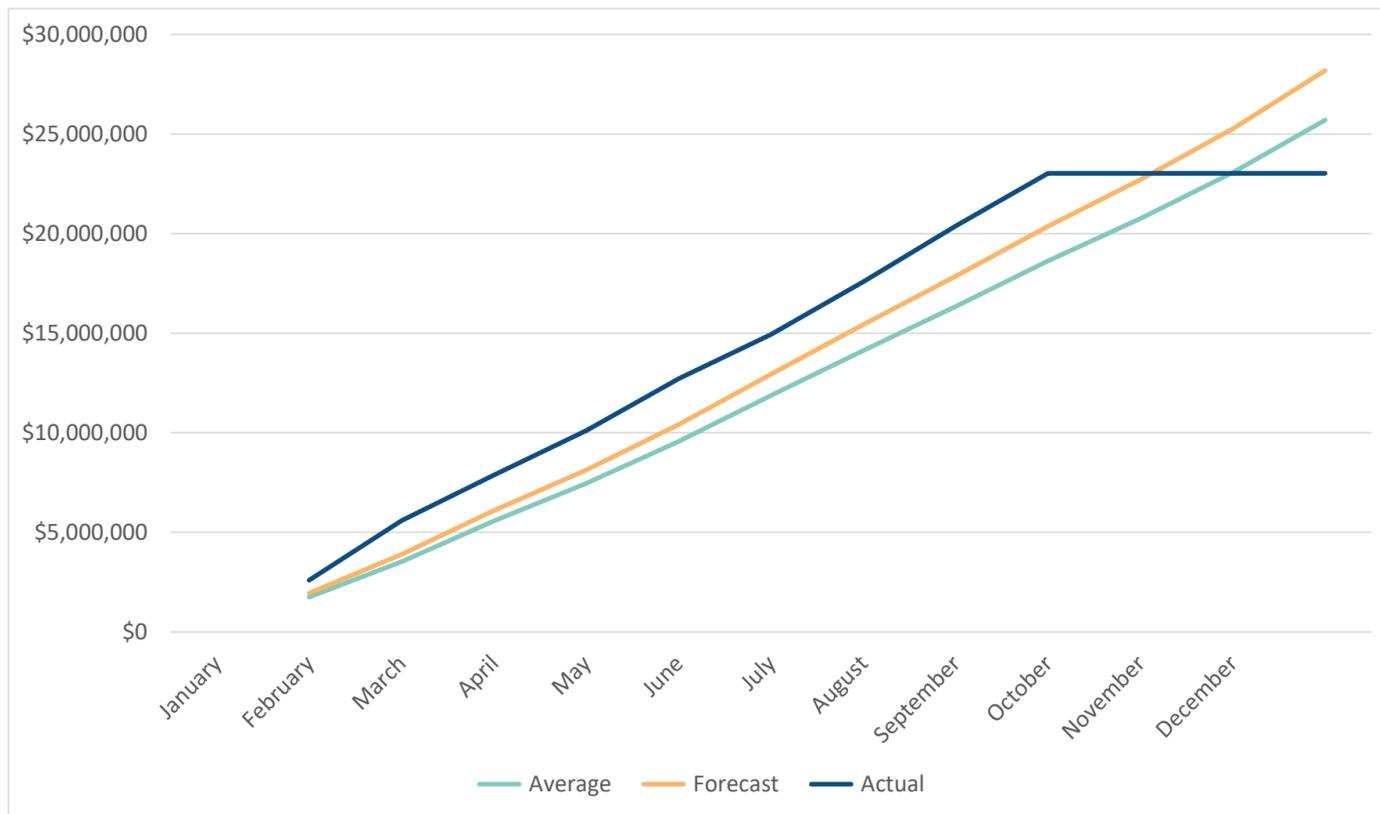
*Categories with small amounts of sales tax revenues have been combined





Sales Tax Analysis - Annual Summary
September 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	2,250,419	-0.92%
May		2,286,659		2,404,505	8.13%	2,099,183	2,290,332	2,601,481	7.57%
June		2,456,345		2,631,081	8.92%	2,299,394	2,513,967	2,228,709	-18.05%
July		2,405,511		2,485,667	8.85%	2,267,547	2,494,207	2,638,901	5.81%
August		2,370,461		2,380,789	8.68%	2,218,906	2,445,371	2,806,745	15.18%
September		2,348,177		2,485,667	8.88%	2,269,252	2,502,243	2,636,686	5.73%
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	\$ 23,026,860	
Percentage Increase(Decrease)		22.44%		6.47%					

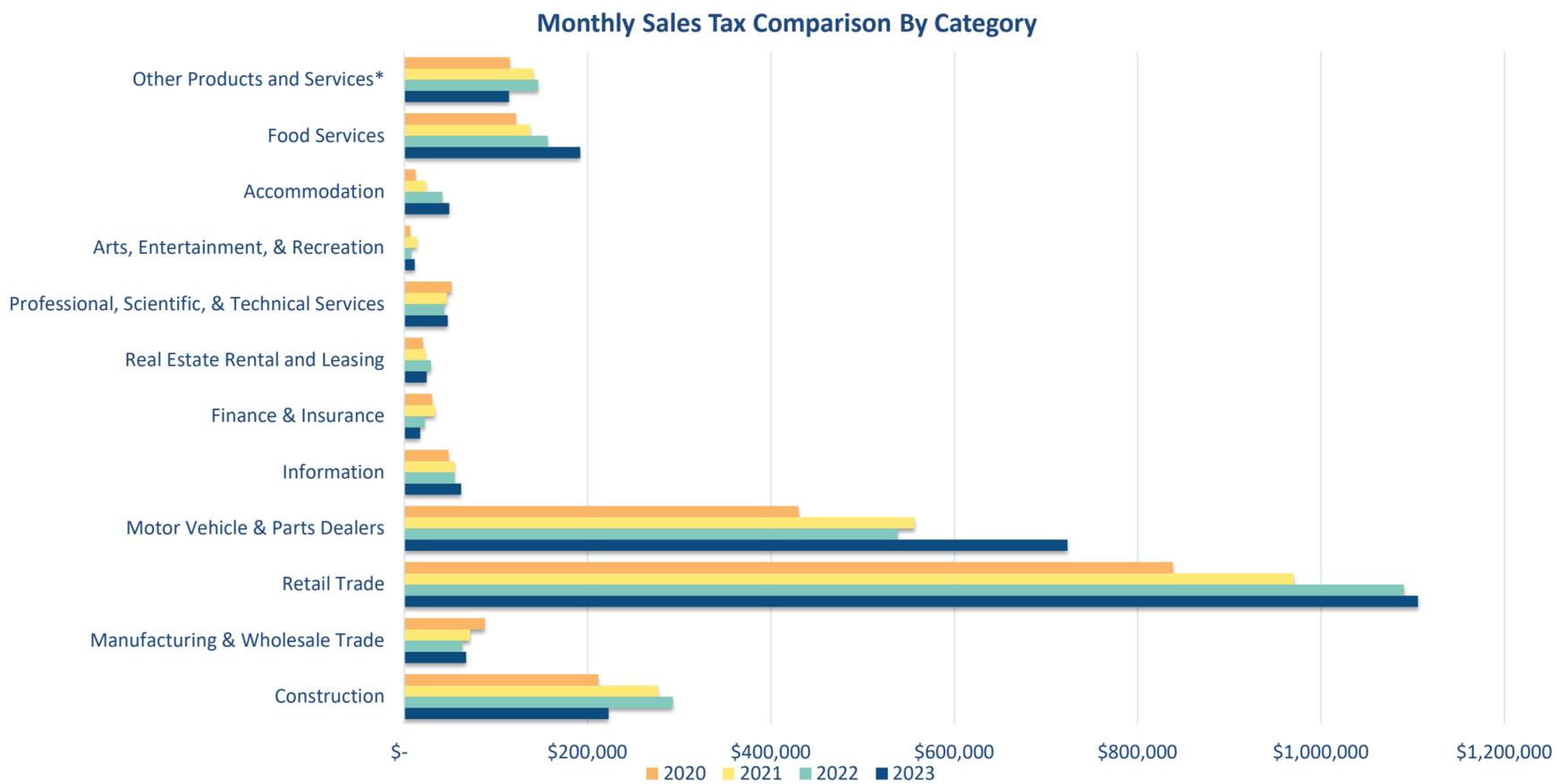




Sales Tax Analysis - Monthly Comparison
September 2023

Tax Categories	September 2020	September 2021	September 2022	September 2023	Change in Collections from Prior Year	
					\$	%
Construction	\$ 211,624	\$ 276,693	\$ 292,888	\$ 222,698	\$ (70,190)	(23.96%)
Manufacturing & Wholesale Trade	87,965	71,553	63,276	67,482	4,206	6.65%
Retail Trade	838,214	969,821	1,090,267	1,105,670	15,403	1.41%
Motor Vehicle & Parts Dealers	430,240	556,513	537,901	723,408	185,507	34.49%
Information	48,142	54,838	55,052	61,834	6,782	12.32%
Finance & Insurance	30,263	33,553	22,526	17,318	(5,208)	(23.12%)
Real Estate Rental and Leasing	20,077	23,307	29,124	24,584	(4,540)	(15.59%)
Professional, Scientific, & Technical Services	51,371	46,481	43,552	47,426	3,874	8.90%
Arts, Entertainment, & Recreation	6,526	13,949	7,555	11,410	3,855	51.03%
Accommodation	12,451	23,563	41,443	48,879	7,436	17.94%
Food Services	121,894	137,315	156,274	191,789	35,515	22.73%
Other Products and Services*	115,144	140,592	145,808	114,186	(31,622)	(21.69%)
Total Sales Tax Collected	\$ 1,973,911	\$ 2,348,178	\$ 2,485,666	\$ 2,636,686	\$ 151,020	6.08%

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



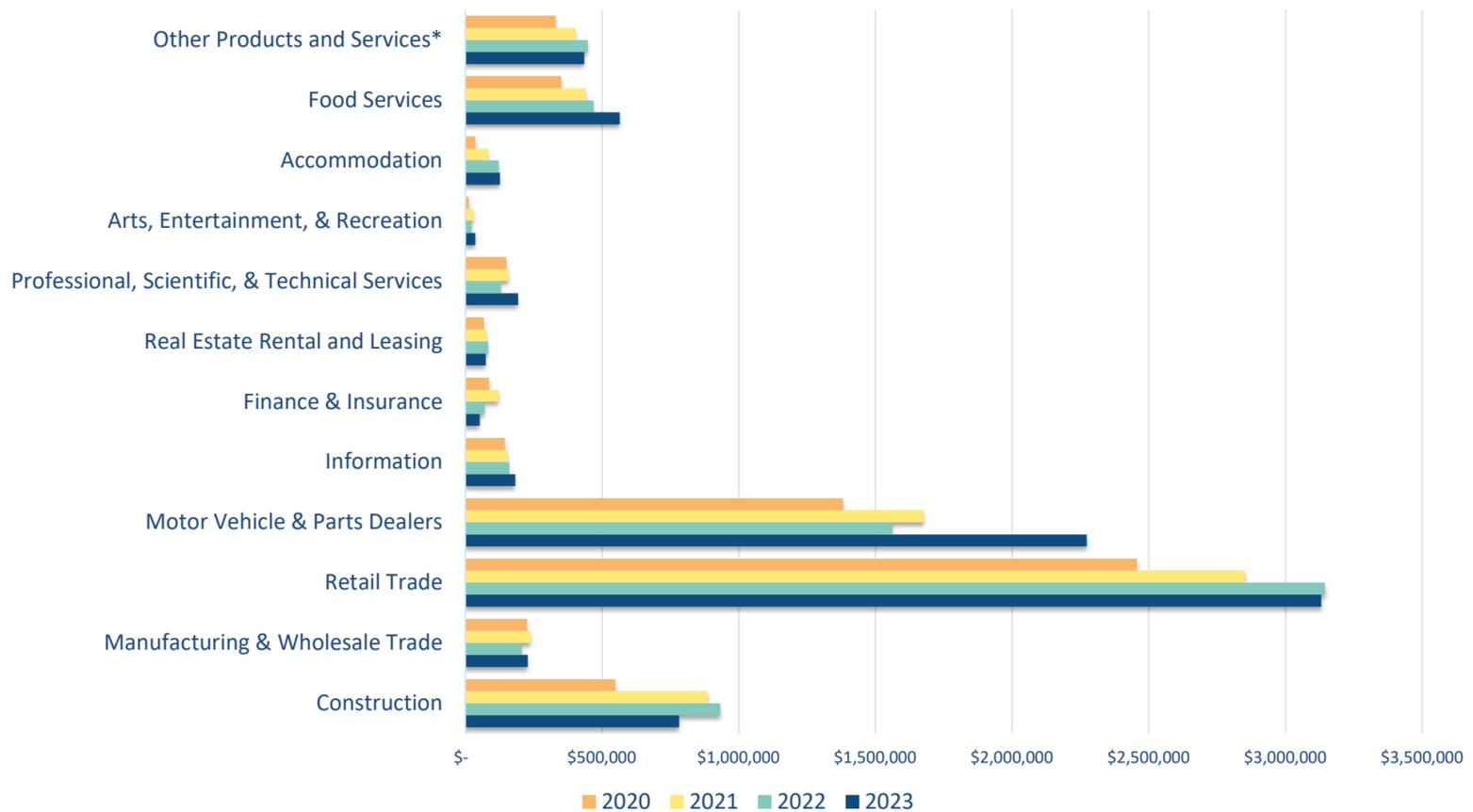


Sales Tax Analysis - Quarterly Comparison
2023 Quarter 3

Tax Categories	Quarter 3	Quarter 3	Quarter 3	Quarter 3	Change in Collections	
	2020	2021	2022	2023	\$	%
Construction	\$ 548,884	\$ 886,250	\$ 932,159	\$ 782,621	\$ (149,538)	(16.04%)
Manufacturing & Wholesale Trade	225,303	238,935	206,905	228,107	21,202	10.25%
Retail Trade	2,455,997	2,851,710	3,144,142	3,129,967	(14,175)	(0.45%)
Motor Vehicle & Parts Dealers	1,381,727	1,676,124	1,561,418	2,273,147	711,729	45.58%
Information	144,236	154,752	161,001	182,217	21,216	13.18%
Finance & Insurance	87,154	121,764	69,837	53,355	(16,482)	(23.60%)
Real Estate Rental and Leasing	66,812	78,066	84,440	75,597	(8,843)	(10.47%)
Professional, Scientific, & Technical	150,492	159,319	128,832	193,066	64,234	49.86%
Arts, Entertainment, & Recreation	12,960	29,988	23,049	37,113	14,064	61.02%
Accommodation	35,924	84,130	122,580	126,499	3,919	3.20%
Food Services	350,349	440,396	468,891	565,094	96,203	20.52%
Other Products and Services*	331,004	402,717	448,872	435,549	(13,323)	(2.97%)
Total Sales Tax Collected	\$ 5,790,842	\$ 7,124,151	\$ 7,352,126	\$ 8,082,332	\$ 730,206	9.93%

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

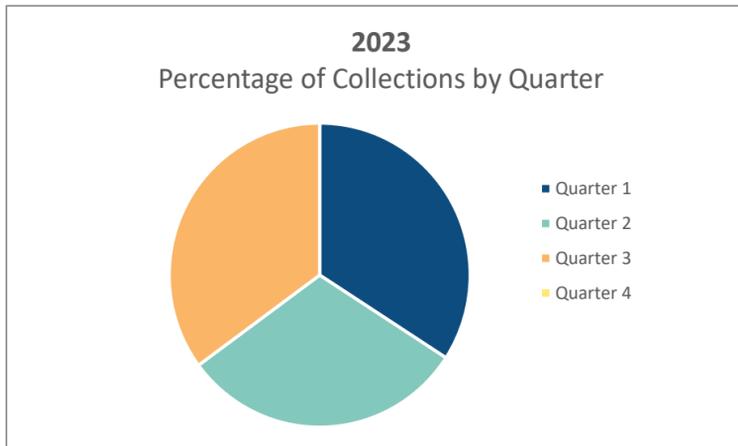
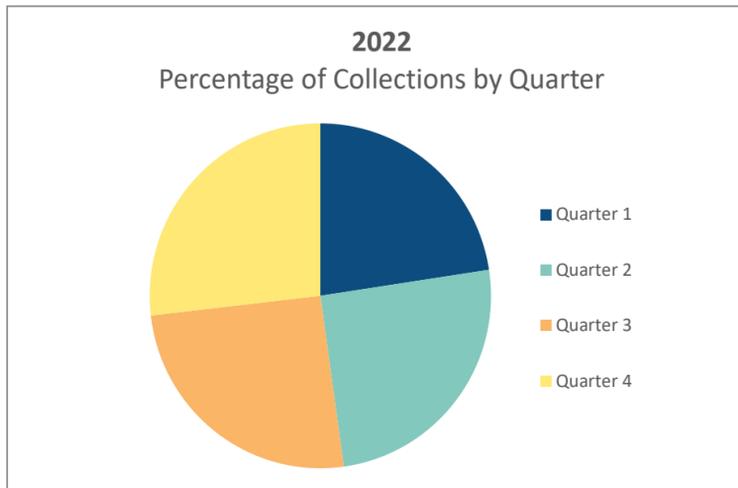
Quarterly Sales Tax Comparison By Category





Sales Tax Analysis - Quarterly Comparison
2023 Quarter 3

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	7,080,609	-3.19%
Quarter 3	7,352,122	8,082,332	9.03%
Quarter 4	7,773,850	-	NA
Total	\$ 28,977,238	\$ 23,026,860	





Sales Tax Analysis - Monthly Category Comparisons
September 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Construction 2023
January	\$298,823
February	\$282,011
March	\$258,701
April	\$251,360
May	\$278,625
June	\$240,185
July	\$268,449
August	\$291,474
September	\$222,698
Grand Total	\$2,392,325



Sum of Accumulation Amount	Column Labels
Row Labels	Manufacturing & Wholesale Trade 2023
January	\$74,558
February	\$68,755
March	\$61,594
April	\$63,894
May	\$87,808
June	\$70,002
July	\$83,080
August	\$77,545
September	\$67,482
Grand Total	\$654,719



Sum of Accumulation Amount	Column Labels
Row Labels	Retail Trade 2023
January	\$1,020,321
February	\$1,334,647
March	\$843,832
April	\$819,524
May	\$916,047
June	\$871,101
July	\$1,003,142
August	\$1,021,155
September	\$1,105,670
Grand Total	\$8,935,438



Sum of Accumulation Amount	Column Labels
Row Labels	Motor Vehicle & Parts Dealers 2023
January	\$700,263
February	\$746,673
March	\$594,935
April	\$627,425
May	\$721,136
June	\$619,307
July	\$719,032
August	\$830,708
September	\$723,408
Grand Total	\$6,282,886





Sales Tax Analysis - Monthly Category Comparisons
September 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Information 2023
January	\$52,007
February	\$76,438
March	\$65,614
April	\$63,451
May	\$111,353
June	\$5,708
July	\$56,867
August	\$63,516
September	\$61,834
Grand Total	\$556,787



Sum of Accumulation Amount	Column Labels
Row Labels	Finance & Insurance 2023
January	\$31,442
February	\$17,551
March	\$13,731
April	\$15,918
May	\$3,701
June	\$17,796
July	\$17,751
August	\$18,285
September	\$17,318
Grand Total	\$153,493



Sum of Accumulation Amount	Column Labels
Row Labels	Real Estate Rental and Leasing 2023
January	\$24,180
February	\$28,101
March	\$26,007
April	\$23,107
May	\$25,029
June	\$21,764
July	\$24,751
August	\$26,261
September	\$24,584
Grand Total	\$223,785

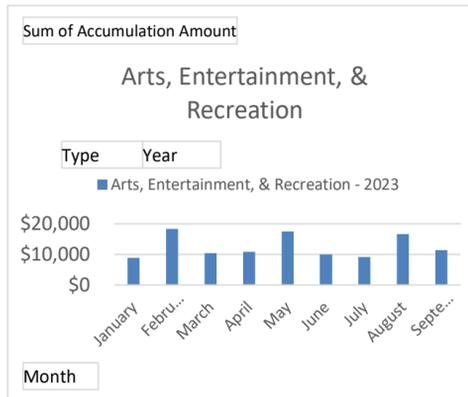


Sum of Accumulation Amount	Column Labels
Row Labels	Professional, Scientific, & Technical 2023
January	\$60,761
February	\$65,998
March	\$46,752
April	\$50,853
May	\$62,131
June	\$47,502
July	\$92,510
August	\$53,130
September	\$47,426
Grand Total	\$527,063





Sum of Accumulation Amount	Column Labels
Row Labels	Arts, Entertainment, & Recreation 2023
January	\$8,926
February	\$18,285
March	\$10,348
April	\$10,898
May	\$17,512
June	\$10,054
July	\$9,081
August	\$16,622
September	\$11,410
Grand Total	\$113,137



Sum of Accumulation Amount	Column Labels
Row Labels	Accommodation 2023
January	\$27,274
February	\$21,385
March	\$22,882
April	\$22,507
May	\$28,594
June	\$2,426
July	\$36,641
August	\$40,979
September	\$48,879
Grand Total	\$251,568



Sum of Accumulation Amount	Column Labels
Row Labels	Food Services 2023
January	\$155,368
February	\$181,731
March	\$168,269
April	\$157,491
May	\$183,340
June	\$175,828
July	\$177,203
August	\$196,102
September	\$191,789
Grand Total	\$1,587,122



Sum of Accumulation Amount	Column Labels
Row Labels	Other Products and Services 2023
January	\$145,212
February	\$156,818
March	\$153,727
April	\$143,992
May	\$166,203
June	\$147,036
July	\$150,394
August	\$170,968
September	\$114,186
Grand Total	\$1,348,537



FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Travel Policy Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review proposed updates to the travel policy

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

15

BACKGROUND:

The City's Travel Policy from 2006 was updated earlier in 2023.

Since the updated policy was approved and travel has resumed post COVID, staff and elected officials have found that the existing policy language is not clear in some areas.

Feedback from the Finance Committee and City Council was obtained to help clarify the intent of sections related to elected official travel.

A redlined version of the existing policy is attached for review.

SUGGESTED ACTION:

Review potential Travel Policy updates

PREVIOUS COUNCIL ACTIONS:

City Council adoption of current policy February 13, 2023

Finance Committee discussion July 27, 2023

City Council Work Session discussion September 5, 2023

DEPARTMENT ATTACHMENTS

Description:

[Res 2023-xx - Travel Reimbursement Expenditure Policy - redlined 10.26.23.pdf](#)

**CITY OF LYNNWOOD
RESOLUTION NO. 2023-XX**

A RESOLUTION REPLACING RESOLUTION 2023-01 AND ESTABLISHING, REVISING AND UPDATING CITY POLICIES REGARDING: TRAVEL AUTHORIZATION, REIMBURSEMENT, EXPENDITURES, ADVANCES, AND RELATED PROCEDURES; AND REIMBURSEMENT OR DIRECT PAYMENT OF OTHER TYPES EXPENSES; AND MAKING THESE POLICIES APPLICABLE TO CITY ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, MEMBERS OF BOARDS AND COMMISSIONS, VOLUNTEERS, MEMBERS OF THE PUBLIC, AND OTHER NON-EMPLOYEES.

WHEREAS, RCW Chapter 35A.11 authorizes the City Council to organize and regulate internal city operations and processes, and to define the functions, duties and authority of city staff and elected officials; and

WHEREAS, city elected or appointed officials, employees, volunteers, board members, commissioners, and other non-employees from time to time incur proper, reasonable and necessary expenses, in the normal conduct of city business, including travel, education and training expenses; and

WHEREAS, various proper, reasonable, and necessary expenses are incurred in regard to members of the public in the normal conduct of city business; and

WHEREAS, legal requirements, good accounting practices, and the orderly administration of the city, require the establishment of procedures, limitations, safeguards, and guidelines for the reimbursement of, or direct payment of, proper, reasonable and necessary expenses; and

WHEREAS, it is necessary and appropriate to periodically review, revise and update, existing city policies;

NOW THEREFORE, BE IT RESOLVED THAT:

Section 1. Adoption of Travel Policies and Repeal of Prior Resolutions. The Lynnwood City Council does hereby adopt the following policies regarding both: (a) travel authorization, reimbursement, expenditures, advances, and related procedures; and (b) the reimbursement, or direct payment, of other proper, reasonable, and necessary expenses in the normal conduct of city business, and related procedures. Any employee or elected official who expends City funds outside of the parameters of this policy will be required to provide reimbursement. This resolution is effective January 1, 2024 and voids and supersedes Lynnwood City Council Resolutions Nos. ~~2006-03~~2023-01.

Section 2. Authorization for Travel, Education, Training, and Acquisition of Certain Materials and Services – All Elected Officials.

- A. All travel, education, or training expenditures by City Councilmembers ~~and the Mayor,~~ shall be at their individual discretion, provided, however, that each councilmember shall not exceed 50% of the amount allocated per council position number in the biennial budget for councilmember travel, education and training in the first year of the biennium. Any amount not expended per council position number in the first year may be spent in the second year of the biennium., ~~and the~~ Mayor shall not exceed the amount for travel, education and training set forth in such biennial budget for the Executive Department, ~~unless a councilmember or the Mayor receives an additional amount through prior approval by a simple majority of the City Council; provided further however, after the date of a municipal general election in an odd-numbered year and prior to January 1st of the immediately following even-numbered year, a city councilmember or mayor who was on the ballot and lost in such municipal election, shall not engage in any travel, education or training, nor incur any expenses related thereto, unless specifically authorized in advance by the city council.~~
- B. Councilmembers and the Mayor are encouraged to make reservations for public transportation and hotel/motel accommodations through City offices. All transportation and accommodation reservations shall be made at the lowest rate available, such as coach fare for air transportation, use of special discounts or conference rates, and single occupancy government rates for lodging. If reservations are not obtained through the City and expenses exceed those obtainable by the City, that portion in excess will not be reimbursed unless approved by a simple majority of the Council.
- C. Any Councilmember who utilizes travel funds shall prepare a post-travel report for the City Council that summarizes the purpose of the trip. Those materials and services listed below that are obtained by Councilmembers at City expense, and charged to their respective travel, education, and training allocations, shall become property of the City and require prior approval by a simple majority of the City Council:
- ~~1. Materials such as books, periodicals, audio/video tapes and software, published papers or reports, that each exceeds \$100.~~
 - ~~2. Research, study or other services by professional consultants, legal counsel, and contract employees.~~
- D. Councilmembers and the Mayor shall follow the procedures set forth in Section 4 regarding guidelines and standards for the payment of travel reimbursement claims, for travel advances, or for the direct payment of any other education or

training expense.

0.1. Councilmembers and the Mayor shall provide necessary information for travel and training to their respective Executive Assistant to complete authorization forms referenced in Section 3 to ensure budget is available and allow for direct payment of expenses, although no formal authorization is required in accordance with this policy.

Section 3. Authorization for Travel, Education, Training, and Acquisition of Certain Materials and Services – City Employees, Members of Boards and Commissions, Volunteers, Members of the Public, and Other Non-Employees.

- A. A Request for Training and Travel form which includes the purpose of the trip and a detailed estimate of costs shall be submitted and approved by the Department Director or designee, in advance of the departure date. Any out of state travel must also be approved by the Mayor.
- B. Travel Transportation, Accommodations, Registration, and Reservations
 - 1. Transportation, lodging and conference registration should be arranged in advance by a designated staff member and billed directly to the City.
 - 2. Accommodations shall be made at the coach fare for air transportation, use of special discounts or conference rates where applicable, and single occupancy government rates for lodging. If the government rate is not available at the lodging facility, Department Head approval is required for the non-government rate.
- C. Procedures for Reimbursement of Travel, Education and Training Expenses and Requests for Travel Advances
 - 1. Travel Expense Reimbursement: The procedures, standards, and guidelines in Section 4 shall apply to the payment of travel reimbursement claims, for travel advance payments, or for the direct payment any other education or training expense.
 - 2. Travel Advances: An “Advance Travel Fund” is established by Chapter 3.44 of the Lynnwood Municipal Code. All requests for travel advances must be submitted on Request for Training and Travel form. When advance travel funds are authorized, a fully itemized post-travel expense form, accompanied by any unexpended portion of the advance, must be submitted *within 15 days* from the end of the travel period. Travel advance reimbursements submitted after 15 calendar days will be assessed ten percent (10%) interest on the full amount of the advance pursuant to RCW 42.24.140.

Section 4. Procedures and Standards for Travel Reimbursement Requests and for Travel

Advances – Applies to All Elected Officials, Employees, Volunteers and other Non-Employees.

This section applies to all elected city officials, employees, members of boards and commissions, volunteer members of the public, and other non-employees. The processing, approval, and payment of each expense in a travel reimbursement claim, or a travel advance request, shall be done in compliance with this section. In order to qualify for reimbursement, each expense must be reasonable and prudent under the circumstances and directly related to the conduct of city business, or a service or substantial benefit provided for the City. Care must be taken to avoid unnecessary or excessive expenses.

It shall be the responsibility of the Finance Director to ensure that these policies are uniformly applied, and to provide the forms, instructions, and training, necessary for implementation.

Exceptions to this section may be made only for unusual or extenuating circumstances and upon the written approval of the Mayor that:

- (a) The expenses to be reimbursed are reasonable under the circumstances that occurred; and
- (b) That such expenses reasonably relate to the conduct of city business, or provide a service or substantial benefit received by the City; and
- (c) That compliance with this section was not feasible.

A. Documentation for All Claims. Claims for reimbursement shall be paid if accompanied by a bona fide vendor's receipt and consistent with the following policies. Such receipts must show the date, a description of the purchase, vendor identification, and amount paid. Credit card receipts are acceptable if they meet the information requirements above. Other specific rules for the documentation of a reimbursement are included below.

B. Meals – Travel Related - Per Diem Rate. Meals that are not provided as part of a conference agenda shall be reimbursed at the per diem rate for Seattle per the US General Services Administration (GSA) in effect during the date(s) of travel. The per diem rate includes the costs of tax and gratuity. No travel meals should be purchased on City purchasing cards. No receipts are required for daily meal per diem.

C. Meals – Not Travel Related – Reimbursement or Direct Payment for Actual Meal Costs, or Direct payment for the Provision of Food on Certain Occasions. Reimbursement, or direct payment, for meals, or direct payment for the provision of food on certain occasions, for City Councilmembers, board members, commissioners, volunteers, members of the public, non-employees, and staff conducting formal city business at meetings, events, or other activities, during meal times is specifically authorized if the following requirements are met:

1. The purpose of the meeting is to conduct official city business or to provide training to city employees or city officials; AND
2. The meals are an integral part of the business meeting or training session. AND
3. The meeting or training is a special situation or occasion outside of the normal daily business of city employees. City funds may not be used to provide meals for staff parties, routine staff meetings, routine departmental meetings, or any event deemed to be social in nature.

3.4. An agenda for the meeting and list of attendees must be provided along with receipts for meeting meal expenses; the amount per person may not exceed the per diem amount for Seattle GSA for the specific meal period that occurred during the meeting.

Expenses for meals or food where city business is conducted and that could otherwise reasonably occur during non-meal periods, are not eligible for reimbursement. Meal reimbursement, not related to travel or otherwise authorized in a Collective Bargaining Agreement, for city staff must be approved in advance by the Department Director in accordance with this policy.

Under no circumstances may alcohol be provided at city expense.

- D. Whenever a situation arises under subsections B or C above, where a meal(s) is included in a registration or conference fee, or where direct payment from the city or any third party is used for food during the conduct of city business, and the person requesting reimbursement or submitting a travel advance claim actually attends that meal, then the per diem rate for that day shall be reduced to reflect such a meal(s). The per diem rate shall follow the GSA per diem rate for Seattle in effect at the time of travel.
- E. Travel Related Expenses Authorized. Reimbursement for the reasonable costs of business travel is acceptable. In determining the “reasonableness” of an expense the following general guidelines shall apply:
 1. City Vehicle. Out of the area costs of vehicle operation are acceptable, such as gas. Any other vehicle-related expenditures such as oil, tires or other repairs must be preapproved by the Department Director.
 2. Personal Vehicle Mileage Expense and Limitation.
 - a. Mileage expenses shall be reimbursed for travel within a 300-mile radius of the City, at the current mileage rate per GSA in effect at the time of travel. The point of origin shall be city hall (or other place of city employment) or home, whichever is shorter under the circumstances. Mileage will be paid only for such point to point travel **and** only for necessary travel between city business activities, and not for personal local trips, at the travel destination.

- b. Trips beyond a 300 mile radius shall be reimbursed in an amount equal to the appropriate round trip coach air fare to the destination (plus travel to/from airport, parking fees and other necessary expenses associated with air travel), based upon the date and approximate time of departure.
 - c. The Finance Director shall approve computations necessary to comply with this section.
 3. Rental Vehicle. The cost of vehicle rental will be handled on an exception basis and must be approved in advance by the Mayor. Only business miles are reimbursable. If the vehicle was used for non-business purposes, the cost of the rental shall be pro-rated accordingly.
 4. Air Travel. Advance tickets should be purchased using City of Lynnwood Purchasing Cards. Where it is not feasible to follow that procedure, direct reimbursement of incurred expenses is authorized.
 5. Airport Delivery/Pick-up Mileage or Parking Expenses. Round trip mileage to the airport will be reimbursed provided the cost of mileage based on the current GSA rate is less expense than parking or alternate transportation.
 6. Other Travel Expenses. Miscellaneous travel expenses such as bus, taxi, bridge or other tolls, parking, ferry, rail or ride share will only be authorized if necessary and are included on the Request for Travel and Training form.
- F. Accommodations and Lodging. Hotel/motel accommodations will be reimbursed or paid at a maximum of the single room rate. A vendor's receipt for this category is required for all claims.
- G. Incidental Travel Expenses – Reasonable and Necessary. Reasonable and necessary incidental travel expenses include, but are not limited to, the following:
 1. Allowable Incidental Expenses.
 - a. Baggage check fees.
 2. Non-Allowable Incidental Expenses. **Non-allowable** incidental travel expenses, include but are not limited to:
 - a. Personal entertainment.
 - b. Room Service.
 - c. Theft, loss or damage to personal property.
 - d. Expenses of a spouse, family or other person not authorized to receive reimbursement under this policy.
 - e. Airline or other trip insurance.
 - f. Personal postage, reading material, personal telephone calls.

- g. Personal toiletries .
- h. Liquor.
- i. Laundry or dry-cleaning.
- j. Cash advances.
- k. Fines or traffic tickets.
- l. Personal health expenses

H. Reimbursement Claims and Advance Travel

1. All claims for reimbursement and travel advances shall be submitted on forms supplied by the Finance Department. If Advance Travel was used, an accounting and, if applicable, a reimbursement claim must be submitted within fifteen (15) days from the end of the travel period. Except for claims for mileage and incidental expenses only, all other claims for reimbursement should be submitted for payment within ninety (90) days from the completion of the travel.
2. Reimbursement claims for which special approval of the Mayor, or designee, is required must include such written approval.
3. Reimbursement claims submitted by the Mayor and/or Department Directors **may include** the otherwise reimbursable travel or business-related expenses of other City of Lynnwood elected or appointed officials, or employees, who would be entitled in their own right to make a claim for reimbursement of such travel or city business- related expenses. The Mayor, or designee, is authorized to charge such travel or city business related expenses on a city credit card.
4. All reimbursement claims or travel advances by the Mayor shall be reviewed and approved by the Finance Director.

Volunteers, Members of Boards and Commissions, Members of the Public, and Other Non-Employees – Substantial Benefit Requirement for Reimbursement of Travel, Education, Training, or Other Expenses Under This Resolution.

The expenses of persons who are neither City employees nor officials may be reimbursed where such payment can be reasonably construed to be in consideration for a service performed or other substantial benefit received by the City of commensurate value. This type of reimbursement requires written documentation of the substantial benefit expected in return for the expenses to be paid, except that either: (a) a board member or commissioner in the reasonable exercise of their duties or responsibilities by virtue of their appointment; or (b) a volunteer, member of the public, or non-employee, verifiably participates in a bona fide city activity along with city officials, shall be sufficient to show a substantial benefit to the city and shall not require written documentation thereof. This section may also apply to applicants for city employment when specifically approved by the Mayor or designee. This section does not apply to vendors who are being paid for the services they provide to the City. The Mayor (subject to appeal to the City Council) shall resolve disputes as to what constitutes a bona

fide city activity.

Section 5. Effective Date. This resolution shall take effect ~~immediately upon passage on January 1, 2024~~. However, claims for reimbursement, or travel advances, or the direct payment of an expense, for an event or travel activity which has already occurred prior to the date of passage of this ordinance shall be governed and paid according to prior Resolutions 2023-01.

PASSED BY THE CITY COUNCIL, the xxth day of December 2023.

APPROVED:

Christine Frizzell, Mayor

ATTEST/AUTHENTICATED:

Luke Lonie, City Clerk

FINANCE COMMITTEE 4.C

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: American Rescue Plan Act Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review ARPA project listing

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

Update on funding status of ongoing ARPA projects.

SUGGESTED ACTION:

Review status of ARPA allocations

PREVIOUS COUNCIL ACTIONS:

Last Finance Committee Review was at the September 2023 meeting.

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 10.11.23.pdf](#)

ARPA Expenditures and Balance Remaining						
Date Approved	Expenditure Category and Detailed Description	2021 ACTUAL	2022 ACTUAL	2023 THROUGH Q3	2023+ REMAINING	Total
2. Negative Economic Impacts						
5/23/2022	2.37 Economic Impact Assistance: Other: VOAWW Neighborhood Center Construction (orig \$1M)				\$ 998,500	
3. Public Sector Capacity						
8/9/2021	3.2 Rehiring Public Sector Staff: PW Custodian (1 FTE)	\$ 18,719.62			\$ -	
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	\$ 390,720	\$ 9,280		\$ -	
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			\$ 64,209.00	\$ 5,791	
4/25/2022	6.1 Provision of Government Services: Residential Street Improvements			\$ 903,780.00	\$ 1,596,220	
4/25/2022	6.1 and 2.37 Economic Impact Assistance: Other: Heroes' Café			\$ 2,295.35	\$ 2,705	
5/9/2022	6.1 Provision of Government Services: Recreation Scholarships				\$ 25,000	
5/23/2022	6.2 Non-federal match for other Federal Programs: Scriber Lake Park Boardwalk			\$ 117,575	\$ 1,882,425	
5/23/2022	6.1 and 2.1 Household Assistance: Food Programs Lynnwood Food Bank			\$ 37,546.12	\$ 362,454	
6/27/2022	6.1 Provision of Government Services: Hire 5 new full time police officers through 2024		\$ 187,882.86	\$ 497,629.39	\$ 1,172,364.83	
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,						
8/14/2023	6.1 Provision of Government Services: Lynnwood Police Assistance Fund 20K,25K			\$ 675.00	\$ 44,325	
11/14/2022	6.1 Provision of Government Services: Community and Human Services Position			\$ 25,916.11	\$ 274,084	
11/14/2022	6.1 and 2.25 Addressing Educational Disparities: C2 Education of Lynnwood				\$ 60,000	
2/27/2023	6.1 Provision of Government Services: Hire 2 FTE for Parks Graffiti Mitigation & Trailer			\$ 63,711.34	\$ 324,721	
2/27/2023	6.1 and 2.34 Assistance to Impacted Nonprofit Organizations: NW Veteran's Museum				\$ 2,500	
2/27/2023	6.1 and 2.34 Assistance to Impacted Nonprofit Organizations: Sno-Isle Genealogical Society				\$ 2,500	
2/27/2023	6.1 and 2.34 Assistance to Impacted Nonprofit Organizations: Lynnwood Alderwood-Manor Heritage Assn.			\$ 2,500.00	\$ -	
7/25/2022	6.1 and 2.37 Economic Impact Assistance: Other: Kids in Transition Snohomish County Grant Match				\$ 150,000	
11/14/2022	6.1 and 2.37 Economic Impact Assistance: Other: Lynnwood Chamber of Commerce Shop Lynnwood			\$ 4,684.75	\$ 38,315	
7/25/2022	6.1 and x.xx VOAWW Rapid Rehousing Snohomish County Grant Match				\$ 250,000	
6/12/2023	6.1 Provision of Government Services: Gun Buy Back Program			\$ 7,688.00	\$ 7,312	
8/14/2023	6.1 and 1.11 Violence Prevention, 1.12 Mental Health Services: ACCESS project				\$ 79,469	
8/14/2023	6.1 and 1.13 Substance Use Services: Evergreen Recovery Centers: Hire 2 Additional Nurses				\$ 252,720	
8/14/2023	6.1, 1.12 Mental Health Services:CHS Edmonds School District School Based Clinicians				\$ 199,657	
8/14/2023	6.1 and 2.34 Assistance to Impacted Non-Profit: Clothes for Kids, Clothing				\$ 58,500	
8/14/2023	6.1 and 2.18 Housing Support: Other Housing Assistance: Keep Dreams Alive Foundation Housing Academy				\$ 6,000	
8/14/2023	6.1 and 2.25 Addressing Educational Disparities: Foundation for Edmonds School District: On the Job Training Program				\$ 43,784	
8/14/2023	6.1 and 2.1 Household Assistance: Food Programs Homage Senior Services				\$ 3,000	
9/25/2023	6.1 and 2.1, 2.18 Heroes' Cafe				\$ 10,000	
9/25/2023	6.1 and 2.34 Homage Senior Services -Center for Healthy Living				\$ 75,000	
9/25/2023	6.1 Gold Park Fencing (internal project?)				\$ 50,000	
7. Administrative						
6/13/2022	7.1 Administrative Expenses: ARPA Accountant (.5 FTE 2.5 years)		\$ 19,561.28	\$ 42,438.18	\$ 63,001	
Project/Eligible Category to be defined						
5/23/2022	Silver Creek Church (\$15K lighting, \$50K repave parking lot for FoodBank)				\$ 65,000	
Total		\$ 415,572	\$ 538,147	\$ 1,770,648	\$ 8,203,260	\$ 10,927,627.29
ARPA Revenue (tranches 1 and 2)						\$ 10,936,804.00
Allocated To Date						\$ 10,927,627.29
Balance Remaining						\$ 9,176.71

FINANCE COMMITTEE 4.D

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Mid-biennial Budget Review

DEPARTMENT CONTACT: Michelle Meyer, City Council

SUMMARY:

Review of proposed mid-biennial budget modifications

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

45

BACKGROUND:

On December 12, 2022, the City Council passed Ordinance 3428 adopting the 2023-2024 biennial budget. A biennial budget results in the adoption of a two-year appropriation, with the requirement of a mid-biennial review in accordance with state statute. The mid-biennial review is done to modify the budget for significant items that could not have been anticipated when the biennial budget was adopted at the end of 2022. A public hearing for the mid-biennial review is required in accordance with state law and is scheduled for November 27, 2023.

Staff will review the proposed budget modifications identified to-date.

SUGGESTED ACTION:

Discussion on the mid-biennial budget review process and review of proposed mid-biennial amendments and the 2024 property tax levy.

PREVIOUS COUNCIL ACTIONS:

2023-2024 Budget Adoption, December 12, 2022

DEPARTMENT ATTACHMENTS

Description:

[2023 Budget Amendment Memo FC 10.26.23.pdf](#)



Date: October 26, 2022

To: City Council Finance Committee

From: Michelle Meyer, Finance Director

Subject: 2023-2024 Mid-Biennial Budget Review

On December 12, 2022, the City Council passed Ordinance 3428 adopting the 2023-2024 biennial budget. A biennial budget results in the adoption of a two-year appropriation, with the requirement of a mid-biennial review in accordance with state statute. The mid-biennial review is done to modify the budget for significant items that could not have been anticipated when the biennial budget was adopted at the end of 2022. A public hearing for the mid-biennial review is required in accordance with state law and is scheduled for November 27, 2023.

The following budget amendments are proposed for the 2023-2024 budget:

All Funds

Beginning Fund Balances: When the budget was adopted, an estimate was made for the beginning fund balance for each fund. Included in the proposed budget amendment will be adjustments to beginning fund balances for all funds to reflect the actual beginning fund balance on 1/1/2023.

Close Old Funds: There are old, unbudgeted funds that are no longer active but need to be formally closed out and removed from the chart of accounts which include Program Development Fund, Aid Car Fund, Paths and Trails Fund, HRDW/SFTW Fund, 2010 Utility Revenue Bond Fund.

Add New Opioid Fund: After the 2023-2024 budget was formally adopted, the City received the first two payments from the first opioid settlement. A special revenue fund was set up in the chart of accounts to separately track these revenues, but the fund needs to be formally added to the budget. No expenditure authority is being requested at this time.

General Fund

Purchase Order Carry Forwards: There is a need to carryover \$122,800 from 2022 for two DBS contracts that were approved in 2022 but not completed by the end of the fiscal year. Expenditures will be covered by increased beginning fund balance for no new impact to the fund.

New Grants & Reimbursements: Both revenue and expenditure authority for new grants and various reimbursements will be added including the COPS Grant (\$436,538, Police), Northwest Incident Management Team reimbursement (\$9,229, Police), Administrative Office of Courts

reimbursements for interpreters, technology, and community court training (\$75,255, Municipal Court), Historic Preservation grant (\$15,980, PRCA). The revenues and expenditures will be equal, with no net impact on the fund.

Bond Refunding: The City's 2012 LTGO Bond was refunded in early 2023 which resulted in savings for the biennium. The funds will be reallocated to cover one Deputy City Clerk position in the Executive Department and a transfer to the Technology Reserve Fund to cover City-wide cybersecurity enhancements. There will be no net impact to the General Fund, just a reallocation of expenditure authority.

Contract Jail Housing Costs: The 2023-2024 budget was drafted with the assumption that the Community Justice Center (CJC) would be open in mid-2023, and the budget for contracting with other jurisdictions to house the City of Lynnwood's population while the facility was under construction was based on that assumption. Because the CJC will not be open until 2024, a budget amendment to allocate \$1.5 million in additional funding for contract housing will be necessary. The additional expenditure authority will be covered by an increase in the revenue budget for sales tax based on year-to-date activity that has exceeded budget estimates.

Liability and Property Insurance: The amounts budgeted for liability and property insurance are significantly lower than the amount needed to cover the actual costs for 2023 and estimated costs for 2024. This is due to premium increases from the provider that far exceeded budget estimates. The additional expenditure authority for this in the General Fund of approximately \$1 million will be covered by an increase in the revenue budget for sales tax based on year-to-date activity that has exceeded budget estimates. (Liability and Property Insurance increases will also impact the Street, Fleet and Utility Funds as noted below).

Fire Marshal Services: The City has an interlocal agreement with South County Fire to provide Fire Marshal services. At the time of budget adoption, South County Fire's labor contract for prior and future years was not yet settled so the budgeted amount was estimated. Now that the contract has been settled, additional authority is needed to provide for a retro payment for prior years, actual costs for 2023 and an updated estimate for 2024. The additional expenditure authority of \$425,500 will be covered by an increase in the revenue budget for sales tax based on year-to-date activity that has exceeded budget estimates.

Sales Tax Revenue: Year-to-date Sales Tax revenues have exceeded budget expectations; however economic uncertainty continues. A proposed increase of \$3 million to the revenue budget will reflect the positive year-to-date activity and cover unanticipated increases in operating costs for the biennium for contract jail housing, liability and property insurance increases and fire marshal service contract increases.

American Rescue Act Plan Fund

Transfers Out: When the budget was adopted, American Rescue Act Plan (ARPA) funds had not been fully allocated. Although full expenditure authority was included in the adopted budget,

internal projects of \$4.68 million will need to run through their “home” funds and then receive a transfer-in from ARPA for the ARPA portion of their projects, rather than having the expenditures post directly to the ARPA fund. The transfers out of ARPA will result in transfers into other funds (Transportation Capital, Parks & Recreation Capital, Facilities Capital, Criminal Justice, Park & Recreation Reserve and Equipment Rental) with project expenditure authority. This will not result in the allocation of any additional funding, but rather ensure appropriate budgeting of the funding.

Transportation Capital and Utility Operations Funds

Paving Project: Additional funding of \$425,000 will be transferred from the Utility Operations Fund to the Transportation Capital Fund to cover utility-related portions of paving project expenses. The amount is available in the fund balance.

Street Operating, Equipment Operations and Utility Operations Funds

Liability and Property Insurance: The amounts budgeted in multiple funds for liability and property insurance are significantly lower than the amount needed to cover the actual costs for 2023 and estimated costs for 2024. This is due to premium increases from the provider that far exceeded budget estimates. In addition to the General Fund impact listed above, there will be impacts to the Street Operating (approximately \$50,000), Equipment Rental (approximately \$20,000) and Utility Operations Funds (approximately \$450,000).

Related Items

Property Tax: A regular property tax levy amount of \$5,500,000 for 2024 was included in the Adopted 2023-2024 Budget. This will require specific action by the end of November and will be reviewed separately.

Salary Schedule: The salary schedule for 2024 will be brought forward to the City Council separately and will not require action during the mid-biennial budget review process.

Next Steps

At the November 6 Council Work Session, the Council will have an opportunity to review and discuss the proposed budget modifications and property tax levy. A public hearing on the property tax levy is scheduled for the November 13 Council meeting when a draft property tax ordinance will also be reviewed. The proposed property tax ordinance is scheduled for approval at the November 27 Council meeting along with a public hearing on the mid-biennial budget; the draft budget ordinance will be available at that time. Review of budget modifications will continue at the December 4 Work Session with adoption of the budget ordinance scheduled for the December 11 Council meeting.

FINANCE COMMITTEE 4.E

**CITY OF LYNNWOOD
FINANCE COMMITTEE**

TITLE: 2024 Property Tax Levy

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review of updated assessed valuation and property tax levy information for 2024

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

The City of Lynnwood has one regular property tax levy in place that is reflected in General Fund revenues. Lynnwood has the lowest regular property tax levy of any city in Snohomish County. Although we budget on a biennial basis, the property tax levy amount and rate must be certified to the Snohomish County Assessor's Office each year by November 30th. Staff will review updated Assessed Valuation information, property tax rate history and the budgeted levy amount for 2024.

SUGGESTED ACTION:

Review and Discussion

DEPARTMENT ATTACHMENTS

Description:
