



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference room 4, City Hall

WEDNESDAY, JUNE 26, 2024 3:00 PM

-
1. CALL TO ORDER
 2. ROLL CALL
 3. FINANCIAL REPORTS
 - 3.A [Sales Tax Report](#) - 20 minutes
Michelle Meyer, Finance Director
 - 3.B [1st Quarter 2024 Financial Report](#)

- 20 minutes
Michelle Meyer, Finance Director
 4. DISCUSSION ITEM
 - 4.A [2025-2026 Budget Guidance](#) - 20 minutes
Michelle Meyer, Finance Director
 5. ADJOURN

FINANCE COMMITTEE 3.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review of Sales Tax Revenues through May 2024

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 March 2024 sales (revenues received through May 2024) 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 May 2024.pdf](#)



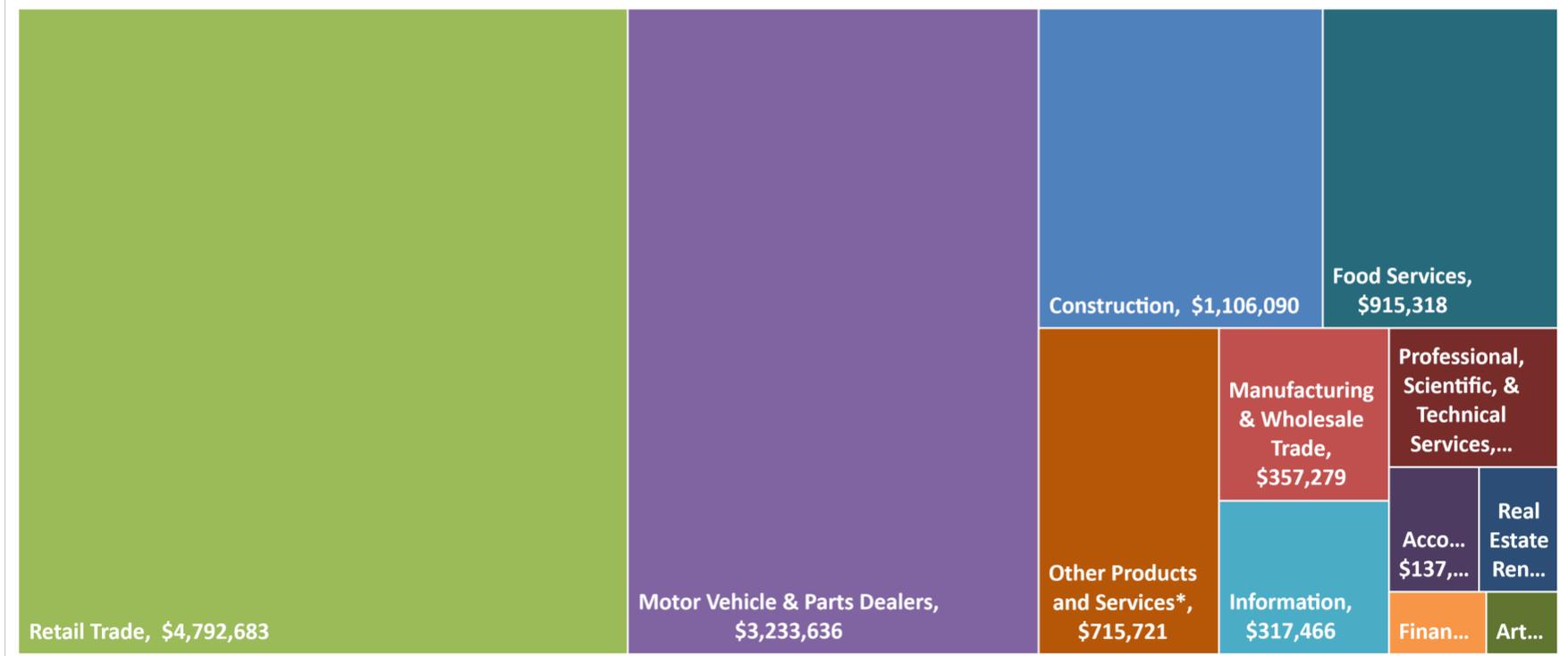
Sales Tax Analysis - Annual Summary
May 2024

Tax Categories	Jan - May 2021	Jan - May 2022	Jan - May 2023	Jan - May 2024
Construction	\$ 1,151,791	\$ 1,313,243	\$ 1,369,519	\$ 1,106,090
Manufacturing & Wholesale Trade	\$ 382,201	\$ 345,768	\$ 356,610	\$ 357,279
Retail Trade	\$ 3,919,472	\$ 4,299,646	\$ 4,934,370	\$ 4,792,683
Motor Vehicle & Parts Dealers	\$ 2,684,812	\$ 2,863,485	\$ 3,390,432	\$ 3,233,636
Information	\$ 254,507	\$ 252,902	\$ 368,862	\$ 317,466
Finance & Insurance	\$ 144,200	\$ 154,430	\$ 82,342	\$ 73,607
Real Estate Rental and Leasing	\$ 105,775	\$ 119,818	\$ 126,425	\$ 119,852
Professional, Scientific, & Technical Services	\$ 397,624	\$ 253,223	\$ 286,495	\$ 286,154
Arts, Entertainment, & Recreation	\$ 30,618	\$ 50,206	\$ 65,969	\$ 54,296
Accommodation	\$ 65,328	\$ 115,761	\$ 122,643	\$ 137,231
Food Services	\$ 606,757	\$ 722,429	\$ 846,200	\$ 915,318
Other Products and Services*	\$ 573,602	\$ 729,273	\$ 765,952	\$ 715,721
Total Sales Tax Collected**	\$ 10,316,687	\$ 11,220,184	\$ 12,715,819	\$ 12,109,333
Budgeted Sales Tax Collections	\$ 24,453,852	\$ 24,744,533	\$ 30,180,485	\$ 30,320,115
Realized Revenue as Compared to Budget	42%	45%	42%	40%

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

**Totals do not reflect deduction of admin fees paid to the State

YEAR TO DATE SALES TAX COLLECTION BY CATEGORY

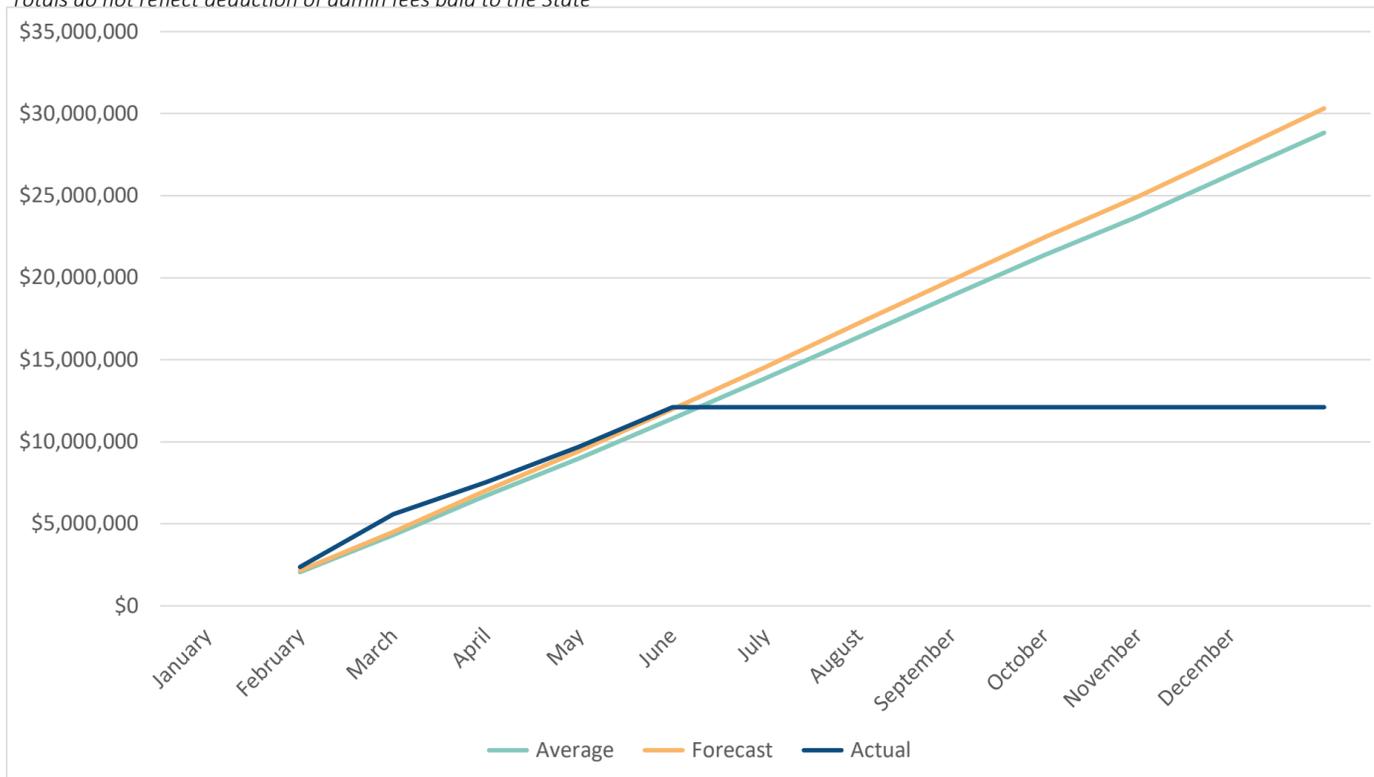




Sales Tax Analysis - Annual Summary
May 2024

	2021	2022	2023	3-Year Average Collection 2021 - 2023		Forecast 2024	Actual 2024	% Change 2023 - 2024
				Rate	Amount			
January	\$ 1,673,176	\$ 1,901,553	\$ 2,599,135	7.09%	\$ 2,057,955	\$ 2,150,616	\$ 2,371,961	-9.58%
February	1,733,822	2,074,600	2,998,393	7.80%	2,268,938	2,366,224	3,222,618	6.96%
March	2,355,720	2,568,509	2,266,392	8.34%	2,396,874	2,527,224	1,942,924	-16.65%
April	2,267,311	2,271,016	2,250,420	7.87%	2,262,916	2,385,189	2,159,097	-4.23%
May	2,286,658	2,404,506	2,601,479	8.43%	2,430,881	2,555,587	2,412,733	-7.82%
June	2,456,345	2,631,081	2,257,084	8.52%	2,448,170	2,583,479	-	NA
July	2,405,512	2,485,667	2,638,901	8.71%	2,510,027	2,640,648	-	NA
August	2,370,461	2,380,789	2,806,745	8.73%	2,519,332	2,646,757	-	NA
September	2,348,178	2,485,667	2,636,686	8.64%	2,490,177	2,618,532	-	NA
October	2,191,649	2,380,789	2,500,321	8.17%	2,357,586	2,478,280	-	NA
November	2,296,275	2,734,291	2,583,228	8.80%	2,537,931	2,668,133	-	NA
December	2,717,370	2,658,769	2,284,092	8.90%	2,553,410	2,699,446	-	NA
Total Sales Tax Collected**	\$ 27,102,477	\$ 28,977,237	\$ 30,422,876			\$ 30,320,115	\$ 12,109,333	
Percentage Increase(Decrease)		6.47%	4.75%					

**Totals do not reflect deduction of admin fees paid to the State

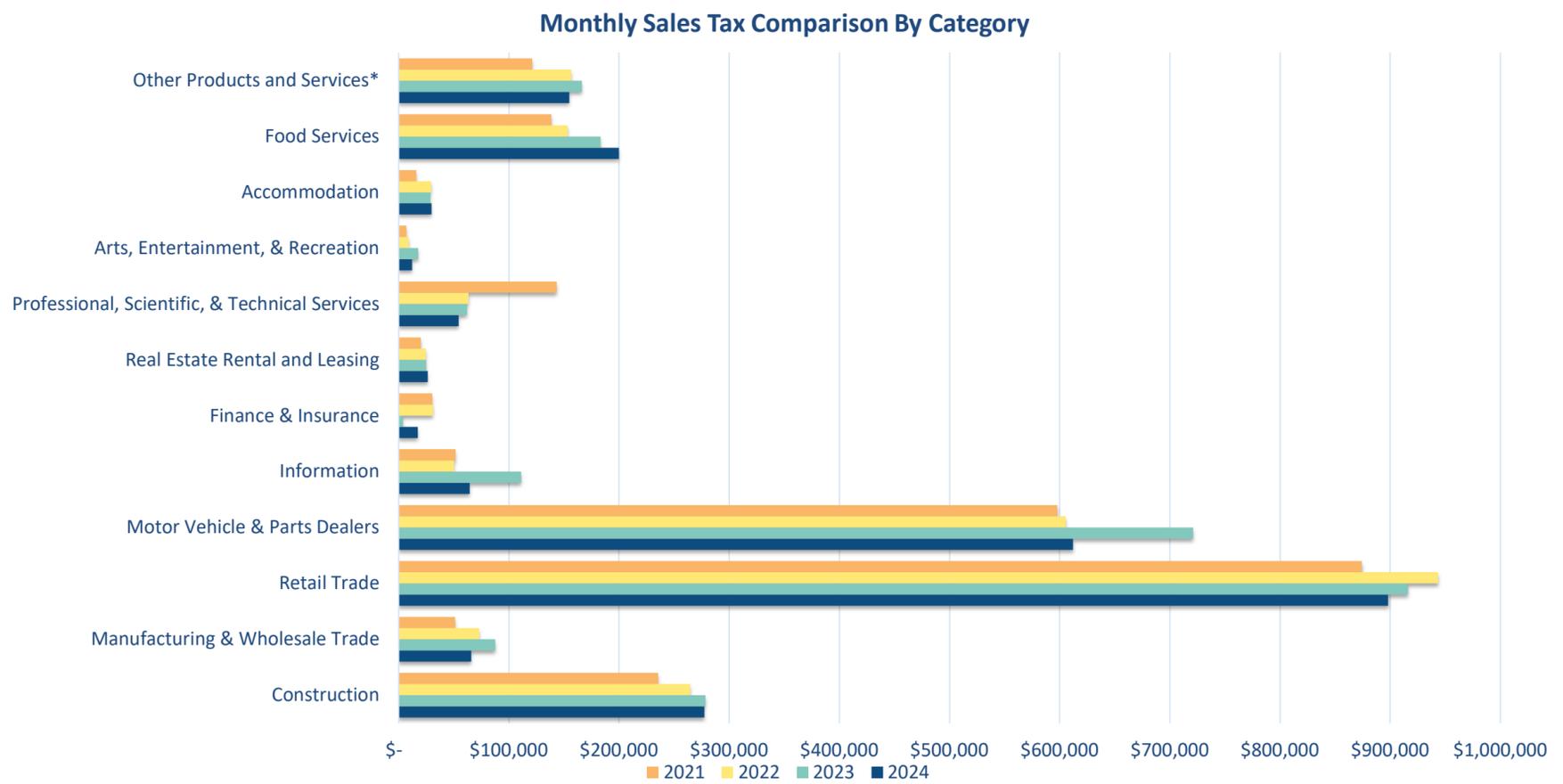




Sales Tax Analysis - Monthly Comparison
May 2024

Tax Categories	May 2021	May 2022	May 2023	May 2024	Change in Collections from Prior Year	
					\$	%
Construction	\$ 235,670	\$ 264,546	\$ 278,625	\$ 277,528	\$ (1,097)	(0.39%)
Manufacturing & Wholesale Trade	51,152	73,064	87,808	65,921	(21,887)	(24.93%)
Retail Trade	874,159	943,555	916,047	898,119	(17,928)	(1.96%)
Motor Vehicle & Parts Dealers	597,926	605,455	721,136	612,111	(109,025)	(15.12%)
Information	51,697	50,230	111,353	64,283	(47,070)	(42.27%)
Finance & Insurance	30,448	31,183	3,701	17,394	13,693	369.98%
Real Estate Rental and Leasing	19,985	24,572	25,029	26,310	1,281	5.12%
Professional, Scientific, & Technical Services	143,476	63,516	62,131	54,405	(7,726)	(12.44%)
Arts, Entertainment, & Recreation	6,904	8,952	17,512	11,980	(5,532)	(31.59%)
Accommodation	15,779	29,489	28,594	29,785	1,191	4.17%
Food Services	138,386	153,534	183,340	199,940	16,600	9.05%
Other Products and Services*	121,078	156,410	166,203	154,957	(11,246)	(6.77%)
Total Sales Tax Collected**	\$ 2,286,658	\$ 2,404,506	\$ 2,601,479	\$ 2,412,733	\$ (188,746)	-7.26%

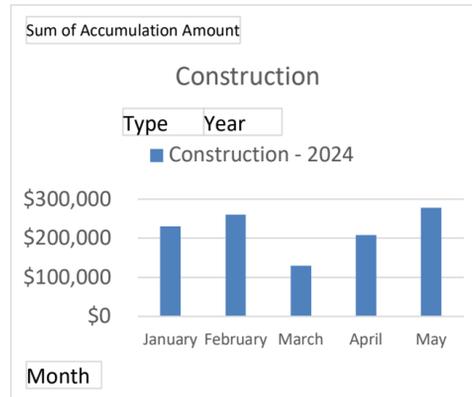
*Categories with small amounts of sales tax revenues have been combined. **Totals do not reflect deduction of admin fees paid to the State





Sales Tax Analysis - Monthly Category Comparisons
May 2024

Sum of Accumulation Amount	Column Labels
Row Labels	Construction 2024
January	\$230,394
February	\$260,649
March	\$129,642
April	\$207,877
May	\$277,528
Grand Total	\$1,106,090



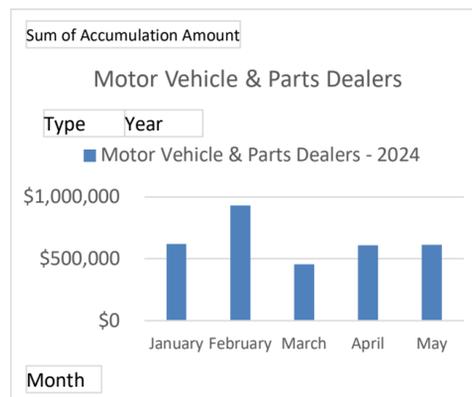
Sum of Accumulation Amount	Column Labels
Row Labels	Manufacturing & 2024
January	\$62,020
February	\$75,409
March	\$61,810
April	\$92,119
May	\$65,921
Grand Total	\$357,279



Sum of Accumulation Amount	Column Labels
Row Labels	Retail Trade 2024
January	\$975,418
February	\$1,327,483
March	\$815,474
April	\$776,189
May	\$898,119
Grand Total	\$4,792,683



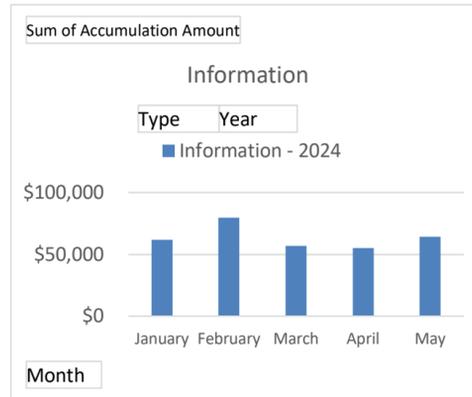
Sum of Accumulation Amount	Column Labels
Row Labels	Motor Vehicle & 2024
January	\$621,865
February	\$933,351
March	\$457,203
April	\$609,106
May	\$612,111
Grand Total	\$3,233,636



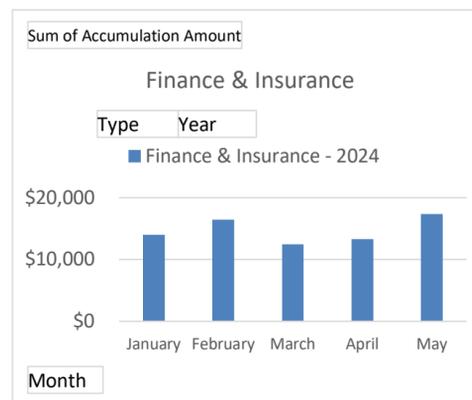


Sales Tax Analysis - Monthly Category Comparisons
May 2024

Sum of Accumulation Amount	Column Labels
Row Labels	Information 2024
January	\$61,909
February	\$79,509
March	\$56,764
April	\$55,002
May	\$64,283
Grand Total	\$317,466



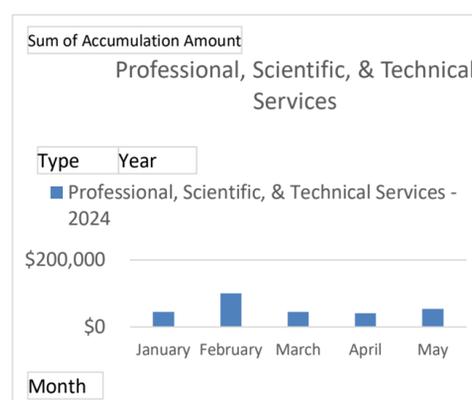
Sum of Accumulation Amount	Column Labels
Row Labels	Finance & 2024
January	\$13,981
February	\$16,449
March	\$12,451
April	\$13,332
May	\$17,394
Grand Total	\$73,607



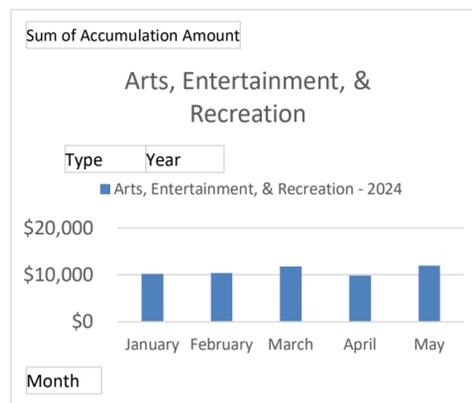
Sum of Accumulation Amount	Column Labels
Row Labels	Real Estate Rental 2024
January	\$22,268
February	\$31,194
March	\$21,684
April	\$18,397
May	\$26,310
Grand Total	\$119,852



Sum of Accumulation Amount	Column Labels
Row Labels	Professional, 2024
January	\$45,116
February	\$100,104
March	\$45,550
April	\$40,980
May	\$54,405
Grand Total	\$286,154



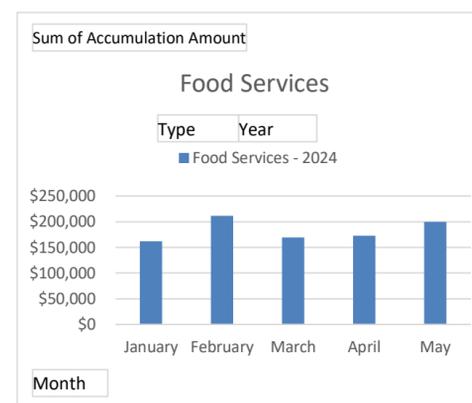
Sum of Accumulation Amount	Column Labels
Row Labels	Arts, 2024
January	\$10,231
February	\$10,417
March	\$11,822
April	\$9,846
May	\$11,980
Grand Total	\$54,296



Sum of Accumulation Amount	Column Labels
Row Labels	Accommodation 2024
January	\$33,165
February	\$22,736
March	\$25,383
April	\$26,162
May	\$29,785
Grand Total	\$137,231



Sum of Accumulation Amount	Column Labels
Row Labels	Food Services 2024
January	\$161,561
February	\$211,812
March	\$169,326
April	\$172,679
May	\$199,940
Grand Total	\$915,317



Sum of Accumulation Amount	Column Labels
Row Labels	Other Products 2024
January	\$134,033
February	\$153,506
March	\$135,815
April	\$137,410
May	\$154,957
Grand Total	\$715,721



FINANCE COMMITTEE 3.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE:

1st Quarter 2024 Financial Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

1st Quarter 2024 Financial Report will be reviewed

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

The Finance Department carefully monitors the City's finances. This report provides detailed information about budget status through the first quarter of 2024.

The City is committed to maintaining fiscal sustainability and transparency as the City receives and expends funds according to the amended 2023-2024 Budget. Lynnwood utilizes a biennial budget (24 months) and this reporting period covers 15 of 24 months, which is 62.5% of the two-year period.

SUGGESTED ACTION:

Review and discussion.

PREVIOUS COUNCIL ACTIONS:

2023 4th Quarter report reviewed at March Finance Committee meeting

DEPARTMENT ATTACHMENTS

Description:

[Quarterly Financial Report Q1 2024.pdf](#)

Summary by Fund January 01, 2023 through March 31, 2024				
Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
General Fund				
011 General Fund	\$ 14,312,752	\$ 73,911,955	\$ 74,573,145	\$ 13,651,562
Total General Fund	\$ 14,312,752	\$ 73,911,955	\$ 74,573,145	\$ 13,651,562
Other General Government				
020 Econ Dev Infrastructure	\$ 9,505,195	\$ 227,706	\$ 7,863,538	\$ 1,869,363
098 Revenue Stabilization	6,000,000	-	-	6,000,000
101 Lodging Tax	871,061	1,097,653	1,047,921	920,793
104 Drug Enforcement	269,806	29,021	77,801	221,026
105 Criminal Justice	2,200,984	2,186,583	1,088,106	3,299,461
110 Transportation Impact Fee	1,480,117	578,737	2,065,153	(6,299)
111 Street Operating	291,760	3,532,187	3,822,390	1,557
114 Cumulative Park Reserve	123,091	27,765	10,414	140,442
116 Cumulative Art Reserve	511,747	11,967	162,713	361,001
119 Aid Car Reserve	17,033	-	17,033	-
121 Tree Reserve	351,646	27,949	42,446	337,149
128 Paths & Trails	8,852	-	8,756	96
131 American Rescue Plan Act	-	2,290,160	3,031,522	(741,362)
144 Solid Waste Management	94,874	80,535	69,892	105,517
146 Affordable Housing	508,149	262,711	-	770,860
147 Opioid Settlement	123,435	424,413	-	547,848
150 Transportation Benefit District	2,940,398	5,900,699	4,423,464	4,417,633
180 Park Impact Fee	2,861,542	1,217,960	831,203	3,248,299
Total Other General Government Funds	\$ 28,159,690	\$ 17,896,046	\$ 24,562,352	\$ 21,493,384
Debt Service				
203 General Govt Debt Service	\$ 1,021,568	\$ 4,420,286	\$ 4,039,074	\$ 1,402,780
223 Rec Center 2012 LTGO	112,502	20,583,056	20,304,828	390,730
Total Debt Service Funds	\$ 1,134,070	\$ 25,003,342	\$ 24,343,902	\$ 1,793,510
Capital Funds				
330 REET 2	\$ 2,113,442	\$ 1,194,492	\$ 2,212,827	\$ 1,095,107
331 REET 1	2,582,176	1,208,579	1,808,442	1,982,313
332 HRDW/SFTW	6,519	-	6,519	-
333 Capital Development	1,421,411	37,946	335,147	1,124,210
357 Other Government Capital	396,319	46,604	576,229	(133,306)
360 Transportation Capital	1,447,156	19,896,397	15,009,291	6,334,262
370 Facilities Capital	487,395	834,222	349,658	971,959
380 Parks & Recreation Capital	1,348,781	12,522,288	9,933,764	3,937,305
390 Public Safety Capital	39,772,928	12,308,570	45,676,885	6,404,613
Total Capital Funds	\$ 49,576,127	\$ 48,049,098	\$ 75,908,762	\$ 21,716,463
Enterprise Funds				
411 Utility Operations	\$ 29,363,733	\$ 39,076,591	\$ 33,842,329	\$ 34,597,995
412 Utility Capital	7,369,592	6,454,199	6,071,642	7,752,149
417 Not budgeted	-	-	-	-
419 2010 Utility System Bonds	-	-	-	-
460 Golf Course	813,787	2,321,100	2,580,850	554,037
Total Enterprise Funds	\$ 37,547,112	\$ 47,851,890	\$ 42,494,821	\$ 42,904,181
Internal Service Funds				
510 Equipment Rental Reserve	\$ 4,945,144	\$ 2,464,758	\$ 1,881,298	\$ 5,528,604
511 Equipment Rental Oper	712,974	2,508,669	2,833,902	387,741
513 Lynnwood Shop Operations	74,185	172,813	176,541	70,457
515 Self Insurance	148,944	129,026	98,859	179,111
520 Technology Reserve	326,890	472,947	702,562	97,275
Total Internal Service Funds	\$ 6,208,137	\$ 5,748,213	\$ 5,693,162	\$ 6,263,188
Total for all funds	\$ 136,937,888	\$ 218,460,544	\$ 247,576,144	\$ 107,822,288

Revenue Comparison through Budget Year 2, Quarter 1				
Fund	2021 - 2022 Actual	2023 - 2024 Actual	2023-2024 Budget	% Budget
General Fund				
011 General Fund	\$ 69,431,667	\$ 73,911,955	\$ 131,269,645	56%
Total General Fund	\$ 69,431,667	\$ 73,911,955	\$ 131,269,645	
Other General Government				
020 Econ Dev Infrastructure	\$ (91,987)	\$ 227,706	\$ 200,000	114%
098 Revenue Stabilization	1,129,967	-	-	0%
101 Lodging Tax	685,233	1,097,653	1,472,564	75%
104 Drug Enforcement	4,986	29,021	96,000	30%
105 Criminal Justice	1,527,132	2,186,583	2,069,942	106%
110 Transportation Impact Fee	1,411,110	578,737	1,010,000	57%
111 Street Operating	3,029,400	3,532,187	5,713,200	62%
114 Cumulative Park Reserve	32,927	27,765	18,000	154%
116 Cumulative Art Reserve	504,817	11,967	-	0%
119 Aid Car Reserve	(162)	-	-	0%
121 Tree Reserve	85,915	27,949	-	0%
128 Paths & Trails	(132)	-	-	0%
131 American Rescue Plan Act	415,572	2,290,160	8,500,000	27%
144 Solid Waste Management	45,062	80,535	77,276	104%
146 Affordable Housing	290,801	262,711	500,000	53%
147 Opioid Settlement	-	424,413	65,000	653%
150 Transportation Benefit District	5,333,991	5,900,699	7,880,688	75%
180 Park Impact Fee	5,119,269	1,217,960	3,025,000	40%
Total Other General Government Funds	\$ 19,523,901	\$ 17,896,046	\$ 30,627,670	
Debt Service				
203 General Govt Debt Service	\$ 2,500,005	\$ 4,420,286	\$ 7,058,568	63%
223 Rec Center 2012 LTGO	2,070,645	20,583,056	2,851,175	722%
Total Debt Service Funds	\$ 4,570,650	\$ 25,003,342	\$ 9,909,743	
Capital Funds				
330 REET 2	\$ 1,469,973	\$ 1,194,492	\$ 1,927,000	62%
331 REET 1	1,462,201	1,208,579	1,840,000	66%
332 HRDW/SFTW	-	-	-	0%
333 Capital Development	1,362,007	37,946	94,519	40%
357 Other Government Capital	305,929	46,604	890,000	5%
360 Transportation Capital	21,666,473	19,896,397	32,072,800	62%
370 Facilities Capital	126,621	834,222	1,055,000	79%
380 Parks & Recreation Capital	2,561,023	12,522,288	25,872,035	48%
390 Public Safety Capital	61,658,998	12,308,570	18,040,000	68%
Total Capital Funds	\$ 90,613,225	\$ 48,049,098	\$ 81,791,354	
Enterprise Funds				
411 Utility Operations	\$ 44,849,374	\$ 39,076,591	\$ 106,338,226	37%
412 Utility Capital	8,145,356	6,454,199	26,840,000	24%
419 2010 Utility System Bonds	-	-	-	0%
460 Golf Course	2,098,816	2,321,100	3,641,394	64%
Total Enterprise Funds	\$ 55,093,546	\$ 47,851,890	\$ 136,819,620	
Internal Service Funds				
510 Equipment Rental Reserve	\$ 2,132,576	\$ 2,464,758	\$ 3,599,272	68%
511 Equipment Rental Oper	1,905,029	2,508,669	4,054,436	62%
513 Lynnwood Shop Operations	152,441	172,813	334,300	52%
515 Self Insurance	(638)	129,026	-	0%
520 Technology Reserve	164,000	472,947	652,000	73%
Total Internal Service Funds	\$ 4,353,408	\$ 5,748,213	\$ 8,640,008	
Total for all funds	\$ 243,586,397	\$ 218,460,544	\$ 399,058,040	

Expenditure Comparison through Budget Year 2, Quarter 1				
Fund	2021 - 2022 Actual	2023 - 2024 Actual	2023-2024 Budget	% Budget
General Fund				
011 General Fund	\$ 62,327,697	\$ 74,573,145	\$ 133,816,462	56%
Total General Fund	\$ 62,327,697	\$ 74,573,145	\$ 133,816,462	
Other General Government				
020 Econ Dev Infrastructure	\$ -	\$ 7,863,538	\$ 7,850,000	100%
098 Revenue Stabilization	50,361	-	-	0%
101 Lodging Tax	165,762	1,047,921	1,639,875	64%
104 Drug Enforcement	-	77,801	135,000	58%
105 Criminal Justice	1,510,084	1,088,106	3,270,500	33%
110 Transportation Impact Fee	-	2,065,153	2,070,000	100%
111 Street Operating	553,112	3,822,390	6,004,898	64%
114 Cumulative Park Reserve	-	10,414	50,000	21%
116 Cumulative Art Reserve	-	162,713	450,000	36%
119 Aid Car Reserve	-	17,033	17,033	100%
121 Tree Reserve	2,665	42,446	45,000	94%
128 Paths & Trails	-	8,756	8,756	100%
131 American Rescue Plan Act	-	3,031,522	8,500,000	36%
144 Solid Waste Management	4,266	69,892	77,276	90%
146 Affordable Housing	-	-	-	0%
147 Opioid Settlement	-	-	-	0%
150 Transportation Benefit District	101,056	4,423,464	10,820,000	41%
180 Park Impact Fee	128	831,203	4,935,014	17%
Total Other General Government Funds	\$ 2,387,434	\$ 24,562,352	\$ 45,873,352	
Debt Service				
203 General Govt Debt Service	\$ -	\$ 4,039,074	\$ 8,080,113	50%
223 Rec Center 2012 LTGO	-	20,304,828	2,961,175	686%
Total Debt Service Funds	\$ -	\$ 24,343,902	\$ 11,041,288	
Capital Funds				
330 REET 2	\$ 465,435	\$ 2,212,827	\$ 4,040,000	55%
331 REET 1	375,000	1,808,442	3,650,000	50%
333 Capital Development	146,000	335,147	1,515,000	22%
357 Other Government Capital	-	576,229	1,285,000	45%
360 Transportation Capital	800,542	15,009,291	32,072,800	47%
370 Facilities Capital	541,597	349,658	1,000,000	35%
380 Parks & Recreation Capital	158,847	9,933,764	26,033,426	38%
390 Public Safety Capital	3,091	45,676,885	55,589,088	82%
Total Capital Funds	\$ 2,490,512	\$ 75,908,762	\$ 125,191,833	
Enterprise Funds				
411 Utility Operations	\$ 3,693,886	\$ 33,842,329	\$ 75,060,602	45%
412 Utility Capital	1,198,620	6,071,642	28,695,000	21%
419 2010 Utility System Bonds	255,295	-	-	0%
460 Golf Course	223,687	2,580,850	3,598,047	72%
Total Enterprise Funds	\$ 5,371,488	\$ 42,494,821	\$ 107,353,649	
Internal Service Funds				
510 Equipment Rental Reserve	\$ 58,317	\$ 1,881,298	\$ 3,599,272	52%
511 Equipment Rental Oper	302,703	2,833,902	4,064,259	70%
513 Lynnwood Shop Operations	20,859	176,541	356,500	50%
515 Self Insurance	990	98,859	101,900	97%
520 Technology Reserve	8,099	702,562	784,000	90%
Total Internal Service Funds	\$ 390,968	\$ 5,693,162	\$ 8,905,931	
Total for all funds	\$ 72,968,099	\$ 247,576,144	\$ 432,182,515	

Cash and Investments as of March 31, 2024

	As of March 31, 2024	
Cash in Bank	\$	12,288,894
Cash on Hand		9,265
Total Cash	\$	12,298,159
WA State Local Government Investment Pool	\$	27,150,655
Snohomish County Investment Pool		10,482,160
US Bank Investments (Principal Cost)		29,326,899
Total Investments	\$	66,959,714
Total Cash & Investments	\$	79,257,873
US Bank Investment Activity		
PAR Value at December 31, 2023	\$	32,910,000
Purchases (Sales)		(2,000,000)
PAR Value at March 31, 2024	\$	30,910,000
Market Value at March 31, 2024	\$	28,795,417
Earnings for Quarter Ending March 31, 2024	\$	(18,069)

Summary by Department January 01, 2021 through March 31, 2024

Development & Business Services	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 2,355,029	\$ 2,775,871	\$ 2,986,734	\$ 718,549	\$ 7,218,256	51%
Personnel Benefits	893,614	1,068,543	1,092,016	261,408	2,639,655	51%
Supplies	40,184	53,929	33,595	8,124	122,810	34%
Services & Charges	1,152,108	1,330,191	1,292,026	259,755	4,021,743	39%
Intergovernmental	-	-	5,057	-	88,000	6%
Total	\$ 4,440,935	\$ 5,228,534	\$ 5,409,428	\$ 1,247,836	\$ 14,090,464	47%
<i>Check figure</i>	-	-	-	-	-	

Executive	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 580,883	\$ 839,890	\$ 976,170	\$ 234,792	\$ 2,061,000	59%
Personnel Benefits	200,516	228,530	333,559	85,547	702,500	60%
Supplies	5,153	12,927	13,088	3,237	32,950	50%
Services & Charges	236,820	315,924	473,317	251,162	843,754	86%
Intergovernmental	-	-	-	-	-	-
Total	\$ 1,023,372	\$ 1,397,271	\$ 1,796,134	\$ 574,738	\$ 3,640,204	65%

Finance	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 2,167,371	\$ 2,122,151	\$ 1,996,075	\$ 432,306	\$ 4,459,000	54%
Personnel Benefits	898,565	818,151	769,442	156,958	1,833,300	51%
Supplies	9,487	12,264	25,468	4,538	16,400	183%
Services & Charges	610,332	578,391	556,008	80,695	1,080,300	59%
Intergovernmental	-	-	-	-	-	-
Total	\$ 3,685,755	\$ 3,530,957	\$ 3,346,993	\$ 674,497	\$ 7,389,000	54%

Fire	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Personnel Benefits	-	-	-	-	-	-
Supplies	2,971	252	21	27	14,700	0%
Services & Charges	18,235	19,481	16,822	5,536	47,700	47%
Intergovernmental	935,217	935,117	1,367,483	-	2,625,500	52%
Total	\$ 956,423	\$ 954,850	\$ 1,384,326	\$ 5,563	\$ 2,687,900	52%

Human Resources	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 542,067	\$ 577,032	\$ 588,191	\$ 142,839	\$ 1,290,600	57%
Personnel Benefits	197,328	197,920	186,947	47,234	418,400	56%
Supplies	12,523	6,999	40,955	5,885	35,300	133%
Services & Charges	136,870	122,168	116,543	30,472	488,282	30%
Intergovernmental	-	-	-	-	-	-
Total	\$ 888,788	\$ 904,119	\$ 932,636	\$ 226,430	\$ 2,232,582	52%

Information Technology	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 1,278,481	\$ 1,307,505	\$ 1,499,469	\$ 348,513	\$ 3,008,015	61%
Personnel Benefits	518,885	502,480	555,856	134,723	1,096,153	63%
Supplies	27,285	105,907	53,342	9,009	142,050	44%
Services & Charges	668,704	565,240	600,735	154,549	1,523,532	50%
Intergovernmental	-	-	-	-	-	-
Total	\$ 2,493,355	\$ 2,481,132	\$ 2,709,402	\$ 646,794	\$ 5,769,750	58%

Legal	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Personnel Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Services & Charges	1,375,024	1,417,390	1,391,591	156,853	2,728,700	57%
Intergovernmental	-	-	-	-	-	-
Total	\$ 1,375,024	\$ 1,417,390	\$ 1,391,591	\$ 156,853	\$ 2,728,700	57%

Legislative	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 189,990	\$ 198,167	\$ 202,997	\$ 47,114	\$ 406,800	61%
Personnel Benefits	158,051	170,274	176,669	37,671	357,800	60%
Supplies	2,404	2,267	2,972	478	19,500	18%
Services & Charges	54,223	57,550	88,950	23,286	268,915	42%
Intergovernmental	-	-	-	-	-	-
Total	\$ 404,668	\$ 428,258	\$ 471,588	\$ 108,549	\$ 1,053,015	55%

Municipal Court	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 755,803	\$ 965,902	\$ 1,032,434	\$ 242,644	\$ 2,533,257	50%
Personnel Benefits	348,156	574,252	382,900	94,617	959,897	50%
Supplies	15,258	13,172	17,157	1,887	64,056	30%
Services & Charges	231,137	244,008	317,970	83,377	644,754	62%
Intergovernmental	-	-	-	-	-	-
Total	\$ 1,350,354	\$ 1,797,334	\$ 1,750,461	\$ 422,525	\$ 4,201,964	52%

Non-Departmental - General Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 147,358	\$ 72,136	\$ -	\$ -	\$ -	-
Personnel Benefits	5,968	5,157	-	-	-	-
Supplies	-	32,136	-	-	-	-
Services & Charges	-	-	570,578	184,529	1,300,000	58%
Intergovernmental	-	-	-	-	-	-
Capital Outlay	-	109,919	-	-	-	-
Transfers-out	5,004,515	3,832,773	5,326,000	1,180,537	10,048,150	65%
Total	\$ 5,157,841	\$ 4,052,121	\$ 5,896,578	\$ 1,365,066	\$ 11,348,150	64%

Parks, Recreation, & Cultural Arts	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 3,995,958	\$ 4,628,948	\$ 5,264,845	\$ 1,217,702	\$ 10,996,163	59%
Personnel Benefits	1,544,102	1,641,747	1,825,860	418,526	3,821,573	59%
Supplies	247,415	463,932	476,849	138,660	797,716	77%
Services & Charges	1,185,594	1,518,358	1,637,588	325,608	3,936,081	50%
Intergovernmental	-	14,359	8,541	-	-	-
Capital Outlay	-	57,709	23,715	-	15,980	148%
Total	\$ 6,973,069	\$ 8,325,053	\$ 9,237,398	\$ 2,100,496	\$ 19,567,513	58%

Police	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 11,162,077	\$ 12,310,189	\$ 12,863,193	\$ 2,961,064	\$ 30,025,894	53%
Personnel Benefits	3,971,850	4,130,303	4,442,302	1,168,849	10,410,954	54%
Supplies	369,174	644,831	525,404	116,118	1,700,918	38%
Services & Charges	2,301,748	2,828,785	2,914,132	568,371	6,073,053	57%
Intergovernmental	1,426,667	2,293,153	2,819,679	435,920	4,060,646	80%
Total	\$ 19,231,516	\$ 22,207,261	\$ 23,564,710	\$ 5,250,322	\$ 52,271,465	55%

Public Works - General Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 1,478,329	\$ 1,600,069	\$ 1,558,685	\$ 323,046	\$ 3,068,300	61%
Personnel Benefits	613,786	608,904	587,824	125,327	1,123,200	63%
Supplies	73,506	92,302	114,343	37,861	192,150	79%
Services & Charges	875,915	795,140	895,735	259,408	2,454,105	47%
Intergovernmental	-	-	-	-	-	-
Total	\$ 3,041,536	\$ 3,096,415	\$ 3,156,587	\$ 745,642	\$ 6,837,755	57%

Public Works - Street Operating Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 845,162	\$ 972,227	\$ 952,496	\$ 235,482	\$ 2,482,600	48%
Personnel Benefits	362,898	410,789	382,615	98,634	780,900	62%
Supplies	456,526	815,114	857,085	68,377	1,023,350	90%
Services & Charges	890,113	782,031	1,019,127	198,526	1,668,048	73%
Intergovernmental	-	-	-	-	-	-
Capital Outlay	21,710	62,447	10,048	-	50,000	20%
Total	\$ 2,576,409	\$ 3,042,608	\$ 3,221,371	\$ 601,019	\$ 6,004,898	64%

Public Works - Utility Operations Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 4,139,917	\$ 4,493,574	\$ 4,711,005	\$ 1,098,253	\$ 10,044,360	58%
Personnel Benefits	299,980	1,376,943	1,809,003	411,902	3,662,549	61%
Supplies	3,501,351	4,008,583	4,440,104	749,015	8,947,361	58%
Services & Charges	8,406,398	7,574,644	10,739,979	2,111,679	18,624,556	69%
Intergovernmental	237,146	25,884	87,406	-	120,000	73%
Capital Outlay	-	-	-	158,158	-	-
Debt Service	1,496,455	1,350,700	1,310,688	(72,492)	6,821,776	18%
Total	\$ 18,081,247	\$ 18,830,328	\$ 23,098,185	\$ 4,456,515	\$ 48,220,602	57%

General Fund
Year-to-date Summary as of March 31, 2024

Fund	2021	2022	2023	2024	2023-2024 Budget	% Budget
Beginning Fund Balance						
BEGINNING FUND BALANCE	\$ 4,124,787	\$ 8,981,243	\$ 14,530,158	\$ 14,191,913	\$ 14,312,752	
Revenues and Other Sources						
OPERATING REVENUES						
Taxes	\$ 37,681,890	\$ 40,873,774	\$ 42,170,624	\$ 8,934,955	\$ 84,308,200	61%
Licenses & Permits	5,504,095	5,511,479	4,277,859	946,319	11,607,700	45%
Intergovernmental Revenue	1,365,227	1,510,074	1,562,217	343,584	4,040,002	47%
Charges for Services	5,880,138	6,042,973	6,938,436	1,723,181	16,639,110	52%
Fines & Forfeitures	4,895,690	5,817,008	4,222,113	1,018,124	12,750,000	41%
Investment Interest	27,772	206,487	278,581	-	101,000	276%
Other Revenue	523,118	1,711,398	1,238,798	236,204	1,133,400	130%
TOTAL REVENUES	\$ 55,877,930	\$ 61,673,193	\$ 60,688,628	\$ 13,202,367	\$ 130,579,412	57%
OTHER FINANCING SOURCES						
Other Financing Sources	\$ 1,160	\$ (303,584)	\$ 3,928	\$ -	\$ 273,200	1%
Transfers-in	-	-	17,033	-	417,033	4%
TOTAL OTHER FINANCING SOURCES	1,160	(303,584)	20,961	-	690,233	3%
TOTAL REVENUES & OTHER SOURCES	\$ 55,879,090	\$ 61,369,609	\$ 60,709,589	\$ 13,202,367	\$ 131,269,645	56%
Expenditures and Other Uses						
OPERATING EXPENDITURES						
Salaries & Wages	\$ 24,653,342	\$ 27,397,861	\$ 28,968,796	\$ 6,668,570	\$ 65,067,285	55%
Personnel Benefits	9,350,821	9,946,260	10,353,374	2,530,860	23,363,432	55%
Supplies	805,361	1,440,918	1,303,192	325,822	3,138,550	52%
Services & Charges	8,758,298	9,648,291	10,778,220	2,383,600	25,389,719	52%
Intergovernmental	2,361,884	3,242,629	4,200,761	435,920	6,774,146	68%
TOTAL OPERATING EXPENDITURES	\$ 45,929,706	\$ 51,675,959	\$ 55,604,343	\$ 12,344,772	\$ 123,733,132	55%
OTHER FINANCING USES						
Capital Outlay	\$ 87,807	\$ 311,362	\$ 117,491	\$ -	\$ 35,980	327%
Debt Service	606	600	-	-	1,200	0%
Transfers-out	5,004,515	3,832,773	5,326,000	1,180,537	10,048,150	65%
TOTAL OTHER FINANCING USES	\$ 5,092,928	\$ 4,144,735	\$ 5,443,491	\$ 1,180,537	\$ 10,085,330	66%
TOTAL EXPENDENDITURES & OTHER USES	\$ 51,022,634	\$ 55,820,694	\$ 61,047,834	\$ 13,525,309	\$ 133,818,462	56%
ENDING FUND BALANCES						
ENDING FUND BALANCES	8,981,243	14,530,158	14,191,913	13,868,971	11,763,935	

RESERVE REQUIREMENT						
Fund	2021	2022	2023	2024	2023-2024 Budget	
REQUIRED RESERVE 2.5 MONTHS EXPENDITURES	\$ 10,706,253	\$ 10,166,182	\$ 9,568,689	\$ 10,765,825	\$ 9,568,689	
General Fund	8,981,243	14,530,158	14,191,913	13,868,971	11,763,935	
Stabilization Fund	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	
Economic Development Infrastructure Fund	9,818,547	9,818,547	2,328,715	2,328,715	1,855,195	
RESERVE EXCESS (DEFICIT)	\$ 4,274,990	\$ 10,363,976	\$ 10,623,224	\$ 9,103,146	\$ 8,195,246	

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2025-2026 Budget Guidance

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review guidance for upcoming biennial budget process

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

At the start of each biennial budget cycle, the Mayor provides budget guidance and the Finance Department provides budget instructions.

The most recent versions of this information is attached for review.

SUGGESTED ACTION:

Review

DEPARTMENT ATTACHMENTS

Description:

[25-26 Mayors Guidance Memo.pdf](#)

[2025-2026 Budget Information for Kick Off.pdf](#)

Date: May 21, 2024
To: Department Directors
Council President George Hurst
From: Mayor Christine Frizzell
RE: **Guidance for Preparing the 2025-2026 Budget**

THRIVE INTO THE FUTURE

I look forward to working with each of you during our journey together to create the 2025-2026 Budget. Through the 2023-2024 budget process we focused on “Always Advancing” and referred to Maslow’s Hierarchy of Needs and the notion that communities’ needs can also be characterized in terms of physiological, safety and security, love and belonging, self-esteem, and self-actualization.

For the 2025-2026 biennium, we will continue to build on the partnerships, efficiencies, and investments that were made in prior years to reinforce Lynnwood’s reputation for excellence and fortitude as we continue moving forward to THRIVE into the future: *Thankful, Health, Relationships, Intentionality, Vision and Empower.*

Major 2023-2024 Accomplishments include:

- The beginning of light rail service in Lynnwood City Center
- Acquisition of property for the future Town Square Park in City Center
- Completion of the improvements to 196th Street
- The opening of the Community Justice and Community Recovery Centers (CJC and CRC)
- Substantial disbursement of \$10.9 million of American Rescue Plan Act (ARPA) funding
- Refunding of the 2012 bond that permanently financed construction of the City’s Recreation Center, resulting in interest savings

The City of Lynnwood is fortunate to have dedicated City Leadership, engaged advisory boards, and a talented workforce. Lynnwood’s position as a regional retail hub brings fiscal opportunity unavailable to most communities.

As we work to develop the 2025-2026 Budget and the forecast for future years, we will continue to monitor trends and estimates for the biennium will be updated frequently as the process continues. Ongoing inflation and the impact of sustained high interest rates will impact this biennium more than the last. City Council adopted and amended the 2023-2024 budget to spend down the General Fund balance to fund new permanent positions and services without any ongoing revenues. A priority for the 2025-2026 budget will be to fully fund positions and services while maintaining compliance with our financial policies.

The City will continue to pursue the goals and priorities of the Community Vision and the Strategic Plan in accordance with City's Core Values: *Inclusive, Collaborative, Accountable and Innovative*. Our purpose as an organization is to improve the quality of life for the community. Some of my priorities for the 2025-2026 biennium include the following:

- Ensuring adequate funding for existing programs, services and projects before consideration of expansion
- Leveraging funding from outside sources and maintaining the availability of matching funds
- Developing key metrics for our services
- Looking at budget decisions through an equity lens
- Preservation of green spaces
- Ongoing work to develop City Center/Alderwood in accordance with existing plans
- Beginning construction on Poplar Way Extension Bridge and Scriber Creek portion of 196th Street
- Continuing to build new and stronger partnerships with other agencies, non-profits, and groups to benefit the Lynnwood community
- Work with Sound Transit on development and design of ST3 gets underway.
- Develop a plan and implement the first steps in establishing sustainable funding the City's transportation programs

A summary of the budget schedule/process and information for beginning the 2025-2026 budget process is attached. Detailed instructions for budget entry will be provided after a planned update to the City's financial software.

This biennial budget will reflect our efforts to enrich the lives of all who live, work, shop, learn, and play in our great City. I look forward to working collaboratively with each of you as we prepare the Preliminary Budget and support the City Council through adoption of the 2025-2026 Budget. Together, we will THRIVE!



Introduction to the 2025-2026 Biennial Budget Process

Introduction

The 2025-2026 Budget will be built from the perspective of Customer Service, Innovation and Empowerment. The three pillars will lead all departments as we look at what we do from a Customer Service / Community Member lens. Each department will be asked to look at how Innovation in their processes and procedures can increase productivity and decrease costs. We will also focus on Empowering our employees along with our community as we continue to be transparent and responsive.

Finance will enter salary and benefit projections for all existing permanently funded positions and amounts for insurance, city attorney, and interfund service charges. Public Works will develop the charges for fleet management and facilities operations and Information Technology will provide the technology costs allocated to each department; these will be entered by Finance.

Departments will enter estimated budget amounts for supplies, equipment, and professional services for existing permanently funded programs/operations.

The “Request for Additional Funding” process that was used in prior budget years will be used again this year to summarize costs and provide narrative for any new budget requests. Requests for ongoing funding cannot be funded with one-time revenues.

Budget Process

The **Budget Kick-Off Meeting** on May 21st to allow all Departments to do the following:

- Learn about the Mayor’s Budget Priorities for 2025-2026.
- Review the budget instructions and key due dates.
- Learn what’s new for this biennium.

2024 Budget Process Schedule

January 22	Adoption of budget planning calendar
April 17	Joint Summit Council, Administration and Court
May 3	Directors Retreat
May 21	Budget Kick Off Meeting
June 13	Community Open House at Lynnwood Events Center 5:30p
June 21-28	Update to Munis Budget Projection Module & Testing
July 1	Opening of Munis for department budget entry
July 19	Completed narratives and additional funding requests due
July 19	Final day to enter budget figures in Munis
August 5	Council Priorities Work Session

August 5 - August 16	Departmental budget meetings with the Mayor
August 19 - September 4	Preparation of Proposed Preliminary Budget
September 9	Proposed Preliminary Budget to City Council
September 23	First public hearing (budget priorities)
October 14	Mayor's Preliminary Budget presentation to City Council
October - November	Department presentations to City Council
	October 14: Exec, Legal, City Council, Finance
	October 16: PRCA, Municipal Court
	October 21: Police
	October 28: DBS, HR, IT
	November 4: Public Works and Capital
November 12	Public hearing on Preliminary Budget and property tax levy
November 18	Council review and deliberation
November 25	Adoption of Budget and 2025 property tax

Budget Roles and Responsibilities

- Department Directors – responsible for prioritizing, reviewing, modifying, and assembling their program budgets into a departmental request and delegating to other department managers/members to project their budget needs.
- Finance Director – responsible for assisting departments, reviewing budgets with individual department directors and delegated managers, analyzing, summarizing, and making recommendations on budget request to the Mayor, and making presentations to the City Council.
- Mayor – responsible for reviewing the total budget and formulating a City-wide, balanced budget proposal to be considered by the community and City Council.
- City Council – responsible for the review of the Mayor's preliminary budget and adoption of a final budget.

Munis Budget Module

The Munis Budget module is set up for annual budgeting. In late June, it will be updated to a biennial set up. Written instructions for how to enter data into the updated module will be provided by July 1. Departments will have from July 1-July 19 to enter budget amounts for existing service levels.

Necessary budget forms and documents for the 2025-2026 budget process will be available in SharePoint; Departments will be notified as items are added to the folder:

[2025-2026 Budget Shared Docs](#)