



**LYNNWOOD FINANCE COMMITTEE - regular Finance Committee
meeting
Conference room 4, City Hall
WEDNESDAY, JULY 24, 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 [2nd Quarter 2024 Financial Report](#)

- 20 minutes
Michelle Meyer, Finance Director
4. DISCUSSION ITEM
 - 4.A [Lynnwood Municipal Code Section 2.72 Updates for Budget Process](#) - 20 minutes
Michelle Meyer, Finance Director
 - 4.B [Proposed Biennial Budget for Legislature](#) - 20 minutes
Council President Hurst
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 April 2024 sales (revenues received through June 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 June 2024.pdf](#)



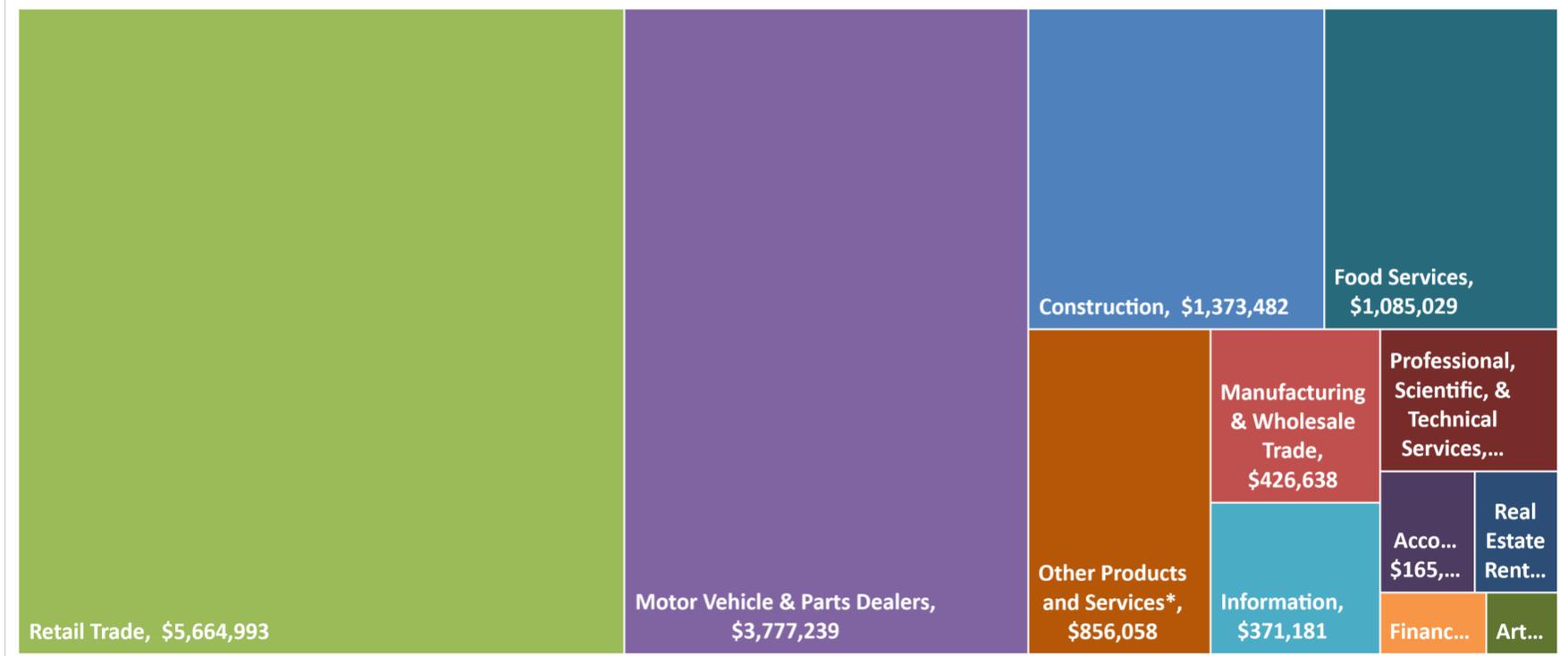
Sales Tax Analysis - Annual Summary
June 2024

| Tax Categories | Jan - Jun 2021 | Jan - Jun 2022 | Jan - Jun 2023 | Jan - Jun 2024 |
|--|----------------------|----------------------|----------------------|----------------------|
| Construction | \$ 1,388,246 | \$ 1,659,252 | \$ 1,609,742 | \$ 1,373,482 |
| Manufacturing & Wholesale Trade | \$ 464,126 | \$ 418,566 | \$ 426,617 | \$ 426,638 |
| Retail Trade | \$ 4,907,406 | \$ 5,292,481 | \$ 5,805,509 | \$ 5,664,993 |
| Motor Vehicle & Parts Dealers | \$ 3,336,388 | \$ 3,547,786 | \$ 4,009,739 | \$ 3,777,239 |
| Information | \$ 312,609 | \$ 312,089 | \$ 374,571 | \$ 371,181 |
| Finance & Insurance | \$ 177,920 | \$ 185,139 | \$ 100,139 | \$ 94,460 |
| Real Estate Rental and Leasing | \$ 134,281 | \$ 145,850 | \$ 148,192 | \$ 145,795 |
| Professional, Scientific, & Technical Services | \$ 459,871 | \$ 305,343 | \$ 333,996 | \$ 366,368 |
| Arts, Entertainment, & Recreation | \$ 43,462 | \$ 65,696 | \$ 76,024 | \$ 63,911 |
| Accommodation | \$ 89,743 | \$ 150,630 | \$ 152,458 | \$ 165,268 |
| Food Services | \$ 751,284 | \$ 883,554 | \$ 1,022,028 | \$ 1,085,029 |
| Other Products and Services* | \$ 707,697 | \$ 884,882 | \$ 913,889 | \$ 856,058 |
| Total Sales Tax Collected** | \$ 12,773,033 | \$ 13,851,268 | \$ 14,972,904 | \$ 14,390,422 |
| Budgeted Sales Tax Collections | \$ 24,453,852 | \$ 24,744,533 | \$ 30,180,485 | \$ 30,320,115 |
| Realized Revenue as Compared to Budget | 52% | 56% | 50% | 47% |

*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

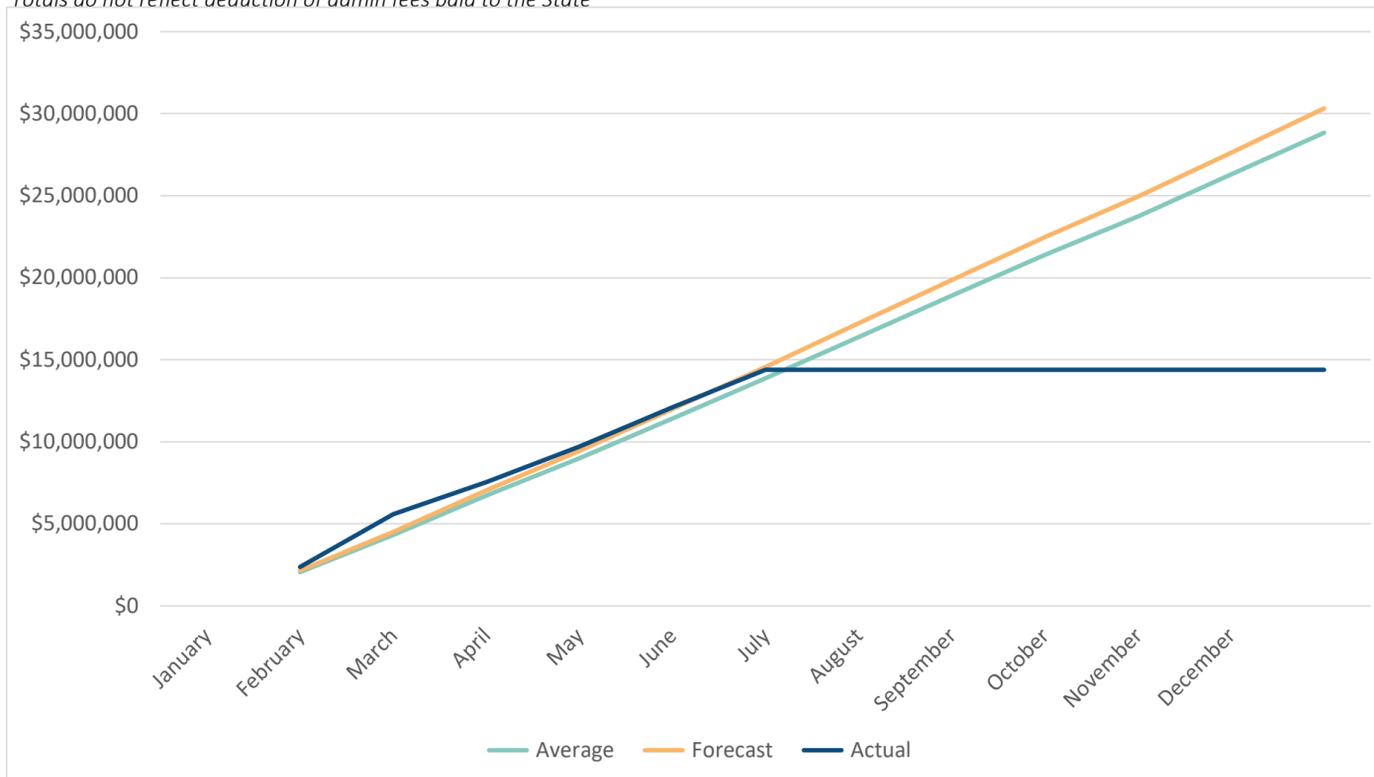




Sales Tax Analysis - Annual Summary
June 2024

| | 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 | 2,159,099 | -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 | 2,281,087 | 1.05% |
| 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 | \$ 14,390,422 | |
| Percentage Increase(Decrease) | | 6.47% | 4.75% | | | | | |

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

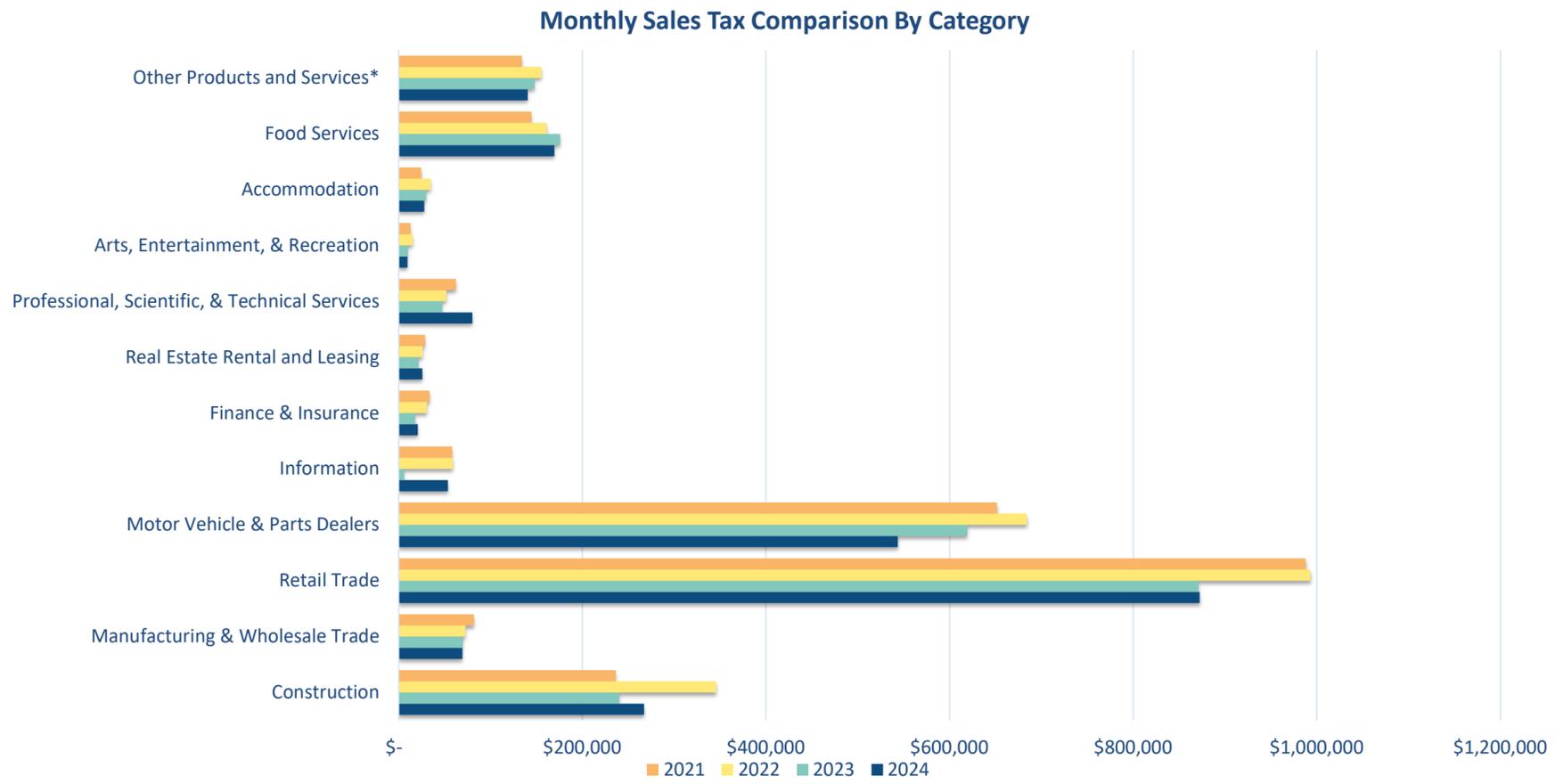




Sales Tax Analysis - Monthly Comparison
June 2024

| Tax Categories | June 2021 | June 2022 | June 2023 | June 2024 | Change in Collections from Prior Year | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------------------------|--------------|
| | | | | | \$ | % |
| Construction | \$ 236,455 | \$ 346,009 | \$ 240,223 | \$ 267,392 | \$ 27,169 | 11.31% |
| Manufacturing & Wholesale Trade | 81,925 | 72,797 | 70,007 | 69,359 | (648) | (0.93%) |
| Retail Trade | 987,934 | 992,835 | 871,139 | 872,310 | 1,171 | 0.13% |
| Motor Vehicle & Parts Dealers | 651,576 | 684,301 | 619,307 | 543,604 | (75,703) | (12.22%) |
| Information | 58,102 | 59,187 | 5,708 | 53,714 | 48,006 | 841.03% |
| Finance & Insurance | 33,719 | 30,709 | 17,796 | 20,852 | 3,056 | 17.17% |
| Real Estate Rental and Leasing | 28,506 | 26,032 | 21,767 | 25,942 | 4,175 | 19.18% |
| Professional, Scientific, & Technical Services | 62,246 | 52,119 | 47,502 | 80,214 | 32,712 | 68.86% |
| Arts, Entertainment, & Recreation | 12,844 | 15,490 | 10,054 | 9,615 | (439) | (4.37%) |
| Accommodation | 24,416 | 34,869 | 29,815 | 28,036 | (1,779) | (5.97%) |
| Food Services | 144,527 | 161,125 | 175,828 | 169,712 | (6,116) | (3.48%) |
| Other Products and Services* | 134,096 | 155,608 | 147,936 | 140,337 | (7,599) | (5.14%) |
| Total Sales Tax Collected** | \$ 2,456,344 | \$ 2,631,081 | \$ 2,257,082 | \$ 2,281,087 | \$ 24,005 | 1.06% |

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





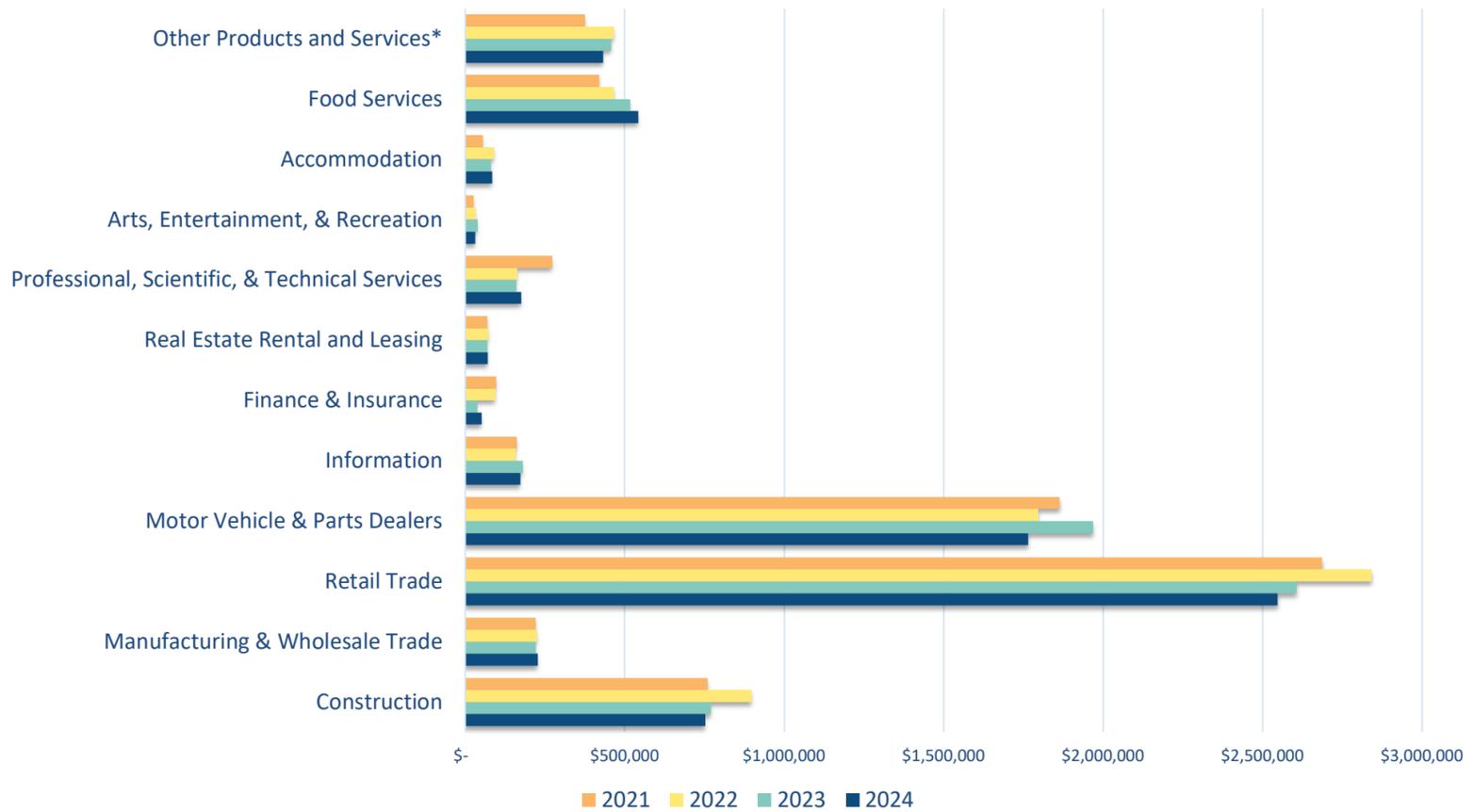
Sales Tax Analysis - Quarterly Comparison
2024 Quarter 2

| Tax Categories | Quarter 2 | Quarter 2 | Quarter 2 | Quarter 2 | Change in Collections | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|----------------|
| | 2021 | 2022 | 2023 | 2024 | \$ | % |
| Construction | \$ 760,642 | \$ 898,263 | \$ 770,208 | \$ 752,797 | \$ (17,411) | (2.26%) |
| Manufacturing & Wholesale Trade | 221,536 | 225,474 | 221,709 | 227,399 | 5,690 | 2.57% |
| Retail Trade | 2,685,945 | 2,842,142 | 2,606,710 | 2,546,618 | (60,092) | (2.31%) |
| Motor Vehicle & Parts Dealers | 1,862,962 | 1,795,880 | 1,967,868 | 1,764,820 | (203,048) | (10.32%) |
| Information | 161,837 | 157,647 | 180,512 | 172,999 | (7,513) | (4.16%) |
| Finance & Insurance | 97,301 | 94,082 | 37,415 | 51,578 | 14,163 | 37.85% |
| Real Estate Rental and Leasing | 69,717 | 73,072 | 69,903 | 70,649 | 746 | 1.07% |
| Professional, Scientific, & Technical | 273,569 | 163,359 | 160,485 | 175,598 | 15,113 | 9.42% |
| Arts, Entertainment, & Recreation | 26,523 | 33,185 | 38,464 | 31,441 | (7,023) | (18.26%) |
| Accommodation | 54,802 | 90,291 | 80,916 | 83,983 | 3,067 | 3.79% |
| Food Services | 419,378 | 467,098 | 516,659 | 542,330 | 25,671 | 4.97% |
| Other Products and Services* | 376,104 | 466,110 | 458,132 | 432,704 | (25,428) | (5.55%) |
| Total Sales Tax Collected** | \$ 7,010,316 | \$ 7,306,603 | \$ 7,108,981 | \$ 6,852,916 | \$ (256,065) | (3.60%) |

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

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

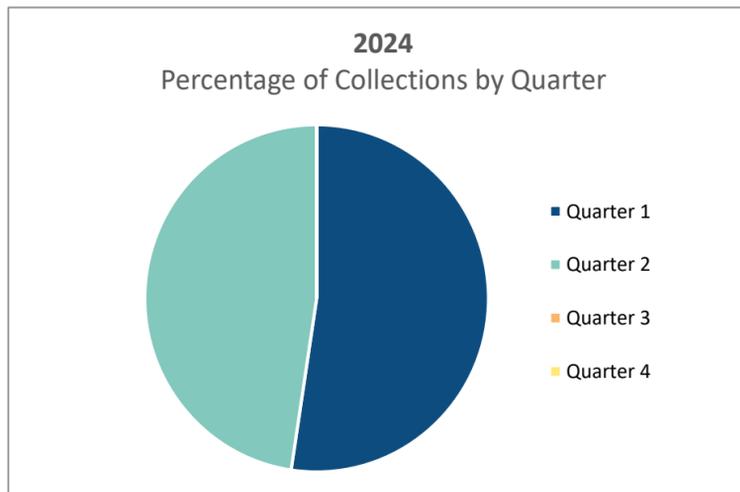
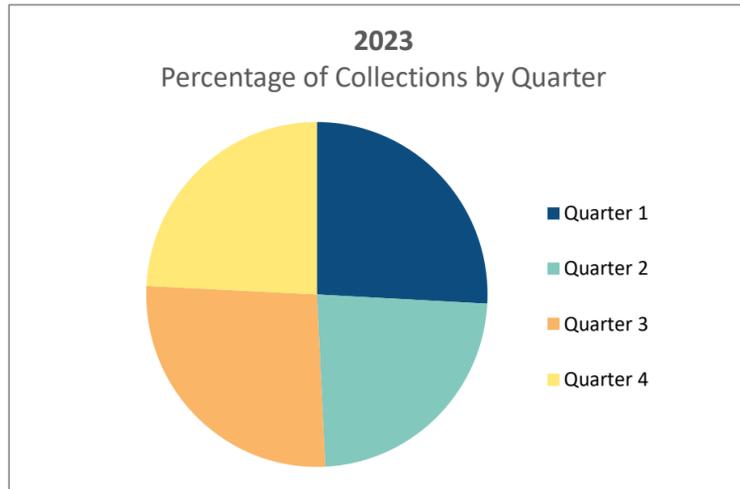
Quarterly Sales Tax Comparison By Category





Sales Tax Analysis - Quarterly Comparison
2024 Quarter 2

| Total Gross Sales Tax Earned by Quarter | | | | | |
|---|------|-------------------|------|-------------------|----------|
| | 2023 | | 2024 | | % Change |
| Quarter 1 | \$ | 7,863,920 | \$ | 7,537,503 | -4.33% |
| Quarter 2 | | 7,108,983 | | 6,852,919 | -3.74% |
| Quarter 3 | | 8,082,331 | | - | NA |
| Quarter 4 | | 7,367,642 | | - | NA |
| Total | \$ | 30,422,876 | \$ | 14,390,422 | |



| Financial Policy Comparison | | | | | |
|-----------------------------|--------------------------|-------------------|--------------------------|-------------------|--------|
| | Two most recent Quarters | | Same period one year ago | % Change | |
| Q2 2024 | \$ | 6,852,919 | | | |
| Q1 2024 | | 7,537,503 | | | |
| Q2 2023 | | | 7,108,983 | | |
| Q1 2023 | | | 7,863,920 | | |
| Total | \$ | 14,390,422 | \$ | 14,972,903 | -4.05% |

FINANCE COMMITTEE 3.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE:

2nd Quarter 2024 Financial Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

2nd 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 18 of 24 months, which is 75% of the two-year period.

SUGGESTED ACTION:

Review and discussion.

PREVIOUS COUNCIL ACTIONS:

2023 4th Quarter report reviewed at March Finance Committee meeting
2024 1st Quarter report reviewed at June Finance Committee meeting

DEPARTMENT ATTACHMENTS

Description:

[Quarterly Financial Report Q2 2024.pdf](#)

| Summary by Fund January 01, 2023 through June 30, 2024 | | | | |
|--|------------------------|-----------------------|-----------------------|-----------------------|
| Fund | Beginning Fund Balance | Revenue | Expenditures | Ending Fund Balance |
| General Fund | | | | |
| 011 General Fund | \$ 14,312,752 | \$ 90,292,460 | \$ 90,609,324 | \$ 13,995,888 |
| Total General Fund | \$ 14,312,752 | \$ 90,292,460 | \$ 90,609,324 | \$ 13,995,888 |
| Other General Government | | | | |
| 020 Econ Dev Infrastructure | \$ 9,505,195 | \$ 238,061 | \$ 7,046,000 | \$ 2,697,256 |
| 098 Revenue Stabilization | 6,000,000 | - | - | 6,000,000 |
| 101 Lodging Tax | 871,061 | 1,288,477 | 1,298,086 | 861,452 |
| 104 Drug Enforcement | 269,806 | 35,269 | 77,801 | 227,274 |
| 105 Criminal Justice | 2,200,984 | 2,783,281 | 1,292,851 | 3,691,414 |
| 110 Transportation Impact Fee | 1,480,117 | 1,623,726 | 2,065,153 | 1,038,690 |
| 111 Street Operating | 291,760 | 4,227,404 | 4,617,512 | (98,348) |
| 114 Cumulative Park Reserve | 123,091 | 30,023 | 12,637 | 140,477 |
| 116 Cumulative Art Reserve | 511,747 | 13,826 | 162,773 | 362,800 |
| 119 Aid Car Reserve | 17,033 | - | 17,033 | - |
| 121 Tree Reserve | 351,646 | 32,648 | 53,200 | 331,094 |
| 128 Paths & Trails | 8,852 | - | 8,756 | 96 |
| 131 American Rescue Plan Act | - | 3,030,144 | 3,714,369 | (684,225) |
| 144 Solid Waste Management | 94,874 | 94,347 | 84,236 | 104,985 |
| 146 Affordable Housing | 508,149 | 262,838 | - | 770,987 |
| 147 Opioid Settlement | 123,435 | 848,719 | - | 972,154 |
| 150 Transportation Benefit District | 2,940,398 | 7,003,256 | 5,421,013 | 4,522,641 |
| 180 Park Impact Fee | 2,861,542 | 1,423,470 | 885,580 | 3,399,432 |
| Total Other General Government Funds | \$ 28,159,690 | \$ 22,935,489 | \$ 26,757,000 | \$ 24,338,179 |
| Debt Service | | | | |
| 203 General Govt Debt Service | \$ 1,021,568 | \$ 5,299,714 | \$ 5,322,640 | \$ 998,642 |
| 223 Rec Center 2012 LTGO | 112,502 | 20,895,328 | 20,694,328 | 313,502 |
| Total Debt Service Funds | \$ 1,134,070 | \$ 26,195,042 | \$ 26,016,968 | \$ 1,312,144 |
| Capital Funds | | | | |
| 330 REET 2 | \$ 2,113,442 | \$ 1,544,551 | \$ 3,030,365 | \$ 627,628 |
| 331 REET 1 | 2,582,176 | 1,561,033 | 1,808,442 | 2,334,767 |
| 332 HRDW/SFTW | 6,519 | - | 6,519 | - |
| 333 Capital Development | 1,421,411 | 43,016 | 335,147 | 1,129,280 |
| 357 Other Government Capital | 396,319 | 46,702 | 602,832 | (159,811) |
| 360 Transportation Capital | 1,447,156 | 20,863,543 | 16,525,860 | 5,784,839 |
| 370 Facilities Capital | 487,395 | 838,443 | 363,797 | 962,041 |
| 380 Parks & Recreation Capital | 1,348,781 | 12,983,880 | 11,431,628 | 2,901,033 |
| 390 Public Safety Capital | 39,772,928 | 14,881,724 | 49,917,414 | 4,737,238 |
| Total Capital Funds | \$ 49,576,127 | \$ 52,762,892 | \$ 84,022,004 | \$ 18,317,015 |
| Enterprise Funds | | | | |
| 411 Utility Operations | \$ 29,363,733 | \$ 48,085,675 | \$ 42,446,784 | \$ 35,002,624 |
| 412 Utility Capital | 7,369,592 | 10,164,482 | 8,879,237 | 8,654,837 |
| 417 Not budgeted | - | - | - | - |
| 419 2010 Utility System Bonds | - | - | - | - |
| 460 Golf Course | 813,787 | 3,071,266 | 3,017,110 | 867,943 |
| Total Enterprise Funds | \$ 37,547,112 | \$ 61,321,423 | \$ 54,343,131 | \$ 44,525,404 |
| Internal Service Funds | | | | |
| 510 Equipment Rental Reserve | \$ 4,945,144 | \$ 2,946,827 | \$ 2,208,657 | \$ 5,683,314 |
| 511 Equipment Rental Oper | 712,974 | 2,936,352 | 3,507,397 | 141,929 |
| 513 Lynnwood Shop Operations | 74,185 | 207,375 | 218,336 | 63,224 |
| 515 Self Insurance | 148,944 | 129,026 | 116,764 | 161,206 |
| 520 Technology Reserve | 326,890 | 512,407 | 704,339 | 134,958 |
| Total Internal Service Funds | \$ 6,208,137 | \$ 6,731,987 | \$ 6,755,493 | \$ 6,184,631 |
| Total for all funds | \$ 136,937,888 | \$ 260,239,293 | \$ 288,503,920 | \$ 108,673,261 |

| Revenue Comparison through Budget Year 2, Quarter 2 | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------|--|
| Fund | 2021 - 2022 Actual | 2023 - 2024 Actual | 2023-2024 Budget | % Budget | |
| General Fund | | | | | |
| 011 General Fund | \$ 84,534,509 | \$ 90,292,460 | \$ 131,269,645 | 69% | |
| Total General Fund | \$ 84,534,509 | \$ 90,292,460 | \$ 131,269,645 | | |
| Other General Government | | | | | |
| 020 Econ Dev Infrastructure | \$ 25,047 | \$ 238,061 | \$ 200,000 | 119% | |
| 098 Revenue Stabilization | 1,129,967 | - | - | 0% | |
| 101 Lodging Tax | 843,407 | 1,288,477 | 1,472,564 | 87% | |
| 104 Drug Enforcement | 7,569 | 35,269 | 96,000 | 37% | |
| 105 Criminal Justice | 1,803,317 | 2,783,281 | 2,069,942 | 134% | |
| 110 Transportation Impact Fee | 1,868,597 | 1,623,726 | 1,010,000 | 161% | |
| 111 Street Operating | 4,197,971 | 4,227,404 | 5,713,200 | 74% | |
| 114 Cumulative Park Reserve | 38,926 | 30,023 | 18,000 | 167% | |
| 116 Cumulative Art Reserve | 511,414 | 13,826 | - | 0% | |
| 119 Aid Car Reserve | 39 | - | - | 0% | |
| 121 Tree Reserve | 215,292 | 32,648 | - | 0% | |
| 128 Paths & Trails | (36) | - | - | 0% | |
| 131 American Rescue Plan Act | 415,572 | 3,030,144 | 8,500,000 | 36% | |
| 144 Solid Waste Management | 51,686 | 94,347 | 77,276 | 122% | |
| 146 Affordable Housing | 308,908 | 262,838 | 500,000 | 53% | |
| 147 Opioid Settlement | - | 848,719 | 65,000 | 1306% | |
| 150 Transportation Benefit District | 6,449,280 | 7,003,256 | 7,880,688 | 89% | |
| 180 Park Impact Fee | 5,443,318 | 1,423,470 | 3,025,000 | 47% | |
| Total Other General Government Funds | \$ 23,310,274 | \$ 22,935,489 | \$ 30,627,670 | | |
| Debt Service | | | | | |
| 203 General Govt Debt Service | \$ 3,000,006 | \$ 5,299,714 | \$ 7,058,568 | 75% | |
| 223 Rec Center 2012 LTGO | 2,484,774 | 20,895,328 | 2,851,175 | 733% | |
| Total Debt Service Funds | \$ 5,484,780 | \$ 26,195,042 | \$ 9,909,743 | | |
| Capital Funds | | | | | |
| 330 REET 2 | \$ 1,986,494 | \$ 1,544,551 | \$ 1,927,000 | 80% | |
| 331 REET 1 | 1,988,709 | 1,561,033 | 1,840,000 | 85% | |
| 332 HRDW/SFTW | - | - | - | 0% | |
| 333 Capital Development | 1,655,485 | 43,016 | 94,519 | 46% | |
| 357 Other Government Capital | 306,815 | 46,702 | 890,000 | 5% | |
| 360 Transportation Capital | 26,697,588 | 20,863,543 | 32,072,800 | 65% | |
| 370 Facilities Capital | 156,939 | 838,443 | 1,055,000 | 79% | |
| 380 Parks & Recreation Capital | 4,310,835 | 12,983,880 | 25,872,035 | 50% | |
| 390 Public Safety Capital | 61,747,471 | 14,881,724 | 18,040,000 | 82% | |
| Total Capital Funds | \$ 98,850,336 | \$ 52,762,892 | \$ 81,791,354 | | |
| Enterprise Funds | | | | | |
| 411 Utility Operations | \$ 38,206,426 | \$ 48,085,675 | \$ 106,338,226 | 45% | |
| 412 Utility Capital | 10,110,025 | 10,164,482 | 26,840,000 | 38% | |
| 419 2010 Utility System Bonds | - | - | - | 0% | |
| 460 Golf Course | 2,703,229 | 3,071,266 | 3,641,394 | 84% | |
| Total Enterprise Funds | \$ 51,019,680 | \$ 61,321,423 | \$ 136,819,620 | | |
| Internal Service Funds | | | | | |
| 510 Equipment Rental Reserve | \$ 2,715,565 | \$ 2,946,827 | \$ 3,599,272 | 82% | |
| 511 Equipment Rental Oper | 2,353,535 | 2,936,352 | 4,054,436 | 72% | |
| 513 Lynnwood Shop Operations | 183,616 | 207,375 | 334,300 | 62% | |
| 515 Self Insurance | (638) | 129,026 | - | 0% | |
| 520 Technology Reserve | 196,800 | 512,407 | 652,000 | 79% | |
| Total Internal Service Funds | \$ 5,448,878 | \$ 6,731,987 | \$ 8,640,008 | | |
| Total for all funds | \$ 268,648,457 | \$ 260,239,293 | \$ 399,058,040 | | |

| Expenditure Comparison through Budget Year 2, Quarter 2 | | | | |
|---|-----------------------|-----------------------|-----------------------|----------|
| Fund | 2021 - 2022 Actual | 2023 - 2024 Actual | 2023-2024 Budget | % Budget |
| General Fund | | | | |
| 011 General Fund | \$ 75,472,590 | \$ 90,609,324 | \$ 133,816,462 | 68% |
| Total General Fund | \$ 75,472,590 | \$ 90,609,324 | \$ 133,816,462 | |
| Other General Government | | | | |
| 020 Econ Dev Infrastructure | \$ 1,125,000 | \$ 7,046,000 | \$ 7,850,000 | 90% |
| 098 Revenue Stabilization | - | - | - | 0% |
| 101 Lodging Tax | 985,812 | 1,298,086 | 1,639,875 | 79% |
| 104 Drug Enforcement | 36,579 | 77,801 | 135,000 | 58% |
| 105 Criminal Justice | 2,570,925 | 1,292,851 | 3,270,500 | 40% |
| 110 Transportation Impact Fee | 2,370,000 | 2,065,153 | 2,070,000 | 100% |
| 111 Street Operating | 3,804,175 | 4,617,512 | 6,004,898 | 77% |
| 114 Cumulative Park Reserve | 5,833 | 12,637 | 50,000 | 25% |
| 116 Cumulative Art Reserve | 10,338 | 162,773 | 450,000 | 36% |
| 119 Aid Car Reserve | - | 17,033 | 17,033 | 100% |
| 121 Tree Reserve | 71,793 | 53,200 | 45,000 | 118% |
| 128 Paths & Trails | - | 8,756 | 8,756 | 100% |
| 131 American Rescue Plan Act | 428,874 | 3,714,369 | 8,500,000 | 44% |
| 144 Solid Waste Management | 38,890 | 84,236 | 77,276 | 109% |
| 146 Affordable Housing | - | - | - | 0% |
| 147 Opioid Settlement | - | - | - | 0% |
| 150 Transportation Benefit District | 8,046,798 | 5,421,013 | 10,820,000 | 50% |
| 180 Park Impact Fee | 676,301 | 885,580 | 4,935,014 | 18% |
| Total Other General Government Funds | \$ 20,171,318 | \$ 26,757,000 | \$ 45,873,352 | |
| Debt Service | | | | |
| 203 General Govt Debt Service | \$ 1,887,153 | \$ 5,322,640 | \$ 8,080,113 | 66% |
| 223 Rec Center 2012 LTGO | 2,019,519 | 20,694,328 | 2,961,175 | 699% |
| Total Debt Service Funds | \$ 3,906,672 | \$ 26,016,968 | \$ 11,041,288 | |
| Capital Funds | | | | |
| 330 REET 2 | \$ 3,851,960 | \$ 3,030,365 | \$ 4,040,000 | 75% |
| 331 REET 1 | 2,250,000 | 1,808,442 | 3,650,000 | 50% |
| 333 Capital Development | 1,052,469 | 335,147 | 1,515,000 | 22% |
| 357 Other Government Capital | 311,887 | 602,832 | 1,285,000 | 47% |
| 360 Transportation Capital | 26,631,007 | 16,525,860 | 32,072,800 | 52% |
| 370 Facilities Capital | 1,825,109 | 363,797 | 1,000,000 | 36% |
| 380 Parks & Recreation Capital | 5,050,167 | 11,431,628 | 26,033,426 | 44% |
| 390 Public Safety Capital | 15,598,940 | 49,917,414 | 55,589,088 | 90% |
| Total Capital Funds | \$ 56,571,539 | \$ 84,022,004 | \$ 125,191,833 | |
| Enterprise Funds | | | | |
| 411 Utility Operations | \$ 39,126,170 | \$ 42,446,784 | \$ 75,060,602 | 57% |
| 412 Utility Capital | 14,086,923 | 8,879,237 | 28,695,000 | 31% |
| 419 2010 Utility System Bonds | 255,295 | - | - | 0% |
| 460 Golf Course | 2,420,249 | 3,017,110 | 3,598,047 | 84% |
| Total Enterprise Funds | \$ 55,888,637 | \$ 54,343,131 | \$ 107,353,649 | |
| Internal Service Funds | | | | |
| 510 Equipment Rental Reserve | \$ 2,986,463 | \$ 2,208,657 | \$ 3,599,272 | 61% |
| 511 Equipment Rental Oper | 2,465,319 | 3,507,397 | 4,064,259 | 86% |
| 513 Lynnwood Shop Operations | 209,699 | 218,336 | 356,500 | 61% |
| 515 Self Insurance | 10,067 | 116,764 | 101,900 | 115% |
| 520 Technology Reserve | 54,419 | 704,339 | 784,000 | 90% |
| Total Internal Service Funds | \$ 5,725,967 | \$ 6,755,493 | \$ 8,905,931 | |
| Total for all funds | \$ 217,736,723 | \$ 288,503,920 | \$ 432,182,515 | |

Summary by Department January 01, 2021 through June 30, 2024

| Development & Business Services | Actuals | | | | Budget | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 2,355,029 | \$ 2,775,870 | \$ 2,986,734 | \$ 1,682,077 | \$ 7,218,256 | 65% |
| Personnel Benefits | 893,614 | 1,068,543 | 1,092,016 | 589,094 | 2,639,655 | 64% |
| Supplies | 40,184 | 53,929 | 33,595 | 28,031 | 122,810 | 50% |
| Services & Charges | 1,152,108 | 1,331,339 | 1,292,026 | 501,124 | 4,021,743 | 45% |
| Intergovernmental | - | - | 5,057 | 5,531 | 88,000 | 12% |
| Total | \$ 4,440,935 | \$ 5,229,681 | \$ 5,409,428 | \$ 2,805,857 | \$ 14,090,464 | 58% |

| Executive | Actuals | | | | Budget | |
|--------------------|---------------------|---------------------|---------------------|-------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 580,883 | \$ 839,891 | \$ 976,170 | \$ 534,517 | \$ 2,061,000 | 73% |
| Personnel Benefits | 200,516 | 228,530 | 333,559 | 186,443 | 702,500 | 74% |
| Supplies | 5,153 | 12,927 | 13,088 | 9,445 | 32,950 | 68% |
| Services & Charges | 236,820 | 316,270 | 473,317 | 208,336 | 843,754 | 81% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 1,023,372 | \$ 1,397,618 | \$ 1,796,134 | \$ 938,741 | \$ 3,640,204 | 75% |

| Finance | Actuals | | | | Budget | |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 2,167,371 | \$ 2,122,151 | \$ 1,996,075 | \$ 1,048,204 | \$ 4,459,000 | 68% |
| Personnel Benefits | 898,565 | 818,151 | 769,442 | 379,764 | 1,833,300 | 63% |
| Supplies | 9,487 | 12,264 | 25,468 | 6,811 | 16,400 | 197% |
| Services & Charges | 610,332 | 580,972 | 556,008 | 137,910 | 1,080,300 | 64% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 3,685,755 | \$ 3,533,538 | \$ 3,346,993 | \$ 1,572,689 | \$ 7,389,000 | 67% |

| Fire | Actuals | | | | Budget | |
|--------------------|-------------------|-------------------|---------------------|-----------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Personnel Benefits | - | - | - | - | - | - |
| Supplies | 2,971 | 252 | 21 | 75 | 14,700 | 1% |
| Services & Charges | 18,235 | 19,481 | 16,822 | 8,911 | 47,700 | 54% |
| Intergovernmental | 935,217 | 935,117 | 1,367,483 | - | 2,625,500 | 52% |
| Total | \$ 956,423 | \$ 954,850 | \$ 1,384,326 | \$ 8,986 | \$ 2,687,900 | 52% |

| Human Resources | Actuals | | | | Budget | |
|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 542,067 | \$ 577,032 | \$ 588,191 | \$ 324,412 | \$ 1,290,600 | 71% |
| Personnel Benefits | 197,328 | 197,920 | 186,947 | 103,445 | 418,400 | 69% |
| Supplies | 12,523 | 6,999 | 40,955 | 11,950 | 35,300 | 150% |
| Services & Charges | 136,870 | 123,277 | 116,543 | 109,193 | 488,282 | 46% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 888,788 | \$ 905,228 | \$ 932,636 | \$ 549,000 | \$ 2,232,582 | 66% |

| Information Technology | Actuals | | | | Budget | |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 1,278,481 | \$ 1,307,505 | \$ 1,499,469 | \$ 800,290 | \$ 3,008,015 | 76% |
| Personnel Benefits | 518,885 | 502,480 | 555,856 | 289,751 | 1,096,153 | 77% |
| Supplies | 27,285 | 105,907 | 53,342 | 10,826 | 142,050 | 45% |
| Services & Charges | 668,704 | 565,240 | 600,735 | 246,592 | 1,523,532 | 56% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 2,493,355 | \$ 2,481,132 | \$ 2,709,402 | \$ 1,347,459 | \$ 5,769,750 | 70% |

| 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 | 663,477 | 2,728,700 | 75% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 1,375,024 | \$ 1,417,390 | \$ 1,391,591 | \$ 663,477 | \$ 2,728,700 | 75% |

| Legislative | Actuals | | | | Budget | |
|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 189,990 | \$ 198,167 | \$ 202,997 | \$ 99,171 | \$ 406,800 | 74% |
| Personnel Benefits | 158,051 | 170,274 | 176,669 | 78,071 | 357,800 | 71% |
| Supplies | 2,404 | 2,267 | 2,972 | 809 | 19,500 | 19% |
| Services & Charges | 54,223 | 57,661 | 88,950 | 44,061 | 268,915 | 49% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 404,668 | \$ 428,369 | \$ 471,588 | \$ 222,112 | \$ 1,053,015 | 66% |

| Municipal Court | Actuals | | | | Budget | |
|--------------------|---------------------|---------------------|---------------------|-------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 755,803 | \$ 965,902 | \$ 1,032,434 | \$ 551,691 | \$ 2,533,257 | 63% |
| Personnel Benefits | 348,156 | 574,252 | 382,900 | 207,058 | 959,897 | 61% |
| Supplies | 15,258 | 13,172 | 17,157 | 2,757 | 64,056 | 31% |
| Services & Charges | 231,137 | 248,508 | 317,970 | 168,190 | 644,754 | 75% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 1,350,354 | \$ 1,801,834 | \$ 1,750,461 | \$ 929,696 | \$ 4,201,964 | 64% |

| 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 | 320,429 | 1,300,000 | 69% |
| Intergovernmental | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Transfers-out | 5,004,515 | 3,832,773 | 5,326,000 | 2,361,075 | 10,048,150 | 77% |
| Total | \$ 5,157,841 | \$ 3,942,202 | \$ 5,896,578 | \$ 2,681,504 | \$ 11,348,150 | 76% |

| Parks, Recreation, & Cultural Arts | Actuals | | | | Budget | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 3,995,958 | \$ 4,628,948 | \$ 5,264,845 | \$ 2,715,231 | \$ 10,996,163 | 73% |
| Personnel Benefits | 1,544,102 | 1,641,747 | 1,825,860 | 905,277 | 3,821,573 | 71% |
| Supplies | 247,415 | 463,932 | 476,849 | 279,778 | 797,716 | 95% |
| Services & Charges | 1,185,594 | 1,519,845 | 1,637,588 | 744,638 | 3,936,081 | 61% |
| Intergovernmental | - | 14,359 | 8,541 | 33,216 | - | - |
| Capital Outlay | - | 57,709 | 23,715 | - | 15,980 | 148% |
| Total | \$ 6,973,069 | \$ 8,326,540 | \$ 9,237,398 | \$ 4,678,140 | \$ 19,567,513 | 71% |

| Police | Actuals | | | | Budget | |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 11,162,077 | \$ 12,310,189 | \$ 12,863,192 | \$ 6,763,704 | \$ 30,025,894 | 65% |
| Personnel Benefits | 3,971,850 | 4,130,303 | 4,442,302 | 2,510,800 | 10,410,954 | 67% |
| Supplies | 369,174 | 644,831 | 525,404 | 309,254 | 1,700,918 | 49% |
| Services & Charges | 2,301,748 | 2,840,405 | 2,914,133 | 1,160,436 | 6,073,053 | 67% |
| Intergovernmental | 1,426,667 | 2,293,153 | 2,819,679 | 893,949 | 4,060,646 | 91% |
| Total | \$ 19,231,516 | \$ 22,218,881 | \$ 23,564,710 | \$ 11,638,143 | \$ 52,271,465 | 67% |

| Public Works - General Fund | Actuals | | | | Budget | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 1,478,329 | \$ 1,600,069 | \$ 1,558,685 | \$ 697,311 | \$ 3,068,300 | 74% |
| Personnel Benefits | 613,786 | 608,904 | 587,824 | 256,737 | 1,123,200 | 75% |
| Supplies | 73,506 | 92,302 | 114,343 | 61,068 | 192,150 | 91% |
| Services & Charges | 875,915 | 989,643 | 895,735 | 510,571 | 2,454,105 | 57% |
| Intergovernmental | - | - | - | - | - | - |
| Total | \$ 3,041,536 | \$ 3,290,918 | \$ 3,156,587 | \$ 1,525,687 | \$ 6,837,755 | 68% |

| Public Works - Street Operating Fund | Actuals | | | | Budget | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 845,162 | \$ 972,227 | \$ 952,496 | \$ 552,934 | \$ 2,482,600 | 61% |
| Personnel Benefits | 362,898 | 410,789 | 382,615 | 217,106 | 780,900 | 77% |
| Supplies | 456,526 | 815,114 | 857,085 | 160,611 | 1,023,350 | 99% |
| Services & Charges | 890,113 | 782,031 | 1,019,127 | 430,354 | 1,668,048 | 87% |
| Intergovernmental | - | - | - | - | - | - |
| Capital Outlay | 21,710 | 62,447 | 10,048 | 35,136 | 50,000 | 90% |
| Total | \$ 2,576,409 | \$ 3,042,608 | \$ 3,221,371 | \$ 1,396,141 | \$ 6,004,898 | 77% |

| Public Works - Utility Operations Fund | Actuals | | | | Budget | |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|------------|
| | 2021 | 2022 | 2023 | 2024 | 2023-2024 | % |
| Salaries & Wages | \$ 3,968,882 | \$ 4,406,716 | \$ 4,711,005 | \$ 2,493,814 | \$ 10,044,360 | 72% |
| Personnel Benefits | 1,539,862 | 1,651,089 | 1,809,003 | 905,703 | 3,662,549 | 74% |
| Supplies | 3,501,351 | 4,014,538 | 4,440,104 | 1,717,241 | 8,947,361 | 69% |
| Services & Charges | 11,551,917 | 7,609,956 | 10,739,979 | 4,322,927 | 18,624,556 | 81% |
| Intergovernmental | 148,180 | 25,884 | 87,406 | 853 | 120,000 | 74% |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service | 1,491,927 | 1,345,787 | 1,310,688 | (40,526) | 6,821,776 | 19% |
| Total | \$ 22,202,119 | \$ 19,053,970 | \$ 23,098,185 | \$ 9,400,012 | \$ 48,220,602 | 67% |

Cash and Investments as of June 30, 2024

| | As of June 30, 2024 | |
|--|------------------------|-------------------|
| Cash in Bank | \$ | 17,868,777 |
| Cash on Hand | | 9,265 |
| Total Cash | \$ | 17,878,042 |
| WA State Local Government Investment Pool | \$ | 23,489,352 |
| Snohomish County Investment Pool | | 10,559,772 |
| US Bank Investments (Principal Cost) | | 27,323,305 |
| Total Investments | \$ | 61,372,429 |
| Total Cash & Investments | \$ | 79,250,471 |
| US Bank Investment Activity | | |
| PAR Value at December 31, 2023 | \$ | 32,910,000 |
| Purchases (Sales) | | (4,000,000) |
| PAR Value at March 31, 2024 | \$ | 28,910,000 |
| Market Value at March 31, 2024 | \$ | 26,999,775 |
| Earnings for Quarter Ending March 31, 2024 | \$ | 58,653 |

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Lynnwood Municipal Code Section 2.72 Updates for Budget Process

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review Ordinance to update LMC 2.72 for Budget Process

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

The Lynnwood Municipal Code (LMC) Section 2.72 outlines specific procedures for the budget process. Most of the procedures outlined in the LMC are based on the the Revised Code of Washington (RCW) Chapter 35A.34 for biennial budgeting, but some of the dates are different than the RCW. Cities must follow RCW budget process requirements, but are not required to adopt separate code language for the budget process. Many procedures currently outlined in the LMC are not required in the RCW.

Current versions of LMC 2.72 and RCW Chapter 35A.34 are attached along with a comparison to show the number of variances between the LMC and RCW.

An ordinance reflecting the proposed changes to LMC 2.72 is attached. The proposed changes will simplify the LMC language, ensure compliance with RCW requirements, and provide for the adoption of a budget calendar each year for planning and transparency.

SUGGESTED ACTION:

Review LMC updates for Budget Process

PREVIOUS COUNCIL ACTIONS:

Finance Committee January 25 and March 27, 2024.

City Council Work Session July 1, 2024.

City Council Work Session July 17, 2024: referred back to Finance Committee

DEPARTMENT ATTACHMENTS

Description:

[Ordinance 2024-xx LMC 2.72 Budget Process redlined.pdf](#)

[Budget Calendar Requirements LMC and RCW.pdf](#)

[LMC 2.72 Budget.pdf](#)

[RCW Chapter 35A.34.pdf](#)



ORDINANCE NO. 2024-xx

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON RELATING TO THE PROCESS AND SCHEDULE FOR BUDGET PREPARATION AND ADOPTION, AMENDING CHAPTER 2.72 LMC; AND PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR SUMMARY PUBLICATION

WHEREAS, Chapter 35A.34 of the Revised Code of Washington (RCW) mandates certain minimum requirements and timeframes for local governments that utilize biennial budgets; and

WHEREAS Chapter 2.72 of the Lynnwood Municipal Code (LMC) specifies that Lynnwood utilize biennial budgets, and contains numerous requirements and deadlines that are not required in the RCW; and

WHEREAS, the City of Lynnwood is a steward of public funds and is responsible to ensure transparency and equity in the budgeting process; and

WHEREAS, amending Chapter 2.72 of the LMC to align with the RCW will improve the readability and clarity of Chapter 2.72 regarding the budget process and ensure compliance with state law;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1: Purpose. The purpose of this ordinance is to update the Lynnwood Municipal Code language to align with the RCW for the biennial budget process and allow for the adoption of an budget calendar.

Section 2: Amendments. Section 2.72 is hereby amended to read:

2.72.010 Policy.

It is hereby declared to be the policy of the city of Lynnwood that a two-year fiscal biennium budget and planning calendar shall be prepared and acted upon in the manner and time limits consistent with prescribed by Chapter 35A.34 RCW and this chapter shall be adopted each even-numbered year by resolution-Ordinance of the city council. ~~(Ord. 3149 § 2 (Exh. A), 2015)~~

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2.72.020 Budget planning calendar.

On or before ~~January~~ March 31st of each year, the city council shall adopt by resolution a planning calendar for the preparation and adoption of a biennial budget (even-numbered years) and mid-biennial review (odd-numbered years). ~~(Ord. 3149 § 2 (Exh. A), 2015)~~

~~**2.72.030 Proposed preliminary budget.**~~

~~The proposed preliminary budget for the ensuing fiscal biennium shall be prepared by the mayor, and shall be delivered to the city council, on or before September 15th of each even numbered year. The required information to be included in each proposed preliminary budget shall be as follows:~~

- ~~A. The revenue section shall set forth in comparative and tabular form for each fund:
 1. Actual receipts for the last completed fiscal biennium by year and by each revenue source;
 2. Estimated receipts for the current fiscal biennium by year and by revenue source;
 3. Estimated receipts for the ensuing fiscal biennium by year and the amount expected from each revenue source;
 4. Estimated receipt of ad valorem taxes; and
 5. The unexpended balance for each fund estimated to be available at the close of the current fiscal biennium.~~
- ~~B. The revenue section shall also contain a separate listing of each revenue source comparing the total expected receipts for the current biennium to the total estimated receipts for the ensuing fiscal biennium.~~
- ~~C. The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund:
 1. Actual expenditures for the last completed fiscal biennium;
 2. Appropriations for the current fiscal biennium;
 3. Estimated expenditures for the ensuing fiscal biennium; and
 4. For each proposed full-time or part-time employee, the annual salary (without benefits) for that employee, together with the exact personnel classification title of the employee's position, and any other working title or position designation, if any. (Ord. 3149 § 2 (Exh. A), 2015)~~

~~**2.72.040 Mayor's preliminary budget and message.**~~

~~The mayor shall, between the first Monday of October and not less than 60 days before the beginning of the next fiscal biennium, file with the city clerk and immediately forward to the city council a preliminary budget together with a budget message in accordance with RCW 35A.34.080. The mayor shall prepare and deliver to the city council inserts or such other documentation as necessary to explain and show in detail the mayor's recommendations contained in the preliminary budget. The preliminary budget shall be certified by both the mayor and the finance director that all changes, amendments or other revisions known to them, or known to each department, are contained within the preliminary budget as filed. (Ord. 3149 § 2 (Exh. A), 2015)~~

~~**2.72.050 October-November hearings and work sessions on the preliminary budget.**~~

~~The city council shall between the second Monday in October and the second Monday in November of even-numbered years hold hearings and conduct work sessions to inquire into the programs and services, and financial information contained in the preliminary budget. Notice of the one public hearing specifically required by state law after filing the preliminary budget shall be published for the public and media on the date set forth in the biennial budget and planning calendar resolution as may be amended. (Ord. 3149 § 2 (Exh. A), 2015)~~

2.72.060 Final decision, budget adoption.

~~The biennial budget shall begin to be considered for adoption by the city council on the fourth Monday of November of even-numbered years. Final budget in its form and content shall be adopted prior to the beginning of the fiscal biennium. A complete copy of the final budget shall be transmitted to the state auditor and the Association of Washington Cities. (Ord. 3149 § 2 (Exh. A), 2015)~~

2.72.070 Mid-biennial review and modification.

~~A review of the mid-biennial budget shall commence no sooner than eight months after the start nor later than 12 months after the start of the biennium. The mayor shall prepare the proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city ordinances. The mayor shall distribute the proposed modification to members of the city council, with copies available to the public at City Hall. Public hearings on the proposed budget modification shall be conducted at least two weeks prior to the adoption of the ordinance modifying the biennial budget. A complete copy of the budget modification shall be transmitted to the state auditor and Association of Washington Cities. (Ord. 3149 § 2 (Exh. A), 2015)~~

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Effective Date: This ordinance or an approved summary thereof consisting of its title shall be published in the City’s official newspaper of record and shall take effect and be in full force five days following its publication.

PASSED BY THE CITY COUNCIL THIS 22nd day of July, 2024.

APPROVED:

Christine Frizzell, Mayor

130 ATTEST/AUTHENTICATED:

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Luke Lonie, City Clerk

APPROVED AS TO FORM:

Lisa Marshall, City Attorney

Comparison of Budget Calendar Requirements: LMC and RCW

| Date | Year | Description | Lynnwood Municipal Code | Revised Code Washington | Notes |
|---|------|--|------------------------------|----------------------------------|--|
| N/A | All | Any code city that budgets on a biennial basis must follow RCW 35A.34 | | RCW 35A.34.020 | No additional code language required by Cities |
| On or before January 31 | All | City council adoption of budget calendar by resolution | LMC 2.72.010 & 2.72.020 | | Not required by RCW |
| On or before 2 nd Monday in September | Even | Finance director notifies department directors within 14 days to submit detailed estimates of probable revenue and expenditures for ensuing biennium | | RCW 35A.34.050 | |
| On or before September 15 | Even | Delivery of mayor's proposed preliminary budget to the city council | LMC 2.72.030 | | Includes same detail required in RCW 34A.34.070, but two weeks earlier to full Council instead of to Mayor |
| On or before 1 st business day of October or as specified by City | Even | Delivery of finance director's proposed preliminary budget to the mayor | | RCW 35A.34.070 | No RCW requirement for delivery of "proposed preliminary budget" to Council |
| On or before 1 st Monday in October | Even | Mayor submits to city council revenue estimates for current biennium and finance director's estimates—for the purpose of fixing ad valorem taxes | | RCW 35A.34.230 | |
| Between the 1st Monday in October and October 31 st | Even | Mayor's preliminary budget and budget message filed with the city clerk and city council | LMC 2.72.040 | | LMC references RCW 35A.34.080 but date is a month earlier |
| On or before November 1 | Even | Mayor's preliminary budget and budget message filed with the city clerk (Finance Director) | | RCW 35A.34.080 | |
| On or before November 1 | Even | Mayor's budget message submitted to City Council | | RCW 35A.34.090 | |
| No later than Six weeks prior to biennium (mid-November) | Even | Finance Director provides sufficient number of copies of Mayor's preliminary budget and budget message | | RCW 35A.34.080 | |
| Between 2 nd Monday of October and 2 nd Monday of November | Even | City council shall hold hearings and work sessions to review preliminary budget, including one public hearing | LMC 2.72.050 | | Similar to 35A.34.090, with different dates |
| Between November 1 and prior to final hearing | Even | One or more hearings on preliminary budget; may require presence of department heads to give information | | RCW 35A.34.090 | |
| Immediately following receipt of mayor's preliminary budget | Even | Clerk publishes notice 1 time per week for 2 consecutive weeks setting public hearing for Mayor's preliminary budget no later than December 1 | | RCW 35A.34.100 | |
| 4 th Monday of November | Even | City Council to begin consideration of adopting biennial budget | LMC 2.72.060 | | |
| On or before November 30 | All | City Council certifies amount to be collected by ad valorem taxes | | RCW 84.52.020 RCW 84.52.070 | |
| On or before 1 st Monday in December | Even | Public hearing on Mayor's preliminary budget | | RCW 35A.34.100 | |
| On or before 1st Monday in December (no later than 25 days before next year begins) | Even | Deadline for final budget public hearing | | RCW 35A.34.110 | Can adopt no sooner than 10 days after preliminary budget shown to public |
| On or before December 31 | Even | Council adoption of biennial budget after final public hearing and final changes | LMC 2.72.060 | RCW 35A.34.120 | |
| Between September 1 st and December 31 | Odd | Review and modification of adopted budget, including public hearing(s) | LMC 2.72.070 | RCW 35A.34.130 | |
| At least 2 weeks prior to adoption | Odd | Public hearing on proposed <u>modification</u> of biennial budget | LMC 2.72.070 | | not required by RCW |
| Following adoption of budget and mid-biennial modification | All | Adopted budget transmitted to SAO and AWC | LMC 2.72.060 LMC 2.72.070 | RCW 35A.34.120 RCW 35A.34.130 | |
| Not less than quarterly | All | Finance director issues financial report | Lynnwood Policy | RCW 35A.34.240 | |

Chapter 2.72 BUDGET PROCESS

Sections:

- [2.72.010 Policy.](#)
- [2.72.020 Biennial budget planning calendar.](#)
- [2.72.030 Proposed preliminary budget.](#)
- [2.72.040 Mayor's preliminary budget and message.](#)
- [2.72.050 October-November hearings and work sessions on the preliminary budget.](#)
- [2.72.060 Final decision, budget adoption.](#)
- [2.72.070 Mid-biennial review and modification.](#)

2.72.010 Policy.

It is hereby declared to be the policy of the city of Lynnwood that a two-year fiscal biennium budget and planning calendar consistent with Chapter [35A.34](#) RCW and this chapter shall be adopted each year by resolution of the city council. (Ord. 3149 § 2 (Exh. A), 2015)

2.72.020 Biennial budget planning calendar.

On or before January 31st of each year, the city council shall adopt by resolution a planning calendar for the preparation and adoption of a biennial budget (even-numbered years) and mid-biennial review (odd-numbered years). (Ord. 3149 § 2 (Exh. A), 2015)

2.72.030 Proposed preliminary budget.

The proposed preliminary budget for the ensuing fiscal biennium shall be prepared by the mayor, and shall be delivered to the city council, on or before September 15th of each even-numbered year. The required information to be included in each proposed preliminary budget shall be as follows:

- A. The revenue section shall set forth in comparative and tabular form for each fund:
1. Actual receipts for the last completed fiscal biennium by year and by each revenue source;
 2. Estimated receipts for the current fiscal biennium by year and by revenue source;
 3. Estimated receipts for the ensuing fiscal biennium by year and the amount expected from each revenue source;
 4. Estimated receipt of ad valorem taxes; and
 5. The unexpended balance for each fund estimated to be available at the close of the current fiscal biennium.
- B. The revenue section shall also contain a separate listing of each revenue source comparing the total expected receipts for the current biennium to the total estimated receipts for the ensuing fiscal biennium.

C. The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund:

1. Actual expenditures for the last completed fiscal biennium;
2. Appropriations for the current fiscal biennium;
3. Estimated expenditures for the ensuing fiscal biennium; and
4. For each proposed full-time or part-time employee, the annual salary (without benefits) for that employee, together with the exact personnel classification title of the employee's position, and any other working title or position designation, if any. (Ord. 3149 § 2 (Exh. A), 2015)

2.72.040 Mayor's preliminary budget and message.

The mayor shall, between the first Monday of October and not less than 60 days before the beginning of the next fiscal biennium, file with the city clerk and immediately forward to the city council a preliminary budget together with a budget message in accordance with RCW [35A.34.080](#). The mayor shall prepare and deliver to the city council inserts or such other documentation as necessary to explain and show in detail the mayor's recommendations contained in the preliminary budget. The preliminary budget shall be certified by both the mayor and the finance director that all changes, amendments or other revisions known to them, or known to each department, are contained within the preliminary budget as filed. (Ord. 3149 § 2 (Exh. A), 2015)

2.72.050 October-November hearings and work sessions on the preliminary budget.

The city council shall between the second Monday in October and the second Monday in November of even-numbered years hold hearings and conduct work sessions to inquire into the programs and services, and financial information contained in the preliminary budget. Notice of the one public hearing specifically required by state law after filing the preliminary budget shall be published for the public and media on the date set forth in the biennial budget and planning calendar resolution as may be amended. (Ord. 3149 § 2 (Exh. A), 2015)

2.72.060 Final decision, budget adoption.

The biennial budget shall begin to be considered for adoption by the city council on the fourth Monday of November of even-numbered years. Final budget in its form and content shall be adopted prior to the beginning of the fiscal biennium. A complete copy of the final budget shall be transmitted to the state auditor and the Association of Washington Cities. (Ord. 3149 § 2 (Exh. A), 2015)

2.72.070 Mid-biennial review and modification.

A review of the mid-biennial budget shall commence no sooner than eight months after the start nor later than 12 months after the start of the biennium. The mayor shall prepare the proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city ordinances. The mayor shall distribute the proposed modification to members of the city council, with copies available to the public at City Hall. Public hearings on the proposed budget modification shall be conducted at least two weeks prior to the adoption of the ordinance modifying the biennial budget. A complete copy of the budget modification shall be transmitted to the state auditor and Association of Washington Cities. (Ord. 3149 § 2 (Exh. A), 2015)

**Chapter 35A.34 RCW
BIENNIAL BUDGETS**

Sections

- 35A.34.010 Legislative intent.
- 35A.34.020 Application of chapter.
- 35A.34.030 Definitions.
- 35A.34.040 Biennial budget authorized—Limitations.
- 35A.34.050 Budget estimates—Submittal.
- 35A.34.060 Budget estimates—Classification and segregation.
- 35A.34.070 Proposed preliminary budget.
- 35A.34.080 Preliminary budget.
- 35A.34.090 Budget message—Hearings.
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- 35A.34.120 Budget—Adoption.
- 35A.34.130 Budget—Mid-biennial review and modification.
- 35A.34.140 Emergency expenditures—Nondebatable emergencies.
- 35A.34.150 Emergency expenditures—Other emergencies—Hearing.
- 35A.34.160 Emergency expenditures—Warrants—Payment.
- 35A.34.170 Registered warrants—Payment.
- 35A.34.180 Adjustment of wages, hours and conditions of employment.
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- 35A.34.200 Funds—Limitations on expenditures—Transfers and adjustments.
- 35A.34.205 Administration, oversight, or supervision of utility—
Reimbursement from utility budget authorized.
- 35A.34.210 Liabilities incurred in excess of budget.
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Expenditures program—Federal tax law.
- 35A.34.230 Revenue estimates—Amount to be raised by ad valorem
taxes.
- 35A.34.240 Funds—Quarterly report of status.
- 35A.34.250 Contingency fund—Creation.
- 35A.34.260 Contingency fund—Withdrawals.
- 35A.34.270 Unexpended appropriations.
- 35A.34.280 Violations and penalties.

RCW 35A.34.010 Legislative intent. See RCW 35.34.010.

RCW 35A.34.020 Application of chapter. This chapter applies to all code cities which have by ordinance adopted this chapter authorizing the adoption of a fiscal biennium budget. [1985 c 175 § 34.]

RCW 35A.34.030 Definitions. Unless the context clearly indicates otherwise, the definitions in this section apply throughout this chapter.

(1) "Clerk" includes the officer performing the functions of a finance or budget director, comptroller, auditor, or by whatever title the officer may be known in any code city.

(2) "Department" includes each office, division, service, system, or institution of the city for which no other statutory or charter provision is made for budgeting and accounting procedures or controls.

(3) "Legislative body" includes the council, commission, or any other group of officials serving as the legislative body of a code city.

(4) "Chief administrative officer" includes the mayor of cities having a mayor-council plan of government, the commissioners in cities having a commission plan of government, the manager, or any other city official designated by the charter or ordinances of such city under the plan of government governing the same, or the budget or finance officer designated by the mayor, manager, or commissioners, to perform the functions, or portions thereof, contemplated by this chapter.

(5) "Fiscal biennium" means the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

(6) "Fund" and "funds" where clearly used to indicate the plural of "fund" means the budgeting or accounting entity authorized to provide a sum of money for specified activities or purposes.

(7) "Funds" where not used to indicate the plural of "fund" means money in hand or available for expenditure or payment of a debt or obligation.

(8) Except as otherwise defined in this chapter, municipal accounting terms used in this chapter have the meaning prescribed by the state auditor pursuant to RCW 43.09.200. [1985 c 175 § 35.]

"Fiscal biennium" defined: RCW 1.16.020.

RCW 35A.34.040 Biennial budget authorized—Limitations. All code cities are authorized to establish by ordinance a two-year fiscal biennium budget. The ordinance shall be enacted at least six months prior to commencement of the fiscal biennium and this chapter applies to all code cities which utilize a fiscal biennium budget. Code cities which establish a fiscal biennium budget are authorized to repeal such ordinance and provide for reversion to a fiscal year budget. The ordinance may only be repealed effective as of the conclusion of a fiscal biennium. However, the city shall comply with chapter 35A.33 RCW in developing and adopting the budget for the first fiscal year following repeal of the ordinance. [1985 c 175 § 36.]

RCW 35A.34.050 Budget estimates—Submittal. On or before the second Monday of the fourth month prior to the beginning of the city's next fiscal biennium, or at such other time as the city may provide by ordinance or charter, the clerk shall notify in writing the head of each department of a city to file with the clerk within fourteen days of the receipt of such notification, detailed estimates of the probable revenue from sources other than ad valorem taxation and of all expenditures required by the department for the ensuing fiscal biennium. The notice shall be accompanied by the proper forms provided by the clerk, prepared in accordance with the requirements and classification established by the state auditor. The clerk shall prepare the estimates for interest and debt redemption requirements and all other estimates, the preparation of which falls properly within the duties of the clerk's office. The chief administrative

officers of the city shall submit to the clerk detailed estimates of all expenditures proposed to be financed from the proceeds of bonds or warrants not yet authorized, together with a statement of the proposed method of financing them. In the absence or disability of the official or person regularly in charge of a department, the duties required by this section shall devolve upon the person next in charge of such department. [1995 c 301 § 55; 1985 c 175 § 37.]

RCW 35A.34.060 Budget estimates—Classification and segregation.

All estimates of receipts and expenditures for the ensuing fiscal biennium shall be fully detailed in the biennial budget and shall be classified and segregated according to a standard classification of accounts to be adopted and prescribed by the state auditor after consultation with the Washington finance officers association, the association of Washington cities, and the association of Washington city managers. [1995 c 301 § 56; 1985 c 175 § 38.]

RCW 35A.34.070 Proposed preliminary budget.

On or before the first business day in the third month prior to the beginning of the biennium of a city or at such other time as the city may provide by ordinance or charter, the clerk or other person designated by the charter, by ordinances, or by the chief administrative officer of the city shall submit to the chief administrative officer a proposed preliminary budget which shall set forth the complete financial program of the city for the ensuing fiscal biennium, showing the expenditure program requested by each department and the sources of revenue by which each such program is proposed to be financed.

The revenue section shall set forth in comparative and tabular form for each fund the actual receipts for the last completed fiscal biennium, the estimated receipts for the current fiscal biennium, and the estimated receipts for the ensuing fiscal biennium, which shall include the amount to be raised from ad valorem taxes and unencumbered fund balances estimated to be available at the close of the current fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' revenues to reflect actual and estimated receipts as if it had previously utilized a biennial budgetary process.

The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund the actual expenditures for the last completed fiscal biennium, the appropriations for the current fiscal biennium, and the estimated expenditures for the ensuing fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' expenditures to reflect actual and estimated levels as if it had previously utilized a biennial budgetary process. The expenditure section shall further set forth separately the salary or salary range for each office, position, or job classification together with the title or position designation thereof. However, salaries may be set out in total amounts under each department if a detailed schedule of such salaries and positions be attached and made a part of the budget document. [1985 c 175 § 39.]

RCW 35A.34.080 Preliminary budget. The chief administrative officer shall prepare the preliminary budget in detail, making any revisions or additions to the reports of the department heads deemed advisable by such chief administrative officer. At least sixty days before the beginning of the city's next fiscal biennium the chief administrative officer shall file it with the clerk as the recommendation of the chief administrative officer for the final budget. The clerk shall provide a sufficient number of copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers therefor and have them available for distribution not later than six weeks before the beginning of the city's next fiscal biennium. [1985 c 175 § 40.]

RCW 35A.34.090 Budget message—Hearings. (1) In every city, a budget message prepared by or under the direction of the city's chief administrative officer shall be submitted as a part of the preliminary budget to the city's legislative body at least sixty days before the beginning of the city's next fiscal biennium and shall contain the following:

- (a) An explanation of the budget document;
- (b) An outline of the recommended financial policies and programs of the city for the ensuing fiscal biennium;
- (c) A statement of the relation of the recommended appropriation to such policies and programs;
- (d) A statement of the reason for salient changes from the previous biennium in appropriation and revenue items; and
- (e) An explanation for any recommended major changes in financial policy.

(2) Prior to the final hearing on the budget, the legislative body or a committee thereof shall schedule hearings on the budget or parts thereof, and may require the presence of department heads to give information regarding estimates and programs. [1985 c 175 § 41.]

RCW 35A.34.100 Budget—Notice of hearing. Immediately following the filing of the preliminary budget with the clerk, the clerk shall publish a notice once a week for two consecutive weeks stating that the preliminary budget for the ensuing fiscal biennium has been filed with the clerk, that a copy thereof will be made available to any taxpayer who will call at the clerk's office therefor, that the legislative body of the city will meet on or before the first Monday of the month next preceding the beginning of the ensuing fiscal biennium for the purpose of fixing the final budget, designating the date, time, and place of the legislative budget meeting, and that any taxpayer may appear thereat and be heard for or against any part of the budget. The publication of the notice shall be made in the official newspaper of the city if there is one, otherwise in a newspaper of general circulation in the city. If there is no newspaper of general circulation in the city, then notice may be made by posting in three public places fixed by ordinance as the official places for posting the city's official notices. [1985 c 175 § 42.]

RCW 35A.34.110 Budget—Hearing. The legislative body shall meet on the day fixed by RCW 35A.34.100 for the purpose of fixing the final

budget of the city at the time and place designated in the notice thereof. Any taxpayer may appear and be heard for or against any part of the budget. The hearing may be continued from day to day but not later than the twenty-fifth day prior to commencement of the city's fiscal biennium. [1985 c 175 § 43.]

RCW 35A.34.120 Budget—Adoption. Following conclusion of the hearing, and prior to the beginning of the fiscal biennium, the legislative body shall make such adjustments and changes as it deems necessary or proper and, after determining the allowance in each item, department, classification, and fund, shall by ordinance adopt the budget in its final form and content. Appropriations shall be limited to the total estimated revenues contained therein including the amount to be raised by ad valorem taxes and the unencumbered fund balances estimated to be available at the close of the current fiscal biennium. Such ordinances may adopt the final budget by reference. However, the ordinance adopting the budget shall set forth in summary form the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined.

A complete copy of the final budget as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 57; 1985 c 175 § 44.]

RCW 35A.34.130 Budget—Mid-biennial review and modification. The legislative authority of a city having adopted the provisions of this chapter shall provide by ordinance for a mid-biennial review and modification of the biennial budget. The ordinance shall provide that such review and modification shall occur no sooner than eight months after the start nor later than conclusion of the first year of the fiscal biennium. The chief administrative officer shall prepare the proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city ordinances. City ordinances providing for a mid-biennium review and modification shall establish procedures for distribution of the proposed modification to members of the city legislative authority, procedures for making copies available to the public, and shall provide for public hearings on the proposed budget modification. The budget modification shall be by ordinance approved in the same manner as are other ordinances of the city.

A complete copy of the budget modification as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 58; 1985 c 175 § 45.]

RCW 35A.34.140 Emergency expenditures—Nondebtable emergencies. Upon the happening of any emergency caused by violence of nature, casualty, riot, insurrection, war, or other unanticipated occurrence requiring the immediate preservation of order or public health, or for the property which has been damaged or destroyed by accident, or for public relief from calamity, or in settlement of approved claims for personal injuries or property damages, or to meet mandatory expenditures required by law enacted since the last budget was adopted, or to cover expenses incident to preparing for or establishing a new form of government authorized or assumed after

adoption of the current budget, including any expenses incident to selection of additional or new officials required thereby, or incident to employee recruitment at any time, the city legislative body, upon the adoption of an ordinance, by the vote of one more than the majority of all members of the legislative body, stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing. [1985 c 175 § 46.]

RCW 35A.34.150 Emergency expenditures—Other emergencies—Hearing. If a public emergency which could not reasonably have been foreseen at the time of filing the preliminary budget requires the expenditure of money not provided for in the budget, and if it is not one of the emergencies specifically enumerated in RCW 35A.34.140, the city legislative body before allowing any expenditure therefor shall adopt an ordinance stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

The ordinance shall not be voted on until five days have elapsed after its introduction, and for passage shall require the vote of one more than the majority of all members of the legislative body of the city.

Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof. [1985 c 175 § 47.]

RCW 35A.34.160 Emergency expenditures—Warrants—Payment. All expenditures for emergency purposes as provided in this chapter shall be paid by warrants from any available money in the fund properly chargeable with such expenditures. If, at any time, there is insufficient money on hand in a fund with which to pay such warrants as presented, the warrants shall be registered, bear interest, and be called in the same manner as other registered warrants as prescribed in RCW 35A.21.110. [1985 c 175 § 48.]

RCW 35A.34.170 Registered warrants—Payment. In adopting the final budget for any fiscal biennium, the legislative body shall appropriate from estimated revenue sources available, a sufficient amount to pay the principal and interest on all outstanding registered warrants issued since the adoption of the last preceding budget except those issued and identified as revenue warrants and except those for which an appropriation previously has been made. However, no portion of the revenues which are restricted in use by law may be appropriated for the redemption of warrants issued against a utility or other special purpose fund of a self-supporting nature. In addition, all or any portion of the city's outstanding registered warrants may be funded into bonds in any manner authorized by law. [1985 c 175 § 49.]

RCW 35A.34.180 Adjustment of wages, hours and conditions of employment. Notwithstanding the appropriations for any salary or salary range of any employee or employees adopted in a final budget, the legislative body of any city may, by ordinance, change the wages,

hours, and conditions of employment of any or all of its appointive employees if sufficient funds are available for appropriation to such purposes. [1985 c 175 § 50.]

RCW 35A.34.190 Forms—Accounting—Supervision by state. The state auditor is empowered to make and install the forms and classifications required by this chapter to define what expenditures are chargeable to each budget class and to establish the accounting and cost systems necessary to secure accurate budget information. [1995 c 301 § 59; 1985 c 175 § 51.]

RCW 35A.34.200 Funds—Limitations on expenditures—Transfers and adjustments. (1) The expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal biennium. Unless otherwise ordered by a court of competent jurisdiction, and subject to further limitations imposed by ordinance of the city, the expenditure of city funds or the incurring of current liabilities on behalf of the city shall be limited to the following:

(a) The total amount appropriated for each fund in the budget for the current fiscal biennium, without regard to the individual items contained therein, except that this limitation does not apply to wage adjustments authorized by RCW 35A.34.180;

(b) The unexpended appropriation balances of a preceding budget which may be carried forward from prior fiscal periods pursuant to RCW 35A.34.270;

(c) Funds received from the sale of bonds or warrants which have been duly authorized according to law;

(d) Funds received in excess of estimated revenues during the current fiscal biennium, when authorized by an ordinance amending the original budget; and

(e) Expenditures authorized by budget modification as provided by RCW 35A.34.130 and those required for emergencies, as authorized by RCW 35A.34.140 and 35A.34.150.

(2) Transfers between individual appropriations within any one fund may be made during the current fiscal biennium by order of the city's chief administrative officer subject to such regulations, if any, as may be imposed by the city legislative body. Notwithstanding the provisions of RCW 43.09.210 or of any statute to the contrary, transfers, as authorized in this section, may be made within the same fund regardless of the various offices, departments, or divisions of the city which may be affected.

(3) The city legislative body, upon a finding that it is to the best interests of the city to decrease, revoke, or recall all or any portion of the total appropriations provided for any one fund, may, by ordinance, approved by the vote of one more than the majority of all members thereof, stating the facts and findings for doing so, decrease, revoke, or recall all or any portion of an unexpended fund balance, and by said ordinance, or a subsequent ordinance adopted by a like majority, the moneys thus released may be reappropriated for another purpose or purposes, without limitation to department, division, or fund, unless the use of such moneys is otherwise restricted by law, charter, or ordinance. [1985 c 175 § 52.]

RCW 35A.34.205 Administration, oversight, or supervision of utility—Reimbursement from utility budget authorized. Whenever any code city apportions a percentage of the city manager's, administrator's, or supervisor's time, or the time of other management or general government staff, for administration, oversight, or supervision of a utility operated by the city, or to provide services to the utility, the utility budget may identify such services and budget for reimbursement of the city's current expense fund for the value of such services. [1991 c 152 § 4.]

RCW 35A.34.210 Liabilities incurred in excess of budget. Liabilities incurred by any officer or employee of the city in excess of any budget appropriations shall not be a liability of the city. The clerk shall issue no warrant and the city legislative body or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual fund, except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter. [1985 c 175 § 53.]

RCW 35A.34.220 Funds received from sales of bonds and warrants—Expenditures program—Federal tax law. Moneys received from the sale of bonds or warrants must be used for no other purpose than that for which they were issued. If any unexpended fund balance remains from the proceeds realized from the bonds or warrants after the accomplishment of the purpose for which they were issued, it must be used for the payment of principal of or interest on such indebtedness consistent with applicable provisions of federal tax law. Where a budget contains an expenditure program to be partially or wholly financed from a bond issue to be authorized thereafter, expenditures of amounts anticipated to be reimbursed from the proceeds of the issuance and sale of such bonds must be made or incurred consistent with any applicable federal tax law requirements. [2011 c 210 § 5; 1985 c 175 § 54.]

Application to previously issued bonds—2011 c 210: See note following RCW 39.46.040.

RCW 35A.34.230 Revenue estimates—Amount to be raised by ad valorem taxes. At a time fixed by the city's ordinance or city charter, not later than the first Monday in October of the second year of each fiscal biennium, the chief administrative officer shall provide the city's legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current biennium, together with estimates submitted by the clerk under RCW 35A.34.070. The city's legislative body and the city's administrative officer or the officer's designated representative shall consider the city's total anticipated financial requirements for the ensuing fiscal biennium, and the legislative body shall determine and fix by ordinance the amount to be raised the first year of the biennium by ad valorem taxes. The legislative body shall review such information as is provided by the chief administrative officer and shall adopt an ordinance establishing the amount to be raised by ad valorem taxes during the second year of the biennium. Upon adoption of

the ordinance fixing the amount of ad valorem taxes to be levied, the clerk shall certify the same to the county legislative authority as required by RCW 84.52.020. [1985 c 175 § 55.]

RCW 35A.34.240 Funds—Quarterly report of status. At such intervals as may be required by city charter or city ordinance, however, being not less than quarterly, the clerk shall submit to the city's legislative body and chief administrative officer a report showing the expenditures and liabilities against each separate budget appropriation incurred during the preceding reporting period and like information for the whole of the current fiscal biennium to the first day of the current reporting period together with the unexpended balance of each appropriation. The report shall also show the receipts from all sources. [1985 c 175 § 56.]

RCW 35A.34.250 Contingency fund—Creation. Every city may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW 35A.34.140 and 35A.34.150. Such fund may be supported by a budget appropriation from any tax or other revenue source not restricted in use by law, or also may be supported by a transfer from other unexpended or decreased funds made available by ordinance as set forth in RCW 35A.34.200. However, the total amount accumulated in such fund at any time shall not exceed the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the city at such time. Any moneys in the emergency fund at the end of the fiscal biennium shall not lapse except upon reappropriation by the council to another fund in the adoption of a subsequent budget. [1985 c 175 § 57.]

RCW 35A.34.260 Contingency fund—Withdrawals. No money shall be withdrawn from the contingency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the legislative body of the city, adopted by a majority vote of the entire legislative body, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred. [1985 c 175 § 58.]

RCW 35A.34.270 Unexpended appropriations. All appropriations in any current operating fund shall lapse at the end of each fiscal biennium. However, this shall not prevent payments in the following biennium upon uncompleted programs or improvements in progress or on orders subsequently filled or claims subsequently billed for the purchase of material, equipment, and supplies or for personal or contractual services not completed or furnished by the end of the fiscal biennium, all of which have been properly budgeted and contracted for prior to the close of such fiscal biennium, but furnished or completed in due course thereafter.

All appropriations in a special fund authorized by ordinance or by state law to be used only for the purpose or purposes therein specified, including any cumulative reserve funds lawfully established in specific or general terms for any municipal purpose or purposes, or a contingency fund as authorized by RCW 35A.34.250, shall not lapse, but shall be carried forward from biennium to biennium until fully expended or the purpose has been accomplished or abandoned, without necessity of reappropriation.

The accounts for budgetary control for each fiscal biennium shall be kept open for twenty days after the close of such fiscal biennium for the purpose of paying and recording claims for indebtedness incurred during such fiscal biennium; any claim presented after the twentieth day following the close of the fiscal biennium shall be paid from appropriations lawfully provided for the ensuing period, including those made available by provisions of this section, and shall be recorded in the accounts for the ensuing fiscal biennium. [1985 c 175 § 59.]

RCW 35A.34.280 Violations and penalties. Upon the conviction of any city official, department head, or other city employee of knowingly failing, or refusing, without just cause, to perform any duty imposed upon such officer or employee by this chapter, or city charter or city ordinance, in connection with the giving of notice, the preparing and filing of estimates of revenues or expenditures or other information required for preparing a budget report in the time and manner required, or of knowingly making expenditures in excess of budget appropriations, the official or employee shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars for each separate violation. [1985 c 175 § 60.]

FINANCE COMMITTEE 4.B

**CITY OF LYNNWOOD
FINANCE COMMITTEE**

TITLE: Proposed Biennial Budget for Legislature

DEPARTMENT CONTACT: Lisa Harrison, City Council

PRESENTER:

Council President Hurst

ESTIMATED TIME:

20

SUGGESTED ACTION:

Review and discuss budget for next biennium

DEPARTMENT ATTACHMENTS

Description:
