



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference room 4, City Hall

WEDNESDAY, NOVEMBER 20, 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 [3rd Quarter 2024 Financial Report](#) - 20 minutes
Michelle Meyer, Finance Director
 4. DISCUSSION ITEM
 - 4.A [Fund 146 Policy Discussion](#) - 30 minutes
Karl Almgren, AICP, Community Planning Manager
 - 4.B [Final 2023-2024 Budget Amendment](#) - 15 minutes
Michelle Meyer, Finance Director
 5. ADJOURN

FINANCE COMMITTEE 3.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review of Sales Tax Revenues through October 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 August 2024 sales (revenues received through October 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 Oct 2024.pdf](#)



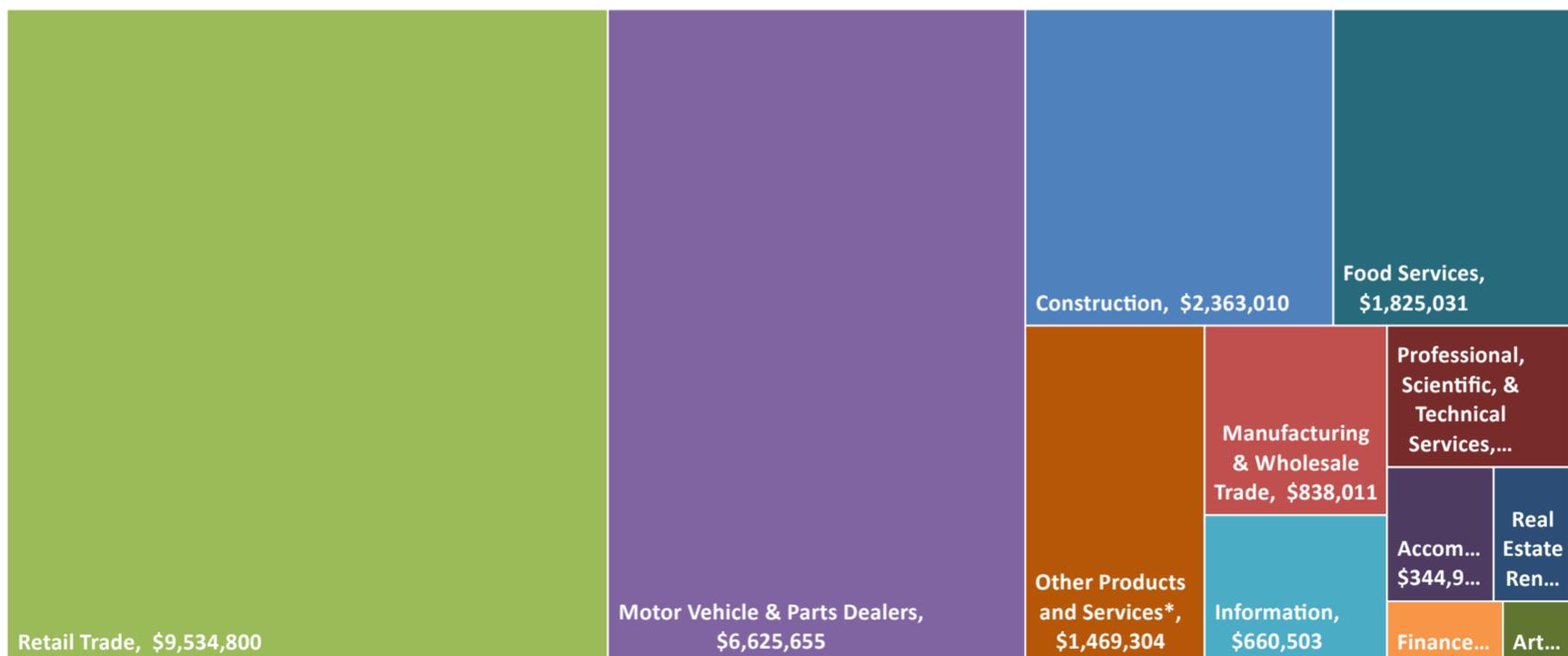
Sales Tax Analysis - Annual Summary
October 2024

Tax Categories	Jan - Oct 2021	Jan - Oct 2022	Jan - Oct 2023	Jan - Oct 2024
Construction	\$ 2,468,182	\$ 2,937,795	\$ 2,657,157	\$ 2,363,010
Manufacturing & Wholesale Trade	\$ 819,867	\$ 705,822	\$ 717,873	\$ 838,011
Retail Trade	\$ 8,645,894	\$ 9,400,231	\$ 9,888,030	\$ 9,534,800
Motor Vehicle & Parts Dealers	\$ 5,524,727	\$ 5,594,819	\$ 6,956,198	\$ 6,625,655
Information	\$ 523,963	\$ 523,986	\$ 618,930	\$ 660,503
Finance & Insurance	\$ 328,845	\$ 279,760	\$ 184,573	\$ 177,295
Real Estate Rental and Leasing	\$ 235,163	\$ 256,480	\$ 245,605	\$ 251,775
Professional, Scientific, & Technical Services	\$ 680,471	\$ 475,901	\$ 570,076	\$ 629,036
Arts, Entertainment, & Recreation	\$ 81,633	\$ 96,683	\$ 120,295	\$ 104,517
Accommodation	\$ 194,731	\$ 312,904	\$ 320,803	\$ 344,970
Food Services	\$ 1,338,751	\$ 1,508,789	\$ 1,777,090	\$ 1,825,031
Other Products and Services*	\$ 1,246,605	\$ 1,491,008	\$ 1,498,926	\$ 1,469,304
Total Sales Tax Collected**	\$ 22,088,832	\$ 23,584,178	\$ 25,555,556	\$ 24,823,908
Budgeted Sales Tax Collections	\$ 24,453,852	\$ 24,744,533	\$ 30,180,485	\$ 30,320,115
Realized Revenue as Compared to Budget	90%	95%	85%	82%

*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



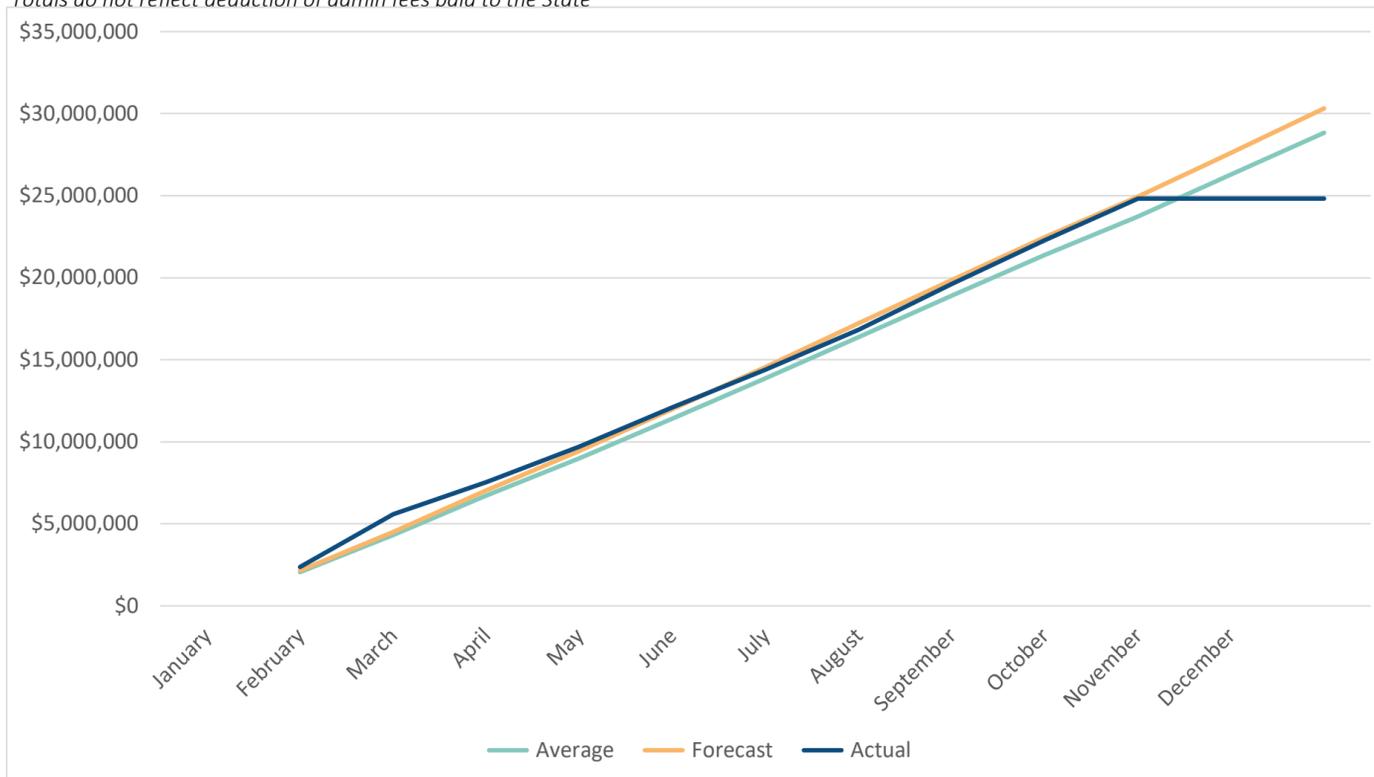


Sales Tax Analysis - Annual Summary
October 2024

	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	2,443,305	-8.01%
August	2,370,461	2,380,789	2,806,745	8.73%	2,519,332	2,646,757	2,798,530	-0.29%
September	2,348,178	2,485,667	2,636,686	8.64%	2,490,177	2,618,532	2,662,303	0.96%
October	2,191,649	2,380,789	2,500,321	8.17%	2,357,586	2,478,280	2,529,351	1.15%
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	\$ 24,823,908	
Percentage Increase(Decrease)		6.47%	4.75%					-2.86%

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

YTD change

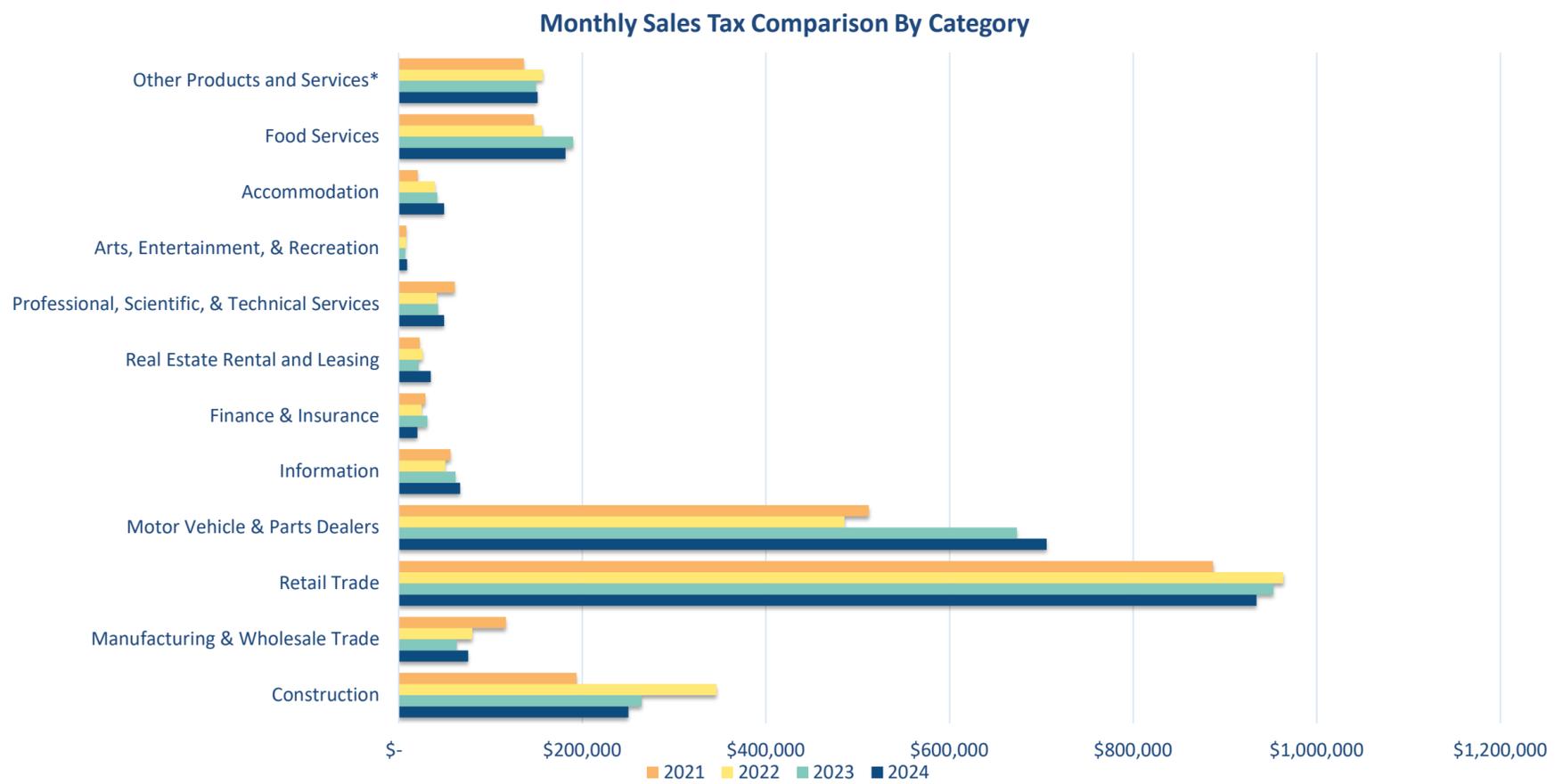




Sales Tax Analysis - Monthly Comparison
October 2024

Tax Categories	October 2021	October 2022	October 2023	October 2024	Change in Collections from Prior Year	
	\$	\$	\$	\$	\$	%
Construction	\$ 193,687	\$ 346,384	\$ 264,793	\$ 250,365	\$ (14,428)	(5.45%)
Manufacturing & Wholesale Trade	116,807	80,352	63,149	75,502	12,353	19.56%
Retail Trade	886,778	963,608	952,554	934,498	(18,056)	(1.90%)
Motor Vehicle & Parts Dealers	512,215	485,615	673,311	705,611	32,300	4.80%
Information	56,602	50,896	62,143	67,083	4,940	7.95%
Finance & Insurance	29,161	24,784	31,079	20,482	(10,597)	(34.10%)
Real Estate Rental and Leasing	22,816	26,191	21,816	34,791	12,975	59.47%
Professional, Scientific, & Technical Services	61,281	41,727	43,014	49,649	6,635	15.43%
Arts, Entertainment, & Recreation	8,183	7,938	7,158	9,337	2,179	30.44%
Accommodation	20,857	39,695	41,846	49,282	7,436	17.77%
Food Services	147,071	156,344	189,968	181,579	(8,389)	(4.42%)
Other Products and Services*	136,190	157,255	149,488	151,172	1,684	1.13%
Total Sales Tax Collected**	\$ 2,191,646	\$ 2,380,789	\$ 2,500,319	\$ 2,529,351	\$ 29,032	1.16%

*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
October 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
June	\$267,392
July	\$247,167
August	\$240,750
September	\$251,246
October	\$250,365
Grand Total	\$2,363,009



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
June	\$69,359
July	\$82,770
August	\$192,476
September	\$60,625
October	\$75,502
Grand Total	\$838,011



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
June	\$872,310
July	\$892,853
August	\$989,740
September	\$1,052,717
October	\$934,498
Grand Total	\$9,534,800



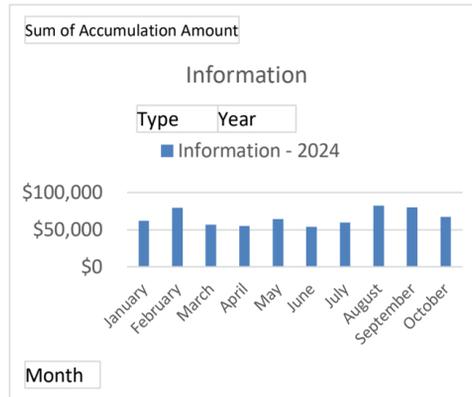
Sum of Accumulation Amount	Column Labels
Row Labels	Motor Vehicle & 2024
January	\$621,865
February	\$933,351
March	\$457,203
April	\$609,106
May	\$612,111
June	\$543,604
July	\$678,682
August	\$736,612
September	\$727,511
October	\$705,611
Grand Total	\$6,625,655



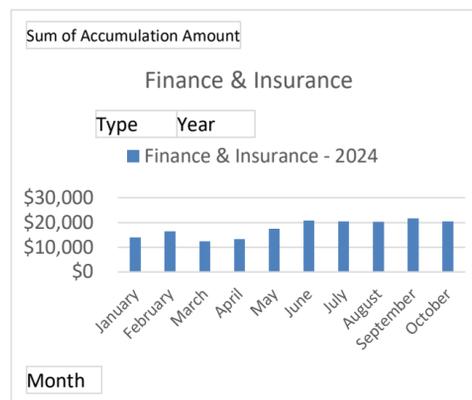


Sales Tax Analysis - Monthly Category Comparisons
October 2024

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
June	\$53,714
July	\$59,798
August	\$82,644
September	\$79,797
October	\$67,083
Grand Total	\$660,503



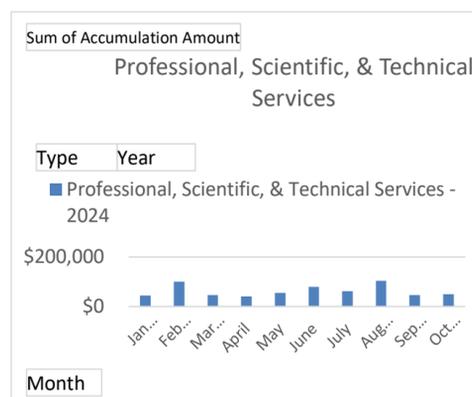
Sum of Accumulation Amount	Column Labels
Row Labels	Finance & 2024
January	\$13,981
February	\$16,449
March	\$12,451
April	\$13,332
May	\$17,394
June	\$20,852
July	\$20,504
August	\$20,191
September	\$21,659
October	\$20,482
Grand Total	\$177,295



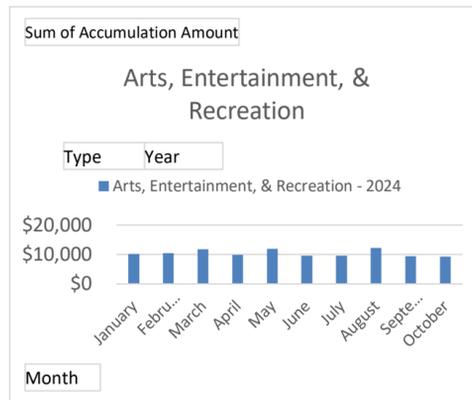
Sum of Accumulation Amount	Column Labels
Row Labels	Real Estate Rental 2024
January	\$22,268
February	\$31,194
March	\$21,684
April	\$18,397
May	\$26,310
June	\$25,942
July	\$20,480
August	\$22,221
September	\$28,488
October	\$34,791
Grand Total	\$251,775



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
June	\$80,214
July	\$61,782
August	\$104,152
September	\$47,086
October	\$49,649
Grand Total	\$629,036



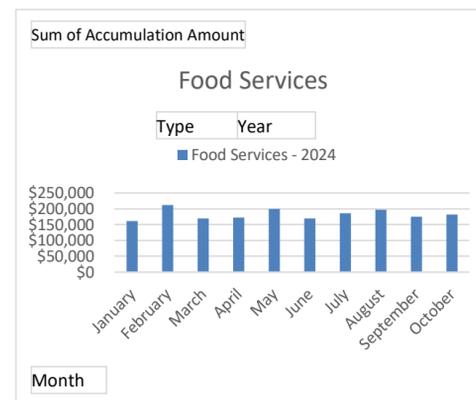
Sum of Accumulation Amount	Column Labels
Row Labels	Arts, 2024
January	\$10,231
February	\$10,417
March	\$11,822
April	\$9,846
May	\$11,980
June	\$9,615
July	\$9,528
August	\$12,255
September	\$9,487
October	\$9,337
Grand Total	\$104,517



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
June	\$28,036
July	\$33,516
August	\$45,182
September	\$51,724
October	\$49,282
Grand Total	\$344,970



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
June	\$169,712
July	\$186,325
August	\$196,483
September	\$175,615
October	\$181,579
Grand Total	\$1,825,030



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
June	\$140,337
July	\$149,901
August	\$155,825
September	\$156,349
October	\$151,172
Grand Total	\$1,469,304



FINANCE COMMITTEE 3.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 3rd Quarter 2024 Financial Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

3rd 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 21 of 24 months, which is 87.5% of the two-year period.

This is the last quarterly report that will be prepared and reviewed prior to the final budget amendment for 2024. Funds with budget amounts highlighted in yellow on the Expenditure Comparison report will be considered for budget amendments in upcoming weeks.

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

2024 2nd Quarter report reviewed at July Finance Committee meeting

DEPARTMENT ATTACHMENTS

Description:

[Quarterly Financial Report Q3 2024.pdf](#)

Summary by Fund January 01, 2023 through September 30, 2024				
Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
General Fund				
011 General Fund	\$ 14,312,752	\$ 105,888,884	\$ 107,157,396	\$ 13,044,240
Total General Fund	\$ 14,312,752	\$ 105,888,884	\$ 107,157,396	\$ 13,044,240
Other General Government				
020 Econ Dev Infrastructure	\$ 9,505,195	\$ 278,494	\$ 7,046,000	\$ 2,737,689
098 Revenue Stabilization	6,000,000	-	-	6,000,000
101 Lodging Tax	871,061	1,623,408	1,486,217	1,008,252
104 Drug Enforcement	269,806	55,637	77,801	247,642
105 Criminal Justice	2,200,984	3,276,570	1,474,240	4,003,314
110 Transportation Impact Fee	1,480,117	2,261,536	2,065,153	1,676,500
111 Street Operating	291,760	4,927,022	5,389,771	(170,989)
114 Cumulative Park Reserve	123,091	37,173	16,197	144,067
116 Cumulative Art Reserve	511,747	18,320	186,873	343,194
119 Aid Car Reserve	17,033	-	17,033	-
121 Tree Reserve	351,646	39,982	84,363	307,265
128 Paths & Trails	8,852	-	8,756	96
131 American Rescue Plan Act	-	6,738,716	6,740,094	(1,378)
144 Solid Waste Management	94,874	100,972	90,906	104,940
146 Affordable Housing	508,149	330,695	-	838,844
147 Opioid Settlement	123,435	1,026,505	-	1,149,940
150 Transportation Benefit District	2,940,398	8,240,284	7,327,412	3,853,270
180 Park Impact Fee	2,861,542	2,977,495	947,239	4,891,798
Total Other General Government Funds	\$ 28,159,690	\$ 31,932,809	\$ 32,958,055	\$ 27,134,444
Debt Service				
203 General Govt Debt Service	\$ 1,021,568	\$ 6,179,141	\$ 5,322,640	\$ 1,878,069
223 Rec Center 2012 LTGO	112,502	21,207,600	20,694,328	625,774
Total Debt Service Funds	\$ 1,134,070	\$ 27,386,741	\$ 26,016,968	\$ 2,503,843
Capital Funds				
330 REET 2	\$ 2,113,442	\$ 1,775,760	\$ 3,030,083	\$ 859,119
331 REET 1	2,582,176	1,816,977	1,330,589	3,068,564
332 HRDW/SFTW	6,519	-	6,519	-
333 Capital Development	1,421,411	49,562	233,225	1,237,748
357 Other Government Capital	396,319	220,273	619,238	(2,646)
360 Transportation Capital	1,447,156	24,626,133	19,000,472	7,072,817
370 Facilities Capital	487,395	892,922	797,441	582,876
380 Parks & Recreation Capital	1,348,781	13,947,512	13,264,620	2,031,673
390 Public Safety Capital	39,772,928	15,018,593	52,827,041	1,964,480
Total Capital Funds	\$ 49,576,127	\$ 58,347,732	\$ 91,109,228	\$ 16,814,631
Enterprise Funds				
411 Utility Operations	\$ 29,363,733	\$ 56,755,209	\$ 49,758,974	\$ 36,359,968
412 Utility Capital	7,369,592	11,850,694	11,115,244	8,105,042
460 Golf Course	813,787	3,911,509	3,576,951	1,148,345
Total Enterprise Funds	\$ 37,547,112	\$ 72,517,412	\$ 64,451,169	\$ 45,613,355
Internal Service Funds				
510 Equipment Rental Reserve	\$ 4,945,144	\$ 3,458,337	\$ 2,558,908	\$ 5,844,573
511 Equipment Rental Oper	712,974	4,068,555	4,078,819	702,710
513 Lynnwood Shop Operations	74,185	241,938	245,919	70,204
515 Self Insurance	148,944	129,026	147,007	130,963
520 Technology Reserve	326,890	591,326	758,354	159,862
Total Internal Service Funds	\$ 6,208,137	\$ 8,489,182	\$ 7,789,007	\$ 6,908,312
Total for all funds	\$ 136,937,888	\$ 304,562,760	\$ 329,481,823	\$ 112,018,825

Revenue Comparison through Budget Year 2, Quarter 3					
Fund	2021 - 2022 Actual	2023 - 2024 Actual	2023-2024 Budget	% Budget	
General Fund					
011 General Fund	\$ 99,065,631	\$ 105,888,884	\$ 131,269,645	81%	
Total General Fund	\$ 99,065,631	\$ 105,888,884	\$ 131,269,645		
Other General Government					
020 Econ Dev Infrastructure	\$ 41,545	\$ 278,494	\$ 200,000	139%	
098 Revenue Stabilization	1,129,967	-	-	0%	
101 Lodging Tax	1,097,998	1,623,408	1,472,564	110%	
104 Drug Enforcement	16,877	55,637	96,000	58%	
105 Criminal Justice	2,135,056	3,276,570	2,069,942	158%	
110 Transportation Impact Fee	2,554,149	2,261,536	1,010,000	224%	
111 Street Operating	4,598,398	4,927,022	5,713,200	86%	
114 Cumulative Park Reserve	41,750	37,173	18,000	207%	
116 Cumulative Art Reserve	512,273	18,320	-	0%	
121 Tree Reserve	220,205	39,982	-	0%	
131 American Rescue Plan Act	415,572	6,738,716	8,500,000	79%	
144 Solid Waste Management	53,894	100,972	77,276	131%	
146 Affordable Housing	373,088	330,695	500,000	66%	
147 Opioid Settlement	-	1,026,505	65,000	1579%	
150 Transportation Benefit District	7,642,412	8,240,284	7,880,688	105%	
180 Park Impact Fee	5,574,919	2,977,495	3,025,000	98%	
Total Other General Government Funds	\$ 26,408,127	\$ 31,932,809	\$ 30,627,670		
Debt Service					
203 General Govt Debt Service	\$ 3,166,673	\$ 6,179,141	\$ 7,058,568	88%	
223 Rec Center 2012 LTGO	2,622,817	21,207,600	2,851,175	744%	
Total Debt Service Funds	\$ 5,789,490	\$ 27,386,741	\$ 9,909,743		
Capital Funds					
330 REET 2	\$ 2,645,516	\$ 1,775,760	\$ 1,927,000	92%	
331 REET 1	2,645,217	1,816,977	1,840,000	99%	
333 Capital Development	1,753,094	49,562	94,519	52%	
357 Other Government Capital	252,445	220,273	890,000	25%	
360 Transportation Capital	29,384,649	24,626,133	32,072,800	77%	
370 Facilities Capital	156,939	892,922	1,055,000	85%	
380 Parks & Recreation Capital	4,867,477	13,947,512	25,872,035	54%	
390 Public Safety Capital	62,014,007	15,018,593	18,040,000	83%	
Total Capital Funds	\$ 103,719,344	\$ 58,347,732	\$ 81,791,354		
Enterprise Funds					
411 Utility Operations	\$ 44,762,596	\$ 56,755,209	\$ 106,338,226	53%	
412 Utility Capital	10,150,163	11,850,694	26,840,000	44%	
460 Golf Course	3,533,245	3,911,509	3,641,394	107%	
Total Enterprise Funds	\$ 58,446,004	\$ 72,517,412	\$ 136,819,620		
Internal Service Funds					
510 Equipment Rental Reserve	\$ 3,078,706	\$ 3,458,337	\$ 3,599,272	96%	
511 Equipment Rental Oper	2,900,875	4,068,555	4,054,436	100%	
513 Lynnwood Shop Operations	213,929	241,938	334,300	72%	
515 Self Insurance	(638)	129,026	-	0%	
520 Technology Reserve	229,600	591,326	652,000	91%	
Total Internal Service Funds	\$ 6,422,472	\$ 8,489,182	\$ 8,640,008		
Total for all funds	\$ 299,851,068	\$ 304,562,760	\$ 399,058,040		

Expenditure Comparison through Budget Year 2, Quarter 3				
Fund	2021 - 2022 Actual	2023 - 2024 Actual	2023-2024 Budget	% Budget
General Fund				
011 General Fund	\$ 89,035,214	\$ 107,157,396	\$ 133,816,462	80%
Total General Fund	\$ 89,035,214	\$ 107,157,396	\$ 133,816,462	
Other General Government				
020 Econ Dev Infrastructure	\$ 1,126,103	\$ 7,046,000	\$ 7,850,000	90%
098 Revenue Stabilization	-	-	-	0%
101 Lodging Tax	1,185,311	1,486,217	1,639,875	91%
104 Drug Enforcement	36,579	77,801	135,000	58%
105 Criminal Justice	2,658,706	1,474,240	3,270,500	45%
110 Transportation Impact Fee	2,370,000	2,065,153	2,070,000	100%
111 Street Operating	4,829,901	5,389,771	6,004,898	90%
114 Cumulative Park Reserve	7,143	16,197	50,000	32%
116 Cumulative Art Reserve	18,438	186,873	450,000	42%
119 Aid Car Reserve	-	17,033	17,033	100%
121 Tree Reserve	82,028	84,363	45,000	187%
128 Paths & Trails	-	8,756	8,756	100%
131 American Rescue Plan Act	572,032	6,740,094	8,500,000	79%
144 Solid Waste Management	40,162	90,906	77,276	118%
146 Affordable Housing	-	-	-	0%
147 Opioid Settlement	-	-	-	0%
150 Transportation Benefit District	8,679,019	7,327,412	10,820,000	68%
180 Park Impact Fee	897,951	947,239	4,935,014	19%
Total Other General Government Funds	\$ 22,503,373	\$ 32,958,055	\$ 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	\$ 3,859,330	\$ 3,030,083	\$ 4,040,000	75%
331 REET 1	2,343,142	1,330,589	3,650,000	36%
333 Capital Development	989,509	233,225	1,515,000	15%
357 Other Government Capital	367,778	619,238	1,285,000	48%
360 Transportation Capital	31,541,089	19,000,472	32,072,800	59%
370 Facilities Capital	1,993,712	797,441	1,000,000	80%
380 Parks & Recreation Capital	5,722,268	13,264,620	26,033,426	51%
390 Public Safety Capital	22,857,510	52,827,041	55,589,088	95%
Total Capital Funds	\$ 69,674,338	\$ 91,109,228	\$ 125,191,833	
Enterprise Funds				
411 Utility Operations	\$ 44,217,960	\$ 49,758,974	\$ 75,060,602	66%
412 Utility Capital	14,864,641	11,115,244	28,695,000	39%
419 2010 Utility System Bonds	255,295	-	-	0%
460 Golf Course	2,906,898	3,576,951	3,598,047	99%
Total Enterprise Funds	\$ 62,244,794	\$ 64,451,169	\$ 107,353,649	
Internal Service Funds				
510 Equipment Rental Reserve	\$ 3,189,111	\$ 2,558,908	\$ 3,599,272	71%
511 Equipment Rental Oper	2,961,241	4,078,819	4,064,259	100%
513 Lynnwood Shop Operations	250,421	245,919	356,500	69%
515 Self Insurance	12,305	147,007	101,900	144%
520 Technology Reserve	78,184	758,354	784,000	97%
Total Internal Service Funds	\$ 6,491,262	\$ 7,789,007	\$ 8,905,931	
Total for all funds	\$ 253,855,653	\$ 329,481,823	\$ 432,182,515	

Cash and Investments as of September 30, 2024

	As of September 30, 2024	
Cash in Bank	\$	13,453,426
Cash on Hand		9,265
Total Cash	\$	13,462,691
WA State Local Government Investment Pool	\$	23,807,292
Snohomish County Investment Pool		10,636,019
US Bank Investments (Principal Cost)	.	
Total Investments	\$	34,443,311
Total Cash & Investments	\$	47,906,002
US Bank Investment Activity		
PAR Value at June 30 , 2024	\$	32,910,000
Purchases (Sales)		4,440,000
PAR Value at September 30 ,2024	\$	37,350,000
Market Value at September 30, 2024	\$	35,660,489
Earnings for Quarter Ending September, 2024	\$	89,146

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

Development & Business Services	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 2,355,029	\$ 2,775,870	\$ 2,986,734	\$ 2,518,498	\$ 7,218,256	76%
Personnel Benefits	893,614	1,068,543	1,092,016	893,121	2,639,655	75%
Supplies	40,184	53,929	33,595	39,265	122,810	59%
Services & Charges	1,152,108	1,331,339	1,292,026	825,328	4,021,743	53%
Intergovernmental	-	-	5,057	5,531	88,000	12%
Total	\$ 4,440,935	\$ 5,229,681	\$ 5,409,428	\$ 4,281,743	\$ 14,090,464	69%

Executive	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 580,883	\$ 839,891	\$ 976,170	\$ 784,418	\$ 2,061,000	85%
Personnel Benefits	200,516	228,530	333,559	276,413	702,500	87%
Supplies	5,153	12,927	13,088	11,571	32,950	75%
Services & Charges	236,820	316,270	473,317	365,481	843,754	99%
Total	\$ 1,023,372	\$ 1,397,618	\$ 1,796,134	\$ 1,437,883	\$ 3,640,204	89%

Finance	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 2,167,371	\$ 2,122,151	\$ 1,996,075	\$ 1,596,292	\$ 4,459,000	81%
Personnel Benefits	898,565	818,151	769,442	577,260	1,833,300	73%
Supplies	9,487	12,264	25,468	13,854	16,400	240%
Services & Charges	610,332	580,972	556,008	506,909	1,080,300	98%
Intergovernmental	-	-	-	-	-	-
Total	\$ 3,685,755	\$ 3,533,538	\$ 3,346,993	\$ 2,694,315	\$ 7,389,000	82%

Fire	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Personnel Benefits	-	-	-	-	-	-
Supplies	2,971	252	21	156	14,700	1%
Services & Charges	18,235	19,481	16,822	11,993	47,700	60%
Intergovernmental	935,217	935,117	1,367,483	-	2,625,500	52%
Total	\$ 956,423	\$ 954,850	\$ 1,384,326	\$ 12,149	\$ 2,687,900	52%

Human Resources	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 542,067	\$ 577,032	\$ 588,191	\$ 481,411	\$ 1,290,600	83%
Personnel Benefits	197,328	197,920	186,947	154,222	418,400	82%
Supplies	12,523	6,999	40,955	52,739	35,300	265%
Services & Charges	136,870	123,277	116,543	157,340	488,282	56%
Intergovernmental	-	-	-	-	-	-
Total	\$ 888,788	\$ 905,228	\$ 932,636	\$ 845,712	\$ 2,232,582	80%

Information Technology	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 1,278,481	\$ 1,307,505	\$ 1,499,469	\$ 1,205,400	\$ 3,008,015	90%
Personnel Benefits	518,885	502,480	555,856	434,435	1,096,153	90%
Supplies	27,285	105,907	53,342	21,182	142,050	52%
Services & Charges	668,704	565,240	600,735	595,341	1,523,532	79%
Intergovernmental	-	-	-	-	-	-
Total	\$ 2,493,355	\$ 2,481,132	\$ 2,709,402	\$ 2,256,358	\$ 5,769,750	86%

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	1,031,445	2,728,700	89%
Intergovernmental	-	-	-	-	-	-
Total	\$ 1,375,024	\$ 1,417,390	\$ 1,391,591	\$ 1,031,445	\$ 2,728,700	89%

Legislative	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 189,990	\$ 198,167	\$ 202,997	\$ 148,970	\$ 406,800	87%
Personnel Benefits	158,051	170,274	176,669	119,876	357,800	83%
Supplies	2,404	2,267	2,972	1,287	19,500	22%
Services & Charges	54,223	57,661	88,950	71,027	268,915	59%
Intergovernmental	-	-	-	-	-	-
Total	\$ 404,668	\$ 428,369	\$ 471,588	\$ 341,160	\$ 1,053,015	77%

Municipal Court	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 755,803	\$ 965,902	\$ 1,032,434	\$ 832,225	\$ 2,533,257	74%
Personnel Benefits	348,156	574,252	382,900	310,716	959,897	72%
Supplies	15,258	13,172	17,157	5,446	64,056	35%
Services & Charges	231,137	248,508	317,970	262,498	644,754	90%
Intergovernmental	-	-	-	-	-	-
Total	\$ 1,350,354	\$ 1,801,834	\$ 1,750,461	\$ 1,410,885	\$ 4,201,964	75%

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	456,329	1,300,000	79%
Intergovernmental	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers-out	5,004,515	3,832,773	5,326,000	3,541,612	10,048,150	88%
Total	\$ 5,157,841	\$ 3,942,202	\$ 5,896,578	\$ 3,997,941	\$ 11,348,150	87%

Parks, Recreation, & Cultural Arts	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 3,995,958	\$ 4,628,948	\$ 5,264,845	\$ 4,252,117	\$ 10,996,163	87%
Personnel Benefits	1,544,102	1,641,747	1,825,860	1,374,291	3,821,573	84%
Supplies	247,415	463,932	476,849	388,090	797,716	108%
Services & Charges	1,185,594	1,519,845	1,637,588	1,379,094	3,936,081	77%
Intergovernmental	-	14,359	8,541	70,113	-	-
Capital Outlay	-	57,709	23,715	-	15,980	148%
Total	\$ 6,973,069	\$ 8,326,540	\$ 9,237,398	\$ 7,463,705	\$ 19,567,513	85%

Police	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 11,162,077	\$ 12,310,189	\$ 12,863,192	\$ 10,274,331	\$ 30,025,894	77%
Personnel Benefits	3,971,850	4,130,303	4,442,302	3,769,548	10,410,954	79%
Supplies	369,174	644,831	525,404	432,823	1,700,918	56%
Services & Charges	2,301,748	2,840,405	2,914,133	1,986,422	6,073,053	81%
Intergovernmental	1,426,667	2,293,153	2,819,679	1,596,733	4,060,646	109%
Total	\$ 19,231,516	\$ 22,218,881	\$ 23,564,710	\$ 18,059,857	\$ 52,271,465	80%

Public Works - General Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 1,478,329	\$ 1,600,069	\$ 1,558,685	\$ 1,006,266	\$ 3,068,300	84%
Personnel Benefits	613,786	608,904	587,824	374,194	1,123,200	86%
Supplies	73,506	92,302	114,343	91,561	192,150	107%
Services & Charges	875,915	989,643	895,735	804,391	2,454,105	69%
Intergovernmental	-	-	-	-	-	-
Total	\$ 3,041,536	\$ 3,290,918	\$ 3,156,587	\$ 2,276,412	\$ 6,837,755	79%

Public Works - Street Operating Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 845,162	\$ 972,227	\$ 952,496	\$ 752,057	\$ 2,482,600	69%
Personnel Benefits	362,898	410,789	382,615	298,791	780,900	87%
Supplies	456,526	815,114	857,085	267,413	1,023,350	110%
Services & Charges	890,113	782,031	1,019,127	815,004	1,668,048	110%
Intergovernmental	-	-	-	-	-	-
Capital Outlay	21,710	62,447	10,048	35,136	50,000	90%
Total	\$ 2,576,409	\$ 3,042,608	\$ 3,221,371	\$ 2,168,401	\$ 6,004,898	90%

Public Works - Utility Operations Fund	Actuals				Budget	
	2021	2022	2023	2024	2023-2024	%
Salaries & Wages	\$ 3,968,882	\$ 4,406,716	\$ 4,711,005	\$ 3,776,662	\$ 10,044,360	85%
Personnel Benefits	1,539,862	1,651,089	1,809,003	1,401,636	3,662,549	88%
Supplies	3,501,351	4,014,538	4,440,104	2,875,801	8,947,361	82%
Services & Charges	11,551,917	7,609,956	10,739,979	7,058,004	18,624,556	96%
Intergovernmental	148,180	25,884	87,406	11,906	120,000	83%
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	\$ 15,083,483	\$ 48,220,602	79%

General Fund
Year-to-date Summary as of September 30, 2024

Fund	2021	2022	2023	2024	2023-2024 Budget	% Budget
BEGINNING FUND BALANCE	\$ 4,124,787	\$ 8,981,243	\$ 13,590,075	\$ 13,251,830	\$ 14,312,752	
Revenues and Other Sources						
OPERATING REVENUES						
Taxes	\$ 37,681,890	\$ 40,873,774	\$ 42,170,624	\$ 29,512,814	\$ 84,308,200	85%
Licenses & Permits	5,504,095	5,511,479	4,277,859	3,402,879	11,607,700	66%
Intergovernmental Revenue	1,365,227	1,510,074	1,562,217	1,402,528	4,040,002	73%
Charges for Services	5,880,138	6,042,973	6,938,436	5,631,321	16,639,110	76%
Fines & Forfeitures	4,895,690	5,817,008	4,222,113	4,166,015	12,750,000	66%
Investment Interest	27,772	206,487	278,581	187,274	101,000	461%
Other Revenue	523,118	570,634	1,238,798	873,248	1,133,400	186%
TOTAL REVENUES	\$ 55,877,930	\$ 60,532,429	\$ 60,688,628	\$ 45,176,079	\$ 130,579,412	81%
OTHER FINANCING SOURCES						
Other Financing Sources	\$ 1,160	\$ 4,584	\$ 3,928	\$ 3,216	\$ 273,200	3%
Transfers-in	-	-	17,033	-	417,033	4%
TOTAL OTHER FINANCING SOURCES	1,160	4,584	20,961	3,216	690,233	4%
TOTAL REVENUES & OTHER SOURCES	\$ 55,879,090	\$ 60,537,013	\$ 60,709,589	\$ 45,179,295	\$ 131,269,645	81%
Expenditures and Other Uses						
OPERATING EXPENDITURES						
Salaries & Wages	\$ 24,653,342	\$ 27,397,861	\$ 28,968,796	\$ 23,099,927	\$ 65,067,285	80%
Personnel Benefits	9,350,821	9,946,260	10,353,374	8,284,075	23,361,432	80%
Supplies	805,361	1,440,918	1,303,192	1,057,974	3,138,550	75%
Services & Charges	8,758,298	9,865,697	10,778,220	8,453,597	25,389,719	76%
Intergovernmental	2,361,884	3,242,629	4,200,761	1,672,377	6,774,146	87%
TOTAL OPERATING EXPENDITURES	\$ 45,929,706	\$ 51,893,365	\$ 55,604,343	\$ 42,567,950	\$ 123,731,132	79%
OTHER FINANCING USES						
Capital Outlay	\$ 87,807	\$ 201,443	\$ 117,491	\$ -	\$ 35,980	327%
Debt Service	606	600	-	-	1,200	0%
Transfers-out	5,004,515	3,832,773	5,326,000	3,541,612	10,048,150	88%
TOTAL OTHER FINANCING USES	\$ 5,092,928	\$ 4,034,816	\$ 5,443,491	\$ 3,541,612	\$ 10,085,330	89%
TOTAL EXPENDITURES & OTHER USES	\$ 51,022,634	\$ 55,928,181	\$ 61,047,834	\$ 46,109,562	\$ 133,816,462	80%

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	\$ 10,811,118	\$ 9,568,689	
General Fund	8,981,243	13,590,075	13,251,830	12,321,563	11,765,935	
Stabilization Fund	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	
Economic Development Infrastructure Fund	9,925,879	9,925,879	2,436,047	2,486,835	1,855,195	
RESERVE EXCESS (DEFICIT)	\$ 4,274,990	\$ 9,423,893	\$ 9,683,141	\$ 7,510,445	\$ 8,197,246	

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Fund 146 Policy Discussion

DEPARTMENT CONTACT: Karl Almgren, Development and Business Services

SUMMARY:

This item continues a discussion on development of an expenditure policy for Fund 146.

PRESENTER:

Karl Almgren, AICP, Community Planning Manager

ESTIMATED TIME:

30

BACKGROUND:

Attached to this agenda sheet is a brief staff memo.

SUGGESTED ACTION:

Hold discussion on policy development for fund expenditure.

PREVIOUS COUNCIL ACTIONS:

On November 4, 2024, City Council held a discussion on parameters of a fund expenditure policy.

On October 23, 2024, Finance Committee held a discussion on Fund 146.

On May 26, 2020, City Council passed Ordinance No. 3357 authorizing and imposing a sales and use tax for affordable and supportive housing as provided by Substitute House Bill (SHB) 1406.

DEPARTMENT ATTACHMENTS

Description:

[Fund 146 Staff Memo.pdf](#)

**Discussion:
Fund 1406 Expenditure Policy
Staff Report**

Staff Contact: Karl Almgren, AICP, Community Planning Manager

Summary

On November 4, 2024, Council President Hurst introduced possible parameters to develop a policy on expending the fund. City Council identified a range of preferences including:

Programmatic Services:

- Rental assistance based on hardship
- Rental assistance for seniors
- Rental assistance for manufactured home residents
- Focus on Lynnwood Residents

Affordable Housing Supply:

- Project development
- Funding to reduce fees and permitting
- Matching funds to leverage other funding
- Geographic based incentives / areas

Other discussion items included:

- Building consensus for the purpose and priority for the funds
- Experience / efforts in other cities
- Criteria for eligibility
- Priority populations
- Management lessons learned from ARPA
- Management and administration options
- Outcomes and metrics

This memo provides feedback on the administration of an expenditure policy based on the Council's discussion.

Housing Action Plan:***Goals:***

1. Produce housing that meets the needs of the community.
2. Preserve existing housing that is affordable and safe so that people can stay in Lynnwood.
3. Partner with housing educators, providers, and other groups to find equitable housing solutions and remove systemic barriers.
4. Prepare for continued growth and increase the quality of life in Lynnwood.

Strategies:

1. Continue promoting housing in the Regional Growth Center (Alderwood and City Center) and along major transportation corridors.
2. Update regulations, design standards, and subarea plans to be more flexible and responsive to changing conditions.
3. Strategically rezone areas to increase and diversify Lynnwood's housing options.
4. Revise the Multifamily Tax Exemption (MFTE) program.

5. Partner with housing providers.
6. Support third-party purchases of existing affordable housing to keep units affordable.
7. Work with faith-based and nonprofit organizations.
8. Develop a rental registry program.
9. Encourage amenities that enhance quality of life.
10. Continue community conversations about housing.

Programmatic Services:

The Lynnwood Housing Action Plan (HAP) did not identify rental housing assistance as a strategy. The HAP included a Housing Needs Assessment which identifies several findings that demonstrated that housing supply needs to increase and provide more variety in housing typologies.

Rental Assistance programs can provide direct benefits to individuals experiencing financial constraints. There are several factors to consider with using Fund 1406 for Rental Assistance:

Qualifications:

- **Hardship:** There is a large variety of hardships that exist ranging from rent increases, changes in health, unemployment, change of marital status, medical costs, among many more. Council should consider if there is a specific hardship criterion for rental assistance.
- **Seniors:** The defined age is a clear and objective qualification, but Council could consider additional hardship requirements in addition to age.
- **Manufactured Home Residents:** The defined housing characteristic of a manufactured housing is a clear and objective qualification, but Council could consider additional hardship requirements. Additionally, since manufactured housing is typically ownership-based housing, Council could consider additional criterion.
- **Lynnwood Residents:** Fund 1406 could identify the qualification that the funds only be provide for those that currently live in Lynnwood. However, should consideration be given to those who had to move out of Lynnwood and are trying to return?

Frequency:

- The need for rental assistance can be a result of ongoing difficulties that are not resolved through one time relief. A rental assistance program must consider how often rental assistance may be granted to individuals or households.

Lessons from ARPA:

- **Audit Risk:** During expenditure approvals of ARPA Funds, the City provided funds to third parties organizations. The City's delegation of these funds did not relieve the City of the funds restrictions and accounting to meet auditing requirements. This required significant oversight by Lynnwood Staff to support the expenditures if they were able to meet the requirements.
- **Staffing:** While utilizing third party partnerships can provide more direct connections with those in need, the City still needs to have delegated staff capacity to verify these funds are being used per the Fund 1406 Expenditure Policy.

Affordable Housing Supply:

Increasing affordable housing supply is consistent with goals of the Lynnwood Housing Action Plan.

The City currently has agreements with Housing Authority of Snohomish County (HASCO) and Housing Hope to support affordable housing in City of Lynnwood. These current partnerships could be expanded upon through supporting project development with Fund 1406.

Project Development:

- The City of Lynnwood must plan for 1,939 new units of 0-30% AMI and 1,401 Permanent Supportive Housing units. These units require deep subsidies that currently most programs (Low Income Housing Tax Credit 'LIHTC') do not support. Fund 1406 could support a number of the units to be constructed to be allocated for the 0-30% AMI level.
- Fund 1406 could be used to support overall development costs to ensure a project is not delayed due to lack of funding.
- Fund 1406 paired with a Development Agreement could be used to increase affordable housing supply, including if Manufactured Home Parks were to be redeveloped.

Funding to Reduce Fees and Permitting:

- The City of Lynnwood administers Transportation and Park Impact Fees. These fees are used to ensure that growth pays for capital investments that are required to meet minimum levels of service. The fees cannot be waived and must be offset, potentially with 1406.
- The City of Lynnwood also administers Connection Fees for the wastewater system. These fees also cannot be waived and must be offset, potentially with 1406.

Matching Funds to Leverage Other Funding:

- The largest opportunity for these funds to be used is through grant matching and partnership. Using these existing funds to leverage additional grants from the State and Federal Government allows these funds to be multiplied while also improving the grant score through local matches. This can be done in combination with Project Development.

Geographic Based Incentives/Areas

- The fund could identify a specific target area for implementation. Currently the Lynnwood Multiple Unit Tax Exemption (MFTE) identifies the Lynnwood City Center as a target area. This area could be expanded. If expanded to Highway 99, Staff would recommend updating the Highway 99 Corridor Plan.

Topics of Discussion

1. Should there be a minimum fund balance for Fund 1406?
2. Should there be a maximum annual expenditure amount?
3. Additional discussion on programmatic and development based implementation.

FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Final 2023-2024 Budget Amendment

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

2024 Budget Amendment

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

15

BACKGROUND:

On December 12, 2022, the City Council passed Ordinance #3428 that adopted the 2023-2024 biennial budget. On December 11, 2023, City Council passed Ordinance 3453 amending the 2023-2024 budget through the required mid-biennial budget review process. Additional amendments are needed before the end of 2024. Amendments that have been identified to-date will be reviewed with the Finance Committee prior to presentation to the full Council at a public hearing on December 2nd, for proposed adoption on December 9th.

SUGGESTED ACTION:

Review final amendments to the 2023-2024 Budget.

PREVIOUS COUNCIL ACTIONS:

DEPARTMENT ATTACHMENTS

Description:
