



LYNNWOOD FINANCE COMMITTEE - regular Finance Committee meeting

Conference room 4, City Hall

THURSDAY, JANUARY 25, 2024 3:00 PM

-
1. CALL TO ORDER
 2. ROLL CALL
 3. FINANCIAL REPORTS
 - 3.A [Sales Tax Report](#) - 15 minutes
Michelle Meyer, Finance Director
 4. DISCUSSION ITEM
 - 4.A [2024 Finance Committee Meeting Schedule](#) - 10 minutes
Michelle Meyer, Finance Director
 - 4.B [Lynnwood Municipal Code Updates for Budget](#) - 20 minutes
Michelle Meyer, Finance Director
 - 4.C [2023 Utility Assistance Program Recap](#) - 15 minutes
Cheryl Florendo, Finance Manager
 - 4.D [2024 Chairperson](#) - 10 minutes
Michelle Meyer, Finance Director
 - 4.E [American Rescue Plan Act Update](#) - 20 minutes
Michelle Meyer, Finance Director
 5. ADJOURN

FINANCE COMMITTEE 3.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review of Sales Tax Revenues through December 2023

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

15

BACKGROUND:

The City receives Sales Tax revenue distributions on a monthly basis for sales that occurred two months prior. Detailed reports through October 2023 sales (revenues received through December 2023) will be reviewed.

SUGGESTED ACTION:

Review of Sales Tax detail

PREVIOUS COUNCIL ACTIONS:

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

DEPARTMENT ATTACHMENTS

Description:

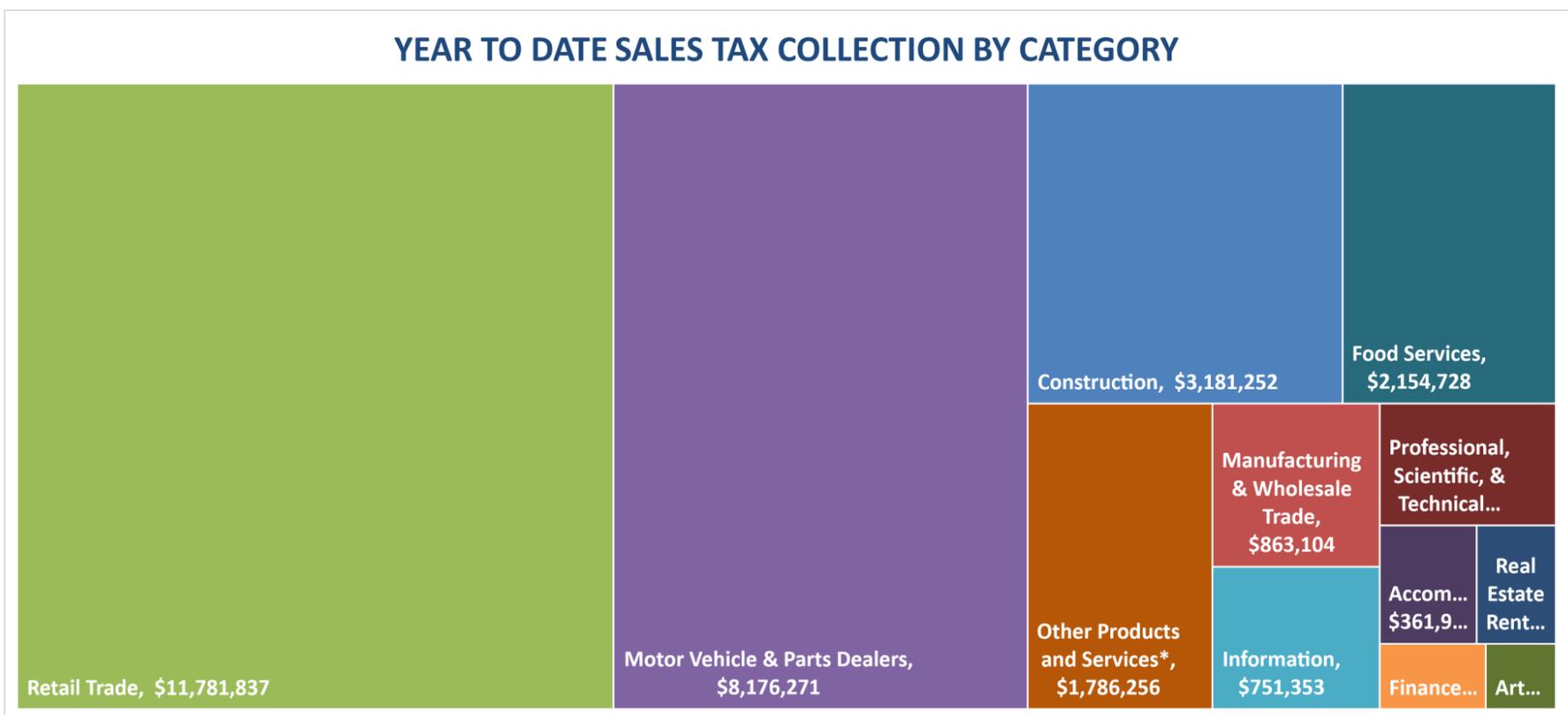
[Lynnwood Sales Tax Analysis Through Dec 2023.pdf](#)



Sales Tax Analysis - Annual Summary
December 2023

Tax Categories	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2023
Construction	\$ 1,937,961	\$ 2,978,002	\$ 3,554,278	\$ 3,181,252
Manufacturing & Wholesale Trade	889,685	1,035,747	880,216	863,104
Retail Trade	8,783,401	10,961,967	11,397,502	11,781,837
Motor Vehicle & Parts Dealers	4,965,220	6,564,098	7,079,290	8,176,271
Information	585,178	647,707	644,075	751,353
Finance & Insurance	315,931	382,758	329,117	219,226
Real Estate Rental and Leasing	246,401	282,352	316,245	295,996
Professional, Scientific, & Technical Services	612,917	780,912	570,533	677,918
Arts, Entertainment, & Recreation	58,734	104,803	121,740	144,658
Accommodation	149,938	240,149	395,302	361,902
Food Services	1,304,593	1,615,836	1,868,419	2,154,728
Other Products and Services*	1,170,968	1,508,147	1,820,521	1,786,256
Total Sales Tax Collected	\$ 21,020,927	\$ 27,102,478	\$ 28,977,238	\$ 30,394,501
Budgeted Sales Tax Collections	\$ 23,058,883	\$ 24,453,852	\$ 24,744,533	\$ 28,186,576
Realized Revenue as Compared to Budget	91%	111%	117%	108%

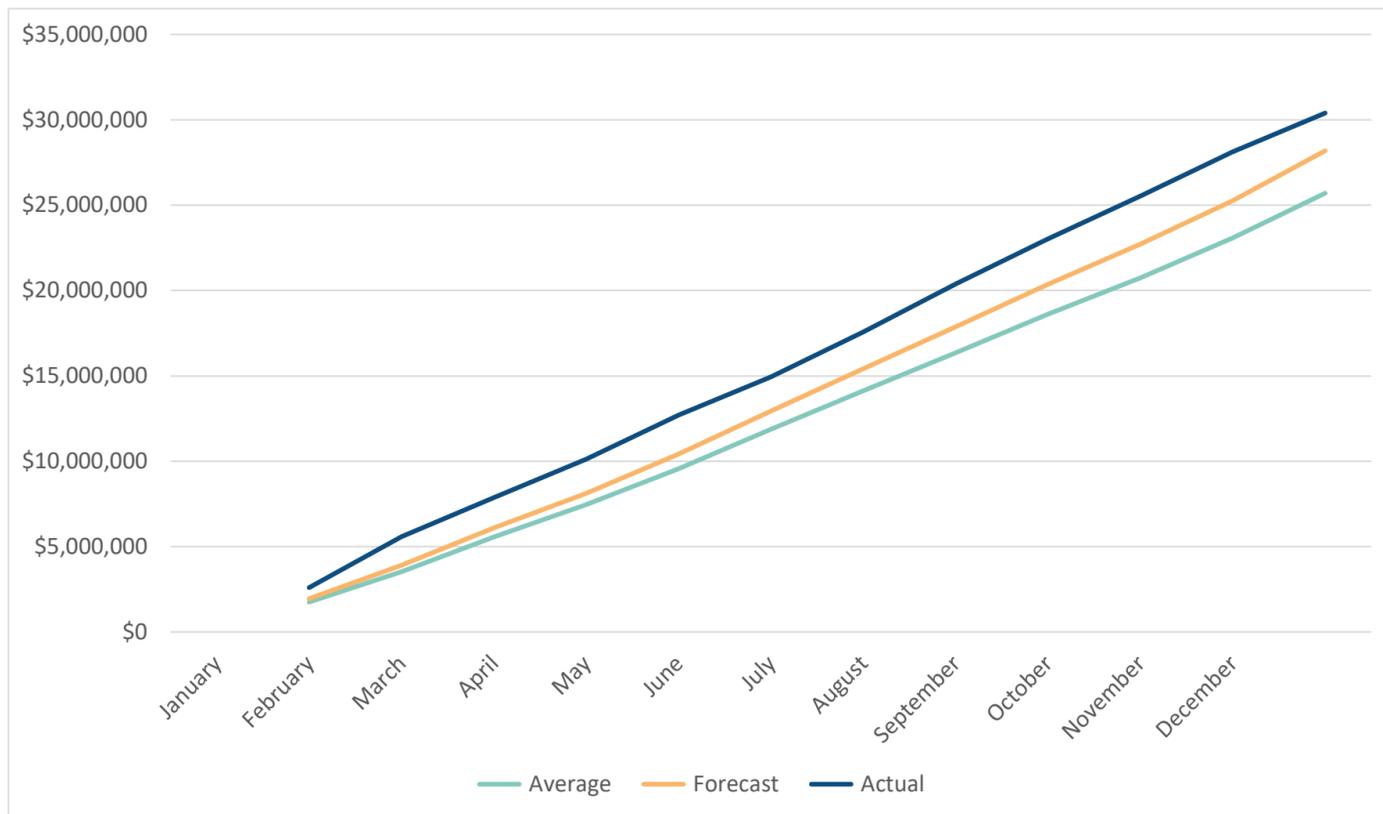
*Categories with small amounts of sales tax revenues have been combined





Sales Tax Analysis - Annual Summary
December 2023

			3-Year Average Collection 2020 - 2022		Forecast 2023	Actual 2023	% Change 2022 - 2023
	2021	2022	Rate	Amount			
January	\$ 1,673,177	\$ 1,901,554	6.91%	\$ 1,752,505	\$ 1,948,729	\$ 2,599,134	26.84%
February	1,733,822	2,074,601	6.92%	1,774,806	1,951,313	2,998,393	30.81%
March	2,355,720	2,568,509	7.77%	2,043,807	2,189,026	2,266,392	-13.33%
April	2,267,311	2,271,016	7.22%	1,895,697	2,035,803	2,250,419	-0.92%
May	2,286,659	2,404,505	8.13%	2,099,183	2,290,332	2,601,481	7.57%
June	2,456,345	2,631,081	8.92%	2,299,394	2,513,967	2,228,709	-18.05%
July	2,405,511	2,485,667	8.85%	2,267,547	2,494,207	2,638,901	5.81%
August	2,370,461	2,380,789	8.68%	2,218,906	2,445,371	2,806,745	15.18%
September	2,348,178	2,485,667	8.88%	2,269,252	2,502,243	2,636,686	5.73%
October	2,191,648	2,380,789	8.32%	2,130,082	2,344,203	2,500,321	4.78%
November	2,296,276	2,734,291	9.02%	2,318,679	2,543,213	2,583,228	-5.85%
December	2,717,371	2,658,769	10.39%	2,630,355	2,928,169	2,284,092	-16.40%
Total Sales Tax Collected	\$ 27,102,479	\$ 28,977,238			\$ 28,186,576	\$ 30,394,501	
Percentage Increase(Decrease)	22.44%	6.47%					

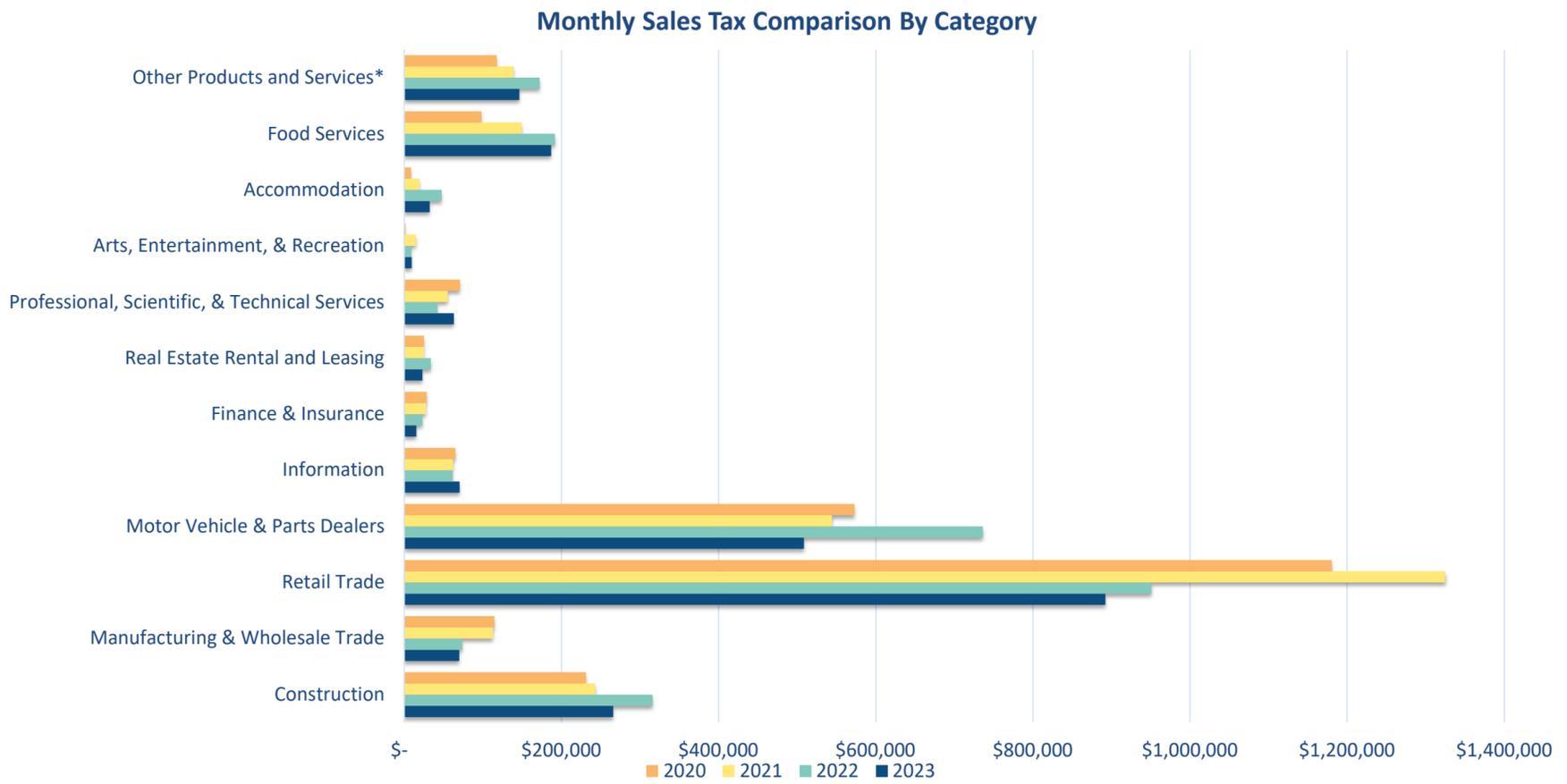




Sales Tax Analysis - Monthly Comparison
December 2023

Tax Categories	December	December	December	December	Change in Collections from Prior Year	
	2020	2021	2022	2023	\$	%
Construction	\$ 231,109	\$ 243,173	\$ 316,284	\$ 265,958	\$ (50,326)	(15.91%)
Manufacturing & Wholesale Trade	114,756	112,994	73,950	69,673	(4,277)	(5.78%)
Retail Trade	1,180,141	1,324,705	950,682	892,271	(58,411)	(6.14%)
Motor Vehicle & Parts Dealers	573,167	544,293	736,033	508,609	(227,424)	(30.90%)
Information	65,031	61,902	61,801	70,273	8,472	13.71%
Finance & Insurance	28,289	27,338	23,102	15,264	(7,838)	(33.93%)
Real Estate Rental and Leasing	25,186	25,237	33,810	23,292	(10,518)	(31.11%)
Professional, Scientific, & Technical Services	71,076	55,162	42,288	63,203	20,915	49.46%
Arts, Entertainment, & Recreation	1,774	14,741	9,141	9,693	552	6.04%
Accommodation	8,622	19,330	47,662	32,526	(15,136)	(31.76%)
Food Services	98,308	149,350	191,657	187,057	(4,600)	(2.40%)
Other Products and Services*	117,467	139,144	172,358	146,272	(26,086)	(15.13%)
Total Sales Tax Collected	\$ 2,514,926	\$ 2,717,369	\$ 2,658,768	\$ 2,284,092	\$ (374,676)	-14.09%

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



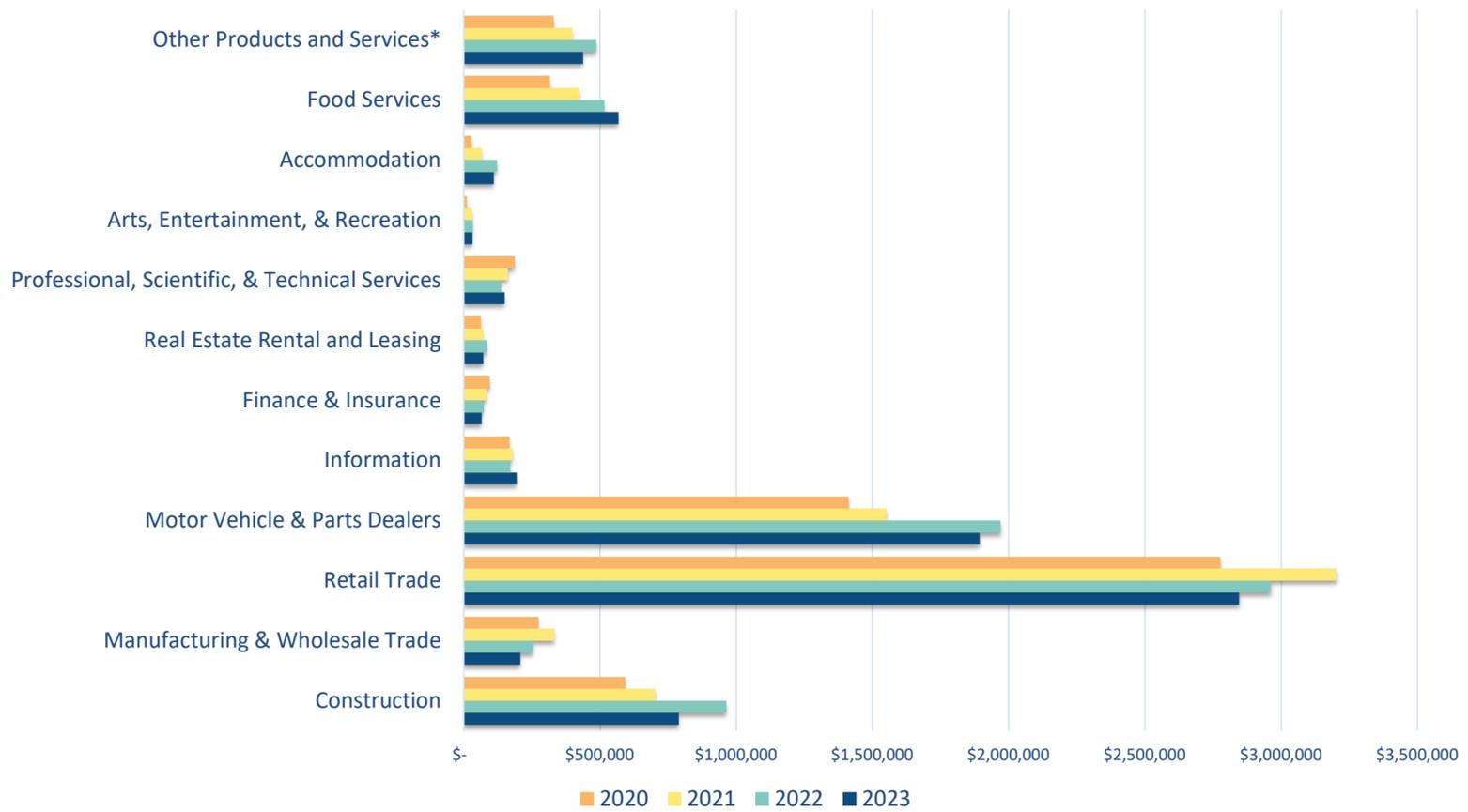


Sales Tax Analysis - Quarterly Comparison
2023 Quarter 4

Tax Categories	Quarter 4	Quarter 4	Quarter 4	Quarter 4	Change in Collections	
	2020	2021	2022	2023	\$	%
Construction	\$ 593,589	\$ 703,506	\$ 962,868	\$ 788,927	\$ (173,941)	(18.06%)
Manufacturing & Wholesale Trade	273,626	332,687	254,746	208,385	(46,361)	(18.20%)
Retail Trade	2,777,026	3,202,851	2,960,879	2,846,400	(114,479)	(3.87%)
Motor Vehicle & Parts Dealers	1,412,083	1,551,586	1,970,086	1,893,385	(76,701)	(3.89%)
Information	168,616	180,346	170,986	194,565	23,579	13.79%
Finance & Insurance	96,136	83,074	74,141	65,732	(8,409)	(11.34%)
Real Estate Rental and Leasing	63,581	70,005	85,955	72,211	(13,744)	(15.99%)
Professional, Scientific, & Technical	187,353	161,722	136,359	150,855	14,496	10.63%
Arts, Entertainment, & Recreation	10,955	31,353	32,995	31,521	(1,474)	(4.47%)
Accommodation	29,572	66,276	122,093	110,335	(11,758)	(9.63%)
Food Services	314,988	424,156	515,974	567,606	51,632	10.01%
Other Products and Services*	330,680	397,733	486,768	437,720	(49,048)	(10.08%)
Total Sales Tax Collected	\$ 6,258,205	\$ 7,205,295	\$ 7,773,850	\$ 7,367,641	\$ (406,209)	(5.23%)

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

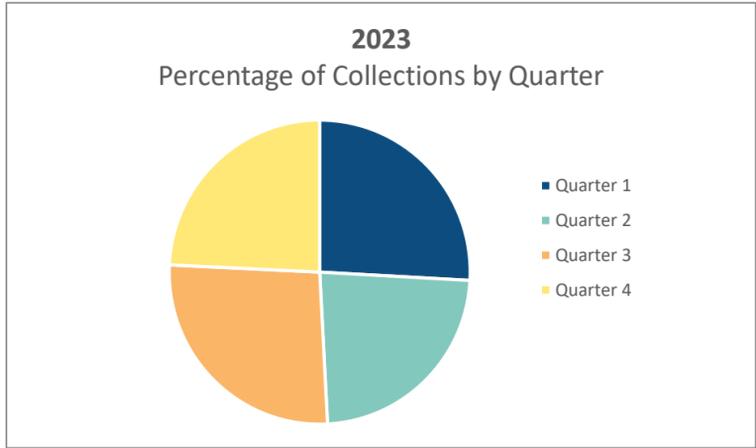
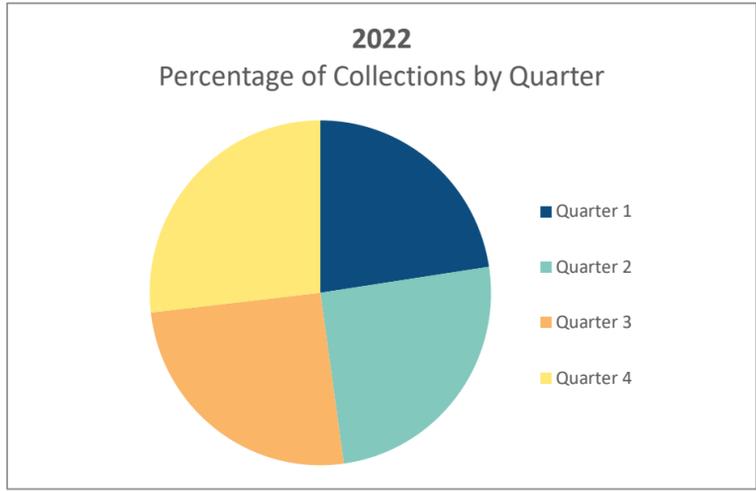
Quarterly Sales Tax Comparison By Category





Sales Tax Analysis - Quarterly Comparison
2023 Quarter 4

Total Gross Sales Tax Earned by Quarter			
	2022	2023	% Change
Quarter 1	\$ 6,544,664	\$ 7,863,920	16.78%
Quarter 2	7,306,602	7,080,609	-3.19%
Quarter 3	7,352,122	8,082,332	9.03%
Quarter 4	7,773,850	7,367,641	-5.51%
Total	\$ 28,977,238	\$ 30,394,501	





Sales Tax Analysis - Monthly Category Comparisons
December 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Construction 2023
January	\$298,823
February	\$282,011
March	\$258,701
April	\$251,360
May	\$278,625
June	\$240,185
July	\$268,449
August	\$291,474
September	\$222,698
October	\$264,793
November	\$258,175
December	\$265,958
Grand Total	\$3,181,252



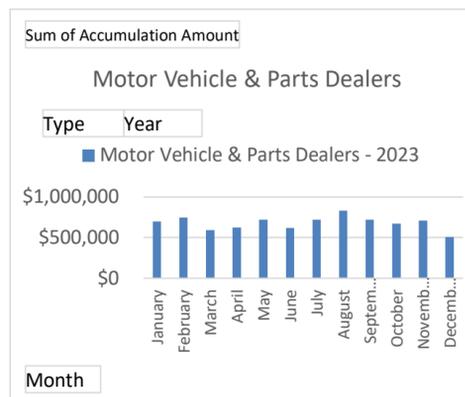
Sum of Accumulation Amount	Column Labels
Row Labels	Manufacturing & Wholesale 2023
January	\$74,558
February	\$68,755
March	\$61,594
April	\$63,894
May	\$87,808
June	\$70,002
July	\$83,080
August	\$77,545
September	\$67,482
October	\$63,149
November	\$75,562
December	\$69,673
Grand Total	\$863,104



Sum of Accumulation Amount	Column Labels
Row Labels	Retail Trade 2023
January	\$1,020,321
February	\$1,334,647
March	\$843,832
April	\$819,524
May	\$916,047
June	\$871,101
July	\$1,003,142
August	\$1,021,155
September	\$1,105,670
October	\$952,554
November	\$1,001,575
December	\$892,271
Grand Total	\$11,781,837



Sum of Accumulation Amount	Column Labels
Row Labels	Motor Vehicle & Parts Dealers 2023
January	\$700,263
February	\$746,673
March	\$594,935
April	\$627,425
May	\$721,136
June	\$619,307
July	\$719,032
August	\$830,708
September	\$723,408
October	\$673,311
November	\$711,464
December	\$508,609
Grand Total	\$8,176,271



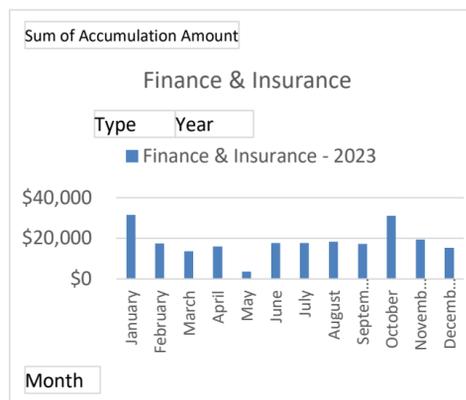


Sales Tax Analysis - Monthly Category Comparisons
December 2023

Sum of Accumulation Amount	Column Labels
Row Labels	Information 2023
January	\$52,007
February	\$76,438
March	\$65,614
April	\$63,451
May	\$111,353
June	\$5,708
July	\$56,867
August	\$63,516
September	\$61,834
October	\$62,143
November	\$62,150
December	\$70,273
Grand Total	\$751,353



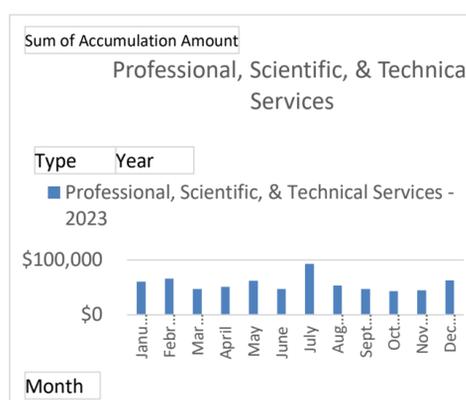
Sum of Accumulation Amount	Column Labels
Row Labels	Finance & Insurance 2023
January	\$31,442
February	\$17,551
March	\$13,731
April	\$15,918
May	\$3,701
June	\$17,796
July	\$17,751
August	\$18,285
September	\$17,318
October	\$31,079
November	\$19,389
December	\$15,264
Grand Total	\$219,226



Sum of Accumulation Amount	Column Labels
Row Labels	Real Estate Rental and Leasing 2023
January	\$24,180
February	\$28,101
March	\$26,007
April	\$23,107
May	\$25,029
June	\$21,764
July	\$24,751
August	\$26,261
September	\$24,584
October	\$21,816
November	\$27,103
December	\$23,292
Grand Total	\$295,996



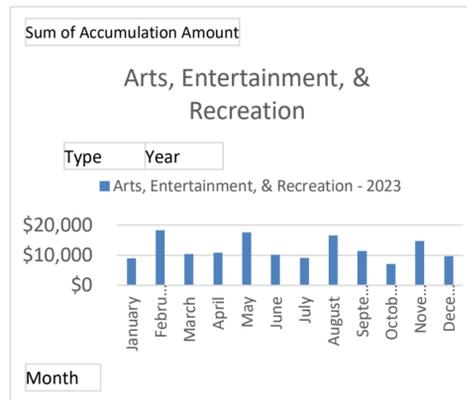
Sum of Accumulation Amount	Column Labels
Row Labels	Professional, Scientific, & 2023
January	\$60,761
February	\$65,998
March	\$46,752
April	\$50,853
May	\$62,131
June	\$47,502
July	\$92,510
August	\$53,130
September	\$47,426
October	\$43,014
November	\$44,639
December	\$63,203
Grand Total	\$677,918





Sales Tax Analysis - Monthly Category Comparisons
December 2023

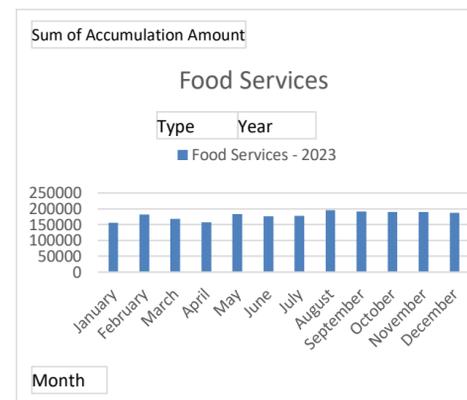
Sum of Accumulation Amount	Column Labels
Row Labels	Arts, Entertainment, & Recreation 2023
January	\$8,926
February	\$18,285
March	\$10,348
April	\$10,898
May	\$17,512
June	\$10,054
July	\$9,081
August	\$16,622
September	\$11,410
October	\$7,158
November	\$14,670
December	\$9,693
Grand Total	\$144,658



Sum of Accumulation Amount	Column Labels
Row Labels	Accommodation 2023
January	\$27,274
February	\$21,385
March	\$22,882
April	\$22,507
May	\$28,594
June	\$2,426
July	\$36,641
August	\$40,979
September	\$48,879
October	\$41,846
November	\$35,962
December	\$32,526
Grand Total	\$361,902



Sum of Accumulation Amount	Column Labels
Row Labels	Food Services 2023
January	\$155,368
February	\$181,731
March	\$168,269
April	\$157,491
May	\$183,340
June	\$175,828
July	\$177,203
August	\$196,102
September	\$191,789
October	\$189,968.36
November	\$190,580.19
December	\$187,057.21
Grand Total	\$2,154,728



Sum of Accumulation Amount	Column Labels
Row Labels	Other Products and Services 2023
January	\$145,212
February	\$156,818
March	\$153,727
April	\$143,992
May	\$166,203
June	\$147,036
July	\$150,394
August	\$170,968
September	\$114,186
October	\$149,488
November	\$141,959
December	\$146,272
Grand Total	\$1,786,256



FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2024 Finance Committee Meeting Schedule

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review 2024 Finance Committee Schedule

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

10

BACKGROUND:

Each year at the January meeting, the Finance Committee reviews the proposed meeting schedule for the year. Upon Committee approval, the proposed Resolution will be forwarded to the full Council for action.

SUGGESTED ACTION:

Review proposed schedule for 2024 Finance Committee meetings.

DEPARTMENT ATTACHMENTS

Description:

[Resolution 2024- Fin Committee 2024 Mtg Calendar.pdf](#)

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**CITY OF LYNNWOOD
RESOLUTION NO. 2024-__**

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
ADOPTING THE 2024 MEETING SCHEDULE FOR THE CITY COUNCIL
FINANCE COMMITTEE.**

WHEREAS, with the approval of Resolution 2012-01 on January 9, 2012, the City Council established City Council Finance Committee; and

WHEREAS, the City Council Rules of Procedure state that the Finance Committee shall present an ordinance or resolution to the City Council that sets their regular meeting dates/times for the year; and

WHEREAS, on January 25, 2024, the Finance Committee approved the calendar provided herein; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF LYNNWOOD DOES RESOLVE AS FOLLOWS:

Section 1. Adoption of regular meeting time, date, and location. The regular meeting schedule for the City Council Finance Committee shall be 3:30 pm on the fourth Thursday of January and February, the fourth Wednesday of March through October and the third Wednesday of November, unless otherwise stated below. As indicated on the City of Lynnwood website (www.Lynnwoodwa.gov), meetings will be held electronically and in person at Lynnwood City Hall, 19100 44th Ave W, Lynnwood, WA 98036.

Section 2. Finance Committee meeting calendar for 2024.

January 25, 2024 (fourth Thursday)	July 24, 2024 (fourth Wednesday)
February 22, 2024 (fourth Thursday)	August 2024 none - recess
March 27, 2024 (fourth Wednesday)	September 25, 2024 (fourth Wednesday)
April 24, 2024 (fourth Wednesday)	October 23, 2024 (fourth Wednesday)
May 22, 2024 (fourth Wednesday)	November 20, 2024 (third Wednesday)
June 26, 2024 (fourth Wednesday)	December 2024 none – recess

Section 3. Changes to meeting schedule authorized. The chair of the Finance Committee may authorize variation(s) to the meeting schedules specified herein, with public notice provided in accordance with applicable law.

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This Resolution shall be in full force and effect from and after its adoption and approval.

PASSED BY THE CITY COUNCIL, the 12th day of February 2024.

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APPROVED:

Christine Frizzell, Mayor

ATTEST/AUTHENTICATED:

Luke Lonie, City Clerk

FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Lynnwood Municipal Code Updates for Budget

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Discuss potential updates to LMC for Budget

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 budgeted. Additional procedures in the LMC are not required in the RCW.

Staff are working to update LMC Section 2.72 to clarify which procedures are dictated per RCW and which are not. Feedback is requested from the Finance Committee to identify the preferred level of detail to include in the LMC for procedures that are already required in detail in the RCW.

Current versions of LMC 2.72 and RCW Chapter 35A.34 are attached.

SUGGESTED ACTION:

Discuss potential LMC updates for Budget

DEPARTMENT ATTACHMENTS

Description:

[LMC 2.72 Budget.pdf](#)

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

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.
- 35A.34.100 Budget—Notice of hearing.
- 35A.34.110 Budget—Hearing.
- 35A.34.120 Budget—Adoption.
- 35A.34.130 Budget—Mid-biennial review and modification.
- 35A.34.140 Emergency expenditures—Nondebtable 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.
- 35A.34.190 Forms—Accounting—Supervision by state.
- 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.
- 35A.34.220 Funds received from sales of bonds and warrants—
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—Nondebatable 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.C

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2023 Utility Assistance Program Recap

DEPARTMENT CONTACT: Michelle Meyer, Finance

PRESENTER:

Cheryl Florendo, Finance Manager

ESTIMATED TIME:

15

BACKGROUND:

The City offers multiple utility rebate programs for low-income households. 2023 assistance will be reviewed.

SUGGESTED ACTION:

Review 2023 report

DEPARTMENT ATTACHMENTS

Description:

[2022-2023 Summary Rebate Programs.pdf](#)

**City of Lynnwood Rebate Programs
Summary of Rebates 2022-2023**

Rebate Type	2022	2023
ESD for Free/Reduced Lunch	\$ 14,453	\$ 19,907
MMU	36,251	23,901
Reserve	30,689	51,843
Rebate-Low Income and Age 61+ or Disabled	12,836	15,886
Grand Total	\$ 94,229	\$ 111,537

Number of Rebates	2022	2023
ESD for Free/Reduced Lunch	32	37
MMU	79	46
Reserve	80	26
Low Income and Age 61+ or Disabled	24	118
Grand Total	215	227

FINANCE COMMITTEE 4.D

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2024 Chairperson

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Appoint 2024 Chairperson

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

10

BACKGROUND:

Each year at the January meeting, the Finance Committee selects one member to serve as Chairperson.

SUGGESTED ACTION:

Select Finance Committee 2024 Chairperson

DEPARTMENT ATTACHMENTS

Description:

FINANCE COMMITTEE 4.E

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: American Rescue Plan Act Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review ARPA project listing

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

Update on funding status of ongoing ARPA projects through Quarter 4, 2023.

The Quarter 4 report for 2023 will be submitted to the US Department of Treasury on January 24, 2024, one day prior to this Finance Committee meeting. An updated report on project status will be provided for review at the meeting, but can not be included in the agenda packet because it is not available as of the date of packet submission.

SUGGESTED ACTION:

Review status of ARPA allocations and reimbursements through Quarter 4, 2023.

PREVIOUS COUNCIL ACTIONS:

Last Finance Committee Review was at the October 2023 meeting.
Last City Council Review was at the January 17, 2024 Work Session.

DEPARTMENT ATTACHMENTS

Description:
