



LYNNWOOD CITY COUNCIL Business Meeting
City Hall Council Chambers 19100 44th Ave W Lynnwood WA 98036
MONDAY, MARCH 23, 2026 6:00 PM

1. CALL TO ORDER
2. FLAG SALUTE
3. LAND ACKNOWLEDGEMENT
4. ROLL CALL
5. MESSAGES AND PAPERS FROM THE MAYOR
6. WRITTEN COMMUNICATIONS AND PETITIONS
7. PUBLIC COMMENTS AND COMMUNICATIONS - up to 30 minutes
8. COUNCIL COMMENTS AND ANNOUNCEMENTS
9. APPROVAL OF MINUTES
 - 9.A [Minutes Approval](#) - *5 minutes*
Darcy Kirschner, Interim City Clerk
10. UNANIMOUS CONSENT AGENDA
 - 10.A [Contract Supplement: 44th Ave W Underpass Pedestrian and Bicycle Improvements](#) - *0 minutes*
Amie Hanson, Project Manager; and David Mach, City Engineer
 - 10.B [Voucher Approval](#) - *0 minutes*
Michelle Meyer, Finance Director
11. BUSINESS ITEMS AND OTHER MATTERS
 - 11.A [Ordinance: Unified Development Code Miscellaneous Update 2](#) - *5 minutes*
Zack Spencer, Planner; Karl Almgren, AICP, Community Planning Manager
 - 11.B [Briefing: Youth Council Progress](#) - *45 minutes*
Kelly Schudde, Recreation Superintendent
 - 11.C [Briefing: 4th Quarter 2025 Financial Report](#) - *20 minutes*

Michelle Meyer, Finance Director

11.D [Briefing: Follow-Up Information: 2025-2026 Budget](#) - *20 minutes*
Michelle Meyer, Finance Director

11.E [Resolution: General Fund Minimum Fund Balance Policy Update](#) - *20 minutes*
Michelle Meyer, Finance Director

12. NEW BUSINESS

ADJOURN

CITY COUNCIL 9.A
CITY OF LYNNWOOD
CITY COUNCIL

TITLE: Minutes Approval

DEPARTMENT CONTACT: Darcy Kirschner, Executive Office

PRESENTER:

Darcy Kirschner, Interim City Clerk

ESTIMATED TIME:

5

SUGGESTED ACTION:

Approve the minutes of the February 9, 2026 City Council Business Meeting, March 2, 2026 City Council Work Session, March 9, 2026 City Council Business Meeting, and the March 16, 2026 Work Session.

DEPARTMENT ATTACHMENTS

Description:

[02-09-26 BM Minutes Draft.pdf](#)

[03-02-26 WS Minutes Draft.pdf](#)

[03-09-26 BM Minutes Draft.pdf](#)

[03-16-26 WS Minutes Draft.pdf](#)



**CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
February 9, 2026**

1. CALL TO ORDER

The meeting was called to order at 6:00 pm

2. FLAG SALUTE

3. LAND ACKNOWLEDGEMENT

4. ROLL CALL

Present:

Mayor George Hurst
Council President Nick Coelho
Council Vice President Derica Escamilla
Councilmember Robert Leutwyler
Councilmember Isabel Mata
Councilmember Bryce Owings
Councilmember David Parshall
Councilmember Chelsea Wright

City Attorney Soojin Kim

Councilmember Isabel Mata attended the meeting via Zoom.

5. MESSAGES AND PAPERS FROM THE MAYOR

6. WRITTEN COMMUNICATIONS AND PETITIONS

Written communications were provided by 2 community members.

7. PRESENTATIONS AND PROCLAMATIONS

7.A Proclamation: Lunar New Year

Councilmember Wright read the proclamation for Lunar New Year. The proclamation was received by Asian Counseling and Referral Service (ACRS) CEO Kendee Yamaguchi, Asian Service Center (ASC) Executive Director Robert Ha, Asian Service Center (ASC) Chair-Board of Directors Alison Pence, Asian Service Center (ASC) Board Member Tysen Phong Nguyen, Asian Service Center (ASC) Board Member and South County Fire Commissioner David Chan, U.S. Chinese Painting & Calligraphy Association Artist/Secretary Sylvia Hang, Dr. Koon-Yui Poon and Lynnwood Arts Commission Member Robert Gutcheck.

8. PUBLIC COMMENTS AND COMMUNICATIONS

Public Comment was given by 8 community members.

9. COUNCIL COMMENTS AND ANNOUNCEMENTS

10. APPROVAL OF MINUTES

Moved by Council President Coelho to approve the minutes of the January 5, 2026 City Council Work Session, January 12, 2026 City Council Business Meeting, January 20, 2026 City Council Work Session, January 26, 2026 City Council Business Meeting and the February 2, 2026 City Council Work Session. The motion passed unanimously.

11. UNANIMOUS CONSENT AGENDA

The following items were approved by Unanimous Consent:

11.A Voucher Approval

Approve claims in the amount of \$4,934,055.20 for the period of 1/19/26 through 2/1/26.

Approve payroll in the amount of \$1,749,666.80 dated 1/23/26.

11.B Contract Award - ITB 4038: Street Sweeper and Catch Basin Debris Disposal & Material Hauling Services

Approve the request to enter contract with Interwest Construction for Debris & Material Hauling services with a not-to-exceed annual value of \$150,000.00

12. BUSINESS ITEMS AND OTHER MATTERS

12.A ILA for Embedded Community Health Worker Services with South Snohomish County Fire

South County Fire Captain Keith Sharp and Police Chief Cole Langdon briefed the council on the proposed ILA for Embedded Community Health Worker Services with South Snohomish County Fire.

Moved by Council President Coelho to approve the ILA for Embedded Community Health Worker Services with South Snohomish County Fire.

Voting For: Bryce Owings, Derica Escamilla, Robert Leutwyler, Isabel Mata, David Parshall, Nick Coelho, Chelsea Wright

Voting Against: None

Motion Passed: 7-0

12.B Discussion: 2026 Liaison Elected Positions

Moved by Council President Coelho to appoint Chelsea Wright to the Snohomish County 911 Board. The motion passed unanimously.

13. NEW BUSINESS

Moved by Council President Coelho to amend the motion adopted January 12th, 2026 to revise the Lynnwood City Council Annual Summit Meeting start time from 9 am to 4 pm to 8 am to 5 pm. The motion passed unanimously.

Moved by Council President Coelho to authorize and enter into and execute on behalf of the city a contract with Perteet Inc for design services related to the 38th Ave W and 194th St SW Ring Road project in an amount not to exceed a total contract value of \$1,917,460.00. The motion passed unanimously.

The council took a 10-minute break at 7:29 pm.

14. EXECUTIVE SESSION

14.A Executive Session Pursuant to RCW 42.30.110(1)(C) to discuss a potential real estate transaction for a period of 30 minutes

The Council moved into Executive Session at 7:39 pm. The Council concluded the Executive Session at 8:09 pm.

14.B Executive Session Pursuant to RCW 42.30.110(i) to discuss agency litigation or potential litigation with legal council for a period of 10 minutes

The Council moved into Executive Session at 8:10 pm. The Council concluded the Executive Session at 8:20 pm.

ADJOURNMENT

The meeting was adjourned from the Executive Session at 8:20 pm



**CITY OF LYNNWOOD
CITY COUNCIL WORK SESSION MINUTES
March 02, 2026**

1. CALL TO ORDER

The meeting was called to order at 6:00 pm.

2. ROLL CALL

Present

Mayor George Hurst
Council President Nick Coelho
Council Vice President Derica Escamilla
Councilmember Robert Leutwyler
Councilmember Isabel Mata
Councilmember Bryce Owings
Councilmember David Parshall
Councilmember Chelsea Wright

3. MAYOR COMMENTS

4. COUNCIL COMMENTS

5. COMMENTS AND QUESTIONS ON MEMO ITEMS

6. WORK SESSION ITEMS

6.A Interlocal Agreement: Sewer Pump Station #12 Bypass to Mountlake Terrace

Jared Bond, Public Works Director; Nick Stokes, Water and Sewer Utility Manager, provided overview of new contract terms and conditions of proposed ILA and looking forward to continued partnership with MountlakeTerrace.

6.B Lynnwood Public Facilities District

Janet Pope, Executive Director of Lynnwood Public Facilities District, gave a presentation about history of PFD, Events Center Operations, 2025 Performance Indicators, and The District Master Plan Goals.

Council took a break from 7:30pm – 7:40pm

6.C Next Steps for the Hygiene Center

Lynn Sordel, Interim Assistant City Administrator; and Mayor Hurst summarized the February 25th roundtable discussion. Next steps include meeting with the Jean Kim Foundation's board, researching the Portland Good Neighbor Agreement as a potential operational model, and form a stakeholder group consisting of Councilmembers Owings and Wright, Human Services Coordinator Kyle Ward, Human Services Commission, and city partners.

6.D Discussion: Protecting Immigrant Safety, Constitutional Rights, and Community Trust

Councilmember Mata presented the draft resolution and communicated revisions from the prior draft. Input was requested from the Council and Chief Langdon.

7. NEW BUSINESS

7.A Neighborhood Café Bill (HB 1175)

Council President Coelho provided an update on bill and would like to pursue adoption and legalizing of neighborhood cafés further with City staff and DBS. Approved.

7.B Removal of Flock Cameras

City Attorney is drafting termination of contract letter. Chief Langdon will work with DBS and Public Works to cover cameras.

7.C Wage Theft Ordinance

Mayor Hurst advised that one of his priorities is a wage theft ordinance.

ADJOURN

The meeting was adjourned at 8:42 pm.



**CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
March 9, 2026**

1. CALL TO ORDER

The meeting was called to order at 6:00 pm

2. FLAG SALUTE

3. LAND ACKNOWLEDGEMENT

4. ROLL CALL

Present:

Mayor George Hurst

Council President Nick Coelho

Council Vice President Derica Escamilla arrived at 6:04pm

Councilmember Robert Leutwyler

Councilmember Isabel Mata

Councilmember Bryce Owings

Councilmember David Parshall

Councilmember Chelsea Wright

City Attorney Lisa Marshall

5. MESSAGES AND PAPERS FROM THE MAYOR

6. WRITTEN COMMUNICATIONS AND PETITIONS

Written communications were provided by 3 community members.

7. PRESENTATIONS AND PROCLAMATIONS

Women's History Month proclamations were presented to Presiding Judge Valerie Bouffou and Dee Morrill, Director of Court Administration, Lynnwood Municipal Court; Tiffany Krusey, Victim Services Coordinator, Lynnwood Police Department; Alissa Jones, Executive Director, Lynnwood Food Bank; Marisol

Bejarano, Director of Health and Wellness, and Natalia Lizarraga, Health & Wellness Assistant, LETI; Nicole Picknell, Community Paramedic Captain, and Jennifer Stollwerck, South County Fire; Zenaboub “Zenab” Soumahoro, Media Director, Washington West African Center; and Kylie Hodges, Executive Assistant, Gourmet Latte.

8. PUBLIC COMMENTS AND COMMUNICATIONS

Public Comment was given by 5 community members.

9. COUNCIL COMMENTS AND ANNOUNCEMENTS

10. PUBLIC HEARING

10.A Public Hearing: Unified Development Code Miscellaneous Update 2

Karl Almgren AICP, Community Planning Manager; Zack Spencer, Planner, presented overview of proposed code updates.

Public Comment was provided by 1 community member.

11. APPROVAL OF MINUTES

Moved by Councilmember Mata to approve the minutes of the February 17, 2026 City Council Work Session, February 18, 2026 Finance Committee meeting, February 23, 2026 City Council Business Meeting, and the February 25, 2026 City Council Work Session.

Motion Passed.

12. UNANIMOUS CONSENT AGENDA

The following items were approved by Unanimous Consent:

12.A Voucher Approval

Approve claims in the amount of \$2,570,609.08 for the period of 2/16/2026 through 3/1/2026.

Approve payroll in the amount of \$1,755,385.75 dated 2/20/26.

12.B Interlocal Agreement: Sewer Pump Station #12 Bypass to Mountlake Terrace

Authorize the Mayor to sign and execute an interlocal agreement with Mountlake Terrace allowing for sewer bypass at Lynnwood Sewer Pump Station #12.

12.C Contract Supplement: 40th Ave W Water Tank Improvements

Authorize the Mayor to enter into and execute on behalf of the City, a contract supplement of \$140,000.00 with RH2 Engineering for consultant services related to the 40th Ave Water Tank Improvements Project, in an amount not to exceed a total contract value of \$701,200.00.

12.D Additional Construction Contract Authority:40th Ave Water Tank Repairs

Authorize additional construction contract authority for the Water Tank Repair project contract with T. Bailey, LLC for welding repair work associated with the 40th Ave W Water Tank facility, increasing the previously approved contract value of \$146,213.00 to a new total contract value not to exceed \$196,213.00.

Council took a break from 7:32pm to 7:40pm

13. BUSINESS ITEMS AND OTHER MATTERS

13.A Resolution: 2026 Finance Committee Meeting Calendar

Moved by Council President Coelho to adopt Resolution 2026-04 a Resolution of the City of Lynnwood, Washington, adopting the meeting schedule for the City Council Finance Committee for January 2026 through January 2027.

Motion Passed.

13.B Resolution: Protecting Immigrant Safety, Constitutional Rights, and Community

Councilmember Mata moved to approve Resolution 2026-05 a Resolution of the City of Lynnwood, Washington, reaffirming constitutional rights and the dignity and safety of immigrant and refugee residents; expressing concern regarding federal immigration enforcement practices that create fear and undermine due process, public safety, and community trust; affirming limitations on the use of City resources consistent with state law; advancing transparent, community-oriented and trust-based policing principles; urging the Mayor to prioritize directing City staff across all departments to implement these commitments; and requesting the preparation of accessible community resources and potential future

legislative actions to strengthen transparency, accountability, and public access to information.

Voted For: Derica Escamilla, Chelsea Wright, Nick Coelho, Isabel Mata, Bryce Owings, David Parshall, Robert Leutwyler

Voted Against: None

Motion Passed: 7-0

8:55 p.m. Council President Coelho moved to extend the meeting to the end of the agenda.

Motion Passed.

13.C Lynnwood Farmers Market Progress Report

Ben Wolters, Director of Development and Business Services; Ryan Bush, Tourism/Project Manager, provided an update on options and recommendations for future Farmers Market.

13.D Briefing: Update on Wastewater Treatment Plant Major Upgrades

Wastewater Treatment Manager Ehsan Shirkhani, Public Works Director Jared Bond, and Tanner Boyle, Treatment Plant Supervisor, provided a history of and an update on the progress of the Wastewater Treatment Plant (WWTP) upgrade project.

14. NEW BUSINESS

14.A Legislative Legal Fees

Council President Coelho reminded Councilmembers to be mindful of contacting the City Attorney, noting that the budget for legal services is a finite resource.

ADJOURNMENT

The meeting was adjourned at 9:57 pm



**CITY OF LYNNWOOD
CITY COUNCIL WORK SESSION MINUTES
March 16, 2026**

1. CALL TO ORDER

The meeting was called to order at 6:00 pm.

2. ROLL CALL

Present

Mayor George Hurst
Council President Nick Coelho
Council Vice President Derica Escamilla arrived at 6:01pm
Councilmember Robert Leutwyler
Councilmember Isabel Mata
Councilmember Bryce Owings
Councilmember David Parshall
Councilmember Chelsea Wright

3. MAYOR COMMENTS

4. COUNCIL COMMENTS

5. COMMENTS AND QUESTIONS ON MEMO ITEMS

6. WORK SESSION ITEMS

6.A Washington Cities Insurance Authority Training for Council

Ann Bennett, Executive Director (WCIA), provided an overview of the insurance coverages available to the City and discussed potential liability exposures that may affect elected officials.

Council took a break from 7:02 pm – 7:07 pm

6.B Transportation Project and Transportation Benefit District Funding

Jared Bond, Public Works Director; Nick Barnett, Engineering & Construction Manager; and David Mach, City Engineer; presented an overview of the city's active transportation projects, including current construction activities and planned improvements. The presenters also explained the various transportation funding sources, including local, state, and federal funds, and how these sources support the planning, construction, and maintenance of transportation infrastructure.

8:58 pm Council President Coelho moved to extend meeting to the end of the agenda.

Motion Passed.

7. NEW BUSINESS

7.A Parks Love Plan

Council President Coelho sought Council interest during the work session in inviting the Parks Department to present the Parks Love Plan as an example of participatory planning.

7.B Lynnwood Vision

Mayor Hurst noted the Lynnwood Vision Plan will be revisited in 2027.

ADJOURN

The meeting was adjourned at 9:05 pm.

CITY COUNCIL 10.A

CITY OF LYNNWOOD CITY COUNCIL

TITLE: Contract Supplement: 44th Ave W Underpass Pedestrian and Bicycle Improvements

DEPARTMENT CONTACT: Amie Hanson, Public Works

SUMMARY:

Contract with Perteet Inc. to provide Construction Management and Construction Administration services (CM/CA) for the 44th Ave West Underpass Pedestrian and Bicycle Improvements Project.

PRESENTER:

Amie Hanson, Project Manager; and David Mach, City Engineer

ESTIMATED TIME:

0

BACKGROUND:

The City is contracting with Perteet to provide CM/CA services for the 44th Ave W Underpass Pedestrian and Bicycle Improvements Project to:

- Provide oversight and inspection of construction activities,
- Create and organize documentation required for project completion and maintenance of federal funding,
- Ensure the Contractor meets Federal Small Business Enterprise (FSBE) requirements during construction,
- Provide materials testing,
- Coordinate with City staff and WSDOT where needed, and
- Ensure the City meets requirements related to meeting federal funding.

The City publicly advertised a Request for Qualifications beginning on November 26, 2025. Six consulting firms responded to this advertisement submitting Qualifications for review by a panel of City Staff. The Panel then selected three firms to interview on January 15th and 20th. Perteet was ranked first based on an average total of Panel scores for the Qualifications and interviews. The City initiated a small contract to engage Perteet in an independent constructability review as the first phase of this work to optimize coordination with the design schedule.

The City will use federal grants, state and regional agency grants, and Lynnwood funds to finance the construction phase of this project. CM/CA services are anticipated to be funded by a combination of grants from Sound Transit, the Transportation Improvement Board, and City funds.

The 44th Ave W Underpass Pedestrian and Bicycle Improvements Project will retrofit 44th Ave W in the vicinity of the I-5 underpass to improve bike and pedestrian access to Lynnwood Transit Center, Interurban Trail, Scriber Creek Trail, and City Center. Improvements will mainly be along the east side of 44th. The Project includes replacing two traffic signal systems and construction of a shared use path along 44th, including an improved connection to the Interurban Trail. This Project also includes realignment of curb and gutter, new pedestrian lighting, railings, landscaping improvements, a Lynnwood monument sign, two retaining walls, and coordination with Alderwood Water and Wastewater District.

The Project is currently in the final phase of design. Perteet is completing the independent constructability review and the City and WSDOT are reviewing the 99% submittal. The City anticipates advertising the project this Spring with construction beginning Summer 2026.

This supplement adds \$810,000 to the previously contracted work for a new contract total of \$840,000.

SUGGESTED ACTION:

Authorize the Mayor to enter into and execute on behalf of the City, a supplement to an existing contract with Perteet Inc. for Construction Management and Construction Administration Services related to the 44th Ave West Underpass Pedestrian and Bicycle Improvements, in an amount not to exceed a total contract value of \$840,000, including a Management Reserve of \$74,000.

PREVIOUS COUNCIL ACTIONS:

- September 9, 2024 Business Meeting Item 11D Design Contract Supplement: 44th Ave W Underpass Pedestrian and Bicycle Improvement Project
- July 8, 2024 Business Meeting - Item 12B Briefing: Transportation Update #2
- May, 22, 2023 Business Meeting - Item 10A Design Contract: 44th Ave West Underpass Pedestrian and Bicycle Improvement Project

FUNDING:

The project costs are consistent with the adopted (2025-26) biennial budget and are anticipated to be consistent with future budgets. The project costs are not being paid for by the general fund. They are being paid for by:

- Puget Sound Regional Council Congestion Mitigation and Air Quality grant (Federal funds),
- Federal 2023 Highway Infrastructure Program appropriation (Federal funds),
- Transportation Improvement Board Complete Streets Grant,
- Sound Transit Stride Access Funds, and
- City of Lynnwood Transportation Benefit District Fund 150.

VISIONS AND PRIORITIES ALIGNMENT:

The Lynnwood Community Vision states that the City is to “be a welcoming city that builds a healthy and sustainable environment.” The 44th Ave W Pedestrian and Bicycle Improvement Project supports that vision and results in an important improvement to the City’s infrastructure that links City of Lynnwood programs, policies, comprehensive plans, mission, and ultimately the Community Vision. The project provides a gateway and multi-modal connection between

the Transit Center, Interurban Trail, Scriber Creek Trail, and City Center.

DEPARTMENT ATTACHMENTS

Description:

CITY COUNCIL 10.B
CITY OF LYNNWOOD
CITY COUNCIL

TITLE: Voucher Approval

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Voucher Approval

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

0

SUGGESTED ACTION:

Approve claims in the amount of \$1,508,707.27 for the period of 3/2/26 through 3/15/26.
Approve payroll in the amount of \$1,774,799.46 dated 3/6/26.

DEPARTMENT ATTACHMENTS

Description:

CITY COUNCIL 11.A

**CITY OF LYNNWOOD
CITY COUNCIL**

TITLE: Ordinance: Unified Development Code Miscellaneous Update 2

DEPARTMENT CONTACT: Zack Spencer, Development and Business Services

SUMMARY:

The proposed ordinance provides revisions to the Unified Development Code and related code sections to improve the implementation of development regulations.

PRESENTER:

Zack Spencer, Planner; Karl Almgren, AICP, Community Planning Manager

ESTIMATED TIME:

5

BACKGROUND:

Attached to this coversheet is a memo summarizing the proposed revisions. Please see the attached memo and draft ordinance.

SUGGESTED ACTION:

Motion to approve draft ordinance as presented.

PREVIOUS COUNCIL ACTIONS:

On June 23, 2025, City Council adopted Ordinance 3481, Unified Development Code. On November 10, 2025, City Council adopted Ordinance 3492, UDC MISC Update 1

VISIONS AND PRIORITIES ALIGNMENT:

HO Policy 1.3 Periodically review the Zoning Code (Title 8 LMC) to remove unnecessary development obstacles and to allow greater innovation in design and construction. HO Policy 2.1 Support affordable home ownership and rental opportunities by promoting, through supportive development regulations, an increased supply of lower-cost housing.

DEPARTMENT ATTACHMENTS

Description:

[UDC MISC 2 Staff Memo](#)

[UDC MISC 2 Draft Ordinance](#)

Staff Memo: LMC Title 8 - Miscellaneous Update 2
Council Consideration Memo**Staff Contacts:**

Zack Spencer, Planner

Karl Almgren, AICP, Community Planning Manager

Background:

The City Council adopted Title 8, Unified Development Code (Ordinance 3481) as a response to state policies related to housing and to keep alignment with multiple Lynnwood strategic plans. Following adoption of Title 8 in June and during implementation, clarifications were identified during permit review resulting in the need for clarification. Trailing updates were expected during the drafting of the UDC. This is the second of the expected updates.

On February 12, 2026, the Planning Commission held a public hearing for the draft ordinance and voted to recommend approval following earlier briefings.

On March 9, 2026, the City Council held a public hearing for the draft ordinance. *Following the public hearing, Council member Leutwyler identified a minor typo in the proposed changes to section 8.90.0550. The typo (duplicated word) has been corrected.*

Summary:

Since adoption of the Unified Development Code, staff have identified areas of code that require amendment for clarity or correction. This is the second of subsequent updates that make minor amendments to Title 8 and other related chapters of the Municipal Code.

This second round of revisions include:

- Changes to maps to reflect recent city annexation.
- Clarification on ground floor use requirements in the PCD zone.
- Adjusting accessory buildings and structures regulations;
 - Clarifying types and quantities of permitted accessory structures
 - Clarifying the permitted uses of shipping containers
- Clarifications on the processing of Development Agreements.
- Regulations to allow unit lot subdivisions in the RN zone for multiple housing typologies.
- Clarification of height limits for properties in City Center.
- General clarifications to allow for easier use of the code.

These changes will aid in smoother processing of development applications and simpler implementation of the code. The proposed code changes can be found in the Draft Ordinance Document, Attachment 1.

Next Steps:

The City Council will hold a vote on the proposed amendments, today, March 23, 2026.

Project Schedule:

- March 23 - City Council Action

Attachments:

1. Draft Ordinance O3.23.2026



ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LYNNWOOD, WASHINGTON, ADOPTING MISCELLANEOUS
AMENDMENTS TO THE LYNNWOOD MUNICIPAL CODE
INCLUDING CHAPTER 1.12 NOTICES – POSTING, CHAPTER 1.40
CODE ENFORCEMENT, CHAPTER 8.20 STREET AND
NEIGHBORHOOD DESIGN, CHAPTER 8.30 SUBAREAS AND
ZONING DISTRICTS, 8.35 USE REGULATIONS, CHAPTER 8.40
DEVELOPMENT STANDARDS, CHAPTER 8.90 ADMINISTRATION
AND PERMIT PROCESSES, CHAPTER 8.99 DEFINITIONS, AND TITLE
21 ZONING; PROVIDING FOR SEVERABILITY; ESTABLISHING AN
EFFECTIVE DATE; AND PROVIDING FOR SUMMARY PUBLICATION**

WHEREAS, the City of Lynnwood is a municipal corporation organized under the laws of the State of Washington; and

WHEREAS, under RCW 35A.11 and 35A.63, the City Council of the City of Lynnwood has the authority to adopt ordinances relating to the use of real property located within the City; and

WHEREAS, on June 30, 2025, the City Council of the City of Lynnwood passed Ordinance No. 3481, introducing the Unified Development Code to Lynnwood Municipal Code Title 8; and

WHEREAS, from time to time, it is appropriate to amend the City’s land use and development regulations in order to improve efficiency and enhance the effective application of legislation enacted by the City Council; and

WHEREAS, on January 23, 2026, the City of Lynnwood transmitted a copy of the proposed ordinance to the Washington State Department of Commerce in accordance with RCW 36.70A.106 at least 60 days in advance of adoption for the required 60-day State review period; and

36 WHEREAS, on April 24, 2025, the City of Lynnwood SEPA Responsible Official issued a
37 State Environmental Policy Act (SEPA) Determination of Non-Significance (DNS) on the Unified
38 Development Code including subsequent revisions, which is a non-project proposal; and
39

40 WHEREAS, on February 12, 2026, the Lynnwood Planning Commission held a duly
41 noticed public hearing on the proposed ordinance, accepted testimony and by regular motion
42 voted to recommend that the Lynnwood City Council adopt the amendments to the Lynnwood
43 Municipal Code as provided herein; and
44

45 WHEREAS, on XXXXXXXX XX, 2026, the City Council of the City of Lynnwood held a duly
46 noticed public hearing to consider the Planning Commission recommendation and accept public
47 testimony; and
48

49 WHEREAS, adoption of the ordinance will serve the general welfare of the public;
50

51 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO
52 ORDAIN AS FOLLOWS:
53

54 **Section 1. Findings of Fact:** The City Council hereby incorporates by this reference as Findings
55 of Fact all recitals set forth as “WHEREAS” clauses. In addition, and upon consideration of the
56 provisions of this Ordinance, the City Council finds that the new code and amendments
57 contained herein are: a) consistent with the comprehensive plan; b) substantially related to the
58 public health, safety, or welfare; and c) not contrary to the best interest of the citizens and
59 property owners of the City of Lynnwood.
60

61 **Section 2. Purpose:** To adopt amendments to the Lynnwood Municipal Code Title 8 that will
62 clarify code sections, correct minor spelling and grammatical errors, and enhance the effective
63 application of legislation.
64

65 **Section 3. LMC Section 1.12.010 Specification for posting documents** is hereby amended to
66 read as follows:
67

68 All ordinances, notices or other matters required by law to be publicly posted by the city of
69 Lynnwood, and notices for all boards, commissions or agencies thereof, shall be posted for the
70 period required by law in the following public places:

- 71 A. Lynnwood City Hall, 19100 44th Avenue W, Lynnwood, Washington;
- 72 B. Lynnwood North Administration Building, 19000 44th Ave W, Lynnwood, Washington;
- 73 C. Lynnwood Recreation Center, 18900 44th Avenue W, Lynnwood, Washington; and

74 D. Lynnwood City Library, 19200 44th Avenue W, Lynnwood, Washington.

75

76 **Section 4. LMC Section 1.40.020 Enforcement** is hereby amended to read as follows:

77

78 A. Whenever the city has cause to believe that a violation of LMC Titles 5, 6, 7,
79 8, 9, 10, 12, 15, 16, 17, 18, and 21 has been or is being committed, this code shall be
80 enforced, according to applicable law, by the department director responsible for
81 administering that title, as provided herein. Unless provided otherwise in this chapter,
82 department directors may act through code enforcement officers.

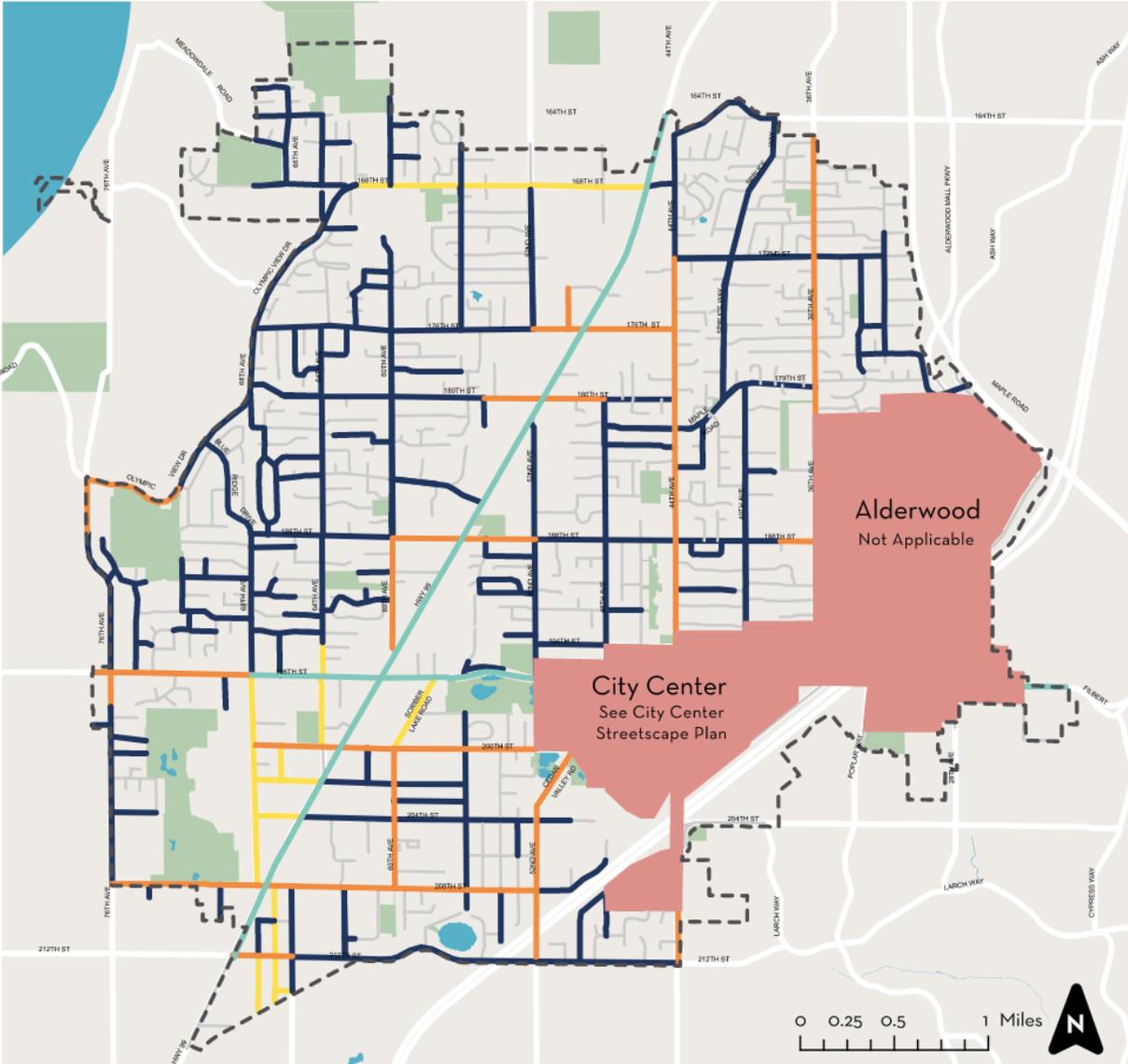
83 B. *Entry*. Whenever necessary to make an inspection to enforce or determine compliance
84 with provisions of LMC Titles 5, 6, 7, 8, 9, 10, 12, 15, 16, 17, 18, and 21, or whenever the
85 city has cause to believe that a violation of any provision of the above-referenced titles
86 has been or is being committed, the department director may, if such building,
87 structure, or property is occupied, present identification credentials, state the reason
88 for the inspection and request entry. If consent to enter is not given or the building,
89 structure, or property is unoccupied, the department director may commence an
90 enforcement action.

91 C. Each day, or portion thereof, in which a violation continues constitutes a separate
92 offense for which separate notices of violation may be issued or other enforcement
93 actions taken, including criminal citations.

94 D. Responsibility for violations of the codes enforced under this chapter is joint and
95 several, and the city is not prohibited from taking action against a person where other
96 persons may also be potentially responsible for a violation; nor is the city required to
97 take action against all persons potentially responsible for a violation.

98 **Section 5. LMC Section 8.20.0210 List of street types** is hereby amended to show the below
99 map:

100

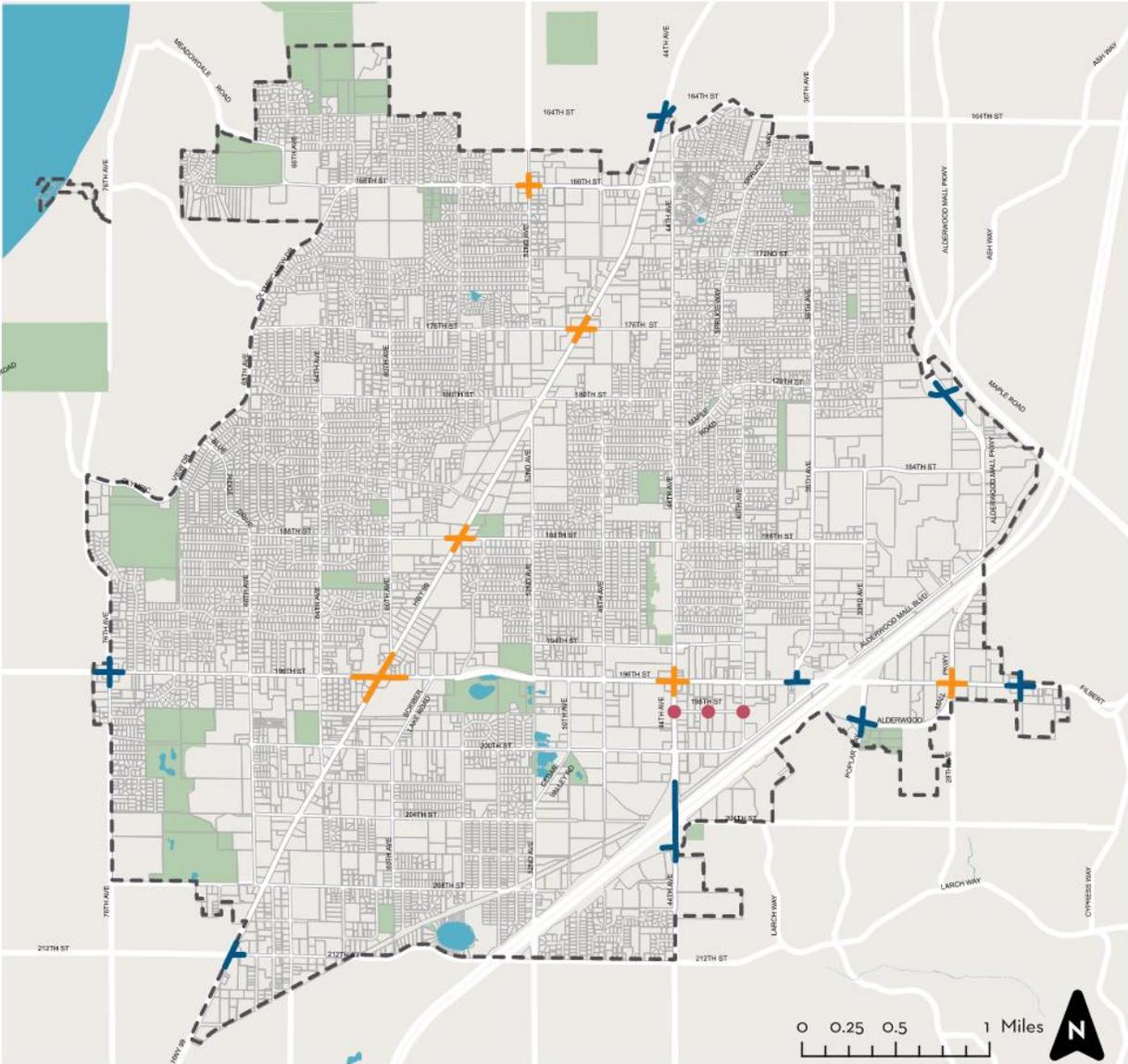


Street Classification

- Regional Connector
- City Connector
- Pedestrian Priority
- Neighborhood Connector
- Other Streets
- City Boundary
- City Center + Alderwood Subarea

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102
103
104
105

Section 6. LMC Section 8.20.0510 Gateways and prominent intersections is hereby amended to show the below map:



Intersection Classifications

- Gateway Intersection
- Prominent Intersection
- Celebratory Corners
- Parcels
- Lynnwood City Limits

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108
109

Section 7. LMC Section 8.30.0120 Applicability is hereby amended to read as follows:

110 Zoning district standards apply based on the types of project activities proposed, as shown in
111 Table 8.30.02. Project activities are defined in Chapter 8.99 LMC. More than one project activity

112 may apply to a proposed project (for example, an expansion of an existing use may include both
 113 an addition and a facade modification).

114 **Table 8.30.02.**

Project Activities

District Standards	Subdivision	New Construction	Addition	Site Modification	Facade Modification	Change of Use	Renovation
Lot Size	✓	○	○	○	○	○	○
Density	○	✓	✓	○	○	✓	✓
Building Coverage	○	✓	✓	✓	○	○	○
Building Placement	○	✓	✓	○	○	○	○
Parking Location	○	✓	✓	✓	○	○	○
Building Height	○	✓	✓	○	○	○	○
Building Massing	○	✓	✓	○	○	○	○
Entrances	○	✓	✓	○	✓	○	○

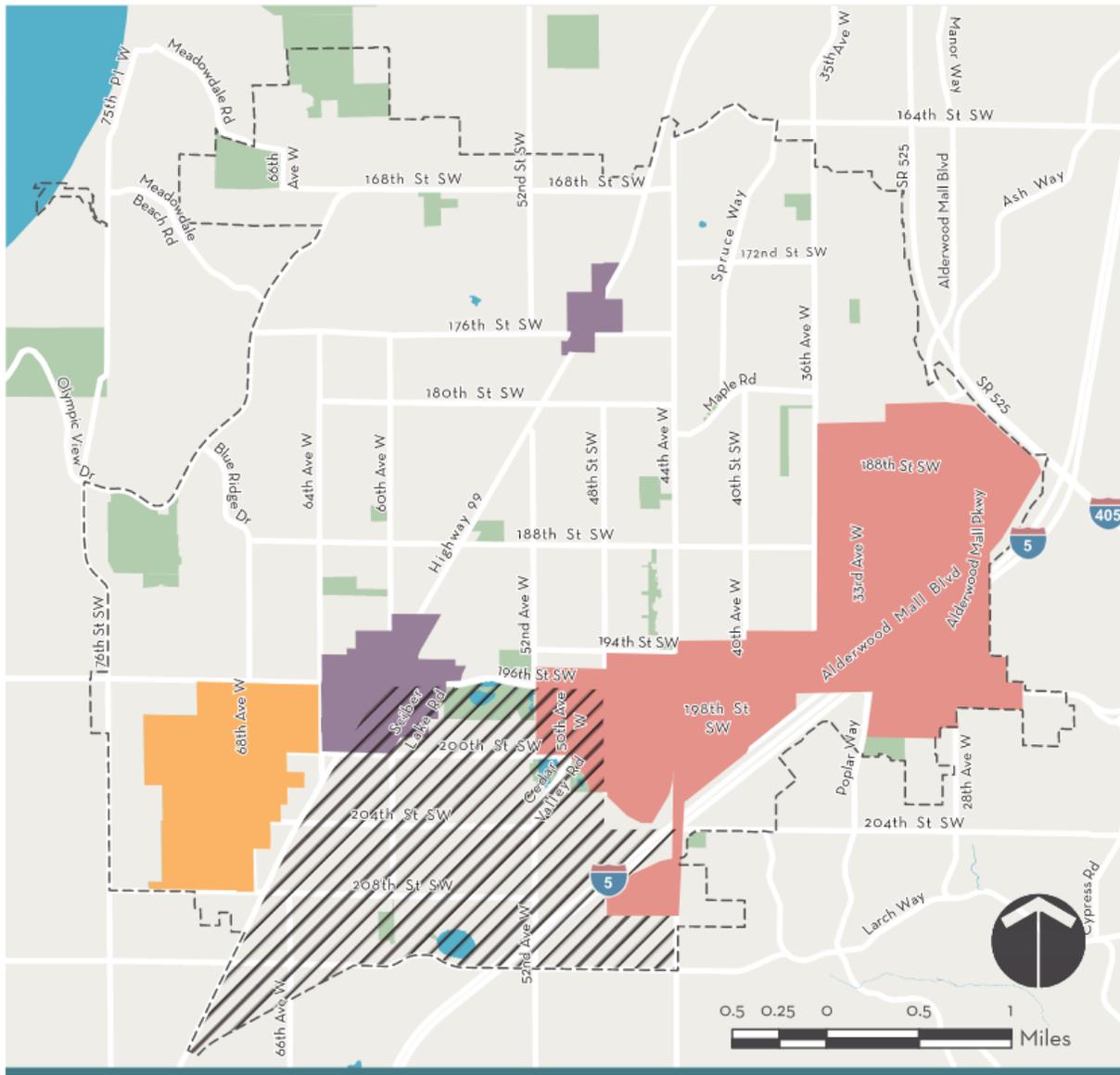
KEY: ✓ = Standards generally apply
 ○ = Standards do not apply

- 115 A. *Exemption.*
- 116 1. *Maintenance and Repair.*
- 117 a. Activity done to correct the deterioration, decay of, or damage to, any
- 118 part of a building, structure, or lot, that does not involve a change or

- 119 modification of the existing design, outward appearance or applicable
120 zoning requirements.
- 121 b. In-kind replacement of deteriorated or damaged parts of a building is
122 considered maintenance and repair.
 - 123 c. Maintenance and repair includes repair of site components such as
124 parking lots or landscaping.
 - 125 d. Includes modification to necessary to meet fire, life safety, and ADA
126 requirements.

127 **Section 8. LMC Section 8.30.0200 Subarea maps** is hereby amended to show the below map:
128

DRAFT



LEGEND

- City Center + Alderwood Subarea
- College District Subarea
- Highway 99 Subarea
- South Lynnwood Neighborhood
- Parks

129
130
131
132
133

Section 9. LMC Section 8.30.0420 City center (CC) is hereby amended to read as follows:

A. *Intent.*

- 134 1. The CC district implements the subarea plan adopted in 2005, which planned for
- 135 a strong, distinctive city center district that encourages the development of
- 136 residential and commercial uses while promoting public transit, walking, and
- 137 rolling mobility.
- 138 2. The city center zone is meant to be the heart of Lynnwood and provides for mid-
- 139 and high-rise mixed-use, commercial, and residential development with
- 140 active street-level building frontages.
- 141 3. Development is expected to contribute a variety of plazas, squares, courtyards,
- 142 parks, and other public spaces and parking is primarily structured and out of
- 143 view from the street.

144 B. *Purpose.*

- 145 1. To create a distinct, strong identity for the city center, producing a heart for
- 146 Lynnwood that is surrounded by solid neighborhoods.
- 147 2. To provide opportunities to increase the city’s tax base, thereby helping to fund
- 148 public improvements and public services.
- 149 3. To encourage private and public investment, attract shoppers and visitors, and
- 150 appeal to existing and new residents.
- 151 4. To produce a concentration and a mixture of commercial, office, retail,
- 152 residential, and civic uses within the city center.
- 153 5. To develop a city center that supports pedestrian movement and use of public
- 154 transit.
- 155 6. To implement both the city’s comprehensive plan and the subarea plan.
- 156 7. To promote attractive streetscapes and urban green spaces.

157 C. *Use Limitations.*

- 158 1. Ground floor principal uses in all city center zones shall be occupiable space.
- 159 2. Structured parking may occupy the ground floor of a building; provided, that the
- 160 parking does not occupy more than 40 percent of the ground floor space facing
- 161 a street frontage.
- 162 a. In such instances, the remaining portion of the building facing the street
- 163 shall consist of occupiable space.
- 164 3. For buildings that directly front the Promenade Street or 42nd Avenue West, no
- 165 less than 40 percent of the lineal frontage of any building shall be occupied by a
- 166 permitted, commercial use.

167 D. *Building Height Standards*

168

Table 8.30.27.

Building Height – CC

Minimum Building Height

<u>Minimum building height (stories / ft)</u>	<u>3/30</u>
<u>Maximum Building Height</u>	
<u>Buildings (or sections of buildings) 150 ft or less from the RN zone</u>	<u>35 ft</u>
<u>Buildings (or sections of buildings) 150 ft or less from the RM-45 zone</u>	<u>75 ft</u>
<u>North of a line 360 ft north of the centerline of 196th St. SW</u>	<u>140 ft</u>
<u>West of 44th Avenue W</u>	<u>140 ft</u>
<u>East of 36th Avenue W</u>	<u>140 ft</u>
<u>From the centerline of 196th St. SW north up to but not exceeding a distance of 360 ft</u>	<u>240 ft</u>
<u>All other portions of the city center zone</u>	<u>350 ft</u>

- 170 1. Uses predominantly characterized as places of public assembly featuring
171 auditoriums or meeting facilities, including but not limited to religious
172 institutions, movie or performing arts theaters, symphony halls and convention
173 facilities, shall have a minimum building height of 30 feet and no
174 minimum story requirement.
- 175 2. *Exception.* Single-story buildings as “jewel retail” are be permitted within master
176 planned developments of at least eight acres when approved with
177 a development agreement.
- 178 3. Mechanical penthouses, stair/elevator overruns, and antennas are excluded
179 from building height calculation, provided they are no more than 20 feet above
180 the roof deck.
- 181 4. Building height may be increased by up to 20 percent for a nonhabitable,
182 architectural roofline element. This allowance does not apply within 150 feet
183 from a residential zone.
- 184 E. *Setbacks*
- 185 1. *Setbacks From Streets.*
- 186 a. All buildings shall be located at the property line established by the
187 future street right-of-way utilizing the fronting street for fire access
188 except as permitted otherwise in this chapter or unless there is or will be
189 a building between such building and the future street right-of-way.
- 190 b. Buildings may be set back from the street for the purpose of providing
191 public plazas as a FAR bonus feature and as required by the city center
192 design guidelines. The public plaza may exceed the minimum open
193 space/public plaza size requirement provided in the design guidelines. Up
194 to 30 percent of any building’s street frontage per street may be set back
195 from the setback line to accommodate a public plaza. Open space/public
196 plaza space may be combined at intersections.

- 197 c. To allow buildings to be set back from wider streets, buildings along
 198 boulevard streets may be set back up to 17 feet from the property line
 199 established by the future street right-of-way subject to the following
 200 requirements:
- 201 i. The boulevard street is to be utilized as the fire lane. No setbacks
 202 are allowed that would result in requiring a fire lane between the
 203 building and the street.
 - 204 ii. The setback must be utilized only for open space/public plazas.
- 205 2. *Interior Setbacks.*
- 206 a. None required.
- 207 F. *Building Frontage.*
- 208 1. *Less Than 100 Feet of Frontage.* The minimum building frontage length must be
 209 less than the space required to provide a drive aisle to service the site. If no drive
 210 aisle is provided, the minimum frontage is 65 percent of the length of the
 211 abutting property line.
 - 212 2. *One Hundred Feet of Frontage or Greater.* The minimum building frontage length
 213 is 70 percent of the length of the abutting property line. This length may be
 214 reduced at the discretion of the administrator to accommodate required fire
 215 access or drive aisles leading to parking areas.
 - 216 3. *Panhandle Lots and Landlocked Lots.* Properties that only have access to a public
 217 or private right-of-way through a panhandle or have no property line adjacent to
 218 a public or private right-of-way are not required to provide building frontage.
- 219 G. *Floor Area Ratio.*
- 220 1. *Basic Allowable Floor Area Ratio.* The basic floor area ratio (FAR) of buildings in
 221 the city center is established below.

222 **Table 8.30.28.**

Maximum Floor Area Ratio (FAR)	
Maximum allowable FAR “as of right” for new development	
Nonresidential	3.5
Residential	3.5
Maximum FAR with bonuses	
Nonresidential	8.0

Maximum Floor Area Ratio (FAR)

Residential

10.0

- 223 2. *Notes.*
- 224 a. Floor area is measured to the inside face of exterior walls.
- 225 b. The following uses shall be excluded from floor area calculation:
- 226 c. Space underground (e.g., basements):
- 227 i. Space dedicated to parking.
- 228 ii. Floor area devoted to rainwater collection.
- 229 iii. Floor area devoted to gray water collection/storage/distribution.
- 230 iv. Floor area devoted to waste recovery/separation.
- 231 v. Floor area devoted to service areas (such as storage areas, closets, and
- 232 restrooms).
- 233 vi. Balconies, patios, breezeways and decks without a solid cover.
- 234 vii. Air spaces within buildings such as vaulted ceilings. The floor area will be
- 235 counted as actual floor area only and not in the air spaces above.
- 236 viii. Space used as FAR bonus feature.
- 237 ix. Privately owned land area for the Promenade Walkway.
- 238 d. Allowable FAR for nonresidential and residential uses will be added together
- 239 for the respective use types within a mixed-use residential project, to provide for
- 240 a combined FAR total.
- 241 e. Hotels are considered nonresidential for the purpose of this chart.
- 242 f. In situations where both conforming and nonconforming development are
- 243 located on a site, the maximum FAR for conforming and nonconforming
- 244 development may be combined, but each shall be limited to their respective
- 245 FAR.
- 246 i. For example, without bonus features, conforming development FAR
- 247 maximum is 2.0; nonconforming FAR maximum is 0.5. Conforming
- 248 development on the site may have a maximum FAR of 2.0; nonconforming
- 249 maximum FAR of 0.5.

250

Table 8.30.29. FAR Bonus Standards

Bonus Features	Feature Requirements	Additional Floor Area for Each Feature
Master Builders of King and Snohomish County's Built Green's 4-Star™	Third-party certification required. The project must be registered with the appropriate third-party certification entity	25% increase in total floor area
Master Builders of King and Snohomish County's Built Green's Emerald Star™ 5-Star™	Third-party certification required. The project must be registered with the appropriate third-party certification entity	40% increase in total floor area
LEED Gold or similar certification elements	Checklist stamped by the project architect illustrating LEED Gold or similar certification elements have been incorporated into project.	25% increase in total floor area
LEED Platinum or similar certification elements	Checklist stamped by the project architect illustrating LEED Platinum or similar certification elements have been incorporated into project.	40% increase in total floor area
Passive House Institute US's (PHIUS) ZERO	Third-party certification required. The project must be registered with the appropriate third-party certification entity	25% increase in total floor area
Passive House Institute US's (PHIUS) CORE programs	Third-party certification required. The project must be registered with the	40% increase in total floor area

Bonus Features	Feature Requirements	Additional Floor Area for Each Feature
	appropriate third-party certification entity	
Net Zero Energy Building (NZEB) with Salmon Safe™	Third-party certification required. The project must be registered with the appropriate third-party certification entity	40% increase in total floor area
WA Department of Commerce's Evergreen Sustainable Development Standard™ (ESDS) program and the Salmon Safe™	Third-party certification required. The project must be registered with the appropriate third-party certification entity	40% increase in total floor area
Office use above the ground floor	–	2 sq. ft. of floor area for each sq. ft. of office use above the ground floor.
Parking, underground	–	2 sq. ft. of floor area for each sq. ft. of parking below grade.
Parking, structured	–	1 sq. ft. of floor area for each sq. ft. of structured parking above grade.
Public plaza	Provision of public plaza in excess of the requirement identified in the city center design guidelines.	5 sq. ft. of floor area for each sq. ft. of plaza above the amount required by the city center design guidelines.
Promenade Walkway (along public right-of-way)	Portions or all of the Promenade Walkway that are adjacent to or near and parallel to the public right-of-way or are located within the public right-of-way. (Access	5 sq. ft. of floor area for each sq. ft. of Promenade.

Bonus Features	Feature Requirements	Additional Floor Area for Each Feature
	<p>easement dedication where on private property to the public must be recorded with approved maintenance provisions.) The Promenade Walkway must conform to the design guidelines.</p>	
<p>Promenade Walkway (bisecting large blocks)</p>	<p>Promenade Walkway providing a connection through a large block not adjacent to or in the public right-of-way. However, up to 5 percent of the project’s Promenade Walkway (bisecting large blocks) can be adjacent to or within the public right-of-way and still receive 20 sq. ft. of floor area bonus. (Access easement dedication to the public must be recorded with approved maintenance provisions.) The Promenade Walkway must conform to the design guidelines.</p>	<p>20 sq. ft. of floor area for each sq. ft. of Promenade.</p>
<p>Residential use (single purpose building)</p>	<p>Residential development granted as bonus square footage cannot be used to achieve additional square foot bonus.</p>	<p>2 sq. ft. of floor area for each sq. ft. of residential use.</p>
<p>Residential use in vertically mixed-use building</p>	<p>Residential development granted as bonus square</p>	<p>4 sq. ft. of floor area for each sq. ft. of residential use if the</p>

Bonus Features	Feature Requirements	Additional Floor Area for Each Feature
	footage cannot be used to achieve additional square foot bonus.	development is vertical mixed use.
Street level retail	Occupied retail space with a minimum depth of 30 ft	200 sq. ft. of floor area for each linear foot of retail frontage.

251 3. *Change of Use and Continuation of Bonus.*
252 a. FAR bonuses granted based on the use of the building (e.g., office use, residential
253 use, street level retail) and use of an area (e.g., Promenade Walkway or public plaza)
254 are to be acknowledged in the project decision.
255 4. *Fire Standards.*
256 a. To eliminate private land devoted to fire lanes between the building and the right-
257 of-way, all new development in the city center zone must be constructed with
258 sprinklers regardless of size.
259 5. *Amenity Space.*

260 **Table 8.30.30.**

Amenity Space	
In mixed-use developments, nonresidential amenity space may also be counted as residential shared amenity space, provided the space conforms to requirements for both categories.	
Residential or Nonresidential	1% of Floor Area
Minimum of Smallest Dimension	10 ft radius

261
262 **Section 10. LMC Section 8.30.0450 Planned commercial development (PCD)** is hereby
263 amended to read as follows:

- 264
265 A. *Intent.* The PCD district is focused on commercial and mixed-use residential
266 development and makes up the remaining portions of the regional growth center. The
267 PCD zone is intended to allow and encourage commercial development of contiguous
268 parcels under multiple ownership, while allowing for potential residential development.
269 B. *Development Standards.*

Table 8.30.36.

Development Standards – PCD	
Lot Standards and Building Form	
Minimum Density	40 Dwelling Units per Acre
Maximum Density	None
Minimum Lot Area	None
Minimum Lot Width	None
Maximum Building Height	None
Minimum Street Setback	None
Minimum Interior Setback	10 ft
Amenity Space	
In mixed-use developments, nonresidential amenity space may also be counted as residential shared amenity space, provided the space conforms to requirements for both categories.	
Residential or Nonresidential	1% of Floor Area
Minimum of Smallest Dimension	10-ft radius

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272

C. Multifamily Structure (6+ Units).

273

1. When located in the PCD zone, multifamily structures must meet the following requirements:

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- a. At least 40 percent of the ground floor space facing the building exterior must be occupiable space.

276

277

- b. At least 20 percent of the total ground floor space facing a public street must be occupied by a commercial use of a minimum depth of 30 feet.

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Section 11. LMC Section 8.30.0530 Highway 99 mixed-use (HMU) is hereby amended to read as follows:

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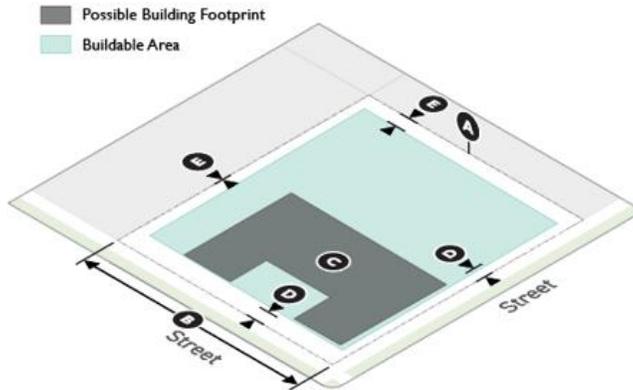
283

- A. *Intent.* The HMU district is intended to implement the Highway 99 subarea plan, which envisions pedestrian-oriented retail of local and regional significance and multifamily living

284

285 opportunities. The district promotes mixed-use development centered around Highway 99's
 286 prominent intersections, focusing on bringing walkable and bikeable mixed-use
 287 development areas into the Highway 99 corridor.

288 B. *Lot, Parking, and Access.*



289

290

Table 8.30.41.

Lot – HMU		
Lot Size		
A	Minimum Lot Area	None
B	Minimum Lot Width	None
Lot Coverage		
C	Maximum Building Coverage	90%
Building Placement		
D	Minimum Street Setback	10 ft
D	Maximum Street Setback	20 ft
E	Minimum Interior Setback	10 ft

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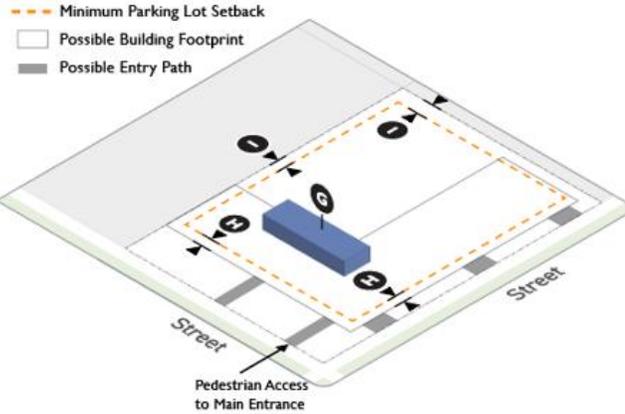


Table 8.30.42.

Parking and Access – HMU

Pedestrian Access

A walkway must connect the sidewalk to the main entrance.

Bicycle Parking

For developments with fewer than 20 units, bike storage must be secured and enclosed outdoors, within a secured bike room, or within the units in a designated area. For developments with 20 or more units, bike storage must be within a secure bike room, or within the units in a designated area.

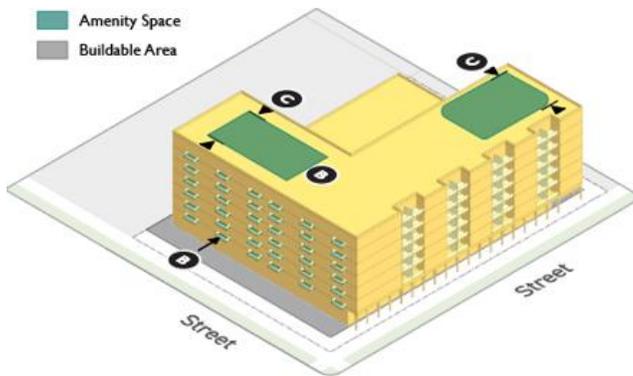
G	Minimum Bike Parking Spaces	See LMC 8.40.0620(F)
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Vehicle Access

If access is available from an alley which is open to traffic, there will be no access allowed from the street. If allowed, a maximum of 1 curb cut is permitted per 200' of frontage, up to 2 total per lot.

Parking and Access – HMU		
Parking Lot Location		
H	Minimum Street Setback (behind facade closest to street)	5 ft
I	Minimum Interior Setback	5 ft

293 C. Amenity Space and Building Form.



294

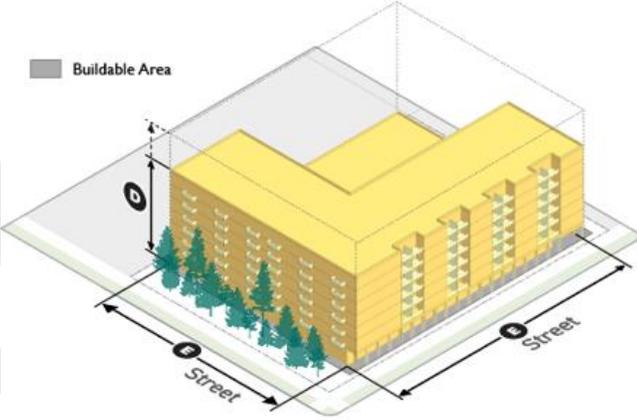
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Table 8.30.43.

Amenity Space – HMU		
Amenity Space Required		
In mixed-use developments, nonresidential amenity space may also be counted as residential shared amenity space, as long as the space conforms to requirements for both categories.		
Nonresidential	Shared	
A	Minimum Area	4% of floor area
Residential	Shared	Private

Amenity Space – HMU

A	Minimum Area (at grade)	50 sq ft per unit	64 sq ft per unit
B	Minimum Area (in or on structure)	20 sq ft per unit	30 sq ft per unit (exterior)
C	Minimum of Smallest Dimension	10 ft radius (exterior) 10 ft width (interior)	8 ft at grade 5 ft on structure



296
297

Table 8.30.44.

Building Form – HMU

Height

D	Maximum Building Height (stories/feet)	8/90 ft
---	--	---------

Massing

	Maximum Floor Area Ratio	3.5
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Building Form – HMU

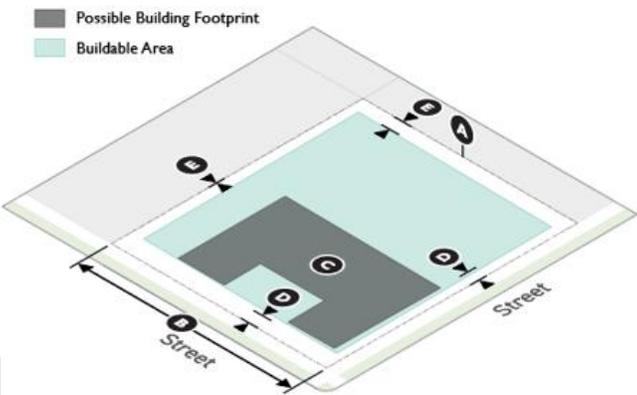
E	Maximum Building Width	275 ft
---	------------------------	--------

298

299 **Section 12. LMC Section 8.30.0540 Neighborhood commercial (NC)** is hereby amended to read
 300 as follows:

301 A. *Intent.* The NC district allows for small businesses, professional offices, and mixed-use
 302 residential development and is typically located near or within residential neighborhoods to
 303 serve the everyday needs of the surrounding neighborhood.

304 B. *Lot, Parking, and Access.*



305

306

Table 8.30.45.

Lot – NC		
Lot Size		
A	Minimum Lot Area	None
B	Minimum Lot Width	None
Lot Coverage		
C	Maximum Building Coverage	90%
Building Placement		
D	Minimum Street Setback	10 ft

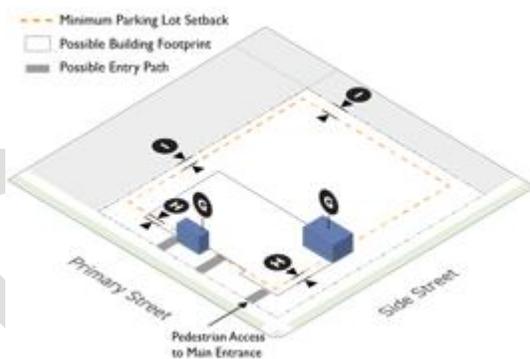
Lot – NC

D Maximum Street Setback⁽¹⁾⁽²⁾ 20 ft

E Minimum Interior Setback 10 ft

(1) Does not apply to Cottage Housing developments

(2) Development which includes multiple buildings may locate building(s) outside of the maximum street setback only when at least 75% of the linear street frontage includes building located within the minimum/maximum setback.



307
308

Table 8.30.46.

Parking and Access – NC

Pedestrian Access

A walkway must connect the sidewalk to the main entrance.

Bicycle Parking

For developments with fewer than 20 units, bike storage must be secured and enclosed outdoors, within a secured bike room, or within the units in

Parking and Access – NC

a designated area. For developments with 20 or more units, bike storage must be within a secure bike room, or within the units in a designated area.

G	Minimum Bike Parking Spaces	See LMC 8.40.0620(F)
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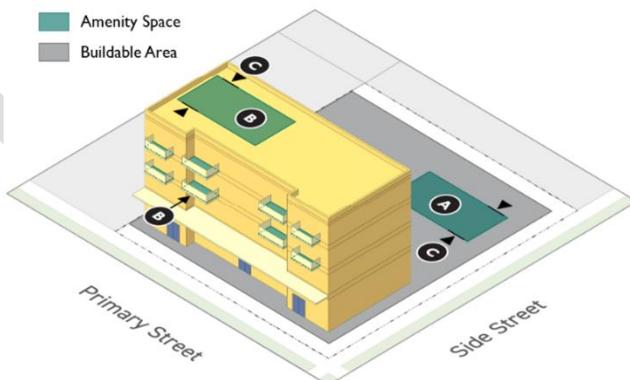
Vehicle Access

If access is available from an alley which is open to traffic, there will be no access allowed from the street. If allowed, a maximum of 1 curb cut is permitted per 200 ft of frontage, up to 2 total per lot.

Parking Lot Location

H	Minimum Street Setback (behind facade closest to street)	5 ft
I	Minimum Interior Setback	5 ft

309 C. *Amenity Space and Building Form.*



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Table 8.30.47.

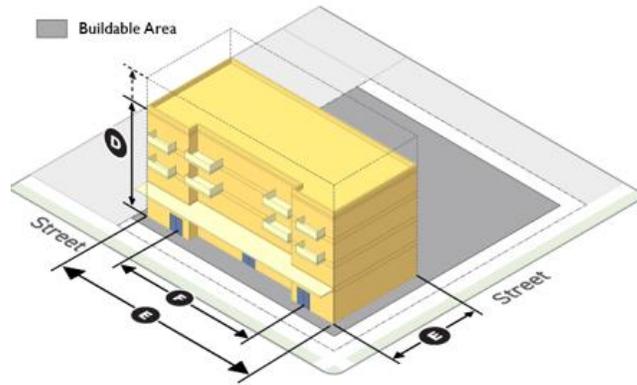
Amenity Space – NC

Amenity Space Required

Amenity space is only required for residential portions of development and may be provided within the building, at grade as shared or private space, on the structure as private balconies, enclosed sun porches, roof decks, or as a combination of these.

If a combination of amenity space types is used, each space must conform to the applicable standards. Units with access to private amenity space will be exempt from calculations for shared amenity space.

	Residential	Shared	Private
A	Minimum Area (at grade)	50 sq ft per unit	64 sq ft per unit
B	Minimum Area (in or on structure)	20 sq ft per unit	30 sq ft per unit (exterior)
C	Minimum of Smallest Dimension	15 ft radius (exterior)	8 ft at grade
		12 ft width (interior)	6 ft on structure



312

313

Table 8.30.48.

Building Form – NC		
Height		
D	Maximum Building Height (stories/feet)	4/45 ft
Massing		
	Maximum Floor Area Ratio	3.0
E	Maximum Building Width	175 ft

314

315 **Section 13. LMC Section 8.30.0550 General commercial (GC)** is hereby amended to read as
 316 follows:

317

318 A. *Intent.* The general commercial zone supports a variety of commercial retail uses, with a
 319 smaller focus on residential uses. The CG zone is mostly centered between Highway 99’s major
 320 intersections.

321 1. If a multifamily structure or mixed-use development is being constructed in the general
 322 commercial zone, the development will follow zoning standards set in LMC 8.30.0530,
 323 Highway 99 mixed-use.

324 B. *Lot, Parking, and Access.*

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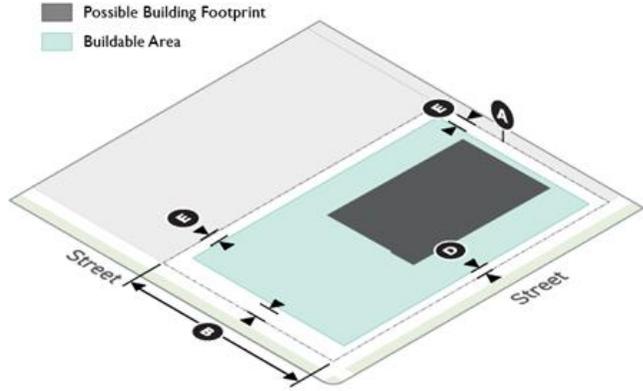


Table 8.30.49.

Lot – GC		
Lot Size		
A	Minimum Lot Area	None
B	Minimum Lot Width	None
Lot Coverage		
C	Maximum Building Coverage	90%
Building Placement		
D	Minimum Street Setback	10 ft
E	Minimum Interior Setback	10 ft

327

Table 8.30.50.

Parking and Access – GC	
Pedestrian Access	
A walkway must connect the sidewalk to the main entrance.	
Bicycle Parking	
For developments with fewer than 20 units, bike storage must be secured and enclosed outdoors,	

Parking and Access – GC

within a secured bike room, or within the units in a designated area. For developments with 20 or more units, bike storage must be within a secure bike room, or within the units in a designated area.

G	Minimum Bike Parking Spaces	See LMC 8.40.0620(F)
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Vehicle Access

If access is available from an alley which is open to traffic, there will be no access allowed from the street. If allowed, a maximum of 1 curb cut is permitted per 200 ft of frontage, up to 2 total per lot.

Parking Lot Location

H	Minimum Street Setback	5 ft
I	Minimum Interior Setback	5 ft

328 C. *Amenity Space and Building Form.*
329

Table 8.30.51.

Amenity Space – GC

Amenity Space Required

In mixed-use developments, nonresidential amenity space may also be counted as residential shared amenity space, as long as the space conforms to requirements for both categories.

		Nonresidential	Shared
A	Minimum Area		1% of floor area

330

Table 8.30.52.

Building Form – GC		
Height		
D	Maximum Building Height (stories/feet)	8/90 ft
Massing		
E	Maximum Building Width	275 ft

331

332 **Section 14. LMC Section 8.30 Article VIII Accessory Buildings and Garages** is hereby amended
333 to read as follows:

334

335 **Article VIII Accessory Buildings, Structures, and Garages**

336 8.30.0810 General Standards.

337 A. The following Section applies to residential uses only. For all other uses, see citywide
338 design guidelines.

339

1. *Garages.*

340

- a. Attached garages will be included in building footprint calculations. Detached garages will be regulated as accessory buildings.

341

342

2. *Accessory Buildings and Structures.*

343

- a. Accessory buildings do not include habitable dwelling units.

344

- b. Only one Type 1 building or structure is permitted per unit.

345

- c. All other accessory buildings and structures must meet Type 2 requirements.

346

347

- d. Any number of Type 2 buildings are allowed, provided the primary dwelling unit and all Type 2 buildings do not exceed relevant floor area ratio standards.

348

349

350

Table 8.30.56.

Development Standards	Type 1	Type 2
Maximum Building Footprint	64 sf	480 sq ft per unit
Maximum Height	8 ft	15 ft
Minimum Street Setback ¹	5 ft	10 ft
Minimum Interior Setback	1 ft	5 ft

352 Accessory buildings must be located behind the primary structure façade closest to the street.

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B. Shipping Containers

1. Shipping containers or other similar storage units as defined in LMC 8.99.0250 are not permitted as accessory structures, except for industrial uses or when located in Public and Institutional Zone.
 - a. Shipping containers may otherwise be used as storage for an ongoing construction project with active, issued permits.
2. Commercial properties may place a shipping container on site for no more than 90 days within a 12-month period outside of an active building permit.
3. Shipping containers may be used as a building if found to be in compliance with applicable design standards set forth in LMC 8.45.

Section 15. LMC Section 8.30.0940 Building Setbacks is hereby amended to read as follows:

A. Applicability.

1. The building setback requirements apply to all lots.

B. Standards.

1. Minimum Setbacks. All buildings and structures on a lot must be located at or behind the minimum building setback specified by the zoning district, unless listed as an exception elsewhere in this chapter.

C. Measurement.

1. All building setbacks are measured perpendicular to the applicable lot line.
2. Where a lot line abuts an access easement, the administrator will determine whether the setback may be measured from the interior edge of the access easement rather than the lot line.
3. Street setbacks are measured from the structure to the street lot line.
4. Interior setbacks are measured from the side and rear interior lot line.

D. Exceptions

1. Limited Encroachments Street and/or Interior Setbacks. The following are allowed to project no more than two feet into street and/or interior setbacks:
 - a. Cornices.
 - b. Eaves.
 - c. Gutters (including rain barrels 50 gallons or less).
 - d. Chimneys.
 - e. Decks less than 30 inches in height.
 - f. Bay windows.
2. Limited Encroachments Interior Setbacks. The following are allowed to project no more than two feet into the interior setback:

- 391 a. Heat pumps / Air Conditioner Units.
 392 b. Generators.

393 **Section 16. LMC Section 8.35.0265 Utilities and communications** is hereby amended to read as
 394 follows:

395 **Table 8.35.12.**

Utilities and Communications	RN	MHP	RM-45	City Center	Alderwood	ACC	PCD	NC	CG	HMU	CDM	LI	P-I	OSP
Recycling and Compost Processing	-	-	-	-	-	-	-	-	-	-	-	C	C	-
Battery Backup Facilities	-	-	-	-	-	-	-	-	C	-	-	C	C	-
Solar Facilities	-	-	-	-	-	-	-	-	C	-	-	C	C	-
Sewer Lift Stations	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Open Detention Ponds	P	P	P	-	-	-	-	P	P	P	P	P	P	P
Other Utility Facilities	-	-	-	-	-	-	-	-	C	-	-	P	P	P
Wastewater Treatment Plant	-	-	-	-	-	-	-	-	-	-	-	-	P	P

Utilities and Communications	RN	MHP	RM-45	City Center	Alderwood	ACC	PCD	NC	CG	HMU	CDM	LI	P-I	OSP
WCOM Attached	P	P	P	P	P	P	P	P	P	P	P	P	P	-
WCOM Detached (less than 300 ft from residential)	C	C	C	C	C	C	C	C	C	C	C	C	C	P
WCOM Detached (300 ft or more from residential)	C	C	C	P	P	P	P	P	P	P	P	P	P	P
Other Communications Facilities	-	-	-	-	-	-	-	-	C	-	-	P	P	P
Limitations on Utility and Communication Uses are identified in LMC <u>8.35.0365</u>														

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397 **Section 17. LMC Section 8.35.0310(G)** is hereby repealed and removed.

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399 **Section 18. LMC Section 8.40.0240.C Location and Type of Required Landscape Transition**

400 **Buffer** is hereby amended to read as follows:

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402 A. Transition buffers are intended to enhance the physical character of Lynnwood’s lower-
403 density residential neighborhoods while ensuring compatibility of adjacent higher-
404 density development.

405 B. Transition buffers also protect and maintain environmental quality through thoughtful
406 incorporation of trees and landscaping.

407 C. Transitions are required along interior lot lines where abutting lots fall into different
408 zoning districts, as noted in the following table. Transition buffers are not required for
409 districts not listed.

Table 8.40.27. Location and Type of Required Landscape Buffer

Zone of the Subject Property		Zone Abutting the Subject Property					
		RN	RM-45	ACC	NC	CDM	P-I
Residential Zones	Residential Neighborhood (RN)	-	-	-	-	-	-
	Manufactured Home Park (MHP)	Medium	-	-	-	-	-
	Residential Multifamily (RM-45)	Medium	-	-	-	-	-
RGC Zones	City Center (CC)	High	Medium	-	-	-	-
	Alderwood (A)	High	Medium	-	-	-	-
	Alderwood City Center Transition (ACC)	-	-	-	-	-	-
	Planned Commercial Development (PCD)	High	Medium	-	-	-	Medium
	College District Mixed Use (CDM)	-	Medium	-	-	-	-
Mixed-Use Zones	Hwy 99 Mixed-Use (HMU)	High	Medium	-	-	-	-

Zone of the Subject Property		Zone Abutting the Subject Property					
		RN	RM-45	ACC	NC	CDM	P-I
	Neighborhood Commercial (NC)	Medium	Medium	-	-	-	Medium
	General Commercial (CG)	High	Medium	-	-	-	Medium
Industrial Zones	Light Industrial (LI)	High	High	Low	Low	Low	Medium
Public Zones	Public-Institutional (P-I)	Medium	-	-	-	-	-
	Open Space and Parks (OSP)	Medium	-	-	-	-	-

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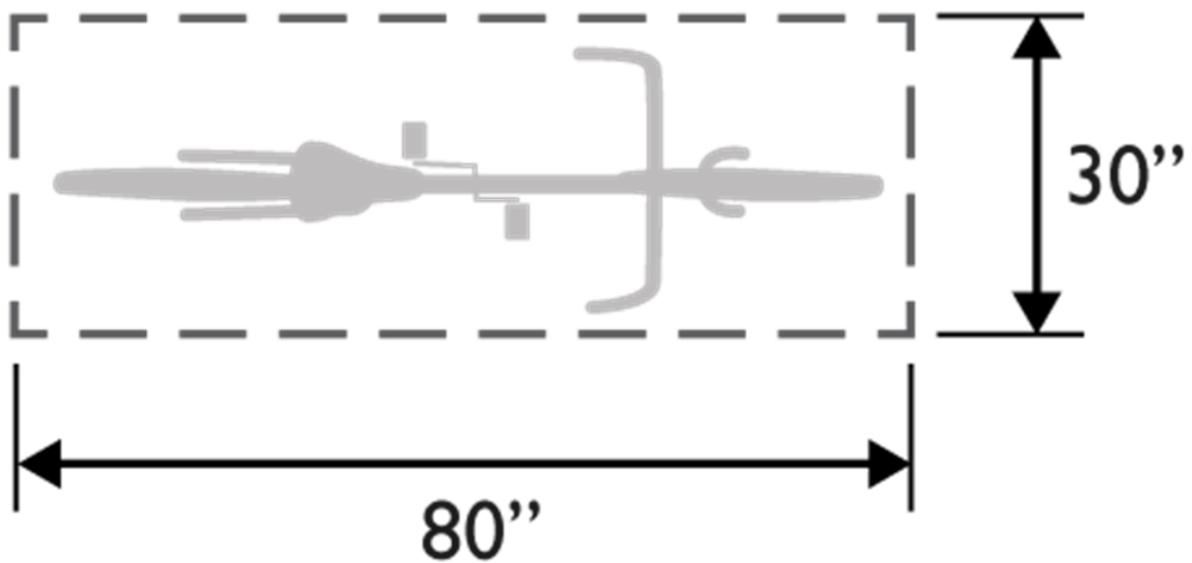
Section 19. LMC Section 8.40 Article IV Service and Refuse Collection Areas is hereby retitled to **“Article IV Refuse and Recycling Collection Areas”**.

Section 20. LMC Section 8.40.0620(A) Bicycle Parking Requirements is hereby amended to read as follows:

- A.
 1. Bicycle parking must be provided as required by the district standards, the rules of interpretation, and the following standards:
 - a. Bicycle parking must be located within 100 feet to the building or facility entrance(s) and clustered in lots not to exceed 20 stalls each.
 - b. Bicycle parking must be located in highly visible, well-lighted areas to minimize theft and vandalism.
 - c. Bicycle facilities cannot impede pedestrian or vehicle circulation. Wherever possible bicycle parking should be incorporated into building design or street furniture.

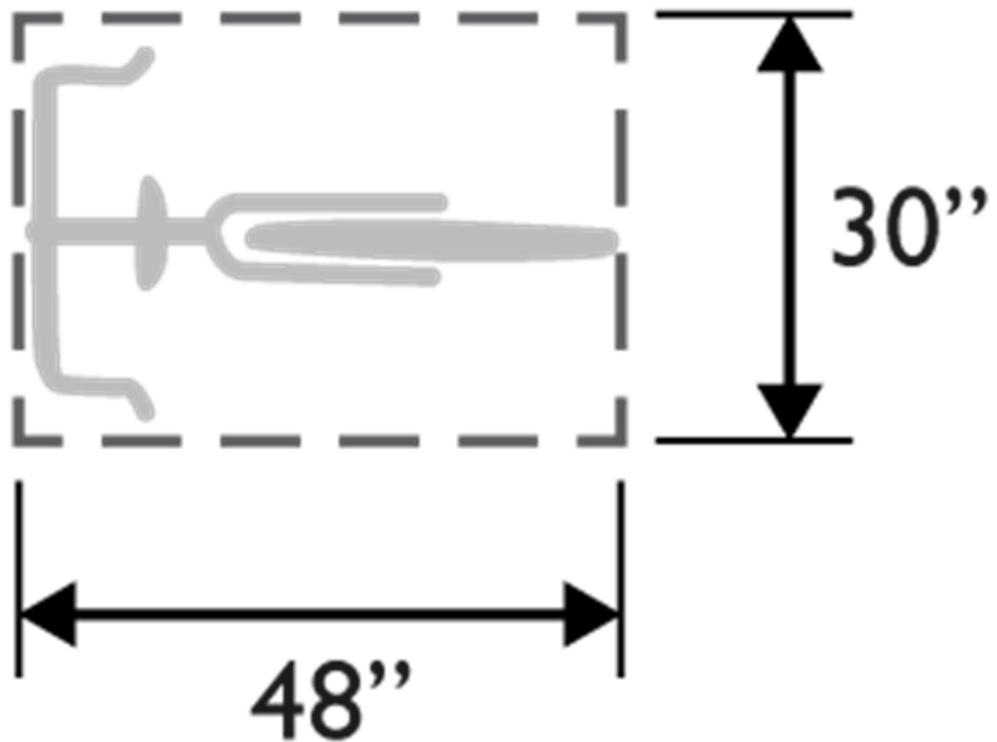
- 427 d. If bicycle parking is side-by-side in rows, there must be an access aisle at
 428 least six feet wide to the front or rear of each stall.
 429 e. Bicycle parking areas within auto parking areas must be separated by a
 430 physical barrier such as curbs, wheel stops, stanchions, fences, or similar
 431 to protect bicycles from damage by cars.
 432 f. See below for the dimensional standards for bicycle parking areas.
 433 B. *Space Size.*
 434 1. When provided individually, one bike parking space will be at least 80 inches long by 30
 435 inches wide, with the assumption the bike will be stored horizontally.

1 spaces (horizontal storage)



- 436 2. When provided individually, one-half bike parking space will be at least 48 inches long
 437 by 30 inches wide, with the assumption the bike will be stored vertically.
 438 a. Vertical storage requires necessary hardware for the bike to be hung on
 439 a wall or rack, or equivalent.
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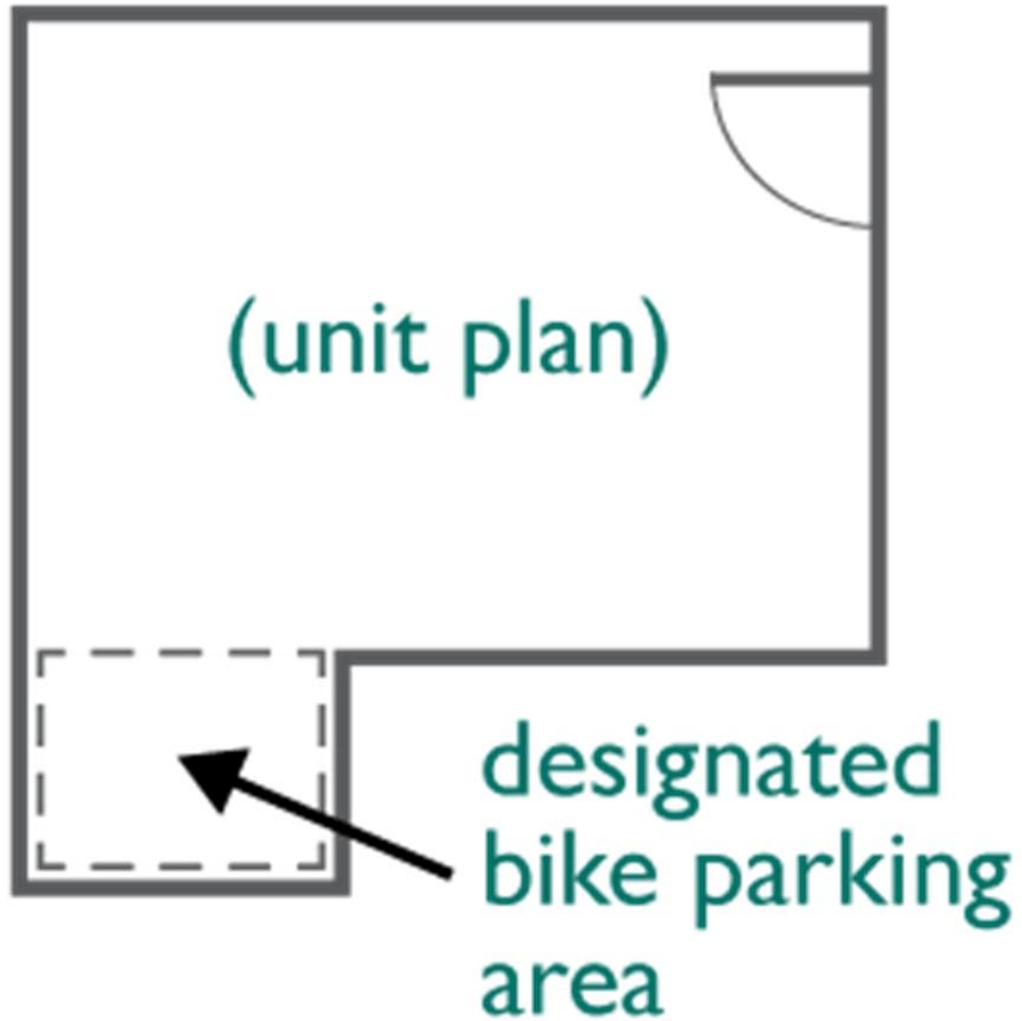
.5 space (vertical storage)



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C. *In Units.*

1. When provided within the unit, at least one-half bike parking spaces are required in each unit, measured according to this code, and including the necessary hardware.
2. One whole bike parking space is encouraged when bike parking is provided within the unit, but is not required.

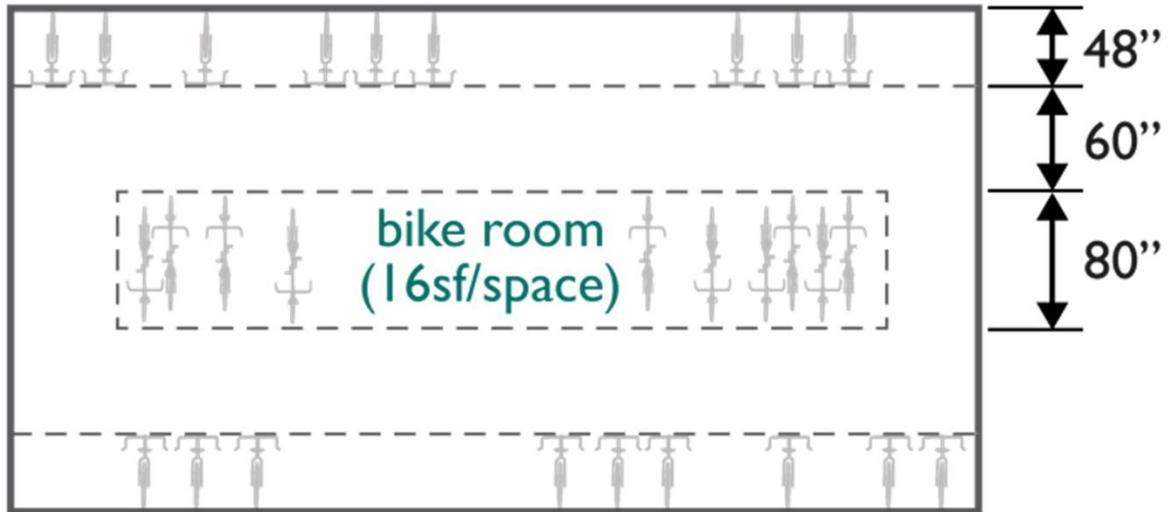


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D. *Bike Room.*

1. When bike parking is provided within a bike room, outdoor bike corral, or in a similar collective manner, required bike parking spaces may be measured individually, or as a collective square footage.
 - a. If measured collectively, one bike parking space will be equivalent to 16 square feet, and one-half bike parking spaces will be equivalent to eight square feet.
 - b. It is recommended that bike room layouts utilize the dimensions set forth in this code, or similar. Generous storage solutions for cargo bikes and charging stations for electric bikes are encouraged.

multiple bikes (example layout)



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- E. *Access.*
 - 1. All bike storage on upper levels of buildings must be accessible by elevator, regardless of size, type, or configuration.
- F. *Minimum Bike Parking Spaces.*
 - 1. The following minimum requirements must be provided:

Use	Minimum Requirement
Stand Alone Multifamily Housing	0.5 spaces per unit
Mixed Use Multifamily Housing	0.5 spaces per unit
Stand Alone Commercial	1 space per 4,000 SF
Mixed Use Commercial	1 space per 4,000 SF

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- 2. The above-listed minimum bike parking requirements may be deviated if approved by the administrator based on the following criteria:
 - a. Requirements are reduced to no less than 20 percent of the original requirement.
 - b. The land use supports a specific population who are less likely to utilize bicycles than the general community (ex., senior housing, or similar uses).
 - c. Adequate provisions are provided for future bicycle parking area if the land uses change in the future.

Section 21. LMC Section 8.40.0730 Residential Off-Street Parking Requirements is hereby amended to read as follows:

- A. *Parking Stall Dimensions.*

- 477 1. The minimum residential parking stall dimensions are 8 feet by 17.5 feet,
478 notwithstanding:
479 a. Parking stalls that must conform to ADA requirements.
480 b. Provisions for turning radius, as may be required elsewhere in the LMC.
481 2. Required parking stalls may be oriented in a tandem parking style.
482 a. "Tandem" is defined as having two or more vehicles, one in front of or
483 behind the others with a single means of ingress and egress.

484 B. *Parking Stall Location.*

- 485 1. The required parking stalls may be enclosed or unenclosed.
486 2. On-site parking must meet any requirements of the zone where the proposed
487 parking is located.
488 3. Unless the proposal utilizes the off-site provisions of this article, off-street
489 parking must be located on the same lot or an adjoining lot or lots to the
490 property being served.
491 a. Residential parking stalls located on another property must be within 100
492 feet of the property being served and not separated from the property by
493 a street.
494 4. If compliance with tree retention requirements would make a proposed
495 residential development or redevelopment infeasible, the affected parking stalls
496 will not be required as a condition of permitting the development.

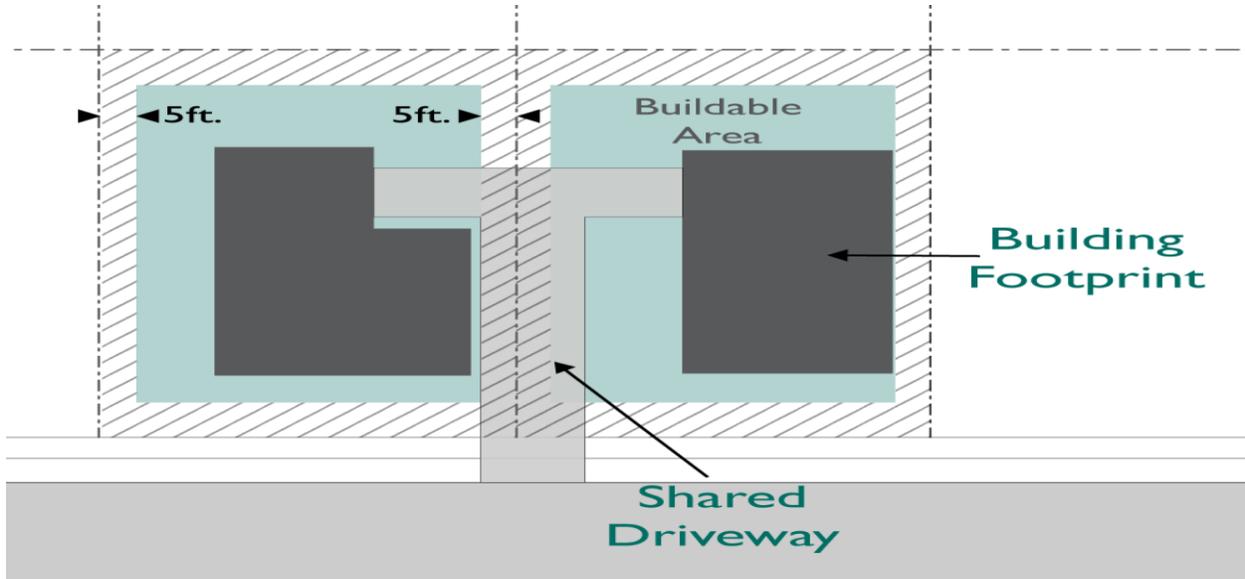
497 C. *Parking Stall Materials.*

- 498 1. All required parking surfaces must utilize materials of long-term durability, such
499 as:
500 a. Asphalt.
501 b. Concrete.
502 c. Grasscrete.
503 d. Pavers, bricks, or interlocking stone.
504 e. Other similar surfaces, as approved by the administrator.
505 2. Gravel, dirt, and other loose surfacing materials are not permitted.
506 a. Where existing legally nonconforming gravel surfacing in designated
507 parking areas is present, a maximum of six parking spaces may be
508 maintained to meet parking requirements.

509 D. *Single-Family and Middle Housing Parking.*

- 510 1. Driveways may be located within setbacks.
511 2. Use of pervious paving, "grasscrete" or similar materials for driveways and
512 parking areas is encouraged. Paving of driveways and parking areas with wheel
513 strips only (sometimes referred to as "ribbon driveways," "Hollywood," or
514 "California" driveways) is permitted for up to three units on a lot (including

- 515 parking required for accessory units), however driveway aprons and other areas
 516 within the public right-of-way must be paved in accordance with city standards.
 517 3. Other dimensional requirements for residential driveways are in Chapter 8.30
 518 LMC.
 519 4. Tandem parking may be utilized to fulfill parking requirements.
 520 5. Shared driveways are permitted. Shared driveways must be at least 12 feet wide
 521 and must meet the other requirements for driveways in Chapter 8.30 LMC.



522

523 E. Multifamily Parking.

- 524 1. In the RM-45 zone, 10 percent of the required parking may be in tandem
 525 parking; provided, that the area in which the tandem parking is located is
 526 designated on an approved site plan and that they are assigned by the
 527 management; or, 10 percent of the parking stalls required may be located in a
 528 separate parking lot utilized only for recreation vehicles, provided the area does
 529 not encroach on front, side, and rear yard setbacks.
 530 2. Open carports, sheltering parking stalls, and canopies or covered walkways
 531 leading from carports or other parking areas to building entrances, are not
 532 included in determining lot coverage under this section. This exemption does not
 533 apply to any enclosed or walled area. Carports must be no more than 15 feet
 534 above the parking surface and must meet setbacks and other development
 535 standards of the applicable zone.

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537 **Section 22. LMC Section 8.40.0790 Residential Parking Standards** is hereby repealed and
 538 reserved.

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Section 23. LMC Section 8.90.0200 Summary of Authority is hereby amended to read as follows:

The following table summarizes the approval authority of the city’s review bodies and officials that implement and administer this Unified Development Code.

Table 8.90.01.

	Administrator	Hearing Examiner	Planning Commission	City Council
MAP OR TEXT AMENDMENT				
UDC Text Amendment	–	–	R-PH	D-PH
Future Land Use Map Amendment	–	–	R-PH	D-PH
Rezoning	–	–	–	–
Site-Specific	R	D-PH	–	–
Area-Wide	–	–	R-PH	D-PH
Planned Unit Development	R	D-PH	–	–
Development Agreement	–	–	<u>R-PH*</u>	D-PH
SUBDIVISION				
Preliminary Subdivision, Full Plat	R	D-PH	–	–
Preliminary Subdivision, Short Plat	D	A	–	–
Final Plat	D	A	–	–

	Administrator	Hearing Examiner	Planning Commission	City Council
Boundary Line Adjustment, Lot Combination	D	A	–	–
Binding Site Plan	D	A	–	–
Lot Split (Reserved)	–	–	–	–
Plat Vacation	R	D-PH	–	–
USE APPROVAL				
Conditional Use Permit	<u>R</u>	<u>D-PH</u>	–	–
Temporary Use Permit	D	A	–	–
STEP Housing	D	A	–	–
Essential Public Facility (Local)	–	D-PH	–	–
Essential Public Facility (Regional and State)	–	–	–	D-PH
DEVELOPMENT APPROVAL				
Building Permit	D	A	–	–
Project Development Review	D	A	–	–
WCF Eligible Facilities Request	D	A	–	–
VARIANCE AND OTHER REQUESTS				
Variance	R	D-PH	–	–
Administrator Interpretation	D	A	–	–

	Administrator	Hearing Examiner	Planning Commission	City Council
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Historic Property

Adjustment or Waiver

(Recommendation by Lynnwood’s History and Heritage Board)

D

A

R

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KEY:

D = Decision

R =

Recommendation

R-PH =

Recommendation with public hearing

D-PH =

Decision with public hearing

A =

Appeal

546 *Required for development agreements which include a master plan for sites larger than 5
 547 acres.

548
 549 **Section 24. LMC Section 8.90.0310 General Overview of Permit Process** is hereby amended to
 550 read as follows:

551
 552

Table 8.90.03.

	Type 1a	Type 1b	Type 1c	Type 2	Type 3
Preapplication Meeting	Optional, but encouraged				
Notice of Completeness	Yes	Yes	Yes	Yes	Yes
Notice of Application	–	–	Yes	Yes	Yes
SEPA Determination	Varies, refer to Chapter 17.02 LMC				

	Type 1a	Type 1b	Type 1c	Type 2	Type 3
Open Record Public Hearing	-	-	-	Yes	Yes
Notice of Hearing	-	-	-	Yes	Yes
Recommendatio n Maker	-	-	-	Administrato r	Planning Commission *
Decisionmaker	Administrato r	Administrato r	Administrato r	Hearing Examiner	City Council
Decision Timeline	Varies	65 days	100 days	170 days	Varies
Notice of Decision	-	-	Yes	Yes	-
Administrative Appeal	Hearing Examiner	Hearing Examiner	Hearing Examiner	-	-
Judicial Appeal	Superior Court				

Note: “-” = the item is not applicable or not required.

553 *Required for development agreements which include a master plan for sites larger than 5
554 acres.

555
556 **Section 25. LMC Section 8.90.0550 Unit lot Subdivisions** is hereby amended to read as follows:

557
558 A. *Applicant.* A unit lot subdivision may be initiated by any property owner, or authorized
559 agent of the owner, of the city of Lynnwood.

- 560 B. *Applicability.*
- 561 1. A unit lot subdivision is to divide land into fee simple residential lots or tracts for
- 562 the purpose of sale, lease, or transfer of ownership.
- 563 2. A unit lot subdivision may be sought concurrent with SEPA, Planned Unit
- 564 Development, Project Design Review, Development Engineering or other similar
- 565 site-plan development review.
- 566 a. When applied for concurrently, the Unit Lot Subdivision process may
- 567 replace other processes and permit types which would be redundant. In
- 568 no case may a Unit Lot Subdivision remove SEPA or public notice which
- 569 would otherwise be required.
- 570 i. Project Example I: A 24,000 square foot lot zoned Residential
- 571 Neighborhood (RN) which can yield four lots and a total 16
- 572 housing units would be required to provides a Project Design
- 573 Review, Short Subdivision, Unit Lot Subdivision, Development
- 574 Engineering Permit, and Building Permit(s). When applied
- 575 concurrently with a Development Engineering Permit, the Unit Lot
- 576 Subdivision which provides Notice of Application for Public
- 577 Comment, Notice of Public Hearing, Public Hearing, and Notice of
- 578 Decision, and Appeal Period. In this case, the Unit Lot Subdivision
- 579 may replace the Project Design Review, and Short Subdivision as
- 580 these two applications do not increase the development yield nor
- 581 do they provide for any additional increased public review or staff
- 582 review.
- 583 ii. Project Example II: A 12,000 square foot lot constrained by
- 584 wetlands which can yield 6 housing units could use a Planned Unit
- 585 Development (PUD) and would be required to provide a Critical
- 586 Areas Permit, Short Subdivision, Unit Lot Subdivision, Development
- 587 Engineering Permit, and Building Permit(s).
- 588 C. *Procedures.* A unit lot subdivision is a project permit and is processed through two
- 589 applications. The first application is to obtain preliminary approval depending on the
- 590 number of lots and tracts being created. The second application is a final subdivision.
- 591 1. For a unit lot subdivision seeking to divide or redivide land into nine or fewer lots
- 592 or tracts, preliminary approval is processed under LMC 8.90.0350, Administrator
- 593 decisions – Project permits with public notice. Final approval is processed under
- 594 LMC 8.90.0340, Administrator decisions – Project permits with no public notice.
- 595 2. For a unit lot subdivision seeking to divide or redivide land into 10 or more lots
- 596 or tracts, preliminary approval is processed under LMC 8.90.0360, Hearing

597 examiner review. Final approval is processed under LMC 8.90.0340,
598 Administrator decisions – Project permits with no public notice.

599 D. Decision Criteria.

- 600 1. The administrator will approve or approve with conditions, when a subdivision
601 has demonstrated compliance with the preliminary unit lot subdivisions decision,
602 adopted codes and standards. If an application has been unable, or an applicant
603 appears unwilling, to demonstrate compliance with adopted codes and
604 standards, the administrator will deny the application. The administrator’s
605 decision criteria will be based on LMC 8.90.0340 as well as the following criteria:
- 606 a. The proposal conforms with the comprehensive plan, shoreline master
607 program, and other city-adopted plans;
 - 608 b. Provisions have been made for water, storm drainage, erosion control
609 and sanitary sewage disposal for the land division that are consistent with
610 current standards and plans adopted in city code, ordinance, or
611 resolution;
 - 612 c. Provisions have been made for roads, utilities, street lighting, street
613 trees, and other improvements that are consistent with the zoning code,
614 adequate public facilities requirements, and engineering standards;
 - 615 d. Provisions have been made for dedications, easements, and reservations
616 where applicable;
 - 617 e. The proposal complies with the relevant requirements of the zoning code
618 and all other relevant local regulations:
 - 619 i. The development must meet the development standards
620 applicable to the underlying site development plan. As a result of
621 the subdivision, development on individual unit lots may be
622 nonconforming as to some or all of the development standards of
623 this title based on analysis of the individual unit lot, except that
624 any private open space for each dwelling unit must be provided
625 on the same lot as the dwelling unit.
 - 626 ii. Unit lot area and width per unit for purposes of subdivision may
627 be as small as the coverage of the individual unit.
 - 628 iii. Portions of the parent site not subdivided for individual unit lots
629 shall be owned in common by the owners of the individual unit
630 lots, or by a homeowners association comprised of the owners of
631 the individual unit lots located within the parent site.
 - 632 iv. Access easements, joint use and maintenance agreements, and
633 covenants, conditions and restrictions identifying the rights and
634 responsibilities of property owners and/or the homeowners

635 association must be executed for use and maintenance of
636 common garage, parking, and vehicle access areas; on-site
637 recreation areas; landscaping; underground utilities; common
638 open space; exterior building facades and roofs; and other similar
639 features, which are to be recorded with the county auditor's
640 office.

641 v. A unit lot subdivision must make adequate provisions for ingress,
642 egress, and utilities access to and from each unit lot created by
643 reserving such common areas or other easements over, under,
644 and across the parent site as deemed necessary to comply with all
645 other design and development standards generally applicable to
646 the underlying site development plan, and such easements are be
647 recorded with the county auditor's office.

648 f. Provisions have been made for such open spaces, parks and recreation,
649 playgrounds, schools and school grounds and all other relevant facts,
650 including sidewalks and other planning features that assure safe walking
651 conditions for students who only walk to and from school; and the public
652 use and interest will be served by the platting of such land division and
653 dedication.

654 2. For applications subject to LMC 8.90.0550(C)(2), the hearing examiner will
655 approve or approve with conditions a preliminary unit lot subdivisions plat when
656 the application has demonstrated compliance with LMC 8.90.0360 and the
657 following criteria:

658 a. The proposal conforms with the comprehensive plan, shoreline master
659 program, and other city-adopted plans;

660 b. Provisions have been made for water, storm drainage, erosion control
661 and sanitary sewage disposal for the land division that are consistent with
662 current standards and plans adopted in city code, ordinance, or
663 resolution;

664 c. Provisions have been made for roads, utilities, street lighting, street
665 trees, and other improvements that are consistent with the zoning code,
666 adequate public facilities requirements, and engineering standards;

667 d. Provisions have been made for dedications, easements, and reservations
668 where applicable;

669 e. The proposal complies with the relevant requirements of the zoning code
670 and all other relevant local regulations:

671 i. The development must meet the development standards
672 applicable to the underlying site development plan. As a result of

673 the subdivision, development on individual unit lots may be
674 nonconforming as to some or all of the development standards of
675 this title based on analysis of the individual unit lot, except that
676 any private open space for each dwelling unit must be provided
677 on the same lot as the dwelling unit.

- 678 ii. Unit lot area and width per unit for purposes of subdivision may
679 be as small as the coverage of the individual unit.
- 680 iii. Portions of the parent site not subdivided for individual unit lots
681 shall be owned in common by the owners of the individual unit
682 lots, or by a homeowners association comprised of the owners of
683 the individual unit lots located within the parent site.
- 684 iv. Access easements, joint use and maintenance agreements, and
685 covenants, conditions and restrictions identifying the rights and
686 responsibilities of property owners and/or the homeowners
687 association must be executed for use and maintenance of
688 common garage, parking, and vehicle access areas; on-site
689 recreation areas; landscaping; underground utilities; common
690 open space; exterior building facades and roofs; and other similar
691 features, which are to be recorded with the county auditor's
692 office.
- 693 v. A unit lot subdivision must make adequate provisions for ingress,
694 egress, and utilities access to and from each unit lot created by
695 reserving such common areas or other easements over, under,
696 and across the parent site as deemed necessary to comply with all
697 other design and development standards generally applicable to
698 the underlying site development plan, and such easements are to
699 be recorded with the county auditor's office.

- 700 f. Appropriate provisions are made for:
 - 701 i. The public health, safety, and general welfare and for such open
702 spaces, drainage ways, streets or roads, alleys or other public
703 ways, transit stops, potable water supplies, sanitary wastes, parks
704 and recreation, playgrounds, schools and school grounds and all
705 other relevant facts, including sidewalks and other planning
706 features that assure safe walking conditions for students who only
707 walk to and from school; and
 - 708 ii. The public use and interest will be served by the platting of such
709 land division and dedication.

710 3. The administrator will approve or approve with conditions when a final unit lot
711 subdivision has demonstrated compliance with the preliminary unit lot
712 subdivision decision, adopted codes and standards. If an application has been
713 unable, or an applicant appears unwilling, to demonstrate compliance with
714 adopted codes and standards, the administrator will deny the application.

715 E. *Expiration.*

- 716 1. Preliminary unit lot subdivisions are valid for 60 months and may be extended
717 for up to 12 months.
718 2. Final unit lot subdivisions are valid for 90 days and will not be extended.

719
720 **Section 26. LMC Section 8.90.0720 Project Development Review** is hereby amended to read as
721 follows:

722
723 A. *Applicant.* A project development review (PDR) may be initiated by any property owner,
724 or authorized agent of the owner, of the city of Lynnwood.

725 B. *Applicability.*

- 726 1. Project development review is required for all new development, expansion of
727 existing structures, or other exterior site improvements that will modify the
728 physical conditions of a site involving at least one of the following:
729 a. Nonresidential construction of 3,000 square feet or more of new gross
730 floor area;
731 b. Residential construction of 12 or more dwelling units;
732 i. Residential construction projects utilizing concurrent review of
733 Unit Lot Subdivision may not be required a Project Development
734 Review per LMC 8.90.0550.B.2.
735 c. Construction of any surface or structured parking facility on undeveloped
736 land or expanding the surface area of existing parking with 20 or more
737 new parking spaces; or
738 d. Any phased development where the total construction during any eight-
739 consecutive-year period after the first construction permit is issued that
740 meets the development thresholds set forth in subsections (B)(1)(a)
741 through (B)(1)(c) of this section.
742 2. Development, expansion of existing structures, or other exterior site
743 improvements that does not meet the minimum of subsections (B)(1)(a) through
744 (B)(1)(d) of this section should be incorporated and acted on as part of another
745 permit decision but may be acted on as a standalone decision.

746 C. *Procedures.*

- 747 1. Project development review subject to subsection (B)(1) of this section will be
748 processed under the general application provisions in LMC 8.90.0320, and Type
749 1c administrator decision project permits requiring public notice in LMC
750 8.90.0350.
- 751 2. Project development review subject to subsection (B)(2) of this section should be
752 incorporated under another permit decision. If any property owner, or
753 authorized agent of the owner, requests independent approval of a project
754 development review, the request will be processed under the general
755 application provisions in LMC 8.90.0320, and Type 1c administrator decision
756 project permits requiring public notice in LMC 8.90.0350.
- 757 D. *Decision Criteria.* The decision authority may approve or approve with conditions a site
758 plan review if the proposal is consistent with all applicable development regulations, as
759 adopted in the Lynnwood Municipal Code. If an application has been unable, or an
760 applicant appears unwilling, to demonstrate compliance with adopted codes and
761 standards, the administrator will deny the application.
- 762 E. *Decision Criteria.*
- 763 1. The administrator may approve a project development review if:
- 764 a. It is consistent with the comprehensive plan.
- 765 b. It is consistent with all applicable provisions of this Unified Development
766 Code.
- 767 c. It is consistent with any applicable design guidelines, adopted by this
768 reference and incorporated in the provisions of the LMC, and this chapter
769 as fully as if set forth here.
- 770 d. or development applications for remodeling or expansion of an existing
771 development, it is consistent with those provisions in the applicable
772 design guidelines identified by the administrator as being applicable. For
773 such applications, the administrator may modify applicable design
774 standards and guidelines to provide continuity between existing and new
775 development or proposed phases of development.
- 776 2. *Conditions of Approval.*
- 777 a. The administrator will include in the written decision any conditions and
778 restrictions that are necessary to ensure compliance with the decisional
779 criteria listed in subsection (B) of this section.
- 780 b. Except as specified in subsection (B) of this section, the applicant must
781 comply with all aspects, including conditions and restrictions, of an
782 approval granted under this process in order to engage in all activities
783 authorized by that approval.

- 784 c. If a specific site configuration for the subject property was approved
785 under this process or any quasi-judicial process, the applicant is not
786 required to apply for and obtain approval through this process for a
787 subsequent change in site configuration unless:
- 788 i. There is a change in use and this title establishes different or
789 more rigorous standards for the new use than for the existing use;
790 or
 - 791 ii. The administrator determines that there will be substantial
792 changes in the impacts on the neighborhood or the city as a result
793 of the change.
- 794 d. The developer, its successor and/or subsequent owners and their agents
795 will be responsible on a continuing basis for the life of the development
796 for the maintenance of the site in compliance with the approval granted
797 under this process in order to engage in all activities authorized by that
798 approval.

799 F. *Modifications and Revisions.*

- 800 1. Amendments to an approved project development review decision will be
801 processed as a Type 1b administrator decisions project permit with no public
802 notice unless the amendment is a substantial modification, in which case the
803 amendment is processed as a Type 1c administrator decisions project permit
804 with public notice. Streetscapes must be designed to include a combination of
805 facilities to serve pedestrians, cyclists and transit patrons, such as attractive
806 lighting, awnings and canopies, seating, directional signage, information kiosks,
807 designated street crossings, bus shelters, and/or other amenities to enhance the
808 pedestrian environment.
- 809 2. Public sidewalks and/or trails, bikeways or greenbelt linkages must be provided
810 to connect parks, municipal golf course, the college and other public areas
811 frequented by the general public when the proposed development is on or
812 adjacent to such planned facilities.

813 G. *Expiration.*

- 814 1. *General.*
- 815 a. *Submittal of Complete Building Permit.* The applicant under this process
816 must submit to the city a complete building permit application under this
817 process within two years after the final decision on the matter, or the
818 decision becomes void.
 - 819 b. *Construction Completion.* The applicant must substantially complete
820 construction within five years after the final decision of the city on the
821 matter, or the decision becomes void.

822 c. If the hearing examiner’s decision is appealed, the time limits of this
823 section are automatically extended by the length of time between the
824 commencement and final termination of the appeal. If the development
825 activity approved under this process includes phased construction, the
826 time limits of this section may be extended in the decision on the
827 application to allow the completion of subsequent phases.

828 2. *Time Extension.*

- 829 a. Prior to the expiration, the applicant may submit a written application in
830 the form of a letter with supporting documentation to the development
831 and business services department requesting a one-time extension of
832 those time limits of up to one year.
- 833 i. The request must demonstrate that the applicant is making
834 substantial progress on the development activity approved under
835 this process; or
 - 836 ii. Circumstances beyond the applicant’s control prevent compliance
837 with the time limits of LMC 8.90.0720.
- 838 b. An application for an extension of time will be reviewed and decided
839 upon by the administrator.
- 840 c. Anyone who is aggrieved by the denying of a request for a time extension
841 under this section may appeal that decision. The appellant must file a
842 letter of appeal indicating how the decision on the time extension affects
843 the appellant’s property and presenting any relevant material or
844 information supporting the appellant’s contention. The appeal will be
845 heard and decided upon using LMC 8.90.0330(D).

846 H. *Effect of Decision.* The applicant may not begin construction activity based on the
847 decision until the third working day after the time to appeal has expired. If the decision
848 is appealed, the applicant may not engage in any construction activity based on the
849 decision until the third working day after the city issues a final decision on the matter. If
850 the decision of the administrator is not appealed, that decision is the final decision of
851 the city.

852
853 **Section 27. LMC Section 8.90.0810 Alternative Compliance Request** is hereby amended to read
854 as follows:

- 855
856 A. *Applicant.* An alternative compliance request may be initiated by any property owner, or
857 authorized agent of the owner, of the city of Lynnwood when accompanied by a permit
858 for construction.

- 859 B. *Applicability.* Review of an alternative compliance request is a process for relief from the
 860 provisions of the Unified Development Code where substitute responsiveness to the
 861 provisions of the code supports the implementation of the comprehensive plan and can
 862 be fulfilled upon granting the request.
- 863 C. *Applicable Procedure.* An alternative compliance request is formally initiated through a
 864 project narrative of the accompanied permit for construction. Certain requests may
 865 require a subsequent checklist to be submitted as part of the project narrative.
- 866 D. *Limitations.* An alternative compliance request must not relieve an applicant of
 867 conformance to the Lynnwood Municipal Code. The alternative compliance request is
 868 limited only to Chapter 8.45 LMC, Design Standards.
- 869 E. *Decision Criteria.* The administrator will review if the proposed alternative provides
 870 consistency with other adopted plans or policies.
- 871 F. *Revisions and Modifications.* At the administrator’s discretion, an alternative compliance
 872 request may be modified through the issuance of a new decision or through a
 873 reconsideration of a previous decision.
- 874 G. *Expirations.* An approved alternative compliance request remains valid until the
 875 accompanying permit expires.
 876

877 **Section 28. LMC Section 8.99.250 Definitions A-Z** is hereby amended to read to add or amend
 878 the following terms as follows while preserving all other terms without modification:
 879

Term	Definition
<u>Addition</u>	<u>Any construction or development activity that results in the creation of additional square footage a building, facility, or structure. This activity may involve grading, utility installation, and other site improvements.</u>
New Construction/Development	Any construction or development activity that results in the creation of a new building, facility, or structure. <u>This activity may involve grading, utility installation, and other site improvements.</u>

880

881 **Section 29. LMC Title 21 ZONING** is hereby retitled to: “**Title 21 ZONING – EXPIRED JUNE 30,**
 882 **2025**”
 883

884 **Section 30. Severability:** If any section, sentence, clause or phrase of this ordinance should be
885 held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or
886 unconstitutionality shall not affect the validity or constitutionality of any other section,
887 sentence, clause or phrase or word of this ordinance.
888

889 **Section 31. Effective Date:** This ordinance or an approved summary thereof consisting of its
890 title shall be published in the City’s official newspaper of record and shall take effect and
891 be in full force five days following its publication.
892

893 PASSED BY THE CITY COUNCIL THIS __ day of _____, 2026.
894

895 APPROVED:
896

897 _____
898
899 George Hurst, Mayor
900

901 ATTEST/AUTHENTICATED:
902

903 APPROVED AS TO FORM:
904

905 _____
Darcy Kirschner, Interim City Clerk

Lisa Marshall, City Attorney

CITY COUNCIL 11.B

**CITY OF LYNNWOOD
CITY COUNCIL**

TITLE: Briefing: Youth Council Progress

DEPARTMENT CONTACT: Joel Faber, Parks, Recreation and Cultural Arts

SUMMARY:

This item is provide current progress on the creation of the Youth Council

PRESENTER:

Kelly Schudde, Recreation Superintendent

ESTIMATED TIME:

45

BACKGROUND:

The intent of the presentation is to provide the council with an overview of the ongoing work to create the inaugural youth council.

SUGGESTED ACTION:

Ask staff clarifying questions about the formation of the Youth Council.

PREVIOUS COUNCIL ACTIONS:

City Council Ordinance 3486 was passed on August 11, 2025.

DEPARTMENT ATTACHMENTS

Description:

[Youth Council Presentation.pdf](#)



Lynnwood Youth Council

Our mission is to empower young leaders with a voice in their community, fostering belonging, equity, and purpose. Through leadership, civic engagement, and collaboration, we create an inclusive platform where youth are heard and can drive positive change.

Background

August 2025 – Ordinance was passed by City Council

September 2025 – Placed under Parks and Recreation and staff liaison was selected

January 2026 – City Council liaison was selected

Behind the Scenes Work

- Website
- Marketing Materials
- Email through XPLOR
- Outreach to School Administration
- Attending School Lunches

Timeline

Phase 1: Recruitment

March 16 - First Review of Applications

April 30 - Application Deadline

Phase 2: Review and Conversations

May - Review of applications and holding conversations with applicants

Phase 3: Launch of Youth Council

June - Announcement of Youth Council Members

August – Youth Council Summit

Fall – Getting Established (By-Laws, Scope of Work, etc.)

How You Can Help

It often takes 8–10 touchpoints before someone decides to try something new. Your help sharing and recruiting truly makes a difference!

We are looking for 15 Council Members who:

- 14-19 year olds
- Live in the City of Lynnwood and/or in the Edmonds School District
- Voter registration requirements are waived for members of the Youth Council.
- Members will serve a term of 2 years
 - If we get a graduating Senior, we can make a 1-year term.

CITY COUNCIL 11.C

**CITY OF LYNNWOOD
CITY COUNCIL**

TITLE: Briefing: 4th Quarter 2025 Financial Report

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

4th Quarter 2025 Financial Report

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

This report provides detailed information about budget status through the final quarter of 2025. The City is committed to maintaining fiscal sustainability and transparency as the City receives and expends funds according to the adopted 2025-2026 Budget. Lynnwood utilizes a biennial budget (24 months) and this reporting period covers 12 of 24 months, which is 50% of the two-year period.

The numbers are considered DRAFT until we finalize our 2025 financial statements.

SUGGESTED ACTION:

Review draft 2025 end of year numbers

PREVIOUS COUNCIL ACTIONS:

Q4 2025 report reviewed at March 17, 2026 Finance Committee meeting
Q3 2025 report reviewed at October 22, 2025 Finance Committee meeting
Q3 2025 report reviewed at October 20, 2025 City Council Work Session
Q2 2025 report reviewed at July 23, 2025 Finance Committee meeting
Q2 2025 report reviewed at July 21, 2025 City Council Work Session
Q1 2025 report FYI memo in June 16, 2025 Work Session packet
Q1 2025 report reviewed at May 28, 2025 Finance Committee meeting

DEPARTMENT ATTACHMENTS

Description:

[Q4 2025 3.12.26.pdf](#)

Summary by Fund January 01, 2025 through December 31, 2025

Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
General Fund				
011 General Fund	\$ 8,076,596	\$ 70,039,799	\$ 72,348,801	\$ 5,767,594
Total General Fund	\$ 8,076,596	\$ 70,039,799	\$ 72,348,801	\$ 5,767,594
Other General Government				
020 Econ Dev Infrastructure	\$ 3,241,312	\$ 85,673	\$ 1,030,000	\$ 2,296,985
098 Revenue Stabilization	6,000,000	-	-	6,000,000
101 Lodging Tax	1,169,790	972,457	936,137	1,206,110
104 Drug Enforcement	270,229	29,648	17,038	282,839
105 Criminal Justice	3,015,299	5,264,195	3,007,586	5,271,908
110 Transportation Impact Fee	1,786,438	513,147	39,000	2,260,585
111 Street Operating	263,283	4,060,467	3,484,782	838,968
114 Cumulative Park Reserve	150,263	287	10,031	140,519
116 Cumulative Art Reserve	332,120	-	33,207	298,913
121 Tree Reserve	295,468	40,286	60,049	275,705
131 American Rescue Plan Act	-	235,163	235,163	-
144 Solid Waste Management	107,850	42,251	30,090	120,011
146 Affordable Housing	919,421	206,341	-	1,125,762
147 Opioid Settlement	1,149,940	214,251	31,745	1,332,446
150 Transportation Benefit District	2,425,498	4,672,204	3,128,276	3,969,426
180 Park Impact Fee	4,521,451	512,049	786,367	4,247,133
Total Other General Government Funds	\$ 25,648,362	\$ 16,848,419	\$ 12,829,471	\$ 29,667,310
Debt Service				
203 General Govt Debt Service	\$ 23	\$ 4,044,470	\$ 4,044,131	\$ 362
223 Rec Center 2012 LTGO	3,195	1,321,750	1,322,100	2,845
Total Debt Service Funds	\$ 3,218	\$ 5,366,220	\$ 5,366,231	\$ 3,207
Capital Funds				
330 REET 2	\$ 500,384	\$ 1,988,433	\$ 1,380,729	\$ 1,108,088
331 REET 1	3,009,620	2,063,308	601,381	4,471,547
333 Capital Development	403,446	-	303,225	100,221
357 Other Government Capital	294,994	180,000	216,341	258,653
360 Transportation Capital	8,387,152	7,802,166	10,235,446	5,953,872
370 Facilities Capital	661,714	970,382	959,058	673,038
380 Parks & Recreation Capital	2,461,268	5,801,163	5,185,417	3,077,014
390 Public Safety Capital	3,585,184	191,458	2,246,279	1,530,363
Total Capital Funds	\$ 19,303,762	\$ 18,996,910	\$ 21,127,876	\$ 17,172,796
Enterprise Funds				
411 Utility Operations	\$ 33,830,924	\$ 40,779,317	\$ 37,922,512	\$ 36,687,729
412 Utility Capital	7,369,592	16,239,363	8,526,849	15,082,106
460 Golf Course	277,353	2,365,990	2,237,635	405,708
Total Enterprise Funds	\$ 41,237,261	\$ 59,384,670	\$ 48,686,996	\$ 51,934,935
Internal Service Funds				
510 Equipment Rental Reserve	\$ 5,195,018	\$ 1,702,111	\$ 637,631	\$ 6,259,498
511 Equipment Rental Oper	547,942	2,794,833	2,887,479	455,296
513 Lynnwood Shop Operations	25,117	295,600	172,415	148,302
515 Self Insurance	136,293	(2,616)	-	133,677
520 Technology Reserve	268,961	865,219	185,148	949,032
Total Internal Service Funds	\$ 6,173,331	\$ 5,655,147	\$ 3,882,673	\$ 7,945,805
Total for all funds	\$ 100,442,530	\$ 176,291,165	\$ 164,242,048	\$ 112,491,647

Revenue Comparison through Budget Year 1, Quarter 4				
Fund	2023 - 2024 Actual	2025 - 2026 Actual	2025-2026 Budget	% Budget
General Fund				
011 General Fund	\$ 60,709,589	\$ 70,039,799	\$ 158,601,470	44%
Total General Fund	\$ 60,709,589	\$ 70,039,799	\$ 158,601,470	
Other General Government				
020 Econ Dev Infrastructure	\$ 227,706	\$ 85,673	\$ -	0%
098 Revenue Stabilization	-	-	-	0%
101 Lodging Tax	919,335	972,457	1,730,800	56%
104 Drug Enforcement	29,021	29,648	40,000	74%
105 Criminal Justice	1,716,161	5,264,195	7,225,118	73%
110 Transportation Impact Fee	560,734	513,147	1,500,000	34%
111 Street Operating	2,872,033	4,060,467	7,591,431	53%
114 Cumulative Park Reserve	27,710	287	20,000	1%
116 Cumulative Art Reserve	11,967	-	-	0%
121 Tree Reserve	15,011	40,286	30,000	134%
131 American Rescue Plan Act	2,290,160	235,163	522,000	45%
144 Solid Waste Management	69,209	42,251	101,675	42%
146 Affordable Housing	198,162	206,341	400,000	52%
147 Opioid Settlement	63,251	214,251	400,000	54%
150 Transportation Benefit District	4,747,294	4,672,204	8,400,000	56%
180 Park Impact Fee	1,217,210	512,049	3,505,000	15%
Total Other General Government Funds	\$ 14,964,964	\$ 16,848,419	\$ 31,466,025	
Debt Service				
203 General Govt Debt Service	\$ 3,540,859	\$ 4,044,470	\$ 7,567,350	53%
223 Rec Center 2012 LTGO	20,270,784	1,321,750	3,165,000	42%
Total Debt Service Funds	\$ 23,811,643	\$ 5,366,220	\$ 10,732,350	
Capital Funds				
330 REET 2	\$ 974,103	\$ 1,988,433	\$ 1,840,000	108%
331 REET 1	988,190	2,063,308	1,840,000	112%
333 Capital Development	37,946	-	-	0%
357 Other Government Capital	46,604	180,000	205,000	88%
360 Transportation Capital	18,595,121	7,802,166	36,474,804	21%
370 Facilities Capital	408,697	970,382	1,910,000	51%
380 Parks & Recreation Capital	9,744,841	5,801,163	19,055,316	30%
390 Public Safety Capital	12,137,051	191,458	3,250,000	6%
Total Capital Funds	\$ 42,932,553	\$ 18,996,910	\$ 64,575,120	
Enterprise Funds				
411 Utility Operations	\$ 33,010,250	\$ 40,779,317	\$ 79,043,769	52%
412 Utility Capital	4,744,210	16,239,363	39,235,000	41%
460 Golf Course	2,080,418	2,365,990	3,845,400	62%
Total Enterprise Funds	\$ 39,834,878	\$ 59,384,670	\$ 122,124,169	
Internal Service Funds				
510 Equipment Rental Reserve	\$ 2,005,093	\$ 1,702,111	\$ 6,098,800	28%
511 Equipment Rental Oper	2,298,952	2,794,833	6,171,800	45%
513 Lynnwood Shop Operations	138,250	295,600	596,300	50%
515 Self Insurance	129,026	(2,616)	-	0%
520 Technology Reserve	413,758	865,219	1,731,041	50%
Total Internal Service Funds	\$ 4,985,079	\$ 5,655,147	\$ 14,597,941	
Total for all funds	\$ 187,238,706	\$ 176,291,165	\$ 402,097,074	

Expenditure Comparison through Budget Year 1, Quarter 4				
Fund	2023 - 2024 Actual	2025 - 2026 Actual	2025-2026 Budget	% Budget
General Fund				
011 General Fund	\$ 61,047,834	\$ 72,348,801	\$ 157,188,683	46%
Total General Fund	\$ 61,047,834	\$ 72,348,801	\$ 157,188,683	
Other General Government				
020 Econ Dev Infrastructure	\$ 7,717,538	\$ 1,030,000	\$ 2,756,568	37%
098 Revenue Stabilization	-	-	-	0%
101 Lodging Tax	860,789	936,137	1,912,404	49%
104 Drug Enforcement	77,801	17,038	180,000	9%
105 Criminal Justice	864,124	3,007,586	7,772,928	39%
110 Transportation Impact Fee	2,040,153	39,000	2,730,000	1%
111 Street Operating	3,221,371	3,484,782	6,807,392	51%
114 Cumulative Park Reserve	8,715	10,031	20,000	50%
116 Cumulative Art Reserve	106,413	33,207	228,000	15%
121 Tree Reserve	41,632	60,049	70,000	86%
131 American Rescue Plan Act	2,290,160	235,163	522,000	45%
144 Solid Waste Management	60,724	30,090	91,915	33%
146 Affordable Housing	-	-	-	0%
147 Opioid Settlement	-	31,745	967,331	3%
150 Transportation Benefit District	4,085,964	3,128,276	10,300,000	30%
180 Park Impact Fee	814,019	786,367	5,985,710	13%
Total Other General Government Funds	\$ 22,189,403	\$ 12,829,471	\$ 40,344,248	
Debt Service				
203 General Govt Debt Service	\$ 4,039,074	\$ 4,044,131	\$ 7,567,350	53%
223 Rec Center 2012 LTGO	20,304,828	1,322,100	3,166,000	42%
Total Debt Service Funds	\$ 24,343,902	\$ 5,366,231	\$ 10,733,350	
Capital Funds				
330 REET 2	\$ 1,583,879	\$ 1,380,729	\$ 2,232,626	62%
331 REET 1	1,383,917	601,381	3,600,000	17%
333 Capital Development	335,147	303,225	303,250	100%
357 Other Government Capital	419,788	216,341	479,442	45%
360 Transportation Capital	13,969,907	10,235,446	37,647,849	27%
370 Facilities Capital	333,541	959,058	2,524,050	38%
380 Parks & Recreation Capital	9,543,573	5,185,417	20,321,558	26%
390 Public Safety Capital	42,386,668	2,246,279	9,320,155	24%
Total Capital Funds	\$ 69,962,939	\$ 21,127,876	\$ 76,428,931	
Enterprise Funds				
411 Utility Operations	\$ 27,669,327	\$ 37,922,512	\$ 90,744,338	42%
412 Utility Capital	4,162,576	8,526,849	40,380,892	21%
460 Golf Course	2,196,786	2,237,635	4,120,400	54%
Total Enterprise Funds	\$ 34,028,689	\$ 48,686,996	\$ 135,245,630	
Internal Service Funds				
510 Equipment Rental Reserve	\$ 1,449,850	\$ 637,631	\$ 1,901,600	34%
511 Equipment Rental Oper	2,337,408	2,887,479	6,011,922	48%
513 Lynnwood Shop Operations	145,753	172,415	610,221	28%
515 Self Insurance	86,674	-	120,000	0%
520 Technology Reserve	686,954	185,148	1,918,759	10%
Total Internal Service Funds	\$ 4,706,639	\$ 3,882,673	\$ 10,562,502	
Total for all funds	\$ 216,279,406	\$ 164,242,048	\$ 430,503,343	

General Fund
Year-to-date Summary as of December 31, 2025

Fund	2023	2024	2025	2025-2026 Budget	% Budget
BEGINNING FUND BALANCE	\$ 13,590,075	\$ 13,251,830	\$ 8,076,596	\$ 13,084,031	
Revenues and Other Sources					
OPERATING REVENUES					
Taxes	\$ 42,170,624	\$ 41,241,519	\$ 45,363,421	\$ 96,427,100	47%
Licenses & Permits	4,277,859	4,439,341	4,264,905	15,979,600	27%
Intergovernmental Revenue	1,562,217	1,731,939	1,453,280	3,008,698	48%
Charges for Services	6,938,436	7,356,308	8,448,730	17,704,766	48%
Fines & Forfeitures	4,222,113	5,732,367	5,982,276	20,300,000	29%
Investment Interest	278,581	232,746	181,893	380,000	48%
Other Revenue	1,238,798	1,141,572	1,186,637	1,736,600	68%
TOTAL REVENUES	\$ 60,688,628	\$ 61,875,792	\$ 66,881,142	\$ 155,536,764	43%
OTHER FINANCING SOURCES					
Other Financing Sources	\$ 3,928	\$ 6,876	\$ 97,551	\$ 4,600	2121%
Transfers-in	17,033	314,729	3,060,105	3,060,105	100%
TOTAL OTHER FINANCING SOURCES	20,961	321,605	3,157,656	3,064,705	103%
TOTAL REVENUES & OTHER SOURCES	\$ 60,709,589	\$ 62,197,397	\$ 70,038,798	\$ 158,601,469	44%
Expenditures and Other Uses					
OPERATING EXPENDITURES					
Salaries & Wages	\$ 28,968,796	\$ 33,499,704	\$ 38,004,617	\$ 78,080,405	49%
Personnel Benefits	10,353,374	11,714,643	13,029,171	27,395,944	48%
Supplies	1,303,192	1,603,801	1,399,647	4,112,100	34%
Services & Charges	10,778,220	12,749,677	11,904,522	31,433,327	38%
Intergovernmental	4,200,761	3,061,155	2,076,124	3,572,694	58%
TOTAL OPERATING EXPENDITURES	\$ 55,604,343	\$ 62,628,980	\$ 66,414,081	\$ 144,594,470	46%
OTHER FINANCING USES					
Capital Outlay	\$ 117,491	\$ 19,708	\$ -	\$ 383,573	0%
Debt Service	-	1,793	-	-	0%
Transfers-out	5,326,000	4,722,150	5,934,720	12,210,640	49%
TOTAL OTHER FINANCING USES	\$ 5,443,491	\$ 4,743,651	\$ 5,934,720	\$ 12,594,213	47%
TOTAL EXPENDENDITURES & OTHER USES	\$ 61,047,834	\$ 67,372,631	\$ 72,348,801	\$ 157,188,683	46%
ENDING FUND BALANCES					
ENDING FUND BALANCES	13,251,830	8,076,596	5,766,593	14,496,817	

FUND BALANCE RESERVE REQUIREMENT (RUNNING TOTAL FOR THE QUARTER)			
Fund	2023	2024	2025
REQUIRED RESERVE (2.5 mo. 23-24, 2 mo. 25-26)	\$ 10,811,243	\$ 11,608,715	\$ 10,441,747
General Fund	13,251,830	8,076,596	5,766,593
Stabilization Fund	6,000,000	6,000,000	6,000,000
RESERVE EXCESS (DEFICIT)	\$ 8,440,587	\$ 2,467,881	\$ 1,324,846

Summary by Department January 01, 2023 through December 31, 2025

Development & Business Services	Actuals			Budget	
	2023	2024	2025	2025-2026	%
	Salaries & Wages	\$ 2,986,736	\$ 3,630,958	\$ 3,871,566	\$ 8,112,286
Personnel Benefits	1,092,016	1,265,603	1,281,474	2,892,352	44%
Supplies	33,595	70,840	15,908	125,750	13%
Services & Charges	1,292,026	1,237,217	724,485	3,741,500	19%
Intergovernmental	5,057	5,531	6,027	88,000	7%
Total	\$ 5,409,430	\$ 6,210,149	\$ 5,899,460	\$ 14,959,888	39%

Executive	Actuals			Budget	
	2023	2024	2025	2025-2026	%
	Salaries & Wages	\$ 976,170	\$ 1,116,838	\$ 1,174,358	\$ 2,443,727
Personnel Benefits	333,559	386,075	374,957	779,040	48%
Supplies	13,088	15,267	6,884	30,700	22%
Services & Charges	473,317	536,245	641,135	1,288,186	50%
Total	\$ 1,796,134	\$ 2,054,425	\$ 2,197,334	\$ 4,541,653	48%

Finance	Actuals			Budget	
	2023	2024	2025	2025-2026	%
	Salaries & Wages	\$ 1,996,075	\$ 2,309,811	\$ 2,547,987	\$ 5,389,222
Personnel Benefits	769,442	824,063	837,734	1,836,729	46%
Supplies	25,468	18,161	3,603	15,000	24%
Services & Charges	556,008	579,435	495,948	1,264,700	39%
Intergovernmental	-	-	-	-	-
Total	\$ 3,346,993	\$ 3,731,470	\$ 3,885,272	\$ 8,505,651	46%

Fire	Actuals			Budget	
	2023	2024	2025	2025-2026	%
	Salaries & Wages	\$ -	\$ -	\$ -	\$ -
Personnel Benefits	-	-	94,918	-	-
Supplies	21	285	468	3,000	16%
Services & Charges	16,822	13,709	10,200	20,400	50%
Intergovernmental	1,367,483	743,228	263,497	500,000	53%
Total	\$ 1,384,326	\$ 757,222	\$ 369,083	\$ 523,400	71%

Human Resources	Actuals			Budget	
	2023	2024	2025	2025-2026	%
	Salaries & Wages	\$ 588,193	\$ 690,707	\$ 684,499	\$ 1,456,146
Personnel Benefits	186,947	213,246	191,059	449,914	42%
Supplies	40,955	54,251	8,446	50,000	17%
Services & Charges	116,543	211,719	264,744	701,856	38%
Intergovernmental	-	-	-	-	-
Total	\$ 932,638	\$ 1,169,923	\$ 1,148,748	\$ 2,657,916	43%

Information Technology	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 1,499,469	\$ 1,735,270	\$ 1,768,544	\$ 3,838,358	46%
Personnel Benefits	555,856	616,640	613,095	1,346,007	46%
Supplies	53,342	120,353	51,164	180,450	28%
Services & Charges	600,735	796,715	432,517	1,747,808	25%
Intergovernmental	-	-	-	-	-
Total	\$ 2,709,402	\$ 3,268,978	\$ 2,865,320	\$ 7,112,623	40%

Legal	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	-
Personnel Benefits	-	-	-	-	-
Supplies	-	-	-	-	-
Services & Charges	1,391,591	1,460,151	1,457,214	3,436,000	42%
Intergovernmental	-	-	-	-	-
Total	\$ 1,391,591	\$ 1,460,151	\$ 1,457,214	\$ 3,436,000	42%

Legislative	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 202,998	\$ 204,894	\$ 199,851	\$ 435,458	46%
Personnel Benefits	176,669	167,090	154,077	370,646	42%
Supplies	2,972	2,083	5,591	27,000	21%
Services & Charges	88,950	93,806	119,782	272,034	44%
Intergovernmental	-	-	-	-	-
Total	\$ 471,589	\$ 467,873	\$ 479,301	\$ 1,105,138	43%

Municipal Court	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 1,032,433	\$ 1,188,489	\$ 1,782,999	\$ 3,701,919	48%
Personnel Benefits	382,900	426,340	590,100	1,380,281	43%
Supplies	17,157	20,791	44,491	40,200	111%
Services & Charges	317,971	439,532	497,799	916,200	54%
Intergovernmental	-	-	-	-	-
Total	\$ 1,750,461	\$ 2,075,152	\$ 2,915,389	\$ 6,038,600	48%

Non-Departmental - General Fund	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ -	\$ (1)	\$ -	\$ -	-
Personnel Benefits	-	-	-	-	-
Supplies	-	-	-	-	-
Services & Charges	570,578	637,529	-	-	-
Intergovernmental	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Transfers-out	5,326,000	4,722,150	5,934,720	12,210,640	49%
Total	\$ 5,896,578	\$ 5,359,678	\$ 5,934,720	\$ 12,210,640	49%

Parks, Recreation, & Cultural Arts	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 5,264,847	\$ 5,864,039	\$ 5,970,894	\$ 12,316,606	48%
Personnel Benefits	1,825,860	1,902,153	1,965,592	4,108,590	48%
Supplies	476,849	504,804	415,137	1,029,250	40%
Services & Charges	1,646,127	2,043,601	1,816,532	4,143,372	44%
Intergovernmental	-	219,131	240,460	10,000	2405%
Capital Outlay	23,715	-	-	-	-
Total	\$ 9,237,398	\$ 10,533,728	\$ 10,408,615	\$ 21,607,818	48%

Police	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 12,863,192	\$ 15,323,286	\$ 18,648,211	\$ 36,714,924	51%
Personnel Benefits	4,442,302	5,377,251	6,441,182	12,437,112	52%
Supplies	525,404	673,944	754,987	2,354,350	32%
Services & Charges	2,914,133	3,604,292	4,043,729	11,702,323	35%
Intergovernmental	2,819,679	2,093,265	1,566,141	2,974,694	53%
Total	\$ 23,564,710	\$ 27,072,038	\$ 31,454,250	\$ 66,183,403	48%

Public Works - General Fund	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 1,558,687	\$ 1,435,413	\$ 1,355,703	\$ 3,671,759	37%
Personnel Benefits	587,824	536,183	484,983	1,795,273	27%
Supplies	114,343	123,021	92,968	256,400	36%
Services & Charges	895,735	1,117,228	1,400,436	2,582,521	54%
Intergovernmental	-	-	-	-	-
Total	\$ 3,156,589	\$ 3,211,845	\$ 3,334,090	\$ 8,305,953	40%

Public Works - Street Operating Fund	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 952,496	\$ 1,095,865	\$ 1,156,325	\$ 2,505,986	46%
Personnel Benefits	382,615	430,556	452,636	956,910	47%
Supplies	857,085	450,642	338,119	1,110,600	30%
Services & Charges	1,019,127	1,215,016	1,223,986	1,983,896	62%
Intergovernmental	-	-	-	-	-
Capital Outlay	10,048	38,477	313,718	250,000	125%
Total	\$ 3,221,371	\$ 3,230,556	\$ 3,484,784	\$ 6,807,392	51%

Public Works - Utility Operations Fund	Actuals			Budget	
	2023	2024	2025	2025-2026	%
Salaries & Wages	\$ 4,711,006	\$ 5,321,214	\$ 5,458,795	\$ 11,606,653	47%
Personnel Benefits	1,809,003	1,959,272	2,009,881	4,362,348	46%
Supplies	4,440,104	4,170,974	4,246,498	10,477,446	41%
Services & Charges	13,820,789	9,217,816	10,862,078	23,310,384	47%
Intergovernmental	87,406	49,761	29,102	185,000	16%
Capital Outlay	(3,087,307)	346,597	(2,841,766)	-	-
Debt Service	1,310,688	1,214,693	1,107,811	2,647,000	42%
Total	\$ 23,091,689	\$ 22,280,327	\$ 20,872,399	\$ 52,588,831	40%

Cash and Investments as of December 31, 2025

	As of December 31, 2025	
Cash in Bank	\$	17,182,347
Cash on Hand		8,650
Total Cash	\$	17,190,997
WA State Local Government Investment Pool	\$	12,824,754
Snohomish County Investment Pool		11,119,965
US Bank Investments (Principal/Tax Cost)		36,371,772
Total Investments	\$	60,316,491
Total Cash & Investments	\$	77,507,488
US Bank Investment Activity		
PAR/Face Value at September 30, 2025	\$	38,516,167
Purchases (Sales)		206,118
PAR/Face Value at December 31, 2025	\$	38,722,285
Market Value at December 31, 2025	\$	37,914,742
Earnings for Quarter Ending December 31, 2025	\$	208,868

CITY COUNCIL 11.D

**CITY OF LYNNWOOD
CITY COUNCIL**

TITLE: Briefing: Follow-Up Information: 2025-2026 Budget

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Review 2025-2026 budget gap

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

Beginning in early 2025, it was identified that certain General Fund revenues were not performing in accordance with the adopted budget. Budget estimates were updated and a gap of \$25 Million for the biennium was set as the target to close. Throughout 2025, a combination of departmental cuts, transfers-in from other funds and Council action to reduce the minimum fund balance policy and increase certain revenues brought the remaining gap down to \$3.75 Million by the end of 2025.

In early 2026, City Council took action to implement the Public Safety Enhancement Sales Tax authorized by the State legislature. A conservative estimate of \$1.75 Million is anticipated from collections of that tax which goes into effect on April 1, 2026. Departments have identified an additional \$2 Million in reductions to fully close the \$25 Million gap for this biennium.

SUGGESTED ACTION:

Review updated tracker for remaining 2025-2026 budget gap.

PREVIOUS COUNCIL ACTIONS:

2025-2026 Budget review March 17, 2026 Finance Committee
2025-2026 Budget review Follow up questions November 19, 2026 Finance Committee
2025-2026 Budget review Revenue options & follow-up November 17, 2025 Work Session
2025-2026 Budget review Revenue options November 3, 2025 Work Session
2025-2026 Budget review Revenue options October 20, 2025 Work Session
2025-2026 Budget review Public Works October 6, 2025 Work Session
2025-2026 Budget review Police and DBS September 29, 2025 Special Work Session

2025-2026 Budget review Revenues and PRCA September 17, 2025 Work Session
2025-2026 Budget review September 15, 2025 Work Session
2025-2026 Budget review August 13, 2025 Special Meeting
2025-2026 Budget review July 28, 2025 Business Meeting
Q2 2025 report review July 23, 2025 Finance Committee meeting
Q2 2025 report review July 21, 2025 Work Session
Q1 2025 report FYI memo June 16, 2025 Work Session packet
Q1 2025 report review May 28, 2025 Finance Committee meeting
Q4 2024 report FYI memo May 5, 2025 Work Session packet
Q4 2024 report review April 23, 2025 Finance Committee meeting

DEPARTMENT ATTACHMENTS

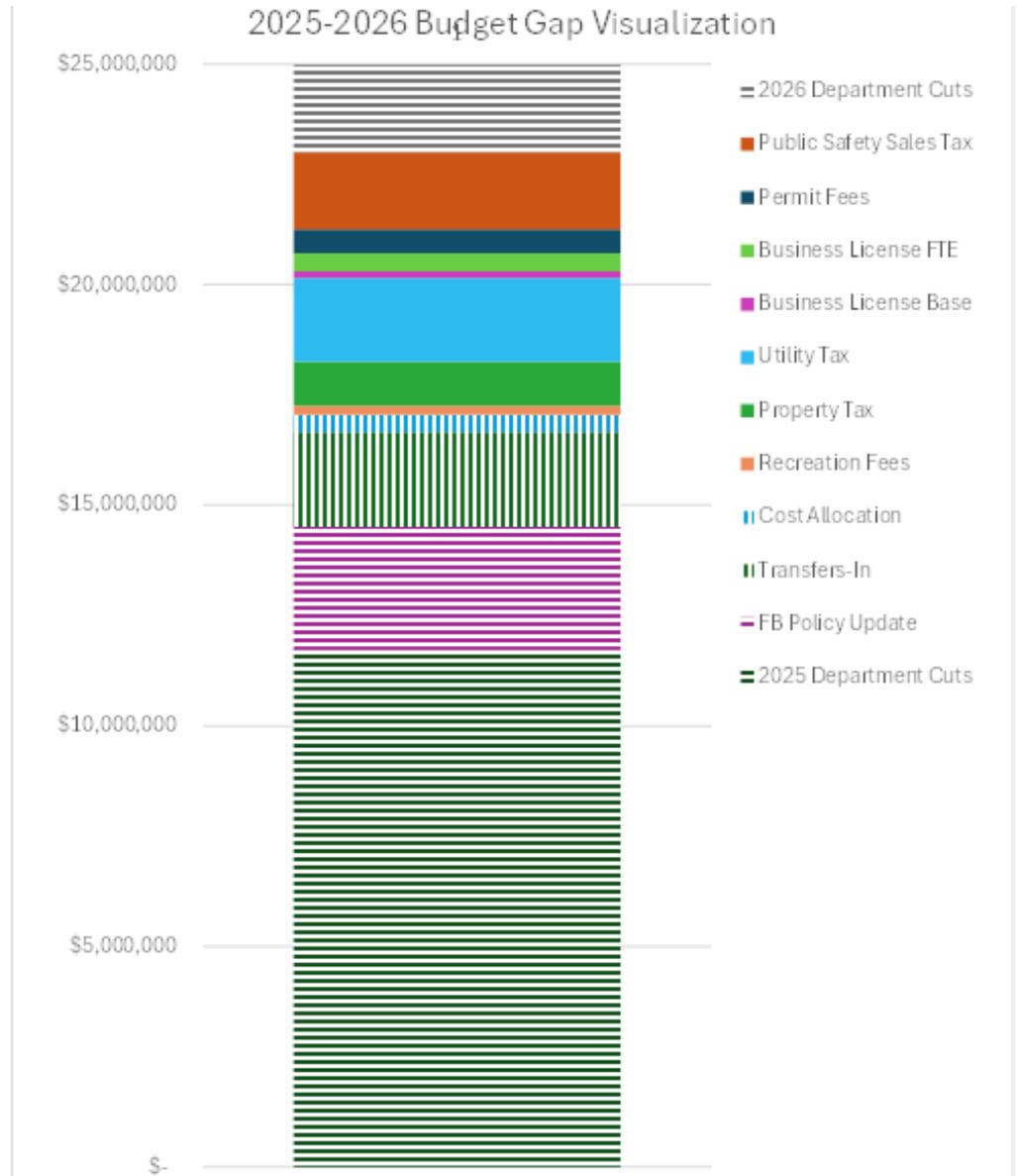
Description:

[Budget Tracker 3.13.26.pdf](#)

Original Deficit **\$ 25,000,000**
 \$22M rev reductions
 \$3M BFB Shortfall

Reductions and Revenues		
2025 Department Cuts	\$ 11,716,700	
FB Policy Update	\$ 2,800,000	
Transfers-In	\$ 2,138,208	
Cost Allocation	\$ 401,666	
Recreation Fees	\$ 200,000	
Property Tax	\$ 1,000,000	adopted 11/24
Utility Tax	\$ 1,900,000	adopted 11/24
Business License Base	\$ 142,000	adopted 12/08
Business License FTE	\$ 414,000	adopted 12/08
Permit Fees	\$ 537,000	adopted 12/08
Public Safety Sales Tax	\$ 1,750,000	fund 105/PD
2026 Department Cuts	\$ 2,000,426	

Budget Gap **\$ 0**



CITY COUNCIL 11.E

**CITY OF LYNNWOOD
CITY COUNCIL**

TITLE: Resolution: General Fund Minimum Fund Balance Policy Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Discussion of potential update to the City's policy for the General Fund minimum balance

PRESENTER:

Michelle Meyer, Finance Director

ESTIMATED TIME:

20

BACKGROUND:

Section 5Ai of the City's Financial Policy references the City's General Fund minimum fund balance policy.

The current policy reads:

1. Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Collectively, the adopted budget should include General Fund reserve balances equaling not less than 2 months of the operating expenditures of the prior fiscal year. The reserves specified by this policy consist of the aggregate total of the General Fund Unassigned Fund Balance and the Revenue Stabilization Fund balance.

Prior to adoption of the current policy, a motion was made to include an end date of December 31, 2026. In order to extend the 2.0 month policy, Council will need to adopt an updated resolution.

It is within recommended best practices from the Government Finance Officers Association (GFOA) for governments to have policies that require anywhere from 2 months to 3 months of an operating reserve based on the entity's level of risk. Information from GFOA is attached.

SUGGESTED ACTION:

Review Resolution to update the City's Financial Policies to remove the end date of December 31, 2026 from the the General Fund Reserve policy. This will continue the policy of maintaining a balance equivalent to 2.0 months of the operating expenditures of the prior fiscal year.

PREVIOUS COUNCIL ACTIONS:

City Council Finance Committee Meeting: September 24, 2025
City Council Work Session Review: October 20, 2025
City Council Adoption: October 27, 2025
City Council Finance Committee Meeting: March 17, 2026

FUNDING:

Reducing the General Fund Reserve policy from 2.5 months to 2.0 months in 2025 reduced the required minimum fund balance for 2025 by \$2.6 million. This allowed for policy compliance for 2025 and, based on current estimates, will maintain compliance for 2026 along with other reductions and revenues.

Before the 2027-2028 budget process gets fully underway, it is critical to identify the fund balance target required for that biennium. Based on continued financial constraints, it is recommended to continue the 2.0 month policy.

It is within recommended best practices from the Government Finance Officers Association (GFOA) for governments to have policies that require anywhere from 2 months to 3 months of an operating reserve based on the entity's level of risk. Information from GFOA is attached.

DEPARTMENT ATTACHMENTS

Description:

[Fin. Policies Attachment to Res 2026 - xx.pdf](#)

[Res 2026-xx Financial Policies Amendment.pdf](#)

[GFOA_Fund_Balance_Guidelines_for_the_General_Fund.pdf](#)

**ATTACHMENT A
RESOLUTION 2026-XX**

Financial Policies

<u>Legislative History</u>
Revised October 27, 2025, Resolution 2025-08
Revised January 22, 2024, Resolution 2024-03
Revised November 22, 2021, Resolution 2021-08
Revised November 12, 2019, Resolution 2019-10
Rewrite April 10, 2017, Resolution 2017-07
Revised November 28, 2016, Resolution 2016-19
Revised November 10, 2014, Resolution 2014-20
Revised May 9, 2011, Resolution 2011-06
Revised April 11, 2005, Resolution 2005-04
Revised April 15, 2003, Resolution 2003-06
Adopted August 14, 2000, Resolution 2000-12

Lynnwood’s Community Vision articulates core values and norms that include fiscal sustainability, accountability, economic vibrancy, and transparency. The safekeeping, proper use and management of the City resources are essential to responsible and responsive public service and governance. Standards and best practices for the management of City resources are set forth by entities which include the Internal Revenue Service, State Legislature, State Auditor’s Office (SAO), Department of Revenue, Government Financial Officers’ Association (GFOA), Government Accounting Standards Board (GASB), and the Lynnwood Municipal Code (LMC). Lynnwood’s Financial Policies (Policies) support and augment those provisions, so that all fiscal decisions and actions adhere to and implement each of these objectives.

Table of Contents

Section	Title	Page
1.	Application and Administration	2
2.	General Policies	2
3.	Budgeting, General	2
4.	Financial Forecasts	4
5.	Reserves	5
6.	Reporting, General	6
7.	Revenues, General	6
8.	Revenues, Fees and Charges	6
9.	Revenues, Utility Rates	7
10.	Expenditures, General	8
11.	Contingency Planning and Responding to Revenue Downturns	8
12.	Investments	9
13.	Debt and Debt Management	12
14.	Capital Funds, General	13
15.	Capital Planning and Asset Management	13
16.	Other Funds	14

1. Application and Administration

- A. It is the intent of the City Council to utilize and reference these policies in decisions and other actions with financial ramifications for the City. This section outlines examples of when and how these policies should be utilized.
- B. The use of “shall” indicates the City’s intent to closely adhere to the stated policy. The use of “should” or “may” indicates a preferred approach. These policies serve to guide the City Council while enabling flexibility for the Council to respond to specific circumstances.
- C. Review of Financial Policies:
 - i. The Financial Policies should be reviewed at least every other year. This review may include recommended changes to the Policies.
 - ii. This section should not preclude the review and amendment of the Financial Policies at other times, as deemed necessary by the City Council.

2. General Policies

- A. The City shall maintain the fiscal integrity of its operating, debt service, and capital improvement budgets. It is the City’s intent to maintain fiscal integrity while providing a level of public goods and services that is within the city’s fiscal capacity.

3. Budgeting: General

- A. These Financial Policies shall be used to guide major policy initiatives and shall be incorporated or summarized in the adopted biennial budget document.
- B. The City of Lynnwood shall prepare and adopt a biennial budget in accordance with Chapter 35A.34 RCW, Chapter 2.72 LMC, and these Policies. Fiscal years shall begin on January 1st and conclude on December 31st.
- C. For clarity, the budget document required by RCW 35A.34.070 and LMC 2.72.030 shall be referred to as the “proposed preliminary budget”, and the budget document required by RCW 35A.34.080-100 and LMC 2.72.040 shall be referred to the “Preliminary Budget”.
- D. In accordance with RCW Chapter 35A.34, the City shall conduct a minimum of two public hearings on the Preliminary Budget, and a minimum of one public hearing fixing the final budget. One of the two public hearings required for the Preliminary Budget may be the public hearing required for the property tax levy.
- E. The Preliminary Budget shall include reference to these Financial Policies, including:
 - i. An assessment of its conformance to the Financial Policies and an explanation if there are areas of non-conformance.
 - ii. References as to how the Financial Policies were used to develop recommendations for balancing the budget.

- F. The proposed preliminary budget, Preliminary Budget, adopted budget, and the mid-biennial modification of the adopted budget shall be based upon, and consistent, with:
 - i. The Community Vision.
 - ii. Performance management/measurement techniques and principals set forth by the Mayor and City Council.
- G. General Fund budget requests in the Preliminary Budget and the mid-biennial modification shall include a written assessment of:
 - i. How the proposal is consistent with and furthers the Community Vision.
 - ii. Whether the service or program is mandatory (required by law) or discretionary (optional), and whether the service or program can be achieved through other means.
 - iii. The degree to which the service or program is fiscally sustainable.
- H. The budget should provide for adequate maintenance of capital assets.
- I. The budget process shall be consistent with and integrated with long-term forecasting and ongoing financial reporting.
- J. It is the policy of the City of Lynnwood to adopt structurally-balanced budgets.
 - i. A structurally-balanced budget shall mean:
 - a. Ongoing expenditures shall be provided for by anticipated ongoing revenue.
 - b. Ongoing expenditures do not include:
 - (1) “One-time” items such as capital outlay, projects or studies.
 - (2) Allocations to other funds dependent on general revenues sufficient to balance dependent budgets (i.e.: Street Fund, Solid Waste Fund).
 - ii. Anticipated ongoing revenues may include:
 - a. Reoccurring revenue such as taxes, fees, etc.
 - b. A reasonable amount of resources remaining unspent from the previous year’s budget based on historical experience and an assessment of the current budget.
 - c. A portion of the unencumbered fund balance above the minimum levels established by this policy.
 - d. Reoccurring transfers from other funds.
- K. The Mayor shall submit a balanced Preliminary Budget.
 - a. The Mayor’s budget proposal shall balance all city funds.
 - b. The transfers between funds shall be clearly illustrated.

- c. The use any proposed new revenues from proposed new fees or taxes should be clearly illustrated.
- L. The anticipated amounts of reserves should be clearly illustrated.
 - a. The reserve estimates shall be provided for the beginning and the end of the Preliminary Budget period (beginning and ending fund balances).
- M. The budget shall be developed consistent with State law and in a manner which encourages early involvement with the public and City Council as provided for by Chapter 2.72 LMC.
- N. The budget shall integrate into the Capital Facilities Plan (CFP) and be consistent with the current year of the CFP.. Budget planning activities shall be based on the next year of the CFP.

4. Financial Forecasts

- A. As a part of each biennial budget process, the City shall prepare six-year expenditure and revenue forecasts for the City's principal operating and capital funds.
 - i. Revenue forecasts for major revenues (those which represent at least 10% of the General Fund) should be based on the best information available and should reference assumptions and data sources.
 - ii. Revenue forecasts should include all sources of revenue.
 - iii. Forecasts shall include alternative expenditure scenarios, based on different policy and economic assumptions.
- B. Financial Forecasts shall:
 - i. Incorporate plans for reserves and specific fund balances.
 - ii. Include revenue streams as may be appropriate to support capital projects in accordance with the city's Capital Facilities Plan and Strategic Investment Plan Component.
 - iii. Serve as a basis for decision making that may affect long-term trends and financial needs.
- C. All financial decisions shall be within the context of the long-range planning forecast and other related long-range plans (Capital Facilities Plan / Strategic Plan). Staff shall provide a review of the implications of budgetary and other fiscal proposals on these long-range forecasts and plans. Staff shall include the financial impact with each item on the council agenda, if applicable.
- D. Assumptions used in the CFP shall be noted and defined.
- E. Basis of long-range planning shall be outcome oriented. In accordance with Chapters 2.70 and 2.72 LMC, the City shall strive to illustrate the output from CFP expenditures.

5. Reserves

- A. Reserves, General Fund

- i. Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Collectively, the adopted budget should include General Fund reserve balances equaling not less than 2 months of the operating expenditures of the prior fiscal year. The reserves specified by this policy consist of the aggregate total of the General Fund Unassigned Fund Balance and the Revenue Stabilization Fund balance.
- ii. The purpose of the General Fund Unassigned Fund Balance is to provide for adequate operating cash and to cover receivables until they are collected. Achieving and maintaining this unassigned fund balance is the highest priority over developing and maintaining other general fund reserves.
- iii. The purpose of the reserves of the Revenue Stabilization Fund is to help protect the city from major economic downturns and other unanticipated, adverse financial conditions.
- iv. City Council authorization shall be required for expenditure of Unassigned Fund Balance or Revenue Stabilization Fund Balance.

B. Reserves, Enterprise Funds

- i. Adequate reserve levels are a necessary component of the overall financial management strategy for enterprise funds such as utilities, and a key factor in external agencies' measurement of the City's financial strength.
- ii. City Council authorization shall be required for expenditure of Enterprise Fund Reserves.
- iii. Utility Operating Fund.
 - a. The purpose of Utility Operations Fund reserves is to provide for adequate operating cash and to cover receivables until they are collected.
 - b. The reserve balance target for the Water Utility is the amount equivalent to 90 days of operating expenses.
 - c. The reserve balance target for the Sewer Utility (wastewater) is the amount equivalent to 45 days of operating expenses.
 - d. The reserve balance target for the Storm Utility (stormwater) is the amount equivalent to 30 days of operating expenses.
- iv. Utility Capital Fund.
 - a. The purpose of Utility Capital Fund reserves is to provide funding for emergency repairs, unanticipated capital expenses, and project cost overruns.
 - b. The reserve balance target for the Water Utility is the amount equivalent to 1% of all Original Asset Values.
 - c. The reserve balance target for the Sewer Utility (wastewater) is the amount equivalent to 2% of all Original Asset Values.

- d. The reserve balance target for the Storm Utility (stormwater) is the amount equivalent to 1% of all Original Asset Values.
- v. Golf Fund.
 - a. The reserve balance target for the Golf Fund is the amount equivalent to 30 days of operating expenses.

6. Reporting: General

- A. The Finance Department shall prepare financial reports that show and monitor actual performance in various expenditures and revenues with the adopted budget and planning forecasts.
 - i. The reporting system shall include a financial analysis of the overall financial status of the City and of its key funds, including, but not limited to, an analysis of all available financial resources.
 - ii. This analysis should discuss the current financial status, and the immediate and longer-term future financial status.
 - iii. A complete analysis shall be prepared quarterly.

7. Revenues: General

- A. To the extent possible, diversified and stable sources of revenue shall be maintained to shelter public services from downward fluctuations in any one revenue source. Periodic financial reports shall include trend analysis of the City's primary sources of revenue.
- B. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.

8. Revenues: Fees and Charges

- A. The City shall develop and maintain a comprehensive schedule of fees and charges.
 - i. The fees and charges should be reviewed in connection with each biennial budget.
 - ii. Fees shall be reviewed by general type as described below:
 - a. Development-related fees (land use, building and property, fire marshal's office and engineering fees) shall be established by ordinance; adjusted for inflation and periodically subjected to a comprehensive rate analysis. Development-related fees should be based on recovering costs of permitting and inspection services.
 - b. Regulatory Fees (such as those related to Chapter 5 LMC) shall be established by ordinance. As may be permitted by law, these fees may be used for generating city revenues in addition to recovering costs of the regulatory services.

- c. Recreation and parks use fees shall be set by the Director of Parks, Recreation and Cultural Arts within ranges established by ordinance.
- d. General fees (such as rental rates, copy charges, and other miscellaneous fees) shall be established by ordinance. These services should charge fees to assist in making these services self-supporting.
- e. Enterprise Funds (Utilities and Golf Course) fees shall be set by ordinance, and set at a level necessary to support the costs of services in the fund and to maintain long-term financial stability. To insure that the enterprise funds remain self-supporting, fee and rate structures shall fully fund the direct and indirect costs of operations, capital plant maintenance, debt service, depreciation, and reasonable system extensions. See “Revenues: Utility Rates” below for additional provisions.

9. Revenues: Utility Rates

- A. Every three years, the City shall conduct a comprehensive, third-party, expert analysis of utility rates.
- B. Revenues generated by utilities should provide adequate resources to provide for proper operation of the related programs, servicing of related debt at prescribed levels, maintenance of the capital plant, and adequate reserves.
- C. Utility rates shall be set utilizing the following guidelines:
 - i. The rate structure should encourage consumers to conserve natural resources while providing a stable and predictable revenue base for the proper management of the utility.
 - ii. The rates shall strive to be equitable among the classes (general types) of ratepayers.
 - iii. The revenue target of the utility rates should maintain a minimum debt service coverage ratio (DSCR) of 1.5. DSCR is a financial formula that equals net operating income divided by annual debt service.
 - iv. Recommended rate structures shall be adopted by separate ordinance.

10. Expenditures: General

- A. The City shall authorize only those ongoing, operating expenditures that may be supported by ongoing operating revenues. Before the City takes a policy or budgetary action that will create fixed, ongoing expenses, the cost implications of such actions shall be estimated/determined for current and future years with the aid of strategic financial planning models. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures shall be reviewed for compliance with this policy provision.
 - i. Operating revenues are those revenues that recur regularly on an annual basis, excluding revenues that may be available only on a one-time basis such as revenues derived from land sales, bond proceeds, etc.

- B. Department directors are responsible for managing their budgets within the total appropriation for their department.
- C. The City shall maintain expenditure categories according to state statute and administrative regulation as described in the State Auditor's Budgetary, Accounting, and Reporting System (BARS).
- D. The City shall assess funds for services provided internally by other funds. The estimated direct and indirect costs of service shall be budgeted as an expense to the fund receiving or benefiting from the service, and the cost of the service shall be recognized as revenue to the providing fund. A review of the method for determining the amount of the interfund assessment shall be reviewed periodically.
- E. Emphasis shall be placed on improving productivity, workplace innovation, program evaluation, and alternative means of service delivery rather than adding to the work force. The City shall invest in technology and other efficiency tools to ensure high productivity. The City may hire additional staff only after the need for such positions has been demonstrated and documented, including assessment of alternative measures, such as contracting for professional services and partnering with other agencies/organizations.
- F. All compensation planning and collective bargaining shall focus on the total cost of compensation which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature which are a cost to the City.
- G. Enterprise Funds expenditures shall be fully supported by their own rates, fees, and charges, and not subsidized by the General Fund. The Enterprise Funds shall pay their share of overhead costs and services provided by the General Fund.

11. Contingency Planning and Responding to Revenue Downturns

- A. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed. Expenditures from the General Fund Unassigned Fund Balance, the Revenue Stabilization Fund, or interfund loans may be used with City Council approval to address short-term downturns in City revenues. The City Council may authorize interfund loans to cover short-term gaps in cash flow.
- B. Long-term (greater than one year) revenue downturns: Revenue forecasts shall be revised. When long-term revenue downturns are likely, the following guidelines for addressing the revenue shortfall shall be considered.
 - i. Deficit financing (borrowing) should not be considered as an appropriate fiscal response.
 - ii. Prior to increasing taxes and/or fees to achieve a balanced budget, the City should evaluate opportunities to reduce one-time and/or ongoing expenses.
 - iii. Rather than instituting "across the board" reductions, specific performance measurement criteria should be utilized to reduce/discontinue certain levels of service, or delay/discontinue certain projects.
- C. Periodic financial reports prepared by the Finance Department shall be utilized to monitor forecasted, budgeted, and actual revenues and expenditures.

- D. In instances when combined, actual sales and use tax revenue for the previous two quarters is less than the revenue received during the same period of the previous year, the Mayor shall put forth to the Finance Committee a proposed budget amendment that responds to the under-performance of revenues.
 - i. The Mayor's proposed budget amendment shall include an updated financial forecast and a written description of the anticipated changes to performance measures, program outcomes, and levels of service.
 - ii. This policy shall not preclude the Mayor from initiating corrective action pursuant to his/her administrative authorities prior to action by the City Council.
 - iii. The recommendation(s) of the Mayor and Finance Committee shall be forwarded to the City Council.

12. Investments

- A. The City of Lynnwood shall invest its funds in a manner that:
 - i. Provide the highest investment return consistent with a high degree of security.
 - ii. Meet the daily cash flow demands of the City.
 - iii. Conform to all state statutes and local ordinances governing the investment of public funds.
- B. At the discretion of the Finance Director, cash may be invested separately by fund or be commingled into a common investment portfolio and earnings from such portfolio distributed monthly.
- C. These policies supersede Resolution 2009-11 and apply to all financial assets of the City, except: assets held in escrow in order to defease refunded debt; and retirement funds managed by others.
- D. Investments shall be made with judgment and care, considering the probable safety of the capital as well as the probable income to be derived.
- E. The primary objectives, in priority order, of the City's investment activities shall be as follows:
 - i. **Legality:** The City's investments shall be in compliance with all statutes governing the investment of public funds and the provisions of all applicable bond ordinances.
 - ii. **Safety:** Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - iii. **Liquidity:** The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. The City shall maintain adequate liquidity by maintaining a minimum balance in the Local Government Investment Pool (LGIP) and/or the Snohomish County Investment Pool (SCIP). Any short-term borrowings require Council approval regarding securities lending and reverse transactions.

- iv. Return on Investment: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.
 - v. Local Institutions: Local institutions shall be given preference when they are, in the judgment of the Finance Director, competitive with other institutions.
- F. The Finance Director is authorized to undertake transactions regarding the investment of City funds. By written memorandum, the Finance Director may delegate authority to a single City employee.
- G. The Finance Director shall establish and maintain procedures/internal controls to implement this investment policy. Procedures shall cover topics such as: safekeeping, Public Securities Association (PSA) repurchase agreements, wire transfer agreements, collateral/depository agreements, conflict of interest, and banking service contracts.
- H. The Finance Director shall maintain a list of financial institutions authorized to provide investment services to the City of Lynnwood. In addition, a list shall also be maintained of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of Washington. These may include "primary" dealers or regional dealers that qualify under US Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State law.
- I. The City may invest in any of the securities identified as eligible investments as defined by RCW 35A.40.050. In general, these consist of:
- i. Investment deposits (certificates of deposits) with qualified public depositories as defined in Chapter 39.58 RCW.
 - ii. Certificates, notes or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States whose securities carry full faith and credit guarantees.
 - iii. Obligations of government-sponsored corporations which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to, Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, and Federal National Mortgage Association notes.)
 - iv. Prime bankers' acceptances purchased on the secondary market.
 - v. Repurchase agreements for securities above, provided that the transaction is structured so that the City obtains ownership and control over the underlying securities. A master repurchase agreement between the City and the bank or dealer must be on file prior to any repurchase agreement transaction.
 - vi. The Washington Local Government Investment Pool or Snohomish County Investment Pool.
- J. Collateralization shall be on repurchase agreements to anticipate market changes and provide a level of security for all funds; the collateralization level shall be 102% of market value of principal and accrued interest.

- i. The City shall limit collateral to the obligations of the United States Government and its agencies.
 - ii. Collateral shall be held by an independent third party with whom the entity has a current custodial agreement (except certificates of deposits). A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.
 - iii. Certificates of deposit shall be delivered to and held by the Finance Director.
- K. All securities transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian designated by the City Investment Committee and evidenced by safekeeping receipts listing the specific instrument, rate, maturity and other pertinent information.
- L. The City shall diversify its investments by security type and institution in manner that manages overall portfolio risk, attains market-average rates of return, and precludes current cash flow issues. To achieve these purposes, investment of City funds should not exceed the percentages specified below:

Investment Security Type	Max. Percent of City Portfolio
US Federal Agency Securities	50
Certificates of Deposits (within PDPC)	50
General Obligation Bonds of State and Local Government	20
Repurchase Agreements	10
Banker's Acceptance	10
US Treasury Securities	100
Washington State Local Government or Snohomish County Investment Pool	100

- M. The City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City shall not directly invest in securities maturing more than five (5) years from the date of purchase.
- N. The City's reserve funds may be invested in securities not to exceed ten (10) years if the maturity of such investments is made to coincide as nearly as possible with the expected use of funds.
- O. The City's investment portfolio shall be designed to obtain a market-average rate of return, taking into account the City's investment risk constraints and cash flow needs.
- P. The City's investment strategy is dynamic. Securities shall be purchased and sold as appropriate to best meet the needs of the City. The Finance Director may trade securities before maturity if it is in the best interest of the City to do so.
- Q. The basis used by the City to determine whether market yields are being achieved shall be the Average US Treasury Note Rate that corresponds to the average life of the investments.
- R. The Finance Director shall report on investment activity and returns in quarterly financial reports and the Annual Comprehensive Financial Report (ACFR). Quarterly financial reports should denote changes in market value and investment income.

13. Debt and Debt Management

- A. The City may issue interfund loans consistent with Chapter 3.90 LMC.
- B. All professional service providers (underwriters, financial advisors, bond insurers, etc.) selected in connection with the City's debt issues shall be selected in accordance with the City's procurement policies.
- C. The term of long-term debt issued shall not exceed the life of the projects financed. Ongoing operational expenses shall not be financed with long-term debt.
- D. The City shall maintain an open line of communication with the rating agencies (Moody's and Standard and Poor's), informing them of major financial events in the City as they occur. The Annual Comprehensive Financial Report (ACFR) and any required annual operating information shall be uploaded through the Electronic Municipal Market Access (EMMA) portal for the Municipal Securities Rulemaking Board (MSRB) in accordance with continuing disclosure requirements.
 - i. The City shall strive to maintain or exceed favorable credit ratings as follows:
 - a. General Obligation: A1 with Moody's Investor's Service and A+ with Standard and Poor's.
 - b. Revenue Bonds: A with Moody's Investor's Service and AA with Standard and Poor's.
- E. As part of the debt policy, the City shall use debt ratios based on debt per assessed value, debt per capita, and debt per capita as a percentage of per capita income as guides. These ratios may assist in guiding amounts that the City may authorize in debt issuance.
- F. Assessment bonds shall be issued in place of general obligation bonds, where possible, to assure the greatest degree of public equity and flexibility for City finances.
- G. The City of Lynnwood debt shall not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. Compliance with state law and this policy shall be documented each year in the city's Annual Comprehensive Financial Report ACFR.
- H. The following individual percentages (as defined in state law) shall not be exceeded in any specific debt category:
 - i. General Debt: 2.5% of assessed valuation
 - ii. Utility Debt: 2.5% of assessed valuation
 - iii. Open Space and Park facilities: 2.5% of assessed valuation
- I. No debt shall be issued for which the City is not confident that a sufficient, specifically identified revenue source is available for repayment. The Finance Director shall prepare an analytical review for this purpose prior to the issuance of any debt.
- J. Credit enhancements shall be considered with a cost/benefit analysis for each long-term bond issue.

- K. Reserve accounts shall be maintained as required by bond ordinances and where deemed advisable by the City Council. Debt service reserves shall conform to IRS arbitrage regulations.

14. Capital Funds: General

- A. The City shall maintain a Capital Development Fund #333 to provide funding for the six-year Capital Facilities Plan, less proprietary fund projects as defined by Chapter 3.50 LMC. The use of any funds within the Capital Development Fund shall be as defined by the Lynnwood Municipal Code. Once the policy target for General Fund reserves is achieved in the financial forecast [see Reserves and Financial Forecast above] the City shall set aside at least \$1.1 million per year for capital development.
- B. Contributions to development funds shall be made from available funds as identified during the biennial budget process or the mid-biennial budget modification. The Finance Director shall make a recommendation to the Council with regard to transfers to reserve funds as a part of that report. The Council, by motion (and amending the budget by ordinance as necessary) shall authorize the transfers as the Council shall determine to be appropriate at that time.

15. Capital Planning and Asset Management

- A. The City shall annually develop a Capital Facilities Plan (CFP) as defined and required by RCW 36.70A.070 which is consistent with the Capital Facilities Element of the City Comprehensive Plan.
- B. Such plan shall include all projects to maintain public capital facilities required to maintain service levels at standards established by the City Council. The plan shall include a complete inventory and analysis of building conditions including the extent and estimated costs regarding maintenance, remodel and replacement of buildings. This plan shall be reviewed in the mid-year financial review.
- C. The proposed CFP may include for consideration such other projects as requested by the City Council or Mayor.
- D. Funding for capital projects shall be classified as to source (general government, enterprise or other) within the plan.
 - i. The extent to which funds exist for each project shall be described in the plan.
 - ii. The plan shall integrate with the Proposed Preliminary Budget (LMC 2.72.110 and RCW 35A.34.070) in that funds required for the projects recommended for the ensuing budget period shall be identified in the Preliminary Budget.
 - iii. The CFP shall include a recommended level of funding from general revenues in order to provide for “ongoing” projects (as defined in the CFP).
- A. The plan shall be for a period of six years as required by state law (GMA).
- B. With the exception of “ongoing projects”, each project shall be described such that development phases are delineated as separate stages of the project. Examples include land acquisition, design and construction. “Ongoing projects” represent annual capital programs such as street overlay, sidewalk expansion or traffic signal rebuild.

- C. An estimate for the operating budget impact of each proposed project shall be identified and incorporated into the City's financial forecast..
- D. The CFP shall be approved by ordinance annually. The approving ordinance shall constitute a plan of action wherein no final approval to proceed with specific projects is made, but requires specific authorization and appropriation (by ordinance in the form of a budget amendment or financial plan for each project) by the Council in a manner as the Council shall determine.
- E. The adopted CFP shall constitute the City's long-range financial plan for capital expenditures and shall be consistent with the City Strategic Plan.

16. Other Funds

- A. In accordance with RCW 41.16.050, the City shall maintain a Firefighter's Pension Fund to record all monies received from taxes on fire insurance premiums received from the state, contributions made by firefighters (before the inception of LEOFF I) and interest earned on the investment of these funds. These funds are used to cover benefits payable to members (or to their survivors) who retired prior to March 1, 1970 or who were active on that date.





RESOLUTION NO. 2026-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, AMENDING THE CITY OF LYNNWOOD FINANCIAL POLICIES TO REMOVE THE END DATE FOR THE GENERAL FUND RESERVE POLICY.

WHEREAS, on August 14, 2000, by approval of Resolution 2000-12, the City Council adopted Financial Policies; and by approval of Resolutions 2025-08, 2024-03, 2021-08, 2019-10, 2017-07, 2016-19, 2014-20, 2011-06, 2005-04, and 2003-06, has amended the Financial Policies; and

WHEREAS, through Resolution 2025-08, the City Council approved an amendment to the Financial Policies to update the General Fund Reserve Policy section 5A(i) from 2.5 months to 2.0 months of the operating expenditures of the prior fiscal year through fiscal year 2026; now, therefore

THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO RESOLVE AS FOLLOWS:

Section 1. The City of Lynnwood Financial Policies dated March 23, 2026, as set forth by **Attachment A** to this resolution are hereby approved. The Financial Policies approved by this Section supersede earlier iterations of the Financial Policies referenced within the recitals of this resolution.

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

PASSED BY THE CITY COUNCIL, the 23rd day of March, 2026.

APPROVED:

George Hurst, Mayor

ATTEST/AUTHENTICATED:

Darcy Kirschner, Interim City Clerk



ACCOUNTING AND FINANCIAL REPORTING, BUDGETING AND FORECASTING

Fund Balance Guidelines for the General Fund

Governments should establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.

In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.[1] While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*. [2] The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial

resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.[3] Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.[4] In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.[5] The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.[6] Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment.

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use.

Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Notes:

1. For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
2. These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

3. Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
4. See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
5. In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
6. In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

*This best practice was previously titled *Appropriate Level of Unrestricted Fund Balance in the General Fund*.*

Board approval date: Wednesday, September 30, 2015