



LYNNWOOD FINANCE COMMITTEE

Finance Committee

City Hall Conference room 4, 19100

44th Ave W Lynnwood WA 98036 or

<https://lynnwoodwa.zoom.us/j/84052856373>

on zoom

THURSDAY, JUNE 24, 2021

3:00 PM

-
1. CALL TO ORDER
 2. ROLL CALL
 3. FINANCIAL REPORTS
 4. DISCUSSION ITEM
 - A. 2021 Budget Amendment
[Res. 21-02 Budget Calendar 2021.pdf](#)
 - B. Update on American Rescue Plan Act Funding
[ARPA Presentation for 6.24 FC Updated.pdf](#)
 - C. Update on CJC Bond Issuance
 - D. Update on 2020 Financial Audit
 - E. Review of April 2021 Sales Tax Revenues
 5. ADJOURN

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2021 Budget Amendment

DEPARTMENT CONTACT: Lisa Harrison, Finance

ESTIMATED TIME:

10

BACKGROUND:

In accordance with state law, cities who budget on a biennial basis are required to perform a mid-biennium review and adjustment (amendment) between September and December of the first year of the biennium.

Any other budget adjustments (amendments) outside of this formal process are up to the discretion/need of each city.

We will review the adopted budget calendar for the mid-biennial process and discuss items that have been identified for possible budget amendments so far this year.

DEPARTMENT ATTACHMENTS

Description:

[Res. 21-02 Budget Calendar 2021.pdf](#)



RESOLUTION NO. 2021-02

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
ADOPTING THE 2021 BUDGET PLANNING CALENDAR IN ACCORDANCE
WITH CHAPTER 2.72 OF THE LYNNWOOD MUNICIPAL CODE.**

WHEREAS, in accordance with Chapter 35A.34 RCW and Chapter 2.72 LMC, the City has adopted a biennial budget process; and

WHEREAS, LMC 2.72.020 calls for the adoption of a budget planning calendar by January 31st of each year; and

WHEREAS, the provisions of LMC 2.72.020 apply to the adoption of the biennial budget during even-number years and a mid-biennial review and modification of the adopted budget during odd-number years, and not to other budget amendments that may occur during the biennium; and

WHEREAS, this Resolution complies with Chapter 2.72 LMC and with Washington State Law governing the use of biennial budgets; now therefore

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

Section 1. Adoption of budget planning calendar for 2021.

The following events and dates shall comprise the planning calendar for the mid-biennial review and modification of the adopted 2021-2022 Budget.

Process, Mid-Biennial Review and Modification	Citation	Date
Review Budget Modifications by Finance Committee	NA	October 28, 2021
Review Budget Modifications by City Council (Work Session)	NA	November 1, 2021
Publish notice of public hearing	RCW 35A.34.100	November 6, 2021
Public hearing (Business Meeting)	LMC 2.72.070	November 22, 2021
Review by City Council (Work Session) <i>if needed</i>	NA	November 29, 2021 December 6, 2021
Adoption by City Council (Business Meeting)	LMC 2.72.070	December 13, 2021

Section 2. The budget planning calendar established by Section 1 of this Resolution applies to the mid-biennial review and modification authorized by RCW 35A.34.130 and LMC 2.72.070, and is for planning and scheduling purposes only. The City Council retains its full authority to add, delete or move activity dates, as the Council deems necessary and appropriate, and as consistent with State law and the Lynnwood Municipal Code.

This resolution was adopted by the City Council at its meeting held January 25, 2021.

RESOLVED this 25th day of January 2021.

DocuSigned by:

Nicola Smith

1/28/2021

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Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

DocuSigned by:

Karen Fitzthum

549561C7EC99433...

Karen Fitzthum, Interim City Clerk

FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Update on American Rescue Plan Act Funding

DEPARTMENT CONTACT: Lisa Harrison, Finance

ESTIMATED TIME:

30

BACKGROUND:

Staff will review the most up to date information on American Rescue Plan Act funding. This will include updates on the City's allocation, program guidelines, best practices, strategies for implementation and next steps.

DEPARTMENT ATTACHMENTS

Description:

[ARPA Presentation for 6.24 FC Updated.pdf](#)

American Rescue Plan Update

June 24, 2021

Finance Committee Meeting

American Rescue Plan Information

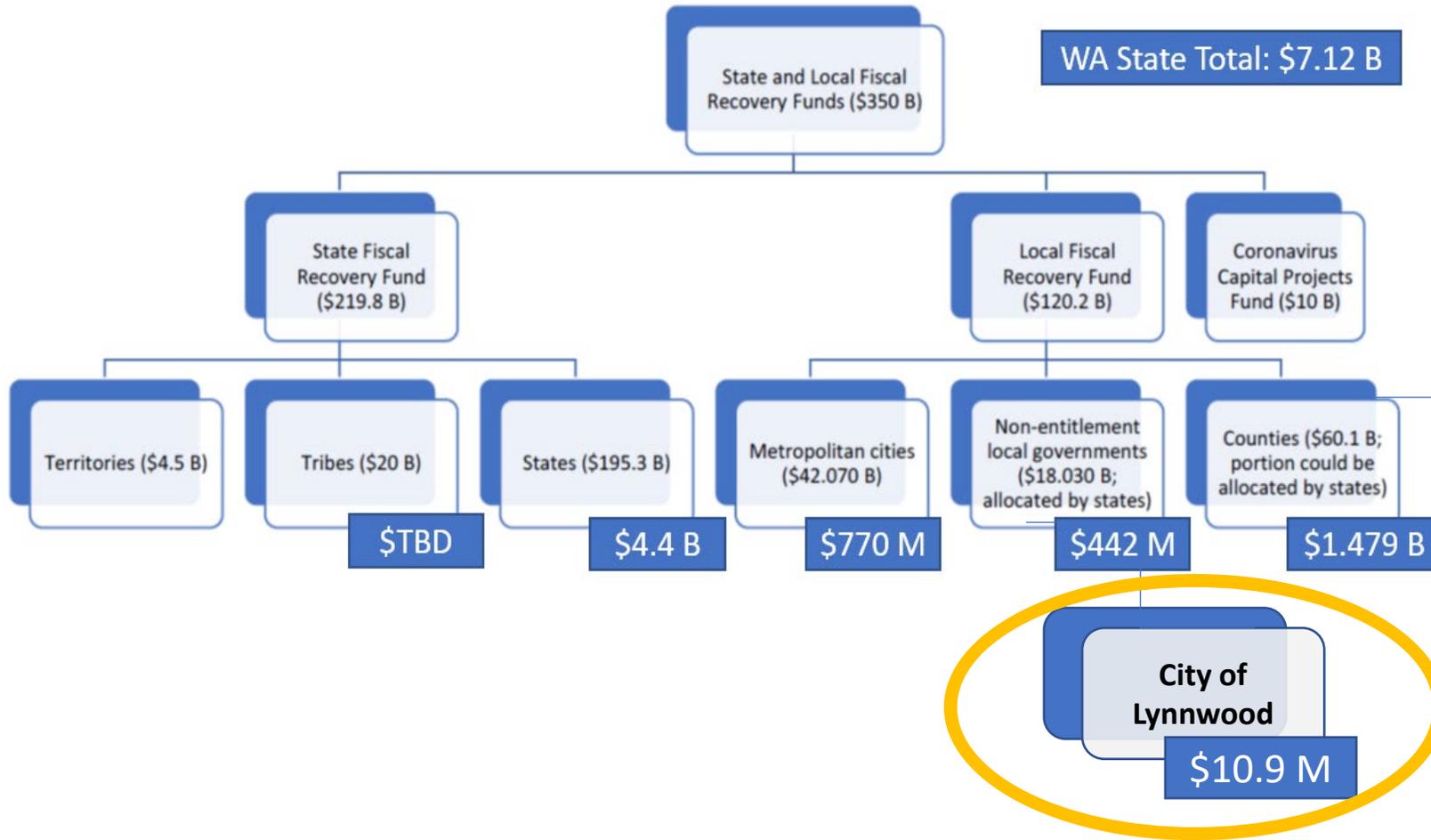
INFORMATION COMPILED FROM:

- United States Department of Treasury
- State of Washington Department of Commerce
- State of Washington Office of Financial Management (OFM)
- Snohomish County
- Government Finance Officers Association (GFOA)
- National League of Cities (NLC)
- Municipal Research and Services Center (MRSC)
- International City County Managers Association (ICMA)

American Rescue Plan Background

- May 17, 2021: US Department of Treasury released the “Interim Final Rule”
- Changes to the program can still be made until the “Final Rule” is issued after July 16, 2021
- Lynnwood is a nonentitlement unit of government (NEU)
- We will receive funding through State of Washington Office OFM
- We have signed the agreements to accept funding (50% in 2021, 50% in 2022)
- Cover costs starting March 3, 2021, obligated by end of 2024, spent by end of 2026

American Rescue Plan Funding



- State ADO, \$8.6 million
- State Small Business Grants, \$50 million
- State Tourism Recovery, \$12 million
- State Industry Sectors, \$7.3 million
- State Small Business Equity, \$7 million
- State Small Business Credit Initiative, \$138 million

Other ARPA streams (not all-inclusive):

- Restaurant relief
- Airport
- Capital projects (Broadband)
- Farm and food supply
- Events and theater
- **Utility Assistance**
- **Rent/Homeowner Assistance**

American Rescue Plan Eligible Uses

Respond to COVID-19 Public Health Emergency

Restore Public Sector Capacity to Pre-Pandemic Levels

Address Negative Economic Impacts

Replace Lost Revenues and Provide Expanded Services up to Amount of Revenue Loss

Water, Sewer and Broadband Infrastructure

American Rescue Plan Eligible Uses

Respond to COVID-19 Public Health Emergency

- Containing/Mitigating COVID-19 (PPE, capital investment in public facilities)
- Behavioral Health Care/Public Health
- Public Health and Safety Staff Payroll and Benefits
- Premium Pay for eligible workers (must align with State law restrictions)

American Rescue Plan Eligible Uses

Restore Public Sector Capacity to Pre-Pandemic Levels

- Rehire staff that were reduced or eliminated due to COVID-related budget constraints

American Rescue Plan Eligible Uses

Address Negative Economic Impacts

- Help households and individuals (expanded use for hardest hit communities)
- Assist small businesses/impacted industries

American Rescue Plan Eligible Uses

Replace Lost Revenues and Provide Expanded Services up to Amount of Revenue Loss

- Relative to budget in place on January 27, 2020; minimum of 4.1% annually through 2023
- New services, cybersecurity, public safety, capital projects, streets, environmental remediation

American Rescue Plan Eligible Uses

Water, Sewer and Broadband Infrastructure

- Necessary investments to provide adequate minimum levels of service

American Rescue Plan Recommendations

GFOA ARPA Guiding Principles:

- Consider temporary nature of ARPA funds
- Be informed of ARPA plans throughout the Community/State level
- Take time and be thoughtful

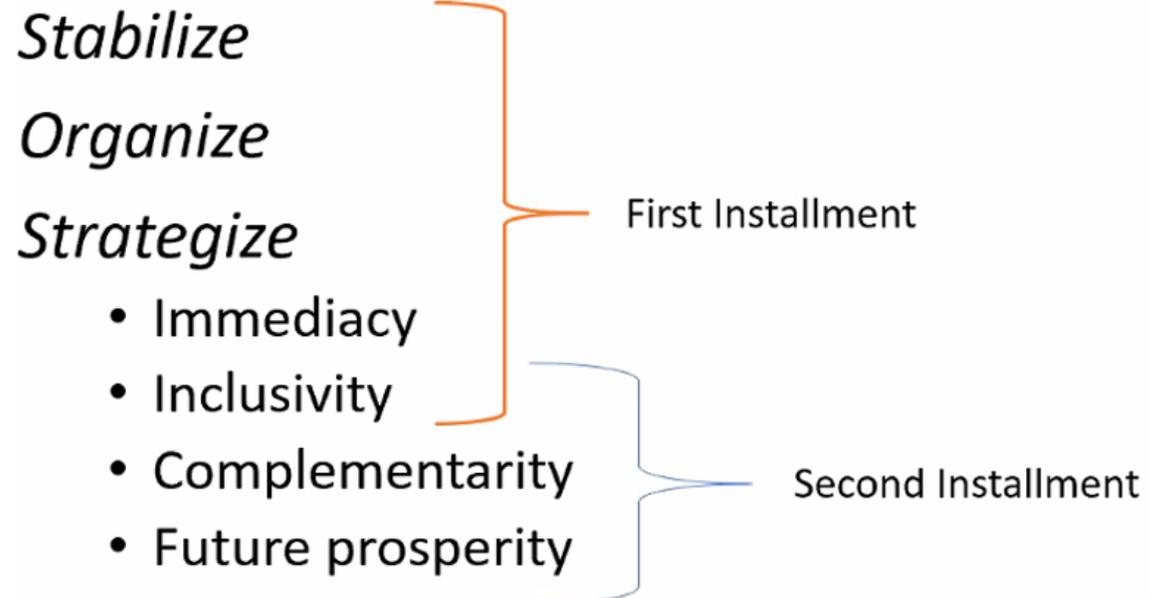
American Rescue Plan Recommendations

NLC Principles for Implementation:

- Assess government operations AND community needs to develop a plan for recovery
- Use revenues strategically for priorities not eligible for other federal and state programs
- Prioritize fiscal stability and returning to work
- Maintain records and document impact
- Your congressional delegation is part of your success

American Rescue Plan Recommendations

Recommended Priorities from Snohomish County Presentation:



American Rescue Plan Implementation

Stabilize and Recover: Short-term

Strategize and Enhance: Long-term

American Rescue Plan Implementation

Stabilize and Recover: Short-term

- Respond to COVID-19 Public Health Emergency
- Restore Public Sector Capacity to Pre-Pandemic Levels
- Address Negative Economic Impacts

American Rescue Plan Implementation

Stabilize and Recover: Short-term

Respond to COVID-19 Public Health Emergency

- Operational or Capital: Identify necessary capital investment in public facilities, PPE needs
- Behavioral or Public Health: Identify possible service enhancements to meet needs

American Rescue Plan Implementation

Stabilize and Recover: Short-term

Restore Public Sector Capacity to Pre-Pandemic Levels (Goal of full City “reopening” in Fall of 2021)

- Identify reduced staff positions needed to restore service capacity to Pre-Pandemic Levels

American Rescue Plan Implementation

Stabilize and Recover: Short-term

Address Negative Economic Impacts

- Identify impacted industries and businesses and opportunities for support and collaboration
- Identify hardest hit communities and opportunities for support and collaboration
- Identify possible partner agencies (Chamber of Commerce, Lynnwood Food Bank, etc.)
- Identify other state, federal and local programs that will provide targeted funding to avoid duplication (including utility fund delinquencies)

American Rescue Plan Implementation

Strategize and Enhance: Long-term

- Replace Lost Revenues and Provide Expanded Services up to Amount of Revenue Loss
- Water, Sewer and Broadband Infrastructure
- Address Negative Economic Impacts

American Rescue Plan Implementation

Strategize and Enhance: Long-term

Replace Lost Revenues and Provide Expanded Services up to Amount of Revenue Loss

- Calculate revenue loss for 2020 and estimate future years
 - Will determine amount available to allocate
- Identify organizational and community needs for expanded services
- Prioritize direct service to residents, cybersecurity, public safety, streets, environmental remediation

American Rescue Plan Implementation

Strategize and Enhance: Long-term

Water, Sewer and Broadband Infrastructure

- Identify eligible projects to provide adequate minimum levels of service

American Rescue Plan Implementation

Strategize and Enhance: Long-term

Address Negative Economic Impacts

- Continued focus on long-term strategies especially for hardest-hit areas of the community

American Rescue Plan Action Timeline

July - August 2021

Council Work Session(s)

- Review Strategy

Council Business Meeting(s)

- Review Strategy
- Authorize necessary immediate expenditures for full reopening

Finance Committee Meetings

- Continued updates and review

September - December 2021

Continued review/discussion at Council Work Sessions, Business Meetings and Finance Committee Meetings

In line with Mid-Biennium Budget Calendar, identify expenditure authority needs for selected programs and projects

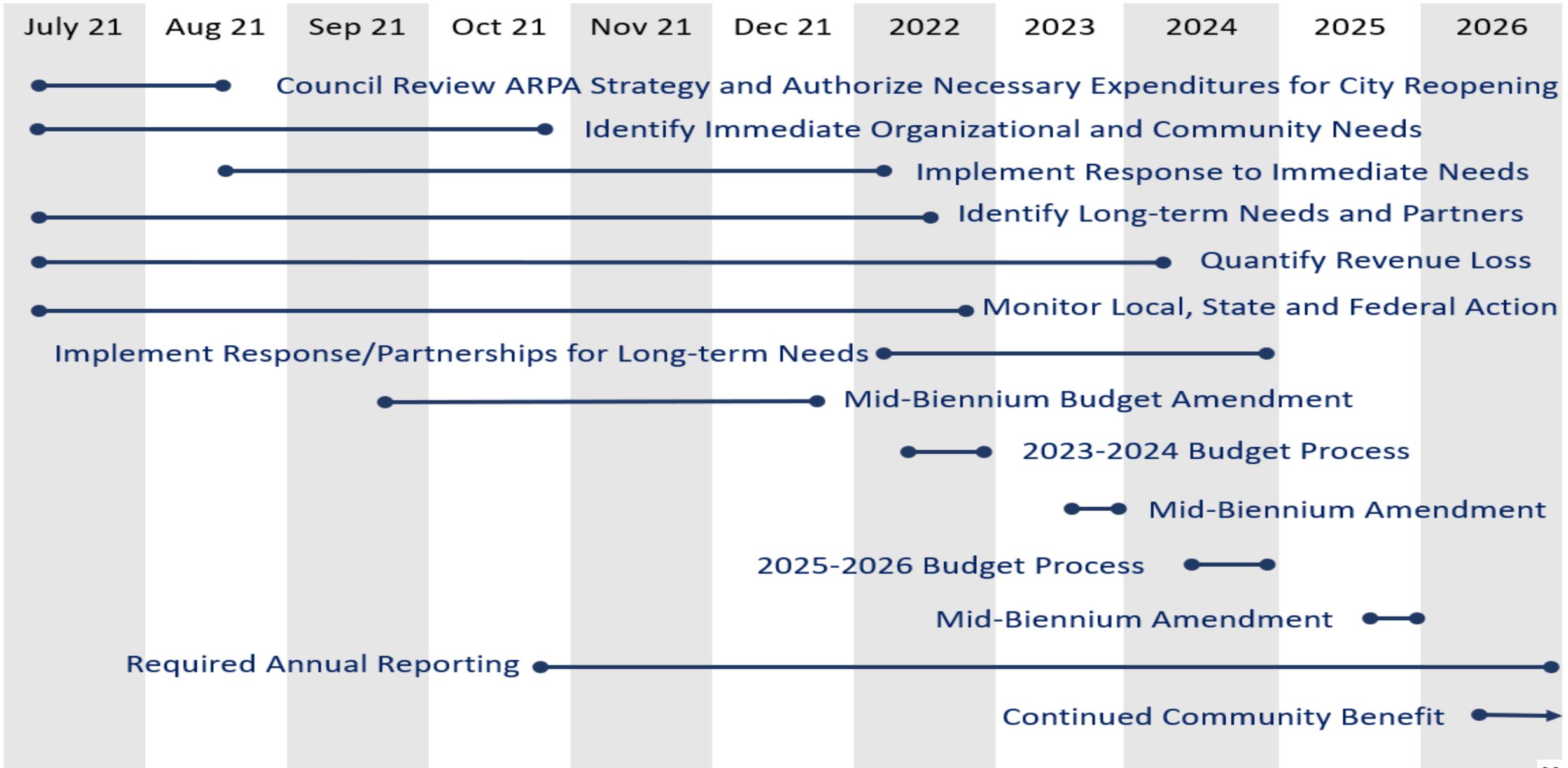
2022

Incorporate selected programs and projects into 2023-2024 Biennial Budget Process

2024

Incorporate any remaining expenditure authority for ongoing projects into 2025-2026 Biennial Budget Process

American Rescue Plan Action Timeline



FINANCE COMMITTEE 4.C

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Update on CJC Bond Issuance

DEPARTMENT CONTACT: Lisa Harrison, Finance

ESTIMATED TIME:

10

BACKGROUND:

The City sold bonds on June 2, 2021 to fund the construction of the Community Justice Center in accordance with the terms set forth in Ordinance No. 3387. The closing (receipt of funds) for the bond issuance is scheduled for the morning of June 24, 2021. Final documents will be available after the closing and will be reviewed during this meeting.

DEPARTMENT ATTACHMENTS

Description:

FINANCE COMMITTEE 4.D

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Update on 2020 Financial Audit

DEPARTMENT CONTACT: Lisa Harrison, Finance

ESTIMATED TIME:

10

BACKGROUND:

This discussion will serve as a follow-up to the 2020 Financial Audit Entrance Conference that will be held at the City Council Work Session on June 21, 2021.

The template for that discussion can be found here:

<https://www.lynnwoodwa.gov/files/sharedassets/public/city-council/work-session-agendas/entrance-conference-agenda-fy20-city-of-lynnwood.pdf>

DEPARTMENT ATTACHMENTS

Description:

FINANCE COMMITTEE 4.E

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Review of April 2021 Sales Tax Revenues

DEPARTMENT CONTACT: Lisa Harrison, Finance

ESTIMATED TIME:

10

BACKGROUND:

The City receives a distribution of sales tax revenues from the State Department of Revenue at the end of each calendar month for sales that occurred two months prior. At this meeting we will review sales tax revenues received in June for April sales activity. The distribution information was not yet available at the time of agenda publication but will be reviewed at the meeting if the State reports are available by that date.

DEPARTMENT ATTACHMENTS

Description:
