



**LYNNWOOD FINANCE COMMITTEE - regular Finance Committee
meeting
tbd
FRIDAY, JANUARY 28, 2022 3:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. FINANCIAL REPORTS
4. DISCUSSION ITEM
 - A. 2022 Chairperson - *10 minutes*
 - B. 2022 Meeting Schedule - *10 minutes*
[Resolution 2022- Fin Committee 2022 Mtg Calendar.pdf](#)
 - C. Budget Calendar for 2022 - *15 minutes*
[Res 2022-02 Calendar for 2023-2024 Budget 120821.pdf](#)
 - D. Utility Update - *20 minutes*
Michelle Meyer, Finance Director; Corbitt Loch, Strategic Planner
[Dec 2021 Utility Aging Reports.pdf](#)
 - E. Monthly Sales Tax Report - *15 minutes*
[Sales Tax 2021 October.pdf](#)
 - F. Claims Approval Report Update - *10 minutes*
 - G. 2020 Audit Update - *15 minutes*
5. ADJOURN

FINANCE COMMITTEE 4.A

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2022 Chairperson

DEPARTMENT CONTACT: Michelle Meyer, Finance

ESTIMATED TIME:

10

BACKGROUND:

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

SUGGESTED ACTION:

Select Finance Committee 2022 Chairperson

DEPARTMENT ATTACHMENTS

Description:

FINANCE COMMITTEE 4.B

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2022 Meeting Schedule

DEPARTMENT CONTACT: Michelle Meyer, Finance

ESTIMATED TIME:

10

BACKGROUND:

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

SUGGESTED ACTION:

Review proposed schedule for 2022 Finance Committee meetings.

DEPARTMENT ATTACHMENTS

Description:

[Resolution 2022- Fin Committee 2022 Mtg Calendar.pdf](#)



RESOLUTION NO. 2022-__

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
ADOPTING THE 2022 MEETING SCHEDULE FOR THE CITY COUNCIL
FINANCE COMMITTEE.**

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

WHEREAS, the City Council Rules of Procedure (Resolution 2015-04 as amended by Resolution 2021-09) state that the Finance Committee shall present an ordinance or resolution to the City Council that sets their regular meeting dates/times for the year; and

WHEREAS, on January 28, 2022, the Finance Committee approved the calendar provided herein; **NOW THEREFORE**,

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

Section 1. Adoption of regular meeting time, date, and location. The regular meeting schedule for the City Council Finance Committee shall be 3:00 pm on the fourth Thursday of each month, unless otherwise stated below. As indicated on the City of Lynnwood website (www.Lynnwoodwa.gov), meetings will be held electronically until public health regulations allow for in-person meetings at Lynnwood City Hall, 19100 44th Ave W, Lynnwood, WA 98036.

Section 2. Finance Committee meeting calendar for 2022.

January 28, 2022 (fourth Friday)	July 28, 2022 (fourth Thursday)
February 24, 2022 (fourth Thursday)	August 2022 none - recess
March 24, 2022 (fourth Thursday)	September 22, 2022 (fourth Thursday)
April 28, 2022 (fourth Thursday)	October 27, 2022 (fourth Thursday)
May 26, 2022 (fourth Thursday)	November 17, 2022 (third Thursday)
June 23, 2022 (fourth Thursday)	December 2022 none – recess

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

//

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

2
3 **PASSED BY THE CITY COUNCIL, the __nd day of February 2022.**

4
5 APPROVED:

6
7
8 _____
9 Christine Frizzell, Mayor

10
11 ATTEST/AUTHENTICATED:

12
13
14 _____
15 Karen Fitzthum, City Clerk

16
17
18
19
20 FILED WITH CITY CLERK: __/__/2022
21 PASSED BY THE CITY COUNCIL: __/__/2022
22 RESOLUTION NUMBER: 2022-__
23

FINANCE COMMITTEE 4.C

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Budget Calendar for 2022

DEPARTMENT CONTACT: Michelle Meyer, Finance

SUMMARY:

Annual budget calendar

ESTIMATED TIME:

15

BACKGROUND:

The Lynnwood Municipal Code requires Council approval of a budget calendar by January 31 of each year. The attached resolution and calendar is provided for the City Council's consideration.

The City uses a biennial budget. During even-numbered years, the calendar includes the process of preparing and adopting the budget for the subsequent two years.

Most of the dates provided are based upon requirements of State law. For the past three biennial budgets, the City has held two public hearings prior to Council action. The Revised Code of Washington (RCW) is ambiguous regarding the number of hearings that are required and the Municipal Research and Services Center (MRSC) recommends more than one hearing.

As was done for the 2020-2021 Budget, staff recommends conducting the first public hearing in September following the issuance of the Preliminary Proposed Budget. At this stage, revenues by fund are known and departments' budgets are in development. The first public hearing can focus on "higher-level" priorities and thereby guide the preparation of the Mayor's Preliminary Budget to be issued in October. The calendar schedules the second public hearing following departments' presentations to the Council and community, and thereby inform the City Council's deliberation and action.

SUGGESTED ACTION:

Review the Resolution approved by the City Council on January 24.

PREVIOUS COUNCIL ACTIONS:

A budget calendar is adopted each year. This matter was provided to Council as a Memorandum for Future Action within the January 18, 2022 meeting agenda and on the Unanimous Consent Agenda for January 24, 2022.

DEPARTMENT ATTACHMENTS

Description:

[Res 2022-02 Calendar for 2023-2024 Budget 120821.pdf](#)



RESOLUTION NO. 2022-02

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
ADOPTING THE PLANNING CALENDAR FOR THE 2023-2024
BUDGET.**

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

WHEREAS, by January 31st of even-numbered years, LMC 2.72.020 calls for the adoption by resolution of a planning calendar for the preparation and adoption of the biennial budget; 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 2022 Planning Calendar the 2023-2024 Biennial Budget

The events and dates specified by Exhibit A to this Resolution shall comprise the 2022 budget planning calendar for the 2023-2024 biennial budget.

Section 2. The City Council shall retain its full authority to modify or amend the planning calendar as the Council deems necessary, and in a manner consistent with applicable law, adopted policies, and standard practices.

This resolution was adopted by the City Council at its public meeting held January 24, 2022.

RESOLVED this ____ day of January 2022.

Christine Frizzell, Mayor

ATTEST/AUTHENTICATED:

Karen Fitzthum, City Clerk

Exhibit A, Resolution 2022-02

2022 Planning Calendar for the 2023-2024 Budget

Date	Budget Process/Step	Note
Jan. 24	Adoption of budget planning calendar per LMC 2.72.020 .	City Council Business Meeting
—	Council Summit: discussion of 5-year strategic priorities and budget priorities for 2023-2024.	City Council Work Session
Feb.-May	As needed: Council discussion of strategic budget priorities, financial forecast, etc.	City Council Work Session(s)
Feb.-May	Outreach to the public, boards and commissions, community partners, and staff regarding budget priorities.	-
Sept. 12	Proposed Preliminary 2023-2024 Budget delivered to City Council per LMC 2.72.030 and RCW 35A.34.070 . (limited to a general overview of fund revenues and expenditures)	City Council Business Meeting
Sept. 26	First public hearing on 2023-2024 Budget (budget priorities and assumptions).	City Council Business Meeting
Oct. 10	Preliminary 2023-2024 Budget with the Mayor’s budget message presented to City Council per LMC 2.72.040 and RCW 35A.34.080 . Council schedules public hearings per RCW 35A.34.090 . Mayor proposes 2023 property tax levy.	City Council Business Meeting
Oct. 17	Department budget presentations.	City Council Work Session
Oct. 19	Department budget presentations.	City Council Work Session
Oct. 24	Department budget presentations.	City Council Business Meeting
Oct. 31	Budget presentations as needed and/or City Council review of preliminary budget.	City Council Work Session
Nov. 7	Budget presentations as needed and/or City Council review of preliminary budget.	City Council Work Session
Nov. 14	Second public hearing on Preliminary 2023-2024 Budget. Public hearing on 2023 property tax levy. City Council review of preliminary budget.	City Council Business Meeting
Nov. 16	City Council review of preliminary budget.	City Council Work Session
Nov. 21	City Council review of preliminary budget. Adoption of 2023-2024 Budget. Adoption of 2023 property tax levy.	City Council Special Meeting Business
Nov. 28	Provisional, if needed.	City Council Business Meeting
Dec. →	Publish adopted budget book. Adopted budget transmitted to the state auditor and AWC per LMC 2.72.060 and RCW 35A.34.120 .	

Note: The City Council Finance Committee may review and provide guidance on portions or aspects of draft budget materials. Meetings of the Finance Committee are open to the public.

For planning purposes and subject to change.

FINANCE COMMITTEE 4.D

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Utility Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

PRESENTER:

Michelle Meyer, Finance Director; Corbitt Loch, Strategic Planner

ESTIMATED TIME:

20

BACKGROUND:

At the April, September, October and November 2021 Finance Committee meetings, staff reviewed information on delinquent utility accounts. Updated information as of the end of December has been compiled for review and discussion.

SUGGESTED ACTION:

Review of updated utility account information.

PREVIOUS COUNCIL ACTIONS:

April, September, October, November 2021 Finance Committee meetings

DEPARTMENT ATTACHMENTS

Description:

[Dec 2021 Utility Aging Reports.pdf](#)

City of Lynnwood Utility Account Aging December 31, 2021

Number of Accounts With Past-Due Balance By Time	Residential	Commercial	Total
1-30 Days Past Due	534	205	739
31-60 Days Past Due	511	84	595
61-90 Days Past Due	444	106	550
91-120 Days Past Due	134	46	180
More Than 120 Days Past Due	558	152	710
Total number of Past Due Accounts	2,181	593	2,774
Percent of Total Accounts with Past Due Balance	79%	21%	100%

Accounts With Past-Due Balance More than 120 Days		# of	% of	\$
Account Type	Accounts	Accounts	Amount	
1 Single Family Residential	477	67.2%	\$ 339,146	
2 Residential Special Rate A, Prop. Tax (40% rate, 60% discount)	6	0.8%	\$ 844	
3 Residential Special Rate B (45%, rate, 55% discount)	1	0.1%	\$ 470	
4 Residential Special Rate C (50% rate, 50% discount)	0	0.0%	\$ -	
5 Residential Special Rate L, SNAP/Tanf (40% rate, 60% discount)	15	2.1%	\$ 9,415	
6 Mutli-Unit Complex (2-8 multifamily homes on 1 meter)	19	2.7%	\$ 30,087	
7 Multi-Unit Apartment (>8 multifamily homes on 1 meter)	40	5.6%	\$ 286,893	
8 Multi-Unit Condo (>10 condominiums on 1 meter)	0	0.0%	\$ -	
9 Multi-Unit MHP (mobile home park on 1 meter)	0	0.0%	\$ -	
10 Multi-Unit SPR (multifamily homes with individual meters)	0	0.0%	\$ -	
Total Residential	558	78.59%	\$ 666,855	
11 Commercial Business (Single commercial property on 1 meter)	82	11.5%	\$ 253,030	
12 Commercial Complex (>1 commercial businesses on 1 meter)	29	4.1%	\$ 80,041	
13 Government (government property/land use)	1	0.1%	\$ 389	
14 COL (City of Lynnwood property)	35	4.9%	\$ 14,861	
15 School (public or private school or college)	5	0.7%	\$ 53,388	
Total Commercial	152	21.41%	\$ 401,710	
Total Residential & Commercial	710	100.00%	\$ 1,068,565	

12/31/2021

Number of Accounts

Residential

	Current	1 - 30	31 - 60	61 - 90	91 - 120	Over 120
# of Accounts	0	534	511	444	134	558

Commercial

	Current	1 - 30	31 - 60	61 - 90	91 - 120	Over 120
# of Accounts	0	205	84	106	46	152

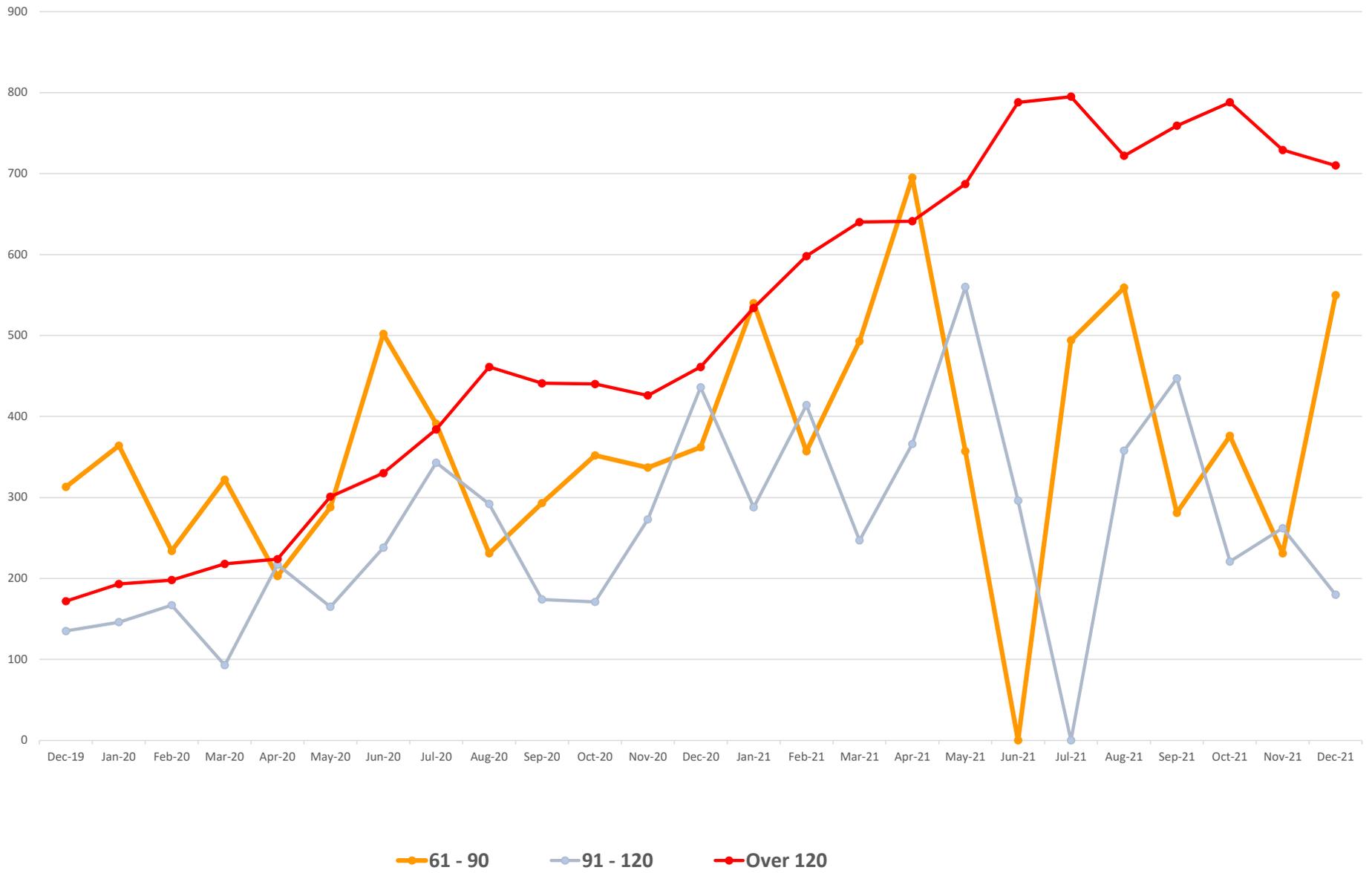
Number of Accounts by type

Account Type	<u>more than 120 days</u>															Total
	Residential										Commercial					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
# of Accounts	477	6	1	0	15	19	40	0	0	0	82	29	1	35	5	710
% of Accounts	67.18%	0.85%	0.14%	0.00%	2.11%	2.68%	5.63%	0.00%	0.00%	0.00%	11.55%	4.08%	0.14%	4.93%	0.70%	
	78.59%										21.41%					

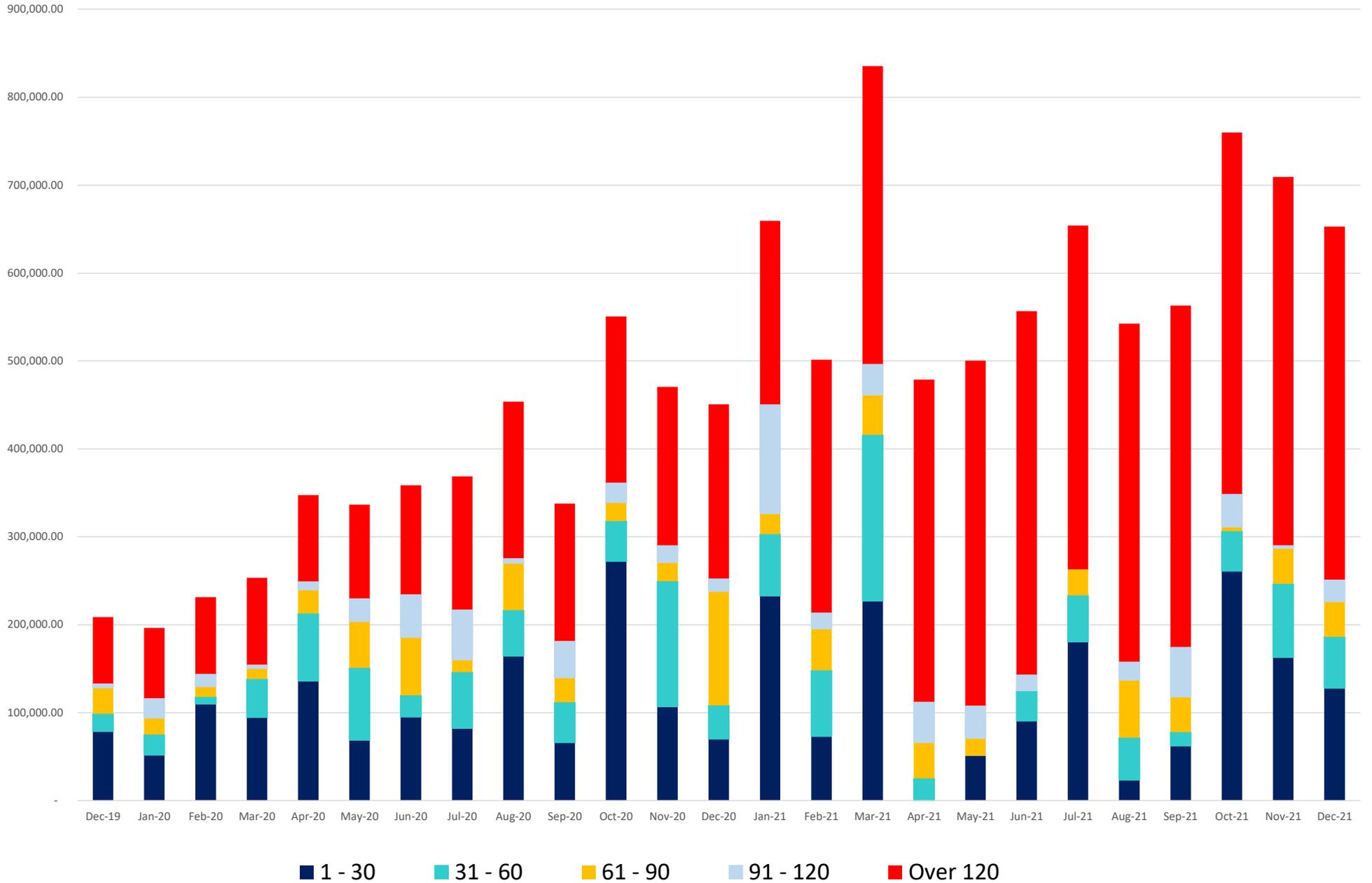
Aging Amount

Account type	Residential															Commercial					Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						
Over 120 \$	339,146 \$	844 \$	470 \$	- \$	9,415 \$	30,087 \$	286,893 \$	- \$	- \$	- \$	253,030 \$	80,041 \$	389 \$	14,861 \$	53,388 \$	1,068,565					

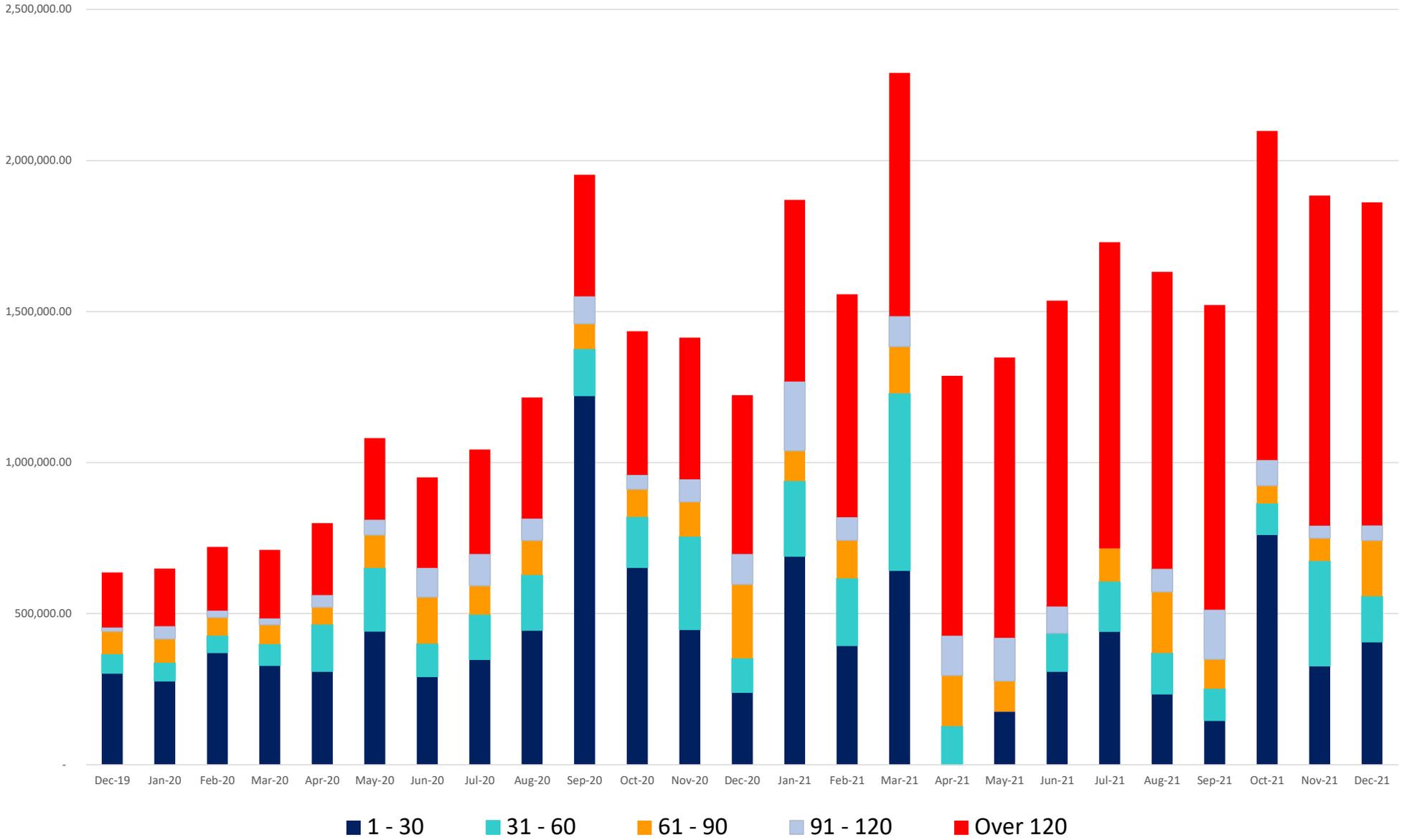
Number of Utility Past Due Accounts-Residential and Commercial, as of 12/31/2021



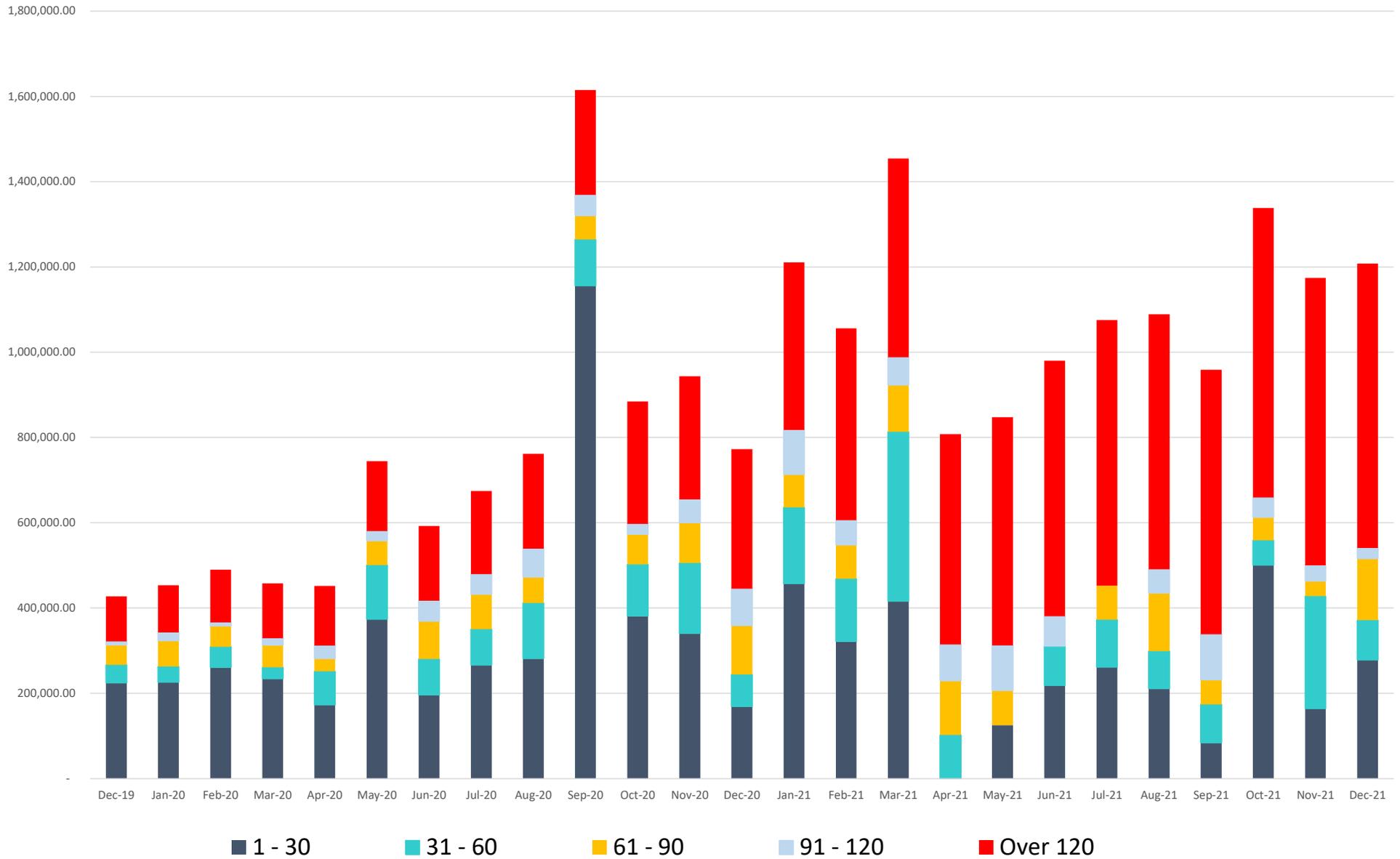
Utility Accounts Receivable Aging-Commercial



Utility Accounts Receivable Aging-Residential and Commercial



Utility Accounts Receivable Aging-Residential



FINANCE COMMITTEE 4.E

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: Monthly Sales Tax Report

DEPARTMENT CONTACT: Michelle Meyer, City Council

ESTIMATED TIME:

15

BACKGROUND:

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

SUGGESTED ACTION:

Review of Sales Tax detail

DEPARTMENT ATTACHMENTS

Description:

[Sales Tax 2021 October.pdf](#)

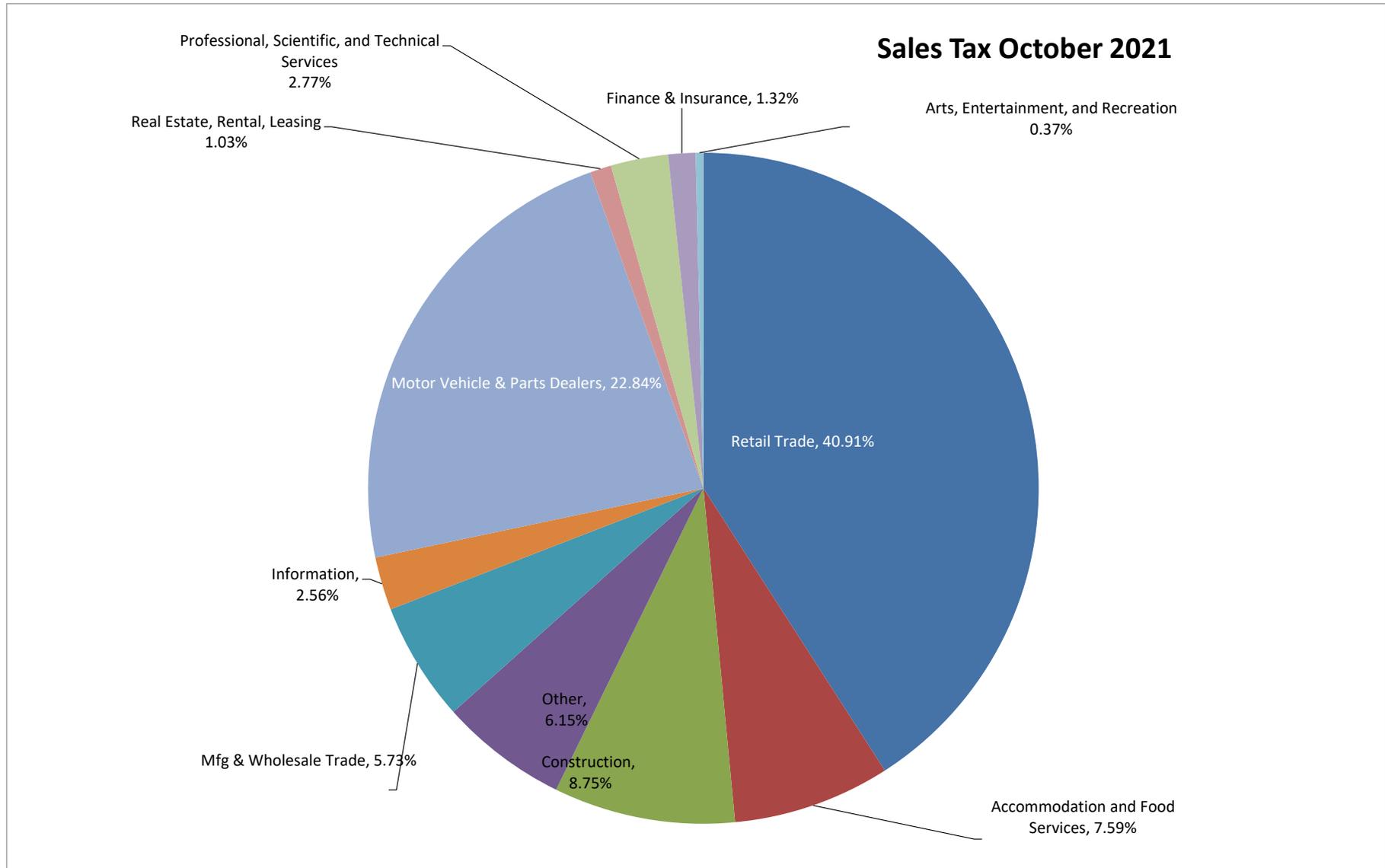
**Report on Year-To-Date Sales Tax Earned for the month of October 2021, Cash
Received in December 2021**

2020 & 2021 Year-To-Date Sales Tax Collection by Category

	A	B	C	D	E	F	G	H	I	J
1	City of Lynnwood									
2	2021 Year to Date Sales Tax Collection By Category									
3	For the reporting period of October 2021 (October 2020 to October 2021)									
4	Source: Washington State Department of Revenue									
5										
6			Month	Month	Month	Year To	Year To	Year To	Year To	Year To
7						Date	Date	Date	Date	Date
8	Category		Oct-21	Oct-20	% Change	Oct-21	Oct-20	% Change	Oct-19	Oct-18
9	Retail Trade	\$	896,502	\$ 767,716	16.78%	\$ 8,769,198	\$ 6,832,031	28.4%	\$ 8,868,050	\$ 8,394,669
10	Accommodation and Food Services		166,249	116,770	42.4%	1,517,978	1,110,584	36.7%	1,597,947	1,774,906
11	Construction		191,750	156,590	22.5%	2,443,883	1,486,914	64.4%	1,738,191	1,833,494
12	All Others ²		134,824	121,602	10.9%	1,233,788	1,089,947	13.2%	1,246,477	959,041
13	Mfg and Wholesale Trade		125,576	93,095	34.9%	999,887	760,693	31.4%	1,001,276	924,595
14	Information ¹		56,036	46,561	20.3%	518,723	458,935	13.0%	552,565	573,557
15	Motor Vehicle & Part's Dealers		500,485	405,229	23.5%	5,292,580	3,865,228	36.9%	3,126,940	3,208,597
16	Real Estate, Rental, Leasing		22,588	19,533	15.6%	232,805	201,712	15.4%	223,314	219,444
17	Professional, Scientific, and Technical Services		60,668	51,876	16.9%	673,666	473,184	42.4%	381,355	250,937
18	Finance and Insurance		28,870	32,672	-11.6%	325,508	247,836	31.3%	262,181	241,202
19	Arts, Entertainment, and Recreation		8,101	6,165	31.4%	80,817	53,465	51.2%	117,321	111,330
20	TOTAL	\$	2,191,649	\$ 1,817,809	20.6%	\$ 22,088,832	\$ 16,580,529	33.22%	\$ 19,115,618	\$ 18,491,772
21										
22	¹ Category on "information" pertains to businesses in telecommunications, internet service providers, motion pictures, sound record, publishing industries, broadcasting, and other information services.									
23										
24										
25	² All Others pertain to various categories not included in the other segments and not material enough to have a separate category.									
26										

Pie Chart for the month of October 2021 Sales Tax Collection

Sales Tax Earned in October 2021, Collected in December 2021



FINANCE COMMITTEE 4.F

**CITY OF LYNNWOOD
FINANCE COMMITTEE**

TITLE: Claims Approval Report Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

ESTIMATED TIME:

10

BACKGROUND:

Finance Committee members review and approve claims for both Accounts Payable and Payroll prior to approval by the full Council. Staff will provide an update on reporting format and process.

SUGGESTED ACTION:

Discuss recent updates to the Claims Approval reports and process

DEPARTMENT ATTACHMENTS

Description:

FINANCE COMMITTEE 4.G

CITY OF LYNNWOOD FINANCE COMMITTEE

TITLE: 2020 Audit Update

DEPARTMENT CONTACT: Michelle Meyer, Finance

ESTIMATED TIME:

15

BACKGROUND:

Staff will provide an update on the status of the ongoing 2020 financial and accountability audits being conducted by the Washington State Auditors Office.

SUGGESTED ACTION:

Review status of 2020 financial and accountability audits.

DEPARTMENT ATTACHMENTS

Description:
