



**LYNNWOOD FINANCE COMMITTEE - regular Finance Committee  
meeting  
THURSDAY, MARCH 24, 2022 3:00 PM**

---

1. CALL TO ORDER
2. ROLL CALL
3. FINANCIAL REPORTS
  - A. [Monthly Sales Tax Report](#) - 20 minutes  
Michelle Meyer, Finance Director
4. DISCUSSION ITEM
  - A. [2020 Audit Update](#) - 20 minutes  
Michelle Meyer, Finance Director
  - B. [Utility Delinquency Update](#) - 20 minutes  
Michelle Meyer, Finance Director; Corbitt Loch, Strategic Planner
5. ADJOURN

## FINANCE COMMITTEE 3.A

### CITY OF LYNNWOOD FINANCE COMMITTEE

---

**TITLE:** Monthly Sales Tax Report

**DEPARTMENT CONTACT:** Michelle Meyer, City Council

**SUMMARY:**

Review of Sales Tax Revenues for December Sales

**PRESENTER:**

Michelle Meyer, Finance Director

**ESTIMATED TIME:**

20

**BACKGROUND:**

The City receives Sales Tax revenue distributions on a monthly basis for sales that occurred two months prior. The detailed reports for December sales (revenues received in February) will be reviewed. Annual totals for 2021 sales tax revenues will be reviewed.

**SUGGESTED ACTION:**

Review of Sales Tax detail

**PREVIOUS COUNCIL ACTIONS:**

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

**DEPARTMENT ATTACHMENTS**

Description:

---

[CoL.Sales Tax Analysis Dec 2021.pdf](#)



Sales Tax Analysis - Annual Summary  
December 2021

Tax Categories	Jan - Dec 2018	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2021
Construction	\$ 2,290,502	\$ 2,126,181	\$ 1,937,961	\$ 2,978,002
Manufacturing & Wholesale Trade	975,478	830,546	889,685	1,035,747
Retail Trade	9,639,020	10,010,928	8,783,401	10,961,967
Motor Vehicle & Parts Dealers	5,034,167	5,378,279	4,965,220	6,564,098
Information	715,209	694,729	585,178	647,707
Finance & Insurance	284,885	312,793	315,931	382,758
Real Estate Rental and Leasing	265,081	279,409	246,401	282,352
Professional, Scientific, & Technical Services	299,268	476,555	612,917	780,912
Arts, Entertainment, & Recreation	138,688	147,810	58,734	104,803
Accommodation & Food Services	2,175,318	2,214,099	1,454,531	1,855,985
Other Products and Services*	1,091,732	1,191,078	1,170,968	1,508,148
<b>Total Sales Tax Collected</b>	<b>\$ 22,909,348</b>	<b>\$ 23,662,407</b>	<b>\$ 21,020,927</b>	<b>\$ 27,102,479</b>
<b>Budgeted Sales Tax Collections</b>	<b>\$ 22,403,269</b>	<b>\$ 23,058,883</b>	<b>\$ 24,453,852</b>	<b>\$ 23,073,426</b>
<b>Realized Revenue as Compared to Budget</b>	<b>102%</b>	<b>103%</b>	<b>86%</b>	<b>117%</b>

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

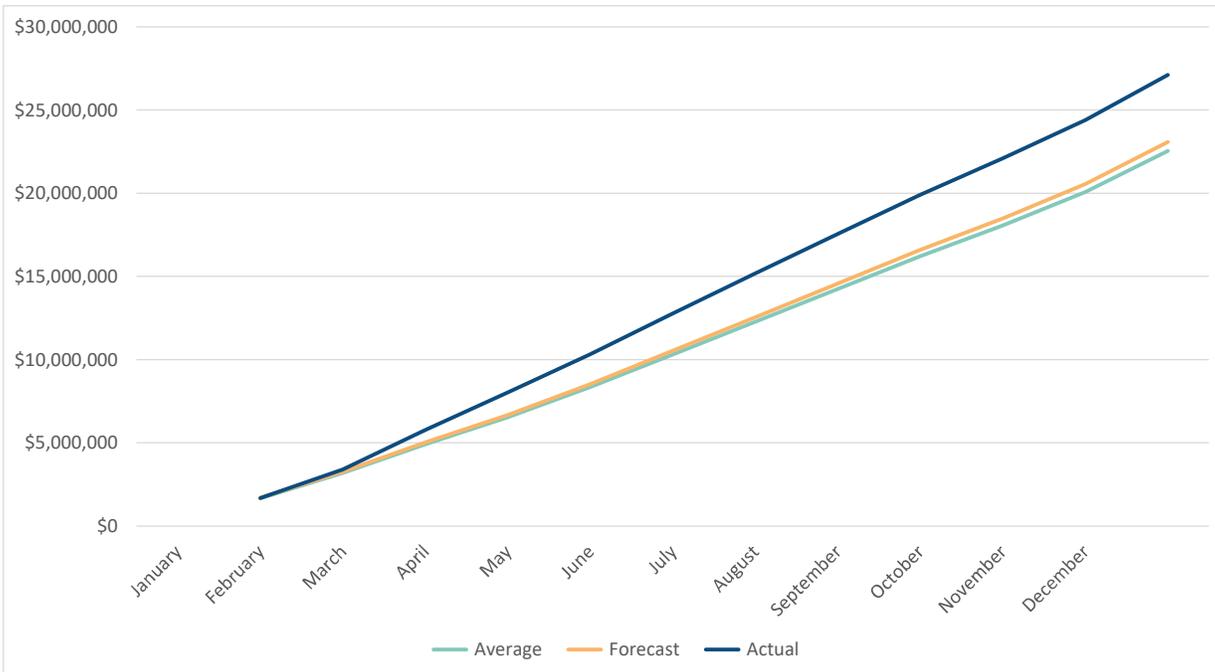
### ANNUAL SALES TAX COLLECTION BY CATEGORY





Sales Tax Analysis - Annual Summary  
December 2021

				3-Year Average Collection 2018 - 2020		Forecast 2021	Actual 2021
	2018	2019	2020	Rate	Amount		
January	\$ 1,659,199	\$ 1,649,756	\$ 1,682,783	7.41%	\$ 1,663,913	\$ 1,708,955	\$ 1,673,177
February	1,546,656	1,495,512	1,515,997	6.76%	1,519,388	1,560,014	1,733,822
March	1,915,769	2,043,826	1,207,193	7.58%	1,722,263	1,749,169	2,355,720
April	1,780,484	1,942,838	1,148,763	7.15%	1,624,028	1,649,548	2,267,311
May	1,854,102	2,012,870	1,606,386	8.08%	1,824,453	1,864,461	2,286,659
June	1,985,036	2,034,018	1,810,757	8.62%	1,943,270	1,990,068	2,456,345
July	1,956,153	2,027,441	1,911,463	8.73%	1,965,019	2,015,080	2,405,512
August	1,990,993	2,025,251	1,905,468	8.77%	1,973,904	2,023,871	2,370,461
September	1,949,367	2,005,182	1,973,911	8.79%	1,976,153	2,028,415	2,348,178
October	1,855,533	1,878,921	1,817,809	8.23%	1,850,754	1,898,759	2,191,649
November	2,052,650	2,051,950	1,925,471	8.93%	2,010,024	2,060,567	2,296,275
December	2,363,406	2,494,842	2,514,926	10.94%	2,457,725	2,524,519	2,717,370
<b>Total Sales Tax Collected</b>	<b>\$ 22,909,348</b>	<b>\$ 23,662,407</b>	<b>\$ 21,020,927</b>			<b>\$ 23,073,426</b>	<b>\$ 27,102,479</b>
<b>Percentage Increase(Decrease)</b>		<b>3.18%</b>	<b>-12.57%</b>				<b>22.44%</b>

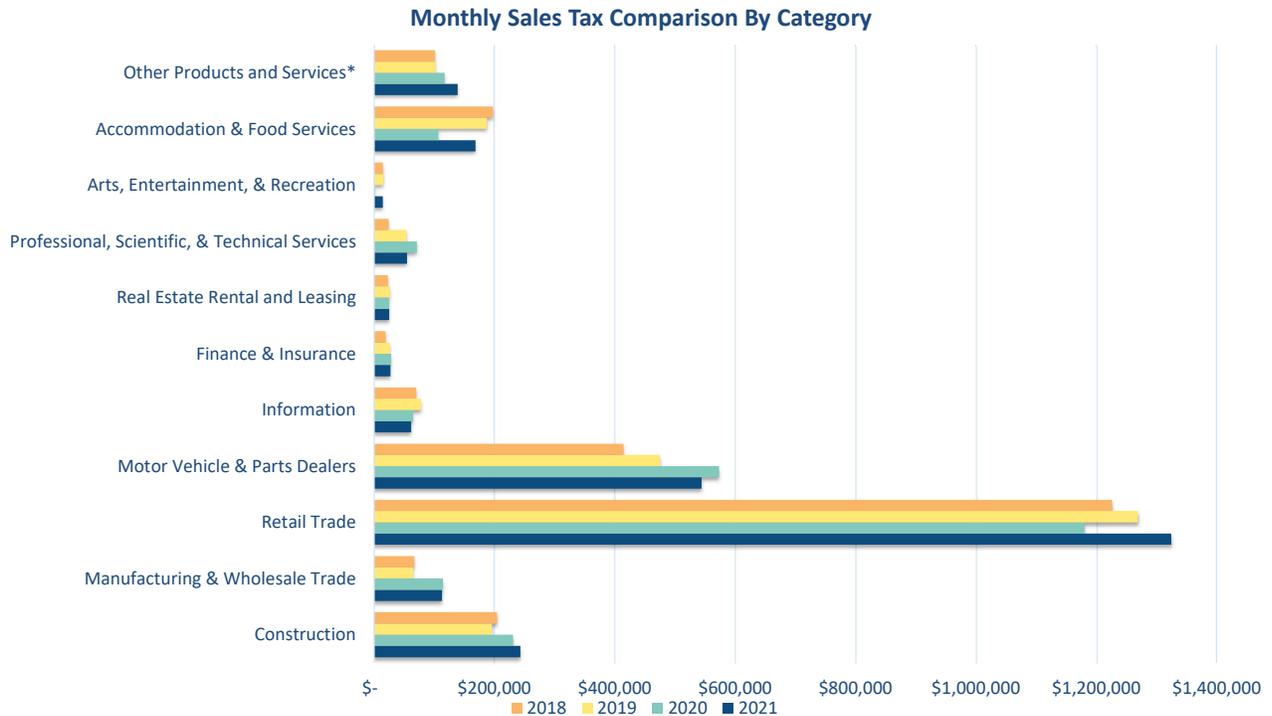




Sales Tax Analysis - Monthly Comparison  
December 2021

Tax Categories	December	December	December	December	Change in Collections from Prior Year	
	2018	2019	2020	2021	\$	%
Construction	\$ 204,582	\$ 195,679	\$ 231,109	\$ 243,173	\$ 12,064	5.22%
Manufacturing & Wholesale Trade	67,163	65,054	114,756	112,994	(1,762)	(1.54%)
Retail Trade	1,226,234	1,269,097	1,180,141	1,324,705	144,564	12.25%
Motor Vehicle & Parts Dealers	414,618	474,858	573,167	544,293	(28,874)	(5.04%)
Information	70,439	78,293	65,031	61,902	(3,129)	(4.81%)
Finance & Insurance	19,551	26,193	28,289	27,338	(951)	(3.36%)
Real Estate Rental and Leasing	23,272	26,158	25,186	25,237	51	0.20%
Professional, Scientific, & Technical Services	24,033	53,672	71,076	55,162	(15,914)	(22.39%)
Arts, Entertainment, & Recreation	14,652	15,929	1,774	14,741	12,967	730.95%
Accommodation & Food Services	197,653	187,892	106,931	168,680	61,749	57.75%
Other Products and Services*	101,209	102,017	117,466	139,145	21,679	18.46%
<b>Total Sales Tax Collected</b>	<b>\$ 2,363,406</b>	<b>\$ 2,494,842</b>	<b>\$ 2,514,926</b>	<b>\$ 2,717,370</b>	<b>\$ 202,444</b>	

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



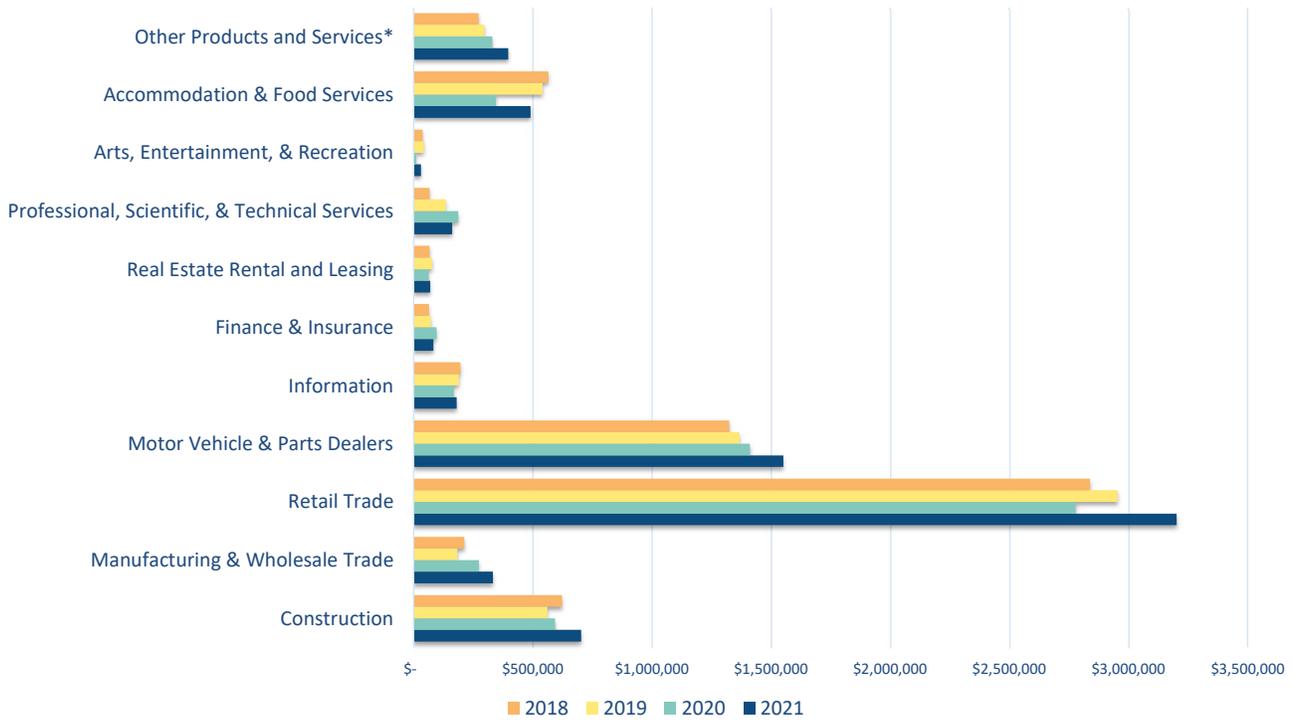


Sales Tax Analysis - Quarterly Comparison  
2021 Quarter 4

Tax Categories	Quarter 4	Quarter 4	Quarter 4	Quarter 4	Change in Collections	
	2018	2019	2020	2021	\$	%
Construction	\$ 623,441	\$ 561,299	\$ 593,589	\$ 703,506	\$ 109,917	18.52%
Manufacturing & Wholesale Trade	212,525	183,320	273,626	332,687	59,061	21.58%
Retail Trade	2,839,664	2,954,904	2,777,026	3,202,851	425,825	15.33%
Motor Vehicle & Parts Dealers	1,324,614	1,367,356	1,412,083	1,551,586	139,503	9.88%
Information	196,605	190,258	168,616	180,346	11,730	6.96%
Finance & Insurance	64,461	72,659	96,136	83,074	(13,062)	(13.59%)
Real Estate Rental and Leasing	67,234	77,777	63,581	70,005	6,424	10.10%
Professional, Scientific, & Technical	67,398	135,882	187,353	161,722	(25,631)	(13.68%)
Arts, Entertainment, & Recreation	37,313	43,026	10,955	31,353	20,398	186.20%
Accommodation & Food Services	565,383	541,889	344,560	490,432	145,872	42.34%
Other Products and Services*	272,951	297,343	330,681	397,732	67,051	20.28%
<b>Total Sales Tax Collected</b>	<b>\$ 6,271,589</b>	<b>\$ 6,425,713</b>	<b>\$ 6,258,206</b>	<b>\$ 7,205,294</b>	<b>\$ 947,088</b>	<b>15.13%</b>

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

Quarterly Sales Tax Comparison By Category

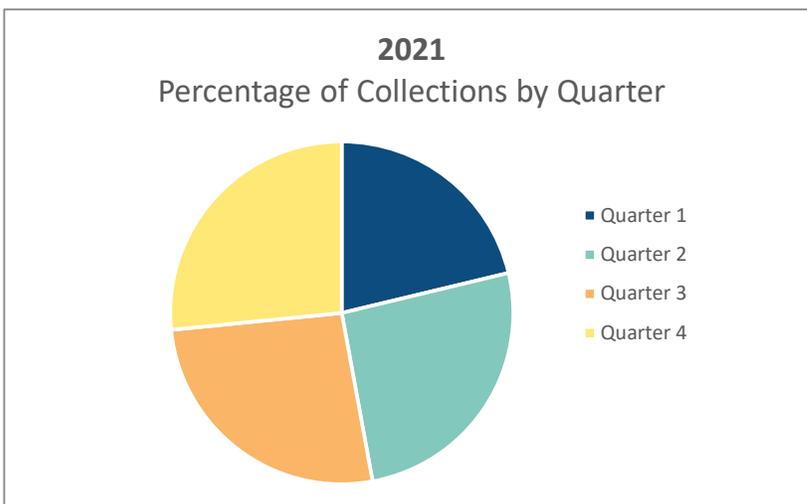
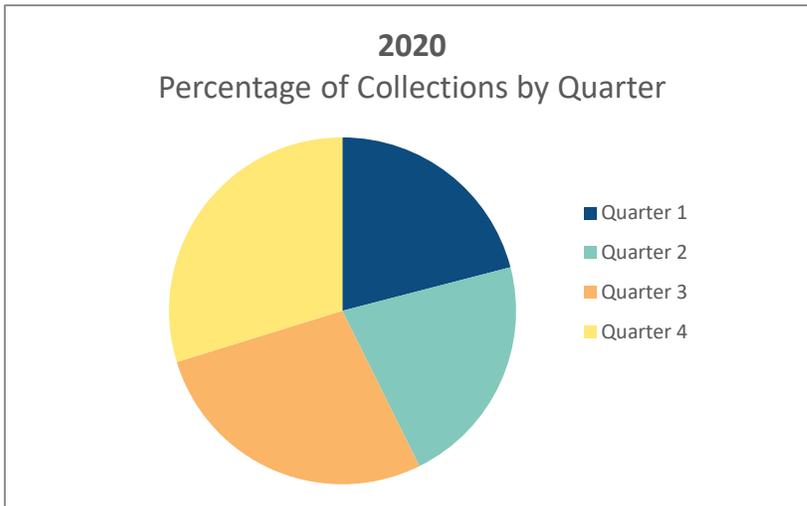




**LYNNWOOD**  
WASHINGTON

Sales Tax Analysis - Quarterly Comparison  
2021 Quarter 4

Total Gross Sales Tax Earned by Quarter				
	2020	2021		% Change
Quarter 1	\$ 4,405,973	\$ 5,762,719		23.54%
Quarter 2	4,565,906	7,010,315		34.87%
Quarter 3	5,790,842	7,124,151		18.72%
Quarter 4	6,258,206	7,205,294		13.14%
<b>Total</b>	<b>\$ 21,020,927</b>	<b>\$ 27,102,479</b>		

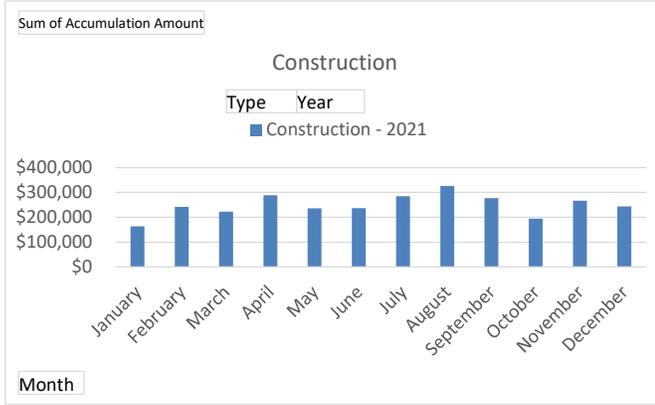




**LYNNWOOD**  
WASHINGTON

Sales Tax Analysis - Monthly Category Comparisons  
December 2021

Sum of Accumulation Amount Row Labels	Column Labels Construction 2021
January	\$163,723
February	\$241,603
March	\$222,278
April	\$288,517
May	\$235,670
June	\$236,455
July	\$284,203
August	\$325,354
September	\$276,693
October	\$193,687
November	\$266,646
December	\$243,173
<b>Grand Total</b>	<b>\$2,978,002</b>



Sum of Accumulation Amount Row Labels	Column Labels Manufacturing & 2021
January	\$69,086
February	\$72,822
March	\$100,683
April	\$88,459
May	\$51,152
June	\$81,925
July	\$79,994
August	\$87,387
September	\$71,553
October	\$116,807
November	\$102,886
December	\$112,994
<b>Grand Total</b>	<b>\$1,035,747</b>



Sum of Accumulation Amount Row Labels	Column Labels Retail Trade 2021
January	\$669,205
February	\$656,976
March	\$895,281
April	\$823,853
May	\$874,159
June	\$987,934
July	\$1,003,443
August	\$878,446
September	\$969,821
October	\$886,778
November	\$991,368
December	\$1,324,705
<b>Grand Total</b>	<b>\$10,961,967</b>

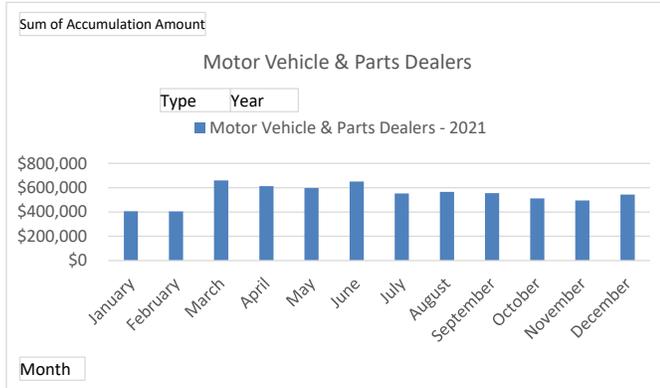




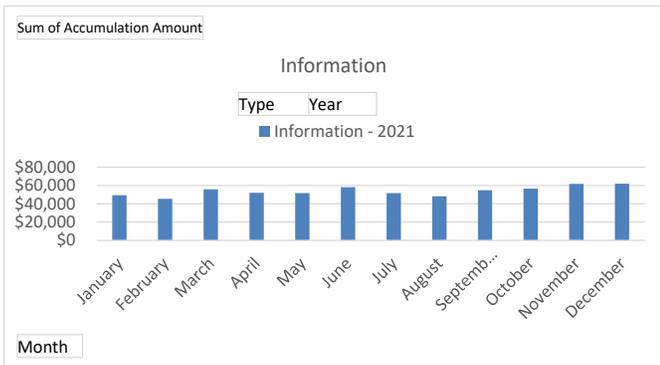
**LYNNWOOD**  
WASHINGTON

Sales Tax Analysis - Monthly Category Comparisons  
December 2021

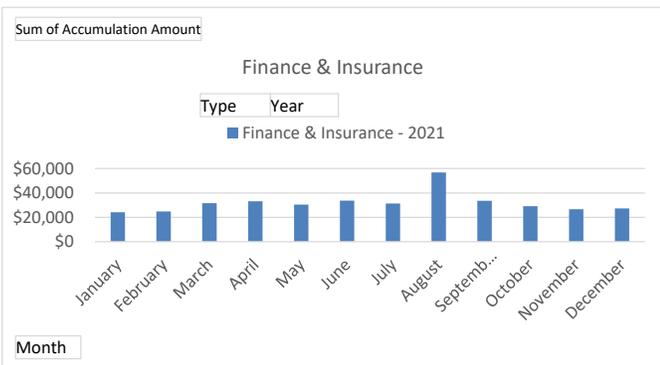
Sum of Accumulation Amount Row Labels	Column Labels Motor Vehicle & Parts 2021
January	\$406,546
February	\$405,533
March	\$661,347
April	\$613,460
May	\$597,926
June	\$651,576
July	\$553,146
August	\$566,465
September	\$556,513
October	\$512,215
November	\$495,077
December	\$544,293
<b>Grand Total</b>	<b>\$6,564,098</b>



Sum of Accumulation Amount Row Labels	Column Labels Information 2021
January	\$49,483
February	\$45,399
March	\$55,891
April	\$52,038
May	\$51,697
June	\$58,102
July	\$51,728
August	\$48,186
September	\$54,838
October	\$56,602
November	\$61,842
December	\$61,902
<b>Grand Total</b>	<b>\$647,707</b>



Sum of Accumulation Amount Row Labels	Column Labels Finance & Insurance 2021
January	\$24,180
February	\$24,868
March	\$31,572
April	\$33,133
May	\$30,448
June	\$33,719
July	\$31,391
August	\$56,821
September	\$33,553
October	\$29,161
November	\$26,574
December	\$27,338
<b>Grand Total</b>	<b>\$382,758</b>





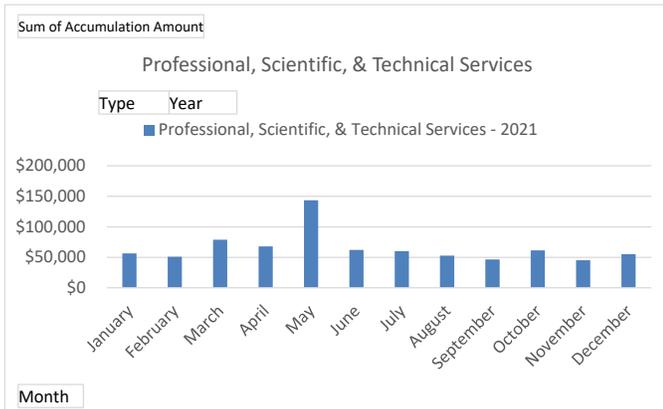
**LYNNWOOD**  
WASHINGTON

Sales Tax Analysis - Monthly Category Comparisons  
December 2021

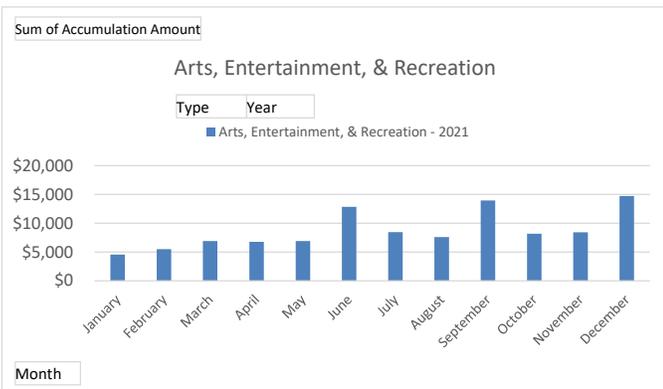
Sum of Accumulation Amount Row Labels	Column Labels Real Estate Rental and 2021
January	\$18,683
February	\$19,212
March	\$26,669
April	\$21,226
May	\$19,985
June	\$28,506
July	\$28,953
August	\$25,806
September	\$23,307
October	\$22,816
November	\$21,951
December	\$25,237
<b>Grand Total</b>	<b>\$282,352</b>



Sum of Accumulation Amount Row Labels	Column Labels Professional, 2021
January	\$56,514
February	\$51,013
March	\$78,775
April	\$67,847
May	\$143,476
June	\$62,246
July	\$60,142
August	\$52,696
September	\$46,481
October	\$61,281
November	\$45,280
December	\$55,162
<b>Grand Total</b>	<b>\$780,912</b>



Sum of Accumulation Amount Row Labels	Column Labels Arts, Entertainment, & 2021
January	\$4,557
February	\$5,490
March	\$6,892
April	\$6,775
May	\$6,904
June	\$12,844
July	\$8,454
August	\$7,586
September	\$13,949
October	\$8,183
November	\$8,429
December	\$14,741
<b>Grand Total</b>	<b>\$104,803</b>



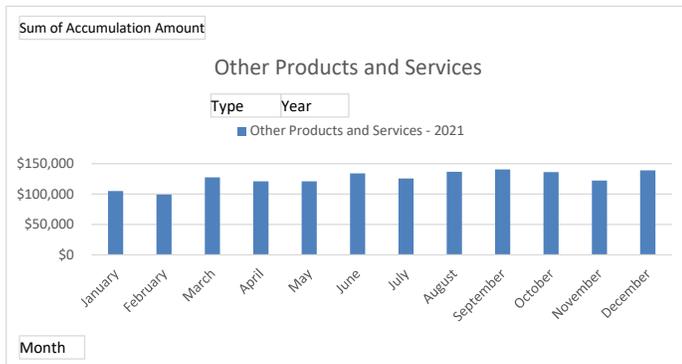


Sales Tax Analysis - Monthly Category Comparisons  
December 2021

Sum of Accumulation Amount Row Labels	Column Labels Accommodation & 2021
January	\$106,326
February	\$111,661
March	\$148,860
April	\$151,072
May	\$154,165
June	\$168,942
July	\$178,503
August	\$185,146
September	\$160,878
October	\$167,928
November	\$153,824
December	\$168,679
<b>Grand Total</b>	<b>\$1,855,985</b>

Sum of Accumulation Amount Row Labels	Column Labels Other Products and 2021
January	\$104,875
February	\$99,247
March	\$127,472
April	\$120,930
May	\$121,078
June	\$134,096
July	\$125,556
August	\$136,569
September	\$140,592
October	\$136,190
November	\$122,398
December	\$139,144
<b>Grand Total</b>	<b>\$1,508,147</b>



## FINANCE COMMITTEE 4.A

### CITY OF LYNNWOOD FINANCE COMMITTEE

---

**TITLE:** 2020 Audit Update

**DEPARTMENT CONTACT:** Michelle Meyer, Finance

**SUMMARY:**

Update on 2020 Audit

**PRESENTER:**

Michelle Meyer, Finance Director

**ESTIMATED TIME:**

20

**BACKGROUND:**

Staff will provide an update on the status of the 2020 financial and accountability audits being conducted by the Washington State Auditors Office. The 2020 audit exit conference is scheduled to be presented to the full City Council at the April 4th Work Session.

**SUGGESTED ACTION:**

Review status of 2020 financial and accountability audits.

**DEPARTMENT ATTACHMENTS**

Description:

---

## FINANCE COMMITTEE 4.B

### CITY OF LYNNWOOD FINANCE COMMITTEE

---

**TITLE:** Utility Delinquency Update

**DEPARTMENT CONTACT:** Michelle Meyer, Finance

**SUMMARY:**

Review of Delinquent Utility Accounts

**PRESENTER:**

Michelle Meyer, Finance Director; Corbitt Loch, Strategic Planner

**ESTIMATED TIME:**

20

**BACKGROUND:**

Since the COVID-19 pandemic began, the City has complied with Washington State orders prohibiting assessing penalties or shutting off delinquent utility accounts. Although the moratorium on utilities has since ended, Lynnwood has not yet resumed assessing penalties or performing shut offs in order to allow customers an opportunity to pay down their balances, enter into payment arrangement agreements and/or access payment assistance programs.

As of March 15, 2022, the total delinquent amount for 120+ days was \$1,095,459. The 120+ past due amount on February 28, 2020 (pre-COVID) was \$210,867. In both February of 2020 and in our most recent detailed aging reports as of January 31, 2022, about 60% of the 120+ delinquencies were from residential accounts, around 40% were commercial.

There are currently two separate programs in place to provide customers with financial assistance for delinquent water/wastewater bills. These programs were reviewed at the last Finance Committee meeting. To date, the City has received around \$12,000 in payments from one of these programs to pay the balances on nine accounts.

**SUGGESTED ACTION:**

Review of the status of delinquent utility accounts.

**PREVIOUS COUNCIL ACTIONS:**

The Finance Committee routinely reviews updated utility information.

**DEPARTMENT ATTACHMENTS**

Description:

---