



**CITY COUNCIL ITEM B**

**CITY OF LYNNWOOD  
City Council**

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**TITLE:** Continued Discussion – Amendment of Utility Payment Rules

**DEPARTMENT CONTACT:** Michelle Meyer, Finance Director

**DOCUMENT ATTACHMENTS**

**Description:**

[Utility Payment Rules Memo](#)

**Type:**

Backup Material

1 Date: April 15, 2021  
 2 To: Finance Committee  
 3 From: Corbitt Loch, et. al.  
 4 **RE: UTILITY PAYMENT RULES**

5 The Finance Committee discussed potential changes to utility payment rules during the March 25  
 6 meeting. The purpose of this agenda item is to respond to the Committee’s previous questions and to  
 7 continue to assess potential legislative updates and policy changes.

REQUEST FROM MARCH 25 FINANCE COMMITTEE MEETING	Staff Response
1. Provide number and percent of accounts in a tenant’s name for residential and for commercial.	Total residential accounts: 7,402 Residential tenant accounts: 596 (8%) Total commercial accounts: 2,534 Commercial tenant accounts: 40 (1%) Total accounts: 9,936 Total tenant accounts: 636 (6%)
2. Provide number and percent of renter-occupied dwellings in Lynnwood.	Total dwellings: 14,515 <sup>1</sup> Renter-occupied dwellings: 6,776 Percent renter occupied: 46%
3. Recheck (update) what other utility providers are doing in terms of payment plans.	See below.
4. Create additional payment plan options. Refine payment plan provided. Consider flexible payment plans catered to tenants and catered to property owners. Include scenarios to show realistic payment obligations.	See below.
5. Provide total number of accounts, by type, more than 120 days delinquent.	See attached.
6. Provide total amount of charges, by account type, more than 120 days delinquent.	See attached.
7. Develop strategies to encourage payments during moratoriums.	See below.
8. Complete mapping project underway.	See attached.
9. How much work will be involved for UB as the City and customers recover from the COVID-19 recession? Will temporary UB staff be needed?	Unknown.

8  
9

<sup>1</sup> Source: American Community Survey, 2019

<b>SURVEY OF OTHER UTILITY PROVIDERS REGARDING FLEXIBLE PAYMENT PLANS</b>	<b>Notes</b>
1. Alderwood Water & Sewer	Under consideration: 50% of oldest payment required. Remainder divided into 12 payments for 12 months. Nothing decided for post-COVID.
2. City of Bothell	Voluntary payment plans of any type/amount accepted at this time. Nothing decided for post-COVID.
3. City of Edmonds	No payment plans during COVID moratorium. Nothing decided for post-COVID.
4. City of Everett	No payment plans during COVID moratorium. Nothing decided for post-COVID.
5. City of Kent	Voluntary payment plans of any type/amount accepted at this time. Nothing decided for post-COVID.
6. City of Kirkland	No payment plans during COVID moratorium. Nothing decided for post-COVID.
7. City of Marysville	No payment plans during COVID moratorium. Nothing decided for post-COVID.
8. City of Renton	No payment plans during COVID moratorium. Considering: For less than 1 year delinquent, 4 installments. For more than 1 year delinquent, double payments until 0 past due balance.
9. Silver Lake Water & Sewer	No payment plans during COVID moratorium. No intent to create payment plans for post-COVID.

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**POTENTIAL AMENDMENT OF LYNNWOOD MUNICIPAL CODE**

12 **Example: Potential Amendment of Utility Payment Rules** No change from March 25.

Issue/Topic	Citation	Existing Requirement	Proposed Requirement
1. Amount of penalty for late payment	LMC 13.34.030	10%	10%
2. Due date for payment	LMC 13.34.050	14 days after billing	28-30 days after billing
3. Time till penalty for late payment	LMC 13.34.030	35 days after billing	35 days after billing
4. Payment arrangements	LMC 13.34.070	Payment of 50% of all charges and penalties, then payment of 100% of all charges and penalties within 14 days.	See below
5. Time till notice of water shut off	LMC 13.34.070	20 days after any amount of outstanding account balance remains delinquent following two full billing cycles (approximately four months + 20 days)	-
6. Time till water shut off	LMC 13.34.070	13 days after notice of shut off. Full payment of all charges and penalties is required.	21 days after notice of shutoff. Full payment or payment plan required.
7.a Time till unwritten lien (sewer and stormwater)			
7.b Time till written lien			
8. Trip charge for water shut off or turn on (each occurrence)	LMC 13.34.070	\$35 during regular business hours and \$85 other times.	Update
9. Amount of penalty for insufficient funds	LMC 13.34.030	\$50	
10. Lien processing fee	LMC 13.34.060	\$180	
11. Accrual rate for penalty fee		Not specified	Monthly
12. Interest charged on past-due balance		Not specified	Yes Rate?

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14

**FLEXIBLE PAYMENT PLANS**
**15 Option 1. "Low and Slow" Reviewed 3/25/21**

	First Payment	Payment Schedule	Incentives	Non-compliance
<b>A. Balance Due &lt;\$1,000</b> Applies to past due only. Property owner agreement required.	20%	20% + interest bimonthly	No penalty late fee. No shutoff.	Plan sunsets. 10% penalty fee from date of moratorium sunset. Water shutoff process will begin. Customer can reapply.
<b>B. Balance Due &gt;\$1,000</b> Applies to past due only. Property owner agreement required.	10%	10% + interest bimonthly	No penalty late fee. No shutoff.	Plan sunsets. 10% penalty fee from date of moratorium sunset. Water shutoff process will begin. Customer can reapply.

**16 Option 2. For discussion 4/22/21**

	First Payment	Payment Schedule	Incentives	Non-compliance
<b>A. &lt;6 Statements Delinquent (12 months)</b> Applies to past due only. Property owner agreement required.	25%	25% + interest bimonthly (\$0 balance after 4 payments)	No penalty late fee. No shutoff.	Plan sunsets. 10% penalty fee from date of moratorium sunset. Water shutoff process will begin. Customer can reapply.
<b>B. &gt;6 Statements Delinquent (12 months)</b> Applies to past due only. Property owner agreement required.	25%	1/n + interest / bimonthly (\$0 balance after n payments)	No penalty late fee. No shutoff.	Plan sunsets. 10% penalty fee from date of moratorium sunset. Water shutoff process will begin. Customer can reapply.

**17 See attached examples**

STRATEGIES TO ENCOURAGE PAYMENT	Notes
1. Insert with utility statement	See attached
2. Message on outside of envelope	Not at this time.
3. Past due letter	In planning stage. See attached.
4. Message on statement	In planning stage.
5. Utility Billing voice mail greeting	Includes reminder to pay.
6. Utility Billing webpage	Includes information on discounts and reduced rates.
7. eGOV news blasts, social media	
8. Inside Lynnwood	
9. Flyer to Food Bank, Homage, VOA, etc.	

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Overlapping messaging to utility customers:

20

- Extended payment due dates resulting from water meter upgrade.
- COVID-19 (no late fees, no shutoffs, payments are required).

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Utility Billing Scenario for Updated Policy

	A	B	C	D	E	F	G
1	<b>PAYMENT PLAN OPTION 1</b>						
2	<b>Residential account</b> Balance Due <\$1,000						
3	<b>Customer</b>	<b>Past Due Amount</b>	<b>Percent of Past Due</b>	<b>Portion of Past Due</b>	<b>Current Charges</b>	<b>Total Bimonthly Payment</b>	<b>Remaining Balance</b>
4	Doe	922.00	20%	184.40	250.00	434.40	737.60
5				184.40	250.00	434.40	553.20
6				184.40	250.00	434.40	368.80
7				184.40	250.00	434.40	184.40
8				184.40	250.00	434.40	-
9			Total	922.00			
10							
11	<b>Rental Property Account</b> Balance Due >\$1,000						
12	<b>Customer</b>	<b>Past Due Amount</b>	<b>Percent of Past Due</b>	<b>Portion of Past Due</b>	<b>Current Charges</b>	<b>Total Bimonthly Payment</b>	<b>Remaining Balance</b>
13	Gold Apartments	1,690.06	10%	169.01	250.00	419.01	1,521.05
14				169.01	250.00	419.01	1,352.05
15				169.01	250.00	419.01	1,183.04
16				169.01	250.00	419.01	1,014.04
17				169.01	250.00	419.01	845.03
18				169.01	250.00	419.01	676.02
19				169.01	250.00	419.01	507.02
20				169.01	250.00	419.01	338.01
21				169.01	250.00	419.01	169.01
22				169.01	250.00	419.01	(0.00)
23			Total	1,690.06			
24							
25	<b>Commercial Account</b>						
26	<b>Customer</b>	<b>Past Due Amount</b>	<b>Percent of Past Due</b>	<b>Portion of Past Due</b>	<b>Current Charges</b>	<b>Total Bimonthly Payment</b>	<b>Remaining Balance</b>
27	Donners LLC	9,797.80	10%	979.78	250.00	1,229.78	8,818.02
28				979.78	250.00	1,229.78	7,838.24
29				979.78	250.00	1,229.78	6,858.46
30				979.78	250.00	1,229.78	5,878.68
31				979.78	250.00	1,229.78	4,898.90
32				979.78	250.00	1,229.78	3,919.12
33				979.78	250.00	1,229.78	2,939.34
34				979.78	250.00	1,229.78	1,959.56
35				979.78	250.00	1,229.78	979.78
36			Total	979.78	250.00	1,229.78	0.00
37				9,797.80			



As of 02/28/2021

**Residential**

	Over 120	Total Open Accounts
# of Accounts	484	6,573
	7.36%	

	Over 120	Total Open Accounts
Total Amount	\$ 450,284.15	2,329,505.28
	19.33%	

**Commercial**

	Over 120	Total Open Accounts
# of Accounts	132	1,617
	8.16%	

	Over 120	Total Open Accounts
Total Amount	\$ 328,292.21	\$ 1,422,335.51
	23.08%	

Note	Account Type
1.	Residential
2.	Residential Special Rate A
3.	Residential Special Rate B
4.	Residential Special Rate C
5.	Residential Special Rate LI
6.	Mutli-Unit Complex
7.	Multi-Unit Apartment
8.	Multi-Unit Condo
9.	Multi-Unit MHP
10.	Multi-Unit SPR
11.	Commercial Business
12.	Commercial Complex
13.	Government
14.	COL
15.	School

**Number of Accounts by type**

more than 120 days

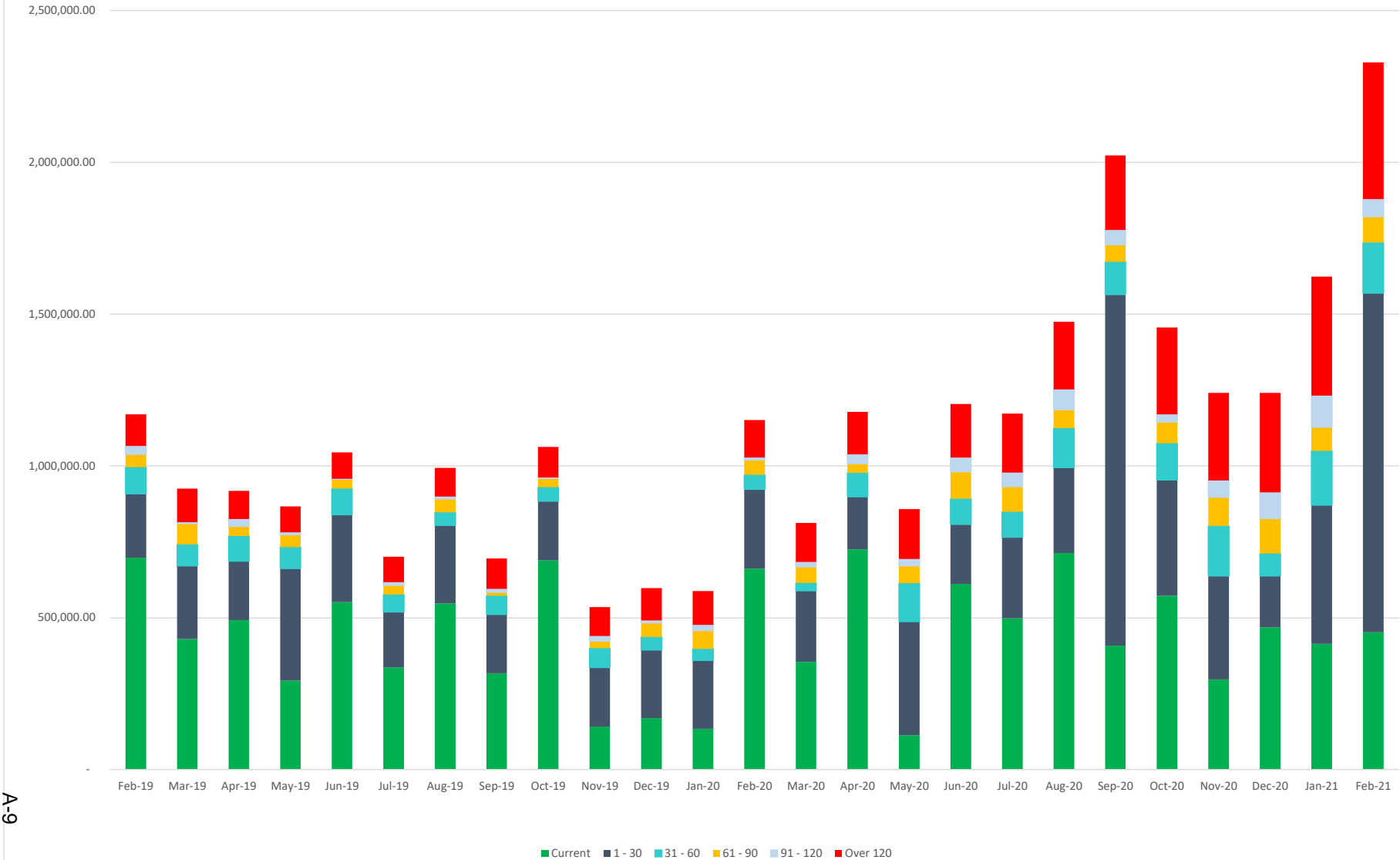
	Residential										Commercial					Total for Over 120 Aging Group
Account Type	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
# of Accounts	406	8	1	0	16	14	39	0	0	0	85	32	1	9	5	616
Percentage	65.91%	1.30%	0.16%	0.00%	2.60%	2.27%	6.33%	0.00%	0.00%	0.00%	13.80%	5.19%	0.16%	1.46%	0.81%	
	78.57%										21.43%					

**Total Amount of Charges**

more than 120 days

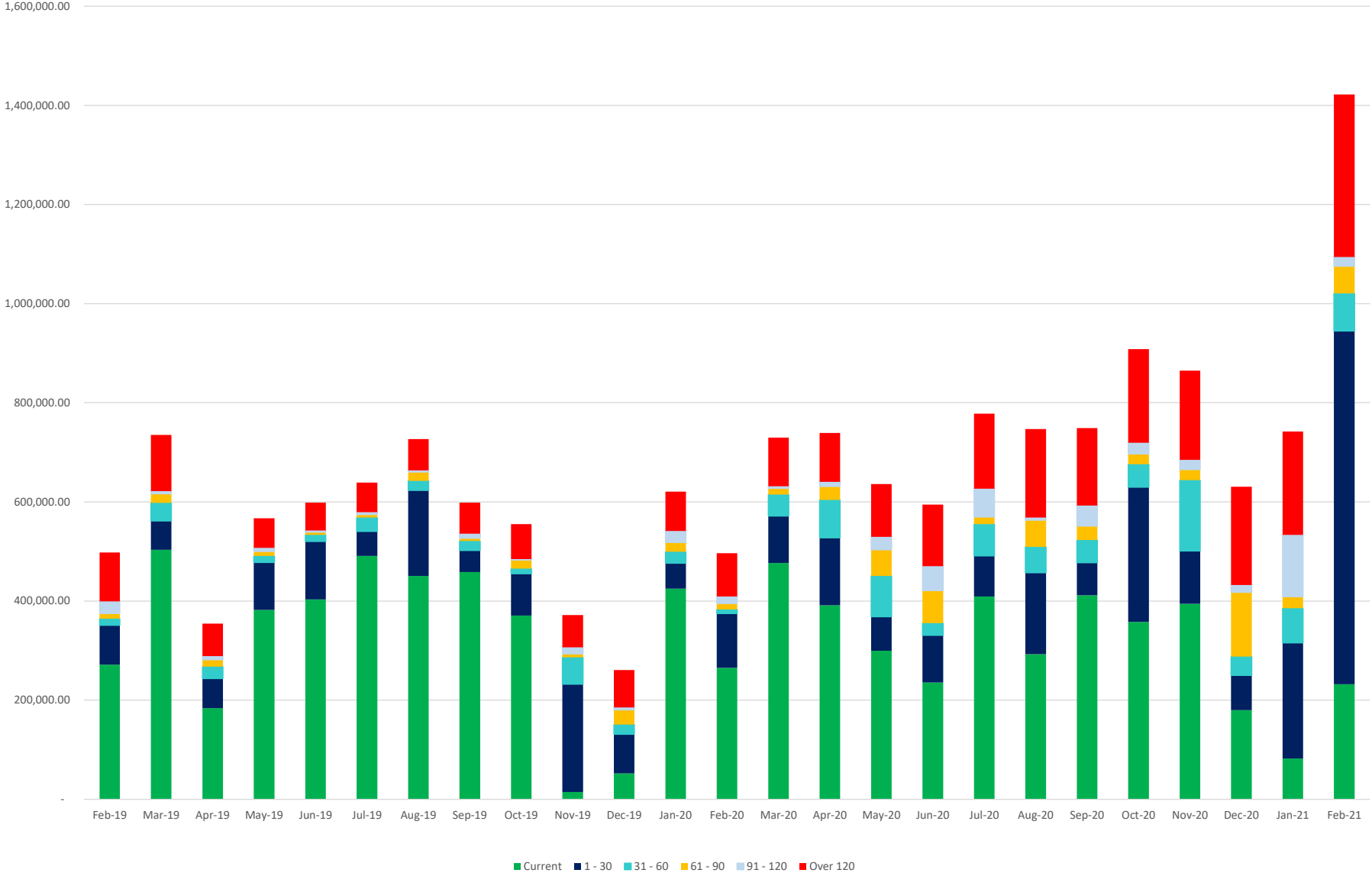
	Residential										Commercial					Total for Over 120 Aging Group
Account type	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Over 120	\$ 235,037.32	\$ 548.52	\$ 109.52	\$ -	\$ 4,649.80	\$ 24,142.56	\$ 185,796.43	\$ -	\$ -	\$ -	\$ 226,157.65	\$ 57,117.58	\$ 191.14	\$ 3,036.14	\$ 41,789.70	\$ 778,576.36

### Utility Accounts Receivable Aging-Residential



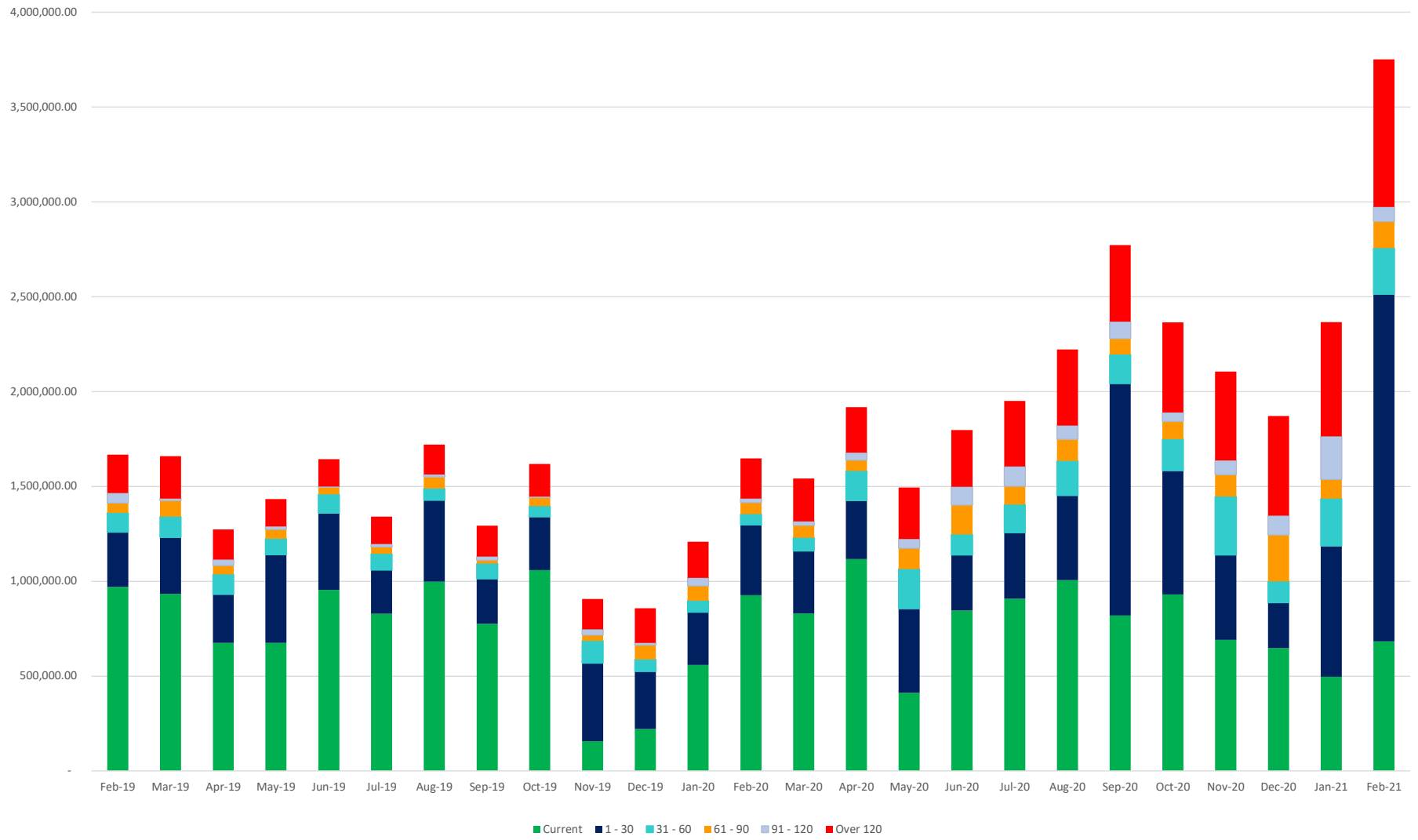
A-9

### Utility Accounts Receivable Aging-Commercial



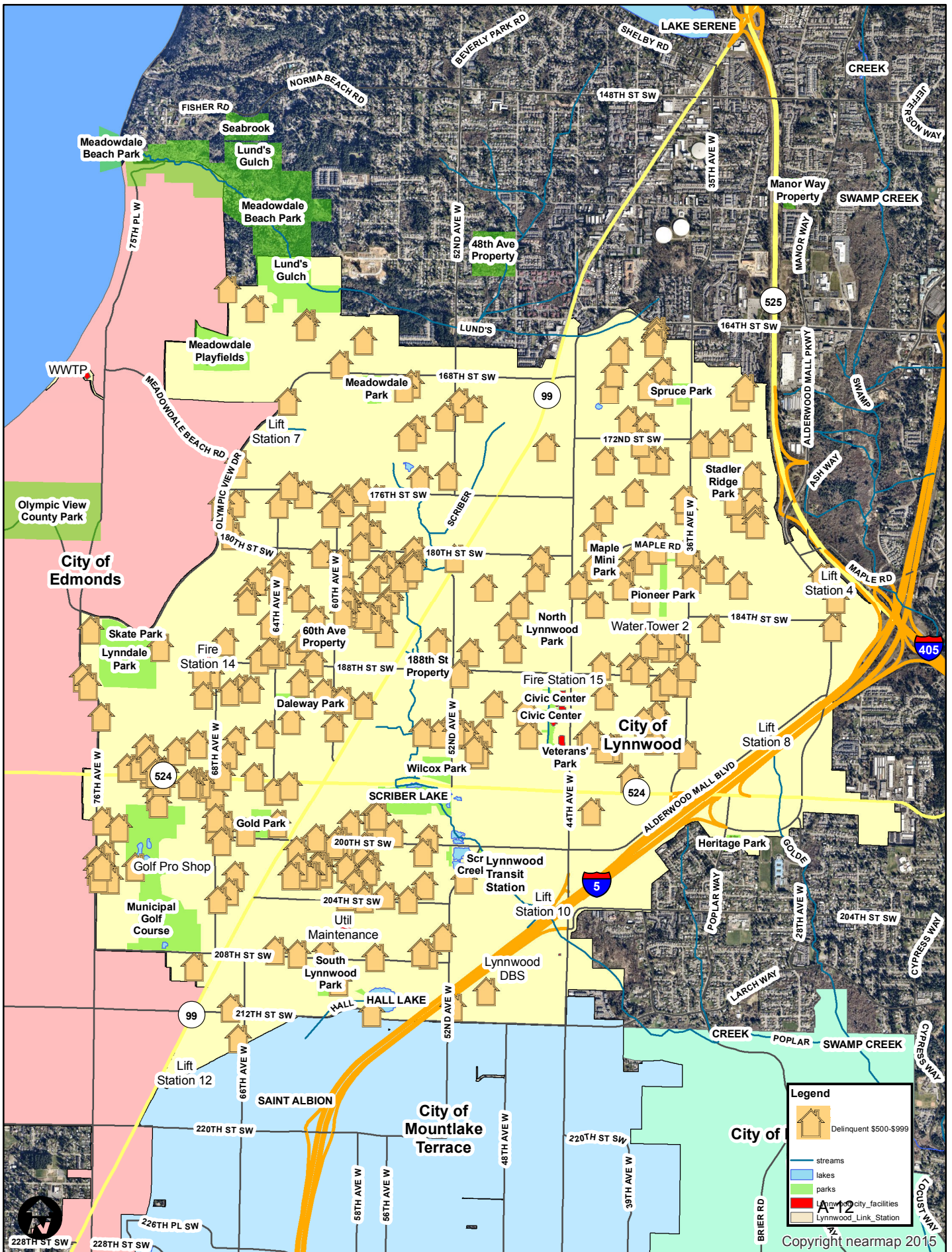
A-10

### Utility Accounts Receivable Aging-**Aggregated**



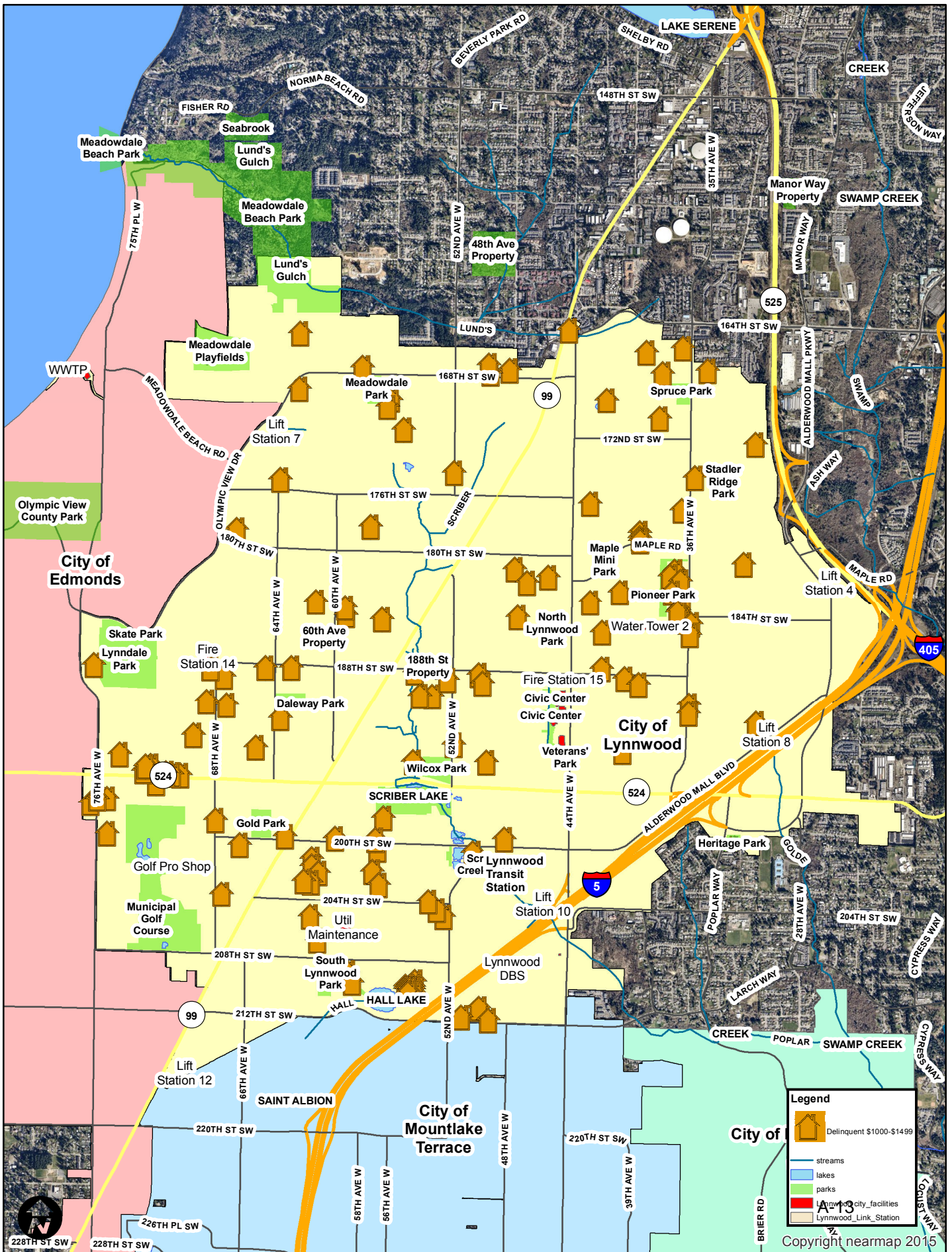
A-11

Lynnwood residential delinquent UB accounts owing \$500-\$999 (288 accounts) as of 2/28/2021



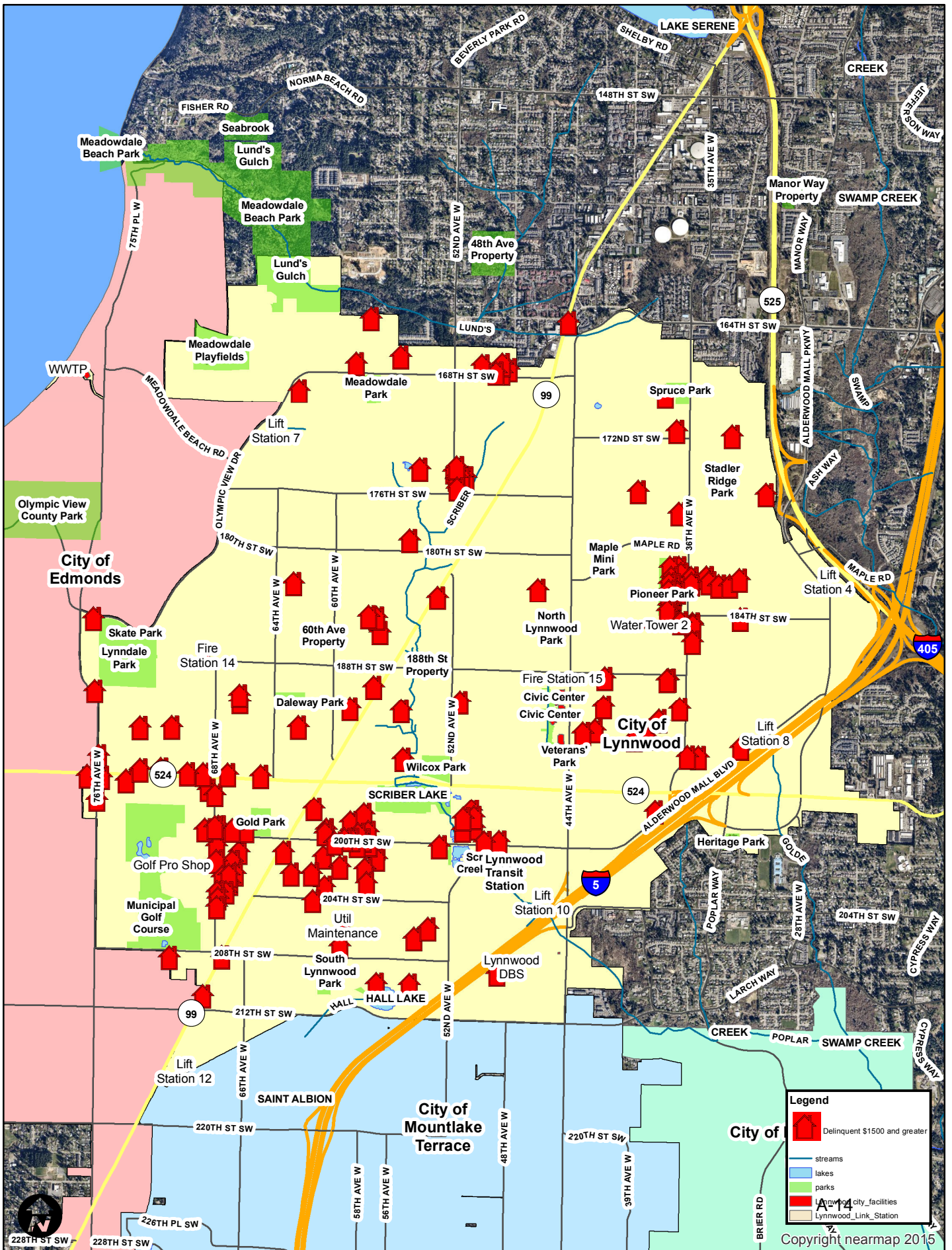


Lynnwood residential delinquent UB accounts owing \$1000-\$1499 (124 accounts) as of 2/28/2021





Lynnwood residential delinquent UB accounts owing \$1500 or greater (169 accounts) as of 2/28/2021



date

<billing first name><billing last name>  
<billing number><billing street><billing unit>  
<billing city><billing state><billing zip>

Utility Account No. <account>

**RE: CITY OF LYNNWOOD UTILITIES – PAST DUE**

**DRAFT SAMPLE MAIL MERGE  
LETTER. PROVIDE  
INFORMATION IN SPANISH.**

Dear City of Lynnwood Utility Customer:

We are writing to remind you that your utility account, for water, sewer, and stormwater service at <service number> <service street> <service unit> has a past due balance of \$<due amount>. If you have recently paid the balance on this account, please disregard this letter.

As directed by Governor Inslee in response to the COVID-19 pandemic, the City of Lynnwood is not shutting off water service due to non-payment, imposing penalty charges for late payment, or imposing property liens. These temporary measures support our utility customers who are facing financial hardship due to the pandemic. Currently, these important protections are set to expire on July 30, 2021. It is not known whether Governor Inslee will extend these protections beyond that time.

Payment of utility charges continues to be required. The City encourages utility customers to make regular payments during this difficult time. Payments can be made using the City’s website, by telephone, mail, or the payment drop box at City Hall.

The City of Lynnwood is evaluating new rules for utility payments, including one or more new payment plans to help customers with large balances catch up. In the meantime, you are encouraged to pay your current charges plus a portion of the amount past due. Delinquent accounts may be subject to penalty late fees, property liens, shut-off of water service, and/or other measures.

For qualifying low-income households, the City offers reduced rates and rebates on future utility charges. There are five programs available. Additional information and the application form are enclosed.

We know that many households and businesses have experienced real health and financial hardships during the COVID-19 pandemic. Please continue to make utility payments so that your past-due balance is minimized or eliminated. We look forward to continuing to serve you.

City of Lynnwood  
Utility Billing Team

Contact us by telephone:	425-670-5170
Contact us by email:	ub@Lynnwoodwa.gov
Discount/rebate telephone:	425-670-5164
Discount/rebate email:	ubdiscounts@Lynnwoodwa.gov
Pay online:	www.Lynnwoodwa.gov/UB
Pay by telephone:	425-670-5000



## Due Date for Utility Payments



Upgrading water meters throughout Lynnwood has caused delay in the mailing of some utility statements. We apologize for any confusion. The payment due date shown on your new statement is correct. **No late fees or shutoffs at this time.**

### Keep Your Account Balance Manageable

COVID-19 is causing financial hardship and some utility customers are falling behind on payments. Although **no late fees or shutoffs are occurring** now, utility payments are still required. Pay what you can to keep your account balance manageable. For information on financial assistance, call 211.



## Reduced Utility Rates & Discounts for Low-Income Households

Lynnwood offers reduced utility rates and discounts to qualifying households. You can save up to 60% on water, sewer, and storm utility charges! To learn more:  
Call: 425-670-5164 | Email: [ubdiscounts@Lynnwoodwa.gov](mailto:ubdiscounts@Lynnwoodwa.gov)  
Online: [www.Lynnwoodwa.gov/UB](http://www.Lynnwoodwa.gov/UB)

DRAFT SAMPLE UTILITY BILL INSERT. SPANISH TRANSLATION ON BACK.

## Due Date for Utility Payments



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Online: [www.Lynnwoodwa.gov/UB](http://www.Lynnwoodwa.gov/UB)

**CITY COUNCIL ITEM B**

**CITY OF LYNNWOOD  
City Council**

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**TITLE:** Review of January 2021 Sales Tax Revenues (most recent sales month with data available by meeting date)

**DEPARTMENT CONTACT:** Michelle Meyer, Finance Director

**DOCUMENT ATTACHMENTS**

**Description:**

[Sales Tax Revenues](#)

**Type:**

Backup Material

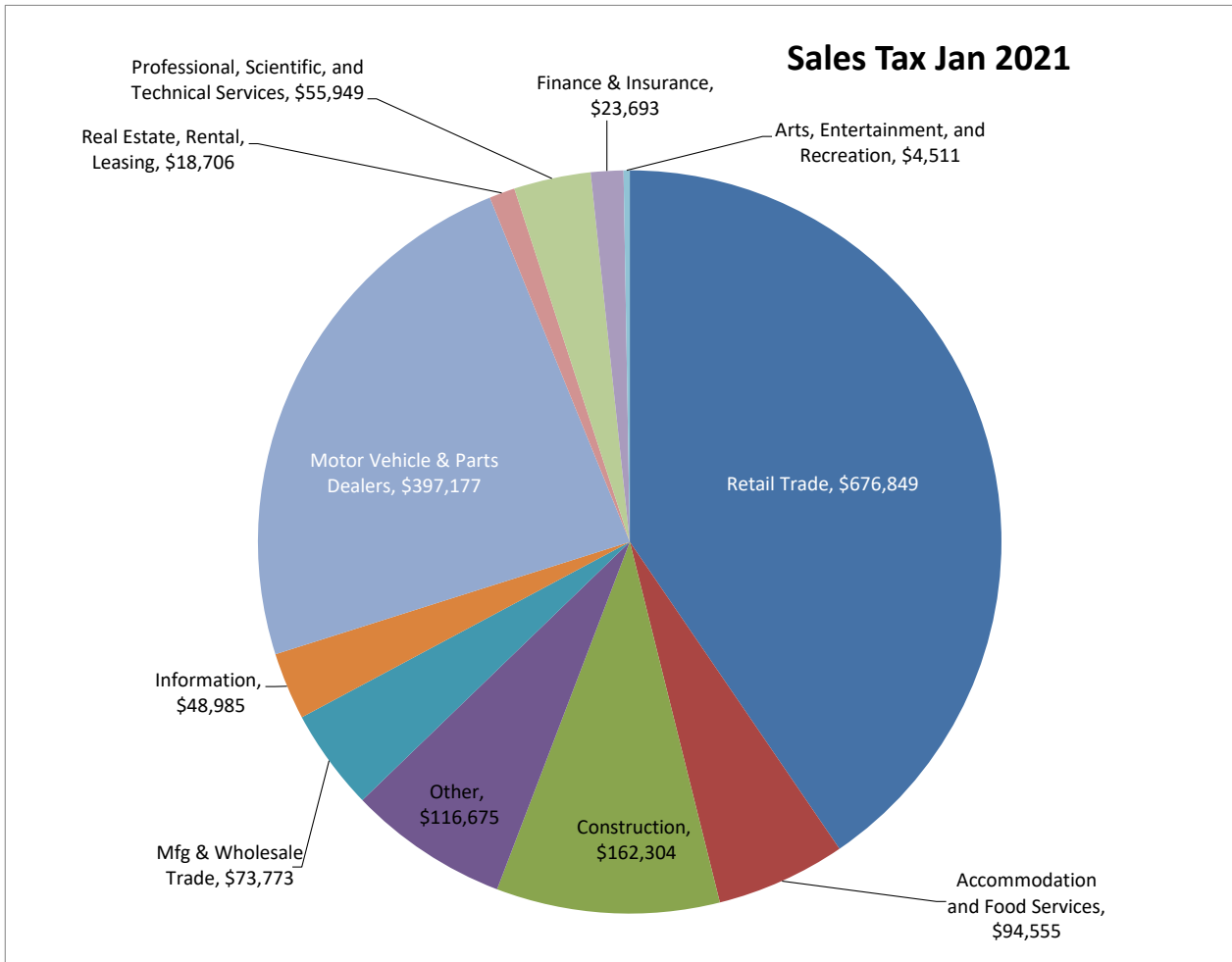
**Report on Year-To-Date Sales Tax Earned for the month of Jan 2021, Cash Received in Mar 2021**

**Table 14: 2020 & 2021 Year-To-Date Sales Tax Collection by Category**

	A	B	C	D	E	F	G	H
1		<b>City of Lynnwood</b>						
2		<b>2021 Year to Date Sales Tax Collection By Category</b>						
3		<b>For the reporting period of Jan 2021 (Jan 2021 to Jan 2021)</b>						
4		<b>Source: Microflex - Washington State Department of Revenue</b>						
5								
6			<b>Month</b>	<b>Month</b>	<b>Month</b>	<b>Year To Date</b>	<b>Year To Date</b>	<b>Year To Date</b>
7								
8		<b>Category</b>	<b>Jan-21</b>	<b>Jan-20</b>	<b>% Change</b>	<b>Jan-21</b>	<b>Jan-20</b>	<b>% Change</b>
9		Retail Trade	\$ 676,849	\$ 671,734	0.76%	\$ 676,849	\$ 671,734	0.8%
10		Accommodation and Food Services	94,555	152,458	-38.0%	94,555	152,458	-38.0%
11		Construction	162,304	141,206	14.9%	162,304	141,206	14.9%
12		All Others <sup>2</sup>	116,675	123,422	-5.5%	116,675	123,422	-5.5%
13		Mfg and Wholesale Trade	73,773	54,318	35.8%	73,773	54,318	35.8%
14		Information <sup>1</sup>	48,985	58,946	-16.9%	48,985	58,946	-16.9%
15		Motor Vehicle & Part's Dealers	397,177	397,052	0.0%	397,177	397,052	0.0%
16		Real Estate, Rental, Leasing	18,706	21,113	-11.4%	18,706	21,113	-11.4%
17		Professional, Scientific, and Technical Services	55,949	30,677	82.4%	55,949	30,677	82.4%
18		Finance and Insurance	23,693	19,235	23.2%	23,693	19,235	23.2%
19		Arts, Entertainment, and Recreation	4,511	12,622	-64.3%	4,511	12,622	-64.3%
20		<b>TOTAL</b>	<b>\$ 1,673,177</b>	<b>\$ 1,682,783</b>	<b>-0.6%</b>	<b>\$ 1,673,177</b>	<b>\$ 1,682,783</b>	<b>-0.57%</b>
21								
22		<sup>1</sup> 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		<sup>2</sup> All Others pertain to various categories not included in the other segments and not material enough to have a separate category.						
26								

Chart 5: Pie Chart for the month of Jan 2021 Sales Tax Collection

Sales Tax Earned in Jan 2021, Collected in Mar 2021



**CITY COUNCIL ITEM C**

**CITY OF LYNNWOOD  
City Clerk**

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**TITLE:** Update on 2020 Year-End Financial Report, Financial Statements, and Preliminary Official Statement for Bond Issuance

**DEPARTMENT CONTACT:** Michelle Meyer, Finance Director

**DOCUMENT ATTACHMENTS**

**Description:**

**Type:**

No Attachments Available