



**Lynnwood City Council
Finance Committee Meeting**

Thursday, October 22, 2020

Meeting will be held electronically via Zoom

Time: 3:00pm

AGENDA ITEMS:

Call to Order

1. Update on the 2010 Utility Bonds Refinancing – Sonja Springer, Finance Director
2. Review of the 2020-2025 General Fund Financial Forecast – Sonja Springer, Finance Director
3. Update on the Aging of the Outstanding Utility Accounts Receivable – Janella Lewis, Acting Accounting Manager
4. Estimated Savings from Employees' Furloughs – Sonja Springer, Finance Director

Adjournment

Date: October 22, 2020

To: City Council Finance Committee

From: Sonja Springer, Finance Director

Subject: Update on Refinancing the 2010 Utility Bonds

At the September 10 Finance Committee meeting a presentation was made to the Council Finance Committee regarding the potential savings that could be achieved by refunding/refinancing the outstanding 2010 Utility Bonds.

The City Council approved Ordinance #3372 on September 28, 2020 that authorized the City to refund/refinance the outstanding 2010 Utility Bonds.

On October 5, there were six proposals received from six banks to refund/refinance the 2010 Utility Bonds. On October 9, it was decided to select JP Morgan Chase to refund/refinance the bonds as they were the lowest cost and had the best terms, a 1.45% fixed interest rate over the ten-year life of the new 2020 tax-exempt bonds.

A summary of the six proposals received is attached to this memo.

The preliminary final numbers on the analysis of this refunding indicates an estimated net present value savings of over \$833,000, or over 14% from the original 2010 Utility Bonds; well over the minimum savings of 3% that was included in the bond ordinance.

A schedule of events for the completion of the bond refunding is attached, as well as a copy of the preliminary final numbers analysis.

City of Lynnwood, Washington
Utility Revenue Refunding Bond, 2020
Summary of Lender Proposals

	JP Morgan Chase	Cashmere Valley Bank	Truist (BB&T)
True Interest Cost*	<u>Option 1:</u> 1.47% <u>Option 2:</u> 1.50%	1.64% (rate changes from 1.45% to 2.05% on 12/1/2025)	1.73%
Savings*	<u>NPV Savings (\$):</u> \$800,000 - \$810,000 <u>NPV Savings (%):</u> 13.5% - 13.7%	<u>NPV Savings (\$):</u> \$745,000 <u>NPV Savings (%):</u> 12.6%	<u>NPV Savings (\$):</u> \$705,000 <u>NPV Savings (%):</u> 12.0%
Bank & Bank legal expenses	<u>Bank Counsel Fee:</u> \$7,500 (Davis Wright Tremaine)	None	<u>Legal Review Fee:</u> \$5,000
Redemption Provisions	<u>Option 1:</u> Non-callable <u>Option 2:</u> December 1, 2027	May be prepaid in whole or in part at any time (with 10 days advance notice)	May be prepaid on any payment date on or after December 1, 2025
Contact Person	Veronica Villasenor (949) 852-4353	Tom Brown (425) 688-3936	William DaSilva (704) 954-1704

	Capital One	Key Government Finance	Banner Bank
True Interest Cost*	1.87%	1.96% (Final maturity of 10/1/2030)	2.38%
Savings*	<u>NPV Savings (\$):</u> \$660,000 <u>NPV Savings (%):</u> 11.1%	<u>NPV Savings (\$):</u> \$625,000 <u>NPV Savings (%):</u> 10.6%	<u>NPV Savings (\$):</u> \$470,000 <u>NPV Savings (%):</u> 7.9%
Bank & Bank legal expenses	None	None (Lender to hire Davis Wright Tremaine)	<u>Legal Fee:</u> \$3,500
Redemption Provisions	May be prepaid on any payment date on or after December 1, 2026	May be prepaid in whole, subject to prepayment premium <u>Months 1-12:</u> 3.0% <u>Months 13 to maturity:</u> None	May be prepaid on any principal payment date (without penalty)
Contact Person	Jeffrey Sharp (505) 503-7629	Danny Bild (720) 904-4262.	Roy Wallace (206) 770-7188

*Preliminary estimates, subject to change



CITY OF LYNNWOOD, WASHINGTON
UTILITY SYSTEM REVENUE REFUNDING BOND, 2020
As of October 13, 2020

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

City Council:	Council
City Finance Director/City Manager Staff:	City
Foster Garvey (Bond Counsel):	BC
PFM Financial Advisors LLC (Financial Advisor):	PFM
JPMorgan Chase (Lender):	Bank

References to "All Parties" includes City, BC, Bank, and PFM

Date	Event	Responsibility
9/14	• RFP distributed to prospective lenders	PFM
10/5	• Lender proposals due electronically (by 3:00 p.m. Pacific Time)	Bank
By 10/9	• Selection of winning proposal by the City	City, PFM, BC
10/15	• Finalize financing size/structure	PFM, Bank, City
By 10/21	• Closing documents prepared, reviewed, and completed	BC
10/22	• Closing Date – Escrow funded	All Parties
12/1/2020	• 2010 Bonds Refunded	Escrow Agent

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SOURCES AND USES OF FUNDS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date	10/22/2020
Delivery Date	10/22/2020

Sources:

Bond Proceeds:	
Par Amount	5,610,000.00
Other Sources of Funds:	
DSF Contribution	456,400.00
	<hr/>
	6,066,400.00

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.17
SLGS Purchases	<hr/>
	6,020,806.00
	6,020,806.17
Delivery Date Expenses:	
Cost of Issuance	41,850.00
Other Uses of Funds:	
Additional Proceeds	3,743.83
	<hr/>
	6,066,400.00

SUMMARY OF REFUNDING RESULTS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date	10/22/2020
Delivery Date	10/22/2020
Arbitrage yield	1.449889%
Escrow yield	0.091060%
Value of Negative Arbitrage	8,822.57
Bond Par Amount	5,610,000.00
True Interest Cost	1.449889%
Net Interest Cost	1.450000%
Average Coupon	1.450000%
Average Life	6.551
Par amount of refunded bonds	5,905,000.00
Average coupon of refunded bonds	3.999018%
Average life of refunded bonds	6.351
PV of prior debt to 10/22/2020 @ 1.449889%	6,896,189.27
Net PV Savings	833,533.10
Percentage savings of refunded bonds	14.115717%
Percentage savings of refunding bonds	14.857988%

SUMMARY OF BONDS REFUNDED

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Utility System Revenue Bonds, 2010, SERIAL:					
	12/01/2020	3.000%	340,000.00		
	12/01/2021	4.000%	345,000.00	12/01/2020	100.000
	12/01/2022	4.000%	365,000.00	12/01/2020	100.000
			1,050,000.00		
Utility System Revenue Bonds, 2010, TERM30:					
	12/01/2023	4.000%	375,000.00	12/01/2020	100.000
	12/01/2024	4.000%	390,000.00	12/01/2020	100.000
	12/01/2025	4.000%	405,000.00	12/01/2020	100.000
	12/01/2026	4.000%	425,000.00	12/01/2020	100.000
	12/01/2027	4.000%	440,000.00	12/01/2020	100.000
	12/01/2028	4.000%	905,000.00	12/01/2020	100.000
	12/01/2029	4.000%	940,000.00	12/01/2020	100.000
	12/01/2030	4.000%	975,000.00	12/01/2020	100.000
			4,855,000.00		
			5,905,000.00		

BOND SUMMARY STATISTICS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date	10/22/2020
Delivery Date	10/22/2020
Last Maturity	12/01/2030
Arbitrage Yield	1.449889%
True Interest Cost (TIC)	1.449889%
Net Interest Cost (NIC)	1.450000%
All-In TIC	1.571334%
Average Coupon	1.450000%
Average Life (years)	6.551
Duration of Issue (years)	6.218
Par Amount	5,610,000.00
Bond Proceeds	5,610,000.00
Total Interest	532,914.88
Net Interest	532,914.88
Total Debt Service	6,142,914.88
Maximum Annual Debt Service	929,150.00
Average Annual Debt Service	607,707.98
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond 2030	5,610,000.00	100.000	1.450%	6.551
	5,610,000.00			6.551

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,610,000.00	5,610,000.00	5,610,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-41,850.00	
- Other Amounts			
Target Value	5,610,000.00	5,568,150.00	5,610,000.00
Target Date	10/22/2020	10/22/2020	10/22/2020
Yield	1.449889%	1.571334%	1.449889%

SAVINGS

City of Lynnwood, Washington
Utility System Revenue Refunding Bond, 2020
****Preliminary Final Numbers****

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
12/01/2020	456,400.00	456,400.00			
12/01/2021	567,600.00		567,600.00	480,157.38	87,442.62
12/01/2022	573,800.00		573,800.00	485,690.00	88,110.00
12/01/2023	569,200.00		569,200.00	479,745.00	89,455.00
12/01/2024	569,200.00		569,200.00	478,800.00	90,400.00
12/01/2025	568,600.00		568,600.00	477,782.50	90,817.50
12/01/2026	572,400.00		572,400.00	481,692.50	90,707.50
12/01/2027	570,400.00		570,400.00	480,457.50	89,942.50
12/01/2028	1,017,800.00		1,017,800.00	929,150.00	88,650.00
12/01/2029	1,016,600.00		1,016,600.00	926,245.00	90,355.00
12/01/2030	1,014,000.00		1,014,000.00	923,195.00	90,805.00
	7,496,000.00	456,400.00	7,039,600.00	6,142,914.88	896,685.12

Savings Summary

Savings PV date	10/22/2020
Savings PV rate	1.449889%
PV of savings from cash flow	829,789.27
Plus: Refunding funds on hand	3,743.83
Net PV Savings	833,533.10

SAVINGS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings
10/22/2020		456,400.00	-456,400.00		-456,400.00	
12/01/2020	456,400.00		456,400.00		456,400.00	
06/01/2021	111,300.00		111,300.00	49,484.88	61,815.12	
12/01/2021	456,300.00		456,300.00	430,672.50	25,627.50	87,442.62
06/01/2022	104,400.00		104,400.00	37,845.00	66,555.00	
12/01/2022	469,400.00		469,400.00	447,845.00	21,555.00	88,110.00
06/01/2023	97,100.00		97,100.00	34,872.50	62,227.50	
12/01/2023	472,100.00		472,100.00	444,872.50	27,227.50	89,455.00
06/01/2024	89,600.00		89,600.00	31,900.00	57,700.00	
12/01/2024	479,600.00		479,600.00	446,900.00	32,700.00	90,400.00
06/01/2025	81,800.00		81,800.00	28,891.25	52,908.75	
12/01/2025	486,800.00		486,800.00	448,891.25	37,908.75	90,817.50
06/01/2026	73,700.00		73,700.00	25,846.25	47,853.75	
12/01/2026	498,700.00		498,700.00	455,846.25	42,853.75	90,707.50
06/01/2027	65,200.00		65,200.00	22,728.75	42,471.25	
12/01/2027	505,200.00		505,200.00	457,728.75	47,471.25	89,942.50
06/01/2028	56,400.00		56,400.00	19,575.00	36,825.00	
12/01/2028	961,400.00		961,400.00	909,575.00	51,825.00	88,650.00
06/01/2029	38,300.00		38,300.00	13,122.50	25,177.50	
12/01/2029	978,300.00		978,300.00	913,122.50	65,177.50	90,355.00
06/01/2030	19,500.00		19,500.00	6,597.50	12,902.50	
12/01/2030	994,500.00		994,500.00	916,597.50	77,902.50	90,805.00
	7,496,000.00	456,400.00	7,039,600.00	6,142,914.88	896,685.12	896,685.12

Savings Summary

Savings PV date	10/22/2020
Savings PV rate	1.449889%
PV of savings from cash flow	829,789.27
Plus: Refunding funds on hand	3,743.83
Net PV Savings	833,533.10

BOND PRICING

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond 2030:					
	12/01/2021	390,000	1.450%	1.450%	100.000
	12/01/2022	410,000	1.450%	1.450%	100.000
	12/01/2023	410,000	1.450%	1.450%	100.000
	12/01/2024	415,000	1.450%	1.450%	100.000
	12/01/2025	420,000	1.450%	1.450%	100.000
	12/01/2026	430,000	1.450%	1.450%	100.000
	12/01/2027	435,000	1.450%	1.450%	100.000
	12/01/2028	890,000	1.450%	1.450%	100.000
	12/01/2029	900,000	1.450%	1.450%	100.000
	12/01/2030	910,000	1.450%	1.450%	100.000
		5,610,000			

Dated Date	10/22/2020	
Delivery Date	10/22/2020	
First Coupon	06/01/2021	
Par Amount	5,610,000.00	
Original Issue Discount		
Production	5,610,000.00	100.000000%
Underwriter's Discount		
Purchase Price	5,610,000.00	100.000000%
Accrued Interest		
Net Proceeds	5,610,000.00	

BOND DEBT SERVICE

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date 10/22/2020
Delivery Date 10/22/2020

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2021	390,000	1.450%	90,157.38	480,157.38
12/01/2022	410,000	1.450%	75,690.00	485,690.00
12/01/2023	410,000	1.450%	69,745.00	479,745.00
12/01/2024	415,000	1.450%	63,800.00	478,800.00
12/01/2025	420,000	1.450%	57,782.50	477,782.50
12/01/2026	430,000	1.450%	51,692.50	481,692.50
12/01/2027	435,000	1.450%	45,457.50	480,457.50
12/01/2028	890,000	1.450%	39,150.00	929,150.00
12/01/2029	900,000	1.450%	26,245.00	926,245.00
12/01/2030	910,000	1.450%	13,195.00	923,195.00
	5,610,000		532,914.88	6,142,914.88

BOND DEBT SERVICE

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date 10/22/2020
Delivery Date 10/22/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			49,484.88	49,484.88	
12/01/2021	390,000	1.450%	40,672.50	430,672.50	480,157.38
06/01/2022			37,845.00	37,845.00	
12/01/2022	410,000	1.450%	37,845.00	447,845.00	485,690.00
06/01/2023			34,872.50	34,872.50	
12/01/2023	410,000	1.450%	34,872.50	444,872.50	479,745.00
06/01/2024			31,900.00	31,900.00	
12/01/2024	415,000	1.450%	31,900.00	446,900.00	478,800.00
06/01/2025			28,891.25	28,891.25	
12/01/2025	420,000	1.450%	28,891.25	448,891.25	477,782.50
06/01/2026			25,846.25	25,846.25	
12/01/2026	430,000	1.450%	25,846.25	455,846.25	481,692.50
06/01/2027			22,728.75	22,728.75	
12/01/2027	435,000	1.450%	22,728.75	457,728.75	480,457.50
06/01/2028			19,575.00	19,575.00	
12/01/2028	890,000	1.450%	19,575.00	909,575.00	929,150.00
06/01/2029			13,122.50	13,122.50	
12/01/2029	900,000	1.450%	13,122.50	913,122.50	926,245.00
06/01/2030			6,597.50	6,597.50	
12/01/2030	910,000	1.450%	6,597.50	916,597.50	923,195.00
	5,610,000		532,914.88	6,142,914.88	6,142,914.88

AGGREGATE DEBT SERVICE

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Period Ending	Utility System Revenue Refunding Bond, 2020	2015 Utility Revenue Bonds	2018 Utility Revenue Bonds	Aggregate Debt Service
12/01/2020		1,700,637.50	1,707,100	3,407,737.50
12/01/2021	480,157.38	1,703,637.50	1,711,300	3,895,094.88
12/01/2022	485,690.00	1,704,137.50	1,704,100	3,893,927.50
12/01/2023	479,745.00	1,702,137.50	1,710,900	3,892,782.50
12/01/2024	478,800.00	1,702,637.50	1,706,100	3,887,537.50
12/01/2025	477,782.50	1,705,387.50	1,706,100	3,889,270.00
12/01/2026	481,692.50	1,705,137.50	1,707,750	3,894,580.00
12/01/2027	480,457.50	1,700,093.75	1,709,000	3,889,551.25
12/01/2028	929,150.00	1,701,393.75	1,522,750	4,153,293.75
12/01/2029	926,245.00	1,701,493.75	1,523,250	4,150,988.75
12/01/2030	923,195.00	1,700,393.75	1,526,500	4,150,088.75
12/01/2031		1,703,093.75	1,522,250	3,225,343.75
12/01/2032		1,704,443.75	1,525,750	3,230,193.75
12/01/2033		1,702,568.75	1,521,500	3,224,068.75
12/01/2034		1,702,356.25	1,524,750	3,227,106.25
12/01/2035		1,700,518.75	1,525,000	3,225,518.75
12/01/2036			1,522,250	1,522,250.00
12/01/2037			1,521,500	1,521,500.00
12/01/2038			1,522,500	1,522,500.00
	6,142,914.88	27,240,068.75	30,420,350	63,803,333.63

ESCROW CASH FLOW

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Date	Principal	Interest	Net Escrow Receipts
12/01/2020	6,020,806.00	593.83	6,021,399.83
	6,020,806.00	593.83	6,021,399.83

Escrow Cost Summary

Purchase date	10/22/2020
Purchase cost of securities	6,020,806.00

ESCROW COST

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/01/2020	6,020,806	0.090%	6,020,806.00
		6,020,806		6,020,806.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
10/22/2020	6,020,806	0.17	6,020,806.17
	6,020,806	0.17	6,020,806.17

ESCROW DESCRIPTIONS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Oct 22, 2020:						
SLGS	Certificate	12/01/2020	12/01/2020	6,020,806	0.090%	0.090%
				6,020,806		

SLGS Summary

SLGS Rates File	13OCT20
Total Certificates of Indebtedness	6,020,806.00

ESCROW REQUIREMENTS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2020	340,000.00	116,400.00	5,565,000.00	6,021,400.00
	340,000.00	116,400.00	5,565,000.00	6,021,400.00

ESCROW STATISTICS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
BF	456,400.00	0.108	0.091050%	0.091050%	455,731.21	668.79	
BP	5,564,406.17	0.108	0.091060%	0.091060%	5,556,252.39	8,153.78	
	6,020,806.17				6,011,983.60	8,822.57	0.00

Delivery date	10/22/2020
Arbitrage yield	1.449889%

ESCROW SUFFICIENCY

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
10/22/2020		0.17	0.17	0.17
12/01/2020	6,021,400.00	6,021,399.83	-0.17	
	6,021,400.00	6,021,400.00	0.00	

COST OF ISSUANCE

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Cost of Issuance	\$/1000	Amount
Financial Advisor (PFM Financial Advisors LLC)	3.56506	20,000.00
Bond Counsel (Foster Garvey)	2.13904	12,000.00
Bank Counsel (Davis Wright Tremaine)	1.33690	7,500.00
Verification Agent (Causey Demgen & Moore)	0.30303	1,700.00
Escrow Agent (US Bank)	0.11586	650.00
	7.45989	41,850.00

FORM 8038 STATISTICS

City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 **Preliminary Final Numbers**

Dated Date 10/22/2020
Delivery Date 10/22/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond 2030:						
	12/01/2021	390,000.00	1.450%	100.000	390,000.00	390,000.00
	12/01/2022	410,000.00	1.450%	100.000	410,000.00	410,000.00
	12/01/2023	410,000.00	1.450%	100.000	410,000.00	410,000.00
	12/01/2024	415,000.00	1.450%	100.000	415,000.00	415,000.00
	12/01/2025	420,000.00	1.450%	100.000	420,000.00	420,000.00
	12/01/2026	430,000.00	1.450%	100.000	430,000.00	430,000.00
	12/01/2027	435,000.00	1.450%	100.000	435,000.00	435,000.00
	12/01/2028	890,000.00	1.450%	100.000	890,000.00	890,000.00
	12/01/2029	900,000.00	1.450%	100.000	900,000.00	900,000.00
	12/01/2030	910,000.00	1.450%	100.000	910,000.00	910,000.00
		5,610,000.00			5,610,000.00	5,610,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2030	1.450%	910,000.00	910,000.00		
Entire Issue			5,610,000.00	5,610,000.00	6.5513	1.4499%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	41,850.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	5,564,406.17
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	6.3015
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	12/01/2020

2011 Form 8038 Statistics

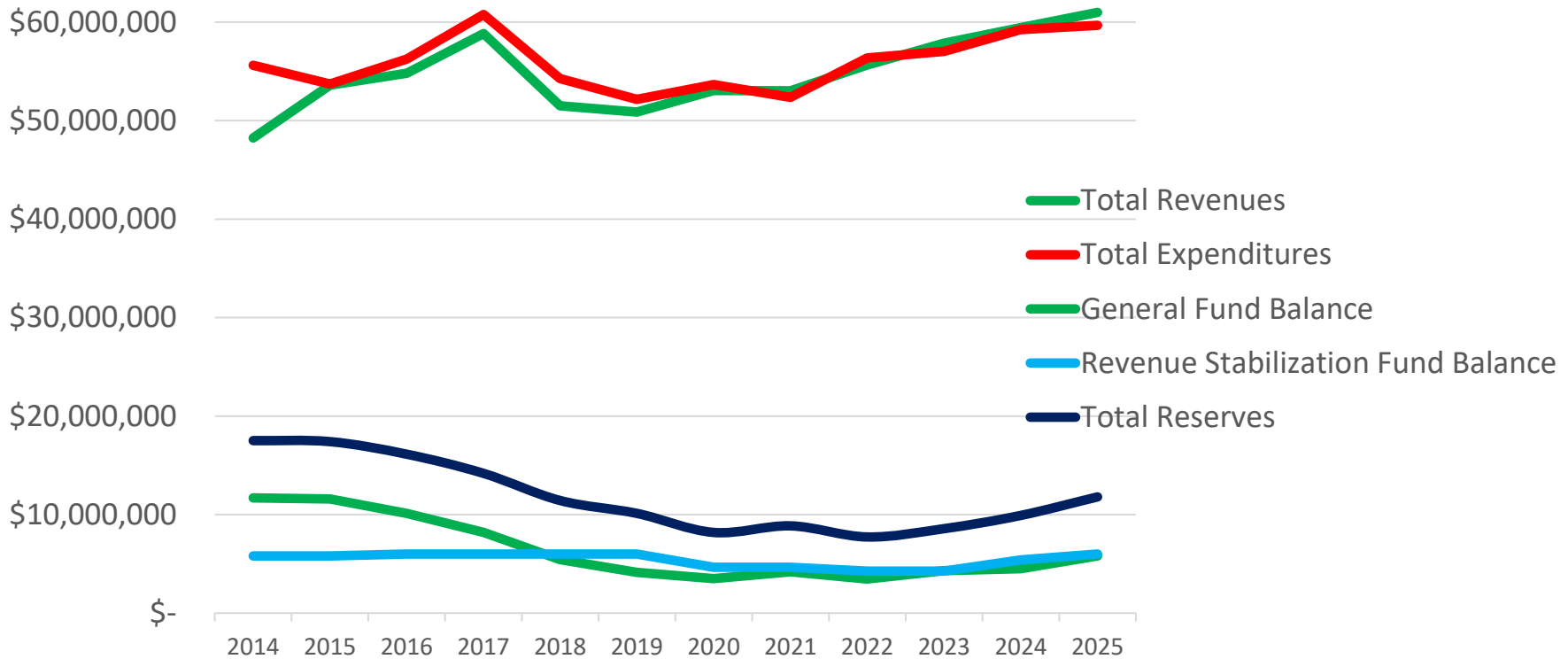
Proceeds used to currently refund prior issues	5,564,406.17
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	6.3015
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

City of Lynnwood, Washington
Utility System Revenue Refunding Bond, 2020
****Preliminary Final Numbers****

Bond Component	Date	Principal	Coupon	Price	Issue Price
Utility System Revenue Bonds, 2010:					
SERIAL	12/01/2020	340,000.00	3.000%	100.518	341,761.20
SERIAL	12/01/2021	345,000.00	4.000%	106.922	368,880.90
SERIAL	12/01/2022	365,000.00	4.000%	105.336	384,476.40
TERM30	12/01/2023	375,000.00	4.000%	98.639	369,896.25
TERM30	12/01/2024	390,000.00	4.000%	98.639	384,692.10
TERM30	12/01/2025	405,000.00	4.000%	98.639	399,487.95
TERM30	12/01/2026	425,000.00	4.000%	98.639	419,215.75
TERM30	12/01/2027	440,000.00	4.000%	98.639	434,011.60
TERM30	12/01/2028	905,000.00	4.000%	98.639	892,682.95
TERM30	12/01/2029	940,000.00	4.000%	98.639	927,206.60
TERM30	12/01/2030	975,000.00	4.000%	98.639	961,730.25
		5,905,000.00			5,884,041.95

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Utility System Revenue Bonds, 2010	12/01/2020	11/09/2010	6.3015
All Refunded Issues	12/01/2020		6.3015

General Fund Financial Forecast For the Years 2020-2025



Forecast Assumptions Due to the Impact of COVID-19 on General Fund Revenues:

Sales tax in 2020 is forecasted to decrease by 11.24% from 2019 actuals with no sales tax transferred to the EDIF Fund in 2020.

Sales tax in 2021 is forecasted to be 5% less than 2019 actuals through October, 2021.

Sales tax is forecasted to return to 2019 levels in November, 2021 through May 2022, and increase by 3-4% beginning in June 2022.

Admission taxes are forecasted assuming there is only 1 movie theatre operating in 2021 and reduced business from 2 theatres in 2022-2025.

Recreation and Parks revenues have been forecasted based on reduced usage due to closures brought on by COVID-19.

All other revenues are forecasted using historical and expected future trends.

Expenditures reported for 2014- 2019 are actuals, they decrease in 2021-2022 and then increase by 2% after 2022.

In 2020 it is estimated that the General Fund will need to use \$1.3 million of reserves, and another \$403K in 2022 due to reduced revenues.

All drawdown of reserves in 2020-2022 will be replenished in 2024-2025.

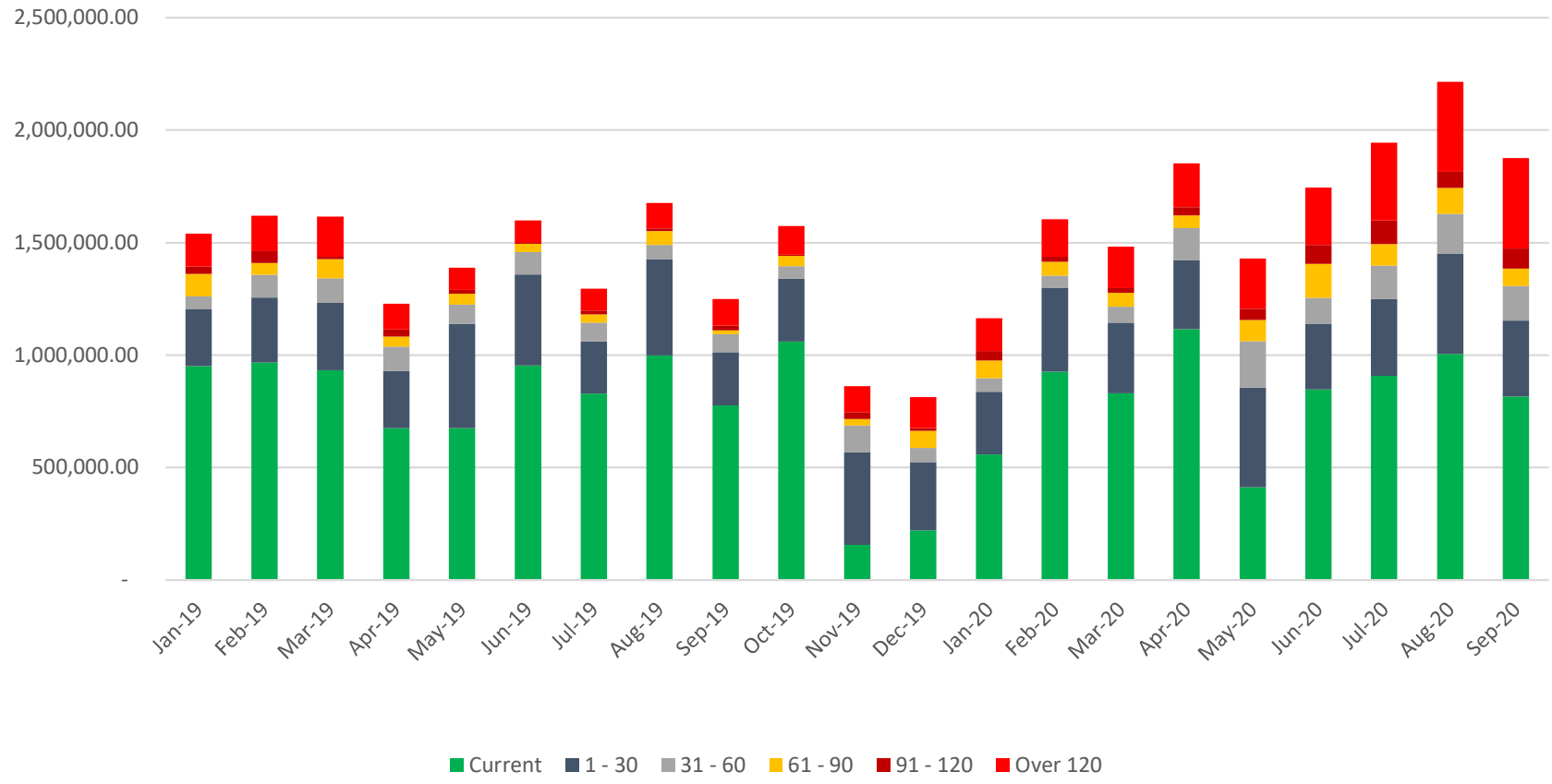
City of Lynnwood General Fund Financial Forecast 2020-2025

	A	N	Q	T	V	W	X	Y	Z	AA	AB
1											
2	GENERAL FUND REVENUES	2017 Actual	2018 Actual	2019 Actual	2020 Modified Budget	2020 Projected With COVID Impacts	2021 Proposed Budget	2022 Proposed Budget	2023 Projected	2024 Projected	2025 Projected
3											
4	BEGINNING FUND BALANCE	\$ 10,134,924	\$ 8,190,691	\$ 5,430,869	\$ 5,962,407	\$ 4,125,559	\$ 3,519,143	\$ 4,190,027	\$ 3,464,344	\$ 4,306,257	\$ 4,500,926
5	OPERATING REVENUES										
6	General Property Tax	9,644,579	3,885,877	3,967,206	4,300,000	4,300,000	4,300,000	4,500,000	5,000,000	5,000,000	5,000,000
7	EMS Property Tax	2,272,228	2,323,234	23,839	-	-	-	-	-	-	-
8	Total Retail Sales Tax	20,749,419	21,014,172	22,556,266	24,453,852	20,020,065	21,640,426	23,044,533	23,966,314	24,924,967	25,921,966
9	Total Non-City Owned Utility Taxes	4,976,079	4,717,292	4,531,197	5,120,188	4,589,754	4,664,537	4,732,987	4,806,244	4,884,298	4,967,147
10	Total City Owned Utility Taxes	1,208,137	1,243,895	1,338,590	1,320,164	1,378,748	1,420,110	1,462,713	1,506,595	1,551,793	1,598,346
11	Total Gambling Tax	135,152	211,831	154,214	137,189	111,595	112,153	112,713	113,277	113,843	114,413
12	Admissions & Leasehold Taxes	682,148	923,335	705,753	745,093	169,477	412,199	624,188	642,730	661,827	681,494
13	Total Business & Other Licenses	3,066,097	2,879,145	1,836,596	3,148,337	3,816,220	3,290,478	3,317,870	3,345,525	3,373,445	3,401,633
14	Total Development Services	2,321,845	1,970,611	1,644,727	2,538,505	3,265,886	4,197,867	4,323,803	4,539,993	4,676,193	4,816,478
15	Total Recreation	2,932,131	3,119,510	2,873,626	3,370,878	1,093,088	2,812,450	2,812,450	2,896,824	2,983,728	3,073,240
16	Total Fines and Forfeitures	4,556,126	4,292,161	4,763,375	4,556,126	3,918,319	4,763,375	4,858,643	4,955,815	5,054,932	5,156,030
17	Total Franchise Fees	484,979	457,154	442,681	504,572	451,535	460,565	469,777	479,172	488,756	498,531
18	Total State Shared & Intergov	4,151,118	3,739,620	4,221,192	4,927,879	5,522,696	4,125,122	4,135,750	5,234,875	5,355,282	5,475,753
19	Total Transport Fees	769,891	(3,012)	3,483	-	-	-	-	-	-	-
20	Total Investment Interest	144,114	211,645	(24,316)	154,423	116,000	117,508	119,036	120,583	122,151	123,739
21	Total Operating Revenue	58,094,043	50,986,470	49,038,429	55,277,207	48,753,381	52,316,790	54,514,462	57,607,946	59,191,213	60,828,769
22	Transfers	192,000	-	5,805	874,810	527,923	7,814	7,813	-	-	-
23	Trfr from Rev Stabilization	-	-	-	-	1,328,901	-	402,883	-	-	-
24	One Time Revenue - ST2	288,258	350,063	465,641	2,261,615	2,261,615	550,000	550,000	100,000	100,000	-
25	Other Non Operating Revenues	251,342	160,411	1,342,966	297,901	188,850	153,062	154,242	151,531	153,441	155,389
26	Total Revenues	58,825,643	51,496,944	50,852,841	58,711,533	53,060,670	53,027,666	55,629,400	57,859,477	59,444,654	60,984,159
27	TOTAL REV & OTHER SOURCES	\$ 68,960,567	\$ 59,687,635	\$ 56,283,710	\$ 64,673,940	\$ 57,186,230	\$ 56,546,809	\$ 59,819,428	\$ 61,323,821	\$ 63,750,911	\$ 65,485,085

City of Lynnwood General Fund Financial Forecast 2020-2025

	A	N	Q	T	V	W	X	Y	Z	AA	AB
28											
29	GENERAL FUND EXPENDITURES	2017 Actual	2018 Actual	2019 Actual	2020 Modified Budget	2020 Projected With COVID Impacts	2021 Proposed Budget	2022 Proposed Budget	2023 Projected	2024 Projected	2025 Projected
30											
31	OPERATING EXPENDITURES										
32	Legislative	\$ 437,221	\$ 406,952	\$ 406,546	\$ 452,357	\$ 416,001	\$ 420,995	\$ 456,077	\$ 465,199	\$ 474,503	\$ 483,993
33	Executive	762,109	802,540	871,851	977,624	909,366	1,101,808	1,193,626	1,217,498	1,241,848	1,266,685
34	Municipal Court	1,304,682	1,325,287	1,291,421	1,491,866	1,376,433	1,361,075	1,474,498	1,503,988	1,534,068	1,564,749
35	Legal	1,559,286	1,842,041	1,713,925	1,741,300	1,634,729	1,320,672	1,430,728	1,459,343	1,488,529	1,518,300
36	Human Resources	816,615	784,652	778,378	995,441	929,527	876,252	949,274	968,259	987,624	1,007,377
37	Administrative Services	3,540,188	3,562,518	3,586,525	3,975,810	3,792,264	3,478,251	3,768,105	3,843,467	3,920,337	3,998,743
38	Information Services	2,428,431	2,143,051	2,375,484	2,585,789	2,468,808	2,357,362	2,553,809	2,604,885	2,656,983	2,710,122
39	Non-Departmental	212,386	82,022	-	1,762,000	1,762,000	97,617	97,617	100,000	100,000	100,000
40	Police	19,350,714	20,683,675	21,350,443	22,769,019	21,075,588	20,103,854	21,779,175	22,214,759	22,659,054	23,112,235
41	Fire	12,483,771	3,578,301	1,176,835	1,046,950	870,047	925,195	1,002,294	1,022,340	1,042,787	1,063,643
42	Parks & Recreation	7,195,305	8,137,174	8,019,155	8,955,940	6,929,434	7,940,636	8,602,356	8,774,403	8,949,891	9,128,889
43	Public Works	3,346,781	3,281,941	3,116,857	4,516,021	3,475,767	3,009,656	3,260,461	3,325,670	3,392,183	3,460,027
44	Street Oper Fund (Transfer Out)	1,000,000	1,000,000	1,045,450	1,060,900	945,450	1,020,533	1,020,533	1,040,943	1,061,762	1,082,997
45	Development Business Svc.	2,733,126	3,057,919	2,554,275	3,604,078	2,569,860	5,086,264	5,510,119	5,620,322	5,732,728	5,847,383
46	Economic Development	713,470	701,941	510,527	638,345	593,559	-	-	-	-	-
47	Total Operating Expenditures	57,884,085	51,390,014	48,797,672	56,573,440	49,748,833	49,100,169	53,098,671	54,161,075	55,242,297	56,345,143
48	Oper Rev over (under) Oper Expend	\$ 209,958	\$ (403,544)	\$ 240,757	\$ (1,296,233)	\$ (995,452)	\$ 3,216,621	\$ 1,415,792	\$ 3,446,871	\$ 3,948,916	\$ 4,483,627
49											
50	EXPENDITURES, continued										
51	One Time Expenditures - ST2	\$ -	\$ -	\$ 465,641	\$ 2,261,615	\$ 2,261,615	\$ 500,000	\$ 500,000	\$ 100,000	\$ 100,000	\$ -
52	Transfer to Capital Funds	1,100,000	1,100,000	1,100,000	1,100,000	-	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
53	Transfer to Revenue Stab Fund	-	-	-	-	-	-	-	-	1,150,000	581,784
54	Trfs to Other Funds (Debt, Etc.)	1,785,791	1,766,752	1,794,838	1,656,613	1,656,638	1,656,613	1,656,413	1,656,488	1,657,688	1,657,350
55	TOTAL EXPEND & OTHER USES	60,769,876	54,256,766	52,158,151	61,591,668	53,667,086	52,356,782	56,355,084	57,017,563	59,249,985	59,684,277
56	ENDING FUND BALANCES										
57	Reserved For:										
58	Reserves per Financial Policy*	\$ 4,857,895	\$ 5,411,164	\$ 4,049,727	\$ 3,519,143	\$ 3,519,143	\$ 3,429,359	\$ 3,464,155	\$ 4,280,603	\$ 4,482,560	\$ 4,685,304
59	Unassigned (GAP)	3,332,796	19,706	75,832	(436,871)	0	760,668	189	25,654	18,366	1,115,504
60	ENDING FUND BALANCES	\$ 8,190,691	\$ 5,430,869	\$ 4,125,559	\$ 3,082,272	\$ 3,519,143	\$ 4,190,027	\$ 3,464,344	\$ 4,306,257	\$ 4,500,926	\$ 5,800,808
61	TOTAL EXPENDITURES, OTHER	\$ 68,960,567	\$ 59,687,635	\$ 56,283,710	\$ 64,673,940	\$ 57,186,230	\$ 56,546,809	\$ 59,819,428	\$ 61,323,821	\$ 63,750,911	\$ 65,485,085
62	USES & FUND BALANCES										
63											
64	General Fund Ending Fund Balance	\$ 8,190,691	\$ 5,430,869	\$ 4,125,559	\$ 3,082,272	\$ 3,519,143	\$ 4,190,027	\$ 3,464,344	\$ 4,306,257	\$ 4,500,926	\$ 5,800,808
65	Revenue Stabilization Fund Balance	6,000,000	6,000,000	4,671,099	4,671,099	4,671,099	4,671,099	4,268,216	4,268,216	5,418,216	6,000,000
66	Total Ending Fund Balances	\$ 14,190,691	\$ 11,430,869	\$ 8,796,658	\$ 7,753,371	\$ 8,190,242	\$ 8,861,126	\$ 7,732,560	\$ 8,574,473	\$ 9,919,142	\$ 11,800,808
67											
68	*Reserves policy: 2 1/2 Months of the Previous Year's Operating Expenditures per the CAFR (less the Street Operating Fund Transfer). This includes \$6 million in the Revenue Stabilization Fund.										

Utility Accounts Receivable Aging



Utility Billing Accounts Receivable Aging
Month End Balances
January 31, 2019 - September 30, 2020

	Current	1 - 30	31 - 60	61 - 90	91 - 120	Over 120	Total Due
Jan-19	951,441.31	251,106.48	59,245.04	98,616.80	33,675.89	146,407.19	1,540,492.71
Feb-19	967,293.44	288,352.36	101,438.73	52,237.79	52,663.36	156,653.41	1,618,639.09
Mar-19	933,383.89	298,718.73	108,164.26	86,210.41	10,856.80	178,658.64	1,615,992.73
Apr-19	675,474.88	254,229.28	107,293.46	45,756.63	31,399.32	113,778.23	1,227,931.80
May-19	675,305.07	464,168.81	84,338.07	49,422.62	15,817.08	99,434.48	1,388,486.13
Jun-19	954,609.72	403,984.25	99,799.07	36,974.97	4,715.60	98,496.45	1,598,580.06
Jul-19	828,688.98	230,884.63	85,472.18	35,813.14	16,457.50	97,968.20	1,295,284.63
Aug-19	998,327.55	428,830.30	62,582.51	61,331.60	11,839.29	112,953.13	1,675,864.38
Sep-19	775,453.26	237,547.66	80,364.84	16,990.67	20,692.88	117,865.08	1,248,914.39
Oct-19	1,059,346.28	279,672.16	56,577.86	46,020.43	5,436.84	126,386.33	1,573,439.90
Nov-19	156,807.17	411,028.41	118,785.68	29,828.02	30,818.62	115,031.81	862,299.71
Dec-19	221,528.04	303,092.63	62,788.64	76,216.41	12,775.93	137,114.38	813,516.03
Jan-20	559,141.28	277,529.03	60,743.60	78,662.66	42,153.69	146,277.35	1,164,507.61
Feb-20	926,865.48	370,891.96	56,254.48	60,713.71	22,384.31	166,426.14	1,603,536.08
Mar-20	830,818.27	314,488.45	70,022.25	61,639.74	21,202.22	182,613.75	1,480,784.68
Apr-20	1,115,949.47	307,703.34	140,799.61	56,539.27	37,576.30	194,022.10	1,852,590.09
May-20	412,796.69	442,064.13	206,905.30	94,776.20	49,966.99	222,957.84	1,429,467.15
Jun-20	846,679.41	291,306.74	116,413.64	151,982.12	83,205.14	254,244.02	1,743,831.07
Jul-20	907,739.72	342,039.49	147,935.05	96,380.26	104,292.91	345,890.84	1,944,278.27
Aug-20	1,006,051.08	446,074.30	175,688.29	114,780.92	72,202.50	400,192.19	2,214,989.28
Sep-20	817,115.74	336,637.17	153,111.05	77,063.68	90,461.48	402,034.08	1,876,423.20

Date: October 22, 2020

To: City Council Finance Committee

From: Sonja Springer, Finance Director

Subject: Estimated Savings from Employees' Furloughs

The City offered employees to take voluntary furloughs this past summer in order to achieve some cost savings from the State's Shared Work Program.

A total of 28 employees participated in this program, with 796 hours not worked.

The total estimated savings from this program was \$38,288.

Estimated Savings from Shared Work Program – Employee Furloughs	
Number of Employees in Shared Work Program:	28
Total Hours Not Worked	796
Gross Salary	\$30,984
Payroll Benefits (PERS, FICA, Medicare, PFML, L&I)	7,304
Total Estimated Savings form Shared Work Program:	\$38,288