

**MINUTES OF THE MEETING OF THE
LYNNWOOD CITY COUNCIL FINANCE COMMITTEE
HELD THURSDAY, NOVEMBER 19, 2020 AT 3:00 p.m. VIA ZOOM**

Attendance:

Council President Christine Frizzell
Councilmember Julieta Altamirano-Crosby
Councilmember George Hurst

Others:

Finance Director Sonja Springer
Interim Accounting Manager Janella Lewis
Strategic Planner Corbitt Loch
Deputy Police Chief Chuck Steichen
Public Works Director Bill Franz
Public Works Manager Marcie MacQuarrie
Executive Assistant Lisa Harrison

1. Walk-on presentation: Additional Cares Act Funding

- Deputy Chief Steichen announced that Snohomish County realized they have an additional \$2.5M for cities to grant to store/business owners. Needs to be submitted immediately and could be an approximately additional \$280,000 for Lynnwood businesses, with each business receiving \$10,000. Would need to handle with a budget amendment in December. Steichen asked and received approval from the Finance Committee to move forward applying for the money. Will need to disburse the money prior to 12/16 to meet year-end CARES Act grant requirements.

2. Update on Fleet Finances and the FCS Fleet Study – Bill Franz, Public Works Director (9:00)

- Director Franz reviewed what the various funds covered and explained that the funds have gone over budget in the past due to under charging. They have now increased the \$/hour charged each department for repairs and maintenance, ensuring that they will not go over budget moving forward. The rate is in line with other cities.
- Franz reported that Public Works Management has been working with South County Fire to update the Interlocal Agreement that defines the services and terms that the City provides to the Authority for maintenance of its vehicles and apparatus. The proposed billing rate will be 34% more than then what they are currently paying using the new rate, increasing from \$117.33 per hours to \$157.00 per hour. Management plans to present the amended agreement to the South County Fire Board of Commissioners and the City of Lynnwood City Council in early December for approval.

3. Review Outstanding Utility Accounts Receivable Balances as of October 31, 2020 – Janella Lewis, Acting Accounting Manager (54:00)

- Manager Lewis shared that unpaid balances are up significantly from 2019, as expected due to the pandemic. In October of 2019, the total of those owing money over 120 days was approximately \$170,000 compared to October of 2020 where it is over \$470,000. This is the first time the city started allowing people to go without paying and did not add late fees or turn off utilities. This is a concern because it is going to catch up with people.

- 4. The committee decided it was important to share this information with council as well as to develop some new pay back options for customers who are behind in paying utilities. Staff will work on options for council to consider.

47 **5. A Plan for Repayment of the Revenue Stabilization Fund: Review and Discuss Options –**
48 **Corbitt Loch, Senior Manager, Strategic Planning (1:08)**

- 49 • Senior manager Loch reviewed the 8 options developed for consideration by the Council along
50 with their recommendations. The group discussed preferred options and reduced the list to three
51 to bring back to council. Finance director Springer stressed that it is not necessary to decide
52 which way to go right now. It would be better to wait until the year-end financials are available
53 in March 2021 to see which makes most sense based on the amount needed.
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55 **6. Third Quarter Financial Report – Sonja Springer, Finance Director (1:31)**

- 56 • Director Springer reviewed the status of the budget. She pointed out that sales tax was higher
57 than originally projected and that business license and permit fees increased from previous
58 months. (she noted of particular interest that sales tax from vehicle sales has not declined).
59 Together the directors were able to save a lot in terms of expenditures by cutting back on training
60 professional services and keeping positions vacant. Questions and comments followed.
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62 • **Other Business**

63 The next meeting of the Finance Committee is scheduled for January 28, 2021.
64

65 **Adjourn**

- 66 • Meeting adjourned at 4:50 p.m.
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68

69 DocuSigned by:

70 *sonja springer*

71 Sonja Springer, Finance Director