



**CITY OF LYNNWOOD**  
**FINANCE COMMITTEE FINANCE COMMITTEE MINUTES**  
**May 27, 2021**

---

**1. CALL TO ORDER**

**2. ROLL CALL**

Present:

Chair Christine Frizzell  
George Hurst  
Julieta Altamirano-Crosby

Also present were Finance Director Michelle Meyer, Strategic Planner Corbitt Loch and Accounting Manager Janella Lewis.

**3. FINANCIAL REPORTS**

3.A Review of 2020 Year-end financial report

- Finance Director Meyer reviewed activity from 2020 act. The City Council had originally authorized transferring up to \$2M from Reserves to cover shortfalls but Finance only had to transfer \$1.129M, which she said is very encouraging.
- Rolling all general funds together, the city is short by \$500k of the 2.5 month reserves required.
- In 2020 sales tax revenue dipped very low in the spring, but is now bouncing back. Revenues to-date are very strong.
- Delinquent Utility accounts are a concern, but are not having a huge impact on total revenues.
- Compared to the COVID-19 forecast, actual revenues over performed versus the forecast.
- All departments stayed within their Covid revised budgets.
- The city lost a lot of revenue with recreation class cancellations. There is expected to be a way to recover revenues in the American Rescue Plan Act.

#### 4. DISCUSSION ITEMS

##### 4.A Review of February and March 2021 Sales Tax Revenues

Director Meyer shared a comparison of 20 vs 21 sales tax revenues. She pointed out a huge dip in March, 2020 when COVID began. Year-to-date sales tax revenues through March were higher than the same time in 2020 and 2019.

##### 4.B Update on 2020 Annual Report and Audit

Director Meyer stated that the team got the basic financial statements done in time for the bond issuance, but the full annual comprehensive report is not yet complete. She will be scheduling the auditors to come and speak to council for the 2020 financial audit entrance conference

##### 4.C Update on CJC Bond Issuance

Director Meyer stated that the city had a good call with the rating agency. They have affirmed the AA+ rating and interest rates are still very low so a competitive sale is expected on June 2, 2021 with funds to be received on June 24, 2021.

##### 4.D Discuss participation in Snohomish County Investment Pool

Director Meyer shared information about the Snohomish County Investment Pool, which the city can contribute to and earn higher interest than current longer-term investments or the State pool can offer. The Council Finance Team was supportive of moving ahead with joining the pool. The next time the financial policy is updated, this will be incorporated.

##### 4.E Update on American Rescue Plan Act funding

Director Meyer shared that she has attended several conference calls about the American Rescue Plan Act and is still waiting for final information. The American Rescue plan is being referred to as a “once in a generation” act. It is meant to have a long-term impact. The City of Lynnwood is rated as a smaller unit of government (non-entitlement) based on population size, so we have to wait until the larger cities have their funding.

Director Meyer is estimating that the city will get approximately \$8.52 MM over two years- half this year and half next year. We get our money 30 - 60 days after the state receives it. It will be managed by the OFM (Office of Financial Management) for the state. Changes to the program can still be made until the “Final Rule” is issued after July 16, 2021.

Rescue Funds are expected to cover costs starting March 3, 2021 and must be obligated by December 31, 2024 with the period of performance ending no later than December 21, 2026. Eligible uses include:

- Respond to public health emergency and negative economic impacts
- Revenue loss (General Fund only, based on a formula. Under Interim rules, cannot be used to directly reimburse a utility fund but this may change
- Water, sewer, and broadband infrastructure
- Expanded uses for hardest hit communities in Qualified Census Tracts

From what she has learned thus far, the act does not allow for coverage of utility revenue loss.

Meyer recommended that the committee keep this on the agenda for the next few months until we have the full set of rules and can bring it to the full council. Next month she will also have April tax revenues, bond sale and audit information.

5. ADJOURN

The meeting was adjourned at 4:42 PM.

*Michelle Meyer*

---

Michelle Meyer, Finance Director

# 210527 Finance Committee Minutes

Final Audit Report

2021-06-17

Created:	2021-06-17
By:	Mary Davis (mdavis@lynnwoodwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhPd7WbheoE-LQR0C2cyDU9zexG3r4KMH

## "210527 Finance Committee Minutes" History

-  Document created by Mary Davis (mdavis@lynnwoodwa.gov)  
2021-06-17 - 0:32:07 AM GMT- IP address: 73.169.151.45
-  Document emailed to Michelle Meyer (mmeyer@lynnwoodwa.gov) for signature  
2021-06-17 - 0:32:27 AM GMT
-  Email viewed by Michelle Meyer (mmeyer@lynnwoodwa.gov)  
2021-06-17 - 0:45:06 AM GMT- IP address: 174.204.87.253
-  Document e-signed by Michelle Meyer (mmeyer@lynnwoodwa.gov)  
Signature Date: 2021-06-17 - 0:48:20 AM GMT - Time Source: server- IP address: 174.204.87.253
-  Agreement completed.  
2021-06-17 - 0:48:20 AM GMT