

1 **MINUTES OF THE**
2 **LYNNWOOD CITY COUNCIL FINANCE COMMITTEE**
3 **HELD THURSDAY, MARCH 25, 2021 AT 3:00 p.m. VIA ZOOM**
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A. Attendance:

Council President George Hurst
Councilmember Julieta Altamirano-Crosby
Councilmember Christine Frizzell (Chair)
Executive Assistant Lisa Harrison

Others Attending:
Acting Finance Director Corbitt Loch
City Treasurer Cyndie Eddy
Budget Supervisor Janella Lewis
Public Works Director Bill Franz

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8 **B. Discussion- Amendment of Utility Payment Rules**

9 Acting Finance Director Loch discussed the rules on how and when customers must pay. Now
10 that the Governor has extended the moratorium on shut offs and late fees until the end of July,
11 it is a good time to review the rules. Loch stated that he would like to have the revisions in
12 place before August.

13
14 The finance department has surveyed surrounding communities and there are no apparent
15 commonly used policies. Loch also learned that the City's authority to shut off water service or
16 impose liens is limited to four months of charges, not the entire amount owed as was previously
17 reported. He explained that more research is being done including mapping of delinquent
18 accounts to identify geographic clusters and to develop outreach strategies to specific
19 community groups.

20
21 Committee members were reminded that utilities are accounted for in an Enterprise Fund",
22 which is a stand-alone fund that must pay for itself based on utility fees collected. Therefore,
23 lost utility revenue should not be addressed by transfers from the general fund. Loch stated
24 that the Utility Fund is not at a point where it is strapped for cash. Given the COVID-19
25 pandemic, we need a more flexible repayment plan for struggling households. We also do not
26 know what terms will apply to the American Rescue Plan funds to be received. The forthcoming
27 provisions may allow cities to cover lost income due to utility delinquencies.

28
29 Loch reviewed the status of delinquencies, which showed that 598 accounts are over 120 days
30 past due, with \$450,000 past 120 days in residential fees and \$208,000 commercial. He then
31 shared recommendations on payment rules, penalties, due dates, and shut-off timing. The
32 scenarios allow the city to minimize operational costs while supporting struggling utility
33 customers.

34
35 Ms. Lewis shared example scenarios from individual delinquent accounts and what their
36 repayment plan could look like.

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38 The committee asked to see the mapping, the number of aging accounts that are commercial
39 versus residential versus rental, and some more repayment scenarios for the next finance
40 committee meeting. There may be different repayment strategies for different types of
41 accounts. After reviewing and arriving at a recommendation, the information will then be
42 reported to council.
43

44 The next meeting will be held on April 22, 2021 at 3:00 pm. It was mentioned that the new
45 Finance Director Michelle Meyer will be in attendance to review the year-end results and
46 February sales tax information.

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49 The meeting was adjourned at 4:15 pm.

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52 *Corbitt Loch*

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Corbitt Loch, Acting Finance Director






210325 Finance Committee Minutes final

Final Audit Report

2021-04-14

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