

City of Lynnwood, Washington



2025-2026 BIENNIAL BUDGET



LYNNWOOD
WASHINGTON



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INTRODUCTION





(Left to Right): Mayor Christine Frizzell, Council Member David Parshall, Council Member Josh Binda, Council Member George Hurst, Council Member Derica Escamilla, Council Member Nick Coelho, Council Member Julieta Altamirano-Crosby, Council Member Patrick Decker.



The Government Finance Officers Association (GFOA) has granted its Distinguished Budget Presentation award to the City of Lynnwood consecutively since 2017. The most recent award was received for the 2023-2024 Budget.

GFOA presents this award to governments whose budget documents meet the GFOA's criteria as an effective policy document, a financial plan, an operations guide, and a communication device. This award signifies that Lynnwood is meeting the highest principles of government budgeting.

The adopted 2025-2026 Budget was drafted in accordance with GFOA criteria and will be submitted for award consideration.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Lynnwood
Washington**

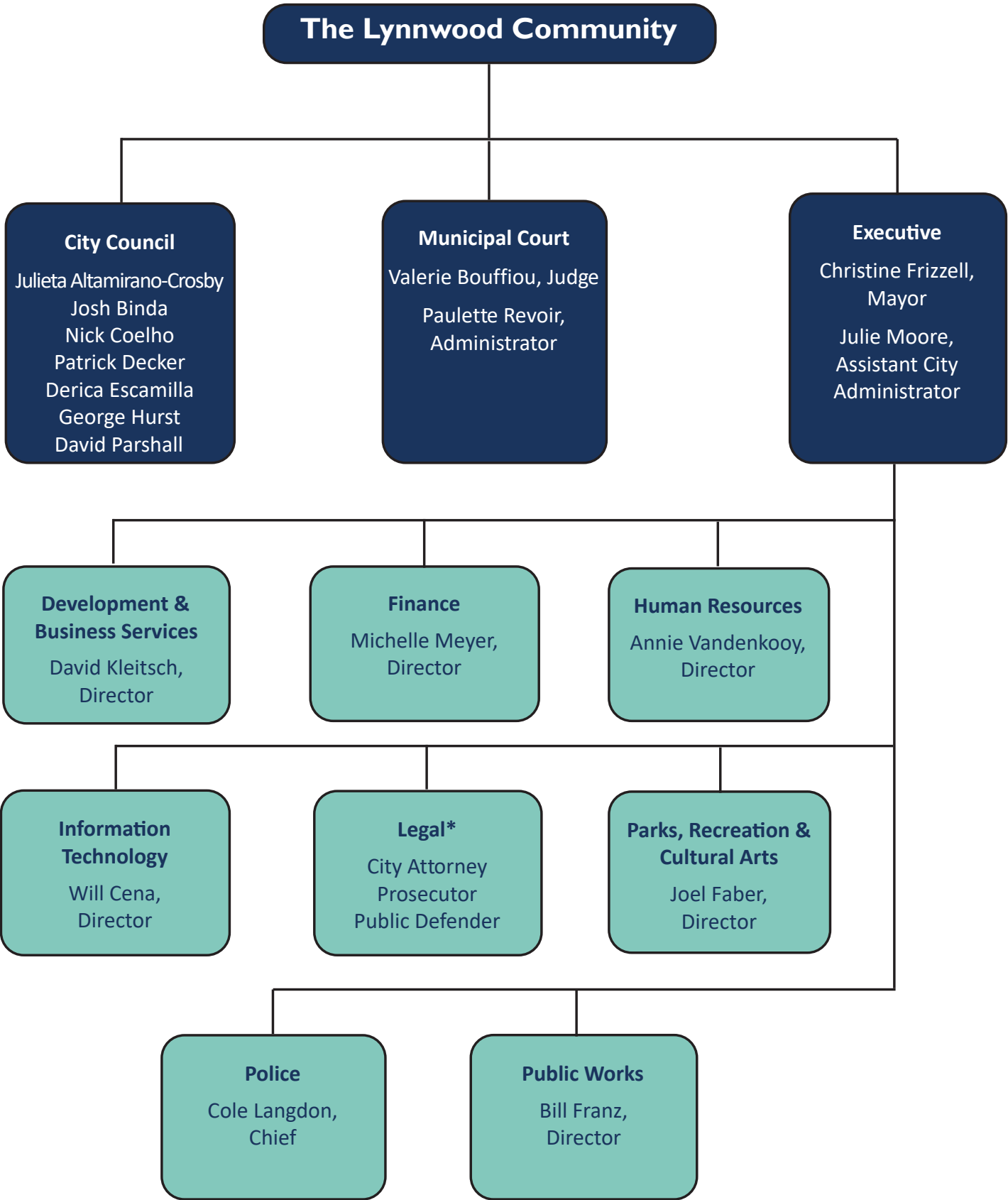
For the Biennium Beginning

1/1/2023

Christopher P. Morill
Executive Director

City Organizational Chart

2025-2026 BUDGET



*Service provided by contract or interlocal agreement

Welcome

Thank you for taking the time to review our 2025-2026 budget. This is my second biennial budget as your Mayor and my fourth since becoming a City Council Member in 2018. Each budget has been unique, addressing the growth, opportunities, and challenges our community was experiencing at the time, while simultaneously preparing for the future.



As we near the end of 2024 we are entering a new chapter together with the opening of the Lynnwood Light Rail and the vision of our City Center becoming even more apparent. We have come so far and are so proud of the direction we are headed. And progress requires resources. Simply put, this budget is more than just charts and graphs with dollars and cents; it is a financial roadmap for moving forward. Throughout, you will see three tenets that I believe have been and will continue to be essential as we work together to grow Lynnwood's thriving community.

Customer Service

The City of Lynnwood engages with the community in various ways, providing services to our residents who comprise the most diverse city in Snohomish County. This ranges from offering classes at our Recreation Center, to providing permits, inspecting construction projects of all sizes, to addressing concerns from community members regarding public safety, code enforcement, cleaning our parks, and so much more. Regardless of the scale of the interaction, our community members anticipate an exceptional level of service when dealing with our City. It is our responsibility to surpass those expectations. With the significant growth we are experiencing, these interactions are increasing every day, and we are continuously seeking ways to enhance our service to the community.



Innovation

The City of Lynnwood takes pride in serving as a regional model for communities dealing with ongoing rapid growth. As I've mentioned many times since being elected Mayor, our vision for Lynnwood was outlined in "Lynnwood Legacy," a strategic document that has guided us through significant changes in our City Center area over the past 30 years. This document was developed with input from over 200 community members and has endured the test of time. As we move forward with this vision, we are also envisioning the future of our city over the next 30 years while maintaining our community's identity. We live in a rapidly changing world, and we must be agile to change with our community. In areas such as policing, cybersecurity, utilizing Artificial Intelligence, improved software, street maintenance, updating our wastewater treatment system, managing our resources and more, we need to embrace change and continue to innovate within all aspects of our organization.



Empowerment

I am incredibly proud and grateful to work alongside some of the most brilliant people I have ever met. Our employees are highly regarded experts in their respective fields and are passionate about serving our community. Every day, I challenge my directors and our staff to identify the barriers in our community and work towards removing them, ensuring that the people of Lynnwood not just survive but thrive and flourish. We empower our employees to tackle the challenges they face daily and instill confidence in them to make the right choices. I strongly believe that the best way to empower our community is by ensuring that the public is well-informed and educated. As a City, our goal is to be transparent and accessible. This has been and will continue to be my top priority.



The Realities of an Evolving City

The lifespan of a city ebbs and flows but is never at rest. It is always evolving whether we recognize it or not. Lynnwood and the Puget Sound Region are changing before our eyes and with that great potential comes challenges and important decisions. It's not hyperbole to say that this biennium is one of the most important periods in Lynnwood's 65 years. So much that has been planned on paper and envisioned in the minds of community members is coming into focus. The rebuilding of 36th Ave, 196th Street, huge park improvements around Scriber Lake, the completion of Lynnwood City Center Light Rail Station, and multifamily housing being built in the City Center area and around Alderwood Mall is happening right in front of our eyes and yet has been planned for decades. We are achieving our vision, while progress is moving us forward, and we need to keep up with these changes.

Sales tax proceeds are the City's largest source of revenue, and we watch these numbers closely. While Lynnwood represents only 5% of the population of all cities in Snohomish County, people come from near and far to shop, recreate, and play here; Lynnwood generates over 20% of the sales tax for all Snohomish County cities. It is how we have continued to keep taxes paid directly to the city by our households so low. Historically, Lynnwood's property tax levy has been lower than our neighboring jurisdictions due to the fact that we enjoy such strong sales tax revenues. For the past two biennial budgets, Lynnwood has only levied half the amount we are statutorily authorized to collect. Additional sources of revenue for the City of Lynnwood include Utility Taxes, Development Service Charges, Recreation Charges, Fines and Forfeitures.

While the forecast looks promising, we still have to consider other steps to ensure the financial health of our city's operations.

Our employees and departments are tasked with addressing today's needs while preparing for tomorrow's challenges, something that is easier said than done. We are facing inflation, supply chain challenges, maintaining competitive wages and benefits for all employees while being mindful of increasing community expectations for services, all of which require strategic financial decisions. Some decisions made in the past have put us on a challenging path that we must navigate together now.

Community Engagement in the Budgeting Process

As stewards of this great City, it is our duty to do what is in the best interest for the people of Lynnwood. The best way for us to accomplish this task is to listen when we ask people what they think. Over the past several years, we have placed a great emphasis on inclusive engagement with our community. Through surveys, outreach opportunities at community events, and programs such as Lynnwood University and Community Academy, we have consistently been asking our Lynnwood community members to help shape the future of our City as we did more than 30 years ago.

Earlier this summer, we hosted a Community Open House where we asked people to tell us what they loved about Lynnwood and where they think we should invest more resources. We asked these same questions at our Fair on 44th, and resoundingly we heard that people value our beautiful parks, access to transit, their neighborhoods, shopping, trees, and events. Where folks would like to see more resources allocated, is not a surprise – crime prevention and safety, sidewalks and road improvements, mental health improvements, and affordable housing. We also conducted a budget survey and budget open house to gather public opinion on our City's finances. We received nearly 200 responses to the survey.

Our City Directors and I have incorporated these responses into budget proposals, and we are pleased to know that the desires of our community members are in step with our City's strategic priorities and vision. We will continue to place a great emphasis on community engagement as we move into the next two years and beyond.

Lynnwood's Economic Outlook

Over the past several years we have experienced numerous budgetary pressures outside our direct control. Inflation has impacted many facets of our city government. We have experienced substantial increases to the cost of supplies and professional services. The Consumer Price Index (CPI-W) for our area coming in at a 40-year record high number impacting our collective bargaining agreements and employee wages. We have witnessed considerable increases to the cost of our liability insurance. We are also looking at serious increased costs to provide prosecutorial and indigent defense services in our courts due to a new Supreme Court ruling that will have a significant impact on our budget.

As we all have experienced personally, we have seen expenditures growing rapidly while revenues not keeping pace. With the understanding that inflationary pressures are going to impact the 2025-2026 biennial budget, we have developed this budget with the goal of maintaining our current level of service including those presently funded with one-time ARPA funds. We are presenting this budget with no new initiatives.





As you look at our budget, which currently shows General Fund revenue of \$152.8 million over two years, the amount that is paid directly by single family households is under \$400 each household per year. Currently, an average home pays \$5,300 in property taxes, but under \$300 of that goes to the City of Lynnwood to fund City services. City utility taxes total are around \$7 per household per month and the current levy rate for Lynnwood homeowners is \$0.43 per \$1,000 of assessed value. Unlike many other municipalities who regularly increase their property taxes by 1%, over the past few years, Council has voted to keep the levy flat, which has not allowed us to keep pace with inflation. In order to catch up, this budget proposes restoring the levy rate back to \$0.57 per \$1,000 of assessed value, which would equate to an increase of approximately \$84 per year per household, or \$7 per month.

When you look at percentages, this may seem like a sizable increase, however this \$7 per month will help to fund service level increases that have been approved by Council without permanent funding over the last few years.

Just before the adoption of the 2023-2024 biennial budget, the City Council approved one-time funding for 10 additional police officers through American Rescue Act Plan (ARPA) grant funding. Understanding that public safety is a huge concern for our growing and busy city, we have made it a priority to include these 10 police officer positions in our 2025-2026 budget.

Additionally, the City Council approved the use of the ARPA one-time revenues to fund two positions within our Parks Maintenance division to address graffiti and vandalism on City property, and a Human Services Coordinator position to work closely with some our city's most vulnerable community members. We initially feared that we did not have the ability to permanently fund these three positions, however I am pleased to announce that we have incorporated these critical positions into this budget proposal.

We have crafted this budget after several thorough reviews by our teams. It is a responsibility we do not take lightly. While we are enthusiastic about our community's promising future, we are also realistic about the challenges ahead. Our commitment to financial efficiency remains unwavering, and we deeply appreciate your trust in our efforts.



You will find this book a bit lighter than prior versions as we have revised repetitive information and reorganized the structure. We have focused on grouping the monetary pieces of the budget in one section and the narrative in another section of the book. We have also added graphics for better understandability, and metrics to highlight how we are responsive to our community needs. We look forward to your feedback on the budget and on the format.

As a steward of your funds, I, on behalf of our employees, am very honored to present this budget to you.

Thank you,

Christine Frizzell

Christine Frizzell

Delivered October 14, 2024

To Accompany Preliminary Budget Presentation





The community profile of Lynnwood represents an entrepreneurial spirit which built the city to the present day center of transportation and commerce. Just behind the hustle and bustle of busy arterial streets, there are quiet neighborhoods surrounded by trees and shrubbery.

The City offers a wide range of governmental, commercial and educational services. Many federal, regional and state governmental offices have facilities in Lynnwood. Manufacturers and retailers are attracted to the area, being serviced by major transportation corridors.

Lynnwood was incorporated in 1959. The City covers 7.7 square miles, with more than 41,000 residents and 2,400 businesses.

The City of Lynnwood is Snohomish County's fifth largest city by population, comprising about five percent of the County's total population.

While quality commercial and governmental services are a necessary element of modern day life, the natural features which attracted the original settlers to this area remain the most important attraction for residents.

Less than 20-minutes from Lynnwood, boating, wildlife, white water rivers, salmon fishing, skiing, native timber and Indigenous culture are a welcome respite from city life. These are natural features which continue to attract newcomers to our area to this very day.

Planning & Growth Management:

The Growth Management Act (GMA) is a series of state statutes, first adopted in 1990, that requires fast-growing cities and counties to develop a comprehensive plan to manage their population growth. The GMA establishes a series of 15 goals that should act as the basis of all comprehensive plans. The GMA establishes the comprehensive plan as the centerpiece of local long-range planning, which



contains a vision, goals, objectives, policies, and implementation actions that are intended to guide day-to-day decisions by elected officials and city staff. Under the GMA population and employment projects are developed for each county and urban growth area. Once growth projects are adopted, then the county and cities are to use them in their planning processes and make sure their plans can accommodate the projected level of growth.

Imagine Lynnwood, Lynnwood’s 2024 Comprehensive Plan, was adopted by the City Council on November 12, 2024. *Imagine Lynnwood* was the outcome of nearly three years of work to create a comprehensive plan rooted in community engagement and regional policy directives. *Imagine Lynnwood* describes how Lynnwood will manage growth over a 20-year period, records the community’s vision, values, and sets goals and policies to guide change. *Image Lynnwood* brings together ideas like a walkable downtown, fast transit services, housing for all income levels, beautiful parks, and safe neighborhoods as achievable realities for present and future generations.

Economic Development:

A low-scale, suburban community at the time of incorporation, Lynnwood is transforming into a Regional Growth Center, as called for by the Puget Sound Regional Council’s Vision 2040 Plan. Regional Growth Centers have high-density residential and employment served by regionally-significant infrastructure - such as Sound Transit’s Lynnwood Link light rail system.

Population and employment growth within the City reflect steady progress towards implementing the community’s vision as a designated Regional Growth Area (per Puget Sound Regional Council’s Vision 2040 Plan).

With a competitive tax structure, quality office space, and an educated workforce, Lynnwood is a desirable business location. Lynnwood has many sectors that contribute to our strong sales tax base. Retail, auto dealerships, food service, healthcare, and professional services all contribute to the overall economy of Lynnwood. Alderwood Mall is evolving to remain a premier destination in an age of online retail. Through a redevelopment effort, large retail structures are being replaced by a “lifestyle center” of shops, restaurants, and multifamily living. In terms of public finance, this retail core gives Lynnwood a sizable economic advantage. Lynnwood’s biennial budget for 2025-2026 anticipates \$65.3 million in sales tax revenue during that time frame. Thriving business sectors also bring jobs to the community. Some of Lynnwood’s largest employers are listed below. Other major employers nearby include Boeing, University of Washington, Premera, WSDOT, and Community Transit.

Top Employer	Product/Service
Comcast	Professional Service
Pemco	Professional Service
Zumiez	Corporate Office
Nordstrom	Retail
Macy’s	Retail
Fred Meyer	Retail
Edmonds School District	Public Education
Edmonds Community College	Higher Education
City of Lynnwood	Municipal Government

Total Businesses: 2,415
Total Employed: 30,136
Workers 16+: 19,584

2024 Retail Trade Businesses	2024 Accommodation / Food Service	2024 Food Service / Drinking Est.	2024 Healthcare / social assistance	2024 Educational Services - Businesses	2024 Prof / Scientific / Tech Service
Businesses 442	Businesses 233	Businesses 209	Businesses 296	Businesses 54	Businesses 213
Employed 7,734	Employed 3,818	Employed 3,342	Employed 3,270	Employed 2,338	Employed 2,198

Education:

K-12 public education is provided by the Edmonds School District (ESD), which also serves several nearby communities. The ESD’s administrative offices and fleet facility are located within Lynnwood. The District is undertaking major construction and reconstruction of local schools, based upon two voter-approved levies for that purpose. As a result, Lynnwood’s school-age children are learning in state-of-the-art classrooms. Also, several renowned private schools exist in and near this community.

Within Lynnwood, Edmonds College serves 11,000 students (per quarter) from 62 countries. Students can choose from 61 associate degrees and 63 professional certificates. Approximately 42% of students at Edmonds College are preparing to continue their education at a university. Four-year degrees are offered on campus through the Central Washington University (CWU). Construction of Edmonds College’s new STEM (Science, Technology, Engineering and Mathematics) learning center was recently completed.

Governance:

Lynnwood incorporated in 1959 as a non-charter, optional-code city with a Mayor-Council form of government. The Mayor and City Council are elected at-large for staggered four-year terms. The City Council is responsible for establishing the general direction and policies for the City and for the allocation of resources via an adopted budget. As the chief executive officer, the Mayor is responsible for carrying out the policies and direction set by the City Council. This includes the administration of laws and ordinances, the execution of contracts and agreements, and the delivery of municipal services. The City provides a full range of local government services including public safety; criminal justice, planning and zoning; parks and recreation; economic development; streets and traffic management; and water, wastewater and stormwater utilities.

Lynnwood has adopted financial management policies to guide budgeting and accounting practices. During even-numbered years, the City Council adopts a biennial budget for the subsequent two years. The budget process includes a detailed, six-year forecast of revenues and expenditures, which serves as the foundation for the City of Lynnwood’s financial planning. Careful stewardship of the City’s finances has earned Standard and Poor’s General Obligation Bond rating of AA+ in 2021, 2022 and 2023.



41,500
Total Population



Did you know?

Edmonds School District reports over 134 different languages spoken in student families throughout the district. The top ten languages spoken by student families of Edmonds School District: English, Spanish, Vietnamese, Arabic, Amharic, Korean, Russian, Ukrainian, Tigrinya, and Portuguese.



Sources: 2023 ACS data, US Census Bureau, Washington Office of Financial Management 2024

LYNNWOOD...PAST TO...PRESENT

Early 1800s

The land that will become Lynnwood is a dense forest. Coast Salish people regularly hunt in these woods, just as their ancestors have since time immemorial.



1860s

Logging Industry Thrives

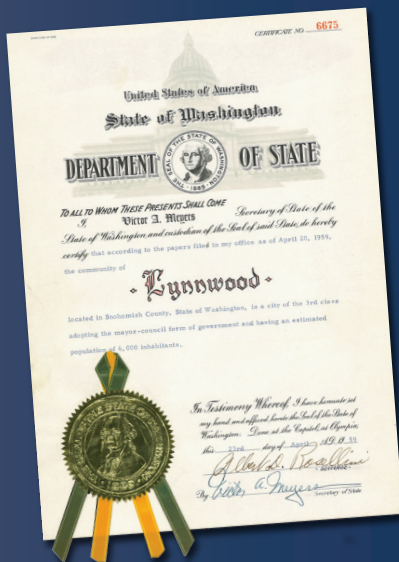
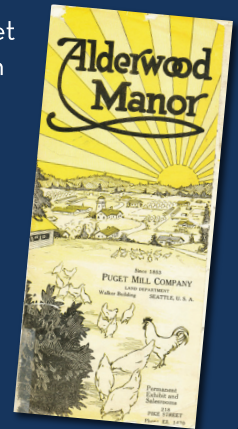
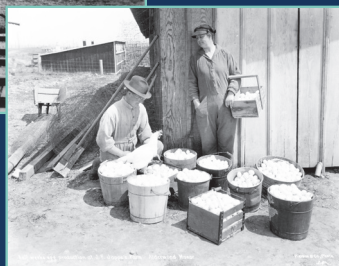
In 1869, the area now known as Alderwood is home to the Puget Mill Company, which cleared 3.5 million board feet of trees in the area.



1910

From Mill to Farm

In the early 1900s, the Puget Sound Mill Company began transforming their land into farms. The new community of Alderwood Manor is planned for poultry raising and egg production.



1959

City of Lynnwood Incorporates

On April 23, 1959, the Snohomish County Commissioner approves Lynnwood's city charter. With an area of nearly three square miles and a population of 6,233, Lynnwood becomes the county's fourth largest city.



1960s

Commercial Development Booms

In the 1960s, Lynnwood starts becoming the retail hub of Snohomish County. During this time, Interstate 5 is built and 196th Street is reconstructed making way for many modern shopping plazas and development opportunities.





1970-1973

Third Fastest Growing City

In the early 1970s, Lynnwood becomes the third fastest growing city in Washington State. Mayor Meryl "Herk" Hrdlicka describes the community as "growing, active, and dynamic." Mayor Hrdlicka is the first full-time Mayor of Lynnwood.



1974

Lynnwood Recreation Center

The Lynnwood Recreation Center opens on the Civic Center Campus. The recreation center has a swimming pool, racquetball courts, meeting space, and a weight room.



1979

Alderwood Mall Opens

The regional shopping center, Alderwood Mall, is completed on the site of the 1896 Morrice Homestead. The opening of the mall sparks commercial construction in the vicinity.



1986

The Office Space Boom

The 1980s brings demand for more office space throughout Lynnwood. In 1986, twin six-story office towers are built. Lynnwood becomes home to the busiest crossroads between Seattle and Everett with the intersection of two state highways.



1990s

Defining a Community

As Lynnwood becomes bigger and busier, the need to boost community spirit increases. In 1991, the 18-hole Lynnwood Golf Course opens. By 1994, 3.8 miles of the Interurban Trail is developed through Lynnwood. Many community events including fireworks show, Easter egg hunts, and parades begin bringing the community together.

2005

Lynnwood Convention Center

Later renamed the Lynnwood Event Center, the Convention Center opens with more than 53,000 square feet of meeting and event space.



2011

Upgraded Recreation Center

The Lynnwood Recreation Center is bustling with daily lessons, open swims, parties and gatherings, and much more!



Early 2020s

South County's Hub

As the region grows, Lynnwood has become an important hub of Snohomish County. The arrival of Sound Transit Link light rail has boosted housing development throughout the city, bringing more neighbors and visitors to the community. The city has focused on increasing the quality of life for the community with the opening of Heritage Park and renovation of South Lynnwood Park.





Our Strategic Plan 2022-2026 is a compilation of priorities, objectives, and strategies determined by City leadership to be of the highest importance for the years 2022-2026.

Lynnwood's Strategic Plan identified our six highest priorities for 2022-2026:

1. Fulfill the community vision for the City Center and Lynnwood Link light rail.
2. Ensure financial stability and economic success.
3. Nurture operational and organizational excellence.
4. Be a safe community.
5. Be a diverse, welcoming, equitable, and livable city.
6. Pursue and maintain collaborative relationships and partnerships.

You can read the full Strategic Plan 2022-2026 by visiting our City's website www.LynnwoodWA.gov and searching for City Strategic Plan, or visiting our Budget webpage and see how our Strategic Plan is woven throughout our budget document.

Lynnwood Moving Forward: Our Community Vision

The Lynnwood Community Vision was developed by a group of Lynnwood residents and it helps define our mission and values.

The Lynnwood Community Vision states that The City of Lynnwood will be a regional model for a sustainable, vibrant community with engaged citizens and an accountable government.

Our Vision is...

- To be a welcoming city that builds a healthy and sustainable environment.
- To encourage a broad business base in sector, size and related employment, and promote high quality development.
- To invest in preserving and expanding parks, recreation, and community programs.
- To be a cohesive community that respects all citizens.
- To invest in efficient, integrated, local and regional transportation systems.
- To ensure a safe environment through rigorous criminal and property law enforcement.
- To be a city that is responsive to the wants and needs of our citizens.

To read the full Community Vision, visit our website at www.LynnwoodWA.gov/VisioningLynnwood.

BUDGET OVERVIEW



2025-2026 BUDGET OVERVIEW

BUDGET PROCESS

Lynnwood's budget process is consistent with State and local requirements (Chapter 35A.34 Revised Code of Washington and Chapter 2.72 Lynnwood Municipal Code), respectively. On January 22, 2024, the City Council adopted the process/calendar for the 2025-2026 Budget (Resolution 2024-02).

Process and Calendar for Preparation/Adoption of the 2025-2026 Budget

Date	Budget Process/Step	Note
Jan. 22	Adoption of budget planning calendar per LMC 2.72.020 .	City Council Business Meeting
Feb.-May	As needed: Council discussion of strategic budget priorities, financial forecast, etc.	City Council Work Session(s)
Feb.-May	Outreach to the public, boards and commissions, community partners, and staff regarding budget priorities.	-
Sept. 9	Proposed Preliminary 2025-2026 Budget limited to a general overview of fund revenues and expenditures delivered to City Council per LMC 2.72.030 and RCW 35A.34.070 .	City Council Business Meeting
Sept. 23	First public hearing on 2025-2026 Budget priorities and assumptions.	City Council Business Meeting
Oct. 14	Preliminary 2025-2026 Budget with the Mayor's budget message presented to City Council per LMC 2.72.040 and RCW 35A.34.080 . Proposed 2025 property tax levy presented.	City Council Business Meeting
Oct. 21	Department budget presentations.	City Council Work Session
Oct. 28	Department budget presentations.	City Council Business Meeting
Nov. 4	Department budget presentations.	City Council Work Session
Nov. 12	Second public hearing on Preliminary 2025-2026 Budget. Public hearing on 2025 property tax levy. City Council review of preliminary budget.	City Council Business Meeting
Nov. 18	City Council review of preliminary budget.	City Council Work Session
Nov. 25	Adoption of 2025-2026 Budget. Adoption of 2025 property tax levy.	City Council Business Meeting

In accordance with State and local requirements, a mid-biennial budget review process will be completed in 2025. The process will include a review of all budgeted funds. Public hearings will be held for any proposed budget amendments and for the setting of the 2026 property tax levy.

BASIS OF ACCOUNTING & BUDGETING

Accounting:

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law, Chapter 43.09 R.C.W., and in compliance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

Basis of Presentation:

The accounts of the City are organized based on “funds” and “accounts”. Each fund is a separate accounting entity with a self-balancing set of accounts. The City’s resources are allocated to and accounted for in individual funds according to the purpose for which they are spent and how they are controlled. A purpose and description of each fund is provided on the fund pages of this budget document.

Basis of Accounting:

Basis of accounting refers to the recognition of revenues and expenditures or expenses in the accounts and reporting them in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures. The **accrual basis** of accounting recognizes revenues when they are earned, and *expenses* are recorded when incurred. All assets and liabilities are recorded in the fund. The **modified accrual** basis of accounting recognizes revenues and other financial resources when they become susceptible to accrual, i.e. when the related funds become both measurable and available to finance expenditures of the current period. “Measurable” means the amount of the transaction can be determined. To be considered “available”, revenue typically must be collected within sixty days after year-end. *Expenditures* are recorded when the fund liability is incurred, except for principal and interest on general long-term debt, and vacation and sick pay which are recorded when paid. Inventory items are reported as expenditures when consumed.

Budgets and Budgetary Accounting:

Scope of Budget – Biennial appropriated budgets are adopted for the general, special revenue, debt service, and proprietary funds on the modified accrual basis of accounting. The modified accrual basis of accounting includes depreciation for the Enterprise and Internal Service funds; budgetary accounting does not include depreciation. Budgetary accounting includes encumbrances (outstanding commitments); the modified accrual basis of accounting does not include encumbrances. Legal budgetary control (the level at which expenditures may not legally exceed appropriations) is established at the fund level. Any change in total to a fund requires approval of the City Council. Any unexpended appropriation balances for biennially budgeted funds lapse at the end of the second year of the biennial budget.

The basis of budgeting uses the modified accrual for all funds besides enterprise funds. Revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received, and the liability is incurred. Proprietary funds are accounted for on the full accrual basis of accounting.

The individual funds within each fund type, which are included in the City’s biennial budget, are listed below:

Funds Budgeted on a Biennial Basis:

General Fund is used to account for all financial resources except those required to be accounted for in another fund. For Annual Financial reporting, the General Fund also includes the Revenue Stabilization Fund and the Economic Development Infrastructure Fund. These funds include separate budgets.

Special Revenue Funds are established to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Lynnwood's special revenue funds are:

- Lodging Tax
- Transportation Impact Fee
- Cumulative Reserve Art
- Affordable Housing
- Opioid Settlement
- Drug Enforcement
- Street Operating
- Tree Reserve
- Transportation Benefit District
- American Rescue Plan Act
- Criminal Justice
- Waste Reduction
- Park Impact Fee

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. There are two debt service funds, the General Fund Debt Service Fund for the Community Justice Center bond payments and the Recreation Center Debt Service Fund for the Recreation Center bond payments.

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities. The City's biennial budget includes two years' budget for capital funds. The City of Lynnwood has the following Capital Project Funds:

- Real Estate Excise Tax (REET) Fund 1
- Capital Development
- Transportation Capital
- Parks & Recreation Capital
- Real Estate Excise Tax (REET) 2
- Other Government Capital
- Facilities Capital
- Public Safety Capital

Internal Service Funds are established to account for the financing of goods and services provided by one department of the governmental unit on a cost reimbursement basis. The City of Lynnwood has three Internal Service Funds:

- Equipment Rental Reserve
- Lynnwood Shop Operations
- Technology Reserve
- Equipment Rental Operations
- Self-Insurance

Enterprise Funds are used to account for operations that are normally financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has two Enterprise Funds: Utility Operations Fund and Golf Course Fund. Also included in this section is the Utility Capital Fund.

All fund types are budgeted on a biennial basis. For Annual Financial Reporting, major funds for reporting purposes are determined each year based on Governmental Accounting Standards Board (GASB) criteria.

2025-2026 BUDGET OVERVIEW

BUDGET SUMMARY BY FUND

Fund	Beginning Fund Balance*	Revenues & Other Sources	Total Beginning Fund Balance & Other Sources	Expenditures & Other Uses	Ending Fund Balance	Total Expenditures & Ending Fund Balance
General Fund						
011 General Fund	\$ 13,084,031	\$ 155,077,800	\$ 168,161,831	\$ 158,066,798	\$ 10,095,033	\$ 168,161,831
Total General Fund	\$ 13,084,031	\$ 155,077,800	\$ 168,161,831	\$ 158,066,798	\$ 10,095,033	\$ 168,161,831
Other General Government						
020 Econ Dev Infrastructure	2,300,000	-	2,300,000	2,300,000	-	2,300,000
098 Revenue Stabilization	6,000,000	-	6,000,000	-	6,000,000	6,000,000
101 Lodging Tax	736,862	1,730,800	2,467,662	1,902,404	565,258	2,467,662
104 Drug Enforcement	254,301	40,000	294,301	180,000	114,301	294,301
105 Criminal Justice	2,589,730	3,205,334	5,795,064	2,972,834	2,822,230	5,795,064
110 Transportation Impact Fee	1,730,851	1,500,000	3,230,851	2,730,000	500,851	3,230,851
111 Street Operating	100,083	6,930,600	7,030,683	6,807,392	223,291	7,030,683
114 Cumulative Park Reserve	106,983	20,000	126,983	20,000	106,983	126,983
116 Cumulative Art Reserve	257,302	-	257,302	228,000	29,302	257,302
121 Tree Reserve	301,840	30,000	331,840	70,000	261,840	331,840
131 American Rescue Plan Act	-	522,000	522,000	522,000	-	522,000
144 Waste Reduction	91,077	89,462	180,539	89,462	91,077	180,539
146 Affordable Housing	906,311	400,000	1,306,311	-	1,306,311	1,306,311
147 Opioid Settlement	1,149,686	400,000	1,549,686	400,000	1,149,686	1,549,686
150 Transportation Benefit District	1,600,000	8,400,000	10,000,000	10,000,000	-	10,000,000
180 Park Impact Fee	2,520,456	3,505,000	6,025,456	5,985,710	39,746	6,025,456
Total Other General Government Funds	\$ 20,645,482	\$ 26,773,196	\$ 47,418,678	\$ 34,207,802	\$ 13,210,876	\$ 47,418,678
Debt Service						
203 General Govt Debt Service	23	7,567,350	7,567,373	7,567,350	23	7,567,373
223 Rec Center Debt Service	308,661	3,165,000	3,473,661	3,166,000	307,661	3,473,661
Total Debt Service Funds	\$ 308,684	\$ 10,732,350	\$ 11,041,034	\$ 10,733,350	\$ 307,684	\$ 11,041,034
Capital Funds						
330 REET 2	880,442	1,840,000	2,720,442	2,720,000	442	2,720,442
331 REET 1	1,793,392	1,840,000	3,633,392	3,600,000	33,392	3,633,392
333 Capital Development	303,250	-	303,250	303,250	-	303,250
357 Other Government Capital	436,704	50,000	486,704	465,000	21,704	486,704
360 Transportation Capital	114,185	36,393,628	36,507,813	36,423,628	84,185	36,507,813
370 Facilities Capital	614,050	1,560,000	2,174,050	2,174,050	-	2,174,050
380 Parks & Recreation Capital	1,199,520	19,055,316	20,254,836	20,048,600	206,236	20,254,836
390 Public Safety Capital	7,442,821	3,250,000	10,692,821	9,425,000	1,267,821	10,692,821
Total Capital Funds	\$ 12,784,364	\$ 63,988,944	\$ 76,773,308	\$ 75,159,528	\$ 1,613,780	\$ 76,773,308
Enterprise Funds						
411 Utility Operations	17,465,375	79,040,000	96,505,375	89,522,165	6,983,210	96,505,375
412 Utility Capital	6,702,618	39,235,000	45,937,618	39,835,000	6,102,618	45,937,618
460 Golf Course	405,766	3,845,400	4,251,166	4,120,400	130,766	4,251,166
Total Enterprise Funds	\$ 24,573,759	\$ 122,120,400	\$ 146,694,159	\$ 133,477,565	\$ 13,216,594	\$ 146,694,159
Internal Service Funds						
510 Equipment Rental Reserve	4,917,173	7,133,300	12,050,473	1,901,600	10,148,873	12,050,473
511 Equipment Rental Oper	40,254	6,171,800	6,212,054	6,011,922	200,132	6,212,054
513 Lynnwood Shop Operations	51,985	596,300	648,285	627,370	20,915	648,285
515 Self Insurance	131,296	-	131,296	120,000	11,296	131,296
520 Technology Reserve	194,807	332,282	527,089	520,000	7,089	527,089
Total Internal Service Funds	\$ 5,335,515	\$ 14,233,682	\$ 19,569,197	\$ 9,180,892	\$ 10,388,305	\$ 19,569,197
Total 2025 - 2026 Budget	\$ 76,731,835	\$ 392,926,372	\$ 469,658,207	\$ 420,825,935	\$ 48,832,272	\$ 469,658,207

2025-2026 BUDGET OVERVIEW

FUND DESCRIPTIONS

GENERAL GOVERNMENT FUNDS			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
011	General Fund	Taxes, Business License fees, Development Services fees, Recreation fees, Court & Traffic Fines, Interfund Service revenues from Enterprise Funds, State Shared and Other Governmental revenues	City Departments: Police, Municipal Court, Public Works Admin & Engineering, Development & Business Services, Finance, Human Resources, Legal, Information Technology, Legislative, Executive. Transfers to Debt Service funds for CJC and Rec Center bonds, and to Street Fund and Solid Waste Mgmt Fund
020	Economic Development Infrastructure Fund	Sales tax revenues from projects valued over \$10 million. No contributions made since 2020.	Public infrastructure and public facilities in support of the City's economic development
098	Revenue Stabilization Fund	No ongoing source of revenue; counts towards the General Fund's 2.5 month minimum fund balance policy	Included in the City's reserves to be used for cash flow shortages or for times when there is an unexpected shortage in tax revenue. Used in 2020 to balance General Fund, paid back in 21-22 budget
101	Lodging Tax Fund	Lodging tax revenues (Hotel/Motel tax) from overnight stays	Restricted to Tourism Promotion activities based on Tourism Advisory Committee recommendations. Almost 95% of revenues go to the Lynnwood Public Facilities District
104	Drug Enforcement Fund	Federal equitable sharing from federal illegal drug investigations, also funds from Washington State seizures for illegal drugs	Restricted Federal seizure funds can be spent on law enforcement, State seizure funds can only be spent on drug-related law enforcement expenses
105	Criminal Justice Fund	Criminal justice sales tax collected by the state. Federal and state grants and beginning in 2024, traffic safety fees.	Restricted to criminal justice expenditures. \$600K per year to CJC debt service, beginning 2025, \$1.625M per year to General Fund for 10 officers
110	Transportation Impact Fee Fund	Transportation Impact Fees from development projects that impact the City's transportation system	Funds are restricted to use for capacity-related projects. Funds are transferred to Transportation Capital Fund
111	Street Operating Fund	State shared motor vehicle fuel tax, right of way use permits. Transfers from the General and TBD Funds	Funds are restricted to Street maintenance and operations including 300 lane miles of roads and associated sidewalks, signs and traffic signals

2025-2026 BUDGET OVERVIEW

GENERAL GOVERNMENT FUNDS, cont.			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
114	Cumulative Park Reserve Fund	Donations, gifts or contributions from persons or corporations for park/recreation purposes	Covers recreation registration fees for children from low-income households and for disabled individuals. Also covers recreation registration fees for low-income seniors
116	Cumulative Art Reserve Fund	One percent (1%) of certain construction projects as transfers from Capital funds and gifts to the City	Acquisition and maintenance of the City's art collection including outdoor art projects in parks as well as over 100 portable art pieces
121	Tree Reserve Fund	Permit and tree removal fees. Developers are required to replant trees; if this can't be done then a fee is paid for each tree that is not replaced	Purchase trees at various locations around the City. Private homeowners can apply for tree vouchers
131	American Rescue Plan Act Fund	Federal Dept of Treasury grant funding administered through the State of Washington	Limited to allowable uses outlined by the US Department of Treasury and approved by City Council
144	Waste Reduction	Department of Ecology State Grant and contribution from the General Fund	Public education and awareness on waste reduction, recycling, composting, household waste
146	Affordable Housing Fund	Portion of States Sales Tax from HB 1406	Restricted for certain affordable and supportive housing purposes; no funds spent yet
147	Opioid Settlement Fund	Settlement funds from multiple opioid manufacturers and distributors	Restricted for limited opioid remediation purposes; no funds spent yet
150	Transportation Benefit District Fund	Sales tax and vehicle license fees	Funds are restricted to be used for transportation-related projects and expenditures, typically transferred to Street Fund and Transportation Capital Fund
180	Park Impact Fee Fund	Park Impact Fees from development projects that impact the City's public parks and recreation facilities system	Funds are restricted to use for Growth-related projects. Funds are transferred to the Parks & Recreation Capital Fund

2025-2026 BUDGET OVERVIEW

DEBT SERVICE FUNDS			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
203	General Government Debt Service Fund	Transfers from General Fund, Criminal Justice Fund, and Park Impact Fee Fund	To cover debt service payments for construction of the Community Justice Center and purchase of Town Square Park
223	Recreation Center LTGO Fund	Transfer from the General Fund	Debt service payments on the bond for the Recreation Center

CAPITAL FUNDS			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
330	REET 2 Fund (2 nd ¼% of REET)	Real estate excise tax on sale of real estate in the City of Lynnwood. This fund receives one quarter of one percent (1/4%)	Restricted for capital projects and limited maintenance. Funds are transferred to the various General Government Capital funds
331	REET 1 Fund (1 st ¼% of REET)	Real estate excise tax on sale of real estate in the City of Lynnwood. This fund receives one quarter of one percent (1/4%)	Restricted for capital projects and limited maintenance. Funds are transferred to the various General Government Capital funds
333	Capital Development Fund	Was receiving transfer from General Fund of \$1.1 million per year. No contributions made since 2020	Transfers to General Government Capital funds to fund various capital projects
357	Other Government Capital Fund	Transfers from Capital Development and REET I Funds	Other General Government infrastructure projects
360	Transportation Capital Fund	Grant revenues, transfers from Capital Development, REET, Transportation Benefit District, Transportation Impact Fee and Utility funds	Transportation (Street) capital projects, sidewalks, etc.
370	Facilities Capital Fund	Transfers from Capital Development and REET funds	City buildings and facilities improvements and capital maintenance
380	Parks & Recreation Capital Fund	Transfers from Capital Development, Park Impact Fees and REET funds	Construction, improvement and capital maintenance of City parks, trails, open space and related facilities
390	Public Safety Capital Fund	2021 and 2022 C J C LTGO bond revenues and CRC grant revenues	Community Justice Center construction; Community Recovery Center construction

2025-2026 BUDGET OVERVIEW

ENTERPRISE FUNDS			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
411	Utility Operations Fund	Utility revenues from customers for water, sewer and stormwater services	Water purchases, wastewater treatment plant costs, labor, benefits, debt service costs
412	Sewer/Water/Storm Capital Fund	Transfers from the Utility Operations Fund as well as utility bond proceeds	Utility capital infrastructure projects
460	Golf Course Fund	Golf course revenues including green fees, food and beverage sales, golf cart rentals and tournaments and special events	Premier Golf management fees and capital upgrades

INTERNAL SERVICE FUNDS			
Fund Number	Fund Name	Major Revenue Sources	Major Expenditures
510	Equipment Rental Reserve Fund	Revenues are received from other funds for equipment and vehicle purchases and replacement charges	Vehicles and equipment purchases
511	Equipment Rental Operations Fund	Revenues are received from other funds for equipment and vehicle maintenance, fuel, repairs and insurance. Fees for service to the RFA.	Fleet maintenance costs including labor, benefits, fuel, parts, supplies, etc.
513	Lynnwood Shop Operations Fund	Revenues are received from other funds that use the shop to cover the costs of the maintenance, repairs and upgrades to the LOMC	Shop maintenance, utility costs, etc. of the LOMC
515	Self-Insurance Fund	Revenues are received from other funds for insurance premiums, claims and judgments	Insurance premiums, claims and judgments and some defense costs
520	Technology Reserve Fund	Revenues are received from other funds for information technology equipment including replacement of desktop computers, laptops, etc. These charges are spread over years to each of the General Fund departments	Information technology equipment and hardware

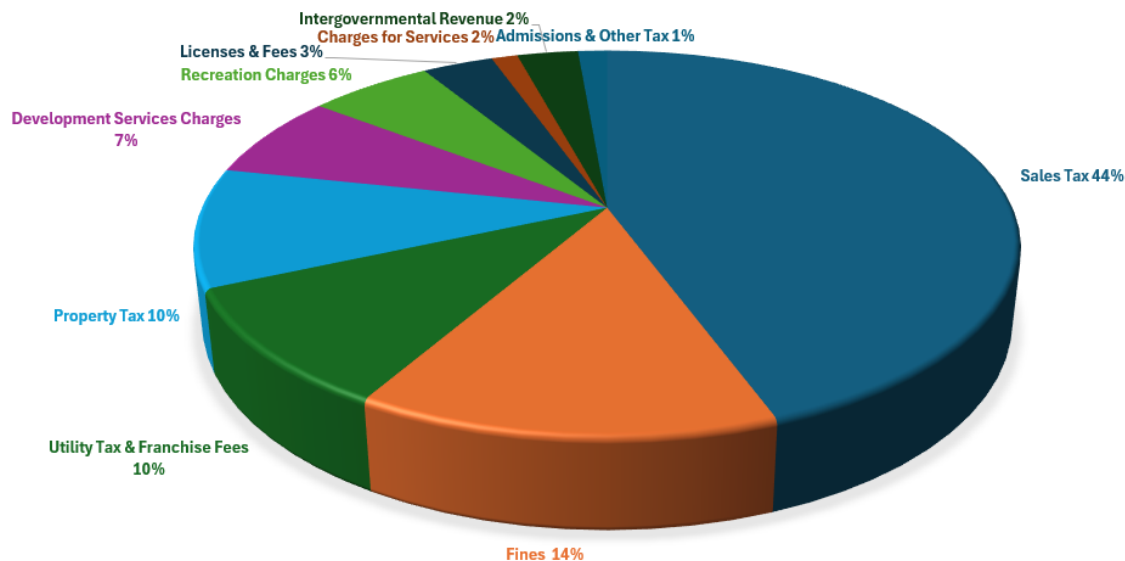
GENERAL GOVERNMENT REVENUE & EXPENDITURES

GENERAL GOVERNMENT REVENUES

This section explains and illustrates the estimates for revenue sources included in the General Government funds for the 2025-2026 Biennial Budget. Key funding sources are described below by category. General Government Funds include the General Fund, Other Governmental Funds, Debt Service Funds and Internal Service Funds.

	2023 Actual	2023 - 2024 Budget	2025 - 2026 Adopted Budget	% Operating Revenue
GENERAL GOVERNMENT FUNDS				
BEGINNING FUND BALANCE	\$ 64,480,357	\$ 49,814,649	\$ 38,773,712	
Property Tax	4,498,921	9,225,000	15,100,000	7.9%
Sales Tax	34,878,592	69,526,668	73,468,600	38.6%
Utility Tax	6,494,584	12,675,500	14,033,100	7.4%
Admissions Tax	612,215	1,475,000	1,200,000	0.6%
Other Taxes	1,270,643	1,904,664	2,507,800	1.3%
Licenses & Fees	3,564,149	7,437,688	7,522,000	3.9%
Development Services Charges	4,292,155	13,970,900	15,747,600	8.3%
Recreation Charges	3,656,726	5,447,010	8,420,000	4.4%
Charges for Services	6,312,214	14,666,872	18,161,982	9.5%
Fines & Forfeitures	4,659,218	12,845,000	20,340,000	10.7%
Franchise Fees	406,612	840,000	690,000	0.4%
Intergovernmental Revenue	6,215,520	16,823,669	12,908,396	6.8%
Investment Interest	968,174	437,000	380,000	0.2%
TOTAL OPERATING REVENUES	77,829,723	167,274,971	190,479,478	
Non-Operating Revenue	19,423,290	19,733,612	802,200	
Transfers-in	7,218,262	14,969,118	15,535,350	
TOTAL SOURCES OF REVENUE	\$ 168,951,632	\$ 251,792,350	\$ 245,590,740	

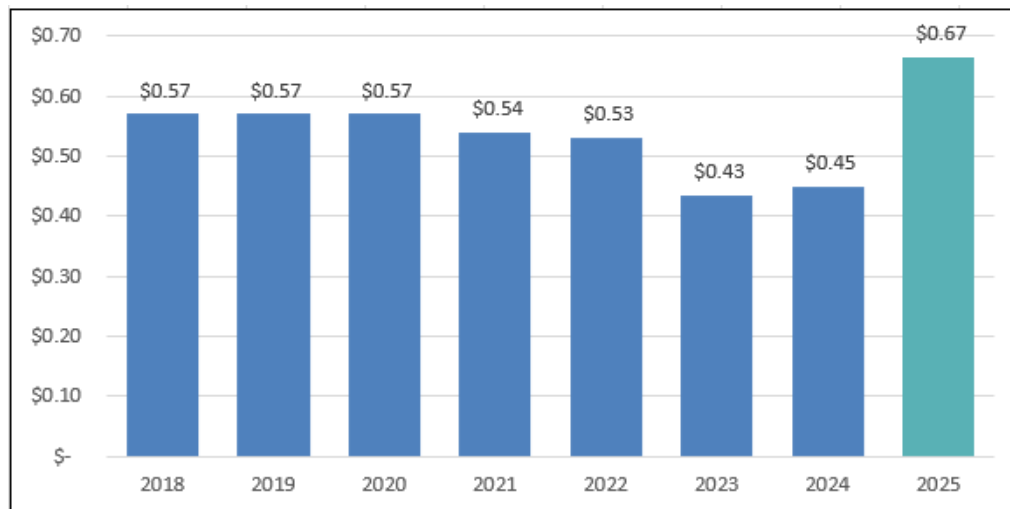
GENERAL FUND REVENUES



2025-2026 BUDGET OVERVIEW

Property Tax: A property tax revenue estimate of \$6.2 million for 2025 was reflected in the preliminary budget. Prior to budget adoption, the City Council added additional positions and adopted a levy of \$7.2 million for 2025. The levy for 2024 is \$4.725 million which equates to rate of \$0.43 per \$1,000 of AV. The rate has decreased from \$0.57 in 2018-2020 down to the current rate of \$0.043 per \$1,000 of AV as annual levies were adopted by Council at amounts lower than budgeted and forecasted.

The adopted property tax amount of \$7.2 million for 2025 will result in a levy of \$.67 which will partially fund service level increases that have been approved by Council without permanent funding over the last few years. Based on an estimated Assessed Valuation (AV) increase of 3%, due mostly to new construction, the average homeowner will see an increase of approximately \$144 per year (\$12 per month). The City has an estimated \$3.2 million in banked levy capacity.



Sales Tax: The General Fund's largest revenue source, Sales Tax, was negatively impacted in 2020 by the COVID-19 pandemic but exceeded budgeted expectations from 2021-2023. Revenues for 2024 have slowed down slightly from 2023 but are forecasted to continue growing in the next biennium, due to the recent opening of the Lynnwood Light Rail station and the anticipated impact on development in the area. A growth rate of 5.6% was used for 2025 and 4% for 2026 in line with forecasts from the Puget Sound Economic Forecaster. Current estimates show that Sales Tax revenues from new construction projects will remain in the General Fund with no amount contributed to the Economic Development Infrastructure Fund.

Utility Taxes: Revenue estimates for 2025 and 2026 are based on revenue trends including year to date activity in 2024. City utility taxes received from water, sewer and storm water billing are based upon estimated utility revenues from rates that are separately adopted by Council.

Development Services Charges: Development services revenues are forecasted based upon actual and probable development projects coming up in 2025 and 2026. Amounts reflect proposed updated Development fees that align with the cost of processing permits, plan review, and inspection services which will be presented to Council for approval separately.

2025-2026 BUDGET OVERVIEW

Recreation Charges: Recreation revenues have continued to trend positively as participation and attendance have increased after programs were fully restored since the pandemic. Revenues are forecasted based upon estimated program and facility rental fees that will be presented to Council for approval separately.

Charges for Services and Fines & Forfeitures: For this biennium, the forecast includes \$2.1 million in anticipated revenues for contracting with surrounding agencies for bed space in the Community Justice Center. Fines and forfeitures are forecasted to increase reflecting restoration of traffic cameras that were out of service due to construction.

Non-Operating Revenues: This category reflects almost \$7 million in cost allocation revenues from other City funds to offset internal service costs that General Fund provides in support of their operations.

The table below provides a summary of General Fund revenues received in 2023, estimated for 2024 and adopted for 2025-2026:

DESCRIPTION	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED	2026 ADOPTED
REVENUE				
OPERATING REVENUE				
Property Tax	4,498,921	4,725,000	7,200,000	7,900,000
Sales Tax	30,180,485	30,320,000	32,018,000	33,299,000
Utility Tax	6,494,584	6,591,000	6,872,500	7,160,600
Admissions Tax	612,215	550,000	600,000	600,000
Other Taxes	384,419	364,000	386,000	391,000
Licenses & Fees	2,396,725	2,725,300	2,396,700	2,725,300
Development Services Charges	2,388,055	4,725,000	5,083,800	5,083,800
Recreation Charges	3,622,837	4,000,000	4,200,000	4,200,000
Charges for Services	28,254	36,900	881,500	2,282,400
Fines & Forfeitures	4,222,013	6,042,600	10,125,000	10,175,000
Franchise Fees	406,612	360,000	350,000	340,000
Intergovernmental Revenue	1,588,587	1,954,465	2,064,200	1,029,600
Interest	416,158	250,000	200,000	180,000
Total Operating Revenue	\$ 57,239,865	\$ 62,644,265	\$ 72,377,700	\$ 75,366,700
OTHER FINANCING SOURCES				
Other Non Operating Revenue	3,452,691	3,231,472	3,581,700	3,751,700
Transfers-in	17,033	400,000	-	-
Total Other Financing Sources	\$ 3,469,724	\$ 3,631,472	\$ 3,581,700	\$ 3,751,700
TOTAL OPERATING REVENUE & OTHER SOURCES	\$ 60,709,589	\$ 66,275,737	\$ 75,959,400	\$ 79,118,400

GENERAL FUND EXPENDITURES

The General Fund expenditure budget for 2025-2026 reflects the inclusion of additional funding for permanent positions and services that were added by Council to support priorities in recent years without permanent on-going funding. This includes:

Public Safety:

- 10 police officer positions formerly funded through the American Rescue Plan Act (ARPA) and Community Oriented Policing Services (COPS) grant.
- 4 custody officers, 4 master custody officers and 1.5 custodial positions for the Community Justice Center.
- 1 court marshal and 1 legal clerk position for Municipal Court operations.

2025-2026 BUDGET OVERVIEW

- 1 maintenance worker for Streets.
- 2 maintenance workers for Parks for graffiti removal.

Park Expansion/Improvements:

- Senior Park Planner position moved out of capital fund for permanent funding.

Health & Mental Health Services:

- Contractual medical services for the Community Justice Center.
- 1 human services coordinator position in Parks Recreation & Cultural Arts

Prior to budget adoption, the City Council added additional General Fund positions. These include:

Public Safety:

- 3 Court Clerks and 1 Court Commissioner
- 1 Custody Lieutenant and 3 Custody Officers (hiring of Custody Officers to begin in 2026)
- 1 Facility Maintenance position for the Community Justice Center
- 1 Computer Support Specialist position to keep up with help desk needs as public safety staffing levels and software and hardware needs have expanded

Funding for a City Council-led Youth Council was also added to the budget prior to adoption.

CITY COUNCIL CHANGES FROM PROPOSED BUDGET TO ADOPTED BUDGET 2025-2026				
ITEM	NEW FTE	ONE-TIME	ON-GOING	25-26 IMPACT
GENERAL FUND REVENUES				
PROPERTY TAX LEVY \$1,000,000 INCREASE FOR 2025 (\$1,200,000 budgeted for 2026 will require adoption)		■		\$ 2,200,000
GENERAL FUND EXPENDITURES				
YOUTH ADVISORY COMMISSION		■		\$ 20,000
COMPUTER SUPPORT SPECIALIST	1.0		■	250,600
PHOTO ENFORCEMENT UNIT STAFFING	3.0		■	609,900
COURT COMMISSIONER	1.0		■	614,650
DETENTION & CORRECTIONS: CUSTODY LIEUTENANT	1.0		■	350,400
DETENTION & CORRECTIONS: CUSTODY OFFICERS	3.0		■	230,900
FACILITIES: CUSTODIAN	1.0		■	180,950
NET IMPACT TO PROPOSED GENERAL FUND ENDING BALANCE				\$ (57,400)

The General Fund budget includes transfers to debt service funds for the City's outstanding bonds for the Recreation Center (\$3.2 million) and Community Justice Center (\$5.7 million). The transfer to the Street Fund included in the budget has been increased from \$2.1 million for 2023-2024 to \$3.25 million for 2025-2026 in order to fund one additional street maintenance worker position and purchase a new asphalt paver in support of the Council priority for safe streets. There are no transfers to any capital reserve funds.

Other Non-Departmental expenses were moved into operating departments including \$1.1 million in contractual services for photo enforcement moved to the Police Department and funds for City-wide memberships/dues and professional services for both state and federal lobbyists were included in the Executive Department.

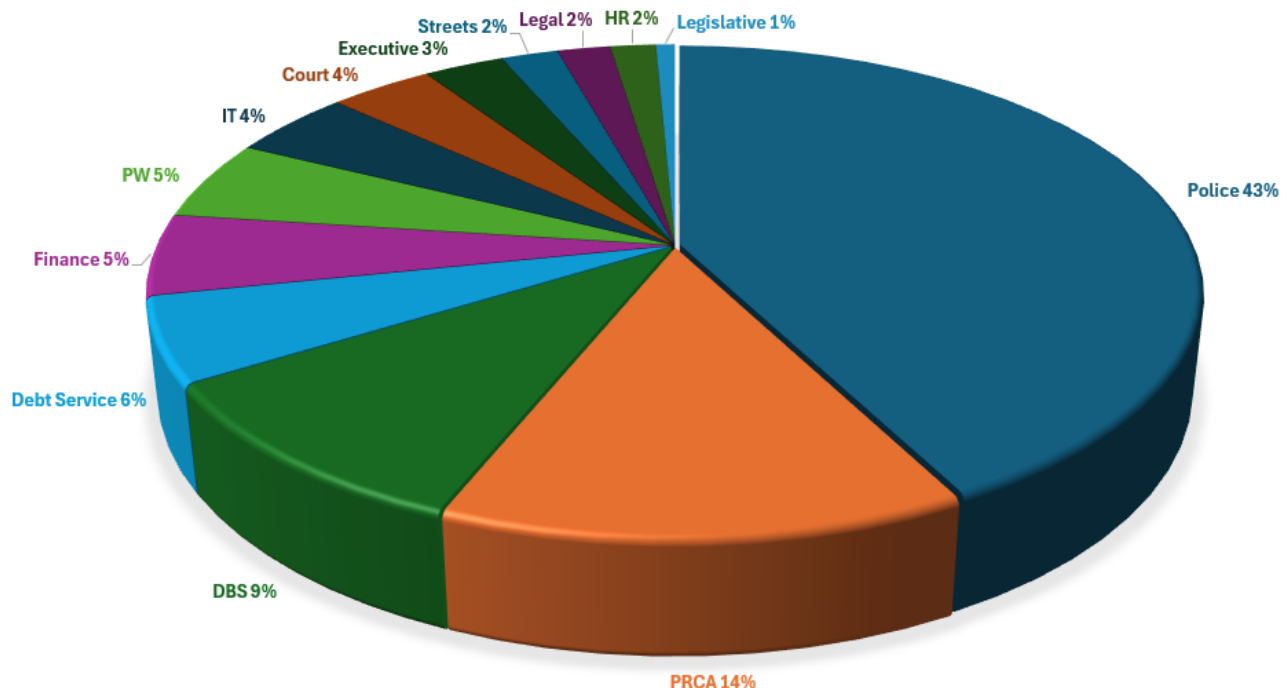
Department budget estimates reflect contractual cost of living adjustment for represented employees in accordance with approved collective bargaining agreements (Police 9.5%-11.5%, Teamsters and AFSCME 3.24%) and a proposed cost of living adjustment for non-represented (General Salary Ordinance) employees of 3.24%.

Costs for City-wide expenses for liability and property insurance, technology services, attorney fees and fleet charges are spread out to departments based on allocations. These costs continue to rise annually for the City. Liability insurance rates have increased from \$600,000 for 2021 to an estimated \$2.2 million for 2025.

2025-2026 BUDGET OVERVIEW

The table below provides a summary of General Fund expenditures in 2023, estimated for 2024 and adopted for 2025-2026:

DESCRIPTION	2023 ACTUAL	2024 ESTIMATED	2025 ADOPTED	2026 ADOPTED
EXPENDITURES				
OPERATING EXPENDITURES				
Legislative	471,588	581,427	543,579	561,559
Executive	1,796,134	1,842,070	2,276,312	2,265,341
Municipal Court	1,750,461	2,000,000	2,950,148	3,076,452
Legal	1,391,591	1,337,109	1,504,800	1,580,100
Human Resources	932,636	1,160,000	1,297,424	1,360,492
Finance	3,346,993	3,800,000	4,140,505	4,365,146
Information Technology	2,709,402	3,060,348	3,457,673	3,591,665
Non-Departmental	570,578	729,422	-	-
Police	23,564,710	27,000,000	32,769,092	34,434,213
Fire	1,384,326	1,003,574	261,700	261,700
Parks, Recreation, & Cultural Arts	9,237,398	10,330,115	10,665,773	11,182,145
Public Works	3,156,587	3,750,000	4,075,159	4,275,294
Development & Business Services	5,409,428	5,850,000	7,776,630	7,183,258
Total Operating Expenditures	\$ 55,721,832	\$ 62,444,065	\$ 71,718,795	\$ 74,137,365
Operating Revenues over (under) Operating Expenditures	\$ 1,518,033	\$ 200,200	\$ 658,905	\$ 1,229,335
OTHER FINANCING USES				
Transfer to Streets Fund	1,075,700	1,025,000	1,625,000	1,625,000
Transfer for CJC Debt Service	2,444,712	2,421,563	2,961,470	2,781,170
Transfer for Rec Center Debt Service	1,602,088	1,249,087	1,321,750	1,843,250
Transfer to Waste Reduction	26,500	26,500	26,500	26,500
Other Transfers Out	177,000	-	-	-
Total Other Financing Uses	\$ 5,326,000	\$ 4,722,150	\$ 5,934,720	\$ 6,275,920
Total Operating Expenditures & Other Uses	\$ 61,047,832	\$ 67,166,215	\$ 77,653,515	\$ 80,413,285



Additional detail on departmental expenditures is included in the upcoming narrative pages for each department.

2025-2026 BUDGET OVERVIEW

GENERAL FUND FORECAST

In accordance with the City's financial policies (available in the Appendix), a six-year forecast for the General Fund is prepared to help guide and inform budget decisions. This reflects revenues and expenditures for 2025-2026 and assumptions for years 2027-2030.

DESCRIPTION	2025 ADOPTED	2026 ADOPTED	2027 Forecasted	2028 Forecasted	2029 Forecasted	2030 Forecasted
REVENUE						
OPERATING REVENUE						
Property Tax	7,200,000	7,900,000	8,500,000	9,000,000	9,100,000	9,100,000
Sales Tax	32,018,000	33,299,000	34,298,000	35,327,000	36,034,000	36,755,000
Utility Tax	6,872,500	7,160,600	7,461,500	7,592,800	7,732,000	7,916,100
Admissions Tax	600,000	600,000	600,000	600,000	600,000	600,000
Other Taxes	386,000	391,000	393,200	372,100	374,200	376,300
Licenses & Fees	2,396,700	2,725,300	2,766,200	2,807,700	2,849,800	2,892,500
Development Services Charges	5,083,800	5,083,800	5,135,000	5,186,000	5,238,000	5,290,000
Recreation Charges	4,200,000	4,200,000	4,319,000	4,441,700	4,567,800	4,697,700
Charges for Services	881,500	2,282,400	2,537,800	2,693,400	2,799,200	2,955,200
Fines & Forfeitures	10,125,000	10,175,000	10,190,000	10,205,300	10,220,900	10,236,800
Franchise Fees	350,000	340,000	323,000	320,000	310,000	300,000
Intergovernmental Revenue	2,064,200	1,029,600	1,060,600	1,092,400	1,125,100	1,158,700
Interest	200,000	180,000	170,000	160,000	157,000	155,000
Total Operating Revenue	\$ 72,377,700	\$ 75,366,700	\$ 77,754,300	\$ 79,798,400	\$ 81,108,000	\$ 82,433,300
OTHER FINANCING SOURCES						
Other Non Operating Revenue	3,581,700	3,751,700	3,864,100	3,978,700	4,097,800	4,220,200
Transfers-in	-	-	-	-	-	-
Total Other Financing Sources	\$ 3,581,700	\$ 3,751,700	\$ 3,864,100	\$ 3,978,700	\$ 4,097,800	\$ 4,220,200
TOTAL OPERATING REVENUE & OTHER SOURCES	\$ 75,959,400	\$ 79,118,400	\$ 81,618,400	\$ 83,777,100	\$ 85,205,800	\$ 86,653,500
TOTAL REVENUES AND BEGINNING FUND BALANCE						
	\$ 89,043,431	\$ 90,508,317	\$ 91,713,433	\$ 93,403,713	\$ 95,090,643	\$ 97,114,843
EXPENDITURES						
OPERATING EXPENDITURES						
Legislative	543,579	561,559	572,800	584,300	596,000	607,900
Executive	2,276,312	2,265,341	2,310,600	2,356,800	2,403,900	2,452,000
Municipal Court	2,950,148	3,076,452	3,107,200	3,138,300	3,169,700	3,201,400
Legal	1,504,800	1,580,100	1,611,700	1,643,900	1,676,800	1,710,300
Human Resources	1,297,424	1,360,492	1,387,700	1,415,500	1,443,800	1,472,700
Finance	4,140,505	4,365,146	4,452,400	4,541,400	4,632,200	4,724,800
Information Technology	3,457,673	3,591,665	3,645,500	3,700,200	3,755,700	3,812,000
Non-Departmental	-	-	-	-	-	-
Police	32,769,092	34,434,213	35,347,900	36,054,900	36,776,000	37,511,500
Fire	261,700	261,700	274,800	288,500	302,900	318,000
Parks, Recreation, & Cultural Arts	10,665,773	11,182,145	11,405,800	11,633,900	11,866,600	12,103,900
Public Works	4,075,159	4,275,294	4,318,000	4,361,200	4,404,800	4,448,800
Development & Business Services	7,776,630	7,183,258	7,326,900	7,473,400	7,622,900	7,775,400
Total Operating Expenditures	\$ 71,718,794	\$ 74,137,364	\$ 75,761,300	\$ 77,192,300	\$ 78,651,300	\$ 80,138,700
Operating Revenues over (under) Operating Expenditures	\$ 658,906	\$ 1,229,336	\$ 1,993,000	\$ 2,606,100	\$ 2,456,700	\$ 2,294,600
OTHER FINANCING USES						
Transfer to Streets Fund	1,625,000	1,625,000	1,675,000	1,675,000	1,725,000	1,725,000
Transfer for CJC Debt Service	2,961,470	2,781,170	2,781,770	2,781,570	2,989,750	2,770,350
Transfer for Rec Center Debt Service	1,321,750	1,843,250	1,842,250	1,843,500	1,236,750	1,872,250
Transfer to Waste Reduction	26,500	26,500	26,500	26,500	26,500	26,500
Other Transfers Out	-	-	-	-	-	-
Total Other Financing Uses	\$ 5,934,720	\$ 6,275,920	\$ 6,325,520	\$ 6,326,570	\$ 5,978,000	\$ 6,394,100
Total Operating Expenditures & Other Uses	\$ 77,653,514	\$ 80,413,284	\$ 82,086,820	\$ 83,518,870	\$ 84,629,300	\$ 86,532,800

2025-2026 BUDGET OVERVIEW

Maintaining a General Fund balance equal to 2.5 months of the prior year's operating expenses is required by City policy. The 2023-2024 Budget presented to City Council by the Mayor, reflected General Fund revenues and expenditures that were equal and did not reduce the fund balance, in adherence to City policy. The final 2023-2024 budget adopted and amended by Council, included lower than budgeted property tax levies and an intentional draw down of the fund balance of \$2.5 Million as Council added positions and services but did not increase revenues to offset the additional expenditures.

Both revenues and expenditures for 2023-2024 have trended below budget in some areas, resulting in an estimated beginning 2025 fund balance \$1.2 Million higher than adopted/amended. The trend to keep revenues below expenditures will continue through the 2025-2026 biennium as revenues are increased gradually to fund existing service levels while maintaining compliance with financial policies. Operating revenues exceed operating expenditures for 2025-2026 and forecasted years through 2030.

The 2025-2026 budget as proposed and adopted maintains compliance with the minimum fund balance policy through 2030.

DESCRIPTION	2025 ADOPTED	2026 ADOPTED	2027 Forecasted	2028 Forecasted	2029 Forecasted	2030 Forecasted
ENDING FUND BALANCE SUMMARY						
Reserved For:						
Minimum per Financial Policy	13,009,180	14,941,415	15,445,284	15,783,604	16,081,729	16,385,688
Unreserved (W/O \$6M Stabilization Funds)	(1,619,263)	(4,846,382)	(5,818,671)	(5,898,761)	(5,620,386)	(5,803,645)
Total Ending Fund Balances	\$ 11,389,917	\$ 10,095,033	\$ 9,626,613	\$ 9,884,843	\$ 10,461,343	\$ 10,582,043
Total Operating Expenditures, Other Uses, & Ending Fund Balances	\$ 89,043,431	\$ 90,508,317	\$ 91,713,433	\$ 93,403,713	\$ 95,090,643	\$ 97,114,843
General Fund	11,389,917	10,095,033	9,626,613	9,884,843	10,461,343	10,582,043
Revenue Stabilization Fund	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total Fund Balance	\$ 17,389,917	\$ 16,095,033	\$ 15,626,613	\$ 15,884,843	\$ 16,461,343	\$ 16,582,043
Minimum Fund Balance Required	\$ 13,009,180	\$ 14,941,415	\$ 15,445,284	\$ 15,783,604	\$ 16,081,729	\$ 16,385,688
Fund Balance Over/Under Minimum	\$ 4,380,737	\$ 1,153,618	\$ 181,329	\$ 101,239	\$ 379,614	\$ 196,355

011 GENERAL FUND

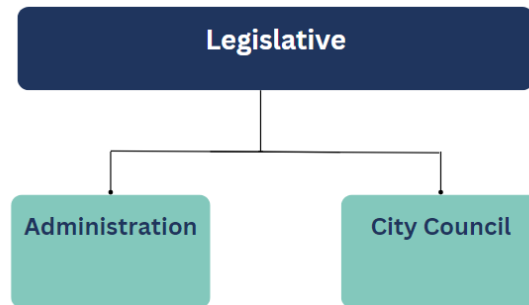


GENERAL FUND SUMMARY

GENERAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 14,312,752	\$ 13,974,509	\$ 14,312,752	\$ 13,084,031
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 42,170,623	42,550,000	\$ 84,308,200	\$ 96,427,100
Licenses & Fees	4,277,859	9,284,306	11,607,700	15,979,600
Intergovernmental Revenue	1,562,217	475,459	4,040,002	2,946,800
Charges for Services	6,938,436	7,268,372	16,639,110	17,303,100
Fines & Forfeitures	4,222,113	6,042,600	12,750,000	20,300,000
Investment Interest	416,158	250,000	141,000	380,000
Other Revenue	1,101,222	-	1,093,400	1,736,600
TOTAL REVENUES	\$ 60,688,628	\$ 65,870,737	\$ 130,579,412	\$ 155,073,200
OTHER FINANCING SOURCES				
Other Financing Sources	3,928	5,000	273,200	4,600
Transfers-in	17,033	400,000	384,994	-
TOTAL OTHER FINANCING SOURCES	\$ 20,961	\$ 405,000	\$ 658,194	\$ 4,600
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 75,022,341	\$ 80,250,246	\$ 145,550,358	\$ 168,161,831
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	28,968,796	33,398,489	65,067,285	78,075,405
Personnel Benefits	10,353,374	12,208,058	23,361,432	27,395,944
Supplies	1,303,192	1,834,962	3,138,550	4,077,050
Services & Charges	14,977,675	14,982,456	32,099,865	35,908,186
Intergovernmental	1,305	20,100	64,000	16,000
TOTAL OPERATING EXPENDITURES	\$ 55,604,342	\$ 62,444,065	\$ 123,731,132	\$ 145,472,585
Operating Revenues over (under) Operating Expenditures	\$ 5,084,286	\$ 3,426,672	\$ 6,848,280	\$ 9,600,615
OTHER FINANCING USES				
Capital Outlay	117,491	-	35,980	383,573
Debt Service	-	-	1,200	-
Transfers-out	5,326,000	4,722,150	10,048,150	12,210,640
TOTAL OTHER FINANCING USES	5,443,491	4,722,150	10,085,330	12,594,213
TOTAL EXPENDITURES & OTHER USES	\$ 61,047,833	\$ 67,166,215	\$ 133,816,462	\$ 158,066,798
ENDING FUND BALANCES	\$ 13,974,509	\$ 13,084,031	\$ 11,733,896	\$ 10,095,033
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 75,022,342	\$ 80,250,246	\$ 145,550,358	\$ 168,161,831

011 GENERAL - LEGISLATIVE**Department Mission and Responsibilities:**

The seven-member City Council performs duties and responsibilities afforded by State law and the Municipal Code. They are responsible for enacting policies and legislation, establishing citizen advisory boards, approving budgets, and authorizing expenditures, authorizing contracts and agreements, and general representation of the City before other agencies, entities, and the public.

Department Programs:**Department FTE History:**

Legislative FTE History (Incl. 7 Elected Officials)				
2022	2023	2024	2025	2026
7.75	7.75	7.75	7.75	7.75

Metrics:

Legislative Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
# Community meetings- Let's Talk About Safety	N/A	2	3	2
Coffee with the Council	N/A	2	3	2
Mock City Council (students)	N/A	0	0	1
Fully staffed boards and commissions	N/A			
Council Member Attendance as Liaisons (avg % meetings attended)	N/A	N/A	75%	71%
Grants obtained via Olympia Lobbyist	N/A	0	0	0

Department Budget History by Program and Category:

Legislative	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
City Council	\$ 471,588	\$ 581,427	\$ 1,053,015	\$ 1,105,138
Total	\$ 471,588	\$ 581,427	\$ 1,053,015	\$ 1,105,138

City Council	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 202,997	\$ 203,803	\$ 406,800	\$ 435,458
Personnel Benefits	176,669	181,131	357,800	370,646
Supplies	2,972	16,528	19,500	27,000
Services & Charges	88,950	179,965	268,915	272,034
Total	\$ 471,588	\$ 581,427	\$ 1,053,015	\$ 1,105,138

Changes for 2025-2026 Budget:

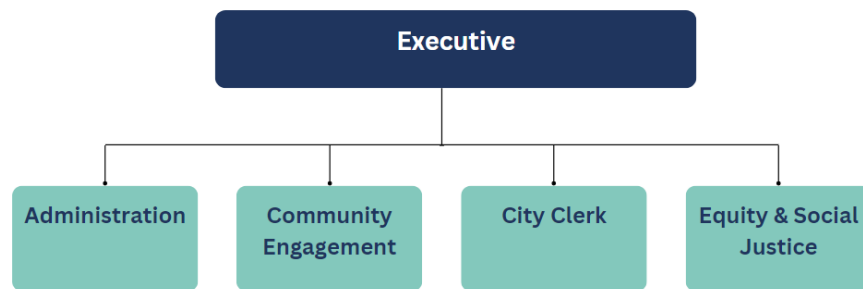
- **State Lobbyist:** While the Association of Washington Cities is a major representative for Cities in the State Legislature, the City Council believes a lobbyist that will advocate for the specific needs of Lynnwood is needed. The goal is to have the cost of this lobbyist offset by grants that the City will receive through the efforts of a lobbyist focused on Lynnwood priorities.
- **National League of Cities:** The Council joined NLC for the first time in 2024. The NLC offers education and training opportunities on a national level. A major benefit of NLC membership is access to a vast catalog of grant opportunities. NLC Conferences offer unique networking opportunities on a federal level.
- **Increased Outreach:** The City Council is planning on continuing and expanding our outreach efforts with the community. Quarterly Coffee with Council meetings will continue. Town Halls on public safety will also continue as needed. Last year there was a successful mock City Council meeting with a local middle school and there is interest in holding these on a quarterly basis with all the middle schools in Lynnwood as participants.
- **Youth Council:** Prior to final budget adoption, funds were added to the City Council budget to support the creation and facilitation of a new Youth Council.

011 GENERAL - EXECUTIVE

Department Mission and Responsibilities:

The Executive Office provides leadership for the city and administrative direction for the functions of city government in support of the Community Vision, the Strategic Plan Priorities, adopted plans, and other various goals and initiatives. The Executive Office oversees administrative operations that support and implement the policy direction of the City Council. This work includes dissemination of information to and from the general public, coordination with officials, agencies, and bodies representing other government agencies, city record keeping, risk management, and general support of Lynnwood's advisory boards and commissions.

Department Programs:



Department FTE History:

Executive FTE History (Incl. 1 Elected Official)				
2022	2023	2024	2025	2026
6.00	10.00	10.00	10.00	10.00

Metrics:

Executive Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Public Records Requests	442	502	656	333
Claims Against the City Received	101	84	105	55
Claims Against the City Closed	86	52	115	73
Records Batches Sent to Archives	21	1	45	21
Records Digitized into ApplicationExtender	19,388	9,458	5,346	794
GovDelivery (eNews) Subscribers	Not tracked	49,722	51,017	51,310
GovDelivery (eNews) Engagement Rate	Not tracked	46.77%	44.51%	39.84%
Facebook and Instagram Reach	Not tracked	54,800	711,700	138,500
Provide REDI training/educational opportunities for city employees. (Target 4x per year).	4	4	3	9

Department Budget History by Program and Category:

Executive	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 606,570	\$ 664,134	\$ 1,270,704	\$ 1,789,872
Community Engagement	248,504	340,296	588,800	646,519
City Clerk	809,723	650,577	1,460,300	1,757,508
Equity & Social Justice	131,338	187,062	318,400	347,754
Total	\$ 1,796,135	\$ 1,842,069	\$ 3,638,204	\$ 4,541,653

Executive	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 976,171	\$ 1,084,829	\$ 2,061,000	\$ 2,443,727
Personnel Benefits	333,558	366,942	700,500	779,040
Supplies	13,089	19,861	32,950	30,700
Services & Charges	473,317	370,437	843,754	1,288,186
Total	\$ 1,796,135	\$ 1,842,069	\$ 3,638,204	\$ 4,541,653

Changes for 2025-2026 Budget:

Lobbyist Contract: The City and the Council have expressed an interest in contracting with a Lobbying firm to assist with legislative engagement in Olympia.

Community Survey and Data Software: For several years the City of Lynnwood contracted with the National Research Center to conduct the National Citizen Survey, now called the National Community Survey. This is a scientific survey that measures the livability of a community based on several facets of living. The Administration is interested in bringing back this survey to be conducted during off-budget years to better understand the voice of the community and the value of city services. The National Community Survey is now conducted by a research company, Polco, who also offers a multitude of data points that will be available to departments that will allow us to benchmark our city services to other communities.

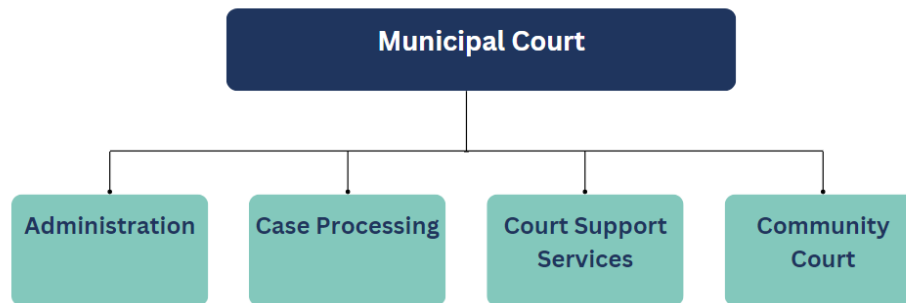
Transfer from Non-Departmental: Citywide membership costs will be reallocated from the Non-Departmental budget to the Executive budget.

011 GENERAL - MUNICIPAL COURT

Department Mission and Responsibilities:

The Municipal Court is the judicial branch of the City of Lynnwood. Courts exist to provide an impartial forum for the resolution of disputes. This ensures the rule of law, protects individual rights, and helps create community safety. Lynnwood Municipal Court's mission is to contribute to the quality of life in our community by fairly and impartially administering justice in such a manner that preserves both the dignity and rights of the defendants as well as the citizens of Lynnwood.

Department Programs:



Department FTE History:

Municipal Court FTE History (Incl. 1 Elected Official)				
2022	2023	2024	2025	2026
11.85	13.70	14.00	18.00	18.00

Metrics:

Municipal Court Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Clearance Rate	98%	104%	103%	82.5%
Search Warrants	37	170	210	77
Reminder Text Messages Sent	N/A	N/A	8,064	5,579
Stake Holder Meetings	N/A	9	8	4
Jury Questionnaires	849	1,050	1,950	750
Jury Summons	170	360	410	245
Intake	\$4.8 M	\$4.9 M	\$4.6 M	\$3.2 M
Cases Filed	42,480	49,692	39,234	33,311
Hearings Held	12,983	17,011	18,182	9,325
Cases Disposed	43,173	51,942	41,108	27,939
LEP Cases	Refer to 2024	Refer to 2024	Refer to 2024	1,431
LEP Languages	Refer to 2024	Refer to 2024	Refer to 2024	45
Email Correspondence	9,500	9,940	9,925	6,066

2025-2026 BUDGET

Telephone Calls Answered	15,856	12,026	13,297	6,882
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Cases on active probation	138
Cases on monitored probation	161
Cases on BW status pending re-assignment	376

Department Budget History by Program and Category:

Municipal Court	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 757,316	\$1,348,242	\$ 2,105,558	\$ 3,031,624
Probation Services	370,535	428,028	798,563	1,148,794
Case Processing	622,610	675,233	1,297,843	1,846,182
Total	\$1,750,461	\$2,451,503	\$ 4,201,964	\$ 6,026,600

Municipal Court	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$1,032,434	\$1,500,823	\$ 2,533,257	\$ 3,701,919
Personnel Benefits	382,900	576,997	959,897	1,380,281
Supplies	17,157	46,899	64,056	28,200
Services & Charges	305,389	339,365	644,754	916,200
Total	\$1,737,880	\$2,464,084	\$ 4,201,964	\$ 6,026,600

Changes for 2025-2026 Budget:

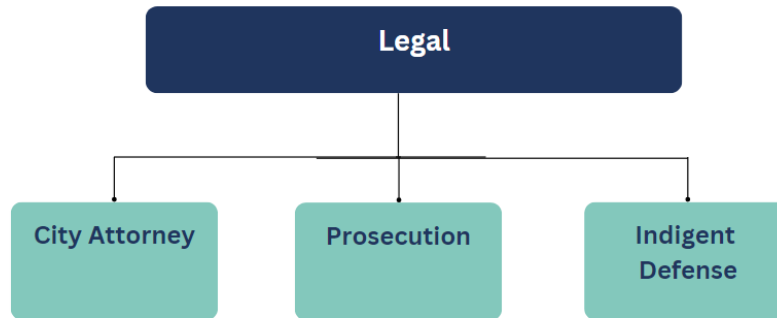
- Increased interpreter services costs
- Increased contract security costs
- Reduction of Court Marshal positions to 1 FTE
- Increase OT to provide for Court Marshal coverage
- Increased copy machine lease and printing costs
- Prior to final budget adoption, City Council added 1 Court Commissioner and 3 Court Clerk positions to the Municipal Court budget.

011 GENERAL - LEGAL

Department Mission and Responsibilities:

The mission of the Legal Department is three-fold: 1) to advance and protect the City's interests within the parameters prescribed by law; 2) to vigorously, justly, and efficiently prosecute those who commit crimes in Lynnwood; and 3) to provide adept legal representation to Lynnwood's indigent defendants. All legal services are provided by contracts with private law firms.

Department Programs:



Department FTE History: 0 FTE

Department Budget History by Program and Category:

Legal	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
City Attorney	\$ -	\$ 35,300	\$ 35,300	\$ -
Prosecuting Attorney	559,200	559,200	1,118,400	1,246,000
Public Defense	832,391	742,609	1,575,000	1,838,900
Total	\$ 1,391,591	\$ 1,337,109	\$ 2,728,700	\$ 3,084,900

Legal	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Services & Charges	\$ 1,391,591	\$ 1,337,109	\$ 2,728,700	\$ 3,084,900
Total	\$ 1,391,591	\$ 1,337,109	\$ 2,728,700	\$ 3,084,900

Changes for 2025-2026 Budget:

City Attorney: All costs for City Attorney services are budgeted and charged to the department and program using the services.

Department	Amount	Department	Amount	Department	Amount
Legislative	\$64,400	Finance	\$6,800	DBS	\$100,000
Executive & City Clerk	\$268,800	Police	\$55,000	PW Admin & Utilities	\$82,000
HR	\$16,000	PRCA	\$20,000	TOTAL	\$613,000

Prosecution: The City's prosecutorial services are provided through a professional services contract. Due to industry-wide wage increases for prosecutors, the City's contractual fees will be increasing above and beyond the anticipated 4% increase for 2025 and 2026.

Indigent Defense: The City provides indigent defense services to defendants eligible for assistance, through a professional services contract. On March 8, 2024, the Washington State Bar Association adopted revised Standards for Indigent Defense Services (WSBA Standards). These new standards will, over a three-year period, drastically reduce the number of public defense cases an attorney is able to accept in a year. The Supreme Court is currently taking testimony from interested parties regarding these new defense standards. At this time the impact to the Lynnwood public defense contract is unknown, however initial calculations anticipate that Lynnwood will need to at least double the number of public defenders. The new standards will be phased in over a two-year period beginning on July 2, 2025, with the full standard beginning on July 2, 2027. The City has not yet renegotiated our current contract and will not begin negotiations until the beginning of next year. We know that costs will increase, but we do not have numbers yet. At this time, we have budgeted for a 10% increase for 2025 but will most likely need to bring this back to Council for a mid-biennium adjustment next year.

011 GENERAL - HUMAN RESOURCES

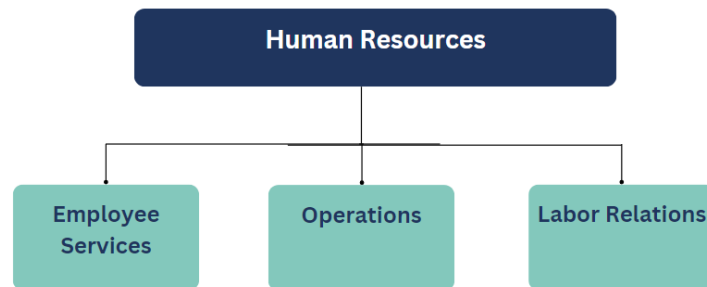
Department Mission and Responsibilities:

City of Lynnwood Human Resources provides strategic and practical Human Resources guidance, delivers excellent service, embraces diversity, acts with respect, emphasizes collaboration, and creates a welcoming environment where all contribute, develop, and reach their full potential.

The Human Resources (HR) Department is an internal, full-service Human Resources Department, providing human resource management and administrative assistance to employees, City departments, supervisors, and the Mayor. Our programs are designed to attract and retain a diverse, highly qualified, and engaged City staff. The department's responsibilities include the following:

- Employee and Labor Relations
- Recruitment, selection, and onboarding
- Classification and compensation
- Employee benefits administration
- Employee professional development
- Employment policy administration and legal compliance
- Civil Service administration
- Workplace Safety/Reporting and Compliance
- Diversity, Equity, and Inclusion support
- Strategic and Workforce planning

Department Programs:



Department FTE History:

Human Resources FTE History				
2022	2023	2024	2025	2026
5.20	5.20	5.00	5.00	5.00

Metrics:

Human Resources Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Job acceptance rate	n/a	n/a	94%	98%
Benefit eligible opt-outs	n/a	n/a	1.4%	1.1%
Workplace Safety OSHA reportable incidents	17	20	19	8
New hires processed	117	168	196	132
Separations processed	98	139	140	42
Requisition turnaround time	1.2	2.9	4.7 days	6.1 days
Protected leave cases processed	49	24	37	22
Protected leave hours usage	8,904	11,043	10,621	6,535
Job applications received	2264	2489	3901	2692
Personnel Action Notices processed	543	600	680	380
Modernization of HR systems completion rate	<25%	25%	50%	75%
Turnover rate	17%	22%	20%	6%
Grievances	1	1	2	2
Memorandum of Understandings on file	12	13	29	11
Grievance rates: Solved before Step 3	100%	100%	100%	100%
# of Union Mediations	0%	0%	0%	0%
# of Union Arbitrations	0%	0%	0%	0%
Contracts settled prior to expiration	100%	80%	100%	100%

Department Budget History by Program and Category:

Human Resources	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Employee Services	\$ 62,898	\$ 139,902	\$ 202,800	\$ 232,100
Operations	843,327	1,056,255	1,899,582	2,300,616
Labor Relations	26,411	103,789	130,200	125,200
Total	\$ 932,636	\$ 1,299,946	\$ 2,232,582	\$ 2,657,916

Human Resources	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 588,191	\$ 702,409	\$ 1,290,600	\$ 1,451,146
Personnel Benefits	186,947	231,453	418,400	449,914
Supplies	40,955	(5,655)	35,300	50,000
Services & Charges	116,543	371,739	488,282	706,856
Total	\$ 932,636	\$ 1,299,946	\$ 2,232,582	\$ 2,657,916

Changes for 2025-2026 Budget:

- Human Resources manages the City's NEOGOV software usage. In the past, modules of the NEOGOV software platform have been a shared cost across each City department. For the 2025-2026 biennium, Human Resources will absorb the NEOGOV software costs for all departments. This may look like a significant increase to the Human Resources budget. However, for ease it will no longer be cost shared among City departments.
- Human Resources has agreed to move the safety officer position out of our budget. The position FTE and expense will be moved to the Public Works budget.
- Aside from slight cost of business increases, and a city risk insurance increase, the Human Resources budget remains fairly static.
- The 2025-2026 biennium will have a greater focus on training and development of staff.

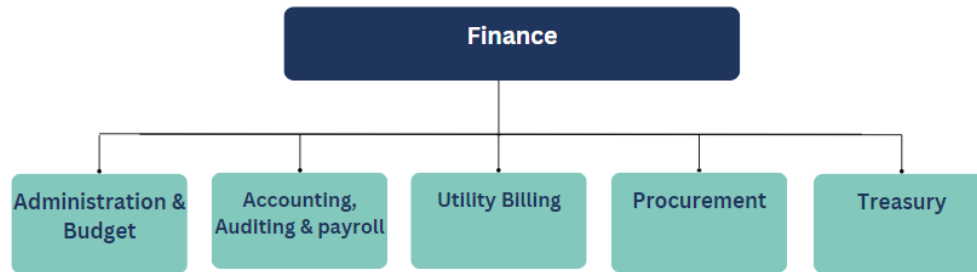
011 GENERAL - FINANCE

Department Mission and Responsibilities:

The Finance Department's mission is to ensure transparent management of public funds by compiling and maintaining accurate financial records of the City of Lynnwood to ensure compliance with federal, state and local laws and regulations.

The Finance Department is responsible for accounting, financial statement preparation, management of the annual audits, preparation and management of the budget, financial planning, procurement, accounts payable, payroll, billing for all services including utilities, debt management, capital asset tracking, treasury management and investment of public funds. This involves coordinating the development of the City's biennial budget and the preparation of the City's annual financial report and audit. The Finance Department is a primary point of contact with the community as it provides reception services at City Hall.

Department Programs:



Department FTE History:

Finance FTE History				
2022	2023	2024	2025	2026
26.75	23.75	23.50	23.50	23.50

Metrics:

Finance Metrics	Actual 2021	Actual 2022	Actual 2023	Through June 2024
Audit Hours Billed For	1,477	1,505	1,262	1,198
Payroll Personnel Actions Processed	1,135	855	1,077	551
Customer Accounts Maintained	10,024	10,062	10,138	10,158
Bills Processed	60,139	60,172	60,820	30,211
Number of Phone Calls Received to UB Main Line	6,995	8,180	4,822	4,574
Contracts Opened	48	77	62	59
Purchasing Card Transactions Processed	8,431	9,594	10,721	5,744
Revenue Transactions Processed Through Cashiering	10,845	17,167	15,143	6,725

2025-2026 BUDGET

Revenue Transactions Processed Through Journal Entry	1,357	1,885	2,590	1,505
Phone Calls Received by Front Desk Staff	10,711	13,079	9,846	3,380

Department Budget History by Program and Category:

Finance	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Accounting, Auditing & Payroll	\$ 1,263,788	\$ 1,639,812	\$ 2,903,600	\$ 3,386,244
Administration & Budget	511,515	407,485	919,000	1,588,314
Procurement	413,363	857,537	1,270,900	1,031,018
Treasury Services	540,751	636,649	1,177,400	1,236,556
Utility Billing	617,576	500,524	1,118,100	1,263,519
Total	\$ 3,346,993	\$ 4,042,007	\$ 7,389,000	\$ 8,505,651

Finance	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 1,996,074	\$ 2,462,926	\$ 4,459,000	\$ 5,389,222
Personnel Benefits	769,443	1,063,857	1,833,300	1,836,729
Supplies	25,468	(68)	25,400	15,000
Services & Charges	556,008	515,292	1,071,300	1,264,700
Total	\$ 3,346,993	\$ 4,042,007	\$ 7,389,000	\$ 8,505,651

Changes for 2025-2026 Budget:

The Finance Department budget reflects increases related to the cost of goods, services and personnel, including the contract for the City's financial software, Munis, and for the cost of the annual Financial, Accountability and Federal Audits completed by the State Auditor's Office. The Finance budget does not include any requests for additional funding for new programs, services or positions. Staffing levels between divisions were reorganized to allocate more support to the Utility Billing division.

011 GENERAL - INFORMATION TECHNOLOGY

Department Mission and Responsibilities:

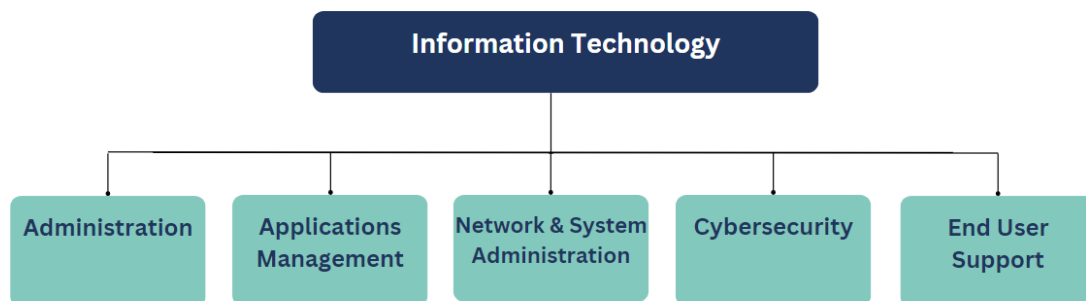
The Information Technology (IT) Department's mission is to provide secure, proven technology to enhance employees' operational effectiveness and meet our community's needs. Our vision is to be a trusted technology partner, empowering the business through innovation and efficiency.

The department plays a critical role in several key areas to ensure smooth and secure operations across the city.

- **Data Management & Backup:** The IT department manages the storage, backup, and recovery of critical data, ensuring business continuity and minimizing the impact of any potential data loss.
- **Cloud Services & Virtualization:** As organizations increasingly move to cloud-based solutions, the IT department oversees cloud storage and applications, manages virtualized environments, and ensures smooth transitions.
- **Cybersecurity:** Beyond firewalls and antivirus protection, IT is responsible for implementing and maintaining protocols for data encryption, user authentication, threat detection, and response plans in case of cyber attacks.
- **Disaster Recovery & Business Continuity Planning:** Developing and testing plans to restore systems and operations after disasters, whether natural, cyber-related, or man-made, is a critical function.
- **Compliance:** Ensuring that all technology and data practices meet legal and regulatory requirements, such as those set forth by HIPAA, CJIS, and other industry-specific guidelines.
- **Help Desk & End-User Support:** Providing real-time assistance to city employees through a service desk to resolve technical issues, handle software updates, and troubleshoot problems with systems or equipment.
- **Project Management:** Leading technology upgrades and new implementations across the City's departments, the IT department ensures that projects are completed on time, within scope, and under budget.

By overseeing these critical areas, the IT Department empowers city employees with the technology they need to serve the community effectively while also preparing the city for future technological advancements.

Department Programs:



Department FTE History:

Information Technology FTE History				
2022	2023	2024	2025	2026
13.00	13.00	13.00	14.00	14.00

Metrics:

Information Technology Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of support tickets	4082	4535	4751	2987
Number of supported network accounts	364	368	376	427
Desktop, Laptop, and Mobile Devices	568	622	705	797
Overall Department Satisfaction (%)	97	97	98	98
Service Level Agreements fulfilled (%)	81	85	89	87

The IT Department manages over 400 networking devices and 110 physical and virtual servers with 99.95% uptime, translating to less than 22 minutes of monthly downtime (does not include planned maintenance outages).

Department Budget History by Program and Category:

Information Technology	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 553,741	\$ 574,888	\$ 1,128,629	\$ 1,328,091
Cyber Security	155,630	270,670	426,300	497,000
Applications Management	889,144	959,885	1,849,029	2,113,365
End User Support	380,857	438,035	818,892	1,261,601
Network & Systems Administration	730,031	816,869	1,546,900	1,849,281
Total	\$ 2,709,403	\$ 3,060,347	\$ 5,769,750	\$ 7,049,338

Information Technology	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 1,499,471	\$ 1,508,544	\$ 3,008,015	\$ 3,838,358
Personnel Benefits	555,855	540,298	1,096,153	1,346,007
Supplies	53,342	88,708	142,050	159,200
Services & Charges	600,735	922,797	1,523,532	1,705,773
Total	\$ 2,709,403	\$ 3,060,347	\$ 5,769,750	\$ 7,049,338

Changes for 2025-2026 Budget:

- Cost increases in acquiring software licensing and subscriptions.
- Cost increases in acquiring hardware and maintenance support contracts
- Cost increases in insurance.
- Prior to final budget adoption, City Council added 1 Computer Support Specialist position to the IT budget.

011 GENERAL - NON-DEPARTMENTAL**Department Mission and Responsibilities:**

The Non-Departmental segment of the General Fund is used only for transfers to other funds.

For 2025-2026 that includes Transfers of:

- \$3.25 Million to the Street Operations Fund
- \$5.74 Million to the Debt Service Fund for the Community Justice Center
- \$3.17 Million to the Debt Service Fund for the Recreation Center
- \$53,000 to the Waste Reduction Fund

Department FTE History: 0 FTE

Department Budget History by Program and Category:

Non-Departmental	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Transfers-out	\$5,326,000	\$4,722,150	\$ 10,048,150	\$ 12,210,640
Services & Charges	570,578	729,422	1,300,000	-
Total	\$5,896,578	\$5,451,572	\$ 11,348,150	\$ 12,210,640

Non-Departmental	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Services & Charges	\$ 570,578	\$ 729,422	\$ 1,300,000	\$ -
Transfers-out	5,326,000	4,722,150	10,048,150	12,210,640
Total	\$5,896,578	\$5,451,572	\$ 11,348,150	\$ 12,210,640

Changes for 2025-2026 Budget:

In prior years, Non-Departmental also included funds for Citywide memberships and contractual obligations that have been moved to operating departments for this biennium.

011 GENERAL - POLICE

Department Mission:

The Mission of the Lynnwood Police Department is to provide proactive, competent, and effective public safety services to all persons, with the highest regard for human dignity through efficient and professional law enforcement and crime prevention practices.

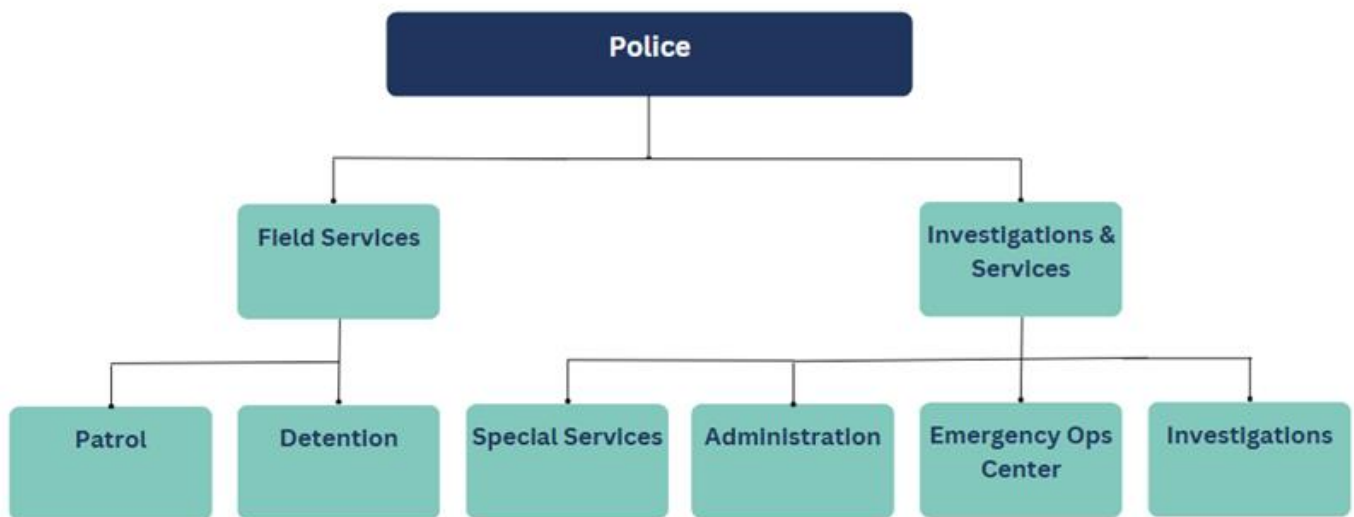
Department Vision:

Our vision is to be recognized by our community as a major factor in determining and ensuring the quality of life in Lynnwood. We desire to be viewed as a leader in the law enforcement community; an organization that is committed to innovation and positive change in our endeavor to continually improve the quality of our service.

Our Values:

- Professionalism: Committed to professional development while providing ethical, proficient, and respectful service.
- Vigilance: Keeping the community safe through proactive and tenacious pursuit of violators of the law.
- Community: Cultivating positive interactions by fostering trust; and partnering with community members to create a high quality of life.

Department Programs:



Department FTE History:

Police Department FTE History				
2022	2023	2024	2025	2026
108.00	123.00	127.00	129.50	132.50

Metrics:

Police Department Metrics				
Special Services	Actual 2021	Actual 2022	Actual 2023	2024 (First half)
Total Roadway Collisions	994	1,082	1,192	515
Photo Red Reviews	51,372	62,001	44,425	44,726
Injury Collisions Investigated	223	241	277	101
Fatality Collisions	3	0	2	0
K-9 Team Arrests	28	42	64	28
SWAT (Special Weapons and Tactics)	Actual	Actual	Actual	2024
Annual Practical Training Hours (Lynnwood Officers)	1336	1568	1648	824
Hostage Negotiation Team Training Sessions	56	56	56	28
Total Call Out Per Year	6	11	15	10
Patrol	Actual	Actual	Actual	2024
Calls for Service (CFS)	37,136	41,871	47,236	21,734
DUI Arrests	125	188	189	85
K-9 Team Arrests	28	42	64	28
Narcan Applications – Opioid Overdose	11	35	43	22
Avg. Call Response Time – Priority 1 Calls	3:07	4:12	3:30	3:43
Avg. Call Response Time – Priority 2 Calls	5:26	5:55	5:50	6:18
Detention and Corrections	Actual	Actual	Actual	2024
Inmates Booked	502	Closed	Closed	Closed
Electronic Home Detention Participants	115	146	185	26
Electronic Home Detention Days Served	4,030	4,261	8,078	595
Medically Assisted Therapy Initiated	0	0	0	15
Police Administration	Actual	Actual	Actual	2024

2025-2026 BUDGET

Annual Calls for Service	39,374	41,871	47,236	21,734
Applicants Processed and Hired	3	11	9	7
Applicants Processed & Not Hired	65	176	321	158
Audits	5	4	5	2
Special Operations Section (SOS)	Actual	Actual	Actual	2024
Arrests	240	54	56	33
Registered Sex Offender Checks	51	84	46	N/A
Firearms Seized (Illegal/Criminal Possession/Criminal Use)	14	2	6	3
Community Health and Safety	Actual	Actual	Actual	2024
Number of Volunteers	65	64	60	59
Volunteer Hours	1,665	1,917	2,568	1,391
Car Seat Inspections	77	94	114	44
Car Seat Hours	638	682	816	418
Individuals Offered Services	N/A	N/A	571	290
Animal Control Calls for Service	407	461	517	232
Records and Support Services	Actual	Actual	Actual	2024
Reports Processed	5,599	6,882	7,385	3,668
Public Records Requests Filled	2,339	2,455	2,924	1,659
Community Members Fingerprinted	0	544	447	256
Concealed Pistol Licenses Processed	419	1,082	1,192	517
Property and Evidence	Actual	Actual	Actual	2024
New Cases Processed	1,121	1,629	1,731	767
Total Evidence Items Received and Processed	4,702	5,729	6,055	2,179
Total Evidence Items Disposed of	6,563	4,625	4,625	2,118
Criminal Investigations	Actual	Actual	Actual	2024
Assigned Investigations	662	987	1090	355
Cleared Investigations	704	958	1044	383
Physical Arrests	124	164	210	110
Victim Service Coordinator Cases	750	703	671	179

2025-2026 BUDGET

Planning, Training and Accreditation	Actual	Actual	Actual	2024
Hours of Training	15,181	13,059	15,477	8,070
Officers in the Academy	1	7	7	8
Officers Completed FTO	4	4	7	6
Police Skills Refresher Hours	1056	1152	1212	1200
Jail Skills Refresher Hours	264	280	420	540
Firearms Training Hours	392	426	456	237
Emergency Operations (EOC)	Actual	Actual	Actual	2024
City EOC Training Sessions	0	4	2	2

Department Budget History by Program and Category:

Police	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Patrol	\$ 8,196,872	\$ 6,971,600	\$ 15,168,472	\$ 17,661,190
Detention & Correction	4,861,162	6,479,151	11,340,313	14,774,722
Administration	4,943,274	5,115,059	10,058,333	13,274,618
Criminal Investigations	3,008,078	5,145,085	8,153,163	10,707,232
Special Services	2,489,501	4,850,043	7,339,544	10,560,403
Emergency Operations	65,825	145,815	211,640	225,140
Total	\$ 23,564,712	\$ 28,706,753	\$ 52,271,465	\$ 67,203,305

Police	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 12,863,193	\$ 17,162,701	\$ 30,025,894	\$ 36,714,926
Personnel Benefits	4,442,302	5,968,652	10,410,954	12,437,112
Supplies	525,405	1,185,513	1,710,918	2,364,350
Services & Charges	5,733,813	4,389,886	10,123,699	15,686,917
Total	\$ 23,564,713	\$ 28,706,752	\$ 52,271,465	\$ 67,203,305

Changes for 2025-2026 Budget:

The Police Department is coming out of a staffing crisis that caused significant stress on officer readiness and our ability to provide a full complement of policing services. The department is nearing full staffing

within the commissioned officer ranks. These staffing increases will enhance the services to our community from both the Patrol and Investigative Divisions, as well as specialized units, and improve our 911 call response times. The department is focused on reconstituting its specialty units to full staffing, such as the Special Operations Section, Narcotics Unit, Community Health & Safety Section, and the Traffic Section. These specialized units allow the department to provide focused and adaptive responses to community concerns as they occur, thereby increasing community safety. In 2025-2026 these specialty units will increase efforts at addressing violent crime, youth and gang violence, the drug epidemic, aggressive driving, and other community outreach efforts.

There are no requests for additional sworn officer positions in this budget, although ten (10) officer positions previously funded through ARPA and COPS grant funding are expected to be funded mostly through monies collected via the Traffic Safety Fee as part of the Automated Traffic Safety Program.

The opening of the Light Rail Station in August 2024 is expected to increase the level of police calls for service. Data collection will be ongoing to assess impacts on workload and whether additional police services will be needed.

The opening of the new Detention Facility will have a significant and impactful change to our operations and the breadth of services we provide. We will have the opportunity to provide innovative programming to those in our care with the goal of reducing recidivism and addressing underlying causation. In order to take advantage of alternative funding opportunities and to implement programming, an increase in staffing within the Detention Facility is necessary. In this budget cycle, a request for an additional four custody officer positions is submitted with a funding implementation starting in July 2026. Additionally, a request for a new Jail Lieutenant position is necessary to support the Jail Manager by overseeing the programming, scheduling, medical and behavioral health services, and daily operations of the 88-bed facility.

Labor contracts for police and sergeants, support services, and police management have been negotiated for 2025-2027, which will account for increased personnel costs in this budget cycle. It continues to be important for the department to be attractive in total compensation in order to retain qualified police and custody officers and to attract new applicants.

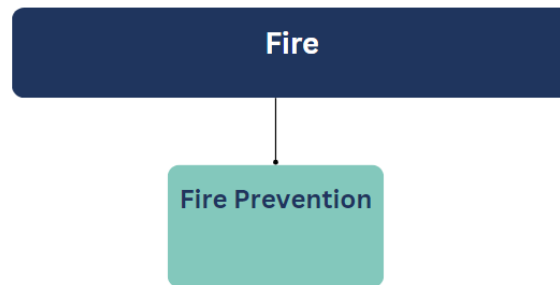
Prior to final budget adoption, the City Council added one Jail Lieutenant position and one Custody Lieutenant position for 2025 and three Custody Officers for 2026.

011 GENERAL – FIRE SERVICES

Department Mission and Responsibilities:

On October 1, 2017, the Lynnwood Fire Department and Fire District 1 were consolidated into the South Snohomish County Regional Fire Authority (RFA). In accordance with this action, the RFA has provided Lynnwood with fire prevention service through an interlocal agreement. Fire Prevention services include building plan review and inspections, code enforcement inspections and monitoring, and fire investigations.

Department Programs:



Department FTE History: 0 FTE

Department Budget History by Program and Category:

Fire Services	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Fire Prevention	\$ 1,384,326	\$ 1,303,574	\$ 2,687,900	\$ 523,400
Total	\$ 1,384,326	\$ 1,303,574	\$ 2,687,900	\$ 523,400

Fire Prevention	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Supplies	21	14,679	14,700	3,000
Services & Charges	1,384,305	1,288,895	2,673,200	520,400
Total	\$ 1,384,326	\$ 1,303,574	\$ 2,687,900	\$ 523,400

Changes for 2025-2026 Budget:

In 2024, the City and RFA renegotiated their interlocal agreement which significantly reduced the direct cost to the City for the 2025-2026 biennium.

011 GENERAL - PARKS, RECREATION & CULTURAL ARTS

Department Mission and Responsibilities:

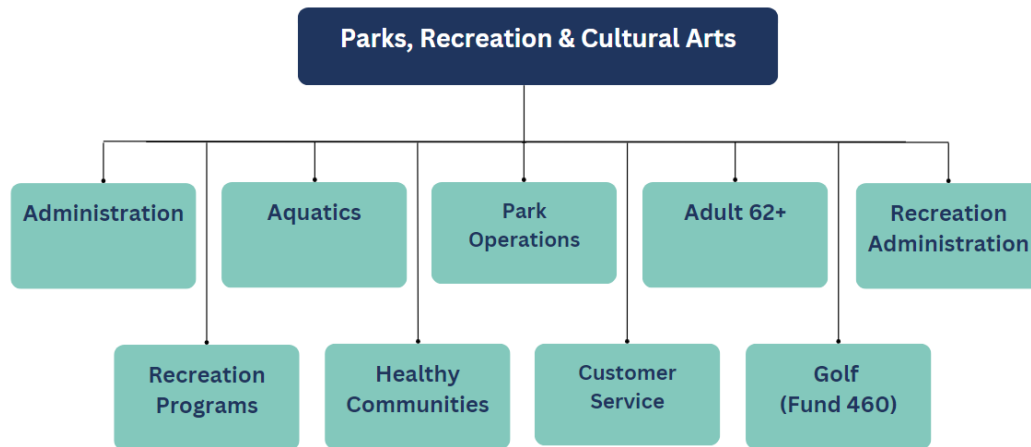
Mission: Lynnwood Parks, Recreation & Cultural Arts- creating a healthy community through people, parks, programs, and partnerships.

The Parks, Recreation & Cultural Arts (PRCA) Department provides a comprehensive system of facilities and programs to meet the parks and recreation needs of the community. The Department acquires, plans and develops parks and recreation facilities, operates and maintains parks and facilities, and provides a wide variety of affordable recreation activities and programs for all age groups.

The Department is comprised of four General Fund divisions and one Enterprise division:

- Administrative
- Park Operations
- Recreation
- Healthy Communities
- Golf (Enterprise)

Department Programs:



Department FTE History:

	Parks Recreation & Cultural Arts FTE History				
	2022	2023	2024	2025	2026
Total Regular Personnel	42.50	42.50	42.50	46.50	46.50
Estimated Part-Time & Seasonal FTE	35.61	45.14	45.14	45.14	45.14
Total	78.11	87.64	87.64	91.64	91.64

2025-2026 BUDGET

Metrics:

Parks, Recreation & Cultural Arts - Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan – June 2024
Annual Park Shelter Rentals	346	586	624	535
Graffiti and Vandalism Occurrences	N/A	N/A	255	137
Park Acre Per City Acreage	N/A	4.66%	4.76%	4.86%
Capital Park Grants Secured	\$7,085,000	\$3,568,293	\$6,784,729	\$2,647,138
Park Volunteer Projects	6	7	7	7
Event Sponsorship revenue	\$8,000	\$19,825	\$18,350	\$27,700
Fair Vendor Fees	N/A	\$12,425	\$9,750	\$13,900
Revenue	\$1,858,635	\$2,723,805	\$3,622,837	\$2,333,006
Swim Lessons registrations	8,421	9,336	7,365	8,653
Public swim registration	55,387	32,172	80,126	50,627
Water fitness classes offered	950	1,388	1,420	810
Class Registrations (no swim lessons)	8,210	6,617	7,291	3,898
Volunteer hours	1,501	3,033	4,025	4,400
Recreation Classes Programed hours	5,899	6,617	7,291	3,898
Athletic field/gym rentals hours	N/A	7,373	8,165	5,460
Membership Pass Scans	42,090	96,674	116,769	77,243
Pool rental hours	490	856	1,053	659
Room rental hours	212	571	762	412

Department Budget History by Program and Category:

Parks, Recreation, & Cultural Arts	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 708,686	\$ 827,817	\$ 1,536,503	\$ 1,821,803
Aquatics	2,260,580	2,536,724	4,797,304	4,748,964
Park Operations	1,826,691	1,847,444	3,674,135	4,987,116
62+ Programs	604,354	700,703	1,305,057	1,512,064
Recreation Administration	1,237,902	1,386,826	2,624,728	2,528,962
Healthy Communities	434,623	581,395	1,016,018	1,272,572
Customer Service	952,378	946,734	1,899,112	2,040,986
Recreation Programs	1,212,184	1,502,472	2,714,656	2,935,451
Total	\$ 9,237,398	\$ 10,330,115	\$ 19,567,513	\$ 21,847,918

Parks, Recreation, & Cultural Arts	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 5,264,847	\$ 5,731,316	\$ 10,996,163	\$ 12,316,606
Personnel Benefits	1,825,858	1,995,715	3,821,573	4,108,590
Supplies	476,849	320,867	797,716	1,029,250
Services & Charges	1,668,539	2,228,522	3,897,061	4,377,472
Intergovernmental	1,305	53,695	55,000	16,000
Total	\$ 9,237,398	\$ 10,330,115	\$ 19,567,513	\$ 21,847,918

Changes for 2025-2026 Budget:

The following changes are included for the 2025-2026 Budget:

- Part-time staff costs increased
- Utilities costs increased
- Insurance costs increased
- Repair/maintenance cost increased
- Bank Merchant fees increased
- Contractual services increased
- Vehicle replacement charges increased

011 GENERAL - PUBLIC WORKS

Department Mission and Responsibilities:

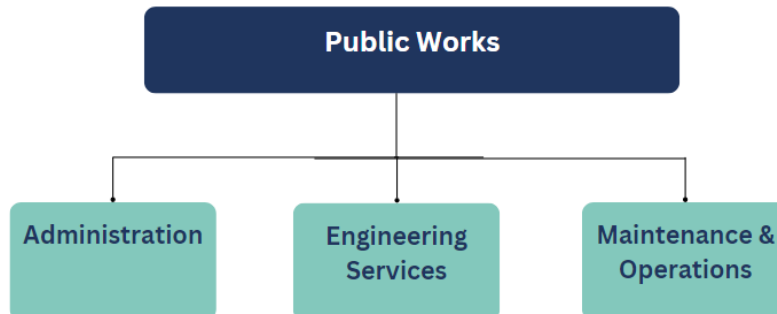
The Public Works Department will efficiently develop, manage, and operate the physical infrastructure that is the foundation of the City's health, safety, and welfare while enhancing the quality of life in our community. Public Works' main emphasis is on planning for, designing, constructing, operating, and maintaining the City's physical infrastructure.

Functionally, the Public Works Department is divided into three divisions: 1) Engineering Services; 2) Operations and Maintenance; and 3) Administration & Internal Services. Some of these functions are not part of the General Fund. Public Works has five operating funds and various other non-operating funds, as follows:

- Fund 011 General
- Fund 411 Water, Sewer, and Surface Water Utilities
- Fund 111 Street Operations and Maintenance
- Fund 144 Waste Reduction
- Fund 511 Fleet Operations

More details on these funds can be found elsewhere in this document.

Department Programs:



Department FTE History:

Public Works General Fund FTE History				
2022	2023	2024	2025	2026
22.30	23.65	23.65	22.85	22.85

Metrics:

Public Works Department Metrics				
Administration	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Phone Calls answered/received	868/1084	747/1184	1101/1449	695/873
Public Works Tweets Sent	256	132	138	39
ProCard Statements Reconciled	2016	2277	2428	1305

2025-2026 BUDGET

Sewer laterals updated in Asset Tracking System	841	178	2306	5232
Meters mapped in Asset Tracking system	66	93	91	20
Project Engineering	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of Projects/year	15	15	14	15
Grant funds received/year (\$)	900,000	42,070,000	1,744,000	11,583,000
Building & Property Services	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of Service Requests Completed	779	784	934	586
Number of Energy Opportunities Completed*			24	8
Safety Training completed**				10
Safety Committee Meetings held**				5
*Energy Management Opportunity Register created in 2023 for the Clean Buildings Targets				
**Workplace Safety portion added in 2024, metrics will be tracked starting in 2024				
Construction Management	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of Capital Const. Projects/year	7	5	6	6
Actual project cost not to exceed bid amount (% over)	9	9	9	9
Street Maintenance & Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of potholes filled per year	74	275	374	183
Number of trip hazards removed per year	96	45	103	90
Number of signs maintained per year	414	1997	3488	797
*Note the increased productivity in 2023 due to the addition of a Streets Maintenance Worker in 2023.				
Traffic Management & Signal Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Traffic Signal PM Inspections per month	63	63	63	69
Traffic Signal Critical Component Failure	2	3	1	1
Wastewater Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Annual Gallons of Sewage Treated	51.71 MG	52.22 MG	50.74 MG	27.08 MG
Sewer Line Repairs (Mains, Laterals, and Side Sewers)	55	71	73	0
Annual Wastewater Pretreatment Inspections	14	21	22	8
Sewage Pump Station Pump Repairs *	4	10	6	33
Water Utility Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Hydrants Flushed and Inspected	935	104	1042	1042
Hydrants Replaced	0	1	11	12
Number of Water Quality Samples	1276	1269	1269	436
Number of Water Quality Violations	0	0	0	0

2025-2026 BUDGET

Percentage of Water Loss	13.6%	8.9%	8.7%	7-8%
Surface Water Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of Coho Salmon Released	30,000	30,000	30,000	26,000
Number of Rain Gardens Installed	4	4	5	0 (4 planned for fall)
Catch Basins Inspected	3108	1862	3053	2958
Catch Basins Cleaned	865	453	893	307
Stormwater Facilities Inspected	361	361	368	351
Spills Responded	20	38	22	16
Equipment Rental Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
New/Replacement Vehicles Set up	16	7	22	10
Equipment Rental Operations	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Vehicle Work Orders Completed	1046	996	1052	528
Tree Fund	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Number of Trees Purchased with Tree Voucher Money	549	495	281	328
Waste Reduction Management	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Waste Reduction Events	4	5	6	5
Styrofoam Collected pounds	0*	520	1530	1311
Paper Shredded (tons)	5.2	6.2	6.21	4.86
E-Waste Collected (items, switched to pounds in 2024)	266	320	211	20,000
*Due to COVID shutdowns these events were canceled.				
Transportation Benefit District	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Rebuilt ADA Ramps	71	19	46	21
New/Rebuilt Traffic Signals and Roundabouts	2	-	6	2
Streets Repaved (square feet)	410,000	171,000	520,000	71,000
Rebuilt Sidewalks (linear feet)	10,000	-	-	730

Department Budget History by Program and Category:

Public Works	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 539,412	\$ 959,732	\$ 1,499,144	\$ 1,174,080
Project Engineering	518,377	244,043	762,420	1,180,454
Construction Management	406,359	133,240	539,599	1,252,403
Building & Property Services	1,692,439	2,344,153	4,036,592	4,562,566
Total	\$ 3,156,587	\$ 3,681,168	\$ 6,837,755	\$ 8,169,503

Public Works	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 1,558,687	\$ 959,732	\$ 3,068,300	\$ 3,536,759
Personnel Benefits	587,823	244,043	1,123,200	1,749,323
Supplies	114,342	133,240	192,150	256,400
Services & Charges	895,735	2,344,153	2,454,105	2,627,021
Total	\$ 3,156,587	\$ 3,681,168	\$ 6,837,755	\$ 8,169,503

Changes for 2025-2026 Budget:

The Department's programs have been scrutinized for efficiencies and cost saving opportunities. Several have been identified:

General Fund: This is a status quo budget for most of our programs except for Buildings and Property Services. With the opening of the Civic Justice Center and Community Recover Center additional staffing will be needed to clean on a daily basis and maintain the building. These are large, complex, and heavily used facilities that will take more maintenance and janitorial services to keep them in healthy and working condition. Public Works has also taken over the Safety Officer program, a portion of this funding will be moved into the Building and Property Services program from Human Resources.

011 GENERAL – DEVELOPMENT AND BUSINESS SERVICES

Department Mission and Responsibilities:

Mission:

Through outstanding public service, proactive planning, and strong partnerships, DBS fosters development of a vibrant community where people and businesses thrive.

Responsibilities:

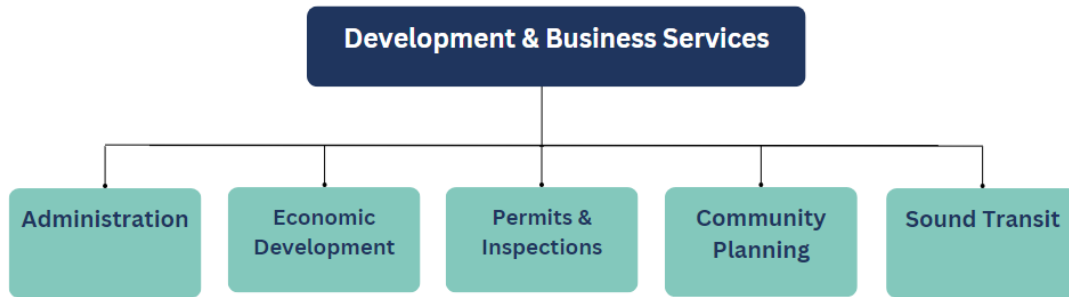
- Building permit processing, plan review and inspection services
- Private development infrastructure plan review and inspection
- Fire prevention plan review and inspection
- Code enforcement
- Zoning administration
- Long-range community planning
- Land use and environmental review and permitting
- Business licensing
- Business recruitment and retention
- Private development facilitation
- Sound Transit facility planning, permitting and project implementation
- Tourism promotion and marketing
- Department administration and management

DBS Strategic Plan:

1. Create a positive culture for applicants
2. Build systems, processes, and codes to work smarter and more efficiently
3. Develop staff expertise and a culture to address Lynnwood's future growth
4. Enhance quality of life through implementing the Lynnwood Comprehensive Plan
5. Attract businesses and development partners to succeed in Lynnwood

DBS furthers social equity in service delivery and enhances services to under-represented or under-served communities through a customer service culture to address the needs of all community members.

DBS models functional coordination and collaboration across programs and between DBS Divisions to best serve our customers.

Department Programs:**Department FTE History:**

Development & Business Services FTE History				
2022	2023	2024	2025	2026
36.50	34.50	34.50	34.50	34.50

Metrics:

Development & Business Services Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Business License Applications Processed	540	1,273	2,595	1,538
Permits Issued ¹	2,032	2,644	2,132	2,230
Building Valuation (in millions)	\$396.50	\$202.46	\$187.87	\$15.55 ²
Inspections Performed	453	663	4,384	3,092
Tourism Website Visits	37,191	61,664	71,944	66,524
Lodging Tax Distributions	\$515,457	\$821,697	\$871,251	\$365,673

¹2021-2023 Building Permits Only; 2024 All Permit Types

²Through September \$222.07 million

Department Budget History by Program and Category:

Development & Business Services	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Administration	\$ 859,764	\$1,899,296	\$ 2,759,060	\$ 2,984,457
Planning	873,259	1,409,727	2,282,986	2,866,304
Permits & Inspections	2,854,991	3,799,292	6,654,283	6,619,213
Economic Development	355,760	1,038,375	1,394,135	1,619,914
Sound Transit - Light Rail	465,655	534,345	1,000,000	870,000
Total	\$5,409,429	\$8,681,035	\$ 14,090,464	\$ 14,959,888

2025-2026 BUDGET

Development & Business Services	2023 Actual	2024 Remaining	2023 - 2024 Budget	2025 - 2026 Budget
Salaries & Wages	\$ 2,986,735	\$ 4,231,521	\$ 7,218,256	\$ 8,112,286
Personnel Benefits	1,092,016	1,547,639	2,639,655	2,892,352
Supplies	33,595	89,215	122,810	125,750
Services & Charges	1,297,083	2,812,660	4,109,743	3,829,500
Total	\$ 5,409,429	\$ 8,681,035	\$ 14,090,464	\$ 14,959,888

Changes for 2025-2026 Budget:

- Decrease in permit software costs with sunset of EnerGov.
- Decrease allocation for city attorney fees based on historical spend.
- Realign budget for 1 FTE from Permits & Inspections to Administration to increase capacity for SmartGov administration, business licensing, and process improvements.
- Upgrade three positions to team leads to address span of control and assist with continuation of operations in absence of supervisor.
- Reclassify one position based on job responsibilities.
- Cost of living and inflationary increases in salaries, benefits, fleet, technology, and insurance.

OTHER GENERAL GOVERNMENT FUNDS



020 ECONOMIC DEVELOPMENT INFRASTRUCTURE

Mission and Responsibilities:

Council adopted Ordinance No. 3110 creating the Economic Development Fund (EDIF). In December 2020 the Council adopted Ordinance No. 3382 suspending funding for EDIF.

Fund Programs:



Fund Summary:

ECONOMIC DEVELOPMENT INFRASTRUCTURE	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 9,505,195	\$ 2,015,363	\$ 9,505,195	\$ 2,300,000
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Investment Interest	207,751	85,000	200,000	-
Other Revenue	19,955	-	-	-
TOTAL REVENUES	\$ 227,706	\$ 85,000	\$ 200,000	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 9,732,901	\$ 2,100,363	\$ 9,705,195	\$ 2,300,000
EXPENDITURES & OTHER USES				
Transfers-out	7,717,538	(199,637)	7,850,000	2,300,000
TOTAL OTHER FINANCING USES	7,717,538	(199,637)	7,850,000	2,300,000
TOTAL EXPENDITURES & OTHER USES	\$ 7,717,538	\$ (199,637)	\$ 7,850,000	\$ 2,300,000
ENDING FUND BALANCES	\$ 2,015,363	\$ 2,300,000	\$ 1,855,195	\$ -
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 9,732,901	\$ 2,100,363	\$ 9,705,195	\$ 2,300,000

Changes for 2025-2026 Budget:

No revenue is included for this biennium. Remaining fund balance will be transferred to the Transportation Capital Fund to support capital projects for economic development.

098 REVENUE STABILIZATION FUND

Mission and Responsibilities:

The Revenue Stabilization Fund was established in accordance with Lynnwood's adopted Financial Policies to help protect the City from major economic downturns and other unanticipated, adverse financial conditions.

Fund Programs:



Fund Summary:

REVENUE STABILIZATION FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
REVENUES AND OTHER SOURCES:				
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
EXPENDITURES & OTHER USES				
TOTAL EXPENDITURES & OTHER USES	\$ -	\$ -	\$ -	\$ -
ENDING FUND BALANCES	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000

Changes for 2025-2026 Budget:

No revenues or expenditures are budgeted for this fund.

101 LODGING TAX FUND

Mission and Responsibilities:

Lodging Tax revenues are credited to a special fund established by Council pursuant to RCW 67.28.181. The funds may be used for paying all or any part of the costs for tourism promotion and marketing, and the development financing of tourism-related facilities. The Lynnwood Lodging Tax Advisory Committee (LTAC) / Tourism Advisory Committee (TAC) has the responsibility pursuant to Chapter 2.27 of the LMC to advise and provide recommendations to the Council regarding the tourism work program and lodging tax fund expenditures. The tourism program is funded 100% from the Lodging Tax Fund 101.

Fund Programs:



Fund FTE Count:

Lodging Tax Fund FTE History				
2022	2023	2024	2025	2026
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50

Fund Summary:

LODGING TAX FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 871,061	\$ 929,607	\$ 871,061	\$ 736,862
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 886,222	586,342	\$ 1,472,564	\$ 1,730,800
Intergovernmental Revenue	15,000	-	-	-
Investment Interest	18,112	-	-	-
TOTAL REVENUES	\$ 919,334	\$ 586,342	\$ 1,472,564	\$ 1,730,800
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 1,790,395	\$ 1,515,949	\$ 2,343,625	\$ 2,467,662
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	52,884	52,316	105,200	131,715
Personnel Benefits	15,313	15,634	30,947	35,849
Supplies	66	134	200	450
Services & Charges	792,525	711,003	1,503,528	1,734,390
TOTAL OPERATING EXPENDITURES	\$ 860,788	\$ 779,087	\$ 1,639,875	\$ 1,902,404
Operating Revenues over (under) Operating Expenditures	\$ 58,546	\$ (192,745)	\$ (167,311)	\$ (171,604)
TOTAL EXPENDITURES & OTHER USES	\$ 860,788	\$ 779,087	\$ 1,639,875	\$ 1,902,404
ENDING FUND BALANCES	\$ 929,607	\$ 736,862	\$ 703,750	\$ 565,258
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 1,790,395	\$ 1,515,949	\$ 2,343,625	\$ 2,467,662

Changes for 2025-2026 Budget:

No changes anticipated for this fund.

104 DRUG ENFORCEMENT FUND

Mission and Responsibilities:

This fund tracks two sources of revenue related to drug enforcement seizures. The first portion is federal equitable sharing. The source of these funds are seizures from federal illegal drug investigations that members of our agency partnered in the investigation. When the asset has been judicially forfeited, Lynnwood receives a portion of the proceeds based upon our participation level in the case. The second source of funds are seizures conducted under the Washington State seizure laws for illegal drugs. These cases originate at all levels of the department (Patrol, Investigations and Special Operations).

There are restrictions to expenditures on this fund that depend upon the revenue source. State seizure money can only be spent on drug-related law enforcement expenses. Federal seizure money can be spent on law enforcement purposes only. There is no supplanting and numerous detailed restrictions apply to each category.

Fund Programs:



Fund Summary:

DRUG ENFORCEMENT FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 269,806	\$ 221,026	\$ 269,806	\$ 254,301
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	3,130	5,275	-	-
Fines & Forfeitures	19,574	21,000	95,000	40,000
Investment Interest	6,317	7,000	1,000	-
TOTAL REVENUES	\$ 29,021	\$ 33,275	\$ 96,000	\$ 40,000
OTHER FINANCING SOURCES				
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 298,827	\$ 254,301	\$ 365,806	\$ 294,301
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Supplies	5,612	-	-	25,000
Services & Charges	13,052	-	5,000	25,000
TOTAL OPERATING EXPENDITURES	\$ 18,664	\$ -	\$ 5,000	\$ 50,000
Operating Revenues over (under) Operating Expenditures	\$ 10,357	\$ 33,275	\$ 91,000	\$ (10,000)
OTHER FINANCING USES				
Capital Outlay	59,137	70,863	130,000	130,000
TOTAL OTHER FINANCING USES	59,137	70,863	130,000	130,000
TOTAL EXPENDITURES & OTHER USES	\$ 77,801	\$ 70,863	\$ 135,000	\$ 180,000
ENDING FUND BALANCES	\$ 221,026	\$ 183,438	\$ 230,806	\$ 114,301
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 298,827	\$ 254,301	\$ 365,806	\$ 294,301

Changes for 2025-2026 Budget:

Revenues are dependent upon seizure activity.

105 CRIMINAL JUSTICE FUND

Mission and Responsibilities:

The 105 Fund revenue comes from criminal justice sales tax, federal and state criminal justice grants, external funding sources, and revenue from non-drug seizures. The fund is used to link grant revenue with grant expenditures, purchase specific grant funded equipment (bulletproof vests, traffic enforcement equipment), reimbursement funds such as the Flex Fund. The fund can also be used for capital projects.

Fund Programs:



2025-2026 BUDGET

Fund Summary:

CRIMINAL JUSTICE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 2,200,984	\$ 3,053,022	\$ 2,200,984	\$ 2,589,730
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 952,351	925,036	\$ 1,877,387	\$ 1,751,600
Intergovernmental Revenue	252,011	250,000	127,555	1,453,734
Charges for Services	14,216	-	-	-
Fines & Forfeitures	417,531	500,000	-	-
Investment Interest	54,800	90,000	20,000	-
Other Revenue	10,519	3,000	-	-
TOTAL REVENUES	\$ 1,701,428	\$ 1,768,036	\$ 2,024,942	\$ 3,205,334
OTHER FINANCING SOURCES				
Transfers-in	14,732	30,268	45,000	-
TOTAL OTHER FINANCING SOURCES	\$ 14,733	\$ 30,268	\$ 45,000	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 3,917,145	\$ 4,851,326	\$ 4,270,926	\$ 5,795,064
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	53,225	2,775	56,000	316,000
Personnel Benefits	16,007	-	14,000	20,000
Supplies	79,769	60,731	140,500	251,200
Services & Charges	71,910	198,090	270,000	775,634
TOTAL OPERATING EXPENDITURES	\$ 220,911	\$ 261,596	\$ 480,500	\$ 1,362,834
Operating Revenues over (under) Operating Expenditures	\$ 1,480,517	\$ 1,506,440	\$ 1,544,442	\$ 1,842,500
OTHER FINANCING USES				
Capital Outlay	43,212	-	190,000	410,000
Transfers-out	600,000	2,000,000	2,600,000	1,200,000
TOTAL OTHER FINANCING USES	643,212	2,000,000	2,790,000	1,610,000
TOTAL EXPENDITURES & OTHER USES	\$ 864,123	\$ 2,261,596	\$ 3,270,500	\$ 2,972,834
	\$ 3,053,022	\$ 2,589,730	\$ 1,000,426	\$ 2,822,230
	\$ 3,917,145	\$ 4,851,326	\$ 4,270,926	\$ 5,795,064

Changes for 2025-2026 Budget: N/A

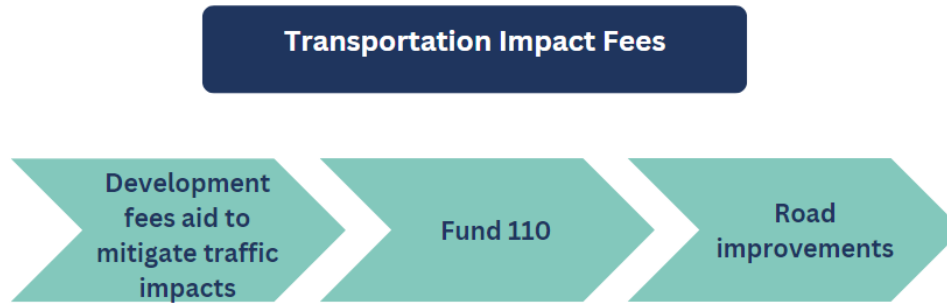
OTHER GENERAL GOVERNMENT FUNDS

110 TRANSPORTATION IMPACT FEES FUND

Mission and Responsibilities:

The Transportation Impact Fee Fund mission is to provide a partial funding source for growth-related transportation projects, collecting fees from development projects that impact the City's transportation system. Transportation Impact Fee funds may be used only for capacity-related projects.

Fund Programs:



Fund Summary:

TRANSPORTATION IMPACT FEE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 1,480,117	\$ 698	\$ 1,480,117	\$ 1,730,851
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	520,218	1,750,000	1,010,000	1,500,000
Investment Interest	40,516	10,000	-	-
TOTAL REVENUES	\$ 560,734	\$ 1,760,000	\$ 1,010,000	\$ 1,500,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 2,040,851	\$ 1,760,698	\$ 2,490,117	\$ 3,230,851
EXPENDITURES & OTHER USES				
OTHER FINANCING USES				
Transfers-out	2,040,153	29,847	2,070,000	2,730,000
TOTAL OTHER FINANCING USES	2,040,153	29,847	2,070,000	2,730,000
TOTAL EXPENDITURES & OTHER USES	\$ 2,040,153	\$ 29,847	\$ 2,070,000	\$ 2,730,000
ENDING FUND BALANCES	\$ 698	\$ 1,730,851	\$ 420,117	\$ 500,851
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 2,040,851	\$ 1,760,698	\$ 2,490,117	\$ 3,230,851

Changes for 2025-2026 Budget:

Funds will be transferred to the Transportation Capital Fund to support eligible projects.

111 STREET OPERATING FUND

Mission and Responsibilities:

The Street Fund allows for operation and maintenance of the City-owned portions of the transportation system which includes all components of our 300 lane miles (with associated signs and striping), 205 miles of sidewalks, 775 acres of rights-of-way, 69 traffic signals (Lynnwood owns 64 signals and operates another 5 for WSDOT), 750 street/pedestrian streetlights, speed radar signs, flashing red stop lights, crosswalk lights, and school zone flashing beacons.

Fund Programs:



Fund FTE History:

Street Operating Fund FTE History				
2022	2023	2024	2025	2026
9.25	10.25	11.25	12.25	12.25

Fund Summary:

STREET OPERATING FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 291,760	\$ (57,578)	\$ 291,760	\$ 100,083
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Licenses & Fees	245,838	224,662	470,500	550,000
Intergovernmental Revenue	800,474	841,526	1,642,000	1,630,600
Other Revenue	21	-	-	-
TOTAL REVENUES	\$ 1,046,333	\$ 1,066,188	\$ 2,112,500	\$ 2,180,600
OTHER FINANCING SOURCES				
Transfers-in	1,825,700	2,573,681	4,399,381	4,750,000
TOTAL OTHER FINANCING SOURCES	\$ 1,825,700	\$ 2,573,681	\$ 4,399,381	\$ 4,750,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 3,163,793	\$ 3,582,291	\$ 6,803,641	\$ 7,030,683
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	952,496	1,530,104	2,482,600	2,505,986
Personnel Benefits	382,615	398,285	780,900	956,910
Supplies	857,085	864,946	1,722,031	1,110,600
Services & Charges	1,019,127	648,921	1,668,048	1,983,896
TOTAL OPERATING EXPENDITURES	\$ 3,211,323	\$ 3,442,256	\$ 6,653,579	\$ 6,557,392
Operating Revenues over (under) Operating Expenditures	\$ (2,164,990)	\$ (2,376,068)	\$ (4,541,079)	\$ (4,376,792)
OTHER FINANCING USES				
Capital Outlay	10,048	39,952	50,000	250,000
TOTAL OTHER FINANCING USES	10,048	39,952	50,000	250,000
TOTAL EXPENDITURES & OTHER USES	\$ 3,221,371	\$ 3,482,208	\$ 6,703,579	\$ 6,807,392
ENDING FUND BALANCES	\$ (57,578)	\$ 100,083	\$ 100,062	\$ 223,291
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 3,163,793	\$ 3,582,291	\$ 6,803,641	\$ 7,030,683

Changes for 2025-2026 Budget:

The Street Fund is divided into two major divisions: 1) Traffic Management and Signal Operations; and 2) Street Maintenance and Operations.

Street Maintenance and Operations is responsible for the following major programs:

- Planning for, designing, operating, and maintaining the City's physical transportation infrastructure.
- Maintain roadways, signs, and striping for safety of users and aesthetics.
- Maintain sidewalks and safe pedestrian routes.
- Provide snow and ice response to ensure safe roadways during winter weather.
- Provide vegetation maintenance to minimize encroachment and lines of sight.
- Respond to citizen complaints and concerns.
- Ensure compliance with Federal and State regulations pertaining to transportation.

The main challenge facing the Department is to have enough funds and staff to adequately maintain our infrastructure. The Division has embraced high-tech solutions to managing our systems (e.g. SCADA and our Traffic Management Center, and our use of Cartegraph and social media communication tools), and other efficiencies to stretch our dollars as far as possible.

One evolving program relates to the requirements of the Americans with Disabilities Act (ADA). Public Works has been coordinating the City's plan for compliance with these requirements that apply not only to streets, but to parks and facilities as well.

In 2025 an additional Maintenance Worker was added. There has been only one additional crew members added since the 1980's. The current crew of five cannot keep up with the needs of our aging and growing transportation system. A 10-year (5 biennium) transportation funding plan is being concurrently developed with the 2025-26 budget which looks at getting the Street Fund 111 adequately funded and staffed by 2033-34.

Traffic Engineering and Signal Operations are responsible for the following major programs and tasks:

- Monitors city's traffic signal system; adjusts timing to optimize traffic flow.
- Operates traffic network consisting of 69 traffic signals (64 Lynnwood, 5 WSDOT), fiber connections, cameras, workstations, servers and the Traffic Center at City Hall.
- Maintain infrastructure of traffic signal system, 750 street/pedestrian streetlights, 9 speed radar signs, 3 flashing red stop-controlled intersections, 60 flashing crosswalk lights, and 50 school zone flashing beacons, and stocking +/- 200 crosswalk flags per year.
- Assist the cities of Edmonds and Mountlake Terraces when they need help with their traffic signals.
- Provide changes in signal operation functional requirements such as the need for pedestrian treatment, preemption, transit priority, queue jump, diversion and evacuation timing plan development and implementation.
- Perform and review traffic capacity studies, speed studies, parking studies and accident/crash studies. Maintain, operate, and optimize City's adaptive traffic signal system operation.
- Review capital development and private development projects and issue permits.
- Review traffic control plans and provide construction and operational support for city's capital improvement projects and sponsored events.
- Coordinate and communicate with citizens for signal and traffic operation concern.
- Provide public record request and support LPD for accident or other data support.
- Supports Lynnwood Police during live incidents and investigations.

Funding for the purchase of an asphalt paver is included in the 2025-2026 budget.

114 PARK AND RECREATION RESERVE FUND

Mission and Responsibilities:

Created in 1986 by Ordinance 1554, this fund receives donations for the Recreation Benefit and Senior Benefit Funds, which cover registration fees for individuals from low-income households.

Fund Programs:



Fund Summary:

CUMULATIVE PARK RESERVE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 123,091	\$ 142,086	\$ 123,091	\$ 106,983
REVENUES AND OTHER SOURCES:				
Investment Interest	3,102	4,000	-	-
Other Revenue	15,818	2,182	18,000	20,000
TOTAL REVENUES	\$ 18,920	\$ 6,182	\$ 18,000	\$ 20,000
OTHER FINANCING SOURCES				
Transfers-in	8,790	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 8,790	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 150,801	\$ 148,268	\$ 141,091	\$ 126,983
EXPENDITURES & OTHER USES				
Services & Charges	8,715	41,285	50,000	20,000
TOTAL OPERATING EXPENDITURES	\$ 8,715	\$ 41,285	\$ 50,000	\$ 20,000
Operating Revenues over (under)				
Operating Expenditures	\$ 10,205	\$ (35,103)	\$ (32,000)	\$ -
TOTAL EXPENDITURES & OTHER USES	\$ 8,715	\$ 41,285	\$ 50,000	\$ 20,000
ENDING FUND BALANCES	\$ 142,086	\$ 106,983	\$ 91,091	\$ 106,983
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 150,801	\$ 148,268	\$ 141,091	\$ 126,983

Changes for 2025-2026 Budget:

No changes anticipated for this fund.

116 CUMULATIVE ART RESERVE FUND

Mission and Responsibilities:

Created in 1990 by Ordinance 2759, this fund's purpose is for acquisition and maintenance of the City's art collection. There are over 20 site-specific, outdoor art projects on the civic campus and in various parks, and over 100 portable art pieces in the City's collection with a total value of more than \$1.1 million (2015 appraisal).

Revenue sources for the Cumulative Reserve Art Fund include:

- One percent (1%) of the budget of certain municipal construction projects contributes to this fund.
- Gifts to the City.
- When municipal projects do not contribute a minimum of \$15,000 per year, and when funds are available, LMC 3.14.040A calls for an annual contribution of City funds to achieve the \$15,000 threshold. This contribution has only been made three times since 2001 in which 19 years were eligible.

Public art creates a welcoming and beautiful environment for our community members and visitors. Art has a proven positive effect on economic development. The fund also provides for the important functions of maintaining these valuable public assets in good shape.

Prior to the Community Justice Center project, the last significant revenues posted to the fund was 1% of the construction of the Recreation Center Modernization and Expansion Project. Those funds were used for two public art commissions: 3 Drops, and the reflexology path. Since that time, four municipal construction projects have generated a contribution to the Art Fund totaling \$540,269 (Meadowdale Playfields renovation, Justice Center switch update, Golf Course parking lot expansion, and CJC). Annual maintenance of the collection was suspended for several years. Two pieces in the collection were repaired in 2014. The first round of cleaning and regular maintenance of the collection was completed in 2016. This Fund is administered by the Healthy Communities Division. Public Art maintenance, rotations, commissions and acquisitions are the responsibility of the Arts, Culture & Heritage Coordinator.

Fund Programs:



Fund Summary:

CUMULATIVE ART RESERVE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 511,747	\$ 417,302	\$ 511,747	\$ 257,302
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Investment Interest	11,967	-	-	-
TOTAL REVENUES	\$ 11,967	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 523,714	\$ 417,302	\$ 511,747	\$ 257,302
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Services & Charges	-	40,000	40,000	28,000
TOTAL OPERATING EXPENDITURES	\$ -	\$ 40,000	\$ 40,000	\$ 28,000
Operating Revenues over (under) Operating Expenditures	\$ 11,967	\$ (40,000)	\$ (40,000)	\$ (28,000)
OTHER FINANCING USES				
Capital Outlay	106,412	120,000	410,000	200,000
TOTAL OTHER FINANCING USES	106,412	120,000	410,000	200,000
TOTAL EXPENDITURES & OTHER USES	\$ 106,412	\$ 160,000	\$ 450,000	\$ 228,000
ENDING FUND BALANCES	\$ 417,302	\$ 257,302	\$ 61,747	\$ 29,302
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 523,714	\$ 417,302	\$ 511,747	\$ 257,302

Changes for 2025-2026 Budget:

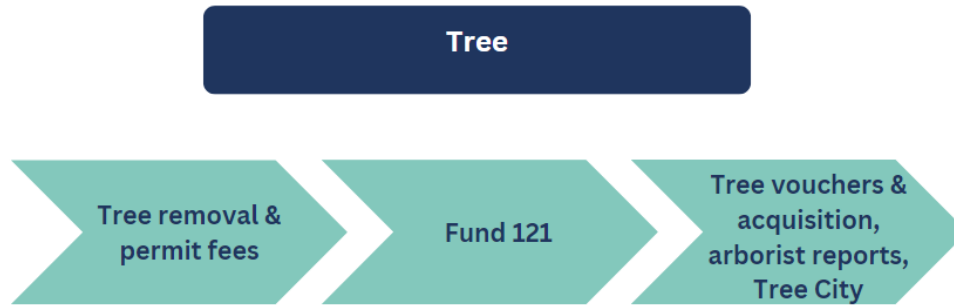
The first public art commission projects for the Community Justice Center were completed in 2024 – a series of panels along the parking garage wall. The next CJC public art commission will begin in 2025.

121 TREE RESERVE FUND

Mission and Responsibilities:

The Tree Reserve is an internal service fund used to provide for the accumulation of Revenue in the tree fund comes from permit and tree removal fees. When a developer removes a tree, they are required to replant. After development, if the site cannot sustain the number of required replacement trees, a fee is paid for each tree that is not replaced. Private homeowners can apply for a tree voucher, and purchase trees with money from this fund. In 2022, 495 trees were planted and in 2023, 281 trees were planted in Lynnwood with tree vouchers from this fund.

Fund Programs:



Budget Summary:

TREE RESERVE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 351,646	\$ 325,025	\$ 351,646	\$ 301,840
OPERATING REVENUES				
Licenses & Fees	7,029	19,815	-	30,000
Investment Interest	7,982	5,000	-	-
TOTAL REVENUES	\$ 15,011	\$ 24,815	\$ -	\$ 30,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 366,657	\$ 349,840	\$ 351,646	\$ 331,840
EXPENDITURES & OTHER USES				
Supplies	41,632	48,000	45,000	70,000
TOTAL OPERATING EXPENDITURES	\$ 41,632	\$ 48,000	\$ 45,000	\$ 70,000
Operating Revenues over (under)				
Operating Expenditures	\$ (26,621)	\$ (23,185)	\$ (45,000)	\$ (40,000)
TOTAL EXPENDITURES & OTHER USES	\$ 41,632	\$ 48,000	\$ 45,000	\$ 70,000
ENDING FUND BALANCES	\$ 325,025	\$ 301,840	\$ 306,646	\$ 261,840
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 366,657	\$ 349,840	\$ 351,646	\$ 331,840

Changes for 2025-2026 Budget:

No changes anticipated for this fund.

131 AMERICAN RESCUE PLAN ACT FUND

Mission and Responsibilities:

This fund tracks the revenues and expenditures for the City's American Rescue Plan Act (ARPA) grant award. It was created in 2021 and expenditures will conclude by the end of 2025.

Fund Programs:



2025-2026 BUDGET

Fund Summary:

AMERICAN RESCUE PLAN ACT FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	2,290,160	5,687,840	8,500,000	522,000
TOTAL REVENUES	\$ 2,290,160	\$ 5,687,840	\$ 8,500,000	\$ 522,000
OTHER FINANCING SOURCES				
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 2,290,160	\$ 5,687,840	\$ 8,500,000	\$ 522,000
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	684,788	795,370	-	22,000
Personnel Benefits	248,824	300,100	-	-
Supplies	23,061	60,000	-	-
Services & Charges	11,336	50,000	3,900,000	-
Intergovernmental	116,937	1,482,203	-	-
TOTAL OPERATING EXPENDITURES	\$ 1,084,946	\$ 2,687,673	\$ 3,900,000	\$ 22,000
Operating Revenues over (under) Operating Expenditures	\$ 1,205,214	\$ 3,000,167	\$ 4,600,000	\$ 500,000
OTHER FINANCING USES				
Capital Outlay	105,381	-	-	-
Transfers-out	1,099,833	3,000,167	4,600,000	500,000
TOTAL OTHER FINANCING USES	1,205,214	3,000,167	4,600,000	500,000
TOTAL EXPENDITURES & OTHER USES	\$ 2,290,160	\$ 5,687,840	\$ 8,500,000	\$ 522,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 2,290,160	\$ 5,687,840	\$ 8,500,000	\$ 522,000

Changes for 2025-2026 Budget:

All subrecipient grants will conclude prior to the 2025-2026 budget. In 2025, the Scriber Lake Park Boardwalk project will finish.

144 WASTE REDUCTION FUND

Mission and Responsibilities:

The mission of the Waste Reduction Division is to provide public education and awareness on waste reduction, recycling, composting, household hazardous waste and related issues, through outreach to schools, businesses, and households.

The Waste Reduction Division also provides coordination between citizens and businesses and the solid waste providers in the area. The work for this program is done by the Public Works Administration Division.

A state grant pays a small portion of the staff's salaries. The match to the state grant comes from a General Fund transfer.

Fund Programs:



Fund Summary:

WASTE REDUCTION FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 94,874	\$ 103,359	\$ 94,874	\$ 91,077
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	30,496	18,780	49,276	36,462
Other Revenue	12,213	-	-	-
TOTAL REVENUES	\$ 42,709	\$ 18,780	\$ 49,276	\$ 36,462
OTHER FINANCING SOURCES				
Transfers-in	26,500	26,500	53,000	53,000
TOTAL OTHER FINANCING SOURCES	\$ 26,500	\$ 26,500	\$ 53,000	\$ 53,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 164,083	\$ 148,639	\$ 197,150	\$ 180,539
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	23,340	26,660	50,000	-
Personnel Benefits	10,132	-	-	-
Supplies	9,378	-	3,500	3,500
Services & Charges	17,874	30,902	48,776	85,962
Intergovernmental	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 60,724	\$ 57,562	\$ 102,276	\$ 89,462
Operating Revenues over (under)				
Operating Expenditures	\$ (18,015)	\$ (38,782)	\$ (53,000)	\$ (53,000)
TOTAL EXPENDITURES & OTHER USES	\$ 60,724	\$ 57,562	\$ 102,276	\$ 89,462
ENDING FUND BALANCES	\$ 103,359	\$ 91,077	\$ 94,874	\$ 91,077
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 164,083	\$ 148,639	\$ 197,150	\$ 180,539

Changes for 2025-2026 Budget:

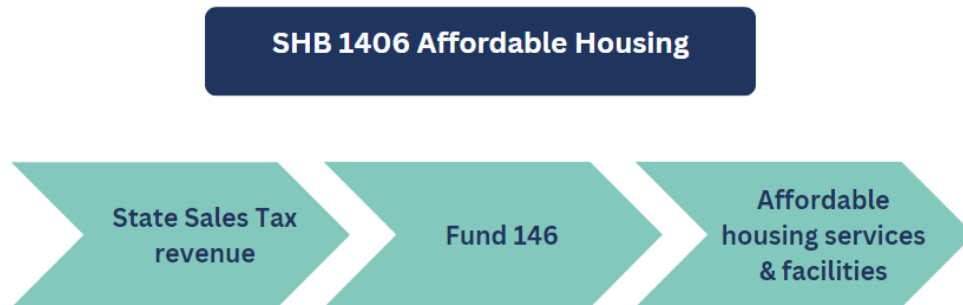
Staff will continue to provide public education and awareness on waste reduction, recycling, composting, household hazardous waste and related issues, through outreach to schools, businesses, and households. Staff will continue to host recycling events and provide opportunities by partnering with other departments and agencies throughout the City.

146 SHB 1406 AFFORDABLE HOUSING FUND

Mission and Responsibilities:

In 2019 the Washington State Legislature passed the Encouraging Investment in Affordable and Supportive Housing Act, SHB 1406. This legislation provides Washington cities and counties a portion of the Washington State share of sales and use tax revenue collected within their jurisdiction. On May 26, 2020, the Council adopted Ordinance No. 3357, which authorized Lynnwood to receive SHB 1406 revenues, and Special Revenue Fund 146 was created where the revenues are deposited.

Fund Programs:



Fund Summary:

AFFORDABLE HOUSING FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 508,149	\$ 706,311	\$ 508,149	\$ 906,311
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 198,162	200,000	\$ 500,000	\$ 400,000
TOTAL REVENUES	<u>\$ 198,162</u>	<u>\$ 200,000</u>	<u>\$ 500,000</u>	<u>\$ 400,000</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 706,311</u>	<u>\$ 906,311</u>	<u>\$ 1,008,149</u>	<u>\$ 1,306,311</u>
EXPENDITURES & OTHER USES				
TOTAL EXPENDITURES & OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING FUND BALANCES	\$ 706,311	\$ 906,311	\$ 1,008,149	\$ 1,306,311
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 706,311</u>	<u>\$ 906,311</u>	<u>\$ 1,008,149</u>	<u>\$ 1,306,311</u>

Changes for 2025-2026 Budget:

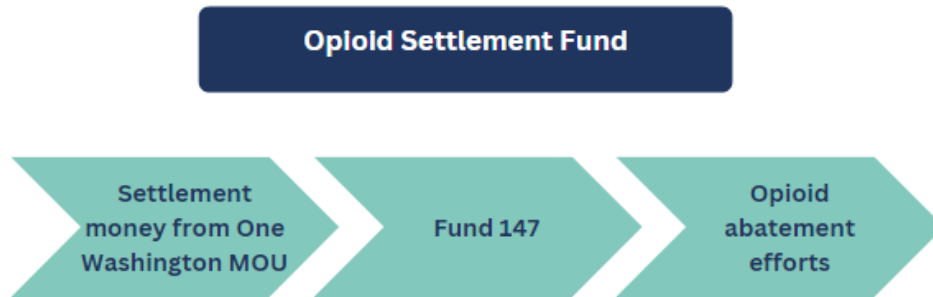
No expenditures are budgeted for this biennium.

147 OPIOID SETTLEMENT FUND

Mission and Responsibilities:

In May of 2022, the City of Lynnwood signed on to the One Washington Opioid Settlement Memorandum of Understanding, which established a framework for distributing and sharing the settlement proceeds resulting in agreements reached between the State of Washington and opioid distributors, manufacturers, and pharmacies.

Fund Programs:



Fund Summary:

OPIOID SETTLEMENT FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 123,435	\$ 186,686	\$ 123,435	\$ 1,149,686
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Other Revenue	63,251	963,000	65,000	400,000
TOTAL REVENUES	\$ 63,251	\$ 963,000	\$ 65,000	\$ 400,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 186,686	\$ 1,149,686	\$ 188,435	\$ 1,549,686
EXPENDITURES & OTHER USES				
Services & Charges	-	-	-	400,000
TOTAL OPERATING EXPENDITURES	\$ -	\$ -	\$ -	\$ 400,000
Operating Revenues over (under) Operating Expenditures	\$ 63,251	\$ 963,000	\$ 65,000	\$ -
TOTAL EXPENDITURES & OTHER USES	\$ -	\$ -	\$ -	\$ 400,000
ENDING FUND BALANCES	\$ 186,686	\$ 1,149,686	\$ 188,435	\$ 1,149,686
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 186,686	\$ 1,149,686	\$ 188,435	\$ 1,549,686

Changes for 2025-2026 Budget:

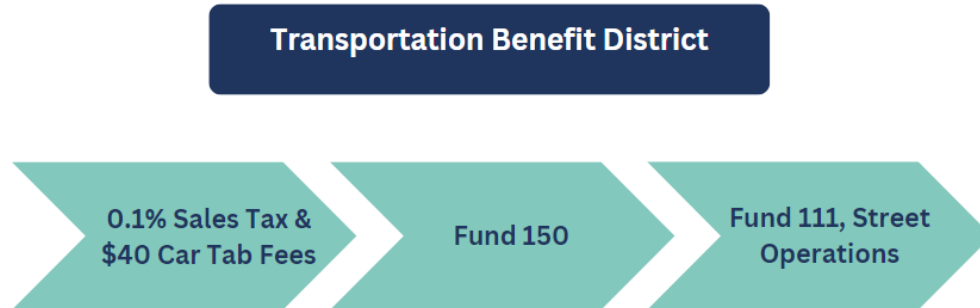
The budget reflects expense for Medically Assisted Treatment for inmates of the Community Justice Center.

150 TRANSPORTATION BENEFIT DISTRICT FUND

Mission and Responsibilities:

The Transportation Benefit District (TBD) was created in 2010. This Fund pays for a portion of the City's Street Fund 111. It also pays for a portion of the City's pavement program, miscellaneous transportation projects, new sidewalks, sidewalk maintenance and ADA upgrades, and rebuild of traffic signals.

Fund Programs:



Fund Summary:

TRANSPORTATION BENEFIT DISTRICT FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Amended
BEGINNING FUND BALANCES	\$ 2,940,398	\$ 3,601,728	\$ 2,940,398	\$ 1,600,000
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 3,547,595	4,700,000	\$ 6,648,681	\$ 6,000,000
Licenses & Fees	1,167,424	1,148,264	2,315,688	2,400,000
Investment Interest	32,275	32,725	65,000	-
TOTAL REVENUES	<u>\$ 4,747,294</u>	<u>\$ 5,880,989</u>	<u>\$ 9,029,369</u>	<u>\$ 8,400,000</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 7,687,692</u>	<u>\$ 9,482,717</u>	<u>\$ 11,969,767</u>	<u>\$ 10,000,000</u>
EXPENDITURES & OTHER USES				
Transfers-out	4,085,964	7,882,717	11,968,681	10,000,000
TOTAL OTHER FINANCING USES	<u>4,085,964</u>	<u>7,882,717</u>	<u>11,968,681</u>	<u>10,000,000</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 4,085,964</u>	<u>\$ 7,882,717</u>	<u>\$ 11,968,681</u>	<u>\$ 10,000,000</u>
ENDING FUND BALANCES	\$ 3,601,728	\$ 1,600,000	\$ 1,086	\$ -
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 7,687,692</u>	<u>\$ 9,482,717</u>	<u>\$ 11,969,767</u>	<u>\$ 10,000,000</u>

Changes for 2025-2026 Budget:

Funds will be transferred to the Transportation Capital Fund to support eligible projects.

180 PARK IMPACT FEE FUND

Mission and Responsibilities:

The Park Impact Fee Fund mission is to provide a partial funding source for growth-related park acquisition and development projects by collecting fees from development projects that impact the city's public parks and recreation facilities. Monies from the Park Impact Fee Fund may be used only for projects that add capacity and have been identified in City's adopted Capital Facilities Plan.

Fund Programs:



Fund Summary:

PARK IMPACT FEE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 2,861,542	\$ 3,264,733	\$ 2,861,542	\$ 2,520,456
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	1,131,016	1,868,984	3,000,000	3,500,000
Investment Interest	80,444	-	10,000	-
Other Revenue	5,750	9,250	15,000	5,000
TOTAL REVENUES	\$ 1,217,210	\$ 1,878,234	\$ 3,025,000	\$ 3,505,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 4,078,752	\$ 5,142,967	\$ 5,886,542	\$ 6,025,456
EXPENDITURES & OTHER USES				
Transfers-out	814,019	2,622,511	4,935,014	5,985,710
TOTAL OTHER FINANCING USES	814,019	2,622,511	4,935,014	5,985,710
TOTAL EXPENDITURES & OTHER USES	\$ 814,019	\$ 2,622,511	\$ 4,935,014	\$ 5,985,710
ENDING FUND BALANCES	\$ 3,264,733	\$ 2,520,456	\$ 951,528	\$ 39,746
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 4,078,752	\$ 5,142,967	\$ 5,886,542	\$ 6,025,456

Changes for 2025-2026 Budget:

Park Impact Fees will be transferred to the Parks Capital Fund to support eligible projects.

DEBT SERVICE FUNDS



203 GENERAL GOVERNMENT DEBT SERVICE FUND: COMMUNITY JUSTICE CENTER**Mission and Responsibilities:**

The General Government Debt Service Fund is used to make debt service payments for the Community Justice Center (CJC) bonds that were issued in 2021 and 2022 and for the Town Square Park bonds that were issued in 2022. Revenues are received as transfers in from the General, Criminal Justice, and Park Impact Fee Funds to cover principal and interest payments.

For 2025-2026 the payments for the CJC total \$6.94 Million: \$5.74 Million comes from the General Fund and the remaining \$1.2 Million comes from the Criminal Justice Fund. The payments for Town Square Park total \$624,000 which comes from the Park Impact Fee Fund.

Fund Programs:**Fund Summary:**

GENERAL GOVERNMENT DEBT SERVICE	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 1,021,568	\$ 523,353	\$ 1,021,568	\$ 23
REVENUES AND OTHER SOURCES:				
Transfers-in	3,540,859	3,517,709	7,058,568	7,567,350
TOTAL OTHER FINANCING SOURCES	\$ 3,540,859	\$ 3,517,709	\$ 7,058,568	\$ 7,567,350
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 4,562,427	\$ 4,041,062	\$ 8,080,136	\$ 7,567,373
EXPENDITURES & OTHER USES				
Debt Service	4,039,074	4,041,039	8,080,113	7,567,350
TOTAL OTHER FINANCING USES	4,039,074	4,041,039	8,080,113	7,567,350
TOTAL EXPENDITURES & OTHER USES	\$ 4,039,074	\$ 4,041,039	\$ 8,080,113	\$ 7,567,350
ENDING FUND BALANCES	\$ 523,353	\$ 23	\$ 23	\$ 23
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 4,562,427	\$ 4,041,062	\$ 8,080,136	\$ 7,567,373

Changes for 2025-2026 Budget:

Budget amounts are based on annual debt service payments.

Debt Service Schedule for Fund 203:

DESCRIPTION	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
2022 LTGO CJC														
Principal	170,000	-	-	-	205,000	-	65,000	235,000	225,000	235,000	245,000	255,000	270,000	
Interest	408,320	399,820	399,820	399,820	400,000	389,600	389,600	386,320	374,600	363,320	351,570	339,320	326,570	
2021 LTGO CJC														
Principal	1,045,000	1,085,000	1,130,000	1,175,000	1,225,000	1,270,000	1,325,000	1,375,000	1,445,000	1,515,000	1,595,000	1,655,000	1,725,000	
Interest	1,937,150	1,895,350	1,851,950	1,806,750	1,759,750	1,710,750	1,659,950	1,606,950	1,538,200	1,465,950	1,390,200	1,326,400	1,260,200	
DESCRIPTION	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	TOTALS
2022 LTGO CJC														
Principal	530,000	560,000	585,000	610,000	640,000	400,000	420,000	435,000	455,000	480,000	500,000	525,000	550,000	8,595,000
Interest	313,070	287,900	261,300	233,510	204,530	174,130	155,630	136,210	116,090	95,050	72,850	49,720	25,440	7,054,110
2021 LTGO CJC														
Principal	1,790,000	1,865,000	1,940,000	2,015,000	2,095,000	2,180,000	2,265,000	2,355,000	2,450,000	2,550,000	2,650,000	2,755,000	2,870,000	47,345,000
Interest	1,191,200	1,119,600	1,045,000	967,400	886,800	803,000	715,800	625,200	531,000	433,000	331,000	225,000	114,800	30,198,350

223 RECREATION CENTER DEBT SERVICE

Mission and Responsibilities:

The Recreation Center Debt Service Fund is used to make debt service payments for the Community Justice Center's bonds that were issued in 2012 and refunded in 2023. Revenues are received as transfers from the General Fund to cover principal and interest payments. For 2025-2026 the payments total \$3.165 Million.

Fund Programs:



Fund Summary:

RECREATION CENTER DEBT SERVICE	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 112,502	\$ 78,459	\$ 112,502	\$ 308,661
REVENUES AND OTHER SOURCES:				
Other Financing Sources	18,668,697	307,615	18,976,312	-
Transfers-in	1,602,088	1,249,087	2,851,175	3,165,000
TOTAL OTHER FINANCING SOURCES	<u>\$ 20,270,785</u>	<u>\$ 1,556,702</u>	<u>\$ 21,827,487</u>	<u>\$ 3,165,000</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 20,383,287</u>	<u>\$ 1,635,161</u>	<u>\$ 21,939,989</u>	<u>\$ 3,473,661</u>
EXPENDITURES & OTHER USES				
Debt Service	20,304,828	1,326,500	21,937,487	3,166,000
TOTAL OTHER FINANCING USES	<u>20,304,828</u>	<u>1,326,500</u>	<u>21,937,487</u>	<u>3,166,000</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 20,304,828</u>	<u>\$ 1,326,500</u>	<u>\$ 21,937,487</u>	<u>\$ 3,166,000</u>
ENDING FUND BALANCES	\$ 78,459	\$ 308,661	\$ 2,502	\$ 307,661
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 20,383,287</u>	<u>\$ 1,635,161</u>	<u>\$ 21,939,989</u>	<u>\$ 3,473,661</u>

Changes for 2025-2026 Budget:

Budget amounts are based on annual debt service payments.

Debt Service Schedule for Fund 223:

DESCRIPTION	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTALS
2023 LTGO Rec Center														
Principal	570,000	1,120,000	1,175,000	1,235,000	690,000	1,360,000	1,175,000	800,000	1,250,000	1,310,000	1,380,000	1,450,000	1,520,000	15,035,000
Interest	751,750	723,250	667,250	608,500	546,750	512,250	444,250	385,500	345,500	283,000	217,500	148,500	76,000	5,710,000

City of Lynnwood Non-Voted Debt Capacity	2024	2025
Assessed Valuation (AV) for 2024 & 2025 Collections	\$10,434,305,570	\$10,745,727,293
Non-Voted Debt Capacity (1.5% of AV)	\$156,514,584	\$161,185,909
Less: Outstanding Non-Voted Debt ¹	\$84,837,153	\$84,837,153
Remaining Non-Voted Debt Capacity	\$71,677,431	\$76,348,756

1: Includes Public Facility District bonds that the City of Lynnwood has guaranteed in the amount of \$10,637,153

CAPITAL FUNDS



330 REAL ESTATE EXCISE TAX (REET) II FUND

Mission and Responsibilities:

This fund receives revenues from an additional one-quarter of one percent (0.25%) excise tax on the sale of real property within the City of Lynnwood. The revenues are used to fund capital projects.

Fund Programs:



Fund Summary:

REAL ESTATE EXCISE TAX II	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 2,113,442	\$ 1,503,665	\$ 2,113,442	\$ 880,442
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 926,973	873,027	\$ 1,800,000	\$ 1,840,000
Investment Interest	47,129	79,871	127,000	-
TOTAL REVENUES	\$ 974,102	\$ 952,898	\$ 1,927,000	\$ 1,840,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 3,087,544	\$ 2,456,563	\$ 4,040,442	\$ 2,720,442
EXPENDITURES & OTHER USES				
Transfers-out	1,583,879	1,576,121	4,040,000	2,720,000
TOTAL OTHER FINANCING USES	1,583,879	1,576,121	4,040,000	2,720,000
TOTAL EXPENDITURES & OTHER USES	\$ 1,583,879	\$ 1,576,121	\$ 4,040,000	\$ 2,720,000
ENDING FUND BALANCES	\$ 1,503,665	\$ 880,442	\$ 442	\$ 442
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 3,087,544	\$ 2,456,563	\$ 4,040,442	\$ 2,720,442

Changes for 2025-2026 Budget:

Funds will be transferred to Transportation Capital Fund (\$1.97 Million) and Parks Capital Fund (\$750,000) to support eligible projects.

331 REAL ESTATE EXCISE TAX (REET) I FUND

Mission and Responsibilities:

This fund receives revenues from a one-quarter of one percent (0.25%) excise tax on the sale of real property within the City of Lynnwood. The revenues are used to fund capital projects.

Fund Programs:



Fund Summary:

REAL ESTATE EXCISE TAX I	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 2,582,176	\$ 2,186,449	\$ 2,582,176	\$ 1,793,392
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Taxes	\$ 926,974	873,026	\$ 1,800,000	\$ 1,840,000
Investment Interest	61,216	-	40,000	-
TOTAL REVENUES	\$ 988,190	\$ 873,026	\$ 1,840,000	\$ 1,840,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 3,570,366	\$ 3,059,475	\$ 4,422,176	\$ 3,633,392
EXPENDITURES & OTHER USES				
Transfers-out	1,383,917	1,266,083	3,650,000	3,600,000
TOTAL OTHER FINANCING USES	1,383,917	1,266,083	3,650,000	3,600,000
TOTAL EXPENDITURES & OTHER USES	\$ 1,383,917	\$ 1,266,083	\$ 3,650,000	\$ 3,600,000
ENDING FUND BALANCES	\$ 2,186,449	\$ 1,793,392	\$ 772,176	\$ 33,392
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 3,570,366	\$ 3,059,475	\$ 4,422,176	\$ 3,633,392

Changes for 2025-2026 Budget:

Funds will be transferred to the Transportation Capital Fund (\$1.6 Million), Parks Capital Fund (\$1,000,000) and Facilities Capital Fund (\$1 Million) to support eligible projects.

333 CAPITAL DEVELOPMENT FUND

Mission and Responsibilities:

This fund was established to create a reserve fund for capital improvements. No revenues have been received from the General Fund since 2020.

Fund Programs:

Fund Summary:

CAPITAL DEVELOPMENT FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 1,421,411	\$ 1,124,210	\$ 1,421,411	\$ 303,250
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Investment Interest	31,427	48,000	88,000	-
TOTAL REVENUES	\$ 31,427	\$ 48,000	\$ 88,000	\$ -
OTHER FINANCING SOURCES				
Transfers-in	6,519	-	6,519	-
TOTAL OTHER FINANCING SOURCES	\$ 6,519	\$ -	\$ 6,519	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 1,459,357	\$ 1,172,210	\$ 1,515,930	\$ 303,250
EXPENDITURES & OTHER USES				
Transfers-out	335,147	868,960	1,515,000	303,250
TOTAL OTHER FINANCING USES	335,147	868,960	1,515,000	303,250
TOTAL EXPENDITURES & OTHER USES	\$ 335,147	\$ 868,960	\$ 1,515,000	\$ 303,250
ENDING FUND BALANCES	\$ 1,124,210	\$ 303,250	\$ 930	\$ -
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 1,459,357	\$ 1,172,210	\$ 1,515,930	\$ 303,250

Changes for 2025-2026 Budget:

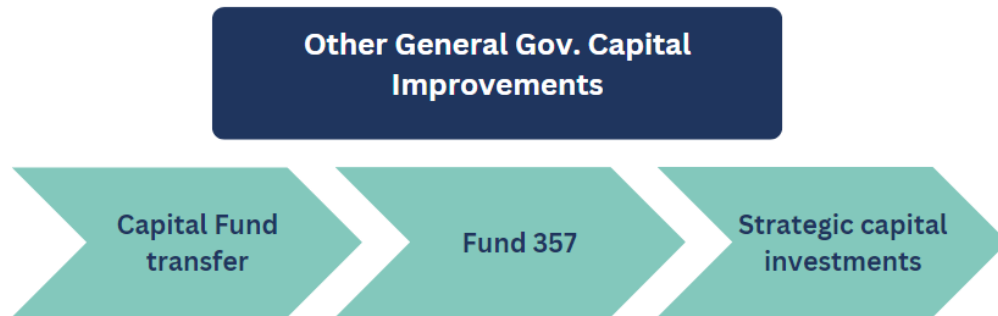
Funds will be transferred to the Parks Capital Fund to support Meadowdale Playfield improvements.

357 OTHER GOVERNMENT CAPITAL PROJECTS FUND

Mission and Responsibilities:

The purpose of this Capital Fund is for other general government infrastructure projects. Only grant revenues are budgeted for 2025-2026.

Fund Programs:



Fund Summary:

OTHER GOVERNMENT CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 396,319	\$ 23,134	\$ 396,319	\$ 436,704
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	40,000	23,570	-	50,000
Investment Interest	6,604	-	-	-
TOTAL REVENUES	\$ 46,604	\$ 23,570	\$ -	\$ 50,000
OTHER FINANCING SOURCES				
Transfers-in	-	790,000	890,000	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 790,000	\$ 890,000	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 442,923	\$ 836,704	\$ 1,286,319	\$ 486,704
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Other Government Capital Projects	419,789	400,000	1,285,000	465,000
TOTAL OPERATING EXPENDITURES	\$ 419,789	\$ 400,000	\$ 1,285,000	\$ 465,000
TOTAL EXPENDITURES & OTHER USES	\$ 419,789	\$ 400,000	\$ 1,285,000	\$ 465,000
ENDING FUND BALANCES	\$ 23,134	\$ 436,704	\$ 1,319	\$ 21,704
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 442,923	\$ 836,704	\$ 1,286,319	\$ 486,704

Changes for 2025-2026 Budget:

Projects included in this capital budget include:

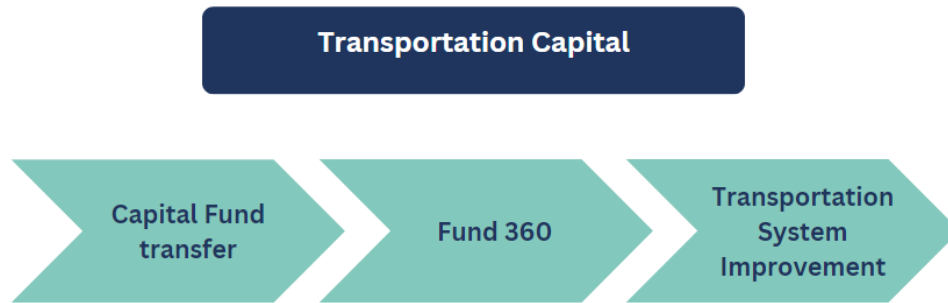
Project	Fund 357 Amount
Gateway/Wayfinding Sign Program	250,000
Regional Growth Center Action Plan/EIS	150,000
Zoning Code Update	65,000
Other Government Capital Total	\$465,000

360 TRANSPORTATION CAPITAL FUND

Mission and Responsibilities:

This capital fund is focused on building streets, bridges, sidewalks, bike lanes, non-motorized transportation facilities, transit, and related improvements.

Fund Programs:



Fund Summary:

TRANSPORTATION CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 1,447,156	\$ 6,072,370	\$ 1,447,156	\$ 114,185
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	3,109,021	1,815,000	6,157,800	18,693,628
Investment Interest	4,408	-	-	-
Other Revenue	(187,592)	-	-	-
TOTAL REVENUES	<u>\$ 2,925,837</u>	<u>\$ 1,815,000</u>	<u>\$ 6,157,800</u>	<u>\$ 18,693,628</u>
Transfers-in	15,669,284	11,179,708	26,848,992	17,700,000
TOTAL OTHER FINANCING SOURCES	<u>\$ 15,669,284</u>	<u>\$ 11,179,708</u>	<u>\$ 26,848,992</u>	<u>\$ 17,700,000</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 20,042,277</u>	<u>\$ 19,067,078</u>	<u>\$ 34,453,948</u>	<u>\$ 36,507,813</u>
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Transportation Capital Projects	13,969,907	18,952,893	32,922,800	36,423,628
TOTAL OPERATING EXPENDITURES	<u>\$ 13,969,907</u>	<u>\$ 18,952,893</u>	<u>\$ 32,922,800</u>	<u>\$ 36,423,628</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 13,969,907</u>	<u>\$ 18,952,893</u>	<u>\$ 32,922,800</u>	<u>\$ 36,423,628</u>
ENDING FUND BALANCES	<u>\$ 6,072,370</u>	<u>\$ 114,185</u>	<u>\$ 1,531,148</u>	<u>\$ 84,185</u>
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 20,042,277</u>	<u>\$ 19,067,078</u>	<u>\$ 34,453,948</u>	<u>\$ 36,507,813</u>

Changes for 2025-2026 Budget:

Projects are identified in the annual updates to the 6-year Transportation Improvement Plan (TIP). Several major road projects will continue into 2025-26. One main emphasis in this capital transportation budget are projects that support continued development of the City Center and the Lynnwood Link light rail which opened in 2024 and will expand next decade to Everett. This budget also includes projects that repair and replace the City's infrastructure (pavement, sidewalks and traffic signals), address the Americans with Disabilities Act (ADA) requirements, and enhance the safety and functionality of our roadways for all modes of travel. As the City grows and use of the transportation system increases and as our infrastructure ages, it will be necessary to increase funding for these crucial projects and programs. A listing of specific projects and programs is in the table below.

Project	Fund 360 Amount
Poplar Way Bridge	6,650,000
196th St. SW Improvements	1,500,000
194th Pre Study	200,000
City Center: New Road: 42nd Ave W.	6,000,000
188th St from 60 to 66	1,150,000
Transportation Impact Fee Rate Study	30,000
Bike Lanes	500,000
Costco Roundabout	3,500,000
Sidewalks/School Safety, College Place	1,099,300
48th Ave from 196 to 200	200,000
196th/36th AWWD Paving	300,000
Promenade Improvements, Conceptual Design	300,000
City Center Gateway: I-5/44th Ave. W. Underpass Improvements	6,514,328
ST3 Route Planning Study	600,000
Pavement Program	5,800,000
Sidewalks/ADA	1,280,000
Traffic Signal Rebuild	800,000
F360 Total	\$36,423,628

370 FACILITIES CAPITAL FUND

Mission and Responsibilities:

The City's buildings and facilities are used by our citizens or support the staff and functions that produce City services. It is important that buildings and facilities not only serve our citizens by providing safe, comfortable spaces but also be maintained in order to extend their useful life and protect our public investment. The purpose of this capital fund is for city building and/or remodel projects and for ongoing capital maintenance.

Fund Programs:



Fund Summary:

FACILITIES CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Amended
BEGINNING FUND BALANCES	\$ 487,395	\$ 562,552	\$ 487,395	\$ 614,050
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	1,000	20,000	-	560,000
TOTAL REVENUES	\$ 1,000	\$ 20,000	\$ -	\$ 560,000
OTHER FINANCING SOURCES				
Transfers-in	407,697	647,303	1,055,000	1,000,000
TOTAL OTHER FINANCING SOURCES	\$ 407,697	\$ 647,303	\$ 1,055,000	\$ 1,000,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 896,092	\$ 1,229,855	\$ 1,542,395	\$ 2,174,050
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Facilities Capital Projects	333,540	615,805	1,000,000	2,174,050
TOTAL OPERATING EXPENDITURES	\$ 333,540	\$ 615,805	\$ 1,000,000	\$ 2,174,050
TOTAL EXPENDITURES & OTHER USES	\$ 333,540	\$ 615,805	\$ 1,000,000	\$ 2,174,050
ENDING FUND BALANCES	\$ 562,552	\$ 614,050	\$ 542,395	\$ -
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 896,092	\$ 1,229,855	\$ 1,542,395	\$ 2,174,050

Changes for 2025-2026 Budget:

Projects include Americans with Disabilities Act (ADA), energy efficiency, and safety upgrades, various capital repair and maintenance projects, capital replacements, and regular assessment of the City's 13 municipal buildings. Work has also started in earnest on electrification projects and clean building initiatives.

380 PARKS & RECREATION CAPITAL FUND

Mission and Responsibilities:

The purpose of this Capital Fund is for the construction, improvement, or capital maintenance of City parks, trails, recreation, open space and related facilities.

Fund Programs:

Parks & Recreation Capital



Fund Summary:

PARKS & RECREATION CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 1,348,781	\$ 1,550,050	\$ 1,348,781	\$ 1,199,520
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	6,718,060	7,926,940	14,645,000	11,141,066
Investment Interest	12,034	-	-	-
Other Revenue	459,111	134,168	593,279	-
TOTAL REVENUES	<u>\$ 7,189,205</u>	<u>\$ 8,061,108</u>	<u>\$ 15,238,279</u>	<u>\$ 11,141,066</u>
OTHER FINANCING SOURCES				
Transfers-in	2,555,636	8,078,216	10,633,852	7,914,250
TOTAL OTHER FINANCING SOURCES	<u>\$ 2,555,636</u>	<u>\$ 8,078,216</u>	<u>\$ 10,633,852</u>	<u>\$ 7,914,250</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 11,093,622</u>	<u>\$ 17,689,374</u>	<u>\$ 27,220,912</u>	<u>\$ 20,254,836</u>
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Parks & Recreation Capital Projects	9,264,932	16,211,215	25,476,147	20,048,600
TOTAL OPERATING EXPENDITURES	<u>\$ 9,264,932</u>	<u>\$ 16,211,215</u>	<u>\$ 25,476,147</u>	<u>\$ 20,048,600</u>
OTHER FINANCING USES				
Transfers-out	278,640	278,639	557,279	-
TOTAL OTHER FINANCING USES	<u>278,640</u>	<u>278,639</u>	<u>557,279</u>	<u>-</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 9,543,572</u>	<u>\$ 16,489,854</u>	<u>\$ 26,033,426</u>	<u>\$ 20,048,600</u>
ENDING FUND BALANCES	\$ 1,550,050	\$ 1,199,520	\$ 1,187,486	\$ 206,236
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 11,093,622</u>	<u>\$ 17,689,374</u>	<u>\$ 27,220,912</u>	<u>\$ 20,254,836</u>

Changes for 2025-2026 Budget:

The Parks Department has done detailed analysis and public outreach through the Parks, Arts, Recreation & Conservation Plan (PARC Plan) and has coordinated efforts with other departments to meet the city-wide vision. Project prioritization and vetting by public processes have led to the list of projects below.

Project	Fund 380 Amount
Parks Capital Projects	
Interurban Trail, Target	200,000
Lynndale Park Design	750,000
Maple Mini Park Des & CN	2,550,000
Scriber Ck Trail Redev: Phs 3	9,500,000
Rowe Park Des	300,000
Pioneer Park Playground and Loop Trail	250,000
Meadowdale Playfields Lights and Dugout	1,700,000
So. Lynnwood Urban Forest	436,100
Scriber Lake Boardwalk	2,001,500
Sprague Pond East	100,000
Town Square Park Outreach	100,000
Town Square Park Debt Ser	625,000
Town Square Park Prop Mgm	36,000
Park Acquisitions	1,000,000
Parks Deferred Maintenance	500,000
Parks Capital Total	\$20,048,600

390 PUBLIC SAFETY CAPITAL FUND

Mission and Responsibilities:

The purpose of this capital fund is for construction, improvements, or capital maintenance of Public Safety buildings.

Fund Programs:



Fund Summary:

PUBLIC SAFETY CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 39,772,928	\$ 9,523,311	\$ 39,772,928	\$ 7,442,821
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Intergovernmental Revenue	10,764,299	696,930	16,940,000	3,250,000
Investment Interest	1,372,752	-	100,000	-
TOTAL REVENUES	\$ 12,137,051	\$ 696,930	\$ 17,040,000	\$ 3,250,000
OTHER FINANCING SOURCES				
Transfers-in	-	1,000,000	1,000,000	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 51,909,979	\$ 11,220,241	\$ 57,812,928	\$ 10,692,821
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Community Justice & Recovery Centers	42,386,668	3,777,420	55,589,088	9,425,000
TOTAL OPERATING EXPENDITURES	\$ 42,386,668	\$ 3,777,420	\$ 55,589,088	\$ 9,425,000
TOTAL EXPENDITURES & OTHER USES	\$ 42,386,668	\$ 3,777,420	\$ 55,589,088	\$ 9,425,000
ENDING FUND BALANCES	\$ 9,523,311	\$ 7,442,821	\$ 2,223,840	\$ 1,267,821
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 51,909,979	\$ 11,220,241	\$ 57,812,928	\$ 10,692,821

Changes for 2025-2026 Budget:

Construction for both the Community Justice Center and Community Recovery Center will conclude in 2025.

ENTERPRISE FUNDS

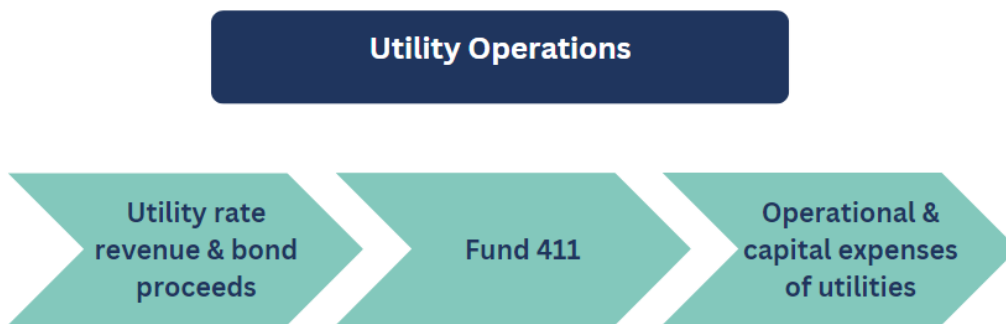


411 UTILITY OPERATIONS FUND

Mission and Responsibilities:

This enterprise fund pays for the operations and maintenance activities for Lynnwood's combined utility fund, including: Water Operations, Sewer Operations including the Wastewater Treatment Plant (WWTP), Stormwater Operations, and Stormwater Management and Engineering. No General Fund monies support this fund as all revenues come from customer utility rates. The capital expenditures necessary to maintain the utility are included in Fund 412, Sewer/Water/Storm Capital Infrastructure. These programs are highly regulated by Federal and State agencies.

Fund Programs:



Fund FTE History:

Utility Fund FTE History				
2022	2023	2024	2025	2026
41.77	50.52	53.52	54.52	54.52

Fund Summary:

UTILITY OPERATIONS FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 29,363,733	\$ 34,698,159	\$ 29,363,733	\$ 17,465,375
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Water Service	10,143,691	8,237,806	18,381,497	20,080,000
Sewer Service	16,883,270	15,000,000	30,000,000	48,400,000
Sewer Connection Fees	591,660	85,000	3,438,762	220,000
Storm Service	4,796,022	4,821,945	9,617,967	9,800,000
Intergovernmental Revenue	96,640	-	-	-
Fines & Forfeitures	20,572	-	-	-
Investment Interest	338,905	300,000	200,000	400,000
Other Revenue	(13,612)	-	-	-
TOTAL REVENUES	\$ 32,857,148	\$ 28,444,751	\$ 61,638,226	\$ 78,900,000
OTHER FINANCING SOURCES				
Other Financing Sources	-	-	44,700,000	-
Capital Contributions	153,101	-	-	140,000
TOTAL OTHER FINANCING SOURCES	\$ 153,101	\$ 299,133	\$ 44,999,133	\$ 140,000
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 62,373,982	\$ 63,442,043	\$ 136,001,092	\$ 96,505,375
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	4,711,004	5,333,356	10,044,360	11,606,653
Personnel Benefits	1,809,003	1,853,546	3,662,549	4,362,348
Supplies	4,440,104	4,507,257	8,947,361	10,477,446
Services & Charges	10,762,676	6,509,060	17,271,736	23,093,718
Intergovernmental	-	-	1,472,820	-
TOTAL OPERATING EXPENDITURES	\$ 21,722,787	\$ 18,203,219	\$ 41,398,826	\$ 49,540,165
Operating Revenues over (under)				
Operating Expenditures	\$ 11,134,361	\$ 10,241,532	\$ 20,239,400	\$ 29,359,835
OTHER FINANCING USES				
Capital Outlay	64,709	-	-	-
Debt Service	1,310,688	5,511,088	6,821,776	2,647,000
Transfers-out	4,577,639	22,262,361	26,840,000	37,335,000
TOTAL OTHER FINANCING USES	5,953,036	27,773,449	33,661,776	39,982,000
TOTAL EXPENDITURES & OTHER USES	\$ 27,675,823	\$ 45,976,668	\$ 75,060,602	\$ 89,522,165
ENDING FUND BALANCES	\$ 34,698,159	\$ 17,465,375	\$ 60,940,490	\$ 6,983,210
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 62,373,982	\$ 63,442,043	\$ 136,001,092	\$ 96,505,375

ENTERPRISE FUNDS

Changes for 2025-2026 Budget:

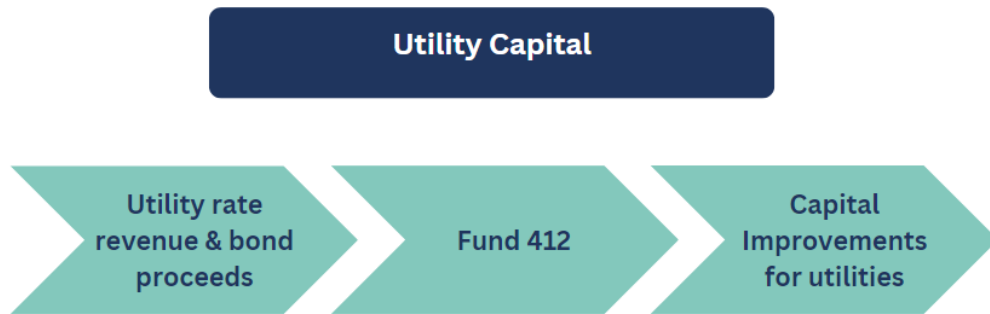
- The Utilities are each periodically analyzed and planned for accordingly in their separate comprehensive plans. These plans are required by Federal and/or State statutes. The Water Comprehensive Plan is currently being updated, and is anticipated to be adopted in late 2024 or early 2025. The Sewer Comprehensive Plan was approved by Council in 2023, and approved by Washington State Department of Ecology (WDOE) in 2024.
- Public Works adopted a 6-year utility rate structure in 2022, and will re-evaluate the rates in 2025. The full cost of operations as well as staffing recommendations from the Comp Plans are accounted for in the rate model and are fully funded by the rate schedules.
- The utility rates that were adopted in 2022 included a phased-in addition of 2 utility staff each year over the course of 6 years. Public Works intends to fill those positions in 2025 and 2026, per our adopted utility rate structure.
- We plan to evaluate our six-year utility rate structure again in 2025.
- Wastewater: Both the City and Washington State Department of Ecology (WDOE) have approved our Wastewater Treatment Plant (WWTP) Facility Plan, which is a roadmap for an entirely new WWTP. This project will begin the early stages in late 2024. Recent regulations limiting the release of nutrients into Puget Sound and a General Permit issued by the Washington State Department of Ecology will also be incorporated into the upgrades to the Plant. The Plant's incinerator was shut down in 2024, and dry sludge hauling began and will continue for the next several years. In 2024, we increased the wastewater pretreatment technician position from 0.5 FTE to 1 FTE, due to the increased workload.
- Water: The Water Comprehensive Plan update is underway and will be finished in late 2024 or early 2025. In trying to further decrease our water loss (target <10%), we will be conducting a water audit to identify areas of loss and improvement. In 2025, we will be purchasing water leak detection equipment to identify subsurface water main leaks. In 2024, we increased the cross connection control technician from 0.5 FTE to 1 FTE due to the increased workload.
- Surface Water: New stormwater regulations will be required to be adopted during this biennium, which will affect development standards, water quality and quantity treatment, and inspection frequency. Stormwater Operations will be installing new drainage infrastructure in three neighborhoods that experience flooding.

412 UTILITY CAPITAL INFRASTRUCTURE FUND

Mission and Responsibilities:

This capital fund is for the construction of Sewer/Water/Storm facilities as identified in adopted facility plans.

Fund Programs:



Fund Summary:

UTILITY CAPITAL FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 7,369,592	\$ 7,951,226	\$ 7,369,592	\$ 6,702,618
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Investment Interest	166,571	-	-	-
TOTAL REVENUES	<u>\$ 166,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900,000</u>
OTHER FINANCING SOURCES				
Transfers-in	4,577,639	22,298,816	26,876,455	37,335,000
TOTAL OTHER FINANCING SOURCES	<u>\$ 4,577,639</u>	<u>\$ 22,298,816</u>	<u>\$ 26,876,455</u>	<u>\$ 37,335,000</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 12,113,802</u>	<u>\$ 30,250,042</u>	<u>\$ 34,246,047</u>	<u>\$ 45,937,618</u>
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Utility Capital Projects	3,602,576	23,038,432	27,710,000	39,235,000
TOTAL OPERATING EXPENDITURES	<u>\$ 3,602,576</u>	<u>\$ 23,038,432</u>	<u>\$ 27,710,000</u>	<u>\$ 39,235,000</u>
OTHER FINANCING USES				
Transfers-out	560,000	508,992	1,068,992	600,000
TOTAL OTHER FINANCING USES	<u>560,000</u>	<u>508,992</u>	<u>1,068,992</u>	<u>600,000</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 4,162,576</u>	<u>\$ 23,547,424</u>	<u>\$ 28,778,992</u>	<u>\$ 39,835,000</u>
ENDING FUND BALANCES	<u>\$ 7,951,226</u>	<u>\$ 6,702,618</u>	<u>\$ 5,467,055</u>	<u>\$ 6,102,618</u>
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 12,113,802</u>	<u>\$ 30,250,042</u>	<u>\$ 34,246,047</u>	<u>\$ 45,937,618</u>

Changes for 2025-2026 Budget:

The Utility continues the process of catching up with infrastructure capital maintenance after years of deferred maintenance during the 1990's to mid- 2000's. Multiple bond sales have occurred over the past years to fund a long list of utility capital improvements. Improvements to sewer pump stations, our water tanks, and the Wastewater Treatment Plant will continue to be made. The City has embarked on a very large project that will effectively rebuild the Wastewater Treatment Plant over the next decade to keep up with environmental regulations and to meet the need of our growing City. Certain water lines in the city will be replaced. Flood improvements will be pursued in the Scriber Creek basin.

This long list of projects shown on the following table will result in improvements made to existing and worn infrastructure. The level of resources necessary to maintain these systems is assumed to decrease as crews currently must spend much time and effort maintaining the aging/failing infrastructure. For example, projects that reduce flooding will result in less crew time dealing with floods and their aftermath.

2025-2026 BUDGET

Utility Capital Budget Description	2025	2026	2025-26
WATER			
Water Tank Modifications/Repairs-Phase 2	\$ 100,000	\$ -	\$ 100,000
Water Comp Plan	50,000	-	\$ 50,000
Rebuild PRV #2	880,000	-	\$ 880,000
Waterline Replacement Program	1,800,000	1,500,000	\$ 3,300,000
Vulnerability Report/Evaluate 24" Trans. Line	120,000	-	\$ 120,000
Mall master meter and perimeter waterline	300,000	-	\$ 300,000
SEWER			\$ -
LS #10 Force Main Pigging	400,000	400,000	\$ 800,000
LS #10 Flood Protection & Electrical	-	200,000	\$ 200,000
LS #10 Pump Upgrade	-	200,000	\$ 200,000
Sewer Line Replacement & Lining Program	300,000	300,000	\$ 600,000
Fiber - 76th Street SW to Treatment Plant	600,000	-	\$ 600,000
196th & 52nd Ave W Capacity Upgrades	500,000	2,000,000	\$ 2,500,000
WWTP Repairs - West Electrical Upgrade	-	-	\$ -
LS#4 - Rebuild	2,500,000	2,500,000	\$5,000,000
LS#14 Seismic Repairs & Upgrade	300,000	3,000,000	\$3,300,000
Infiltration and Inflow	300,000	1,000,000	\$1,300,000
60th Pipe Upsize - Hwy99 to 176th	500,000	2,000,000	\$2,500,000
48th Pipe Upsize - 200th to 196th	500,000	2,000,000	\$2,500,000
Scriber Creek Upsize - 196th to Hwy99	500,000	2,000,000	\$2,500,000
WWTP Project (misc. projects)	4,210,000	4,525,000	\$8,735,000
STORM			\$ -
Remove Structures at Scriber Lake Inlet Const.	50,000	600,000	\$ 650,000
Maximize 188th Storage Design	-	50,000	\$ 50,000
196th St SW & Hwy 99 Water Quality Enhan.	150,000	500,000	\$ 650,000
44th Ave Flood Notification Sign	40,000	30,000	\$ 70,000
Other Projects	100,000	100,000	\$ 200,000
44th Flooding Alt. Assessment	40,000	40,000	\$ 80,000
Paving Projects	75,000	75,000	\$ 150,000
CHIP Pass-Through Grant	1,900,000		1,900,000
	2025	2026	2025-2026
Water	\$3,250,000	\$1,500,000	\$4,750,000
Sewer	\$10,610,000	\$20,125,000	\$30,735,000
Storm	\$2,355,000	\$1,395,000	\$ 3,750,000
	\$16,215,000	\$23,020,000	\$39,235,000

460 GOLF FUND

Mission and Responsibilities:

The Lynnwood Municipal Golf Course operates as an enterprise fund overseen by the PRCA Department and is managed by a third-party operator. Lynnwood's 76-acre, 18-hole golf course is operated for year-round play and is maintained at a high level to ensure great playing conditions and to encourage a high volume of users. The Pro Shop provides clothing and equipment sales, lessons and clinics, and tournament play.

Fund Programs:



Fund FTE History: Managed by contract through Premier Golf

Metrics:

Golf Fund Metrics	Actual 2021	Actual 2022	Actual 2023	Actual Jan-Jun 2024
Rounds Revenue	\$1,455,131	\$1,425,015	\$1,543,532	\$761,575
Cart Rental Revenue	\$229,198	\$241,776	\$285,795	\$118,185
Pro Shop Revenue	\$88,000	\$99,984	\$103,260	\$35,653
Food and Beverage Revenue	\$109,000	\$104,069	\$131,440	\$46,067

Fund Summary:

GOLF COURSE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 813,787	\$ 697,419	\$ 813,787	\$ 405,766
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	1,776,150	1,794,970	3,571,120	3,332,000
Investment Interest	13,371	629	14,000	30,000
Other Revenue	290,949	177,325	468,274	483,400
TOTAL REVENUES	\$ 2,080,470	\$ 1,972,924	\$ 4,053,394	\$ 3,845,400
OTHER FINANCING SOURCES				
Other Financing Sources	(52)	52	-	-
TOTAL OTHER FINANCING SOURCES	\$ (52)	\$ 52	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 2,894,205	\$ 2,670,395	\$ 4,867,181	\$ 4,251,166
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Supplies	(4,763)	5,763	1,000	1,000
Services & Charges	1,933,453	1,989,594	3,923,047	3,514,800
Intergovernmental	-	-	22,000	-
TOTAL OPERATING EXPENDITURES	\$ 1,928,690	\$ 1,995,357	\$ 3,946,047	\$ 3,515,800
Operating Revenues over (under) Operating Expenditures	\$ 151,780	\$ (22,433)	\$ 107,347	\$ 329,600
OTHER FINANCING USES				
Capital Outlay	264,168	-	8,800	350,000
Debt Service	3,928	269,272	273,200	254,600
TOTAL OTHER FINANCING USES	268,096	269,272	282,000	604,600
TOTAL EXPENDITURES & OTHER USES	\$ 2,196,786	\$ 2,264,629	\$ 4,228,047	\$ 4,120,400
ENDING FUND BALANCES	\$ 697,419	\$ 405,766	\$ 639,134	\$ 130,766
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 2,894,205	\$ 2,670,395	\$ 4,867,181	\$ 4,251,166

Changes for 2025-2026 Budget:

- Insurance increased \$5,600 (doubled from last biennium)
- Bank Merchant Card Fees increased \$50,000
- Internal Administrative Services increased \$21,500

INTERNAL SERVICE FUNDS



510 EQUIPMENT RENTAL RESERVE FUND

Mission and Responsibilities:

The Equipment Rental Reserve is an internal service fund used to provide for the accumulation of revenues (reserves) which allows for the replacement of the City's vehicles and equipment. The Public Works Department, Administration Division took over management of the Fund in 2018 while Administrative Services continues to provide the fiduciary accounting of the Fund. The Public Works Department's Fleet Program also provides maintenance services under Fund 511.

Fund Programs:



Fund Summary:

EQUIPMENT RENTAL RESERVE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 4,945,144	\$ 5,462,641	\$ 4,945,144	\$ 4,917,173
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	\$ 1,809,473	\$ 1,939,799	\$ 3,749,272	\$ 7,133,300
Investment Interest	76,994	-	-	-
Other Revenue	2,983	-	-	-
TOTAL REVENUES	\$ 1,889,450	\$ 1,939,799	\$ 3,749,272	\$ 7,133,300
OTHER FINANCING SOURCES				
Other Financing Sources	110,083	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 115,643	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 6,950,237	\$ 7,402,440	\$ 8,694,416	\$ 12,050,473
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Supplies	222,158	-	-	-
Services & Charges	1,433	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 223,591	\$ -	\$ -	\$ -
Operating Revenues over (under) Operating Expenditures	\$ 1,665,859	\$ 1,939,799	\$ 3,749,272	\$ 7,133,300
OTHER FINANCING USES				
Capital Outlay	1,264,005	2,485,267	3,749,272	1,901,600
TOTAL OTHER FINANCING USES	1,264,005	2,485,267	3,749,272	1,901,600
TOTAL EXPENDITURES & OTHER USES	\$ 1,487,596	\$ 2,485,267	\$ 3,749,272	\$ 1,901,600
ENDING FUND BALANCES	\$ 5,462,641	\$ 4,917,173	\$ 4,945,144	\$ 10,148,873
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 6,950,237	\$ 7,402,440	\$ 8,694,416	\$ 12,050,473

Changes for 2025-2026 Budget:

Public Works had the FCS Group in 2020 perform an analysis of the Fleet Replacement and Operations systems to verify fleet practices, cash balances, and the plan forward. This analysis showed that the two funds, 511, Fleet Operations and Maintenance, and 510, Equipment Rental Reserve had sufficient funds to meet current and future operational and replacement needs. The analysis confirmed that the replacement rates being used were adequate to meet future replacement costs across the fleet. The analysis also created a best practices spreadsheet for tracking and forecasting city replacements. This plan has been implemented over the past couple of biennia and the findings of the analysis have been proven to be true.

Other Comments:

The vehicle/equipment replacement funding is ongoing and expenditure levels will vary from year to year depending on replacement schedules. Below is a schedule of vehicle replacements for the 2025-26 biennium:

Dept Code: Division	Vehicle Acquisition				Estimated Year of Replacem ent	Estimated Replacem ent Cost	Assumed Surplus Value	Amount Collected		
	Code	Year	Make	Model				as of 12/31/2024	Amt To Be Collected	Biennial Rate
302 CID	355	2018	Ford	Taurus	2025	\$80,498	\$7,006	\$56,379	\$17,113	\$17,113
302 CID	374	2017	Chevy	Impala	2026	\$86,083	\$2,852	\$24,068	\$59,163	\$59,163
610 Engineering	236	2010	Ford	Taurus	2025	\$56,180	\$4,742	\$12,064	\$39,374	\$39,374
301 Community Health	367	2018	Ford	F150 Responder	2026	\$84,857	\$6,200	\$50,384	\$28,272	\$28,272
301 Community Health	357	2018	Ford	Interceptor	2026	\$86,965	\$7,291	\$54,680	\$24,995	\$24,995
300 Admin	364	2018	Ford	Interceptor	2025	\$87,300	\$7,631	\$60,951	\$18,718	\$18,718
308 SOS	348	2017	Ford	Interceptor Sedan	2025	\$89,813	\$6,192	\$80,167	\$3,454	\$3,454
308 SOS	347	2017	Ford	Interceptor	2025	\$81,892	\$7,131	\$72,174	\$2,587	\$2,587
308 SOS	350	2017	Ford	Interceptor	2026	\$85,168	\$7,131	\$72,174	\$5,863	\$5,863
310 Traffic	365	2018	HD	FLHPI	2026	\$49,346	\$2,978	\$18,370	\$27,998	\$27,998
310 Traffic	387	2019	HD	Electraglide	2026	\$49,116	\$2,960	\$40,704	\$5,452	\$5,452
308 SOS	NEW	2025	Ford	Interceptor	2025	\$83,019	\$7,236	\$0	\$75,784	\$75,784
310 Traffic	388	2019	HD	Electraglide	2026	\$49,116	\$2,960	\$40,704	\$5,452	\$5,452
310 Traffic	366	2018	H-D	FLHPI	2026	\$46,464	\$2,952	\$38,354	\$5,158	\$5,158
120 Executive	237	2010	Ford	Taurus	2026	\$54,193	\$4,632	\$11,154	\$38,406	\$38,406
350 PD Corrections	325	2015	Ford	E350	2025	\$165,590	\$11,187	\$132,280	\$22,124	\$22,124
510 Park Maintenance	217	2009	Ford	Dumptruck	2026	\$74,834	\$3,842	\$62,945	\$8,047	\$8,047
540 Recreation	303	2005	Ford	E450	2025	\$138,040	\$3,868	\$81,531	\$52,641	\$52,641
510 Park Maintenance	206	2009	New	Holland	2026	\$71,279	\$2,784	\$47,080	\$21,415	\$21,415
802 Permits & Inspections	266	2012	Chevy	Colorado	2026	\$59,971	\$2,789	\$0	\$57,182	\$57,182
802 Permits & Inspections	NEW	2025	Ford	Escape	2025	\$42,386	\$3,823	\$0	\$38,563	\$38,563
802 Permits & Inspections	269	2013	Ford	F150	2025	\$43,962	\$2,746	\$35,410	\$5,806	\$5,806
613 Inspector	274	2013	Ford	F150	2025	\$75,366	\$2,746	\$36,878	\$35,742	\$35,742
630 Bldg & Properties	268	2013	Ford	F150	2025	\$78,155	\$4,480	\$41,028	\$32,647	\$32,647
660 Streets	216	2009	Internatio	Dumptruck	2026	\$326,669	\$50,000	\$218,874	\$57,795	\$57,795
660 Streets	235	2010	Internatio	PRO	2025	\$312,000	\$16,333	\$248,289	\$47,377	\$47,377
680 Water	265	2013	Chevy	Tahoe	2025	\$51,160	\$3,195	\$50,389	-\$2,425	\$0
680 Water	330	2016	Ford	Transit	2026	\$43,264	\$7,838	\$28,486	\$6,940	\$6,940
680 Water	215	2009	Internatio	Dumptruck	2026	\$326,890	\$7,883	\$122,127	\$196,880	\$196,880
700 Sewer	NEW	2026	0	0	2026	\$208,238	\$19,010	\$0	\$189,228	\$189,228
700 Sewer	234	2010	Internatio	Aquatech	2025	\$502,169	\$29,300	\$410,759	\$62,110	\$62,110
725 Storm	254	2012	Internatio	ELGIN	2025	\$462,800	\$22,635	\$336,047	\$104,118	\$104,118
780 Treatment	NEW	2025	Ford	Lightning	2025	\$57,437	\$0	\$0	\$57,437	\$57,437
780 Treatment	NEW	2025	0	Lift	2025	\$28,251	\$2,504	\$0	\$25,747	\$25,747
302 CID	373	2017	Chevy	Impala	2026	\$48,625	\$2,974	\$24,256	\$21,396	\$21,396
310 Traffic	400	2020	Harley	Electraglide	2026	\$45,267	\$2,996	\$38,856	\$3,415	\$3,415
310 Traffic	401	2020	Harley	Electraglide	2026	\$45,267	\$2,996	\$38,856	\$3,415	\$3,415
304 Patrol	402	2020	Ford	Interceptor	2026	\$98,177	\$8,086	\$47,598	\$42,494	\$42,494
304 Patrol	413	2021	Ford	Interceptor	2025	\$94,401	\$8,086	\$28,972	\$57,343	\$57,343
304 Patrol	414	2021	Chevy	Tahoe	2025	\$84,542	\$6,527	\$39,008	\$39,007	\$39,007
300 Admin	349	2017	Ford	Interceptor	2026	\$73,811	\$5,870	\$0	\$67,942	\$67,942
304 Patrol	NEW	2025	Ford	Interceptor	2025	\$94,402	\$0	\$0	\$94,402	\$94,402
304 Patrol	NEW	2025	Ford	Interceptor	2025	\$94,402	\$0	\$0	\$94,402	\$94,402
304 Patrol	NEW	2026	Ford	Interceptor	2026	\$98,178	\$0	\$0	\$98,178	\$98,178
Total to Spend										\$1,901,581

511 EQUIPMENT RENTAL OPERATIONS FUND

Mission and Responsibilities:

Fund 511 pays for the Fleet mechanics who service Lynnwood's and South County Fire and Rescue's (SCF) vehicles and equipment as well as one-half of an accountant in Administrative Services and one-half of an administrative position in the Public Works Department. All revenue comes from direct charges to the departments for maintenance, repairs, and fuel, and South County Fire and Rescue. No direct allocation of General Funds is made to this Fund.

Fund Programs:



Fund FTE History:

Equipment Rental FTE History				
2022	2023	2024	2025	2026
6.50	6.50	6.50	9.50	9.50

Fund Summary:

EQUIPMENT RENTAL OPERATIONS FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 712,974	\$ 674,519	\$ 712,974	\$ 40,254
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	\$ 2,261,850	\$ 2,092,586	\$ 4,354,436	\$ 6,171,800
Investment Interest	11,757	-	-	-
Other Revenue	25,346	-	-	-
TOTAL REVENUES	\$ 2,298,953	\$ 2,092,586	\$ 4,354,436	\$ 6,171,800
OTHER FINANCING SOURCES				
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 3,011,927	\$ 2,767,105	\$ 5,067,410	\$ 6,212,054
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	627,557	675,443	1,303,000	2,236,921
Personnel Benefits	278,230	271,570	549,800	823,246
Supplies	707,560	1,196,440	1,904,000	1,699,500
Services & Charges	696,820	500,639	1,197,459	1,252,255
Intergovernmental	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 2,310,167	\$ 2,644,092	\$ 4,954,259	\$ 6,011,922
Operating Revenues over (under) Operating Expenditures	\$ (11,214)	\$ (551,506)	\$ (599,823)	\$ 159,878
OTHER FINANCING USES				
Capital Outlay	27,241	82,759	110,000	-
Transfers-out	-	-	-	-
TOTAL OTHER FINANCING USES	27,241	82,759	110,000	-
TOTAL EXPENDITURES & OTHER USES	\$ 2,337,408	\$ 2,726,851	\$ 5,064,259	\$ 6,011,922
ENDING FUND BALANCES	\$ 674,519	\$ 40,254	\$ 3,151	\$ 200,132
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 3,011,927	\$ 2,767,105	\$ 5,067,410	\$ 6,212,054

Changes for 2025-2026 Budget:

Public Works continues to operate Fleet Operations following best practices that were outlined in a consultant study done in 2019. The shop continues to provide mechanics service to South County Fire under an interlocal agreement. For 2025-2026 the Fire District has asked for increased services for their growing fleet. Three mechanics and a second shift are being requested to support the Fire District, additional funding will be covered through Fire District payments.

513 SHOP OPERATIONS FUND

Mission and Responsibilities:

This fund pays the bills at the Lynnwood Maintenance and Operations Center (LOMC), and funds repair and minor upgrades for the facility. The revenue for this fund is in the form of transfers from the Public Works divisions housed at the LOMC: Streets Operations; Stormwater Operations; Water & Sewer Operations; Fleet Operations and Administrative Services. No direct allocation of General Funds is made to this fund.

Fund Programs:



Fund FTE History:

Shop Operations FTE History				
2022	2023	2024	2025	2026
0.28	0.39	0.39	0.39	0.39

Fund Summary:

LYNNWOOD SHOP OPERATIONS	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 74,185	\$ 66,682	\$ 74,185	\$ 51,985
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	\$ 138,250	\$ 138,250	\$ 276,500	\$ 596,300
TOTAL REVENUES	\$ 138,250	\$ 138,250	\$ 276,500	\$ 596,300
OTHER FINANCING SOURCES				
Transfers-in	-	57,800	57,800	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 57,800	\$ 57,800	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 212,435	\$ 262,732	\$ 408,485	\$ 648,285
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Salaries & Wages	10,255	14,445	24,700	48,277
Personnel Benefits	5,017	7,883	12,900	19,693
Supplies	27,935	2,965	30,900	43,000
Services & Charges	102,546	105,454	208,000	516,400
TOTAL OPERATING EXPENDITURES	\$ 145,753	\$ 130,747	\$ 276,500	\$ 627,370
Operating Revenues over (under) Operating Expenditures	\$ (7,503)	\$ 7,503	\$ -	\$ (31,070)
OTHER FINANCING USES				
Capital Outlay	-	80,000	80,000	-
TOTAL OTHER FINANCING USES	-	80,000	80,000	-
TOTAL EXPENDITURES & OTHER USES	\$ 145,753	\$ 210,747	\$ 356,500	\$ 627,370
ENDING FUND BALANCES	\$ 66,682	\$ 51,985	\$ 51,985	\$ 20,915
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 212,435	\$ 262,732	\$ 408,485	\$ 648,285

Changes for 2025-2026 Budget:

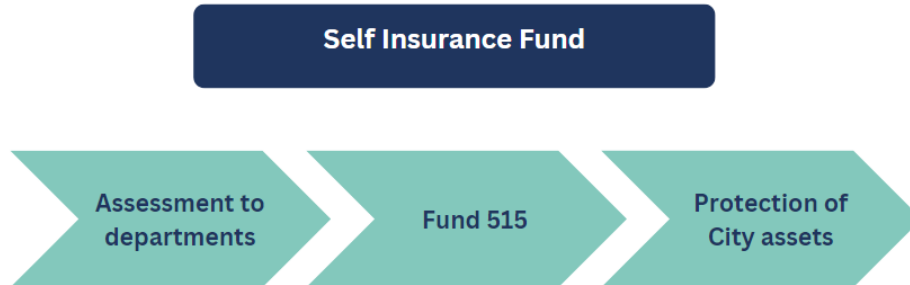
For this biennium, we are planning to construct an awning to protect and cover the material stockpiles.

515 SELF INSURANCE FUND

Mission and Responsibilities:

This fund accounts for claims and judgments above specified deductible(s). All premium costs are all allocated to departments and funds.

Fund Programs:



Fund Summary:

SELF INSURANCE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 148,944	\$ 191,296	\$ 148,944	\$ 131,296
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Other Revenue	129,026	-	-	-
TOTAL REVENUES	<u>\$ 129,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	<u>\$ 277,970</u>	<u>\$ 191,296</u>	<u>\$ 148,944</u>	<u>\$ 131,296</u>
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Services & Charges	86,674	60,000	101,900	120,000
TOTAL OPERATING EXPENDITURES	<u>\$ 86,674</u>	<u>\$ 60,000</u>	<u>\$ 101,900</u>	<u>\$ 120,000</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 86,674</u>	<u>\$ 60,000</u>	<u>\$ 101,900</u>	<u>\$ 120,000</u>
ENDING FUND BALANCES	\$ 191,296	\$ 131,296	\$ 47,044	\$ 11,296
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	<u>\$ 277,970</u>	<u>\$ 191,296</u>	<u>\$ 148,944</u>	<u>\$ 131,296</u>

Changes for 2025-2026 Budget:

No changes anticipated for this fund.

520 TECHNOLOGY RESERVE FUND

Mission and Responsibilities:

This fund pays for replacing, upgrading, and maintaining the City's essential technology equipment, including computer systems, infrastructure, servers, and storage. The revenue for this fund is in the form of service fees to each department.

Fund Programs:



Fund Summary:

TECHNOLOGY RESERVE FUND	2023 Actual	2024 Projected	2023 - 2024 Budget	2025 - 2026 Budget
BEGINNING FUND BALANCES	\$ 326,890	\$ 53,694	\$ 326,890	\$ 194,807
REVENUES AND OTHER SOURCES:				
OPERATING REVENUES				
Charges for Services	236,757	238,243	475,000	332,282
TOTAL REVENUES	\$ 236,757	\$ 238,243	\$ 475,000	\$ 332,282
OTHER FINANCING SOURCES				
TOTAL OTHER FINANCING SOURCES	\$ 177,000	\$ -	\$ 177,000	\$ -
TOTAL REVENUES, OTHER SOURCES, & BEGINNING FUND BALANCE	\$ 740,647	\$ 291,937	\$ 978,890	\$ 527,089
EXPENDITURES & OTHER USES				
OPERATING EXPENDITURES				
Supplies	686,870	97,130	784,000	520,000
Services & Charges	83	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 686,953	\$ 97,130	\$ 784,000	\$ 520,000
TOTAL EXPENDITURES & OTHER USES	\$ 686,953	\$ 97,130	\$ 784,000	\$ 520,000
ENDING FUND BALANCES	\$ 53,694	\$ 194,807	\$ 194,890	\$ 7,089
TOTAL EXPENDITURES, OTHER USES, & FUND BALANCES	\$ 740,647	\$ 291,937	\$ 978,890	\$ 527,089

Changes for 2025-2026 Budget:

No changes anticipated for this fund.

APPENDIX



DEPARTMENT HIGHLIGHTS FROM 2023-2024

LEGISLATIVE

- Continued collaboration with Sound Transit and Community Transit to establish light rail and mass transit options.
- Continued partnerships with surrounding municipalities to address concerns specific to South Snohomish County.
- Create policies to manage the anticipated development in the City Center and the Regional Growth center.

EXECUTIVE

- Hired new Department Directors to oversee the Human Resources Department and Police Department, pending recruitment for the Parks, Recreation, and Cultural Arts Director, and Public Works Director position.
- Celebrated the ribbon cutting and grand opening of two critical transportation infrastructure projects: the Community Transit Orange Line swift bus service, and the Lynnwood Link Light Rail at the Lynnwood City Center Station.
- Updated Lynnwood Municipal Code to enable the election of a full time Municipal Court Judge.
- Through continued Federal and State legislative engagement and outreach, the City was successfully awarded \$25 million from the Federal Infrastructure bill, and \$10 million from the Move Ahead Washington State Transportation bill for the construction of Poplar Way Bridge.
- Coordinated the City's participation in the One Washington Opioid Memorandum of Understanding and subsequent settlements which brings funds to the City to use towards opioid abatement.
- Relunched the City's Lynnwood University program after a brief hiatus due to the COVID pandemic.
- Facilitated a process to develop Lynnwood's Core Values along with a cross-departmental committee. Lynnwood's Core Values are *Inclusive, Collaborative, Accountable, Innovative*.
- Launched a new city-wide Racial Equity Diversity and Inclusion Training. 100 city employees participated in the first round of training. An online learning module was also developed and will be now included in employee on-boarding.
- Coordinated the effort to fill a City Council vacancy by updating the resolution that outlines the process for filling a Council vacancy, posting the vacancy announcement and recruitment of applicants, screening candidates, and helping Council conduct interviews.

MUNICIPAL COURT

- Obtained grant funding to attend the National Therapeutic Court Conference, All Rise, in Anaheim, CA.
- Judge Bouffiou appointed by the WA Supreme Court to the JISC/Data Dissemination Committee.
- Court Administrator Revoir was awarded the Most Valuable Court Contributor Award by DMCMA.
- Court staff became First Aid/CPR/AED certified.
- Clean Audit

HUMAN RESOURCES

- Relocated the Human Resources department supporting higher levels of customer service.
- Negotiated four collective bargaining agreements affecting employee empowerment.
- Recognized 625 years of employee service at the 2023 employee recognition banquet.
- Implemented the innovative PRCA employee retention policy resulting in greater efficiencies in PRCA staffing.
- Reinstated in-person supervisory trainings post-pandemic empowering supervisory relationships.
- Attended 13 job fairs/external recruitment events facilitating 328 new hires during the current biennium.
- Successfully standardized and updated for compliance 241 job descriptions.
- Performed several HR innovation & modernization projects related to HR operations.

FINANCE

- Achieved Full Staffing & Reorganized to improve efficiencies
- 2023 Bond Issuance
- 2022 and 2023 Financial Statements submitted on time
- Received GFOA Budget and Financial reporting awards
- Improved internal customer service and collections in UB
- Implemented improved utility billing payment options
- Managed ARPA funding and audit

INFORMATION TECHNOLOGY

- Filled IT Systems Manager position after a 4-year vacancy
- Augmented team with cybersecurity vendor to monitor logs 24/7 and assist with incident response
- Implemented failover and network security project as part of business continuity plans
- Deployed 455 desktops/laptops and all associated peripherals
- Configuration and deployment of 59 MDCs
- Technology move and set up for the new CJC
- Assisted Finance with implementing a new IVR and Utility billing system

POLICE

- Completed Construction of CJC and Jail Facility and moved in May 2024.
 - Soft opening of Jail in late Summer 2024
 - Promoted four (4) Master Custody Officers to provide additional supervisory support for Jail operations
 - Jail Medical Program successfully implemented.
 - Jail Programming and associated grants to support such programming have been applied for and anticipated to be awarded in late 2024
- Moved Evidence Facility, to include over 18,000 items of evidence from the leased off-site facility into the CJC.
- Created our Department Five-Year Strategic Plan for 2024-2028 through a collaborative process involving employees, community input and Department leadership.

- Hired a Community Support Specialist for the Jail which allows for access to and eligibility for grants related to programming and the offsetting of costs related to the treatment of Opioid Use Disorder.
- Successfully hired nine (9) employees in 2023, and seven (7) thus far in 2024 as we build back patrol staffing and therefore specialty unit capability.
- Hired a Crime Analyst to facilitate the best practice of “Intelligence Led Policing” utilizing the analysis of crime in our community and the region to more accurately and effectively direct resources to address emerging criminal trends.
- Continued robust Community Engagement strategies including Cops-N-Kids, Cops for Inclusion (for families of children with a Spectrum Disorder), Coffee-with-a-Cop, Police Youth Camp, Cops-N-Clergy, Chief’s Community Advisory Group, Back to School Shop-with-a-Cop, National Night Out and business outreach efforts.
- Continued responding to increasingly complex organized crime and cybercrimes requiring advanced training and equipment as well as an increased commitment of time.
- Increased gang, youth, and gun violence in our community and region requiring collaborative multi-agency efforts that are time consuming and labor intensive.

PARKS, RECREATION, AND CULTURAL ARTS

- Secured \$9,531,867 in federal, state, and county grant dollars.
- Acquired 4.58-acres contiguous to the City-owned Lund’s Gulch South in June 2024.
- Completed Scriber Creek Trail Phase 2 Improvements in July 2024; \$11.5M project total with \$9.875M in grant funds and completed Pioneer Park tennis court overlay in October 2024; \$106,000 project.
- Finalized design and held groundbreaking for Scriber Lake Park Boardwalk project; \$5.6M project total (\$2.53M grant funds; \$2M ARPA).
- Finalized design for the Scriber Creek Trail Phase 3 project and held bid advertisement for the estimated \$10.5M project total (\$6M in grant funds).
- Secured \$1.3M Forestry Grant from the USDA Forest Service. Funding supports a full time Parks Forester position for the next 5 years. In addition to the forester position the grant funds forest assessments, volunteer outreach projects, and park stewardship programming in south Lynnwood.
- Completed the ParksLove Park & Trail Capital Plan with adoption in December 2023.
- Completed Lynnwood’s first universally accessible Playground at Meadowdale Playfields in June 2023. Installed an ADA compliant playground surfacing and sensory panel at the Recreation Center playground. The restrooms at North Lynnwood and Daleway Parks have been remodeled to current ADA accessibility standards. Distributed ADA picnic tables and drinking fountains throughout the park system.
- Created a graffiti response trailer fitted with a 400-gallon water tank, heated pressure washer, and solar-powered pump. The trailer has storage for painting supplies and graffiti removal products. This trailer allows staff to respond to graffiti and vandalism quickly.
- Transitioned all public swims to be available for advanced registration either online, in person, or over the phone significantly improving customer service. This shift allows customers to register before arriving, reducing wait times and frustration. They can view real-time availability and receive instant confirmation of their bookings.
- Launched a monthly digital newsletter for the Lynnwood Parks, Recreation, and Cultural Arts Department, featuring important dates, exciting upcoming events, and new activities to try.

- Maximized our registration system to handle all aspects of our operations, including registrations, rentals, emails, and financial management. This comprehensive approach streamlines our processes and enhances overall efficiency.
- Developed the Human Services Program, including a coordinator position to support capacity building with service provider agencies and serve as a department and city liaison with the community, working in collaboration to build capacity to meet the needs of the community.
- Created a new citywide community event, Paws in the Park, while continuing to emphasize park activation programs through both partnered and city-run events to address social equity issues and strengthen community social connectedness.
- Completed public art installations (3) at Lynnwood Transit Center, an installation at the Community Justice Center with 6 artists, a mural at North Lynnwood Neighborhood Park, and Veteran themed box wrap at 196th and 40th street.

PUBLIC WORKS

Fund 011: Administration, Engineering and Construction, Building and Property Services

- 457 Citizen Requests Logged and Resolved
- Received Energy Efficiency and Conservation Block Grant (EECBG) grant funding in the amount of \$76,450 for EV transition project. Additionally, received \$383,625 from the Washington EV Charging Grants for the EV transition project. These funds will be used to update the infrastructure at our City Hall campus, as well as install public charging stations and city fleet charging stations at the campus. Grant funds will also be used to install charging stations at our Operations and Maintenance Center as well as the CJC.
- 484 Staff Building Requests Completed
- Replaced HVAC Unit on City Hall
- Revamped Conference Room 4 and Replaced Chairs
- New Tables and Chairs in Council Chambers
- City Hall Moves and Updates
- Installation of Temporary EV Chargers
- Installation of Smart Power Strips- Began Energy Savings
- Building Policy Creation
- Received over \$13 million in grant funds for five different capital projects
- 196th St SW Improvement Project - COMPLETED
- 2023 Paving Program – COMPLETED
- Scriber Creek/188th St SW Floodwall – COMPLETED
- Two Traffic Signals rebuilt- 196th St SW at 68th Ave W and at 76th Ave W – COMPLETED
- 200th St SW Utilities Upgrade -COMPLETED
- 76th Ave W Paving (near Perrinville) in partnership with Edmonds - COMPLETED
- Scriber Creek Trail Phase 2 (supported Parks Dept) - COMPLETED
- 176th St SW - Sidewalk Repairs - COMPLETED
- 2024 ADA Ramps/Sidewalk Project - Under construction
- 204th St SW Paving and Traffic Signal Project - Under construction
- 2024 Waterline and Valve Replacement - Under construction
- Water Tanks - Under construction

Fund 411: Water, Sewer & Storm Utilities Operations

- 1,042 Water Hydrants Flushed and Inspected
- 9 Water Main Repairs
- 68 Water Services Repaired

- 44 Water Services Replaced
- 24 Water Hydrants Replaced
- 1,707 Water Valves Exercised
- 79 Possible Water Leaks Investigated
- 114 Requests Logged and Resolved
- 2 Employees Earned Water Manager Certifications
- 3,073 Catch Basins Inspected
- 1 Stormwater Pond Restored including erosion control, dewatering, excavating silt/vegetation, and stabilizing the bank and berms
- 7 Catch Basins Repaired
- 39 Critical Storm Inlets Maintained
- 30,000 Coho Salmon raised and released into Hall Lake
- 5 rain gardens installed
- 281 trees planted in Lynnwood via the Tree Voucher Program
- 368 stormwater facilities inspected
- 37 stormwater facilities repaired to meet state standards
- 85 businesses inspected to ensure outdoor activities and storage are not contributing to surface water pollution
- 23 spills responded to and remedied
- Average Flow Rate of 4.23 MGD
- 915.3 Tons of Solids Burned
- Sludge incinerator permanently decommissioned and replaced by new sludge conveyor and hauling system.

Funds 111: Street & Traffic Operations

- 374 Potholes Filled
- 3,488 Maintained Signs
- 80 Tripping Hazards Remedied
- 36 Sidewalks Repaired
- 57 Asphalt Repairs
- 22.5 Lane Miles Crack Sealed
- 18,000 Pounds of Crack Sealant Used for Street Preservation
- 3 Employee's Earned Their Commercial Driving Licenses (CDL's)
- Managed the "ice" response. Public Works Street division had teams ready in advance and a plan in place, with partnership from our Utilities crews. Our teams had briner down on the streets and our roads stayed in good condition throughout the cold icy weather.
- Paved 12 patches for a total of 2600 square feet of surface area with over 47 tons of mix.
- Support for 196th St SW Improvement Project including rebuilt signals from 40th Ave W to 48th Ave W
- Support for Sound Transit Link Light Rail including rebuilding and installing new signals on 200th St SW from 44th Ave W to Scriber Lake Road
- Support for Community Transit Orange Line including two new HAWK signals- one of which is a hybrid of our own engineering design
- Support for all construction projects involving temporary traffic control
- Support for City of Edmonds and City of Mountlake Terrace traffic signals; joint projects at borders
- Support for Utilities SCADA including citywide projects at lift stations and the treatment plant
- Support for technology deployments at LPD's Community Justice Center

- Support for City Center projects; street lights, pedestrian lights, traffic signals
- Finished installing Veteran's Awareness signs at several locations
- Finished replacing all School Zone flashing beacon assemblies
- Traffic demand has returned to pre-pandemic volumes. We are moving more traffic than ever before.
- City of Lynnwood has two traffic signals that are entirely within School Zones. One is 188th St SW and 44th Ave W and the other is 52nd Ave W and 168th St SW. A study this past year confirmed a problem with motorists forgetting they were in an active school zone when waiting on RED for a GREEN light. Blank-Out signs that display SCHOOL ZONE ACTIVE are being tested. Depending on the results, the blank-out signs may remain permanently.
- City of Lynnwood and City of Edmonds activated a new mid-block crosswalk with push-button beacons and new curb ramps across 76th Ave W at 200th St SW.

Fund 144: Solid Waste Management and Waste reduction

- 7 Recycling Events Held
- Sponsored the shred truck at Edmonds College's Recycling Collection event. The college counted 369 cars that came through and 3.86 tons of paper were collected, shredded, and properly recycled.

Fund 511: Equipment Rental (Fleet) Operations

- 1,045 Completed Work Orders Overall
- 462 RFA Work Orders Completed
- 32 New Fleet Vehicles Ordered
- Of those, 6 are Electric
- Billed Out 7,024 Hours
- Serviced and/or Repaired 202 City Vehicles
- Serviced and/or Repaired 101 RFA Vehicles
- 5 Mechanics Earned New Certifications
- Completed Electric Vehicle 10 Year Plan

DEVELOPMENT AND BUSINESS SERVICES

- Designed and launched innovative SmartGov permit system.
- Implemented 24/7 customer service portal.
- Reviewed and updated municipal code for consistency and usability.
- Facilitated completion of Sound Transit (ST2) and opened City Center station.
- Engaged in City Center and Highway 99 revitalization.
- Initiated Housing Action Plan implementation.
- Initiated business outreach program.
- Facilitated approval of new development city-wide.
- Empowered staff through training, on-the-job development, and certifications.
- Embraced cross-departmental innovation and outcomes for customer service.
- Completed and implemented DBS Fee Study to ensure cost recovery.
- Revised interlocal agreement for fire prevention services with South County Fire.

DEPARTMENT OUTCOMES FOR 2025-2026

LEGISLATIVE

- Community engagement by attending events as well as *Coffee with the Council* and *Let's Talk About Safety* events to proactively advance social and racial equity in all areas of civic governance.
- Increase engagement with and interest in local government among local students by partnering with local schools to host mock city council meetings.
- Collaboration with regional partners to leverage affordable housing sales tax revenue (SHB 1590/1406) for the greatest good.
- Provide input and approval of significant documents to establish future policies: Lynnwood comprehensive Plan Update in 2024 and Implementation of the Lynnwood Housing Action Plan.
- Maintain financial stability by monitoring economic conditions and responding appropriately.
- Continue holding quarterly South County Collaboration Summits.
- Improve communication between the Council and City Advisory Boards and Commissions.

EXECUTIVE

- Support efforts to accomplish the City's Strategic Plan 2022-2026 and the Community Vision.
- Work with departments to further refine measurements and indicators that better reflect the quality and efficiency of city services. Reinstate a biannual community sentiment survey tool to measure community member satisfaction with city services.
- Continue to advocate to State and Federal representatives to advocate for the needs of our community, specifically advocating for any applicable grant dollars related to infrastructure and community building efforts.
- Build on community engagement through inclusive outreach strategies, ensuring Lynnwood is a safe, welcoming, and accessible community.
- Continue to advocate on behalf of the City on regional transportation boards, specifically turning attention to Sound Transit Everett Link Extension.
- Explore a regional approach to crisis response and collaborate with neighboring cities to address issues of mental health, homelessness, and the opioid epidemic.

MUNICIPAL COURT

- Create a culture that fosters integrity, transparency, and accountability.
- Foster positive moral among court personnel.
- Adhere to the highest ethical standards of the justice system.
- Uphold the principals of judicial independence and fiscal responsibility.
- Protect individual rights.
- Ensure public trust and confidence.
- Fairly and impartially administer justice.
- Provide impartial forum for resolution of disputes.
- Ensure access to justice.
- Be responsive to the multiple cultures, languages, and special populations who utilize the court services.
- Provide onsite resources to justice participants and the community.
- Provide community service opportunities within the City of Lynnwood.

- Strengthen relationships with community stakeholders and service providers.
- Reduced use of jail.
- Reduced recidivism.
- Reduced crime.
- Create a positive community view of the Lynnwood Criminal Justice System.

LEGAL

- Supports sound decision-making, advancing strategic priorities, compliance with applicable local, State, and Federal regulations, and risk avoidance.
- Supports Lynnwood's criminal justice functions by delivering prosecutorial and indigent defense services to persons charged with misdemeanor and gross-misdemeanor crimes. Works to advance access to justice, balanced risk management, crime deterrence, and compliance with local, State, and Federal laws.

HUMAN RESOURCES

- Sharpened focus on high-quality customer service training; working to create and roll out a customer service academy for employees.
- Expansion of our diversity reach in City of Lynnwood recruitments.
- Recruiting and onboarding practices are modernized, efficient, holistic, equitable, consistent; all staff feel welcomed, informed, and integral to the City team.
- Support a work environment that retains and attracts a qualified, diverse workforce and embed principles of equity and inclusion as core values among staff.
- Offer practical, necessary, applicable, effective educational employee training and professional development programs to promote professional growth and engagement in support of excellent internal/external customer service delivery.
- Administer comprehensive, fiscally responsible employee benefit packages to attract, and retain City staff.
- Run employee recognition programs that honor City staff for their years of service and outstanding work.
- Manage Civil Service administration for the Police Department to ensure compliance with state and local laws; manage LEOFF 1 disability claims for City LEOFF 1 retirees.
- Oversee job classification and compensation to maintain competitiveness in the job market, support recruitment and retention efforts, and ensure job specifications accurately reflect necessary qualifications.
- Partner on safety programs to mitigate safety risks and provide a safe and healthy work environment for employees.
- Support proactive and consistent performance management practices that comply with policies and contracts ensuring fair and equitable treatment. Train supervisors to provide clear understanding of performance expectations and promotional opportunities to employees.
- Support a diverse workforce.
- HR Operations staff support and advance the City Vision and priorities of the City Strategic Plan.
- Implement NEOGOV Offboard; proactively manage policy updates and acknowledgment tracking.
- Comprehensive policy review, formulation and implementation.
- Operate within budget.

- Provide standardization to HR processes effectively capturing legacy knowledge.
- Perform Teamster Union compensation study.
- Negotiate AFSCME Contract.
- Mitigate grievances through labor management collaboration.
- Foster and support interest-based bargaining during the 2025-2026 biennium.
- Enhance employee health and safety; increase employee engagement.
- Continue to nurture and support operational excellence, and continue to be a diverse, welcoming, equitable and livable city.

FINANCE

- Submit annual Financial Statements on time
- Continue to improve biennial budget process
- Review and update cost allocation models
- Continue to look for process improvements to save time & trees
- Finally close out ARPA

INFORMATION TECHNOLOGY

- Setup and transition to a new phone system
- Implement a new Mobile Device Management (MDM) system
- Create a roadmap to a cloud-based data center
- Expand disaster recovery and incident response planning
- Strengthen cybersecurity with new protection measures

POLICE

- In 2023, the Traffic Section investigated 1,192 traffic collisions, 277 of which resulted in injury and two that resulted in fatalities. Specialized tools, skills, and training are necessary for effective and professional traffic collision investigation. These skills, training, and equipment are required a determining cause in minor crashes as well as in preparing in-depth examinations of significant injury or fatality collisions.
- Traffic officers are responsible for reviewing each red light and school zone enforcement camera violation to determine if an infraction should be issued. In 2023, traffic officers conducted over 44,000 photo enforcement reviews (average 120 per day). In 2023, several cameras were offline due to construction or damage. Now that the cameras are coming back online, the number of reviews is increasing significantly. In the first half of 2024, officers reviewed over 44,000 violations (average 245 per day). The time spent on these reviews equates to approximately one FTE annually.
- The K9 unit is responsible for meeting State certification as Master Handlers. They also meet training certification through the Washington State Police Canine Association.
- SWAT operations are low-frequency, high-impact events that require significant training and personnel resources to conduct successfully. This regional team now has over 30 SWAT operators, which provides appropriate staffing for effective response to rapidly unfolding, high-risk incidents.
- The Lynnwood commitment to this team is six (6) operators (collateral assignment) and a team commander. Through this regional model, the personnel commitment by this department is low while the outcome when needed provides a significantly larger, more capable, better equipped team, and serves as a resource to address incidents that occur in our city.

- The Patrol Program handled 47,236 incidents in 2023, an increase of 12.8% compared to 2022. Calls for service vary widely and the spectrum of demand for service is broad. A call for a simple theft report typically only necessitates a single officer, whereas an in-progress violent crime may demand not only all available patrol resources but the resources of other police programs, other City Departments, and mutual aid from other local law enforcement agencies.
- It is anticipated that our calls for service will increase with the opening of the Sound Transit Lynnwood Link Extension, along with the construction of additional multi-family housing units throughout the City.
- One key indicator of effective staffing that we examine is the response times for priority (emergency) calls for service and routine calls for service. Effective staffing allows the Patrol Program to provide timely, direct customer service to the residents, business members and visitors to our community, all of whom need effective and responsive police services.
- A primary goal and expected outcome for our new jail facility is to realize a facility that is operating at designed capacity to meet public safety needs of our community to include providing access to meaningful resources for incarcerated individuals.
- Implement programming related to MOUD, MAUD, behavioral health, and re-entry services for incarcerated individuals.
- The Police Administration develops and monitors the department's mission and vision to align with City Mission and Vision directives while also meeting the mandates and best practices of the law enforcement industry. The program provides oversight of all field operations, investigative functions, and records and evidence programs. Police Administration manages the department budget, contracts, labor relations, inter-governmental agreements, and legal matters.
- The Special Operations Section (SOS) is the Department's primary response to criminal activity such as: criminal gang activity, human trafficking and prostitution, violent and/or prolific offenders, juvenile and gun related crimes, problem neighborhood residences and spikes in crimes related to specific areas, identified quality of life issues, low-level drug distribution within the City (i.e., fentanyl) that present a real danger to our community.
- SOS is also responsible for address verification of Level 1 registered sex offenders living within the City of Lynnwood. This is a collaborative effort with the Snohomish County Sheriff's Office, which oversees sex offender registration.
- The Community Health & Safety program serves to effectively address the health and safety needs of the community through collaboration, engagement and empowerment. Historically, approaches to addressing community health and safety issues have involved independent and oftentimes siloed efforts by City government and other service groups in the community.
- This program develops, manages, and implements community engagement efforts with the goal of establishing and maintaining relationships with community members to include business owners, residents, visitors, and community leaders.
- This program oversees the administration of a diverse volunteer program to include Volunteers in Public Safety and Citizens Patrol. Volunteers also provide services such as Car Seat Technicians and CERT.
- This Program manages police department records, which are essential to effective and transparent law enforcement. This includes providing public access to records and fulfilling a broad spectrum of public records requests.
- Other services include , concealed weapon permits, federal firearms licensing, matron duties for incarcerated person searches, and responding to questions from the public. Additionally, staff provide services related to inmate bail.

- The Property and Evidence Section is responsible for the proper processing, tracking, testing, and storage of all property and evidence to support criminal justice proceedings, including the complete tracking of the chain of custody for each piece of evidence.
- Each case review includes examining every criminal case to determine if follow up is needed, identifying the priority of that follow-up, providing input on evidence retention, and performing a quality control review of the initial case report.
- A Crime Analyst position was added to the Criminal Investigations Division in 2024. This vital role assists in the collection, organization, research and analysis of data relating to crime trends. Also, the crime analyst provides information support on active criminal cases that help in successful prosecution.
- The Victim Services Coordinator serves a vital role in working with crime survivors. This position is an important role in guiding crime survivors through the criminal justice system ensuring they have a voice throughout the process.
- The narcotics investigators are assigned to the Snohomish Regional Drug Task Force, which is supervised by a Snohomish County Sheriff's employee. The Lynnwood personnel assigned are supervised by the Investigations Commander under this program. A goal is to work to bring this vital unit back up to full staffing as soon as practicable.
- This program oversees the Washington Association of Police Chiefs and Sheriffs (WASPC) accreditation process, which occurs every four years. The accreditation process involves an examination of agency policies and procedures, requiring proof of compliance with established standards. WASPC has an accreditation committee which continually examines evolving standards of practices and regulation both within the state and nationally. To attain accreditation, a police agency must have 100% compliance with 147 standards. We are preparing for re-accreditation in 2025.
- Provide continuous training to city personnel on the operation of the city's and county's emergency management plans.
- Provide city personnel with the understanding to assess risks, mitigate vulnerabilities, inventory damage, coordinate the emergency services of all departments, and plan for prompt recovery.

PARKS, RECREATION, AND CULTURAL ARTS

- Long-range Capital and Strategic Department Planning: Ensure that the department's infrastructure and facilities can efficiently and effectively support Lynnwood's current and future needs. Develop and implement goals, initiatives, and policies to advance the department's mission and vision.
- Partnership Development: Cultivate and maintain collaborative relationships with Lynnwood non-profits, Chamber of Commerce, Edmonds School District, Edmonds Community College, Parks Foundation, Friends of LSC Foundation, Native tribes, and businesses to leverage strengths, resources, and expertise and achieve department goals.
- Grant Writing: Prepare and submit proposals to secure funding from grant-making organizations, government agencies, or corporations.
- Board and Commission Management: Oversee the Parks Board, Human Service Commission, Arts Commission, and History and Heritage Commission. These boards provide community engagement and feedback on services provided through the Parks and Recreation Department.
- Park Management: Responsible for the effective operation and maintenance of over 422 acres of City parks, athletic fields, trails, open space, and city rights of way. Staff works to preserve, maintain, and enhance the community's investment in parks while providing equitable access to

facilities. Primary service lines include facility maintenance, turf management, landscape management, irrigation, and vandalism mitigation.

- **Park Capital Improvement Management:** Address renovations or renewal projects within city park facilities, including replacing or adding amenities like picnic tables, benches, and park signs. Address and remove ADA barriers. Project management / Construction management on all capital improvement projects.
- **Streetscape Maintenance:** Care and maintenance of City streetscapes. This includes caring for trees, shrubs, flowers, weeding, and trash removal.
- **Art, Heritage Programming and Public Art:** Facilitate Art Gallery Exhibits, Signal Box Wraps, grant-funded art programs, and partner on art projects and community art events. Maintain an Art Fund to create public art projects and maintain the City's Public Art Collection. Manage tenant leases and partnerships at Heritage Park, offering open houses and tours, designing historic exhibits, and managing a docent program.
- **Community Events and Park Activations:** Plan, promote, and maintain the City's community events and partner/sponsored events. Support special event permit processing for our partners. Coordinate Park activations, including community outreach, mini-grants, volunteer projects, walking programs, health services, and education programs.
- **Human Service Programming –** Support, convene and collaborate with local and regional nonprofits to improve service delivery. Organize and attend human services outreach events that promote community health. Draft, execute and maintain contracts between the City and local human service providers. Seek funding from county, state and federal agencies to create or maintain human services and community health initiatives. Refer and connect residents seeking services to local and regional providers.
- **Recreation Programming:** Responsible for the planning and implementing a diverse range of activities and classes designed for individuals of all ages. These include programs in fitness, athletics, day camps, family events, creative enrichments, and educational courses.
- **Facility Rentals:** Schedule the community use of facilities within the Parks and Recreation system. This includes 3 athletic facilities, park shelters, pool and room rentals.
- **Aquatics Programming:** Responsible for aquatic programming and safety training, including swim lessons, fitness classes, and public swims. It's also responsible for the Natatoriums' maintenance, operations, and custodial duties.
- **62+ Programming:** This program provides a community hub for older adults to engage in social, educational, recreational, and wellness activities.
- **Registration and Financial Management –** Facilitates all community registrations for classes, events, and rentals. Ensure all accounting transactions follow city, state, and federal regulations.

PUBLIC WORKS

Fund 011: Administration, Engineering and Construction, Building and Property Services

- Balance effective work product output with transparency, while utilizing state-of-the-art tools and procedures to maximize efficiencies in resources.
- Manage the infrastructure of the City to the benefit of the community while mitigating future costs related to this billion-dollar investment.
- Communicate effectively with the community via a wide range of media.

- Provide excellent customer service to 1) our co-workers through accurate and efficient processes and support; and 2) our community members through being accessible, compassionate and responsive.

Lynnwood's team of Project Managers is currently managing a long list of projects and programs.

- Examples of projects underway:
- Poplar Overpass
- 42nd Ave W (new city center street)
- Wastewater Treatment Plant improvements
- Sanitary Sewer Lift Station No. 4 and No. 14
- Costco Traffic Improvements
- 196th and 52nd Sewer Improvements
- 44th Ave W and I-5 Underpass Improvements
- School Safety Projects

Examples of programs administered by Project Managers:

- Yearly 6 Year Transportation Improvement Program
- Yearly Capital Facilities Plan and periodic comprehensive plan updates
- Paving, Sidewalks, and Traffic Signal Rebuild Programs
- Americans with Disabilities Act (ADA) Program
- Administer and apply for grants

Offsetting Revenues. Project Managers track their time on each project. Time and therefore costs towards a City utility project (water, sewer, stormwater) is reimbursed to the General Fund. For 2025-2026, this amount is estimated to be \$100,000.

Following is the list of City municipal buildings operated and maintained by Building and Property Services:

- City Hall and Council Chambers
- Building and Property Services Shop
- Recreation Center and Pools
- Community Justice Center: Court/Jail/Police Dept/Community Recovery Center
- North Administrative Building and Senior Center
- Library
- Development & Business Services Center
- Lynnwood Maintenance Operation Center and Outbuildings
- Waste Water Treatment Plant

Crews have been spending a lot of time supporting the opening of the Community Justice Center and the Community Resources Center. This has included working through the new systems and figuring out the staffing needs of both the day-to-day janitorial workload as well as the ongoing maintenance requirements. These new buildings are very large and have a very complex and expansive set of systems that require ongoing maintenance. The proposal for 2025-26 will include the addition of a facilities worker and a janitor to accommodate the additional square footage to be maintained and cleaned. The group also performs small-to-medium remodeling projects to City buildings. Examples are as follows:

- City Hall HVAC replacements
- City Hall Refresh
- LOMC Fire System Replacement
- CJC Elevator Rebuild
- Clean Buildings and Energy Management Projects

Citywide workplace safety is part of the Building & Property Services administrative program, including:

- First Aid, Evacuation, Fire Extinguisher Mapping and Review
- Bloodborne Pathogens Policy
- Accident Prevention Program
- Wildfire Smoke and Heat Plans
- Hearing Protection program
- Personal Protective Equipment Review
- Overarching Safety Policy

Active construction projects in 2023-24 included:

- 196th St SW Improvement Project
- Pavement and Ramp Programs
- Scriber Creek/188th St SW Floodwall
- Traffic Signal Rebuild, 196th Street SW at 68th and 76th Avenue West
- 200th Water and Sewer Utility Upgrades
- 2024 ADA Ramps/Sidewalk
- 204th St SW Paving and Traffic Signal Project
- 2024 Waterline and Valve Replacement
- Water Tanks Improvements
- 176th Ave W Sidewalk Repairs
- Wastewater Treatment Plant repairs and upgrades

In 2025-26 the following list of Capital Projects are anticipated to be in construction:

- Poplar Way Bridge
- Annual Overlay Programs
- ADA Ramps/Sidewalks
- 44th Ave W I-5 Underpass Pedestrian and Bicycle Improvement
- Wastewater Treatment Plant
- Sewer Lift Station 4 Replacement
- Water Pressure Reducing Valve #2 Vault Replacement
- 44th/Veteran's Way Traffic Signal Rebuild
- Costco Traffic Improvements

Outcomes include:

- Close oversight of construction projects.
- Adherence to critical grant requirements and contract specifications.
- Minimize or avoid risk and loss.
- Ensure accountability of designer/estimator.
- Projects completed on schedule.
- Projects completed within budget.
- Protect City's interests during contract negotiation and dispute resolution.
- Extend City's purchasing power through careful project management.

The Construction Management team tracks their time on each project. Costs towards a city utility project (water, sewer, Stormwater) are reimbursed to the General Fund paying for a large portion of salaries. This amount is estimated to be about \$1.1 million for the biennium.

Fund 411: Water, Sewer & Storm Utility Operations

In 2025-26 the following list of sewer Capital Projects are anticipated to be in construction:

- Continue implementing various WWTP improvements as part of the 5-10 year replacement plan
- Replace sewer air vacuum equipment and clean sewer force main #10

- Upgrade electrical controls and pumps, including adding flood protection improvements at Pump Station #10
- Replace Sewer Pump Station #4
- Replace Sewer Pump Station #14
- Partner with Alderwood Water District to line old and cracked sewer mains (CIPP)
- Repair various sewer lines and manhole structures which experience high levels of infiltration and inflow during storm events
- Replace old and undersized sewer lines
- In 2025-26 the following list of Water Capital Projects are anticipated to be in construction:
- Replace Pressure Reducing Valve (PRV) #2 which controls water pressure to significant portions of the City Center.
- Continue to replace steel water lines, with the goal of eliminating all steel lines by 2028.
- Replace old and failing water valves.

In 2025-26 the following list of Surface Water Capital Projects are anticipated to be in construction:

- Potentially add additional flood storage upstream of the new Scriber Creek/188th St SW floodwall
- Partner with WSDOT to make Scriber Creek improvements at 196th St SW and Scriber Lake
- Construct water quality enhancements at 196th St SW and Hwy 99
- Permanently cover stockpiles at the LOMC
- Install advance warning signs along 44th Ave W near Embassy Suites, warning drivers of water over the road when it floods
- Conduct a flood assessment study to determine long term solutions to the periodic flooding along 44th Ave W near Embassy Suites

Funds 111: Street & Traffic Operations

- Maintain roadways, signs, and striping for safety of users and aesthetics.
- Maintain sidewalks and safe pedestrian routes.
- Provide snow and ice response to ensure safe roadways during winter weather.
- Provide vegetation maintenance to minimize encroachment and lines of sight.
- Respond to citizen complaints and concerns.
- Ensure compliance with Federal and State regulations pertaining to transportation.
- Monitors city's traffic signal system. Adjusts timing to optimize traffic flow.
- Reviews capital development and private development projects and issues permits
- Signal Technicians maintain infrastructure of traffic system:
 - 69 traffic signals
 - 9,000 miles of fiber optic strands
 - 500+ detection and surveillance cameras
 - 600 hosted devices on Traffic and SCADA networks
 - Traffic Management Center
 - Manage city's traffic signals to optimize efficiency and minimize congestion
 - 750 street/pedestrian streetlights
 - 9 speed radar signs
 - 3 flashing red stop-controlled intersections
 - 60 flashing crosswalk lights
 - 50 school zone flashing beacons
 - Stocking +/-200 crosswalk flags per year

Fund 144: Solid Waste Management and Waste reduction

- Community and staff education on recycling, compost and waste reduction.

- Collection events that divert waste from landfills.
- Partnership with Solid Waste Haulers.
- Participation on the Snohomish County Solid Waste Advisory Committee.

Fund 511: Equipment Rental Operations (Fleet)

In 2025-26 Public Works will continue to carefully analyze costs and the shop rate to ensure that customers, including South County Fire and Rescue, are paying their share of the costs of this program. Mechanics make it possible for our first responders in the Fire, Police, and Public Works Divisions to get to emergencies in a timely manner within our community and beyond.

- Provide excellent internal and external customer service and equipment repair turnaround time
- Keep up and improve upon the preventative maintenance of equipment
- Uphold the safety and reliability of essential equipment for all City and Fire staff

DEVELOPMENT AND BUSINESS SERVICES

- Achieve excellent customer service by:
 - Creating a positive culture for applicants,
 - Innovating to build systems, processes, and codes, and
 - Achieving efficiencies through continuous process improvements.
- Develop staff expertise and empower a culture to support Lynnwood's future.
- Enhance quality of life through the Lynnwood Comprehensive Plan.
- Attract businesses and development partners to succeed in Lynnwood.
- Partner with private, public, and non-profit sectors in new and innovative ways.

PROGRAM DESCRIPTIONS

GENERAL FUND

LEGISLATIVE	
Program: City Council	Program No: 01110000
Brief Description: The City Council performs all legislative duties on behalf of the community members of Lynnwood. Councilmembers are elected at-large to four-year terms. Every year, the City Council elects two of its members to serve as president and vice president.	
Program: Legislative Support	Program No: 01110800
Brief Description: The Administration support division of the Legislative Department provides support services and limited technical analysis to the Council (scheduling, travel, meeting agendas, packets, etc.). Administrative staff is managed by the City Council and receives support services from the executive branch (human resources, finance, information technology, etc.)	
EXECUTIVE	
Program: Administration	Program No: 01112000
Brief Description: This program provides leadership to all departmental operations, manages day-to-day operations, and works collaboratively with the City Council, other agencies, non-profit groups, and the general public.	
Program: Community Engagement	Program No: 01112010
Brief Description: The Community Engagement program budget is responsible for the oversight and execution of strategic Citywide communications, notifications, marketing, emergency communications, media relations, internal employee communications, and public affairs.	
Program: City Clerk	Program No: 01112030
Brief Description: The purpose of the Clerk's Office is to strengthen accountability to the public through responding to the needs of our community members, efficient risk management, excellent customer service, and increasing transparency between the City of Lynnwood and the diverse communities we serve.	
Program: Equity & Social Justice	Program No: 01112040
Brief Description: The City of Lynnwood is committed to being a safe, welcoming, and equitable community for all. The City is committed to ensuring that city programs are accessible and open to all. This program performs a variety of outreach, administrative, analytical, and strategic operational duties in support of this resolution and leads projects, fosters outreach and engagement, facilitates, and interacts on a variety of relevant topics across the organization enabling employees to incorporate the principles of racial and social equity in order to better serve the community.	
MUNICIPAL COURT	
Program: Court Administration	Program No: 01114000
Brief Description: Under the direction of Presiding Judge Valerie Bouffiu, Court Administration is responsible for all non-judicial functions of the court. These include development and coordination of programs and budget,	

strategic direction, development and implementation of policy and procedures, accounting management, case flow and jury management, court security, project oversight, contracts, liaison with city departments, state and county agencies, human resources management, records management, and other responsibilities as required.

Program: Case Processing

Program No: 01114030

Brief Description:

The Lynnwood Municipal Court has exclusive, original criminal jurisdiction over misdemeanor and gross misdemeanor violations of City Ordinances. Criminal, infraction, parking, and photo enforcement violations are filed into the court by the Lynnwood Police Department or the city's contracted prosecuting attorney. The court is mandated by law to process cases in accordance with applicable State Statutes and Court Rules.

Program: Court Support Services

Program No: 01114100

Brief Description:

Court Support Services (CSS) assists the court in the management of cases, pre and post sentence. CSS determines an offender's risk to the community, evaluates appropriate treatment programs, coordinates with community agencies providing services, and reports as directed by the presiding judge, or when judicial intervention is warranted. The Court Support Services Team coordinates with regional justice, public health, social service, and other agencies to address barriers that prevent offenders from complying with their court ordered conditions of sentence.

LEGAL

Program: City Attorney

Program No: 01116000

Brief Description:

The city attorney provides legal counsel on a wide range of matters to the City Council, Mayor, and all departments. The city attorney attends business meetings of the City Council and supports Administration in the development and implementation of procedures and regulations. These services are obtained through a professional services contract.

Program: Prosecution

Program No: 01116100

Brief Description:

Prosecuting Attorney provides criminal charges and prosecutorial services for certain types of crimes. These services are obtained through a professional services contract.

Program: Indigent Defense

Program No: 01116200

Brief Description:

Indigent Defense provides legal counsel to defendants eligible for assistance. These services are obtained through a professional services contract.

HUMAN RESOURCES

Program: HR Operations

Program No: 01118000

Brief Description:

The HR Operations program encompasses the functions and resources needed to manage the day-to-day operations and administration of the Human Resources Department. Additionally, HR works to continually foster a culture of learning and development, professionalism, collaboration, innovation, efficiency, creativity, and inclusion within the City.

Program: Employee Services

Program No: 01118200

Brief Description:

The City Human Resources Department (HR) provides a comprehensive range of Human Resources service to all City of Lynnwood Departments and staff. Currently the HR Department serves 336

authorized FTEs, 8 regular part-time employees and over 295 part-time/seasonal employees. Employee services include recruitment and onboarding, civil service administration, employee training and development, employee benefit administration, labor relations, employee relations consultative services, employee recognition, classification and compensation administration, policy development, various safety programming, performance management and overall employment administration.

Program: Labor Relations

Program No: 01118400

Brief Description:

This program addresses labor relations expenses associated with negotiating and administering the collective bargaining agreements for labor groups at the City of Lynnwood. The City Human Resources Department works with five labor groups: AFSCME, Teamsters, Lynnwood Police Officers & Sergeants Guild, Lynnwood Police Support Guild and Lynnwood Police Management Guild. The City contracts with Summit Law for labor relations expertise when complex labor situations arise, and for legal review on labor relation matters, as needed.

FINANCE

Program: Administration & Budget

Program No: 01120100

Brief Description:

The Administration & Budget division of the Finance Department is responsible to develop and manage the City's biennial budget and monitors revenues and expenditures throughout the biennium. Financial forecasts and reports are prepared for the Finance Committee and City Council. This program applies financial management practices to advance the goals of the Community Vision and Strategic Plan priorities. The three full-time employee positions paid from this division provide support to all other divisions in the Finance Department.

Program: Accounting, Auditing & Payroll

Program No: 01121000

Brief Description:

The Accounting, Auditing & Payroll division of the Finance Department Program is responsible for providing accounting services for the City which includes establishing and monitoring City policies and procedures to ensure accountability of public resources, effective and efficient operations, compliance with laws and regulations, and reliable financial reporting. This division is responsible to prepare the annual financial report and manage the Financial, Federal and Accountability audits each year. This division manages accounts payable, accounts receivable, grant administration, asset management and payroll functions.

Program: Utility Billing

Program No: 01121210

Brief Description:

The Utility Billing division of the Finance Department is responsible for the management of billing for the City's utilities including Water, Sewer and Stormwater, and for providing the customer service to all account holders. Over the past biennium, Finance staffing has been reorganized to devote more full-time employees to this function to ensure timely billing, accurate account management and excellent customer service are achieved.

Program: Procurement

Program No: 01122100

Brief Description:

The Procurement division of the Finance Department is responsible to support all other departments through procurement and contracting functions in accordance with City policies, State laws and Federal requirements. This division develops and implements policies supporting diverse businesses and environmentally sustainable purchases. The City's purchasing card program is managed by this division. Over the past biennium, staffing in this division has been decreased as practice improvements were

implemented and department positions were reorganized to allocate more support to the Utility Billing division.

Program: Treasury

Program No: 01122510

Brief Description:

The Treasury division of the Finance Department is responsible to ensure the proper receipting and handling of the City's liquid assets, cash, checks, credit cards and investments; ensures that the city is receiving and correctly recording funds from various revenue streams and provides quality customer service to community members. The staff assigned to this division are also responsible for timely bank reconciliations and debt management.

INFORMATION TECHNOLOGY

Program: IT Administration, Planning, and Development

Program No: 01123010

Brief Description:

The Information Technology (IT) administration, Planning, and Development program oversees the IT Department's strategy and operations. It monitors the performance of the IT services and programs portfolio to ensure that systems are efficient, secure, and aligned with City priorities. Strategic investments in technology can benefit the public by making city resources more available and accessible and improving citizen engagement.

Program: Application & Portfolio Management

Program No: 01123020

Brief Description:

The Application and Portfolio Management program maintains, optimizes, and supports server-client software applications vital to the organization's operations, including Enterprise Resource Planning (ERP/financial data), Geographic Information Systems (GIS), and permitting software. Additionally, it oversees the selection and implementation of enterprise applications, off-the-shelf software, and Software as a Service. Its primary goal is to ensure that the applications run smoothly, meet the needs of various departments, and support the city's services and administrative functions.

Program: Systems and Network Administration

Program No: 01123050

Brief Description:

The Systems and Network Administration program is tasked with designing, implementing, maintaining, and supporting the fundamental technology systems that facilitate the City's operations. These systems encompass servers, storage, networks, telephone systems, and firewall hardware. The program guarantees the reliability, security, and efficiency of these components.

Program: End-User Support

Program No: 01123070

Brief Description:

The End-User Support program provides technical assistance and support to the City's employees and other end-users. Its goal is to ensure users can effectively utilize technology resources, minimize downtime, and enhance productivity. This is accomplished through help desk support, system setup and configuration, account management, peripheral support, and incident management using a ticketing portal. The program also provides support coverage 24/7, ensuring that users can receive help anytime.

Program: Cybersecurity

Program No: 01123080

Brief Description:

The Cybersecurity program protects the City's information systems and data from cyber threats. Its main goal is to ensure information confidentiality, integrity, and availability by implementing and overseeing security measures. These measures include security risk assessments, end-user awareness training, access control, network security, incident response, monitoring and logging, and vulnerability management.

NON-DEPARTMENTAL

Program: Non-Departmental

Program No: 01124997

Brief Description:

The Non-Department account within the General Fund is used as a source of funds for a limited number of expenses unrelated to any department or program such as Citywide memberships, contractual obligations and transfers to other funds.

POLICE

Program: Police Administration

Program No: 01130000

Brief Description:

The Police Administration Program includes Police Department management, command, and administrative support. Specific responsibilities include development and implementation of the mission and vision of the department, analyzing the law enforcement effort to gauge progress towards fulfilling the mission, developing and implementing policy, and overall management of the resource allocation of the department. Administrative support includes management of hiring, backgrounds, audits, and internal investigations.

Program: Community Health & Safety

Program No: 01130100

Brief Description:

This Program is designed to merge the efforts of various City Departments and private entities to address the complex social, civil, criminal and health related issues using a collaborative, holistic and strategic approach. This collaborative effort will seek to partner with other regional groups seeking to address these same issues to make the service delivery and outcomes more cohesive and efficient.

Program: Emergency Operations

Program No: 01130110

Brief Description:

This is a City-wide Program that provides training for EOC staff and equipment for emergency management operations. The purpose of the EOC is to organize the response to, and manage local emergencies, and to coordinate with local, county, state, and federal partners. These incidents can range from short-term situations such as a significant weather event, to long-term management of major natural disasters such as an earthquake. This program is required under State law and City code.

Program: Criminal Investigations

Program No: 01130200

Brief Description:

The Criminal Investigations Division (CID) conducts follow-up investigations and pursues violators for prosecution and property recovery. This Program is implemented through the specialized skills of the investigators assigned to person's crimes, property crimes, fraud, cold case investigation, computer forensics and cyber-crime. This effort is supported by a crime victim coordinator, who serves to connect victims with services and to guide and support them through the court process. This Program also manages two (2) narcotics detectives and a narcotics sergeant. who are assigned to the regional task force.

Program: Patrol

Program No: 01130400

Brief Description:

Patrol constitutes the largest Police Department program and serves as the face of the Department. Patrol is responsible for: Response to emergency public safety incidents, response to community-based calls for service, crime prevention efforts, traffic enforcement and informal community outreach through individual contacts and public presence (community policing).

Program: Evidence/Property

Program No: 01130600

Brief Description:

The Property and Evidence Section processes all property and evidence to preserve the integrity of the evidence for the officers and the court. They serve the public by returning or disposing of property or evidence upon case disposition. Property officers not only maintain property and evidence, but they also currently provide storage and processing of other City records.

Program: Records

Program No: 01130700

Brief Description:

The Records program is responsible for the management, maintenance, and dissemination of accurate, detailed, and timely department records. Police clerks support the police department and the criminal justice processes and respond to public inquiries, including public disclosure requests.

Program: Special Operations

Program No: 01130800

Brief Description:

The Special Operations program provides street-level-emphasis enforcement in response to high incidence of criminal activity, or criminal activity not easily addressed by other units. Special Operations also develops and implements response strategies to reduce crime as determined by crime analysis, public input, police referral or other means.

Program: SWAT (Special Weapons & Tactics) Program No: 01130900

Brief Description:

The Lynnwood Police Department participates in a ten-agency collaborative effort known as North Sound Metro SWAT. This team responds to high-risk incidents that require specialized training and equipment to attempt to resolve potentially dangerous situations without loss of life or injury to officers, suspects, or community members.

Program: Special Services

Program No: 01130500 and 01131000

Brief Description:

The Special Services Program is responsible for the Traffic and K-9-unit functions. The Traffic unit promotes and provides for a safe transportation environment for motorists, pedal cyclists and pedestrians through education, engineering, and enforcement. The K-9 Unit supports the Patrol Division through the application of police service dogs trained in tracking, apprehension, and narcotics detection to enhance officer safety and assist in the location of suspects and evidence collection.

Program: Planning, Training, and Accreditation

Program No: 01131100

Brief Description:

The Planning, Training and Accreditation Program provides quality training on all aspects of police work, maintains accurate training records consistent with accreditation standards, and tracks all expenditures of training funds utilized by departmental staff. This Program manages the police cadets and handles scheduling of all boards of review.

Program: Detention and Corrections

Program No: 01135100

Brief Description:

The Detention Program is responsible for the safe, effective, and efficient operation of the Lynnwood City Jail. The jail houses pre-trial and incarcerated inmates for the Lynnwood Municipal Court and contract inmates from other cities. The jail also houses new arrestees for the Lynnwood Police

Department and agencies that contract with the jail for that purpose. The new jail will provide 24-hour medical and behavioral health services through a private vendor.

FIRE PREVENTION

Program: Fire Prevention

Program No: 01142000

Brief Description:

On October 1, 2017, the Lynnwood Fire Department and Fire District 1 were consolidated into the South Snohomish County Regional Fire Authority (RFA). In accordance with this action, the RFA has provided Lynnwood with fire prevention service through an interlocal agreement. Fire Prevention services include building plan review and inspections, code enforcement inspections and monitoring, and fire investigations.

PARKS, RECREATION & CULTURAL ARTS

Program: Administration

Program No: 01150010

Brief Description:

This division is responsible for the leadership, development, and operation of a comprehensive Parks, Recreation and Cultural Arts system.

Program: Park Operations

Program No: 01151100

Brief Description:

This division administers and is responsible for the effective operation and maintenance of over 422 acres of City parks, athletic fields, trails, open space, and city rights of way. Staff works to preserve, maintain, and enhance the community's investment in parks, while providing equitable access to quality facilities for leisure and athletic experiences. Primary service lines include facility maintenance, turf management, landscape management, irrigation, new construction (replacement/renewal), and vandalism mitigation.

Program: Healthy Communities

Program No: 01152010, 01152101, 01152301, 01152303

Brief Description:

The Healthy Communities Division is responsible for education, programming, and events that relate to community and employee health, wellness, and social connectivity. Programs include community arts, culture, heritage, events such as Fair on 44th and activities such as park activations, mini-grants, signal box wraps, Fair on 44th, and human services. This work is accomplished in collaboration with other City Departments, community members, and partners to create a healthy, connected community in which to live, learn, work, and play.

Program: Recreation Administration

Program No: 01154010

Brief Description:

Recreation Administration provides leadership of staff and management of resources, programs and facilities for the Recreation Division to provide effective and efficient recreation services to the public. Activities include budgeting and financial monitoring, direct oversight of program supervisors and manager, employee training and development, internal and external marketing and communication, facilities management, and management of projects and initiatives for the Department.

Program: Recreation Aquatics

Program No: 01154100

Brief Description:

The Aquatics section at the Lynnwood Recreation Center oversees aquatic programming and safety training, encompassing swim lessons, fitness sessions, and public swims. It also assumes responsibility for maintenance, operations, and overseeing custodial duties for the Natatoriums.

Program: Customer Service

Program No: 01154300

Brief Description: The Customer Service division provides the public access to our department's diverse recreational offerings through program registrations, park and facility rentals. This division is also charged with supporting our internal customers by managing all financial operations and managing our recreation software program.	
Program: Adults 62+	Program No: 01154400
Brief Description: Lynnwood Senior Center provides a community hub for older adults to engage in social, educational, recreational, and wellness activities.	
Program: Recreation Programs	Program No: 01154500
Brief Description: The Recreation Programs section is responsible for overseeing the planning and implementation of a diverse range of activities and classes designed for individuals of all ages. These include programs in fitness, athletics, day camps, creative enrichments, and educational classes.	
PUBLIC WORKS	
Program: Administration	Program No: 01161000
Brief Description: The purpose of this program is to provide overall management and administration of all aspects of the Public Works Department. Although contained in the Public Works portion of the budget, the staff included in this program are paid from the General Fund, Fleet Fund and the Utility Fund.	
Program: Project Engineering	Program No: 01161100
Brief Description: The purpose of this program is to provide management of the City's capital projects and programs, including projects funded by the City's General Fund, grants, and the City's Utility Fund. Project Managers also serve as liaisons to private consultants who perform most of the engineering design work for projects.	
Program: Building and Property Services	Program No: 01163000
Brief Description: The purpose of this program of the Public Works Administrative Division is to operate and maintain the City's municipal buildings (see the list of buildings below) and provide workplace safety reporting, compliance and training.	
Program: Construction Management	Program No: 01161300
Brief Description: The purpose of this program of the Public Works Engineering Division is to provide construction management (CM) of City capital projects, including projects funded by the City's General Fund, grants, and the City's Utility Fund. This program DOES NOT include inspection of private development, which is instead handled by the Development and Business Services Department (DBS). Duties include inspection of projects under construction and the processing the extensive paperwork necessitated by construction contracts and grant agreements. Personnel also serve as liaisons to consultants hired to provide construction management services during high-volume periods.	
DEVELOPMENT & BUSINESS SERVICES	
Program: Administration	Program No: 01180000
Brief Description: The Administration Division includes the DBS Director and Administrative staff. The Director oversees all functions of DBS including Economic Development, Permits and Inspections, and Community Planning.	

The Administrative Division provides budget preparation and oversight, process improvement management, permit software implementation and support, business licensing services, and administrative support for all DBS divisions.

Program: Community Planning

Program No: 01181000

Brief Description:

The Community Planning Division is responsible for Lynnwood's land use and development. This includes zoning, long-range planning (Growth Management Act), environmental review, design review, subdivisions, housing plan implementation, annexation, and permitting. The Community Planning Division provides staff support to the Planning Commission and Hearing Examiner. Additionally, Community Planning participates in significant outreach to engage the community on planning and development activities.

Program: Permits & Inspections

Program No: 01182000

Brief Description:

The Permit and Inspections Division includes Permit Services, Plan Review and Inspection Services, Development Engineering Services, Fire Prevention (South Snohomish County Fire and Rescue), and Code Enforcement. This division is responsible for the intake, review and issuance of all construction permits. This division ensures that construction in Lynnwood is safe, built according to plans and consistent with adopted State and local codes. Code Enforcement addresses a variety of nuisances and code violations that pose a threat to public safety, health and neighborhood stability.

Program: Economic Development

Program No: 01184000

Brief Description:

Economic Development undertakes targeted activities, programs, and projects to improve Lynnwood's economic well-being and quality of life by fostering development, diversifying the economy, recruiting and retaining jobs and businesses, and building the local tax base. The Economic Development Division is responsible for facilitating private development including City Center, Sound Transit Light Rail, business development, and tourism promotion.

Program: Sound Transit (ST2)

Program No: 01185010

Brief Description:

Development and Business Services facilitates the design, permitting and inspection of the Lynnwood Link Extension (ST2). DBS administers a Development Agreement for the project, and a Staffing Agreement to reimburse Lynnwood for the cost of staff time, consultant services, and permit fees. This program establishes a separate budget for tracking City expenses and Sound Transit reimbursements.

Program: Sound Transit (ST3)

Program No: New Program

Brief Description:

Development and Business Services facilitates the design, permitting and inspection of the Everett Link Extension (ST3). DBS administers a Project Administration Agreement with Sound Transit for the project. The agreement reimburses Lynnwood for the staff cost associated with the initial phase of the project. Expenses include staff time, consultant services, and review and permit fees. This program establishes a separate budget for tracking City expenses and Sound Transit reimbursements for ST3.

OTHER GENERAL GOVERNMENT FUNDS

ECONOMIC DEVELOPMENT INFRASTRUCTURE

Program: Economic Development Infrastructure	Program No: Fund 20
Brief Description: Council adopted Ordinance No. 3110 creating the Economic Development Fund (EDIF). The framework and guidelines for expenditure of these funds was established by the Economic Development Investment Policy (EDIP) adopted by Council Resolution No. 2012-06. EDIP provides a framework and guidelines for Lynnwood to fund public infrastructure and public facilities in support of the City's economic development. The City may use a variety of sources to fund EDIF. In December 2020 the Council adopted Ordinance No. 3382 suspending funding for EDIF.	
REVENUE STABILIZATION FUND	
Program: Revenue Stabilization Fund	Program No: 098
Brief Description: Revenue stabilization is a reserve fund that counts towards the General Fund's 2.5 month minimum fund balance. With Council approval, it can be used for cash flow shortages or when there is an unexpected shortage in tax revenues.	
LODGING TAX	
Program: Lodging Tax	Program No: 101
Brief Description: Lodging Tax revenues are credited to a special fund established by Council pursuant to RCW 67.28.181. The funds may be used for paying all or any part of the costs for tourism promotion and marketing, and the development financing of tourism-related facilities. The Lynnwood Lodging Tax Advisory Committee (LTAC) / Tourism Advisory Committee (TAC) has the responsibility pursuant to Chapter 2.27 of the LMC to advise and provide recommendations to the Council regarding the tourism work program and lodging tax fund expenditures. The tourism program is funded 100% from the Lodging Tax Fund 101.	
DRUG ENFORCEMENT FUND	
Program: Drug Enforcement Fund	Program No: 104
Brief Description: This fund tracks two sources of revenue related to drug enforcement seizures. The first portion is federal equitable sharing. The source of these funds are seizures from federal illegal drug investigations that members of our agency partnered in the investigation. When the asset has been judicially forfeited, Lynnwood receives a portion of the proceeds based upon our participation level in the case. The second source of funds are seizures conducted under the Washington State seizure laws for illegal drugs. These cases originate at all levels of the department (Patrol, Investigations and Special Operations). There are restrictions to expenditures on this fund that depend upon the revenue source. State seizure money can only be spent on drug-related law enforcement expenses. Federal seizure money can be spent on law enforcement purposes only. There is no supplanting and numerous detailed restrictions apply to each category.	
CRIMINAL JUSTICE FUND	
Program: Criminal Justice Fund	Program No: 105
Brief Description: The 105 Fund revenue comes from criminal justice sales tax, federal and state criminal justice grants, external funding sources, and revenue from non-drug seizures. The fund is used to link grant revenue with grant expenditures, purchase specific grant funded equipment (bulletproof vests, traffic	

enforcement equipment), reimbursement funds such as the Flex Fund. The fund can also be used for capital projects

TRANSPORTATION IMPACT FEE FUND

Program: Transportation Impact Fee Fund Program No: 110

Brief Description:

The Transportation Impact Fee Fund mission is to provide a partial funding source for growth-related transportation projects, collecting fees from development projects that impact the City's transportation system. Monies from the Transportation Impact Fee Fund may be used only for capacity-related projects identified in the July 2010 Transportation Impact Fee Rate Study or as amended.

STREET OPERATING FUND

Program: Street Maintenance and Operations Program No: 111

Brief Description:

This program of the Public Works Department's Maintenance and Operations Division is to operate and maintain all components of our 300 lane miles (with associated signs and striping), 205 miles of sidewalks, and 775 acres of rights-of-way, including all associated systems. This program does not include the capital component of reconstruction of existing worn pavement or sidewalks or construction of new street facilities. Note: Though not directly in the General Fund, the Street Fund does receive General Fund monies for a portion of its revenue. The other main contributor are State gas tax funds and the Transportation Benefit District.

Program: Traffic Management and Signal Program No: 111

Operations

Brief Description:

This program of the Public Works Department's Maintenance and Operations Division is to provide maintenance and operations of the City's traffic systems, including 69 traffic signals, traffic cameras, fiber connections, and Traffic Management Center. Traffic engineering is also provided in this program.

PARK AND RECREATION RESERVE ART FUND

Program: Park and Recreation Reserve Art Program No: 114
Fund

Brief Description:

Created in 1986 by Ordinance 1554, this fund's purpose is to account for donations, gifts, or contributions from persons or corporations and interfund transfers, for park/recreation purposes. This fund is used for accumulating funds for: 1. The Recreation Benefit Fund, which covers registration fees for recreation classes for children from low income households and for disabled individuals; 2. the Senior Benefit Fund, which covers registration fees for recreation classes for seniors from low-income households. This Fund allows these disadvantaged persons to participate in activities to improve their health and fitness, have social connections, and learn new things.

CUMULATIVE RESERVE ART FUND

Program: Cumulative Reserve Art Fund Program No: 116

Brief Description:

Created in 1990 by Ordinance 2759, this fund's purpose is for acquisition and maintenance of the City's art collection. There are over 20 site-specific, outdoor art projects on the civic campus and in various parks, and over 100 portable art pieces in the City's collection with a total value of more than \$1.1 million (2015 appraisal).

AMERICAN RESCUE PLAN ACT FUND

Program: American Rescue Plan Act Fund Program No: 131	
Brief Description: This fund tracks the revenues and expenditures for the City's American Rescue Plan Act (ARPA) grant award. It was created in 2021.	
WASTE REDUCTION FUND	
Program: Waste Reduction Fund Program No: 144	
Brief Description: The mission of the Waste Reduction Division is to provide public education and awareness on waste reduction, recycling, composting, household hazardous waste and related issues, through outreach to schools, businesses, and households. The Waste Reduction Division also provides coordination between citizens and businesses and the solid waste providers in the area. The work for this program is done by the Public Works Administration Division. A state grant pays a small portion of the staff's salaries. The match to the state grant comes from a General Fund transfer.	
SHB 1406 AFFORDABLE HOUSING	
Program: SHB 1406 Affordable Housing Program No: Fund 146	
Brief Description: In 2019 the Washington State Legislature passed the Encouraging Investment in Affordable and Supportive Housing Act, SHB 1406. This legislation provides Washington cities and counties a portion of the Washington State share of sales and use tax revenue collected within their jurisdiction. The is not a new tax. The amount provided to the City is deducted from the State's portion of sales and use tax collected. On May 26, 2020, the Council adopted Ordinance No. 3357, which authorized Lynnwood to receive SHB 1406 revenues, and Special Revenue Fund 146 was created where the revenues are deposited.	
OPIOID SETTLEMENT FUND	
Program: Opioid Settlement Fund Program No: Fund 147	
Brief Description: In May of 2022, the City of Lynnwood signed on to the One Washington Opioid Settlement Memorandum of Understanding, which established a framework for distributing and sharing the settlement proceeds resulting in agreements reached between the State of Washington and opioid distributors, manufacturers, and pharmacies.	
TRANSPORTATION BENEFIT DISTRICT	
Program: Transportation Benefit District Program No: 150	
Brief Description: The Transportation Benefit District (TBD) was created in 2010. This Fund pays for a portion of the City's Street Fund 111. It also pays for a portion of the City's pavement program, miscellaneous transportation projects, new sidewalks, and sidewalk maintenance and ADA upgrades, and rebuild of the City's traffic signals.	
PARK IMPACT FEE FUND	
Program: Park Impact Fee Fund Program No: 180	
Brief Description: The Park Impact Fee Fund mission is to provide a partial funding source for growth-related park acquisition and development projects by collecting fees from development projects that impact the	

city's public parks and recreation facilities. No positions are funded by this Fund. Monies from the Park Impact Fee Fund may be used only for projects that add capacity and have been identified in City's adopted Capital Facilities Plan.

Park Impact Fees were implemented in June 2018. Fees are vested at the date of complete building permit application but not paid until permit issuance. Revenues are estimated at \$2.5 million annually though actual collections will vary depending on development activity.

DEBT SERVICE FUND

GENERAL FUND DEBT SERVICE FUND

Program: General Fund Debt Service Fund Program No: 203

Brief Description:

The General Government Debt Service Fund is used to make debt service payments for the Community Justice Center's bonds that were issued in 2021 and 2022. Revenues are received as transfers from the General Fund and Public Safety Fund to cover principal and interest payments. For 2025-2026 the payments total \$6.94 Million. \$5.74 Million comes from the General Fund and the remaining \$1 Million comes from the Public Safety Fund.

RECREATION CENTER 2012 LTGO BONDS FUND

Program: Recreation Center 2012 LTGO Bonds Program No: 223

Fund

Brief Description:

The Recreation Center Debt Service Fund is used to make debt service payments for the Community Justice Center's bonds that were issued in 2012 and refunded in 2023. Revenues are received as transfers from the General Fund to cover principal and interest payments. For 2025-2026 the payments total \$3.165 Million.

CAPITAL FUND

REAL ESTATE EXCISE TAX (REET) 2 FUND

Program: Real Estate Excise Tax (REET) 2 Fund Program No: 330

Brief Description:

This fund was established in 2006 by Ordinance 2612 to support the levy of an additional one-quarter of one percent (0.25%) excise tax on the sale of real property within the City of Lynnwood. The revenues are used to fund capital projects. Revenue received from REET II are deposited into this fund and become available for transfer to capital project funds according to the City's adopted capital plans.

REAL ESTATE EXCISE TAX (REET) 1 FUND

Program: Real Estate Excise Tax (REET) 1 Program No: 331

Fund

Brief Description:

This fund was established in 1982 by Ordinance 1271 to support the levy of one-quarter of one percent (0.25%) excise tax on the sale of real property within the City of Lynnwood. The revenues are used to

fund capital projects. Revenue received from REET I are deposited into this fund and become available for transfer to capital project funds according to the City's adopted capital plans.

CAPITAL DEVELOPMENT FUND

Program: Capital Development Fund

Program No: 333

Brief Description:

This fund was established in 1996 by Ord. 2093 to receive monies appropriated from time to time, funds allow, to create a reserve fund for capital improvements.

Funds may be accumulated to cover items such as construction, alteration, or repair of any public building, or the making of any public improvement, including acquisition of real property services, design costs, construction costs, as well as providing a source for matching funds for federal and state grants and interlocal agreements. Such expenditures are appropriated in the City's Capital Budget. Historically, an amount of \$2.2 million per biennium has been allocated from the General Fund to the Capital Development Fund. The proposed 2023-24 budget did not include this amount, nor does the proposed 2025-26 budget. Expenditures in 2023-24 and for 2025-26 from this fund will be made from the fund balance.

OTHER GOVERNMENT CAPITAL PROJECTS FUND

Program: Other Government Capital Projects

Fund

Brief Description:

The purpose of this Capital Fund is for other general government infrastructure projects such as neighborhood improvements, strategic investments, economic development, computer systems upgrades, computer technology upgrades and related, software and/or hardware projects such as document management systems.

TRANSPORTATION CAPITAL FUND

Program: Transportation Capital Fund

Program No: 360

Brief Description:

This capital fund is focused on building streets, bridges, sidewalks, bike lanes, non-motorized transportation facilities, transit, and related improvements.

FACILITIES CAPITAL FUND

Program: Facilities Capital Fund

Program No: 370

Brief Description:

The City's buildings and facilities are used by our citizens or support the staff and functions that produce City services. It is important that buildings and facilities not only serve our citizens by providing safe, comfortable spaces but also be maintained in order to extend their useful life and protect our public investment. The purpose of this capital fund is for city building and/or remodel projects and for ongoing capital maintenance.

PARKS & RECREATION CAPITAL FUND

Program: Parks & Recreation Capital Fund

Program No: 380

Brief Description:

The purpose of this Capital Fund is for the construction, improvement, or capital maintenance of City parks, trails, recreation, open space and related facilities.

PUBLIC SAFETY CAPITAL FUND

Program: Public Safety Capital Fund

Program No: 390

Brief Description:

The purpose of this capital fund is for construction, improvements, or capital maintenance of Public Safety buildings.

ENTERPRISE FUND

UTILITY OPERATIONS FUND

Program: Wastewater Operations

Program No: 411

Brief Description:

This program maintains and operates the wastewater collection and treatment infrastructure including collection mains, manholes, lift stations, and a wastewater treatment plant (WWTP). This program also includes a sewer pretreatment program, video pipe inspection, utility location, and customer service. The conveyance system for wastewater (pipes, manholes, and pump stations) are maintained in order to safely carry away wastes to the City's WWTP. Wastewater main and lateral breaks and plugs are repaired as they occur. Problem mains are routinely cleaned to prevent plugging. Video inspection of mains are performed to help prioritize capital repairs and replacements, and to help property owners diagnose blockages in laterals. The WWTP treats an average of 4 to 5 million gallons of sewage daily.

Program: Water Operations

Program No: 411

Brief Description:

This program maintains and operates the drinking water delivery infrastructure including transmission mains, distribution mains, storage reservoirs, meters, valves, hydrants, and pressure reducing valves. This program also provides water quality testing, utility locating, a water cross-connection program, and customer service. Water flow into the city distribution system is monitored and adjusted to minimize purchase costs and maximize water quality. Pipes, tanks, valves, hydrants, and blow-offs are regularly exercised and/or serviced to assure operability. Leaks in mains and laterals are repaired as soon as they are detected. A small booster station is operated and maintained to provide acceptable pressure to the highest neighborhood in town. Water in the system is routinely sampled and tested for Coliform bacteria and several chemical substances.

Program: Surface Water Operations

Program No: 411

Brief Description:

This program maintains and operates the surface/storm water collection infrastructure including collection pipes, catch basins, detention ponds, sedimentation vaults, ditches, and stream channels. This program also includes Surface Water Engineering which includes engineering, review and inspection of capital project erosion control plans, inspection of private stormwater facilities, education, and customer service. Stormwater is collected from streets and private property and conveyed through public and private ditches and pipes to the city's lakes and streams. Some conveyance routes include stormwater retention (long term), detention (short term), and treatment (typically vegetated swales or canister filters). Catch basins are vacuumed regularly to reduce the amount of silt and contaminants getting into our surface waters. Collapsed pipes and laterals are repaired as soon as they are detected. Water in the system is routinely sampled and tested for pollutants.

UTILITY CAPITAL INFRASTRUCTURE FUND

Program: Utility Capital Infrastructure Fund

Program No: 412

Brief Description:

This capital fund is for the construction of Sewer/Water/Storm facilities as identified in adopted facility plans.

GOLF COURSE FUND

Program: Golf Course Fund

Program No: 460

Brief Description:

The Lynnwood Municipal Golf Course operates as an enterprise fund overseen by the PRCA Department and is managed by a third-party operator. Lynnwood's 76-acre, 18-hole golf course is operated for year-round play and is maintained at a high level to ensure great playing conditions and to encourage a high volume of users. The Pro Shop provides clothing and equipment sales, lessons and clinics, and tournament play.

INTERNAL SERVICE FUND

EQUIPMENT RENTAL RESERVE FUND

Program: Equipment Rental Reserve Fund

Program No: 510

Brief Description:

The Equipment Rental Reserve is an internal service fund used to provide for the accumulation of revenues (reserves) which allows for the replacement of the City's vehicles and equipment. The Public Works Department, Administration Division took over management of the Fund in 2018 while Administrative Services continues to provide the fiduciary accounting of the Fund. The Public Works Department's Fleet Program also provides maintenance services under Fund 511.

EQUIPMENT RENTAL OPERATIONS FUND

Program: Equipment Rental Operations Fund Program No: 511

Brief Description:

Fund 511 pays for the Fleet mechanics who service Lynnwood's and South County Fire and Rescue's (SCF) vehicles and equipment as well as one-half of an accountant in Administrative Services and one-half of an administrative position in the Public Works Department. All revenue comes from direct charges to the departments for maintenance, repairs, and fuel, and South County Fire and Rescue. No direct allocation of General Funds is made to this Fund.

SHOP OPERATIONS FUND

Program: Shop Operations Fund

Program No: 513

Brief Description:

This fund pays the bills at the Lynnwood Maintenance and Operations Center (LOMC), and funds repair and minor upgrades for the facility. The revenue for this fund is in the form of transfers from the Public Works divisions housed at the LOMC: Streets Operations; Stormwater Operations; Water & Sewer Operations; Fleet Operations and Administrative Services. No direct allocation of General Funds is made to this fund.

SELF-INSURANCE FUND

Program: Self-Insurance Fund

Program No: 515

Brief Description:

This fund accounts for collecting insurance assessments from all departments--and in turn paying for: professional services; insurance premiums; claims; defense costs; investigation costs; and judgments. The fund does not assess charges for overhead or administration. The program includes insurance for

claims and judgments (including costs) above specified deductible(s). A third-party, claims administrator (assisted by staff) investigates all claims. The claims adjustor recommends a disposition for each claim. The primary sources of revenue for this biennial budget are from internal services charges, investment income, and other sources such as insurance subrogation recovery. While the fund needs the budget authority for the payment of the insurance services, all costs are all allocated to the departments and other funds with revenues and most expenditures netting to zero.

TECHNOLOGY RESERVE FUND

Program: Technology Reserve Fund

Program No: 520

Brief Description:

This fund pays for replacing, upgrading, and maintaining the City's essential technology equipment, including computer systems, infrastructure, servers, and storage. The revenue for this fund is in the form of transfers from each department. By pooling resources, the technology reserve fund proactively manages technological needs, avoids unexpected expenditures, and maintains up-to-date systems. This approach helps achieve cost efficiency, standardize technology across the organization, and minimize downtime due to equipment failures.

SUMMARY OF BUDGETED FULL-TIME EQUIVALENT POSITIONS

Department (General Fund)	2022	2023	2024	2025	2026	Change 2022-2026
LEGISLATIVE	0.75	0.75	0.75	0.75	0.75	-
EXECUTIVE*	6.00	10.00	10.00	10.00	10.00	4.00
HUMAN RESOURCES*	5.20	5.20	5.00	5.00	5.00	(0.20)
FINANCE*	26.75	23.75	23.50	23.50	23.50	(3.25)
INFORMATION TECHNOLOGY*	13.00	13.00	13.00	14.00	14.00	1.00
MUNICIPAL COURT**	11.85	13.70	14.00	18.00	18.00	6.15
POLICE***	108.00	123.00	127.00	129.50	132.50	19.50
PARKS & RECREATION****	42.50	42.50	42.50	46.50	46.50	4.00
DEVELOPMENT & BUSINESS SVCS.	36.50	34.50	34.50	34.50	34.50	(2.00)
PUBLIC WORKS	22.30	23.65	23.65	22.85	22.85	0.55
SUBTOTAL GENERAL FUND	272.85	290.05	293.90	304.60	307.60	29.75
Fund	2022	2023	2024	2025	2026	Change 2022-2026
LODGING TAX FUND 101	0.50	0.50	0.50	0.50	0.50	-
CRIMINAL JUSTICE FUND 105	2.00	-	-	-	-	(2.00)
STREET FUND 111^	9.25	10.25	11.25	12.25	12.25	3.00
AMERICAN RESCUE PLAN ACT FUND :	5.50	8.50	8.50	-	-	-
TRANS. BENEFIT DIST. FUND 150	0.20	-	-	-	-	(0.20)
PARKS & REC CAPITAL 380^^	1.00	1.00	1.00	-	-	(1.00)
UTILITIES FUND 411^^^	41.77	50.52	53.52	54.52	54.52	12.23
EQUIPMENT RENTAL OPS FUND 511	6.50	6.50	6.50	9.50	9.50	4.00
OPERATIONS & MAINTENANCE FUND	0.28	0.39	0.39	0.39	0.39	0.11
SUBTOTAL OTHER FUNDS	67.00	77.65	81.65	77.15	77.15	16.13
GRAND TOTAL	339.85	367.70	375.55	381.75	384.75	166.06

*3 moved from Finance to Executive in 2023. 1 added 2023 in Executive; .20 moved from HR to PW in 2024. IT added 1.0 in 2025

**Court add 1 Court Marshal 2023, .15 increase for Judge and 1 Legal Specialist II in 2024, 4 more positions added 2025

***Police 2 positions moved from Fund 105 in 2023, 4 Custody & 4 Master Custody Officers added 2023,

***Police 5 ARPA grant funded Police Officer positions and 5 COPS grant funded Police Officer positions made permanent in 2025

***Police 1 Jail Manager and 1 Custody Lieutenant added 2025, 3 Custody Officers added 2026

****PRCA 1 Human Services Coordinator and 2 Maintenance Worker II positions funded by ARPA made permanent in 2025

^Street Fund added additional Maintenance Worker positions

^^Parks & Rec Capital Senior Park Planner moved to PRCA in General Fund for 2025

^^^Utilities Fund added additional positions in accordance with rate study plan

FINANCIAL POLICIES RELATED TO BUDGET

2. General Policies

A. The City shall maintain the fiscal integrity of its operating, debt service, and capital improvement budgets. It is the City's intent to maintain fiscal integrity while providing a level of public goods and services that is within the city's fiscal capacity.

3. Budgeting: General

A. These Financial Policies shall be used to guide major policy initiatives and shall be incorporated or summarized in the adopted biennial budget document.

B. The City of Lynnwood shall prepare and adopt a biennial budget in accordance with Chapter 35A.34 RCW, Chapter 2.72 LMC, and these Policies. Fiscal years shall begin on January 1st and conclude on December 31st.

C. For clarity, the budget document required by RCW 35A.34.070 and LMC 2.72.030 shall be referred to as the "proposed preliminary budget", and the budget document required by RCW 35A.34.080-100 and LMC 2.72.040 shall be referred to the "Preliminary Budget".

D. In accordance with RCW Chapter 35A.34, the City shall conduct a minimum of two public hearings on the Preliminary Budget, and a minimum of one public hearing fixing the final budget. One of the two public hearings required for the Preliminary Budget may be the public hearing required for the property tax levy.

E. The Preliminary Budget shall include reference to these Financial Policies, including:

- i. An assessment of its conformance to the Financial Policies and an explanation if there are areas of non-conformance.
- ii. References as to how the Financial Policies were used to develop recommendations for balancing the budget.

F. The proposed preliminary budget, Preliminary Budget, adopted budget, and the mid-biennial modification of the adopted budget shall be based upon, and consistent, with:

- i. The Community Vision.
- ii. Performance management/measurement techniques and principals set forth by the Mayor and City Council.

G. General Fund budget requests in the Preliminary Budget and the mid-biennial modification shall include a written assessment of:

- i. How the proposal is consistent with and furthers the Community Vision.
- ii. Whether the service or program is mandatory (required by law) or discretionary (optional), and whether the service or program can be achieved through other means.
- iii. The degree to which the service or program is fiscally sustainable.

H. The budget should provide for adequate maintenance of capital assets.

I. The budget process shall be consistent with and integrated with long-term forecasting and ongoing financial reporting.

J. It is the policy of the City of Lynnwood to adopt structurally-balanced budgets.

i. A structurally-balanced budget shall mean:

- a. Ongoing expenditures shall be provided for by anticipated ongoing revenue.
- b. Ongoing expenditures do not include:
 - 1. "One-time" items such as capital outlay, projects or studies.
 - 2. Allocations to other funds dependent on general revenues sufficient to balance dependent budgets (i.e.: Street Fund, Solid Waste Fund).

- ii. Anticipated ongoing revenues may include:
 - a. Reoccurring revenue such as taxes, fees, etc.
 - b. A reasonable amount of resources remaining unspent from the previous year's budget based on historical experience and an assessment of the current budget.
 - c. A portion of the unencumbered fund balance above the minimum levels established by this policy.
 - d. Reoccurring transfers from other funds.
- K. The Mayor shall submit a balanced Preliminary Budget.
 - a. The Mayor's budget proposal shall balance all city funds.
 - b. The transfers between funds shall be clearly illustrated.
 - c. The use any proposed new revenues from proposed new fees or taxes should be clearly illustrated.
- L. The anticipated amounts of reserves should be clearly illustrated.
 - a. The reserve estimates shall be provided for the beginning and the end of the Preliminary Budget period (beginning and ending fund balances).
- M. The budget shall be developed consistent with State law and in a manner which encourages early involvement with the public and City Council as provided for by Chapter 2.72 LMC.
- N. The budget shall integrate into the Capital Facilities Plan (CFP) and be consistent with the current year of the CFP. Budget planning activities shall be based on the next year of the CFP.

4. Financial Forecasts

- A. As a part of each biennial budget process, the City shall prepare six-year expenditure and revenue forecasts for the City's principal operating and capital funds.
- i. Revenue forecasts for major revenues (those which represent at least 10% of the General Fund) should be based on the best information available and should reference assumptions and data sources.
- ii. Revenue forecasts should include all sources of revenue.
- iii. Forecasts shall include alternative expenditure scenarios, based on different policy and economic assumptions.
- B. Financial Forecasts shall:
 - i. Incorporate plans for reserves and specific fund balances.
 - ii. Include revenue streams as may be appropriate to support capital projects in accordance with the city's Capital Facilities Plan and Strategic Investment Plan Component.
 - iii. Serve as a basis for decision making that may affect long-term trends and financial needs.
- C. All financial decisions shall be within the context of the long-range planning forecast and other related long-range plans (Capital Facilities Plan / Strategic Plan). Staff shall provide a review of the implications of budgetary and other fiscal proposals on these long-range forecasts and plans. Staff shall include the financial impact with each item on the council agenda, if applicable.
- D. Assumptions used in the CFP shall be noted and defined.
- E. Basis of long-range planning shall be outcome oriented. In accordance with Chapters 2.70 and 2.72 LMC, the City shall strive to illustrate the output from CFP expenditures.

5. Reserves

- A. Reserves, General Fund
 - i. Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial

- strength. Collectively, the adopted budget should include General Fund reserve balances equaling not less than 2.5 months of the operating expenditures of the prior fiscal year. The reserves specified by this policy consist of the aggregate total of the General Fund Unassigned Fund Balance and the Revenue Stabilization Fund balance.
- ii. The purpose of the General Fund Unassigned Fund Balance is to provide for adequate operating cash and to cover receivables until they are collected. Achieving and maintaining this unassigned fund balance is the highest priority over developing and maintaining other general fund reserves.
 - iii. The purpose of the reserves of the Revenue Stabilization Fund is to help protect the city from major economic downturns and other unanticipated, adverse financial conditions.
 - iv. City Council authorization shall be required for expenditure of Unassigned Fund Balance or Revenue Stabilization Fund Balance.
- B. Reserves, Enterprise Funds
- i. Adequate reserve levels are a necessary component of the overall financial management strategy for enterprise funds such as utilities, and a key factor in external agencies' measurement of the City's financial strength.
 - ii. City Council authorization shall be required for expenditure of Enterprise Fund Reserves.
 - iii. Utility Operating Fund.
 - a. The purpose of Utility Operations Fund reserves is to provide for adequate operating cash and to cover receivables until they are collected.
 - b. The reserve balance target for the Water Utility is the amount equivalent to 90 days of operating expenses.
 - c. The reserve balance target for the Sewer Utility (wastewater) is the amount equivalent to 45 days of operating expenses.
 - d. The reserve balance target for the Storm Utility (stormwater) is the amount equivalent to 30 days of operating expenses.
 - iv. Utility Capital Fund.
 - a. The purpose of Utility Capital Fund reserves is to provide funding for emergency repairs, unanticipated capital expenses, and project cost overruns.
 - b. The reserve balance target for the Water Utility is the amount equivalent to 1% of all Original Asset Values.
 - c. The reserve balance target for the Sewer Utility (wastewater) is the amount equivalent to 2% of all Original Asset Values.
 - d. The reserve balance target for the Storm Utility (stormwater) is the amount equivalent to 1% of all Original Asset Values.
 - v. Golf Fund.
 - a. The reserve balance target for the Golf Fund is the amount equivalent to 30 days of operating expenses.

7. Revenues: General

- A. To the extent possible, diversified and stable sources of revenue shall be maintained to shelter public services from downward fluctuations in any one revenue source. Periodic financial reports shall include trend analysis of the City's primary sources of revenue.
- B. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.

8. Revenues: Fees and Charges

- A. The City shall develop and maintain a comprehensive schedule of fees and charges.
 - i. The fees and charges should be reviewed in connection with each biennial budget.
 - ii. Fees shall be reviewed by general type as described below:
 - a. Development-related fees (land use, building and property, fire marshal's office and engineering fees) shall be established by ordinance; adjusted for inflation and periodically subjected to a comprehensive rate analysis. Development-related fees should be based on recovering costs of permitting and inspection services.
 - b. Regulatory Fees (such as those related to Chapter 5 LMC) shall be established by ordinance. As may be permitted by law, these fees may be used for generating city revenues in addition to recovering costs of the regulatory services.
 - c. Recreation and parks use fees shall be set by the Director of Parks, Recreation and Cultural Arts within ranges established by ordinance.
 - d. General fees (such as rental rates, copy charges, and other miscellaneous fees) shall be established by ordinance. These services should charge fees to assist in making these services self-supporting.
 - e. Enterprise Funds (Utilities and Golf Course) fees shall be set by ordinance, and set at a level necessary to support the costs of services in the fund and to maintain long-term financial stability. To insure that the enterprise funds remain self-supporting, fee and rate structures shall fully fund the direct and indirect costs of operations, capital plant maintenance, debt service, depreciation, and reasonable system extensions. See "Revenues: Utility Rates" below for additional provisions.

9. Revenues: Utility Rates

- A. Every three years, the City shall conduct a comprehensive, third-party, expert analysis of utility rates.
- B. Revenues generated by utilities should provide adequate resources to provide for proper operation of the related programs, servicing of related debt at prescribed levels, maintenance of the capital plant, and adequate reserves.
- C. Utility rates shall be set utilizing the following guidelines:
 - i. The rate structure should encourage consumers to conserve natural resources while providing a stable and predictable revenue base for the proper management of the utility.
 - ii. The rates shall strive to be equitable among the classes (general types) of ratepayers.
 - iii. The revenue target of the utility rates should maintain a minimum debt service coverage ratio (DSCR) of 1.5. DSCR is a financial formula that equals net operating income divided by annual debt service.
 - iv. Recommended rate structures shall be adopted by separate ordinance.

10. Expenditures: General

- A. The City shall authorize only those ongoing, operating expenditures that may be supported by ongoing operating revenues. Before the City takes a policy or budgetary action that will create fixed, ongoing expenses, the cost implications of such actions shall be estimated/determined for current and future years with the aid of strategic financial planning models. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures shall be reviewed for compliance with this policy provision.

- i. Operating revenues are those revenues that recur regularly on an annual basis, excluding revenues that may be available only on a one-time basis such as revenues derived from land sales, bond proceeds, etc.
- B. Department directors are responsible for managing their budgets within the total appropriation for their department.
- C. The City shall maintain expenditure categories according to state statute and administrative regulation as described in the State Auditor's Budgetary, Accounting, and Reporting System (BARS).
- D. The City shall assess funds for services provided internally by other funds. The estimated direct and indirect costs of service shall be budgeted as an expense to the fund receiving or benefiting from the service, and the cost of the service shall be recognized as revenue to the providing fund. A review of the method for determining the amount of the interfund assessment shall be reviewed periodically.
- E. Emphasis shall be placed on improving productivity, workplace innovation, program evaluation, and alternative means of service delivery rather than adding to the work force. The City shall invest in technology and other efficiency tools to ensure high productivity. The City may hire additional staff only after the need for such positions has been demonstrated and documented, including assessment of alternative measures, such as contracting for professional services and partnering with other agencies/organizations.
- F. All compensation planning and collective bargaining shall focus on the total cost of compensation which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature which are a cost to the City.
- G. Enterprise Funds expenditures shall be fully supported by their own rates, fees, and charges, and not subsidized by the General Fund. The Enterprise Funds shall pay their share of overhead costs and services provided by the General Fund.

14. Capital Funds: General

- A. The City shall maintain a Capital Development Fund #333 to provide funding for the six-year Capital Facilities Plan, less proprietary fund projects as defined by Chapter 3.50 LMC. The use of any funds within the Capital Development Fund shall be as defined by the Lynnwood Municipal Code. Once the policy target for General Fund reserves is achieved in the financial forecast [see Reserves and Financial Forecast above] the City shall set aside at least \$1.1 million per year for capital development.
- B. Contributions to development funds shall be made from available funds as identified during the biennial budget process or the mid-biennial budget modification. The Finance Director shall make a recommendation to the Council with regard to transfers to reserve funds as a part of that report. The Council, by motion (and amending the budget by ordinance as necessary) shall authorize the transfers as the Council shall determine to be appropriate at that time.

GLOSSARY

ACCRUAL BASIS A basis of accounting under which revenues and expenditures are recognized when they are incurred, regardless of whether cash has been exchanged.

APPROPRIATION A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSESSED VALUATION A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSETS Resources owned or held by a government which have monetary value.

BANKED CAPACITY The difference between the highest lawful levy that could have been imposed and the actual levy.

BALANCED BUDGET A budget situation where budgeted resources are equal to or greater than budgeted expenditures.

BIENNIAL BUDGET A budget applicable to a fiscal biennium.

BIENNIUM A two-year period.

BOND A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BUDGET A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET ACCOUNTING AND REPORTING SYSTEM (BARS) The accounting guide issued by the Washington State Auditor's Office to guide accounting matters for local governments.

BUDGET ADOPTION The formal legislative process to approve a budget for the budgetary period.

BUDGET AMENDMENT A change to the adopted budget that is formally adopted by the City Council.

BUDGETED Included in the adopted budget.

BUDGET DOCUMENT The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

BUDGET MESSAGE A general discussion of the proposed budget as presented in writing by the Mayor to the legislative body.

CAPITAL IMPROVEMENTS Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's physical assets.

CAPITAL FACILITIES PLAN A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

CAPITAL FUNDS Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CAPITAL (FIXED) ASSETS Also known as fixed assets, are land buildings, equipment and improvements to existing fixed assets costing more than \$10,000 and having a useful life greater than one year.

CAPITAL PROJECT Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

FINANCIAL POLICIES The document containing the adopted financial policies of the City.

DEBT SERVICE The cost of paying principal and interest on borrowed money in accordance with a predetermined payment schedule.

DEBT SERVICE FUND A fund used to account for the accumulation of resources for, and the payment of general long term debt principal and interest.

DIRECT COSTS Those expenses which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs (overhead) which must be prorated among several products, services, departments, operating units or activities.

EMPLOYEE BENEFITS Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension and medical plans.

ENDING FUND BALANCE The amount of money that a fund has at the end of a year or reporting period.

ENTERPRISE FUND An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund.

EXPENDITURE/EXPENSE The amount of money spent or budgeted to be spent.

FIDUCIARY FUND TYPE The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FIXED ASSETS Also known as capital assets, are land buildings, equipment and improvements to existing fixed assets costing more than \$10,000 and having a useful life greater than one year.

FULL-TIME EQUIVALENT POSITION (FTE) A part-time position converted to the decimal equivalent to a full-time position based on 2,080 hours per year.

FUND A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

FUND ACCOUNTING A system of accounting that is characterized by the use of accounting entities (funds) to account for resources who use has been limited by donor, grantor, governmental agencies, governing bodies, or by law.

FUND BALANCE The total amount of cash and investments available for spending at the end of a year or reporting period.

GENERAL FUND The primary operating fund of the local government. Most revenues accounted for in the General Fund are unrestricted and can be used for any lawful purpose of government.

GRANTS External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility.

INFRASTRUCTURE The physical assets of a government (e.g. streets, water, sewer, public buildings and parks).

INTERFUND TRANSFER The movement of money between funds of the same governmental entity.

INTERFUND SERVICES Services provided by one fund of the local government for the benefit of another fund for compensation.

INTERGOVERNMENTAL REVENUE Funds received from federal, state and other local government sources in the form of grants and shared revenues.

INTERNAL SERVICE FUND An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis.

LEVY (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

LIABILITIES Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

MAINTENANCE The upkeep of physical properties in condition for use or occupancy.

MINIMUM FUND BALANCE The minimum amount of cash and investments that, by policy, should be left in a fund at the close of the year or budget period.

MISSION STATEMENT A broad statement of the purpose, in terms of meeting public service needs, that a department is organized to meet.

OPERATING EXPENSES The cost for personnel, materials and equipment required for a department to function. The term excludes capital expenses.

OPERATING REVENUE Funds that the government receives as income to pay operating expenses. The term generally excludes one-time and capital revenues.

OTHER FINANCING SOURCES Governmental fund general long-term debt proceeds, operating transfers-in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from operating revenues.

OTHER FINANCING USES Governmental fund operating transfers-out. Such amounts are classified separately from operating expenditures.

POLICY A principle or course of action chosen to guide decision making.

PROGRAM A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

RESERVE An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

RESERVED FUND BALANCE A fund balance that is subject to externally or internally imposed restrictions.

RESOURCES Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

REVENUE Sources of income financing the operations of government.

REVENUE FORECAST A set of predictions about future revenues that will be received by the City.

SPECIAL REVENUE FUNDS Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

STAFF All or any non-elected employees of the City.

TAXES Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include user fees.

UNRESERVED FUND BALANCE The portion of fund's balance that is not restricted for a specific purpose and is available for spending on any lawful purpose of government.

USER FEES The payment of a fee for direct receipt of a public service by the party who benefits from the services.