

LYNNWOOD CITY COUNCIL

Business Meeting

This meeting will be held electronically via Zoom. See the City of Lynnwood website for details.

Date: Monday, March 8, 2021

Time: 6:00 PM

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- 10 CALL TO ORDER & FLAG SALUTE
 - 20 ROLL CALL
 - 30 APPROVAL OF MINUTES
 - A February 16, 2021 Work Session Minutes
 - B February 17 Work Session Minutes
 - C February 20, 2021 Council Summit Minutes
 - D February 22, 2021 Business Meeting Minutes
 - 40 MESSAGES AND PAPERS FROM THE MAYOR
 - 50 PUBLIC COMMENTS AND COMMUNICATIONS
 - 60 PRESENTATIONS AND PROCLAMATIONS
 - 70 WRITTEN COMMUNICATIONS AND PETITIONS
 - 80 COUNCIL COMMENTS AND ANNOUNCEMENTS
 - 90 BUSINESS ITEMS AND OTHER MATTERS
 - 90 .1 UNANIMOUS CONSENT AGENDA
 - A Garage Pole Building
 - B Contract Supplement: for Construction Engineering Services, Sanitary Sewer Lift Stations 4 & 8 Improvements
 - C Voucher Approval
 - 90 .2 PUBLIC HEARINGS OR MEETINGS
 - 90 .3 OTHER BUSINESS ITEMS
 - A Presentation: Snohomish County Housing Update
 - B Discussion- Community Justice Center Financing
 - C Resolution - Confirmation of Emergency Declaration - Utility Billing Special Rate Deadline Waiver
 - 100 NEW BUSINESS
 - 110 ADJOURNMENT

THE PUBLIC IS INVITED TO ATTEND

Parking and meeting rooms are accessible for persons with disabilities. Individuals requiring reasonable accommodations may request written materials in alternate formats, sign language interpreters, language interpreters, physical accessibility accommodations, or other reasonable accommodations by contacting 425-670-5023 no later than 3pm on Friday before the meeting. Persons who are deaf or hard of hearing may contact the event sponsor through the Washington Relay Service at 7-1-1.

"El estacionamiento y las salas de junta cuentan con acceso para personas con discapacidad. Las personas que requieran de adaptaciones razonables pueden solicitar materiales impresos en formatos alternativos como intérpretes de lenguaje de señas, intérpretes de idiomas, asistencia física para acceso, así como otros ajustes razonables. Pueden comunicarse al número 425-670-5023 antes de las 3:00 pm del Viernes antes a la reunión. Las personas con discapacidad auditiva o con problemas de audición pueden comunicarse con el patrocinador del evento a través del Washington Relay Service al 7-1-1."

Regular Business Meetings are held on the second and fourth Mondays of the month. They are videotaped for broadcast on Comcast Channel 21 and FIOS - Frontier Channel 38 on Wednesdays at 7:30p.m. and Sundays at 7:00a.m. and 2:00p.m.

CITY COUNCIL ITEM 30-A

**CITY OF LYNNWOOD
City Council**

TITLE: February 16, 2021 Work Session Minutes

DEPARTMENT CONTACT: Lisa Harrison, Executive Assistant

DOCUMENT ATTACHMENTS

Description:	Type:
February 16, 2021 Work Session Minutes	Backup Material

1 **MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL**
2 **HELD TUESDAY, FEBRUARY 16, 2021 AT 6:00 p.m. VIA ZOOM**
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A. Roll Call:

Mayor & Council:

Mayor Nicola Smith
Council President George Hurst
Council Vice President Jim Smith
Councilmember Ruth Ross
Councilmember Ian Cotton
Councilmember Christine Frizzell
Councilmember Julieta Altamirano-Crosby
Councilmember Shannon Sessions

Asst. City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum
Executive Assistant Leah Jensen
Executive Assistant Lisa Harrison

Others Attending:

David Kleitsch, DBS Director
Evan Chinn, Human Resources Director
Will Cena, IT Director
Lynn Sordel, Parks & Recreation Director
Sarah Olson, Deputy Parks & Rec. Director
Corbitt Loch, Acting Finance Director
Julie Moore, Communications Manager
Janella Lewis, Budget Supervisor
David Mach, Engineering Manager
Maryanne Grafton, Senior Services
Monica Thompson, Project Manager
Cameron Coronado, Environmental Program

Guests:

BDS, Brian Scott
BDS, Ishmael Nunez
Naz Lashgari
Jared Bigelow

5
6 **B. Comments and Questions on Memo Items (2:00)**

7 Engineering Manager David Mach answered questions about the 196th Street utility agreements
8 posed by council.

9 **C. Race and Social Justice Coordinator Position (8:00)**

10 Human Resources Director Evan Chinn led a presentation designed to summarize the need for
11 and benefits of the proposed position. Several employees involved with diversity and equity
12 organizations provided background, history and recommendations. Mayor Smith added that the
13 City of Lynnwood is working with surrounding communities and we are seen as a model, do not
14 want to lose momentum. Council members were given the opportunity to make comments and
15 ask questions.

16 **D. Introduction to Community Equity Survey (1:48:00)**

17 Director Chinn introduced partners from BDS who are working on the survey. Their plan is to
18 provide survey development and execution, analysis, conduct focus groups and present a final
19 report. They will over sample to have enough respondents from hard to reach
20 communities/segments within Lynnwood. Council members were given the opportunity to make
21 comments and ask questions.

22 **E. Meeting Break (2:23:00)**

23 **F. Briefing: Scriber Creek Trail Improvements Project (2:27:00)**

24 Parks Deputy Director Sarah Olson along with David Mach of Engineering and Monica
25 Thompson presented the plan for the next phase of development (Phase 2 of 3) which is
26 funded by grants for Parks as well as transportation, funding \$8.5M of the total cost of
27 \$12M. The trail will link to the Inter-urban trail as well as the transit center, providing multi-
28 modal transportation, view points, boardwalks and bridges.

29 *A Motion was made by Council President Hurst to extend the meeting to the end of the agenda,*
30 *seconded and passed unanimously. (2:56:00).*

31 **G. Mayor Comments and Questions (3:00:00)**

32 Mayor Smith announced that the county is working through vaccination availability and supply
33 has been slower than anticipated. It is recommended that you start with your primary care
34 physician if possible. Those who are looking for information should go to
35 www.snohd.org/covidvaccine or call 425-339-5278 between 8:30 a.m. and 4:30 p.m. to find out
36 where and when they will qualify to make an appointment for the vaccine.

37 Thursday kicks off the Police Community academy. There will be about 40 people participating.

38 **H. Council President and Council Comments (3:01:00)**

- 39 • Council President Hurst reminded council about the summit on 1/20 from 8:30 a.m. until
40 2:00 p.m. with a break for lunch.
- 41 • Hurst also commented that it was a great discussion on the social justice coordinator and
42 said that he believes it would be appropriate to honor the motion made to delay in
43 November. He will bring forward a motion next week to make sure everyone is on board. He
44 stated that the council should make a motion as to whether or not to move forward with the
45 hiring of this position.

46 **Executive Session**

- 47 • None

48

49 The meeting was adjourned at 9:08 p.m.

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54 _____
Nicola Smith, Mayor

CITY COUNCIL ITEM 30-B

**CITY OF LYNNWOOD
City Council**

TITLE: February 17 Work Session Minutes

DEPARTMENT CONTACT: Lisa Harrison, Executive Assistant

DOCUMENT ATTACHMENTS

Description:	Type:
February 17, 2021 Work Session Minutes	Backup Material

1 **MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL**
2 **HELD WEDNESDAY, FEBRUARY 17, 2021 AT 6:00 p.m. VIA ZOOM**
3
4

A. Roll Call:

Mayor & Council:

Mayor Nicola Smith
Council President George Hurst
Council Vice President Jim Smith
Councilmember Ruth Ross
Councilmember Ian Cotton
Councilmember Christine Frizzell
Councilmember Julieta Altamirano-Crosby
Councilmember Shannon Sessions

Asst. City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum
Executive Assistant Lisa Harrison

Others Attending:

Bill Franz, Public Works Director
Evan Chinn, Human Resources Director
Will Cena, IT Director
Lynn Sordel, Parks & Recreation Director
Sarah Olson, Deputy Parks & Rec. Director
Corbitt Loch, Acting Finance Director
DBS Director David Kleitsch
David Mach, Engineering Manager
Ashley Winchell, Planning Manager
Kristen Holdsworth, Senior Planner
Karl Almgren, City Center Program Manager
Kirk Rappe, Associate Planner

Guests:

Selam Habte, DEIC candidate

5
6 **C. Briefing: Lynnwood 40th Multiple-Unit Housing Property Tax Exemption Contract**
7 **(3:00)**

8 (Item B. was delayed pending arrival of candidate). Associate Planner Kirk Rappe and City
9 Center Program manager Karl Almgren shared the latest plans for the new development, which
10 will include 359 units of which 72 are income restricted. They discussed the tax exemption and
11 length of contract. Council members asked questions and made comments.

12 **B. Interview: Diversity, Equity, and Inclusion Commission Candidate Selam Habte**
13 **(35:00)**

14 Human Resources Director Evan Chinn introduced Ms. Habte as a strong candidate for the DEI
15 Commission and asked her to provide the council with her background. Council members asked
16 questions and thanked her for her interest.

17 **D. Housing Action Plan Update (58:00)**

18 Senior Planner Kristen Holdsworth and Planning Manager Ashley Winchell provided an overview
19 of the state of the Housing Action Plan. The plan is going through the planning process and will
20 be released to the public for comments on February 22, 2021. There is a deadline of June 30th
21 to adopt the plan to secure the grant funding. Council members were given the opportunity to
22 make comments and ask questions.

23 **E. Meeting Break (None)**

24 **F. Briefing: Transportation Benefit District (TBD) Programs and Funding Update**
25 **(1:20:00)**

26 Public Works Director Bill Franz and Engineering Manager David Mach presented the various
27 components of transportation and where the city stands in terms of meeting needs. He
28 explained that many streets and sidewalks are beyond their useful life. Council members
29 asked questions and made comments.

30 **G. Mayor Comments and Questions**

31 None

32 **H. Council President and Council Comments (2:10:00)**
33 • Council Member Altamirano-Crosby stated that she is going to draft a letter to the
34 Governor’s Office to emphasize the need for equitable distribution of vaccines in the
35 Lynnwood area given the high population in the BIPOC community and the fact that this
36 population is more likely to contract the virus. She asked that the other council members
37 and the mayor join her in signing this letter. She will work with Julie Moore from
38 communications to draft the letter and will bring it back to council for action on Monday,
39 February 22. All council members agreed to sign.

40 **Executive Session**

- 41 • None

42
43 The meeting was adjourned at 8:14 p.m.

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47 _____
48 Nicola Smith, Mayor

CITY COUNCIL ITEM 30-C

**CITY OF LYNNWOOD
City Council**

TITLE: February 20, 2021 Council Summit Minutes

DEPARTMENT CONTACT: Lisa Harrison, Executive Assistant

DOCUMENT ATTACHMENTS

Description:	Type:
February 20, 2021 Council Summit Minutes	Backup Material

1 **MINUTES OF THE SPEICAL WORK SESSION OF THE LYNNWOOD CITY COUNCIL**
2 **HELD SATURDAY, FEBRUARY 20, 2021 AT 8:30 A.M. VIA ZOOM**
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5 **A. Roll Call:**

Council:

Council President George Hurst
Council Vice President Jim Smith
Council Member Ruth Ross
Council Member Ian Cotton- absent
Council Member Christine Frizzell
Council Member Julieta Altamirano-Crosby
Council Member Shannon Sessions

Others Attending

Executive Assistant Lisa Harrison

6 **City Council Annual Summit**

7
8 **B. Council Rules & Procedures**
9 **(5:00)**

10 Council Members reviewed all sections of the Council Rules and made comments/asked
11 questions. All agreed that it is important to review and make it consistent with current thinking.

- 12 • Council President will appoint a task force to work with Lisa, review and make
13 recommendations for changes. Council Members Frizzell, Ross and Smith volunteered to be
14 on this task force. They will review and propose amendments, including the comments
15 made at the summit.

16 All agreed that the chat function on Zoom needs to be disabled or limited to functional
17 comments and not business-related items. It is a violation of the OPMA for members to be
18 chatting amongst themselves.

- 19 • Lisa will investigate how to turn the chat off and explore alternative communication formats
20 for those running the meeting.

21 Proclamations- would like to limit to a max of 3 per meeting (versus 5-6 in the rules currently).
22 Council leadership decided last week to only read external proclamations. Some members
23 expressed that they enjoy the recognition of internal departments.

- 24 • The leadership team will revisit this decision and make a recommendation to Lisa/Leah.

25 Several members expressed interest in returning to in-person meetings in chambers.

- 26 • Council President and Vice President to address this request based on Governor Inslee's
27 latest directives.

28 Honorifics: Council rules state that during meetings Council President and Vice President should
29 be addressed as council members, as they are equal to all other council members during
30 discussions. However, this is not how it is handled currently.

- 31 • Most present council members prefer to use titles, as they feel it is important for the
32 audience to know who is in these roles.

33 **Break (1:45:00)**

34 **C. Visioning: Community (1:55:00)**

35 Council members discussed various ways to connect with the public and agreed that a Facebook
36 page would be a great platform for outreach. Several members are already doing this with their

37 own FB page, and it would be good to bring this all together. A council-centric Facebook page,
38 rotating posts by each council member weekly, would help us connect with residents about who
39 we are, what we do and how to get involved. Could have Coffee and Conversations with your
40 Council members, etc. Would be managed/monitored by Executive Assistant Harrison.

- 41 • Lisa to meet with Julie regarding start up and protocols.
- 42 • The goal is to have it up and running by April 1st. There will be a work session in March
43 before this goes live.

44 Live in-person events are the best way to connect, most agreed. In past years there have been
45 several public community events that council attended and had the opportunity to interact with
46 residents. Council Member Altamirano-Crosby proposed that the city celebrate with our
47 Friendship City in Mexico during Hispanic month for 3-4 days and have them visit/ display items
48 in the chambers, etc.

49 Governmental affairs: Now that there is no longer a position in charge of this, it is up to city
50 council to keep in touch with elected officials. Council members discussed how to stay in touch
51 with legislative issues and make/keep connections with those involved.

- 52 • Council leadership will work with Lisa to invite lobbyists and various legislators to visit
53 Wednesday work sessions throughout the year.
- 54 • Lisa to keep track of important bills and report to council (working with CP Hurst), as well as
55 take over setting up meetings for the next AWC City Days.

56 **D. Break (3:00:00)**

57 **E. Housing (3:30:00)**

58 Council President Hurst asked council members for feedback regarding the recent Housing
59 Action Plan presentations given by staff. Some felt the information presented so far was getting
60 repetitive. Discussion revealed that not all council members have the background information
61 from 2019 when the Housing Action Plan was initiated.

- 62 • During the meeting Council Member Frizzell emailed relevant documents from 2019 for the
63 council members to reference.

64 In addition to the Housing Action Plan, council members would like to hear from Chris Collier of
65 AHA to get his perspective.

- 66 • Council leadership will invite him to an upcoming work session.
- 67 • Prefer that the next work session with the Housing Action Plan be scheduled for the end of
68 March.

69 Most agreed that when the eviction moratorium is lifted and/or development displaces low-
70 income housing, those who cannot afford rent will likely live out of their cars. One example is
71 Whispering Pines apartments, which is closing in August.

- 72 • Need to reach out to faith-based community to discuss possibility of "Car Parks" i.e., at
73 church parking lots or other similar to what is done at the Edmonds Unitarian Church.

74 **F. Boards and Commissions (4:40:00)**

75 Agreed that we need to get consistency where possible across the boards and commissions. Not
76 all are created equal, but should be able to do the following:

- 77 • Post agendas and minutes on a timely basis, consistently
- 78 • Format minutes to be action oriented (versus verbatim detailed)
- 79 • All should be recorded (ideally zoom but can be audio) and posted to the web site.

- 80 • All should go through the B&C training course which covers OPMA. Perhaps arrange for one
81 meeting per year to review the information together.
82 Lisa will share this information with the administration task force on Boards & Commissions.
83

84 In a discussion about recruiting volunteers for these groups, one CM asked to see the job
85 description for council members. Is this one of our responsibilities?
86 In reviewing the job description for council members this is not stated explicitly in the
87 requirements.
88

89 **G. Council President and Council Comments (2:10:00)**

- 90 • Council Vice President Jim Smith announced that the council members will receive a survey
91 from Lisa to collect their top 5 topics for work sessions. They are to provide their top 5 in
92 descending order, with 5 being the most important.
- 93 • The council discussed the upcoming meeting regarding the business round table event.
94 They decided that the theme of the discussion should be the impact of the pandemic and
95 how the city can help.

96
97 **Adjourn:**

- 98 • Meeting adjourned at 1:10pm
99

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Nicola Smith, Mayor

CITY COUNCIL ITEM 30-D

**CITY OF LYNNWOOD
City Council**

TITLE: February 22, 2021 Business Meeting Minutes

DEPARTMENT CONTACT: Lisa Harrison, Executive Assistant

DOCUMENT ATTACHMENTS

Description:

[February 22 Work Session Minutes](#)

Type:

Backup Material

CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
February 22, 2021

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3 10. CALL TO ORDER - The February 22, 2021 Business Meeting of the Lynnwood City
4 Council, held via Zoom, was called to order by Mayor Smith at 6:00 p.m. A quorum was
5 present.

6
7 20. ROLL CALL

Mayor & Council:

Mayor Nicola Smith
Council President George Hurst
Council Vice President Jim Smith
Councilmember Julieta Altamirano-Crosby
Councilmember Ian Cotton
Councilmember Christine Frizzell
Councilmember Ruth Ross
Councilmember Shannon Sessions

Others Attending:

Corbitt Loch, Acting Finance Director
Janella Lewis, Budget Supervisor
Sarah Olson, Deputy Director Parks & Rec.
Robert Mathias, Building Official

Guests

Selam Habte, DEI Candidate
Michelle Meyer, Finance Director Candidate

Asst. City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum
City Attorney Rosemary Larson
Executive Assistant Lisa Harrison

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9
10 30. APPROVAL OF MINUTES (2:06)

11 *Motion made by Council Member Frizzell, seconded by Councilmember Cotton, to approve*
12 *the minutes of:*

13 *A. January 19, 2021 Work Session Minutes*

14 *B. January 20, 2021 Work Session Minutes*

15 *C. January 25, 2021 Business Meeting Minutes*

16 *D. February 1, 2021 Work Session Minutes*

17 *E. February 8, 2021 Business Meeting Minutes*

18 *An amendment was requested for the 1/19 minutes, page 5- change the street name to 188th*
19 *St. SW. The above minutes were approved as amended unanimously.*

20
21 40. MESSAGES AND PAPERS FROM THE MAYOR (3:24)

22 Mayor Smith stated that Snohomish County should show improvement on availability of
23 vaccines in the next two weeks. She recommends residents check with their primary care
24 physician or pharmacy first or go on to the Snohomish County web site.
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50. CITIZENS COMMENTS AND COMMUNICATIONS (6:14)

The following individuals made comments via Zoom:

- Elizabeth Lunsford, Lynnwood 98206
- Ted Hikel, Lynnwood 98036

60. PRESENTATIONS AND PROCLAMATIONS

None

70. WRITTEN COMMUNICATIONS AND PETITIONS

None

80. COUNCIL COMMENTS AND ANNOUNCEMENTS (12:30)

Each council member had the opportunity to make comments about happenings around the city.

90. BUSINESS ITEMS AND OTHER MATTERS

90.1 UNANIMOUS CONSENT AGENDA (17:46)

Items listed below were distributed to Councilmembers in advance for study and were enacted with one motion.

Council Member Ross moved for unanimous consent of the following items (Items A and B held until later):

- A. Authorize the Mayor to enter into and execute on behalf of the City a supplement to the contract with Parametrix, Inc. not to exceed a total contract value of \$1,373,139.06.*
- B. Authorize the Mayor to enter into and execute on behalf of the City a Construction Agreement with Wave to outline the roles and responsibilities associated with the construction of a Joint Utility Trench (JUT) and to share in the JUT construction costs for the 196th St SW Improvement Project.*
- C. Authorize the Mayor to enter into and execute on behalf of the City a Construction Agreement with Comcast to outline the roles and responsibilities associated with the construction of a Joint Utility Trench (JUT) and to share in the JUT construction costs for the 196th St SW Improvement Project.*
- D. Voucher Approval*
 - a. Approve claims in the amount of 1,738,685.24 for the period 1/30/2021 - 2/12/2021.*
 - b. Approve payroll in the amount of \$1,135,569.92 dated 2/12/2021*

Motion passed unanimously.

Motion made by Council Vice President Smith, seconded by Council Member Cotton, to confirm Selam Habte to fill Position #6 on the Diversity, Equity and Inclusion Commission for a term expiring December 31, 2022. Motion was passed unanimously. Habte was present at the zoom meeting and thanked the council for the appointment.

69 *Motion made by Council Member Cotton, seconded by council member Ross, to*
70 *confirm Michelle Meyer as the City's Finance Director. A roll call vote was taken.*
71 *Meyer was confirmed unanimously. She will start on March 29th.*
72

73 90.2 PUBLIC HEARINGS OR MEETINGS

74 None

75 90.3 OTHER BUSINESS ITEMS (28:16)

76 A. Resolution- Finance Committee Calendar 2021

77 *Motion made by Council Member Frizzell, seconded by Council Member Cotton,*
78 *to confirm adopt resolution #21-03, 2021 Finance Committee Meeting calendar.*
79 *Motion passed unanimously.*
80

81 B. Discussion: Business Round Table

- 82 • Council President Hurst reminded council members of the upcoming business
83 round table on March 17 from 6-9 pm. Each member is to recruit 2 local
84 businesses affected by COVID.

85
86 100. NEW BUSINESS (42:33)

87 A. Council President Hurst announced that he is appointing a task force to work on
88 council rules, as decided at the recent Summit. Council members Smith, Ross and
89 Frizzell will work with Lisa on updates to the Council Rules, bringing them to the
90 full council no later than June 7th.

91 B. Council Member Altamirano-Crosby brought forth a letter to the governor that
92 she has worked on with Julie Moore and Mayor Smith asking for equitable
93 distribution of vaccines in the BIPOC community (attached, Exhibit A). Per legal
94 counsel, Council Member Altamirano-Crosby can send and sign on behalf of the
95 council, including the names of those who wish to be included. All council
96 members and the Mayor stated that they wish to be included.

97 C. *Council President made a motion, seconded by Council Member Cotton, that the*
98 *hiring of the Racial and Social Justice Coordinator be delayed until:*

- 99 • *Outcome Measures, based on the Budgeting for Outcomes model, be defined*
100 *for this position, and*
- 101 • *The results of the Lynnwood Community Equity Survey be presented to the*
102 *City Council for deliberation and a Council decision be made on proceeding*
103 *with the hiring of said position.*

104 *A roll call vote was taken. Results were 4 yea, 3 nay with council members Ross,*
105 *Sessions and Frizzell opposing the motion. The motion was passed to delay the*
106 *hiring.*
107

108 110. ADJOURNMENT (1:31:00)

109 The meeting was adjourned at 7:31 p.m.
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115 _____
Nicola Smith, Mayor

EXHIBIT A- DRAFT LETTER TO INSLEE'S OFFICE

Secretary Shah
416 Sid Snyder Ave SW STE 220
Olympia, WA 98501

Dear Governor Inslee and Secretary Shah,

As a proud Latinx woman, I have spent my career aiding the Black, Indigenous, People of Color communities in speaking out against the injustices happening in the Washington State health care system. I am writing to encourage you to support and prioritize the Latinx and Black communities for vaccine outreach in the midst of the COVID-19 pandemic that has highlighted the inequalities within the communities of color.

Our state has severely neglected the Latinx and Black populations since the beginning of the pandemic. The Washington State Department of Health released a COVID-19 Vaccination Coverage by Race and Ethnicity in Washington State on February 10, 2021. This document highlights that the Latinx population constitutes 13.2% of the population in our state. However, only 5.9% has been fully vaccinated even though we represent 44% of the COVID-19 cases in the state according to a study done by the University of Washington's Latino Center for Health.

Furthermore, only 2.7% of the Black residents have been fully vaccinated yet accounts for 6% of all cases in Washington.

The Department of Health's document has unquestionably admitted that the vaccine has been disproportionately distributed across our state, and across Snohomish county, but nothing has been done to reach equity in vaccination by the department itself. It is clear that vaccines should be received by the populations that have been most affected by this disease.

To reach these goals, prominent Latinx and Black organizations must be represented in decision making processes regarding vaccine policies and funding for our state. Moreover, the system for accessing vaccine appointments needs to be redesigned and made to be more user friendly for our non-English speaking communities.

A long-term plan has to be created to emphasize the importance of vaccination and the response to the impact of COVID-19 on our communities of color as a whole, with a specific emphasis in the Latinx and Black population in both our county and state.

One imperative goal is tracing and tracking those who have been vaccinated by ethnicity and location to have a visual representation of where the vaccines allocated to our state are going. This will also allow the Department of Health to ensure equitable access for the communities that are more at risk. Furthermore, a certain number of vaccines need to be allocated to the Latinx and African American communities in our county by health care providers.

The Black, Indigenous, People of Color communities continue to suffer, and an adequate change needs to be made to respond to the inequalities that these populations are facing in our cities, counties, and state.

Governor Inslee, something needs to be done for our vulnerable communities to reach equity within a system of systemic inequity, where these communities are suffering daily from the inadequate response from lawmakers that are supposed to protect the most vulnerable populations.

Sincerely,

Dr. Julieta Altamirano Crosby
Council Member
City of Lynnwood

In support:

Jim Smith
Council Vice President
City of Lynnwood

CITY COUNCIL ITEM 90.1-A

**CITY OF LYNNWOOD
Administrative Services**

TITLE: Garage Pole Building

DEPARTMENT CONTACT: Cathy Robinson, Interim Procurement Manager

SUMMARY:

The City's Operations and Maintenance Facility requires a new garage pole building.

ACTION:

Authorize the Mayor to execute a construction service contract with Permabilt Industries in the amount of \$223,587.91.

BACKGROUND:

Bids were solicited from the MRSC Small Works Roster as the estimated cost was under \$350,000. The contract is awarded to the lowest, responsive, responsible bidder.

FUNDING:

The funding for this project is included in the currently adopted biennium budget for Public Works.

ADMINISTRATION RECOMMENDATION:

Approve.

DOCUMENT ATTACHMENTS

Description:

[Procurement Report](#)

Type:

Backup Material

Procurement Report
#3275 - Garage Pole Building

Purpose of Contract: The City's Operations and Maintenance Facility requested the construction of a new Garage Pole Building for storage of operational vehicles, weather sensitive material and future mechanic workspace. The scope of work includes design, permitting, materials and construction of the pole building.

Estimated cost: The lowest responsible bidder total cost for the project, including WA sales tax, is \$223,587.91

Advanced Planning: This is the second solicitation for this project. The first solicitation was almost \$300K, which was over the allotted budget. Working with the project manager and site manager, several cost efficiencies were identified which brought the new cost estimate down significantly.

Method of Procurement: The Small Works Roster bid process was used as the estimated cost was less than \$350K.

Type of Contract: One Time – Construction Services Contract

Term of Contract: The estimated completion of the project is 3 months after the Notice to Proceed.

Solicitation: Bids were issued to the MRSC Small Works Roster.

Recommended Action: Approve contract award with Permabilt Industries in the amount of \$223,587.91.

Procurement Officer: Stan Hernandez

Date: February 22, 2021

CITY COUNCIL ITEM 90.1-B

CITY OF LYNNWOOD Public Works

TITLE: Contract Supplement: for Construction Engineering Services, Sanitary Sewer Lift Stations 4 & 8 Improvements

DEPARTMENT CONTACT: David Mach

SUMMARY:

The purpose of this agenda item is to supplement an existing construction management/engineering contract with RH2 Engineering Inc. for the Sanitary Sewer Lift Stations 4 & 8 Improvements. The contract total currently is \$582,100. Public Works staff is requesting to increase the contract by \$39,800, which will result in a new contract total of \$621,900. This request/change is to cover additional construction management/engineering services as a result of prolonged construction.

ACTION:

Authorize the Mayor to enter into and execute on behalf of the City, a supplement to the contract with RH2 Engineering Inc. for construction engineering support services not to exceed a total contract value of \$621,900.

BACKGROUND:

Recent Background:

- The contractor experienced delays from a critical material supplier due to COVID-19 impacts, and their contract will be extended by approximately 4 months.
- The contractor has been behind schedule since the beginning of the project. Even with COVID-19 extension, they will likely be 4 more months late by the project completion, likely ending in March 2021.
- The City is in negotiations with the contractor regarding contractual financial penalties due to the delays.
- This request is for an additional \$39,800 authorization for the construction management/engineering consultant. The City will seek damages from the Contractor for this cost.

Background:

Sewer Lift Station #4 is located North of Alderwood Mall along Alderwood Mall Parkway adjacent to the Homewood Suites Hotel. The lift station and much of the sewer infrastructure in the vicinity were constructed in the 1980's. Sewer Lift Station #8 is located south of Alderwood Mall along Alderwood Mall Boulevard on the vacated Edmonds School District Bus Barn site. The lift station and much of the sewer infrastructure in the vicinity were constructed in the late-1960s. Lift Station #4 pumps to Lift Station #8 which pumps to Lift Station #10 (just south of the Lynnwood Transit Center) which pumps to the Wastewater Treatment Plant.

Lift Stations #4 and #8 have reached or are close to reaching their life expectancy and are currently operating at or near capacity. With future planned developments in the area, including Lynnwood Place Phase 2 (substantial mixed-use development), both lift stations will need to be reconstructed or improved to provide additional capacity both near-term and for the next 20+ years. In addition to the two lift stations, the plumbing infrastructure connecting these lift stations will also need to be upsized.

The improvements will be fully operational by March 2021. They will be constructed as four separate construction contracts, as follows:

- 1) Project #1: (Completed – constructed in 2016) A portion of force main #4. This project was constructed prior to paving Alderwood Mall Parkway between Maple Road and 184th Street SW.
- 2) Project #2: (Completed – constructed in 2018-19) This project completed the remainder approximately 7,000 feet of force main #4, gravity main #4, and gravity main #8.
- 3) Project #3: (Completed – constructed in 2019) Sewer force main #8. The force main is approximately 4,000 feet in length and extends from Lift Station #8 to the intersection of 196th/40th.
- 4) Project #4: (Completion March 2021 - currently under construction) Lift Stations #4 and #8. Total project cost including design and construction is \$5.8 million. The project improves Lift Station #4 and replaces Lift Station #8. In addition to the Lift Stations there are sewer and storm pipes in need of upsizing and replacement. Approximately 1200 LF of gravity sewer will be upsized and a new section of 100 LF of force main will be installed. Also required is the replacement of approximately 700 LF of an existing 54” Storm pipe that has reached the end of its useful life that runs thru the vacated Edmonds School District Bus Barn site property and across Alderwood Mall Boulevard. The current funding request will supplement the construction engineering/management for this phase.

The city opened bids for project #4 on April 23, 2019. Five bids were received which ranged from \$4.1M to \$5.3M. The engineer’s estimate was \$4.5M. Council awarded the contract to the low bidder on May 28, 2019.

PREVIOUS COUNCIL ACTIONS:

5/28/2019 Bid Award

5/28/2019 Construction Engineering Management Contract

5/26/2020 Construction Engineering Management Contract Supplement

FUNDING:

Utility Fund 412

KEY FEATURES AND VISION ALIGNMENT:

The Lynnwood Community Vision states that the City is to “be a welcoming city that builds a healthy and sustainable environment.”

The project supports that vision and results in an important improvement to the City’s infrastructure that links City of Lynnwood programs, policies, comprehensive plans, mission, and ultimately the Community Vision. The project provides the necessary utility infrastructure to support this vision.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-C

CITY OF LYNNWOOD Administrative Services

TITLE: Voucher Approval

DEPARTMENT CONTACT: Corbitt Loch, Acting Director

SUMMARY:

Approve claims in the amount of 2,468,860.52 for the period 2/13/16/2021 - 2/26/2021.

Approve payroll in the amount of \$1,147,262.27 dated 2/26/2021.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.3-A

CITY OF LYNNWOOD City Council

TITLE: Presentation: Snohomish County Housing Update

DEPARTMENT CONTACT: Council President George Hurst

SUMMARY:

Chris Collier from the Housing Authority of Snohomish County will share how Lynnwood housing fits in to the bigger picture, through data. He will then lead a question and answer session with council members. Presentation to be sent separately.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.3-B

CITY OF LYNNWOOD Administrative Services

TITLE: Discussion- Community Justice Center Financing

DEPARTMENT CONTACT: Corbitt Loch

SUMMARY:

This agenda item provides for continued, and more detailed, discussion of the financing for the planned Community Justice Center (CJC). This discussion is intended to build upon the information provided on March 1, and to support Council approval of the bond ordinance on March 22. On March 8, more information will be provided by the City's financial advisor (PFM) and bond counsel (Foster Garvey).

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Is the financing plan and bond ordinance consistent with past direction from the City Council?

ACTION:

Identify any topics/issues needing clarification. On March 22, approve the draft bond ordinance.

BACKGROUND:

See meeting materials provided for the March 1 Work Session.

PREVIOUS COUNCIL ACTIONS:

See meeting materials provided for the March 1 Work Session.

FUNDING:

As described previously, debt service associated with the Limited Tax General Obligation (LTGO) bonds consists of: 1) \$500,000/year of Criminal Justice Sales Tax revenue; 2) contract jail cost savings; and 3) revenue generated through other agencies' use of Lynnwood's correctional facility.

KEY FEATURES AND VISION ALIGNMENT:

The planned improvements will allow the Police Department to provide more-advanced services to individuals in need. This is another example of Lynnwood being a responsive government. Also, the renovation will create a safer and more-functional facility which in turn supports professional and organizational excellence.

ADMINISTRATION RECOMMENDATION:

Identify any topics/issues needing clarification. On March 22, approve the draft bond ordinance.

DOCUMENT ATTACHMENTS

Description:	Type:
Financial Advisor Presentation	Backup Material
Bond ordinance	Backup Material

The logo for Foster Garvey, featuring the name in a serif font with 'Foster' above 'Garvey'.

City of Lynnwood, Washington

Limited Tax General Obligation Bonds, 2021

March 8, 2021

***PFM Financial
Advisors LLC***

Thomas Toepfer
Steven Amano

Foster Garvey PC

Nancy Neraas
Stacie Amasaki

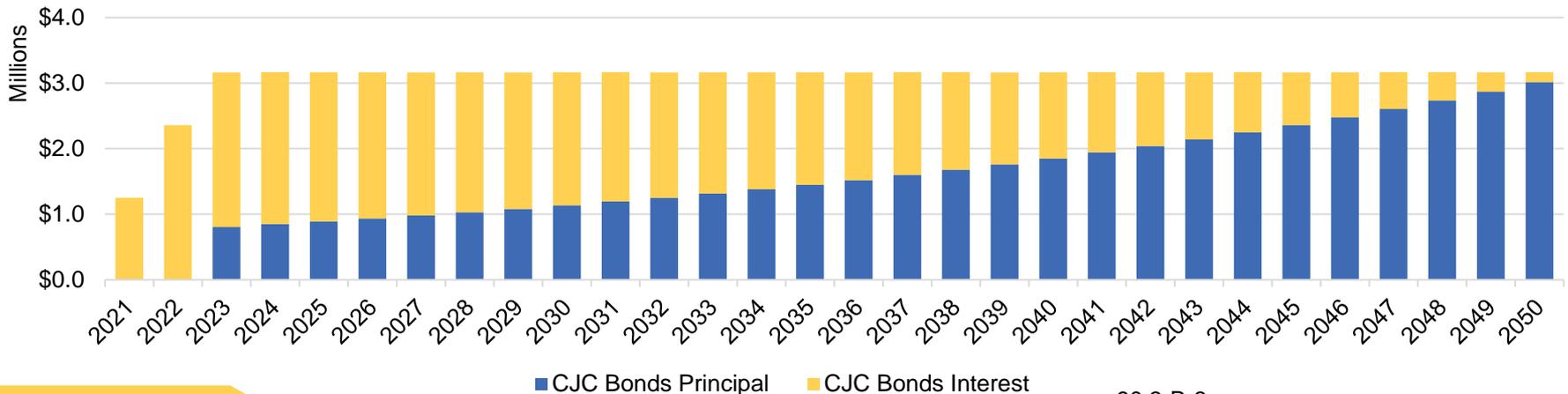
90.3-B-2



Introduction – Community Justice Center Bonds

- The City’s current facility which houses the police department, court, and jail services has been in use since 1994
- Over the past 20 years, the police department, court, and jail have undergone several space needs studies which have indicated significant space needs issues
- The City is anticipating expanding the current justice center site to an adjacent, City owned, lot
 - The City would continue to have the court and jail co-located on the current site (the current building would be renovated and expanded), while the Police Department would be relocated to the adjacent lot
- Total cost of the Project is expected to be \$64 million, with \$60 million of project costs being financed through the issuance of LTGO Bonds, 2021
 - Based on current market rates⁽¹⁾, a 30-year financing is expected to cost the City approximately \$3.165 million in annual debt service payments

Justice Center Bonds (30-year term) ⁽¹⁾	
Avg. Annual Debt Service	\$3,165,000
TIC (True Interest Cost)	3.00%
Total Debt Service	\$92,217,152



90.3-B-3

(1) Assumes Justice Center Bonds are issued in May 2021 to finance \$60 million of project costs, current market rates assume AA MMD plus 0.25% interest rate cushion (5% coupons); \$200k costs of issuance and \$4 per bond in UW compensation



The Bond Ordinance

- The proposed Bond Ordinance authorizes a financing to provide funds for the City's Community Justice Center Project and other capital improvements to the City, and to pay costs of issuance of the Bonds

- The Bond Ordinance provides for the following:
 - Approves the sale of the Bonds within certain parameters
 - Establishes parameters for terms of the Bonds
 - Appoints the City's designated representative (Finance Director or Mayor in the absence of the Finance Director) to approve the final terms of the bonds

- Although the financing is expected to be completed in May 2021, the Bond Ordinance provides authority for issuance before December 31, 2021

- ***Parameters set forth in the Bond Ordinance include:***
 - Maximum Principal: \$62.0 million (maximum proceeds available for the project of **\$60 million** plus costs of issuance)
 - Maximum Interest Rate: 5.0%
 - Maximum True Interest Cost: 4.0%
 - Final maturity: No later than December 31, 2050



Community Justice Center Bonds – Key Dates

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

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

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

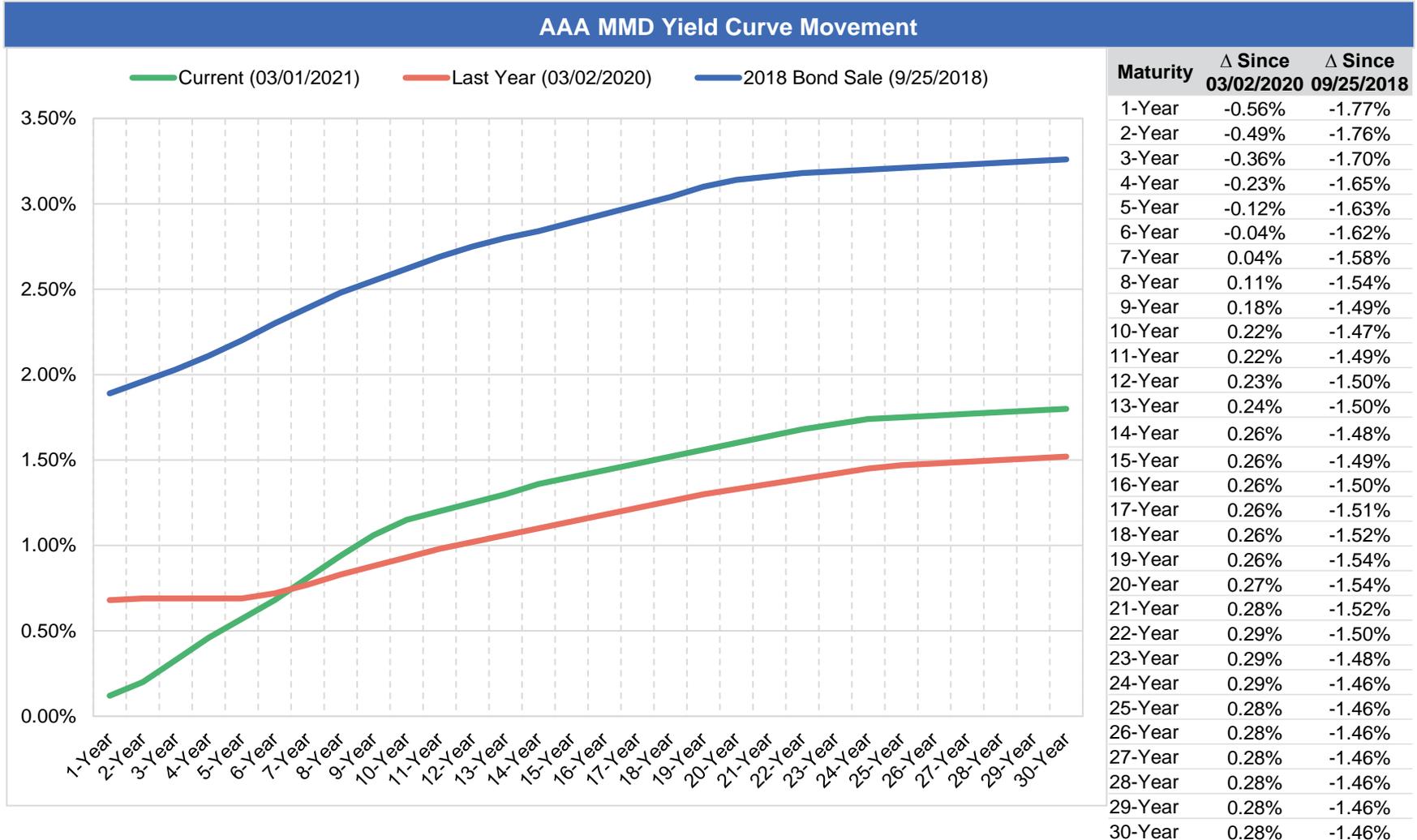
<u>Activity</u>	<u>Date</u>
City Council Meeting to discuss draft Bond Ordinance (6:00 PM)	March 8 th
City Council Meeting to consider Bond Ordinance (6:00 PM)	March 22nd
Call with Rating Agency	Week of April 12 th
Bond pricing	May 5th
Bond closing – funds delivered to the City	May 20 th



Appendix – Market Update



Recent AAA MMD Yield Curve Movement

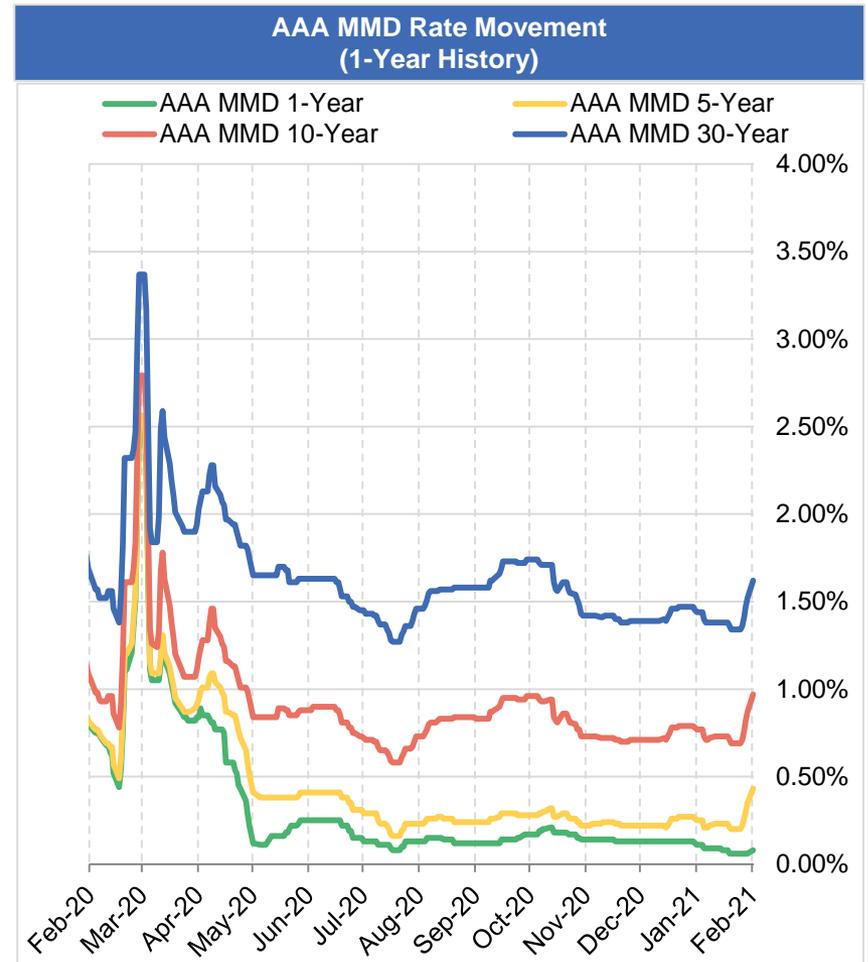
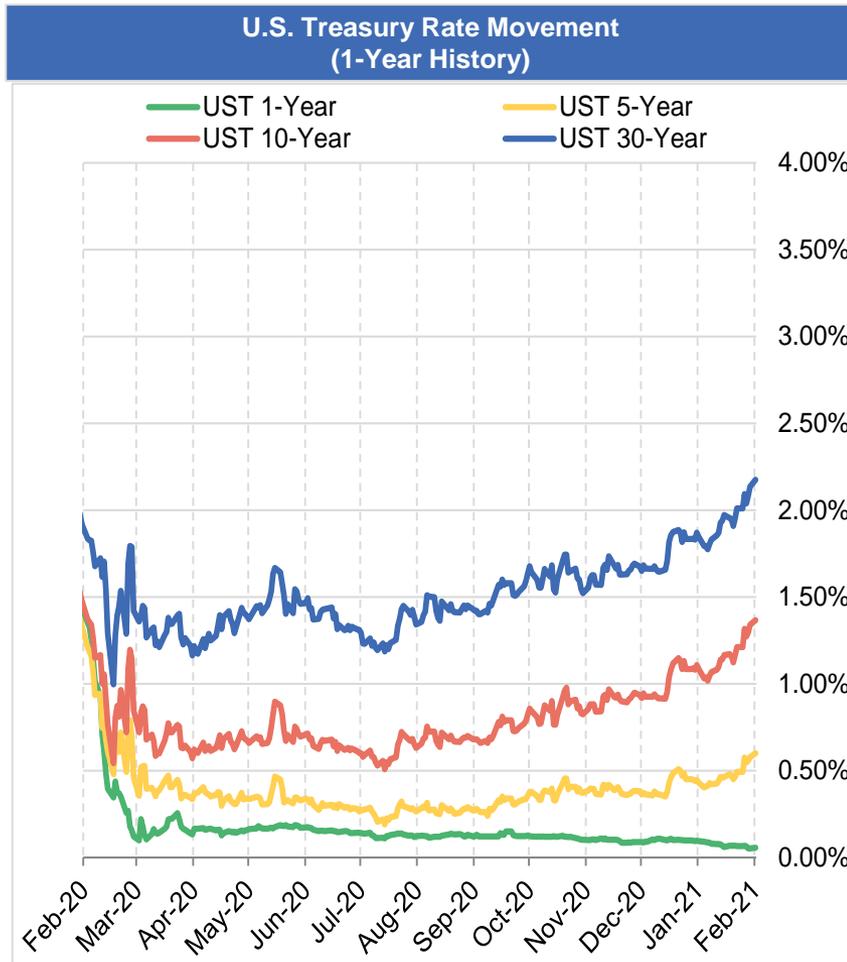


Source: Thomson Reuters

90.3-B-7



U.S. Treasury & AAA MMD Rate Movement

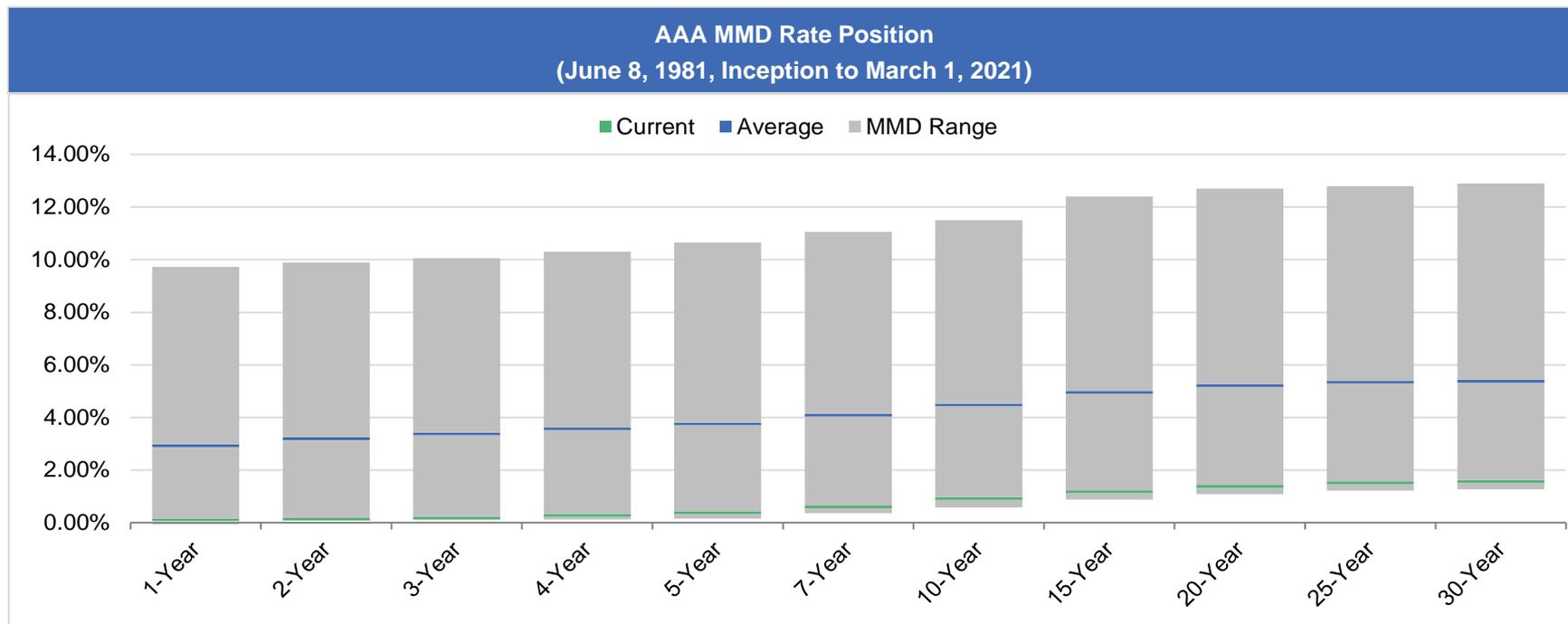


Source: Thomson Reuters

90.3-B-8



AAA MMD Position Since Inception



Summary of March 1, 2021 vs. Historical (since Inception) MMD Rates

Statistic	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	30-Year
March 1, 2021	0.12%	0.20%	0.33%	0.46%	0.57%	0.81%	1.15%	1.40%	1.60%	1.75%	1.80%
Historical Average	2.90%	3.20%	3.43%	3.62%	3.80%	4.14%	4.53%	5.00%	5.27%	5.39%	5.43%
Spread to Average	-2.82%	-3.06%	-3.20%	-3.29%	-3.37%	-3.49%	-3.56%	-3.77%	-3.84%	-3.82%	-3.81%
Minimum	0.06%	0.08%	0.10%	0.13%	0.16%	0.36%	0.58%	0.88%	1.08%	1.22%	1.27%
Maximum	9.65%	9.85%	10.05%	10.30%	10.65%	11.05%	11.50%	12.40%	12.70%	12.80%	12.90%
% of Time Lower	0.09%	0.50%	1.56%	1.77%	1.93%	1.79%	2.04%	1.56%	1.56%	1.53%	1.53%

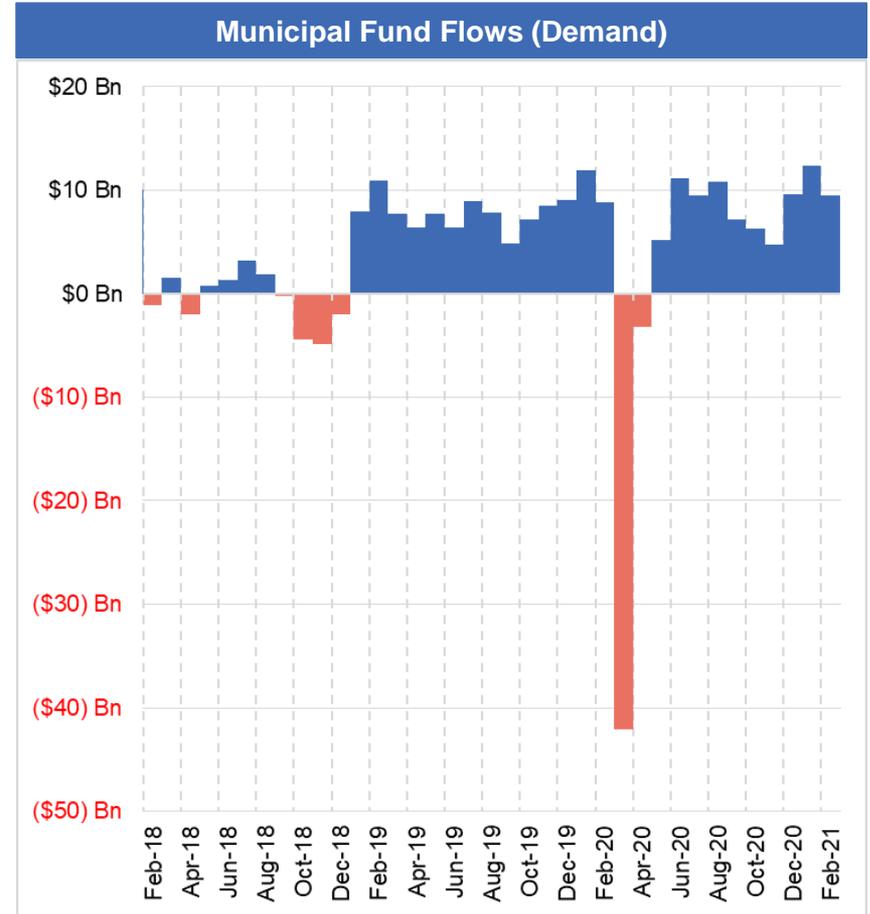
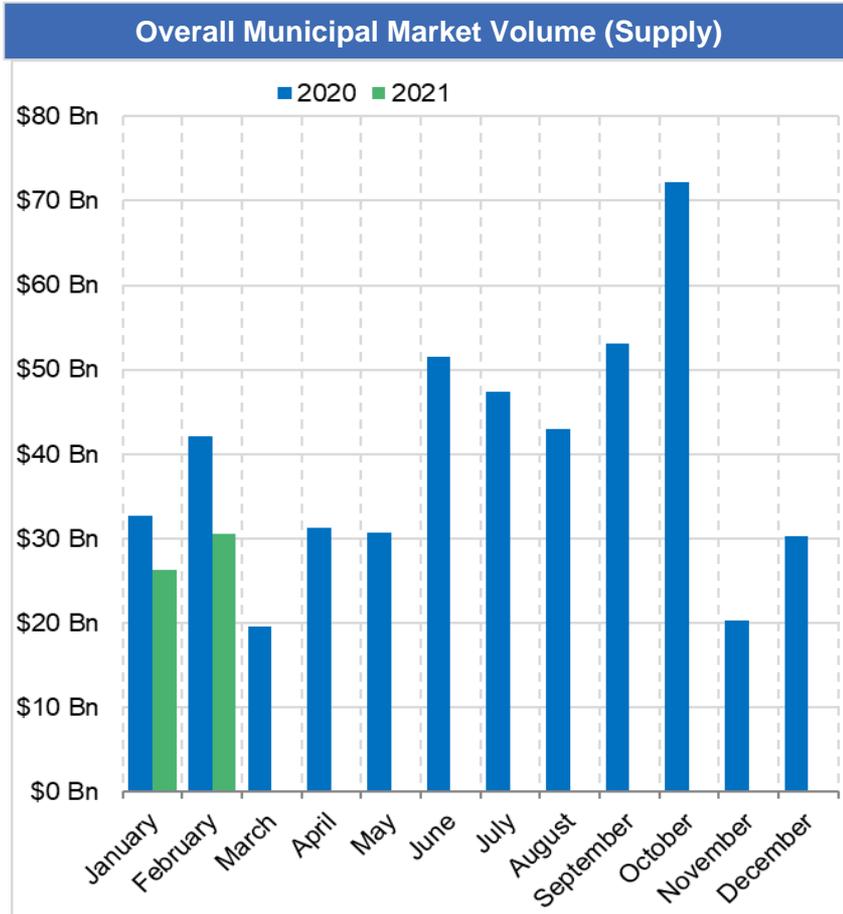
Source: Thomson Reuters

90.3-B-9



Municipal Market Supply & Demand

- New issuance volume was down by approximately 22% year-over-year in February.



Source: Bond Buyer, Investment Company Institute

PFM Financial Advisors LLC

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Foster
Garvey



CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$62,000,000 aggregate principal amount of limited tax general obligation bonds in one or more series to provide funds to finance the City's community justice center project and other capital improvements, and to pay the costs of issuance of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Passed March 22, 2021

This document prepared by:

*Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$62,000,000 aggregate principal amount of limited tax general obligation bonds in one or more series to provide funds to finance the City's community justice center project and other capital improvements, and to pay the costs of issuance of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) "*Authorized Denomination*" means \$5,000 or any integral multiple thereof within a maturity of a Series for those Series of Bonds sold through a negotiated or competitive sale, and in any denomination designated by the Designated Representative for those Bonds sold by private placement.

(b) "*Beneficial Owner*" means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(c) "*Bond*" means each bond issued pursuant to and for the purposes provided in this ordinance.

(d) "*Bond Counsel*" means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(e) "*Bond Fund*" means the fund or account known as the Limited Tax General Obligation Bond Fund, 2021, of the City created for the payment of the principal of and interest on the Bonds.

(f) "*Bond Purchase Agreement*" means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser's bid and the award by the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(g) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(h) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City for any Series of Bonds sold by negotiated or competitive sale, and means the City’s Finance Director or any successor bond registrar selected for any Series of Bonds sold by private placement.

(i) “*City*” means the City of Lynnwood, Washington, a municipal corporation duly organized and existing under the laws of the State.

(j) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(k) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(l) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(m) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(n) “*Final Terms*” means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

(o) “*Finance Director*” means the City’s Finance Director, Acting Finance Director, or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

(p) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(q) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(r) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(s) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, dated November 25, 1996, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(t) “*MSRB*” means the Municipal Securities Rulemaking Board.

(u) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

(v) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(w) “*Project*” means the City’s community justice center project, consisting of designing and building a purpose-built police department, a misdemeanor jail and remodeled court, and other capital purposes, as deemed necessary and advisable by the City. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project. The Project includes acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances.

(x) “*Project Fund*” means the fund or account designated or created by the Finance Director for the purpose of carrying out the Project.

(y) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the Bonds.

(z) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the City.

(aa) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(bb) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(cc) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(dd) “*SEC*” means the United States Securities and Exchange Commission.

(ee) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(ff) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

(gg) “*State*” means the State of Washington.

(hh) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(ii) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 16 of this ordinance.

Section 2. Findings and Determinations. The City takes note of the following facts and makes the following findings and determinations:

(a) *Authority and Description of Project.* The City is in need of a community justice center, consisting of designing and building a purpose-built police department, a re-imagined misdemeanor jail and remodeled court, and other capital projects of the City. The City Council therefore finds that it is in the best interests of the City to carry out the Project.

(b) *Plan of Financing.* Pursuant to applicable law, including without limitation chapters 39.36, 39.44, 39.46, 39.52 and 35A.40.080 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Project. The total expected cost of the Project is approximately \$64,000,000, which is expected to be financed with proceeds of the Bonds, the criminal justice sales tax, the reallocation of jail expenses, jail bed revenue and other available money of the City.

(c) *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$62,000,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

- (1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2021 is \$7,953,751,038.
- (2) As of December 31, 2020, the City had limited tax general obligation indebtedness, consisting of bonds and leases outstanding in the principal amount of \$20,415,000, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote. In addition, as of December 31, 2020, the City guaranteed \$19,255,400 of outstanding debt of the Lynnwood Public Facilities District.
- (3) As of December 31, 2020, the City had no unlimited tax general obligation debt outstanding.

(d) *The Bonds.* For the purpose of providing the funds necessary to carry out the Projects and to pay the costs of issuance and sale of the Bonds, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell the Bonds to the Purchaser,

pursuant to the terms set forth in the Bond Purchase Agreement as approved by the City's Designated Representative consistent with this ordinance.

Section 3. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing indebtedness in one or more Series in the aggregate principal amount of not to exceed \$62,000,000 to provide funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds shall be deposited as set forth in Section 8 of this ordinance and shall be used to carry out the Project, or a portion of the Project, in such order of time as the City determines is advisable and practicable.

Section 4. Description of Bonds; Appointment of Designated Representative. The Finance Director, or the Mayor in the absence of the Finance Director, is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the following parameters:

- (a) The Bonds may be issued in one or more Series, and the aggregate principal amount of the Bonds shall not exceed \$62,000,000;
- (b) One or more rates of interest may be fixed for the Bonds as long as no rate of interest for any maturity of the Bonds exceeds 5.00%;
- (c) The true interest cost to the City for each Series of Bonds does not exceed 4.00%;
- (d) The aggregate purchase price for each Series of Bonds shall not be less than 98% and not more than 135% of the aggregate stated principal amount of the Bonds, excluding any original issue discount;
- (e) The Bonds may be issued subject to optional and mandatory redemption provisions;
- (f) The Bonds shall be dated as of the date of their delivery, which date and time for the issuance and delivery of the Bonds is not later than December 31, 2021;
- (g) Each Series shall mature no later than December 31, 2050.

In addition, a Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date. The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as she or he may determine are in the best interests of the City, consistent with this ordinance.

In determining the number of series, the series designations, final principal amounts, date of the Bonds, denominations, interest rates, payment dates, redemption provisions, tax status, and maturity dates for the Bonds, the Designated Representative, in consultation with other City

officials and staff and advisors, shall take into account those factors that, in her or his judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the Bonds.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar for any Series of Bonds sold by negotiated or competitive sale. The City's Finance Director will be appointed as the initial Bond Registrar for any Series of Bonds sold by private placement. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a

substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance.

Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate Of Authentication. This Bond is one of the fully registered City of Lynnwood, Washington, Limited Tax General Obligation Bonds, 2021 (or year of issue), described in the Bond Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) *Bond Fund.* The Bond Fund is created as a special fund of the City for the sole purpose of paying principal of and interest and any redemption premium on the Bonds. Bond proceeds in excess of the amounts needed to pay the costs of the Project and the costs of issuance of the Bonds, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) *Project Fund.* The Project Fund is created or will be created as a fund or account of the City for the purpose of paying the costs of the Project. Proceeds received from the sale and delivery of the Bonds for the Project shall be deposited into the Project Fund and used to pay the costs of the Project and costs of issuance of the Bonds. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption, or prepayment, at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4 and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to

be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money, including the City's criminal justice sales taxes, as is lawfully available and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and

statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants; Designation of Bonds as “Qualified Tax Exempt Obligations.”

(a) *Preservation of Tax Exemption for Interest on Bonds.* The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds.

(b) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City’s written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Bonds as “Qualified Tax-Exempt Obligations.”* A Series of the Bonds may be designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Series does not constitute “private activity bonds” within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Series, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds

prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement or by competitive sale in accordance with a notice of sale consistent with this ordinance, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Negotiated Sale or Private Placement.* If the Designated Representative determines that a Series of the Bonds is to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for each Series of the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Final Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of each Series of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder’s offer to purchase that Series of the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the

Designated Representative deems appropriate, consistent with the terms of this ordinance, and such award shall constitute the Bond Purchase Agreement. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, that Series of the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

(d) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Official Statement.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to her or him, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement.* The City approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the Bonds.

Section 16. Undertaking to Provide Continuing Disclosure. If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the City makes the following written undertaking (the "Undertaking") for the benefit of holders of the Bonds:

(a) *Undertaking to Provide Annual Financial Information and Notice of Listed Events.* The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(1) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) ("annual financial information");

(2) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (A) principal and interest payment delinquencies; (B) non-payment related defaults, if material; (C) unscheduled draws on debt service reserves reflecting financial difficulties; (D) unscheduled draws on credit enhancements reflecting financial difficulties; (E) substitution of credit or liquidity providers, or their failure to perform; (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (G) modifications to rights of holders of the Bonds, if material; (H) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (I) defeasances; (J) release, substitution, or sale of property securing repayment of the Bonds, if material; (K) rating changes; (L) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (N) appointment of a successor or additional trustee or the change of name of a trustee, if material; (O) incurrence of a financial obligation of the City or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; and (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

(3) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (b).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in paragraph (a):

(1) Shall consist of (A) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (B) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (C) assessed valuation for that fiscal year; and (D) regular property tax levy rate for the fiscal year;

(2) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal

year may be changed as required or permitted by State law, commencing with the City's fiscal year in which a Series of the Bonds are issued; and

(3) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Undertaking shall constitute an event of default. The sole remedy of any holder of a Bond shall be to take action to compel the City or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director or her or his designee is the person designated, in accordance with the Bond Ordinance, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

(1) Preparing and filing the annual financial information undertaken to be provided;

(2) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(3) Determining whether any person other than the City is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(4) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and

(5) Effecting any necessary amendment of this undertaking.

Section 17. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the City.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

Section 18. General Authorization and Ratification. The Mayor, Designated Representative, City Clerk and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds, including paying the fees and costs of the Purchaser, Bond Counsel, financial advisors and Rating Agency. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 19. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 20. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Lynnwood, Washington, at a regular open public meeting thereof on the 22nd day of March, 2021, and signed in authentication of its passage this 22nd day of March, 2021.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Foster Garvey P.C., Bond Counsel

CERTIFICATION

I, the undersigned, City Clerk of the City of Lynnwood, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March 22, 2021, as that ordinance appears on the minute book of the City.

2. That said meeting was duly convened and held in all respects in accordance with law (including Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington), and to the extent required by law, due and proper notice of such meeting was given.

4. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be _____, 2021.

5. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: March 22, 2021.

CITY OF LYNNWOOD, WASHINGTON

City Clerk

CITY COUNCIL ITEM 90.3-C

CITY OF LYNNWOOD Administrative Services

TITLE: Resolution - Confirmation of Emergency Declaration - Utility Billing Special Rate Deadline Waiver

DEPARTMENT CONTACT: Corbitt Loch

SUMMARY:

The purpose of this agenda item is to confirm the Mayor's February 4 Emergency Declaration that waived the 2021 renewal requirement for one of the City's utility rate discount programs.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Should the draft resolution be approved as written? The resolution confirms the Mayor's use of emergency powers as called for by LMC 7.20.070A.1:

7.20.070 Emergency and disaster powers. (Excerpt, in relevant part)

A. Chief Elected Official. In the event of a declaration of emergency as herein provided, or upon a proclamation of a state of emergency by the Governor, the mayor, or successor as designated in LMC 7.20.090, is hereby empowered:

1. To make and issue rules, regulations and orders on all matters reasonably related to the protection of life and property as affected by such disaster; provided, however, that such rules, regulations and orders that suspend or alter provisions of an existing ordinance must be confirmed by means of a resolution within 30 days if possible by the city council; ...

ACTION:

Approve the attached resolution.

BACKGROUND:

This emergency action stems from the impacts of the COVID-19 pandemic, which has created financial hardship for local households while also making it difficult for citizens to access County and City services needed to obtain Lynnwood's utility discount.

For low-income households, Lynnwood offers two utility rate discounts and three types of utility rate rebates. The most-commonly used benefit is the rate discount available to persons approved for exemption from property tax. Depending upon income level, qualifying households receive a 50%, 55%, or a 60% discount on City-owned utilities (water, sewer, and stormwater). Once this discount has been approved, recipients must reconfirm their eligibility each year by providing a certificate of property tax exemption obtained from Snohomish County. The renewal deadline specified by the Lynnwood Municipal Code is December 31 of each year.

Each of Lynnwood's utility benefits for low-income households includes a requirement for annual renewal. Finance's Utility Billing team sends reminders, but utility customers routinely neglect to submit the required renewal information. As of January 1, 2021, approximately 40 account holders missed the renewal deadline. Without a renewal, this discount ended on December 31. These customers can submit a new application at any time, but a newly-approved discount applies only to

future statements.

It is clear that the COVID-19 pandemic has resulted in economic hardship and it is important that the City offer support to Lynnwood households in need. The pandemic has closed City and County offices to the public and struggling households are disadvantaged in their ability to communicate and transmit documents electronically with the City and the County officials.

Typically, when low-income customers receive their first utility statement of the year without the discount, they contact the City to reinstate the discount they received during the prior year. Per the LMC, staff can apply the discount only to future statements.

The base (lowest) rate for City-owned utilities is \$192.54 bi-monthly. The lowest-income households can receive a 60% discount, which equals \$116.86 savings bi-monthly. The 55% discount level saves customers \$105.90 bi-monthly, and the 50% discount level saves customers \$96.27 bimonthly.

Unlike when this discount program was established in 1982, Snohomish County is now capable of transmitting a list of the properties designated for the property tax exemption for the year. This means there is little need for each account holder to obtain and provide their certificate of exemption to the City. As a result, the need for account holders to reapply each year is negligible. For administrative purposes, it is necessary to retain the renewal requirements for other four discount/rebate programs offered by the City.

As discussed previously with the City Council, staff is currently preparing legislation to update several regulations relating to utility billing and payments. It is likely that this particular renewal requirement will be proposed for adjustment on a permanent basis. Waiving the renewal requirement on an emergency basis is expected to avoid the administrative costs of removing and then reinstating the discount, and the administrative cost of issuing refunds.

Customer records indicate that approximately 40 utility customers who received the property tax exemption discount during 2020 did not submit a renewal request by December 31, 2020. This means many customers will receive their first statement of 2021 without a discount. The total value of the discount benefits preserved by Mayor Smith's emergency proclamation is approximately \$4,800.

PREVIOUS COUNCIL ACTIONS:

None specifically.

FUNDING:

City-owned utilities are accounted for in a self-sustaining enterprise fund (Fund 411), which is separate from the General Fund. Formulas for setting utility rates accounts for a portion of utility customers receiving discounts or rebates. This resolution and the discount program has no impact on the General Fund.

KEY FEATURES AND VISION ALIGNMENT:

Supporting households in need is consistent with being a responsive government and promoting a community that is safe, welcoming, and livable.

ADMINISTRATION RECOMMENDATION:

Approve the draft resolution as written.

DOCUMENT ATTACHMENTS

Description:	Type:
Draft Resolution	Backup Material
Emergency Proclamation 2-9-2021 UB special rate deadline waiver	Backup Material



CITY OF LYNNWOOD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON, RATIFYING, CONFIRMING AND ADOPTING RULES AND REGULATIONS STATED IN THE MAYOR’S DECLARATION OF EMERGENCY – CITY OF LYNNWOOD COVID-19 RESPONSE DATED FEBRUARY 9, 2021.

WHEREAS, Art. XI, Sec. 11 of the Washington State Constitution grants the City broad police powers to “make and enforce within its limits all such local police, sanitary and other regulations as are not in conflict with general laws”, including during public health emergencies and disasters; and

WHEREAS, RCW 38.52.070 establishes emergency and disaster response powers, and authorizes the City to, among other things, protect the health and safety of persons and property, and provide emergency assistance to the victims of such emergencies or disasters; and

WHEREAS, pursuant to LMC 7.20.060A, the Mayor has the authority to declare that an emergency exists; and

WHEREAS, pursuant to LMC 7.20.070A, when the Mayor has issued a declaration of emergency under LMC 7.20.060A, the Mayor has authority to “make and issue rules, regulations and orders on matters reasonably related to the protection of life and property as affected by such disaster,” provided, that rules, regulations or orders that suspend or alter provisions of an existing ordinance must be confirmed by the City Council by means of a resolution within 30 days if possible; and

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services declared a public health emergency based on COVID-19, which is a respiratory disease that can result in serious illness or death, and which can easily spread from person to person; and

WHEREAS, on February 29, the Governor of the State of Washington declared that a state of emergency exists due to COVID-19, and Snohomish County and other counties state-wide have issued similar declarations of emergency; and

1
2 WHEREAS, on March 4, 2020, the Snohomish County Health District issued a declaration
3 of emergency regarding the COVID-19 pandemic, and other local health districts have done the
4 same throughout the State; and
5

6 WHEREAS, in the exercise of the authority granted under Chapter 7.20 of the City code,
7 including LMC 7.20.060A, on March 4, 2020, the Mayor of the City of Lynnwood determined
8 that the threat to public health necessitates the use of emergency powers granted under RCW
9 38.52.070 and Chapters 7.20 and 2.92 of the City code, and therefore to protect the health,
10 safety and welfare of the people of the City, the Mayor issued the Mayoral Declaration of
11 Emergency – City of Lynnwood COVID-19 Response; and
12

13 WHEREAS, on March 17, 2020, the Mayor issued a second Mayoral Declaration of
14 Emergency – City of Lynnwood COVID-19 Response, confirming the continued existence of an
15 emergency; and
16

17 WHEREAS, all of these Declarations of Emergency based on the COVID-19 pandemic
18 continue in effect today; and
19

20 WHEREAS, pursuant to the authority granted in LMC 7.20.070A, in the March 17, 2020
21 Declaration of Emergency, among other things, the Mayor declared and ordered that the
22 response to COVID-19 may require the waiver of water service discontinuation otherwise
23 required under LMC 13.34.070A; and
24

25 WHEREAS, based on the circumstances described in the recitals above and in the
26 Mayor’s March 4, 2020 and March 17, 2020 Declarations of Emergency, on June 8, 2020 the
27 City Council adopted Resolution No. 2020-06, ratifying and confirming the rules or regulations
28 stated in the Mayor’s Declarations of Emergency; and
29

30 WHEREAS, on April 17, 2020, Governor Inslee issued Proclamation No 20-23.2,
31 “Ratepayer Assistance and Preservation of Essential Services,” which recognized the severe
32 negative impact of the COVID-19 pandemic on the financial and economic resources of
33 individuals and businesses, and prohibited water and other utilities from taking certain actions
34 in response to a customer’s inability to pay, and this Proclamation, as amended, continues in
35 effect today; and
36

37 WHEREAS, on May 29, 2020, Governor Inslee issued Proclamation No. 20-23.4, which
38 extended Proclamation No. 20-23.2 and also required water and other utilities to develop
39 Customer Support Programs designed to help ensure that customers experiencing economic
40 hardship as a result of the COVID-19 pandemic maintain access to essential services; and
41

42 WHEREAS, the City developed a Customer Support Program and other customer
43 assistance in accordance with Proclamation No. 20-23.4; and

1
2 WHEREAS, City staff determined that to provide additional assistance to customers of
3 the City’s utility systems, the City should waive the process for a customer to re-apply to
4 continue to be eligible for certain special utility rates, which is currently required under LMC
5 13.20.080A.4; and
6

7 WHEREAS, pursuant to LMC 7.20.060A and LMC 7.20.070A, on February 9, 2021, the
8 Mayor of the City of Lynnwood determined that the state of emergency caused by the COVID-
9 19 pandemic continues to exist, and to further protect public health and safety, and the
10 economy of the City, the Mayor directed the Finance and Public Works Departments to waive
11 the reapplication process under LMC 13.20.080A.4, so that customers eligible for the special
12 utility rates authorized under LMC 13.20.080A during a previous year may remain eligible for
13 those rates while the State of Emergency remains in effect; and
14

15 WHEREAS, based on the circumstances described above and in the Mayor’s February 9,
16 2021 Declaration of Emergency, the City Council wishes to ratify and confirm the rules or
17 regulations stated in that Declaration of Emergency, and any and all acts of City departments
18 and staff that have been taken pursuant to those rules or regulations; now, therefore
19

20 THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO RESOLVE AS
21 FOLLOWS:
22

23 Section 1. Findings. The recitals stated above, and in the March 4, 2020, March 17, 2020
24 and February 9, 2021 Mayoral Declarations of Emergency – City of Lynnwood COVID-19 Response,
25 are incorporated by reference as support for this Resolution.
26

27 Section 2. Ratification and Confirmation.
28

- 29 A. The City Council hereby ratifies, confirms and adopts the provisions of the February 9,
30 2021 Mayoral Declaration of Emergency -- City of Lynnwood COVID-19 Response that
31 “direct the Finance and Public Works Departments to waive the reapplication provision
32 of LMC 13.20.080A.4, in order that customers eligible for certain special utility rates
33 during a previous year remain eligible while the State of Emergency so declared remains
34 in effect.”
35 B. Any and all acts taken by City departments and staff consistent with or pursuant to the
36 February 9, 2021 Mayoral Declaration of Emergency -- City of Lynnwood COVID-19
37 Response are ratified, confirmed and authorized.
38

39 Section 3. Effective Date. This Resolution shall take effect on its date of passage.
40
41
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43

1 PASSED BY THE CITY COUNCIL this ___ day of March, 2021.

2

3

APPROVED:

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Nicola Smith, Mayor

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10 ATTEST/AUTHENTICATED:

11

12

Karen Fitzthum, City Clerk

13



**MAYORAL DECLARATION OF EMERGENCY
CITY OF LYNNWOOD
COVID-19 RESPONSE**

WHEREAS, the US Center for Disease Control (CDC) identifies the potential public health threat posed by COVID-19 both globally and in the United States as “very high,” and has advised that person-to-person spread of COVID-19 will continue to occur globally, including within the United States and Snohomish County; and

WHEREAS, on February 29, 2020, Washington State Governor Jay Inslee proclaimed a public health emergency for COVID-19, beginning February 29, 2020

WHEREAS, on March 4, 2020, Snohomish County Executive David Somers declared that a State of Emergency exists in Snohomish County for COVID-19; and

WHEREAS, on March 4, 2020, I declared that a State of Emergency exists in the City of Lynnwood for COVID-19; and

WHEREAS, on March 17, 2020, I reconfirmed that a State of Emergency exists in the City of Lynnwood for COVID-19; and

WHEREAS, on April 17, 2020, Governor Inslee issued Proclamation No 20-23.2, “Ratepayer Assistance and Preservation of Essential Services,” which recognized the severe negative impact of the COVID-19 pandemic on the financial and economic resources of individuals and businesses, and prohibited water and other utilities from taking certain actions in response to a customer’s inability to pay, and this Proclamation, as amended, continues in effect today; and

WHEREAS, on May 29, 2020, Governor Inslee issued Proclamation No. 20-23.4, which extended Proclamation No. 20.23.2 and also required water and other utilities to develop Customer Support Programs designed to help ensure that customers experiencing economic hardship as a result of the COVID-19 pandemic maintain access to essential services; and

WHEREAS, the City developed and adopted a Customer Support Program and other customer assistance in accordance with Proclamation No. 20-23.4; and

WHEREAS, the City has determined that to provide additional assistance to customers of the City’s utility systems, the City should waive the process for a customer to re-apply to continue to be eligible for certain special utility rates, which re-application process is currently required under LMC 13.20.080A.4; and

WHEREAS, the threat to public health and safety cause by the COVID-19 pandemic necessitates the utilization of emergency powers granted pursuant to RCW 38.52.070(2), and



Chapter 7.20 LMC, and LMC 2.92.090; and

NOW, THEREFORE, I, Nicola Smith, Mayor of the City of Lynnwood, to further protect the health and safety of the people of the city, the economy of the City of Lynnwood, and in an emergency that affects life, health, property, or the public peace, and declare a state of emergency continues to exist under the authority of Lynnwood Municipal Code 7.20.060 and RCW 38.52.070(2).

I hereby direct the Finance and Public Works Departments to waive the reapplication provision of LMC 13.20.080A.4, in order that customers eligible for certain special utility rates during a previous year remain eligible while the State of Emergency so declared remains in effect.

DocuSigned by:

Nicola Smith

Nicola Smith, Mayor

Dated 2/9/2021