

LYNNWOOD CITY COUNCIL

Business Meeting

**This meeting will be held
electronically via Zoom.**

Date: Monday, April 13, 2020

Time: 7:00 PM

10 CALL TO ORDER & FLAG SALUTE

20 ROLL CALL

30 APPROVAL OF MINUTES

A Finance Committee ~ February 27, 2020

B Finance Committee ~ March 16, 2020

C Business Meeting ~ March 23, 2020

D Finance Committee ~ March 26, 2020

E Work Session ~ March 30, 2020

F Work Session ~ April 6, 2020

40 MESSAGES AND PAPERS FROM THE MAYOR

50 CITIZEN COMMENTS AND COMMUNICATIONS

60 PRESENTATIONS AND PROCLAMATIONS

A COVID 19 Update

70 WRITTEN COMMUNICATIONS AND PETITIONS

80 COUNCIL COMMENTS AND ANNOUNCEMENTS

90 BUSINESS ITEMS AND OTHER MATTERS

90 .1 UNANIMOUS CONSENT AGENDA

A Voucher Approval

90 .2 PUBLIC HEARINGS OR MEETINGS

90 .3 OTHER BUSINESS ITEMS

A Agreement: Addendum No. 3 to Interlocal Agreement for Funding of the Lynnwood
Public Facilities District

B Executive Session, if needed

100 NEW BUSINESS

A Scheduling Motion ~ April 15, 2020 Work Session

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: Finance Committee ~ February 27, 2020

DEPARTMENT CONTACT: Sonja Springer, Finance Director

DOCUMENT ATTACHMENTS

Description:

[Minutes](#)

Type:

Backup Material

MINUTES OF THE LYNNWOOD CITY COUNCIL FINANCE COMMITTEE
THURSDAY, FEBRUARY 27, 2020, AT 3:00 P.M., LYNNWOOD CITY HALL, CONFERENCE ROOM #4

Attendance:

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

Staff:

Art Ceniza, City Administrator
Sonja Springer, Finance Director
Corbitt Loch, Strategic Planner
Janella Lewis, Finance Supervisor
Tom Davis, Police Chief
Jim Nelson, Deputy Police Chief

Call to Order: The meeting was called to order by Council President Christine Frizzell at 3:00 pm.

1) Review Funding Options for the Community Justice Center

Police Chief Tom Davis provided background information regarding the history and need for an expanded Community Justice Center (CJC). It was mentioned that the project scope and budget is estimated to be \$63-66M. There are existing funds within the Criminal Justice Sales Tax Fund #105 to cover \$4 million of these costs. The remaining \$60 million of the estimated project costs would need to be funded by a bond issue.

Finance Director Sonja Springer addressed four considerations to issuing \$60 million in debt to finance the Community Justice Center:

- a) How does a \$60 million financing fit within the City's debt capacity?
- b) Is there adequate debt capacity for future debt plans for other capital projects?
- c) What are the viable repayment sources to pay the debt service payments?
- d) Could a \$60 million increase in the City's debt lead to negative action by the rating agency?

a) How Does a \$60 Million Financing Fit Within the City's Debt Capacity?

Director Springer then explained how debt capacity for a City is calculated. The City currently has outstanding debt of \$21.275M for the Rec Center that will be paid off in 2037 and \$5.1M available as a line of credit that was established for housing homeless students of the Edmonds School District. There is also the Lynnwood Public Facilities District (PFD) debt of \$21M that counts against the City's debt capacity. The PFD debt will be paid off in 2034.

b) Is There Adequate Debt Capacity for Future Debt Plans for Other Capital Projects?

Assuming a 2% growth in the City's assessed value, with non-voted or councilmanic debt, the City will have approximately \$40 million of available non-voted debt capacity for other capital projects by 2025 and \$54 million in 2027 after issuing \$60 million in debt in 2021 for the Community Justice Center. Voted debt capacity would be significantly higher than this.

Assuming a 5% growth in the City's assessed value, with non-voted or councilmanic debt, the City will have approximately \$60 million of available non-voted debt capacity for other capital projects

by 2025 and \$83 million in 2027 after issuing \$60 million in debt in 2021 for the Community Justice Center. Voted debt capacity would be significantly higher than this.

c) What are the Viable Repayment Sources to Pay the Debt Service Payments?

Director Springer shared several scenarios for the estimation of annual debt service payments for the \$60M in new debt, which ranged from a total interest rate (including all bond issuance costs) of 2.75% for a 25-year term and 3.6% for a 30-year term bond issuance. The estimated annual debt service payment ranged from \$3.08 million to \$3.62 million. Director Springer mentioned that after the City's financial advisors, (PFM), prepared these estimates, the interest rate has dropped significantly making the estimated annual debt service payment closer to \$3 million per year.

Deputy Police Chief Jim Nelson identified sources of debt repayment and revenue generation from going forward with the CJC project.

- a) Fund 105 sales tax revenue and existing funds in the fund.
- b) Expenditure reductions
- c) Increased City jail bed revenue
- d) Leased parking spaces, day reporting, electronic home detention, and community service application fee.

There are three main alternatives for funding the \$60 million Community Justice Center:

- a) Issue Councilmanic bonds that do not require voter approval, applying items a-d above to the annual debt service. This option does not include any additional taxes to be levied.
- b) A 0.10% voter approved public safety sales and use tax. This requires a 50%+ voter approval.
- c) Voter approved special property tax levy of \$.045 per \$1000 AV. This option requires a 60%+ voter approval and would represent an estimated increase of \$181 per year on a \$400,000 home.

d) Could a \$60 Million Increase in the City's Debt Lead to a Negative Action by the Rating Agency?

Director Springer shared the analysis that PFM prepared that shows after the issuance of a \$60 million bond issue for the CJC, the City's current S&P credit rating of AA+ is expected to remain within the AA+ category.

Next steps are to move forward to the full Council on March 16th and March 23rd for approval of the schematic design out of Fund 105.

2) 2021-2022 Budget Process Update

Mr. Loch said that this will be a placeholder on the agenda for future meetings for the budget season. Ms. Frizzell asked if salary projections were on target. Ms. Springer stated that the Budget Supervisor has forwarded the FTE position listing to departments for their input and for any changes that they see need to be implemented before the salary and benefit projections can be run.

3) November 2019 Financial Report

Ms. Springer summarized the November 2019 Financial Report. She stated that revenues and expenditures are typically lower during the first year of the biennial budget. Ms. Springer stated that staff will have the 4th Quarter 2019 report ready in April. Ms. Springer also asked if the Finance Committee would like every report on the new website or only the quarterlies. They stated that

they would like only the quarterly reports up there at this time. Table 5 was redone to show percentages.

Ms. Springer also informed the Finance Committee that interest rates are falling and as investments are called or mature, we need to re-invest the proceeds at a much lower rate.

4) Closing Comments

Ms. Springer asked what the Finance Committee would like to see on the next agenda. Mr. Hurst asked if they could see the six-year financial forecast at that time. Ms. Springer said that she would have it ready, but it will be a tentative forecast because numbers at yearend fluctuate as we close our financials. On March 10th staff anticipates presenting a preliminary forecast to the Mayor's Strategic Planning Committee.

The next Finance Committee meeting will be held Thursday, March 26th at 3:00pm, Conference Room 4

Adjournment: The meeting was adjourned at 4:45 pm.

Sonja Springer, Finance Director

CITY COUNCIL ITEM 30-B

**CITY OF LYNNWOOD
City Council**

TITLE: Finance Committee ~ March 16, 2020

DEPARTMENT CONTACT: Sonja Springer, Finance Director

DOCUMENT ATTACHMENTS

Description:	Type:
Minutes	Backup Material

1 **MINUTES OF THE LYNNWOOD CITY COUNCIL FINANCE COMMITTEE**

2 **MONDAY, MARCH 16, 2020, AT 12:30 P.M., LYNNWOOD CITY HALL, CONFERENCE ROOM #4**

3
4 **Attendance:**

5 Council President Christine Frizzell, Chair

6 Councilmember George Hurst

7 Councilmember Julieta Altamirano-Crosby

8
9 **Staff:**

10 Nicola Smith, Mayor

11 Art Ceniza, City Administrator

12 Sonja Springer, Finance Director

13 Corbitt Loch, Strategic Planner

14 Janella Lewis, Finance Supervisor

15
16 **Call to Order:** The meeting was called to order by Council President Christine Frizzell at 12:30 pm.

17
18 **1) COVID-19 Estimated Impacts**

19 Council President Christine Frizzell opened the meeting with asking what can be done during the
20 COVID-19 outbreak and how to take care of the employees and residents of Lynnwood.

21
22 Mayor Nicola Smith stated that all Directors have filled out a continuity of work form for their
23 departments.

24
25 Councilmember Julietta Altamirano-Crosby asked if the City of Lynnwood could please try to reach
26 out to the communities of color. Specifically, those that have English as a second language. Maybe
27 put something on the website or around to businesses in other languages that could let the
28 residents know what is being done.

29
30 Ms. Frizzell stated that financial policies need to be reviewed again so that we are prepared for what
31 could come due to the COVID-19 pandemic. Do we stop spending, etc. Asked Finance Director
32 Sonja Springer if she could please investigate what our finances could look like due to the pandemic.

33
34 Ms. Springer then presented a report of what she estimates the percentage drop could be for each
35 major source of revenue to the City. Emphasis was made that this is just an estimate and things are
36 changing daily. The Finance Committee and others asked to adjust the percentage forecasted
37 change to the Sales Tax amount.

38
39 Ms. Frizzell stated that the Finance Committee and Finance Staff should start meeting every two
40 weeks to keep on top of the changes.

41
42 There was also mention that the City will not be shutting off resident's water due to this and to
43 make sure that residents are also not evicted at this time.

44
45 **2) Closing Comments**

46 Ms. Springer asked what the Finance Committee would like to see on the next agenda. Ms. Frizzell
47 asked for more information on the BFO process.

48 The next Finance Committee meeting will be held Thursday, March 26th at 3:00pm, Conference
49 Room 4

50

51 **Adjournment: The meeting was adjourned at 1:45 pm.**

52

53

54

55 _____
Sonja Springer, Finance Director

CITY COUNCIL ITEM 30-C

**CITY OF LYNNWOOD
City Council**

TITLE: Business Meeting ~ March 23, 2020

DEPARTMENT CONTACT: Beth Morris, Executive Assistant | City Council

DOCUMENT ATTACHMENTS

Description:	Type:
Minutes	Backup Material

CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
March 23, 2020

10. CALL TO ORDER - The March 23, 2020 Business Meeting of the Lynnwood City Council, held in the Council Chambers of Lynnwood City Hall, was called to order by Council President Frizzell at 7:00 p.m. The flag salute was led by Councilmember Cotton.

20. ROLL CALL

Mayor & Council:

Mayor Nicola Smith (absent)
Council President Christine Frizzell
Council VP Shannon Sessions (via Zoom)
Councilmember Ruth Ross (via Zoom)
Councilmember Ian Cotton
Councilmember George Hurst (via Zoom)
Councilmember Julieta Altamirano-Crosby
Councilmember Jim Smith (via Zoom)

Executive Assistant Beth Morris

Others Attending:

Finance Director Springer
IT Director Cena
Acting City Clerk & Chief Procurement
Mgr. Fitzthum
Police Chief Davis
Deputy Police Chief Nelson
Investigative Cmdr. Steichen
IT Application Support Mgr. Bartram
City Attorney Larson

30. APPROVAL OF MINUTES

Motion made by Councilmember Ross, seconded by Councilmember Cotton, to approve the minutes of:

*A. Business Meeting – March 9, 2020
The minutes were approved as presented.*

40. MESSAGES AND PAPERS FROM THE MAYOR (7:06 p.m.)

Commander Steichen presented a message related to a COVID-19 update on behalf of the Mayor who was not able to attend the meeting.

50. CITIZENS COMMENTS AND COMMUNICATIONS (7:13 p.m.)

Council President Frizzell noted that the public had been asked to participate via telephone or video. She indicated that communications had been received from the following individuals and would be distributed to Council:

- Ted Hikel, Lynnwood
- Suzie Shaffer, Lynnwood
- Annie Lyman, Lynnwood
- Jeff Hanson, Lynnwood
- Edward Boyd, Lynnwood
- Devin Arceo, Lynnwood

- Patrick Hanlon, Lynnwood

60. PRESENTATIONS AND PROCLAMATIONS

70. WRITTEN COMMUNICATIONS AND PETITIONS

80. COUNCIL COMMENTS AND ANNOUNCEMENTS (7:15 p.m.)

Councilmembers commented on recent developments in the City.

90. BUSINESS ITEMS AND OTHER MATTERS

90.1 UNANIMOUS CONSENT AGENDA (7:23 p.m.)

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

Council President Frizzell moved for unanimous consent of the following item:

A. Voucher Approval

Approve claims and payroll in the amount of \$2,217,011.45 and \$1,135,034.49 respectively.

Motion passed unanimously.

90.2 PUBLIC HEARINGS OR MEETINGS

90.3 OTHER BUSINESS ITEMS

A. Construction Contract Award: 2020 Pavement Rehabilitation and Preservation Project (7:24 p.m.)

Motion made by Councilmember Cotton, seconded by Council President Frizzell, to authorize the Mayor to enter into and execute on behalf of the City, a contract with Granite Construction Company not to exceed a total contract value of \$1,804,000.

Councilmember Cotton summarized this item.

Upon a roll call vote, the motion passed unanimously (7-0).

B. Contract Amendment Wastewater Treatment Plant Secondary Clarifier Repairs (7:27 p.m.)

Motion made by Councilmember Cotton, seconded by Council President Frizzell, to authorize the Mayor to execute contract amendment #1 with Aqua Tech LLC

1 for Secondary Clarifier repairs for a new contract total of \$281,932.84, including
2 sales tax.

3
4 Councilmember Cotton summarized this item.

5
6 *Upon a roll call vote, the motion passed unanimously (7-0).*

- 7
8 C. Ordinance: City's Assumption of the Transportation Benefit District (TBD) (7:28
9 p.m.)

10
11 *Motion made by Councilmember Cotton, seconded by Council President Frizzell,*
12 *to adopt Ordinance No. 3356, "AN ORDINANCE OF THE CITY OF*
13 *LYNNWOOD, WASHINGTON, ASSUMING THE RIGHTS, POWERS,*
14 *IMMUNITIES, FUNCTIONS AND OBLIGATIONS OF THE LYNNWOOD*
15 *TRANSPORTATION BENEFIT DISTRICT; AND PROVIDING FOR*
16 *SEVERABILITY, AN EFFECTIVE DATE AND SUMMARY PUBLICATION."*

17
18 Councilmember Cotton summarized this item. Councilmembers made comments
19 related to the motion.

20
21 *Upon a roll call vote, the motion passed unanimously (7-0).*

- 22
23 D. Community Justice Center Funding (7:32 p.m.)

24
25 Finance Director Springer and Deputy Police Chief Nelson made a presentation
26 related to funding for the Community Justice Center.

27
28 Councilmembers made comments and asked questions related to funding options,
29 and staff responded.

30
31 *Motion made by Councilmember Smith, seconded by Councilmember Cotton, to*
32 *move forward with the schematic design and direct staff to proceed with Option*
33 *#1 to issue LTGO bonds to be paid back through budget expenditure reductions,*
34 *existing criminal justice taxes, and contracted bed revenues.*

35
36 Councilmembers spoke to the motion.

37
38 *Upon a roll call vote, the motion passed unanimously (6-0). Councilmember*
39 *Hurst had technical difficulty and was unable to vote.*

- 40
41 E. Discuss Council Centric Emergency Processes Related to COVID-19 (8:27 p.m.)

42
43 Councilmembers discussed the issue. Commander Steichen, Chief Davis, and City
44 Attorney Larson responded to comments and questions.

- 45
46 F. Executive Session, if needed – None held

47
48 100. NEW BUSINESS

1 A. Scheduling Motion – Special Finance Committee Meetings (8:53 p.m.)

2
3 *Motion made by Council President Frizzell, seconded by Councilmember Cotton, to*
4 *hold a Special Finance Committee meeting from 3-4:30 p.m. on the second Thursday*
5 *of every month in Conference Room 4 or via Zoom until further notice. The purpose*
6 *of the meetings is to update the Finance Committee on the financial impacts of*
7 *COVID-19. These meetings are in addition to the Regular Finance Committee*
8 *meetings listed in Resolution 2020-04 adopted at the February 24, 2020 Business*
9 *Meeting.*

10
11 Councilmembers spoke to the motion.

12
13 *Motion made by Councilmember Cotton, seconded by Councilmember Altamirano-*
14 *Crosby, to amend the motion to notice the meeting as a Special Council Meeting*
15 *where four or more Council members would be present.*

16
17 Councilmembers discussed the amendment.

18
19 *The amendment was approved unanimously (7-0).*

20
21 *The main motion as amended was approved unanimously (7-0).*

22
23 110. ADJOURNMENT

24
25 The meeting was adjourned at 9:08 p.m.

26
27
28
29 _____
30 Nicola Smith, Mayor

CITY COUNCIL ITEM 30-D

CITY OF LYNNWOOD City Council

TITLE: Finance Committee ~ March 26, 2020

DEPARTMENT CONTACT: Sonja Springer, Finance Director

DOCUMENT ATTACHMENTS

Description:

[Minutes](#)

Type:

Backup Material

MINUTES OF THE LYNNWOOD CITY COUNCIL FINANCE COMMITTEE
THURSDAY, MARCH 26, 2020, AT 3:00 P.M., ZOOM MEETING

Attendance:

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

Staff:

Art Ceniza, City Administrator
Sonja Springer, Finance Director
Corbitt Loch, Strategic Planner
Janella Lewis, Finance Supervisor

Call to Order: The meeting was called to order by Council President Christine Frizzell at 3:00 pm.

1) COVID-19 Estimated Financial Impacts

Finance Director Springer went over the financial impacts of the COVID-19 pandemic. There was more analysis done than the prior meeting. Consumer and business spending is forecasted to decline due to the Stay-At-Home order from the Governor of Washington.

The estimates will be updated regularly as the City receives sales tax revenue each month. The May 2020 disbursement from the Department of Revenue will provide actual data for March 2020, when COVID-19 prevention measures became pronounced.

The Finance Committee and Staff spoke of not transferring all the permit revenues from large projects that exceed \$10 million from the General Fund to the EDIF Fund.

Council President Christine Frizzell asked if there was anymore talk of cutting expenditures and what could be cut in the future budget. City Administrator Art Ceniza stated that the Mayor has asked her team to look at different options and to curtail non-essential spending for the time-being.

Strategic Planning Manager Corbitt Loch reviewed Section 11 of the Financial Policies and emphasized that the City of Lynnwood is on Subsection A at this time because conditions after 2020 will be addressed as the City prepares the 2021-2022 Budget.

Ms. Springer stated that if the Finance Committee is interested in using the Revenue Stabilization fund in the short-term then it will be important to present that information to the City Council in the future and to have a plan in place to replenish the reserves

2) Budgeting for Outcomes and Performance Measures

Mr. Loch spoke about BFO measurement tools and explained that Staff was prepared to hire a consultant for assistance. He suggested that the City not proceed with hiring a consultant at this time. The preferred consultant resides in British Columbia and currently there is a travel ban in place. Ms. Frizzell asked if we had thought of using Mr. Mike Bailey for this work. Mr. Loch said that Mr. Bailey is qualified to undertake this consulting work, but there are valid reasons to suspend this work until 2021. The Finance Committee would like to review the proposals received.

49
50 **3) Budgeting Calendar**
51

52 Mr. Loch reviewed the tasks identified on the budget calendar. It was confirmed that the City was
53 on schedule, but that the COVID-19 virus may disrupt the calendar during the upcoming months.
54

55 **4) Closing Comments**

56 The Finance Committee asked that the proposal to postpone the award of the consultant contract
57 for improved performance measure reporting be presented to the City Council during the March 30
58 meeting.
59

60 The next Finance Committee meeting will be held Thursday, April 9 at 3:00pm, Conference Room 4
61 or via Zoom.
62

63 **Adjournment: The meeting was adjourned at 4:35 p.m.**
64
65
66
67

68 _____
Sonja Springer, Finance Director

CITY COUNCIL ITEM 30-E

**CITY OF LYNNWOOD
City Council**

TITLE: Work Session ~ March 30, 2020

DEPARTMENT CONTACT: Beth Morris, Executive Assistant | City Council

DOCUMENT ATTACHMENTS

Description:	Type:
Minutes	Backup Material

**MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL HELD, MONDAY,
MARCH 30, 2020 AT 7:00 P.M. VIA ZOOM.**

Attendance:

Mayor Nicola Smith	Council Member George Hurst
Council President Christine Frizzell	Council Member Jim Smith
Council Vice President Shannon Sessions	Council Member Julieta Altamirano-Crosby
Council Member Ian Cotton	
Council Member Ruth Ross	Assistant City Administrator Art Ceniza
	Executive Assistant Beth Morris

Others:

Police Chief Tom Davis
Human Resources Director Evan Chinn
Commander Chuck Steichen
Communications Manager Julie Moore
Actg. City Clerk/Chief Procurement Mgr. Karen Fitzthum
City Attorney Rosemary Larson
Executive Assistant Leah Jensen

Discussion: State Attorney General Guidelines related to COVID-19 and Open Public Meetings Act.

- City Attorney Larson reviewed the impacts of Governor Inslee's Proclamation and the guidance of the Attorney General. She provided a briefing on the topic and responded to questions on how the Council may operate during the State of Emergency and comply with the OPMA, the Governor's Proclamation and the Attorney General's guidance.

COVID-19 Update

- Commander Steichen, Emergency Management Director briefed the Council.
- Council questions and comments.

Executive Session – if needed

- None.

Mayor Comments and Questions

- Mayor Smith briefed the Council on the various groups and organizations that were working together and providing daily updates on COVID-19. She will be forwarding these on to the Council.

Council President and Council Comments

- Council Members expressed appreciation to Mayor Smith, Council Leadership, staff and community members for working together during the COVID-19 pandemic.

Adjourn

- Meeting adjourned at 9:04pm.

Nicola Smith, Mayor

CITY COUNCIL ITEM 30-F

**CITY OF LYNNWOOD
City Council**

TITLE: Work Session ~ April 6, 2020

DEPARTMENT CONTACT: Beth Morris, Executive Assistant | City Council

DOCUMENT ATTACHMENTS

Description:	Type:
Miinutes	Backup Material

**MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL HELD, MONDAY,
APRIL 6, 2020 AT 7:00pm VIA ZOOM.**

Attendance:

Mayor Nicola Smith	Council Member George Hurst
Council President Christine Frizzell	Council Member Jim Smith
Council Vice President Shannon Sessions	Council Member Julieta Altamirano-Crosby
Council Member Ian Cotton	
Council Member Ruth Ross	Assistant City Administrator Art Ceniza
	Executive Assistant Beth Morris

Others:

Commander Chuck Steichen
Communications Manager Julie Moore
Actg. City Clerk/Chief Procurement Mgr. Karen Fitzthum

COVID-19 Update

- Communications Manager Moore presented the update.
- Commander Steichen provided additional information.
- Council questions and comments.

Executive Session – if needed

- None.

Mayor Comments and Questions

- Mayor Smith advised her comments were included in the COVID-19 update discussion.

Council President and Council Comments

- Council Members expressed their appreciation for staff and community involvement.
- Council Members shared concerns and ideas during the COVID-19 update discussion.

Adjourn

- Meeting adjourned at 8:01pm.

Nicola Smith, Mayor

CITY COUNCIL ITEM 60-A

CITY OF LYNNWOOD Executive

TITLE: COVID 19 Update

DEPARTMENT CONTACT: Christine Frizzell, Council President

SUMMARY:

The City continues to monitor and respond to the COVID-19 emergency. The Council will receive an update from City staff.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-A

CITY OF LYNNWOOD City Council

TITLE: Voucher Approval

DEPARTMENT CONTACT: Sonja Springer, Finance Director

ACTION:

Approve claims and payroll in the amount of \$3,034,329.47 and \$1,120,168.91 respectively.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.3-A

CITY OF LYNNWOOD Economic Development

TITLE: Agreement: Addendum No. 3 to Interlocal Agreement for Funding of the Lynnwood Public Facilities District

DEPARTMENT CONTACT: David Kleitsch

SUMMARY:

The City of Lynnwood, the Lynnwood Public Facilities District, the Snohomish County Public Facilities District and Snohomish County (Parties) previously entered into an Interlocal Agreement (Agreement), effective December 10, 2002, as amended, to provide for development and funding of the Lynnwood Convention Center.

The outbreak of COVID-19 has been declared an emergency that has mandated closure of all non-essential business and public gatherings. As a result, the Lynnwood PFD has suffered a significant decrease in revenue.

To assist the Lynnwood PFD in meeting its financial obligations during this emergency, the Parties desire to amend the agreement to provide for the early distribution of funding allocations currently scheduled for May 1, 2020 and November 12, 2020. All other terms and conditions of the Agreement shall remain in full force and effect.

ACTION:

Approve Addendum No. 3 to the Interlocal Agreement between the City of Lynnwood, the Lynnwood Public Facilities District, the Snohomish County Public Facilities District and Snohomish County to provide the early distribution of the funding allocations for development and funding of the Lynnwood Convention Center.

BACKGROUND:

The City of Lynnwood has previously entered into an Interlocal Agreement for the distribution of revenues from the Snohomish County Public Facilities District. This action provides for the early distribution of those revenues.

PREVIOUS COUNCIL ACTIONS:

August 24, 1999, City Council adopted Ordinance No. 2266 creating the Lynnwood Public Facilities District.

December 9, 2002, City Council approved the Interlocal Agreement between the City of Lynnwood, the Lynnwood Public Facilities District, the Snohomish County Public Facilities District and Snohomish County for the development and funding of the Lynnwood Convention Center.

On March 2, 2009, City Council approved Addendum No. 1 to the Agreement. This addendum adjusted funding for the Lynnwood PFD to reflect the exiting and projected surplus funding to be

received by the Snohomish County PFD, and established distributions of the existing and projected sales tax amounts.

On February 10, 2020, the City Council approved Addendum No. 2 to the Agreement regarding the distribution of the allocations during the period 2027 through 2041.

FUNDING:

The projected distribution from the Snohomish County PFD to the Lynnwood PFD is based upon a percentage formula. In 2020, the Lynnwood PFD expects to receive approximately \$265,130 from the Snohomish County PFD.

KEY FEATURES AND VISION ALIGNMENT:

This action advances the dates for the distribution of revenue previously authorized to address the circumstances of the COVID 19 emergency.

ADMINISTRATION RECOMMENDATION:

Approve Addendum No. 3 to the Interlocal Agreement between the City of Lynnwood, the Lynnwood Public Facilities District, the Snohomish County Public Facilities District and Snohomish County to provide the early distribution of the funding allocations for development and funding of the Lynnwood Convention Center.

DOCUMENT ATTACHMENTS

Description:	Type:
ILA Amendment No. 3	Backup Material

ADDENDUM NO. 3 TO INTERLOCAL AGREEMENT FOR DEVELOPMENT OF THE LYNNWOOD CONVENTION CENTER

This Addendum No. 3 ("**Addendum No. 3**") is made and entered into as of the ____ day of April, 2020 among the City of Lynnwood, a city duly organized and existing under and by virtue of the laws of the State of Washington ("**City**"); the Snohomish County Public Facilities District, a municipal corporation duly organized and existing under the laws of the State of Washington ("**County PFD**"); Snohomish County, a political subdivision of and duly organized and existing under the laws of the State of Washington and the Charter of Snohomish County ("**County**"); and the Lynnwood Public Facility District, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington, established by the City of Lynnwood ("**City PFD**"). The City, County PFD, County, and City PFD are collectively referred to herein as the "**Parties**".

RECITALS

A. The Parties entered into a First Amended and Restated Interlocal Agreement dated December 10, 2002 ("**Interlocal Agreement**") to provide for the development of a Regional Center as defined in RCW 35.57.020 known as the "Lynnwood Convention Center" ("**Regional Center**").

B. The County PFD, under the authority of RCW 82.14.930, has imposed a Sales and Use Tax ("**Sales and Use Tax**"), a portion of which the County PFD has allocated and agreed to contribute through intergovernmental project payments to the payment of debt service on the bond issued to finance the Regional Center in accordance and subject to the terms and conditions of the Interlocal Agreement ("**Tier 1 Allocation**").

C. The County PFD entered into similar interlocal agreements to provide funding for three (3) other regional centers pursuant to which the County PFD has allocated and committed contributions from the Sales and Use Tax for the payment of debt service on the respective bonds issued to finance the development of the regional centers thereof, which when added to the Tier 1 Allocation shall be referred to herein as the "**Aggregate Tier 1 Allocations**." The Aggregate Tier 1 Allocations are in a fixed amount.

D. Thereafter, the County PFD experienced actual Sales and Use Tax revenue collection substantially in excess of the Aggregate Tier 1 Allocations. As a result, the County PFD allocated additional Sales and Use Tax revenues among the Regional Center and the three (3) other regional centers ("**Aggregate Tier 2 Allocations**").

E. On March 2, 2009, the Parties to the Interlocal Agreement entered into Addendum No. 1 to the Interlocal Agreement ("**Addendum No. 1**") whereby the County PFD allocated a portion of the Aggregate Tier 2 Allocations to the City PFD ("**Tier 2 Allocation**"). Addendum No. 1 provides for semi-annual payments of the Tier 2 Allocation on May 1 and November 1 of every year so long as the bond indebtedness incurred to finance the Regional Center remains outstanding.

F. Pursuant to legislative authorization that extended the time period for the Sales and Use Taxes imposed under RCW 82.14.390 from a maximum 25-year term to a maximum 40-year term, the Parties amended the Interlocal Agreement through Addendum No. 2 to the Interlocal Agreement (“**Addendum No. 2**”) which became effective on the ____ day of _____, 2020.

G. On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency for COVID-19. On February 29, 2020, Governor Jay Inslee proclaimed a state of emergency within the State of Washington due to COVID-19. On March 1, 2020, the President of the United States proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency. On March 4, 2020, Snohomish County Executive Dave Somers proclaimed a state of emergency within Snohomish County due to COVID-19. On March 4, 2020, the Snohomish County Health Officer declared a public health emergency in Snohomish County due to COVID-19. On March 10, 2020, the Snohomish County Health District Board of Health declared a public health emergency. On March 11, 2020, the Snohomish County Health Officer reduced large gathering limits to 250 people and placed restrictions on gatherings of fewer than 250 attendees. On March 16, 2020, Governor Jay Inslee mandated a two week closure of all restaurants, bars, entertainment and recreational facilities, and reduced large gathering limits to 50 people. On March 23, 2020, Governor Jay Inslee mandated a closure of all non-essential businesses and ordered all people within the State of Washington to cease leaving their home except in limited circumstances.

H. As a result of the above-described responses to COVID-19, the City PFD has suffered a significant decrease in revenue. This revenue decrease is anticipated to continue into the foreseeable future, as upcoming events continue to be cancelled.

I. To assist the City PFD in meeting its financial obligations during this challenging time, the Parties desire to amend the Interlocal Agreement by this Addendum No. 3 to provide for the early distribution of the Tier 2 Allocation distributions currently scheduled for May 1, 2020 and November 1, 2020.

NOW, THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1. The Tier 2 Allocation distribution schedule as described in Addendum No. 1 shall be amended as follows:

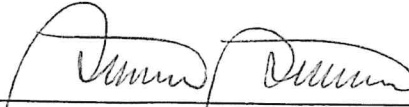
- a. Distribution of May 1, 2020 Tier 2 Allocation shall occur within seven (7) days of the Effective Date (as defined below) of this Addendum No. 3.
- b. Distribution of the November 1, 2020 Tier 2 Allocation may occur on July 31, 2020, if the Snohomish County Public Facilities District Board of Directors determines it is financially feasible after reviewing the revenue available for Tier 2 Allocation.

2. Except as otherwise stated, all other terms and conditions of the Tier 2 Allocation distribution schedule as described in Addendum No. 1 shall remain in full force and effect.


3. This Addendum No. 3 shall become effective upon execution by each party and filing with the Snohomish County Auditor as provided in RCW 39.34.040.

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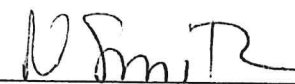
SNOHOMISH COUNTY PUBLIC FACILITIES
DISTRICT


By: Steven Shelton, President
Date: 3/27/20

LYNNWOOD PUBLIC FACILITIES
DISTRICT


By: WALLACE WEBSTER, Chair of the Board of
Directors
Date: 3/31/2020

CITY OF LYNNWOOD


By: Nicola Smith, Mayor
Date: April 2020

Attested:

By: _____, City Clerk

Approved as to Form:

By: _____, City Attorney

SNOHOMISH COUNTY

By: Dave Somers, County Executive
Date: _____

CITY COUNCIL ITEM 90.3-B

CITY OF LYNNWOOD City Council

TITLE: Executive Session, if needed

DEPARTMENT CONTACT: Nicola Smith, Mayor

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 100-A

CITY OF LYNNWOOD City Council

TITLE: Scheduling Motion ~ April 15, 2020 Work Session

DEPARTMENT CONTACT: Christiine Frizzell, Council President

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available