

CITY OF LYNNWOOD
CITY COUNCIL MEETING MINUTES
May 14, 2020

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- 10. CALL TO ORDER - The May 14, 2020 Special Council Meeting of the Lynnwood City Council, held via Zoom, was called to order by Council President Frizzell at 3:00 p.m.
- 20. ROLL CALL

Mayor & Council:

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

Others Attending:

Finance Director Sonja Springer
 Budget Supv. Janella Lewis
 Strategic Planner Corbitt Loch
 Dir. Ec. Devt./Interim CD David Kleitsch
 Human Resources Director Evan Chinn

Asst. City Administrator Art Ceniza
 Acting City Clerk Karen Fitzthum

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- 1. Discussion of COVID-19 Finance Related Issues
 - a. Survey Results of COVID-19 Financial Preparedness from other cities

Strategic Planner Corbitt Loch presented survey results from other cities related to managing 2020 expenditures in response to financial impacts of COVID. Questions and answers followed.
 - b. Review Budget Message #2 to Employees Sent Friday, May 8

Finance Director Sonja Springer reviewed a memo sent to employees regarding financial impacts of the COVID-19 on the City’s 2020 Budget. Questions and answers followed. Asst. City Administrator Ceniza reported on a Snohomish County Mayors Meeting he attended today on behalf of Mayor Smith.
 - c. Review Other Options for Funding the Remaining \$1.8 Million Gap from COVID-19 Voluntary Separation Agreement Program

Human Resources Director Chinn reviewed the Voluntary Separation Agreement Program which the city is offering in order to mitigate the significant budget shortfall. He gave an overview of the program, reviewed who is eligible to

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1 participate, and explained the application and approval process. Councilmembers
2 commented on the proposal and asked clarifying questions.

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4 d Review Other Options for Funding the Remaining \$1.8 Million Gap from
5 COVID-19

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7 Finance Director Sonja Springer reported on the General Fund Revenue-Expenditure
8 Gap for 2020. She discussed policy revenues for the Council to consider: 1) keeping
9 permit revenues and/or sales tax revenues that are currently transferred into the
10 Economic Development Infrastructure Fund (EDIF) in the General Fund, and/or 2)
11 temporarily dip below the financial policy of maintaining 2 ½ months of operating
12 expenditures in the General Fund reserves with a solid plan to replenish the reserves
13 over the 2021-2022 biennium. Questions and answers followed. Councilmembers
14 commented on the different options.

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16 *Policy Question #1: Should the funding of the EDIF Fund be temporarily suspended?*

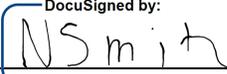
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18 There was consensus to direct staff to draft two ordinances – one to cap sales tax
19 revenue at the 2019 amount and one to discontinue the transfer of permit fee
20 revenues to EDIT and keep all permit revenues in the General Fund for now.

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22 *Policy Question #2: Should there be a temporary reduction to General Fund*
23 *Reserves?*

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25 There was not a consensus to change anything related to the General Fund Reserves.

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27 110. ADJOURNMENT

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29 The meeting was adjourned at 4:58 p.m.

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32 DocuSigned by:
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Nicola Smith, Mayor