

LYNNWOOD CITY COUNCIL
Business Meeting
City Hall Council Chambers

Date: Tuesday, May 26, 2020
Time: 7:00 PM

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- 10 CALL TO ORDER & FLAG SALUTE
- 20 ROLL CALL
- 30 APPROVAL OF MINUTES
- A Special Work Session ~ April 23, 2020
 - B Work Session ~ May 4, 2020
 - C Business Meeting ~ May 11, 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 Contract Supplement for Construction Engineering Services: Sanitary Sewer Lift Stations 4 & 8 Improvements
 - B Interagency Agreement Funding Authorization – Wastewater Treatment Plant Odor Control and Building Contracting
 - C Voucher Approval
 - 90 .2 PUBLIC HEARINGS OR MEETINGS
 - 90 .3 OTHER BUSINESS ITEMS
 - A Ordinance: Funding for Affordable and Supportive Housing Pursuant to SHB 1406
 - B Temporary Relief of Business Event Fee
 - C Interagency Contract - CARES Act
 - D Utility Tax Elimination on Water/Sewer/Water runoff
 - E Executive Session, if needed
- 100 NEW BUSINESS

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 numero 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 Executive

TITLE: Special Work Session ~ April 23, 2020

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

[042320 Minutes](#)

Type:

Backup Material

**MINUTES OF THE LYNNWOOD CITY SPECIAL COUNCIL MEETING
THURSDAY, APRIL 23, 2020, AT 3:00 P.M., ZOOM MEETING**

Attendance:

Council President Christine Frizzell, Chair
Councilmember George Hurst
Councilmember Julieta Altamirano-Crosby
Councilmember Shannon Sessions
Councilmember Jim Smith
Councilmember Ruth Ross

Staff:

Art Ceniza, City Administrator
Julie Moore, Public Affairs Officer
Karen Fitzthum, Acting City Clerk
Sonja Springer, Finance Director
Corbitt Loch, Strategic Planner
Janella Lewis, Finance Supervisor
William Franz, Public Works Director
Lynn Sordel, Parks and Recreation Director
Evan Chinn, Human Resources Director
David Kleitsch, Community and Economic Development Director

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

1) COVID-19 Financial Related Issues

Finance Director Springer went over the financial impacts of the COVID-19 pandemic. There were no changes from the prior meeting on April 9th. Finance staff anticipate receiving sales tax information for February in late April.

The City has gone through their expenditures to determine which can be cut during this crisis. List is the same as the last meeting.

Councilmembers George Hurst and Jim Smith expressed concern that they were hoping to see new information as to what the City plans to do regarding cutting costs. Ms. Springer assured them that the department directors are being encouraged to look at other ways that the City can save money. One of the ideas was to have no COLA increases for GSO Employees. The reason there are no updates to revenue losses at this point is because the City has not received any new monthly receipts from sales tax since the last meeting. Mr. Smith asked if there is a deadline for department directors. City Administrator Art Ceniza said that staff is closely monitoring revenues and expenses and will be bringing forth proposals for cost savings. He does know that Mayor Nicola Smith has stated that the last resort would be layoffs.

The revenue stabilization fund could be used to close the budget gap for 2020. The gap is currently \$5.1M in the General Fund and \$6.2M combined with the other funds.

47 Strategic Planner Corbitt Loch emphasized the point that he appreciates the Council's concern, but
48 not to expect new numbers at every meeting. Most likely the revenue numbers would change once
49 a month. Mr. Ceniza also reminded Council that this is a moving target and the numbers could
50 change daily.

51 Ms. Springer stated that the State is also giving businesses a 60-day extension on remitting sales tax
52 payments, and this may reduce the revenues coming in during the pandemic.

53
54 Mr. Hurst stated that the revenue numbers provided may not be realistic, and the revenue shortfall
55 may be bigger than what has been estimated. He consulted with Mr. Mike Bailey and he stated that
56 the City of Lynnwood relies heavily on sales tax and predicted that the City will be hit hard by the
57 closure of businesses.

58
59 **2) Overview of City initiatives to support community during COVID-19 pandemic**

60 Mr. Ceniza and Public Affairs Officer Julie Moore presented a list of things that the City of Lynnwood
61 is doing to support Lynnwood residents and businesses.

62
63 **3) Discussion of objectives and feasibility of City sponsored community relief programs.**

64 Council and staff discussed whether the City should offer funds to local households or businesses. A
65 majority of the Councilmembers indicated that the City should not pursue this at this time, but
66 asked that Ms. Springer look for funds that could be used as a special relief fund for residents and
67 businesses.

68
69 **4) Fourth Quarter 2019 Financial Report**

70 The financial summary was presented to Council and staff. It was noted that General Fund revenues
71 in 2019 were lower than forecasted, coming in at 45% of the revenue budget; during the first year of
72 a biennial budget you would expect about 48% of the revenue to be received.

73
74 **5) Closing Comments**

75 Finance staff will look for any unencumbered funds that could be used for resident or business relief
76 assistance. The Council would also like additional information about how departments will curtail
77 expenditures for the City.

78
79 The next Special City Council meeting hosted by the Finance Committee will be held Thursday, May
80 14 at 3:00 pm, via Zoom.

81
82 **Adjournment: The meeting was adjourned at 4:54 p.m.**

83
84
85
86
87 _____
Mayor Nicola Smith

CITY COUNCIL ITEM 30-B

**CITY OF LYNNWOOD
Executive**

TITLE: Work Session ~ May 4, 2020

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:	Type:
050420 Minutes	Backup Material

**MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL
HELD MONDAY, MAY 4, 2020 AT 7:00pm VIA ZOOM**

Attendance:

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

Assistant City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum

Others:

Commander Chuck Steichen
Finance Director Springer
Strategic Planner Loch
Parks & Recreation Director Sordel

Comments and Questions on Memo Items

M-1 Contract Amendment - Parametrix

- Mayor Smith solicited comments. There was no discussion on this item.

COVID-19 Update

- Commander Steichen presented the COVID-19 update.
- Director Sordel provided information regarding the Parks & Recreation response to COVID-19.
- Strategic Planner Loch discussed surveys he is doing regarding what other cities have done to reduce their expenditures as a result of COVID-19. The results of that research will be presented on May 14 at the Finance Committee/Special Business Meeting.
- Finance Director Springer gave additional information about the City's preparation for the reduction of revenues due to COVID-19.
- Questions and answers followed each presenter.

Executive Session – if needed

- None.

Mayor Comments and Questions

- Mayor Smith thanked the Council and staff for their leadership in helping the City navigate the current health, safety, and financial challenges in this situation. She also thanked the members of the community for their resourcefulness and resiliency in this tough time.

Council President and Council Comments

- Councilmembers expressed appreciation for staff and community involvement.
- Council VP Sessions announced that she had procured about 300 face coverings for the food bank and small businesses in need. She commended community members who have assisted in this effort.
- There was discussion about what the City can do to support businesses in the community.

Adjourn

- Meeting adjourned at 9:32 p.m.

Nicola Smith, Mayor

CITY COUNCIL ITEM 30-C

CITY OF LYNNWOOD Executive

TITLE: Business Meeting ~ May 11, 2020

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

[051120 Minutes](#)

Type:

Backup Material

CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
May 11, 2020

10. CALL TO ORDER - The May 11, 2020 Business Meeting of the Lynnwood City Council, held via Zoom, was called to order by Council President Frizzell at 7:00 p.m. Council President Frizzell noted that Mayor Smith was attending to a family emergency.

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:

Public Works Director Franz
Communications Manager Moore

Asst. City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum
City Attorney Larson

30. APPROVAL OF MINUTES (7:02) p.m.

Motion made by Councilmember Cotton, seconded by Council Vice President Sessions, to approve the minutes of:

*A. Business Meeting – April 27, 2020
The minutes were approved as presented.*

40. MESSAGES AND PAPERS FROM THE MAYOR (7:03 p.m.)

Asst. City Administrator Ceniza shared a message from the Mayor regarding a memo she sent to all city employees and the Council. The memo addressed the impacts of COVID-19 on city services and the budget.

50. CITIZENS COMMENTS AND COMMUNICATIONS

None

60. PRESENTATIONS AND PROCLAMATIONS

A. COVID 19 Update (7:07 p.m.)

1 Communications Manager Moore gave an update on COVID 19 statistics,
2 demographics, Governor Inslee's Stay Home Order extension, phasing in of opening up
3 the state, activities the City is engaged in related to COVID 19, CARES Act funds, and
4 other impacts of the pandemic. Questions and answers followed.
5

6 Public Works Director Bill Franz presented information related to how COVID-19 has
7 affected Public Works and proposed expenditure reductions. Questions and answers
8 followed.
9

10 70. WRITTEN COMMUNICATIONS AND PETITIONS
11

12 80. COUNCIL COMMENTS AND ANNOUNCEMENTS (8:12 p.m.)
13

14 Councilmembers commented on recent developments in the City.

15 90. BUSINESS ITEMS AND OTHER MATTERS

16 90.1 UNANIMOUS CONSENT AGENDA (8:24 p.m.)
17

18 Items listed below were distributed to Councilmembers in advance for study and were
19 enacted with one motion. Councilmember Smith asked to remove item A, the Contract
20 Amendment with Parametrix until a discussion can be had regarding it.
21

22 *Councilmember Ross moved for unanimous consent of the following item:*
23

24 B. *Voucher Approval*
25

26 *Approve Claims and Payroll in the amount of \$1,307,665.11 and*
27 *\$1,062,095.86 respectively.*
28

29 *Motion passed unanimously.*
30

31 A. *Contract Amendment – Parametrix*
32

33 There was some discussion regarding the time sensitive nature of the contract
34 amendment with Parametrix. Interim City Clerk Fitzthum explained that this is
35 time sensitive due to contractual obligations with Sound Transit. Councilmembers
36 asked clarification questions related to the contract.
37

38 *Motion made by Councilmember Cotton, seconded by Councilmember Ross, to*
39 *authorize the Mayor to execute contract amendment #2 with Parametrix for*
40 *permit review and inspection services increasing the total contract value to*
41 *\$2,000,000.*
42

43 Councilmembers spoke to the motion. Interim City Clerk Fitzthum discussed the
44 purpose of the contract.
45

1 *Upon a roll call vote, the motion passed 6-1 with Councilmembers Frizzell,*
2 *Sessions, Ross, Cotton, Hurst and Altamirano Crosby voting in favor and*
3 *Councilmember Smith voting against the motion.*

4
5 90.2 PUBLIC HEARINGS OR MEETINGS

6
7 90.3 OTHER BUSINESS ITEMS

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9 A. Executive Session, if needed

10
11 None.

12
13 100. NEW BUSINESS (8:41 p.m.)

14
15 *Motion made by Council President Frizzell, seconded by Councilmember Ross, to cancel*
16 *the Regular Work Session scheduled for May 20, 2020 via Zoom due to limited*
17 *discussions mandated by the Attorney General's office and therefore this meeting is not*
18 *required. Motion passed unanimously.*

19
20 *Motion made by Councilmember Smith that the City of Lynnwood eliminate the 6% tax*
21 *on water/sewer bills effective June 1. The motion was seconded by Councilmember Hurst.*

22
23 Councilmembers spoke to the motion.

24
25 *Motion made by Councilmember Hurst, seconded by Councilmember Smith, to postpone*
26 *this item to the May 26 Business Meeting to allow the administration and Council time to*
27 *study the issue. Upon a roll call vote the motion passed 5-2 with Councilmembers*
28 *Frizzell, Cotton, Hurst, Altamirano Crosby, and Smith voting in favor and*
29 *Councilmembers Sessions and Ross voting against the motion.*

30
31 *Motion made by Councilmember Smith, seconded by Council Vice President Sessions and*
32 *Councilmember Cotton, that the Council take up the topic of elimination of city*
33 *application fees for business special events for the remainder of 2020 at the next work*
34 *session.*

35
36 *Upon a roll call vote the motion failed (3-4)with Councilmembers Cotton, Altamirano*
37 *Crosby, and Smith voting in favor, and Councilmembers Frizzell, Sessions, Ross, and*
38 *Hurst voting against the motion.*

39
40 110. ADJOURNMENT

41
42 The meeting was adjourned at 9:08 p.m.

43
44
45
46 _____
47 Nicola Smith, Mayor

CITY COUNCIL ITEM 60-A

CITY OF LYNNWOOD Executive

TITLE: COVID-19 Update

DEPARTMENT CONTACT: Christine Frizzell, Council Vice 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 Public Works

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

DEPARTMENT CONTACT: City Engineer 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 \$370,800. Public Works staff is requesting to increase the contract by \$158,400, which will result in a new contract total of \$529,200. This request/change is to cover additional inspection staff as a result of city inspectors being reallocated to the current city paving project adjacent to EdCC. Additionally, construction is lasting longer than originally estimated.

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 \$529,200.

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 Summer 2020. 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 Summer 2020 - 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.

FUNDING:

The project costs are consistent with the adopted 2019-20 biennial budget.

- **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-B

CITY OF LYNNWOOD Public Works

TITLE: Interagency Agreement Funding Authorization – Wastewater Treatment Plant Odor Control and Building Contracting

DEPARTMENT CONTACT: Les Rubstello and Nicholas Barnett

SUMMARY:

The purpose of this agenda item is to authorize funding under the Interagency Agreement with the Washington Department for Enterprise Services. That agreement provided for a State hired Energy Services Company (ESCO, in this case TRANE) to move forward with final design and construction of the Wastewater Treatment Plant Odor Control and Building project. Public Works staff is requesting to authorize funding under the IAA by an amount not to exceed \$6,800,000. This request is to replace the existing inefficient Odor Scrubbers, lighting, and select portions of the badly corroded building envelope of two structures at the wastewater plant. This project was included in the current biennial budget and was included in the Utility Rate Analysis and bond sales.

ACTION:

Authorize the Mayor to approve the Funding Authorization amendment to the previously approved Interagency Agreement with DES not to exceed a total contract value of \$6,800,000.

BACKGROUND:

The Washington State Department of Enterprise Services (DES) manages a Statewide Energy Performance Contracting Program. This program provides an experienced energy/engineering firm (called an Energy Services Company, or ESCO) who researches City facilities and identifies projects where equipment upgrades can provide improved operations and reduced energy (or water) consumption. The City of Lynnwood has previously used this program to add a screw press for dewatering sludge at the WWTP, build a new sewer lift station and force main, and improve secondary aeration systems at the WWTP.

Under the current Agreement which was approved October 14, 2019, four projects are being worked on. The first two are below Council authorization limits and are moving toward construction. The first is a replacement of the emergency generator at the LOMC, being paid for out of Utility Operational funds. The second is the replacement of the multi-zone air conditioning units on the roof of City Hall, paid for out of Facilities Capital Funds. The third project is the implementation of AMI, paid for out of utility bonds.

The fourth project is the Odor Control and Building project. The Wastewater Treatment Plant is located adjacent to the Puget Sound west of 76th Avenue West. The WWTP Odor Control and Building project is included in the City's 2019-2024 6-Year Capital Facilities Plan as project numbers SE2005042A and 200500135 under the title WWTP Building Repairs project. In their current states, Buildings #1 and #2 show excessive corrosion to their outer shells, primary and secondary structural members. This WWTP Odor Control and Building Project will replace or rehabilitate the affected members of the buildings which are badly corroded and include an odor scrubber system to aid in air quality.

PREVIOUS COUNCIL ACTIONS:

Ordinance #2996, Establishing the project Financial Plan and awarding the design contract.

Ordinance #3132, Updating the project Financial Plan and supplementing the design contract.

Ordinance #3213, Updating the project Financial Plan and supplementing the design contract.

Ordinance #3240, Updating the project Financial Plan and supplementing the design contract.

Business Meeting August 13, 2018 90.1-C Consultant Supplemental Contract – WWTP Building Repairs

Business Meeting July 8, 2019 90.1-A Consultant Supplement Contract – Wastewater Treatment Plant Building Repairs

FUNDING:

The project costs are consistent with the adopted 2019-20 biennial budget.

- Sewer/Water 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 WWTP Odor Control and Building 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 needed access improvements that benefit the City’s infrastructure and capital facilities.

DOCUMENT ATTACHMENTS

Description:	Type:
Cost Estimate	Backup Material
Draft Financial Plan	Backup Material

TABLE 2.1 - PROJECT COST

City of Lynnwood -WWTP Odor Control and Building Upgrade Project			
A. CONSTRUCTION COSTS			Costs
ECM-1	Project Budget		\$ 3,995,573
	VE - FM200 Alternative Hybrid System (Possible Deduct: \$87,000)		
	Canopy Add		\$ 203,090
	Site Supervision		\$ 239,734
	Safety, Site Conditions		\$ 38,445
Subtotal Labor and Materials Cost			\$ 4,476,842
	Construction Bond	0.75%	\$ 31,778
TOTAL CONSTRUCTION COST			\$ 4,508,620
B. ESCO FEES			
	IGA		\$ -
	Design Fee	4.5%	\$ 188,939.83
	Apprenticeship Incentive		\$ 904.98
	Construction Management	6.0%	\$ 251,919.77
	Overhead	11.0%	\$ 461,852.91
	Profit	7.0%	\$ 293,906.40
TOTAL ESCO FEES			\$ 1,197,524
C. OTHER COSTS			
	Project Contingency	5.0%	\$ 283,718
	Allowance		
	ESCO M&V Costs (Year 1)		\$ 5,100
TOTAL OTHER COSTS			\$ 288,818
D. TOTAL GUARANTEED CONSTRUCTION & ESCO SERVICES			\$ 5,994,963
E. NON-GUARANTEED COSTS			
	DES Fee		\$ 68,800
	Tax	10.5%	\$ 629,471
TOTAL NON GUARANTEED COSTS			\$ 698,271
F. TOTAL PROJECT COST			\$ 6,693,234

	A	B	C	D	E	F	G	H
1								
2	FINANCIAL PLAN #							
3	WWTP Odor Control and Building Project							
4								
5			Project Fund : 412 Last update : May 11, 2020 Prepared by : Nicholas Barnett, P.E. Reviewed by : David Mach, P.E.			REVENUE		
6				EXPENSE		Fund Number	411	412
7				Project Fund 412	Diff.	Target/Actual Revenue	Utility Fund	Utility Fund
				Target/Actual Expense				
8	Prior / Req. Change		Project Phases	7,468,149	-	7,468,149	452,881	7,015,268
9								
10	Prior Financial Plan 190927-EP0608-8		Design					
11			Consultant Contract	675,442	-	675,442	445,381	230,061
12			Permits	7,500	-	7,500	7,500	
13			Miscellaneous	15,000	-	15,000		15,000
14								
15			Total Prior PE	697,942	-	697,942	452,881	245,061
16								
17			Construction					
18			Contract		-	-		
19			Management (DES)		-	-		
20								
21			Total Prior CN	-	-	-	-	-
22								
23			Total Prior Financial Plan 190927-EP0608-8	697,942	-	697,942	452,881	245,061
24								
25	Requested Change May-2020 UPDATE		Design					
26			Consultant Contract		-	-		
27			Permits		-	-		
28			Miscellaneous		-	-		
29								
30			Total Change PE	-	-	-	-	-
31								
32			Construction					
33			Contract	6,693,234	-	6,693,234		6,693,234
34			Management (DES)	76,973	-	76,973		76,973
35								
36			Total Change CN	6,770,207	-	6,770,207	-	6,770,207
37								
38			Total Requested Change	6,770,207	-	6,770,207	-	6,770,207
39								
40			Total Prior + Requested	7,468,149	-	7,468,149	452,881	7,015,268
41								
42	Project Current Budget		Design					
43			Consultant Contract	675,442	-	675,442	445,381	230,061
44			Permits	7,500	-	7,500	7,500	-
45			Miscellaneous	15,000	-	15,000	-	15,000
46								
47			Total PE	697,942	-	697,942	452,881	245,061
48								
49			Construction					
50			Contract	6,693,234	-	6,693,234	-	6,693,234
51			Management (DES)	76,973	-	76,973	-	76,973
52								
53			Total CN	6,770,207	-	6,770,207	-	6,770,207
54								
55			Total Project Budget	7,468,149	-	7,468,149	452,881	7,015,268
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CITY COUNCIL ITEM 90.1-C

CITY OF LYNNWOOD Executive

TITLE: Voucher Approval

DEPARTMENT CONTACT: Leah Jensen

ACTION:

Approve Claims and Payroll in the amount of \$3,046,466.17 and \$1,084,487.51 respectively.

BACKGROUND:

DOCUMENT ATTACHMENTS

Description:	Type:
No Attachments Available	

CITY COUNCIL ITEM 90.3-A

CITY OF LYNNWOOD Community Development

TITLE: Ordinance: Funding for Affordable and Supportive Housing Pursuant to SHB 1406

DEPARTMENT CONTACT: Kristen Holdsworth, AICP and Ashley Winchell, AICP

SUMMARY:

In 2019, the Washington State Legislature adopted Substitute House Bill 1406, Encouraging Investments in Affordable and Supportive Housing. This legislation provides funding to local governments in support of these objectives.

City Council is requested to adopt an ordinance approving the funding made available through SHB 1406. Revenue received from this action is provided to Lynnwood through a credit of the Washington State share of the sales and use tax revenues collected within the city. No change to consumer-paid tax rates will occur.

The revenue will be an estimated maximum of \$196,581 annually for the next 20 years. These funds may only be used for affordable and supportive housing purposes. Staff recommends adoption of the proposed ordinance to receive this revenue.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Should the City of Lynnwood adopt an ordinance to receive a portion of the State's share of sale and use tax revenue through SHB 1406?

ACTION:

Adopt the ordinance authorizing the collection of a sales and use tax pursuant to Substitute House Bill 1406 for affordable and supportive housing purposes.

BACKGROUND:

The 2019 Washington State Legislature passed the Encouraging Investments in Affordable and Supportive Housing Act (SHB 1406). SHB 1406 allows cities and counties to receive a portion of the State's share of sale and use tax (sales tax) revenue. To receive the tax credit revenue, the City must adopt an ordinance authorizing its collection no later than July 28, 2020.

Lynnwood may use the tax credit revenue for the following affordable and supportive housing purposes:

1. Acquisition, construction, and renovation of affordable housing and facilities providing supportive housing services.
2. Ongoing operation and maintenance of affordable housing and supportive housing facilities.
3. Rental assistance to low-income tenants.

In all these examples, the assistance must be for households at or below 60% of the area median income.

Overview of SHB 1406:

- Revenue comes as a deduction from the State's portion of tax and does not increase tax rates. The tax credit expires after 20 years (2040).
- The City of Lynnwood is currently eligible to receive a tax credit rate of 0.0073% of the State's share. Using FY 2019 sales tax revenue for estimating purposes, MRSC estimates that Lynnwood's tax credit revenue would be a maximum of \$196,581 annually.
- The tax credit rate can be doubled to 0.00146% (approximately \$393,163) if the City of Lynnwood has a "qualifying local tax" for affordable housing, chemical dependency, or mental health purposes. Since the City does not currently have a "qualifying local tax," the City would need to adopt a new and additional local property or sales tax. Adoption of a "qualifying local tax" requires voter approval through an election. The deadline to adopt a "qualifying local tax" is July 30, 2020.
- At each year-end, Lynnwood must report how the tax credit revenue was expended. The revenue does not have to be spent on an annual basis; it may be saved for future years. Participating jurisdictions can pool their tax credit revenue for eligible projects as desired.
- The City is not required to immediately identify the intended use of the funds.

The City has received grant funding through ES2HB 1923 to develop a Housing Action Plan. The Housing Action Plan allows Lynnwood to thoroughly review policy options, provide recommendations, and implement a pathway for the City to address housing affordability. The Housing Action Plan will provide strategy and guidance on how to best utilize the SHB 1406 funds.

In order to receive the tax credit revenue, the Lynnwood City Council must approve an ordinance by July 28, 2020. The Department of Revenue (DOR) requires a 30-day notice of adoption of sales tax credits. If Council adopts the ordinance, the credit will take effect on the first day of the month following the 30-day period.

PREVIOUS COUNCIL ACTIONS:

On July 25, 2019, the City Council Finance Committee reviewed the provisions of SHB 1406 and recommended that the City Council authorize the sales tax credit.

On December 9, 2019, the City Council adopted Resolution No. 2019-11 declaring the city's intent to adopt legislation to authorize the maximum capacity of the tax, as allowed by SHB 1406.

FUNDING:

The revenue generated annually will be equivalent to 0.0073% of taxable retail sales in Lynnwood, up to an annual maximum distribution cap that is based on FY 2019 taxable retail sales. Funds will fluctuate dependent on each year's actual sale and use tax (sales tax) revenue, up to an estimated \$196,581 maximum per year for the next 20 years.

The revenues will be placed in a Special Revenue Fund title "SHB 1406 Affordable and Supportive Housing Funds" and can only be used for the purposes authorized by SHB 1406.

KEY FEATURES AND VISION ALIGNMENT:

- To be a welcoming city that builds a healthy and sustainable environment.
- To be a cohesive community that respects all citizens.
- To be a city that is responsive to the wants and needs of our citizens.

ADMINISTRATION RECOMMENDATION:

Adopt the ordinance authorizing the collection of a sales and use tax pursuant to Substitute House Bill 1406 for affordable and supportive housing purposes.

DOCUMENT ATTACHMENTS

Description:	Type:
Proposed Ordinance	Ordinance
SHB 1406 Finance Committee Materials	Backup Material
SHB 1406 Resolution	Backup Material



ORDINANCE NO. 2020-__

**AN ORDINANCE OF THE CITY OF LYNNWOOD, WASHINGTON,
AUTHORIZING AND IMPOSING A SALES AND USE TAX FOR
AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH
SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND
OTHER MATTERS RELATED THERETO; AND PROVIDING FOR
SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE**

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019, and codified at RCW 82.14.540) ("SHB 1406"); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax (sales tax) for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, for the operations and maintenance costs of affordable or supportive housing, and for cities with a population of 100,000 or less, for providing rental assistance to certain low-income tenants; and

WHEREAS, the tax will be credited against the State of Washington's portion of sales taxes collected within the City of Lynnwood ("the City") and will not result in higher sales and use taxes within the City or alter the City's share of sales tax revenue as established by the Lynnwood City Council or Lynnwood's electorate, and will represent an additional source of funding to address housing needs; and

WHEREAS, SHB 1406 specifies that the sales tax credit revenue must be used to assist persons whose income is at or below sixty percent of median income; and

WHEREAS, the City has an insufficient supply of housing affordable to and/or supportive to low-income households and the City Council has determined that imposing the sales and use tax authorized by SHB 1406 to address this need will benefit the community; and

WHEREAS, in order for a city or county to impose the sales tax permitted by SHB 1406, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax by January 28, 2020, and adopt legislation authorizing the maximum capacity of the tax by July 28, 2020; and

WHEREAS, on July 25, 2019, the City Council Finance Committee reviewed the provisions of SHB 1406 and recommended that the City Council authorize the sales tax credit; and

WHEREAS, on December 9, 2019, the City Council adopted Resolution 2019-11 declaring its intent to authorize the maximum capacity of the tax as authorized by SHB 1406; and

WHEREAS, this ordinance constitutes the legislation required to authorize the maximum capacity of the sales and use tax as authorized by SHB 1406; and

WHEREAS, as of the date of this ordinance, the City of Lynnwood has not levied a “qualifying local tax” as defined by SHB 1406, and may therefore impose the tax authorized at a rate of 0.0073 percent; and

WHEREAS, revenue will be placed in a new Special Revenue Fund known as “SHB 1406 Affordable Housing” and can only be used for purposes authorized by SHB 1406; and

WHEREAS, SHB 1406 allows cities and counties, as they desire, to enter into interlocal agreements with other counties, cities or public housing authorities to pool the sales and use tax receipts and allocate the proceeds of the taxes levied under SHB 1406; and

WHEREAS, the City Council has determined that passage of this ordinance is in the interest of the public’s health, safety, and welfare, now therefore:

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

Section 1. Tax Imposed. The City Council hereby authorizes and imposes the maximum capacity and rate of the sales and use tax authorized by SHB 1406 (0.0073 percent) in the City of Lynnwood.

Section 2. Applicability of Tax. The tax imposed by this ordinance shall be imposed upon and collected from those persons from whom the state sales or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW. In accordance with SHB 1406, the tax imposed by this ordinance shall be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapters 82.08 and 82.12 RCW.

Section 3. Administration and Collection. The tax imposed by this ordinance shall be administered and collected in accordance with RCW 82.14.540 and other applicable law. The Mayor of the City of Lynnwood is authorized to and directed to execute contract(s) with the Washington State Department of Revenue necessary to provide for the administration, collection, and remittance of the sales and use tax revenue.

Section 4. Use of Revenues. Revenues received from the tax imposed by this ordinance shall be used solely for the acquisition, construction or rehabilitation of affordable

housing or facilities providing supportive housing, for the operations and maintenance costs of affordable or supportive housing, for providing rental assistance to tenants, or for any other purpose authorized by SHB 1406, as the same now exists or as hereafter amended or superseded.

Section 5. Administration of Fund. Revenues received from the tax imposed by this ordinance shall be collected and held in a new Special Revenue Fund added to the City of Lynnwood budget, entitled "SHB 1406 Affordable Housing," and shall be administered by the finance director through the City's budget.

Section 6. Amendment of 2019-2020 Biennial Budget. The 2019-2020 Biennial Budget, adopted by Ordinance 3315 and subsequently amended by Ordinance 3341 and 3349, is amended to establish special revenue fund, Fund 146, for the purposes specified by this Ordinance. Fund 146 revenues and expenditures during the 2019-2020 budget period will be specified by subsequent Council action.

Section 7. Reporting. In accordance with SHB 1406, the City shall report annually to the Washington State Department of Commerce on the collection and use of the revenues collected from the tax imposed by this ordinance.

Section 8. Expiration of Tax. Unless changed or amended by future action of the City Council, the tax imposed by this ordinance shall expire twenty years from the effective date of this ordinance.

Section 9. Effective Date. The provisions of this ordinance shall be effective five days after publication.

Section 10. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 11. Summary Publication. Publication of this ordinance shall be by summary publication consisting of the ordinance title.

PASSED this ____ day of _____ 2020, and signed in authentication of its passage this ____ day of _____, 2020.

Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

Ordinance 2020-__

Sonja Springer, Finance Director



RESOLUTION NO. 2019-11

A RESOLUTION OF THE CITY OF LYNNWOOD DECLARING THE INTENT TO ADOPT LEGISLATION TO AUTHORIZE A SALES AND USE TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO.

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) ("SHB 1406"); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, for the operations and maintenance costs of affordable or supportive housing, and for cities with a population of 100,000 or less, for providing rental assistance to certain low-income tenants; and

WHEREAS, the tax will be credited against state sales taxes collected within the City of Lynnwood and, therefore, will not result in higher sales and use taxes within the City and will represent an additional source of funding to address local housing needs; and

WHEREAS, SHB 1406 specifies that the sales tax credit revenue must be used to assist persons whose income is at or below sixty percent of the median income; and

WHEREAS, on July 25, 2019, the City Council Finance Committee reviewed the provisions of HB 1406 and recommended that the City Council authorize the sales tax credit; and

WHEREAS, the City has an insufficient supply of housing affordable to and/or supportive to low-income households and the City Council has determined that imposing the sales and use tax to address this need will benefit its citizens; and

WHEREAS, in order for a city or county to impose the tax, within six months of the effective date of SHB 1406, or January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to authorize the maximum capacity of the tax; and

WHEREAS, the provisions of SHB 1406 require that participating agencies report annually how the sales tax credit revenue is expended in support of low-income households; and

WHEREAS, the City Council desires to declare its intent to impose a local sales and use tax as authorized by SHB 1406, and this resolution constitutes the Resolution of intent required by SHB 1406; and

WHEREAS, the City Council has determined that passage of this resolution is in the interest of the public's health, safety, and welfare, now therefore:

THE CITY COUNCIL OF THE CITY OF LYNNWOOD DOES RESOLVE AS FOLLOWS:

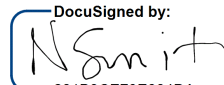
Section 1. Resolution of Intent. The City Council hereby declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 within one year of the effective date of SHB 1406, or by July 28, 2020.

Section 2. Further Authority. The Mayor and the Mayor's designee(s) are hereby authorized and directed to undertake the actions necessary to carry out the terms of and complete the actions contemplated by this resolution.

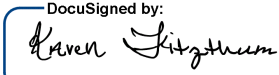
Section 3. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

RESOLVED this 9th day of December 2019.

APPROVED:

DocuSigned by:

281B3CE79E884DA...
Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

DocuSigned by:

549561C7EC99433...
Karen Fitzthum, Acting City Clerk

CITY COUNCIL ITEM 90.3-B

CITY OF LYNNWOOD City Council

TITLE: Temporary Relief of Business Event Fee

DEPARTMENT CONTACT: Councilmember Jim Smith

SUMMARY:

This would eliminate the fee charged to businesses to have a special event at their place of business for the remainder of 2020. Businesses would be allowed a five-day Special Event once every two months for the remainder of 2020. An application would still need to be submitted and all safety regulations must be adhered to.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Do we want to help jumpstart our economy and build more jobs once we are open for business?

ACTION:

Pass this temporary relief package.

BACKGROUND:

The Covid-19 shutdown has hurt the job market as well as our Lynnwood economy. This will help our local workers as well as increase our sales tax revenues.

PREVIOUS COUNCIL ACTIONS:

This was discussed two weeks ago.

FUNDING:

None.

KEY FEATURES AND VISION ALIGNMENT:

Part of our “Re-start Lynnwood” program.

DOCUMENT ATTACHMENTS

Description:

[EventsPermits 05202020v2](#)

Type:

Backup Material



Special Event Permitting

May 2020

Development & Business Services
Parks, Recreation & Cultural Arts
Police Department
Public Works

Special Events – LMC 5.30

Types of Special Events

- Commercial
- Community
- Expressive (free speech)

Permit Fees

- \$170 permit fee for each one-time event
- \$250 refundable deposit

Application Process

1. Complete Online Inquiry (pre-application)
2. *Submit Paper Application & Materials with payment
3. Staff Review
4. Permit Issued
5. Deposit Refunded

*Applications due minimum 21 days prior to event.

Special Events – LMC 5.30.030(I)

I. Duration and Frequency. Unless alternative times are authorized by the director, time limitations for outdoor special events shall conform to Table 5.30.030(I).

Table 5.30.030(I)

	Number of Days
Maximum duration of a special event, excluding set-up and take-down	14
Maximum number of days of special event per site per year	60 + 5 individual days for nonprofit fundraising only
Minimum number of days between commercial special events on same site	5

2019 Special Event Permits



20 Permits Issued
\$1,615.00 permit fees collected (\$170/each) +
refundable deposits (\$250/each)

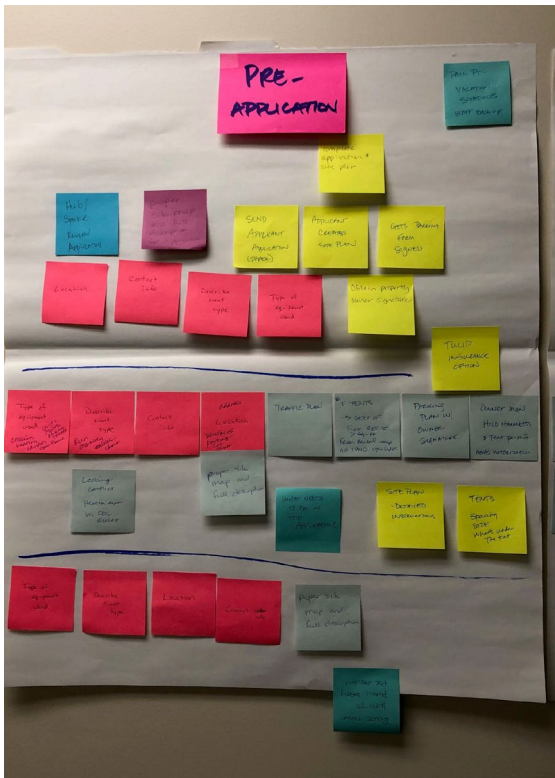
2019 Special Event Permits Issued

Community (12):
Tree Lighting
Rotary Derby Car
Turkey Trot

Commercial (6):
Grand Openings
Parking Lot Sale
Plant Sale

City Events
(2):
Cops &
Kids, FO44

Event Permit Issues



What's the Problem?

- Every event is considered a special event
- Process is onerous for small events
- Process is not robust or adequate for true special event
- Requires code update to fix
- Working on continual process improvements
- Most commercial events are not applying and out of compliance.

Process Improvement



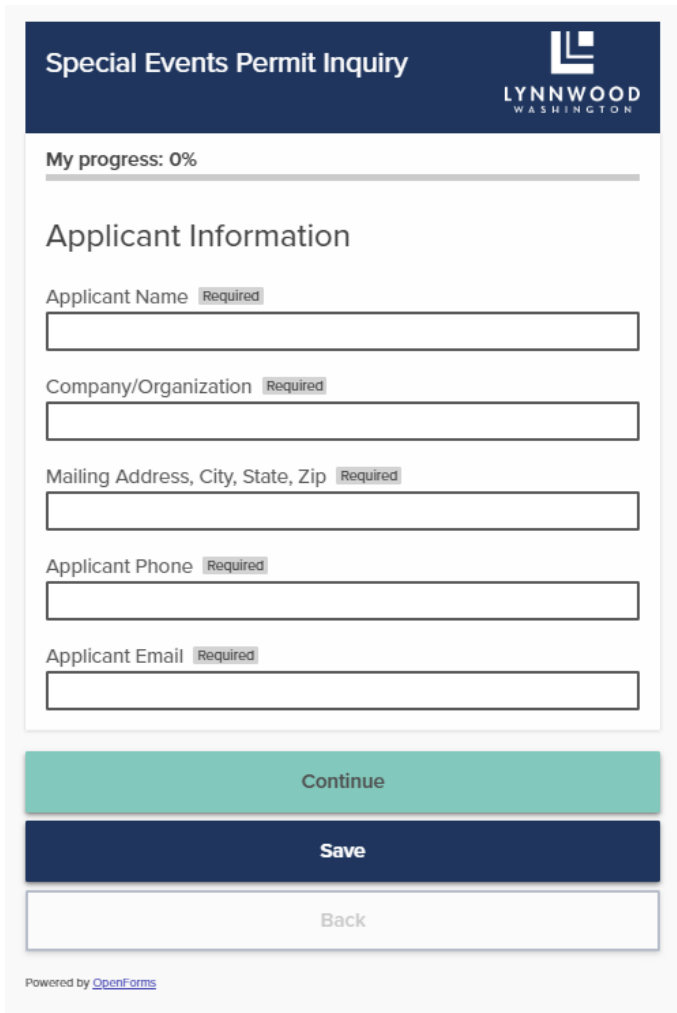
Proposal


- Redefine events (not by where or by whom) to characteristics of event
- Allow for over-the-counter for certain permit types
- Provide more robust planning for special events

Permit Types

- Tents/Canopies
- Electrical
- Parking - temporary use
- Cooking
- Parks Use
- Signage
- Accessibility
- Construction
- “Special Event”

Process Improvement



Special Events Permit Inquiry 

My progress: 0%

Applicant Information

Applicant Name Required

Company/Organization Required

Mailing Address, City, State, Zip Required

Applicant Phone Required

Applicant Email Required

Continue

Save

Back

Powered by [OpenForms](#)

Improvement Plan

- Implement new Inquiry Form (completed) with Navigator
- LMC Chapter 5 update
- Complete permit process changes
- Create Event Guidebook

<https://www.lynnwoodwa.gov/Community/Play-Lynnwood/Healthy-Lynnwood/Community-Events/Community-Event-Planning>

Inquiry Form

Event Information

Event Name

Enter default text

Date(s) and Time(s) of Proposed Event

Enter default text

Event Location

Enter default text

Property Type (choose one)


- ☒ Private
- ☒ Public

Event Elements (check all that apply)

- ☒ Alcohol
- ☒ Amplified Sound/Concert/Live Music/PA System
- ☒ Animals
- ☒ Banner
- ☒ Bicycling
- ☒ Carnival Rides
- ☒ Caterer
- ☒ Cooking/Barbecue
- ☒ Distribution/Sales
- ☒ Electricity/Generator
- ☒ Entertainers
- ☒ Food Truck
- ☒ Inflatable Toys (large)
- ☒ Lights
- ☒ Parking
- ☒ Portable Restrooms
- ☒ Race (timed event)
- ☒ Security
- ☒ Signage
- ☒ Stage
- ☒ Street
- ☒ Tents or Canopies
- ☒ Traffic Changes
- ☒ Vendors
- ☒ Other

90.3-B-9

Inquiry Form

Provide a short description of your event, and include any "other" items not on the list 

Enter default text

How many people are expected to operate the activity on a daily basis?

Enter default text

Expected Attendance

Enter default value

What impact will this event have on area parking?

Enter default text

Number and size of tents/canopies

Enter default text

Do you have an Alcohol Permit?

☒ Yes

☐ No

Alcohol License#

Enter default text

Next Steps

Your inquiry form will be reviewed by City staff and you will be contacted to continue the application process.

Please have the following items ready to submit:

- Property Owner Approval
- Plot or Site Plan
- Non-refundable permit fee of \$170 for a single event and \$56 for each additional like event
- A refundable deposit of \$250 (cash or check)

You may be asked to provide one or more of the following items to complete the application process::

- Communications Plan
- Event Security Plan
- Parking Assistant Plan
- On-site and Off-site signage plan

CITY COUNCIL ITEM 90.3-C

CITY OF LYNNWOOD Administrative Services

TITLE: Interagency Contract - CARES Act

DEPARTMENT CONTACT: Julie Moore

SUMMARY:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funded by the US Department of Treasury will be administered through Washington State Office of Financial Management. In order to participate in the program the City must complete an Interagency agreement with the Washington State Department of Commerce.

ACTION:

Authorize the Mayor to execute the Interagency Agreement with the Washington State Department of Commerce in order to access the Coronavirus Relief Fund for Local Governments.

BACKGROUND:

Funding from the US Treasury is provided through the US Government to assist local communities in addressing the public health emergency in our nation. The City will be able to receive reimbursement for expenses in several covered categories. The maximum reimbursement through this program is \$1,188,000.

KEY FEATURES AND VISION ALIGNMENT:

This program will provide a funding source to reimburse the City for allowed expenditures to address City and Community needs related to the Corona virus health emergency.

ADMINISTRATION RECOMMENDATION:

Approve

DOCUMENT ATTACHMENTS

Description:	Type:
CARES Act Interagency Agreement	Backup Material



Interagency Agreement with

«Organization»

through

the Coronavirus Relief Fund for Local Governments

For

Costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020.

Start date: March 1, 2020

TABLE OF CONTENTS

Special Terms and Conditions

1.	Authority.....	1
2.	Acknowledgement of Federal Funding.....	1
3.	Contract Management	1
4.	Compensation	1
5.	Expenses.....	1
6.	Indirect Costs.....	1
7.	Billing Procedures and Payment.....	1
8.	Audit.....	2
9.	Debarment.....	3
10.	Laws	3
11.	Order of Precedence.....	4

General Terms and Conditions

1.	Definitions	5
2.	All Writings Contained Herein.....	5
3.	Amendments.....	5
4.	Assignment	5
5.	Confidentiality and Safeguarding of Information.....	5
6.	Copyright.....	6
7.	Disputes	6
8.	Governing Law and Venue	6
9.	Indemnification.....	7
10.	Licensing, Accreditation and Registration	7
11.	Recapture	7
12.	Records Maintenance.....	7
13.	Savings	7
14.	Severability	7
15.	Subcontracting	7
16.	Survival	8
17.	Termination for Cause	8
18.	Termination for Convenience.....	8
19.	Termination Procedures	8
20.	Treatment of Assets.....	9
21.	Waiver.....	10

Attachment A, Scope of Work	11
Attachment B, Budget & Invoicing.....	13
Attachment C, A-19 Certification.....	14
Attachment D, A-19 Activity Report	16

FACE SHEET

Contract Number: «Contract_Number»

Washington State Department of Commerce Local Government Division Community Capital Facilities Unit Coronavirus Relief Fund for Local Governments

1. Contractor «Organization» «Address» «City», Washington «Postal_Code»		2. Contractor Doing Business As (optional)	
3. Contractor Representative «First» «Last» «CDBG_ContractsTitle» «CDBG_ContractsPhone_Number» «Email»		4. COMMERCE Representative «Full_Name» P.O. Box 42525 Project Manager 1011 Plum Street SE «LU_Project_ManagerPhone_Number» Olympia, WA 98504-2525 Fax 360-586-5880 «Mgr_Email»	
5. Contract Amount «Amount»	6. Funding Source Federal: <input checked="" type="checkbox"/> State: <input type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		7. Start Date March 1, 2020
8. End Date October 31, 2020			
9. Federal Funds (as applicable) «Amount»		Federal Agency: US Dept. of the Treasury CFDA Number: 21.999 Indirect Rate (if applicable): «Indirect_Rate»	
10. Tax ID # «TIN_Number»	11. SWV # «SWV_Number»	12. UBI # «UBI_Number»	13. DUNS # «DUNS_Number»
14. Contract Purpose To provide funds for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) during the period of March 1, 2020 thru October 31, 2020. Final invoices must be received by November 15, 2020.			
15. Signing Statement COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment “A” – Scope of Work, Attachment “B” – Budget & Invoicing, Attachment “C” – A-19 Certification, Attachment “D” – A-19 Activity Report			
FOR CONTRACTOR _____ «Sig_Auth_Whole_Name», «Sig_Authority_Title» _____ Date		FOR COMMERCE _____ Mark K. Barkley, Assistant Director, Local Government Division _____ Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 05-01-2020. APPROVAL ON FILE.	

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by the Interlocal Cooperation Act, Chapter 39.34 RCW.

2. ACKNOWLEDGMENT OF FEDERAL FUNDS

Funds under the Contract are made available and are subject to Section 601(a) of the Social Security Act, as amended by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and Title V and VI of the CARES Act.

The Contractor agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Contractor describing programs or projects funded in whole or in part with federal funds under this Contract, shall contain the following statements:

“This project was supported by a grant awarded by US Department of the Treasury. Points of view in this document are those of the author and do not necessarily represent the official position or policies of the US Department of the Treasury. Grant funds are administered by the Local Government Coronavirus Relief Fund thru the Washington State Department of Commerce.”

3. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

4. COMPENSATION

COMMERCE shall pay an amount not to exceed the contract amount listed on the Face Sheet for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work (Attachment A).

5. EXPENSES

Contractor shall receive reimbursement for allowable expenses as identified in the Scope of Work (Attachment A) or as authorized in advance by COMMERCE as reimbursable.

Travel expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.

6. INDIRECT COSTS

Contractor shall provide their indirect cost rate that has been negotiated between their entity and the federal government. If no such rate exists a *de minimis* indirect cost rate of 10% of modified total direct costs (MTDC) will be used.

7. BILLING PROCEDURES AND PAYMENT

COMMERCE shall reimburse the Contractor for eligible Project expenditures, up to the maximum payable under this Contract. When requesting reimbursement for expenditures made, Contractor shall submit all Invoice Vouchers and any required documentation electronically through COMMERCE's Contracts Management System (CMS), which is available through the Secure Access Washington (SAW) portal. If the Contractor has constraints preventing access to COMMERCE's online A-19 portal, a hard copy A-19 form may be provided by the COMMERCE Project Manager upon request.

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

The voucher must be certified by an official of the Contractor with authority to bind the Contractor. The final voucher shall be submitted to COMMERCE no later than November 15, 2020.

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly.

The invoices shall describe and document, to COMMERCE's satisfaction, reimbursable expenditures as set forth under the Scope of Work (Attachment A) and Budget & Invoicing (Attachment B). The invoice shall include the Contract Number as stated on the Face Sheet.

Each voucher must be accompanied by an A-19 Certification (Attachment C) and A-19 Activity Report (Attachment D). The A-19 Certification must be certified by an authorized party of the Contractor to certify and attest all expenditures submitted on the voucher are in compliance with the United States Treasury Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments:

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

The A-19 Activity Report must be submitted which describes, in Excel spreadsheet and narrative form, a detailed breakdown of the expenditures within each applicable budget sub-category identified in the voucher, as well as a report of expenditures to date. COMMERCE will not release payment for any reimbursement request received unless and until the A-19 Certification and A-19 Activity Report is received. After approving the Invoice Voucher, A-19 Certification and Activity Report, COMMERCE shall promptly remit a warrant to the Contractor.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Should the Contractor be found to spent funds inconsistent with federal laws, rules, guidelines, or otherwise inappropriately, it is the responsibility of the Contractor to reimburse Commerce for any amount spent on disallowed costs.

8. AUDIT

Contractor shall maintain internal controls providing reasonable assurance it is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs; and prepare appropriate financial statements, including a schedule of expenditures of federal awards.

If the Contractor is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

- A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
- B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Contractor is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year, the Contractor shall notify COMMERCE they did not meet the single audit requirement.

The Contractor shall send all single audit documentation to auditreview@commerce.wa.gov.

9. DEBARMENT

- A. Contractor, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
 - i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - ii. Have not within a three-year period preceding this Contract, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and
 - iv. Have not within a three-year period preceding the signing of this Contract had one or more public transactions (Federal, State, or local) terminated for cause of default.
- B. Where the Contractor is unable to certify to any of the statements in this Contract, the Contractor shall attach an explanation to this Contract.
- C. The Contractor agrees by signing this Contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.
- D. The Contractor further agrees by signing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

- i. The lower tier Contractor certifies, by signing this Contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - ii. Where the lower tier Contractor is unable to certify to any of the statements in this Contract, such contractor shall attach an explanation to this Contract.
- E. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

10. LAWS

The Contractor shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended, including, but not limited to:

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

United States Laws, Regulations and Circulars (Federal)

Contractor shall comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Award, 2 CFR 200, Subpart F – Audit Requirements.

Contractor shall comply with the applicable requirements of 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation.

Contractor shall comply with Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39.

11. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget & Invoicing
- Attachment C – A-19 Certification
- Attachment D – A-19 Activity Report

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Contract" or "Agreement" means the entire written agreement between COMMERCE and the Contractor, including any attachments, documents, or materials incorporated by reference. E-mail or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
 - iii. All personal information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality.

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and any applicable federal laws, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity.

The Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. Contractor shall incorporate 2 CFR Part 200, Subpart F audit requirements into all subcontracts. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the Authorized Representative has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

**GENERAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
FEDERAL FUNDS**

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Scope of Work

This funding is made available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and Section V and VI of the CARES Act, for costs incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Under the CARES Act, the Coronavirus Relief Fund may be used to cover costs that:

- 1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); AND**
- 2. Are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government.**

These funds may be used to reimburse for expenditures incurred during the period of March 1, 2020 thru Oct. 31, 2020. Please note: In order to ensure all funds have been fully utilized prior to the US Treasury's December 30, 2020 end date, the State of Washington must closeout contracts by October 31, 2020. All final requests for reimbursement must be received no later than November 15, 2020.

Expenditures must be used for necessary actions taken to respond to the public health emergency. These may include expenditures incurred to allow the local government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

Payments may be used only to cover costs not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either:

1. The cost cannot lawfully be funded using a line item, allotment, or allocation within that budget; OR
2. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget is the enacted budget for the relevant fiscal period for the particular government. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Allowable expenditures include, but are not limited to:

1. Medical expenses such as:
 - a. COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - b. Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - c. Costs of providing COVID-19 testing, including serological testing.
 - d. Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - e. Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:

- a. Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - b. Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - c. Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - d. Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - e. Expenses for public safety measures undertaken in response to COVID-19.
 - f. Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - a. Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - b. Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - c. Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - d. Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - e. COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - f. Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - a. Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - b. Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - c. Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Budget & Invoicing

The Contractor shall determine the appropriate budget and use of funds within the following 6 budget categories and their sub-categories:

1. Medical
2. Public Health
3. Payroll
4. Actions to Comply with Public Health Measures
5. Economic Support
6. Other Covid-19 Expenses

The Contractor shall submit invoice reimbursement requests to the Commerce Representative using the Commerce Contract Management System's (CMS) Online A-19 Portal. Each reimbursement request must include:

1. A-19 Certification form – An authorized party of the local government will certify each invoice (A19) submitted for reimbursement and attest that all incurred expenditures meet the US Treasury Department's guidance: <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>
2. A-19 Activity Report
3. A detailed breakdown of the expenditures incurred within each applicable budget sub-category on the A-19 Activity Report.

The A-19 Certification and Activity Report templates will be provided with the executed contract. The documents are included in Attachment C and Attachment D for reference.

Receipts and proof of payment for costs incurred do not need to be submitted with A-19s. All contractors are required to maintain accounting records in accordance with state and federal laws. Records must be sufficient to demonstrate the funds have been used in accordance with section 601(d) of the Social Security Act. Commerce reserves the right to audit any costs submitted for reimbursement. The Contractor shall comply with Commerce A-19 audits and provide the appropriate records upon request.



LOCAL GOVERNMENT CORONAVIRUS RELIEF FUNDS CERTIFICATION

I, **<FIRST, LAST NAME>**, am the **<TITLE>** of **<LOCAL GOVERNMENT>**, and I certify that:

1. I have the authority and approval from the governing body on behalf of the Local Government to request reimbursement from the Department of Commerce (Commerce) per contract number **<COMMERCE CONTRACT NUMBER>** from the allocation of the Coronavirus Relief Fund as created in section 5001 of H.R.748, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for eligible expenditures included on the corresponding A-19 invoice voucher for report period **<REPORT PERIOD FROM A-19>**.
2. I understand that as additional federal guidance becomes available, a contract amendment to the agreement between Commerce and the Local Government may become necessary.
3. I understand Commerce will rely on this certification as a material representation in processing this reimbursement.
4. I certify the use of funds submitted for reimbursement from the Coronavirus Relief Funds under this contract were used only to cover those costs that:
 - a. Are *necessary expenditures* incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
 - b. Were not accounted for in the budget most recently approved as of March 27, 2020; and
 - c. Were incurred during the period that begins on March 1, 2020, and ends on October 31, 2020.
5. I understand the use of funds pursuant to this certification must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. We have reviewed the guidance established by U.S. Department of the Treasury¹ and certify costs meet the required guidance. Any funds expended by the Local Government or its subcontractor(s) in any manner that does not adhere to official federal guidance shall be returned to the State of Washington.

Footnote:

1 – Guidance available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf> (4/30/2020)

LOCAL GOVERNMENT CORONAVIRUS RELIEF FUNDS CERTIFICATION

Page 2 of 2

6. I understand the Local Government receiving funds pursuant to this certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 *Retention requirements for records* of 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Such documentation shall be produced to Commerce upon request and may be subject to audit by the State Auditor.
7. I understand any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected tax or other revenue collections.
8. I understand funds received pursuant to this certification cannot be used for expenditures for which the Local Government has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

I certify that I have read the above certification and my statements contained herein are true and correct to the best of my knowledge.

_____
Printed Name_____
Title_____
Signature_____
Date:

CRF A-19 Activity Report
INSTRUCTIONS

INSTRUCTIONS:

A completed CRF A-19 Certification and Activity Report must be submitted with each A-19 reimbursement request. The A-19 Activity Report must be submitted as an Excel spreadsheet, not a PDF. You must also include a detailed breakdown of the individual expenditures reported in **Column F** for each applicable sub-category included on the A-19 Activity Report.

There are 6 primary budget categories;

1. Medical Expenses
2. Public Health Expenses
3. Payroll expenses for public employees dedicated to COVID-19
4. Expenses to facilitate compliance with COVID-19-measures
5. Economic Supports
6. Other COVID-19 Expenses

Each primary budget category includes sub-categories and provides an option to add "other" sub-categories not listed.

Follow the below instructions when completing the A-19 Activity Report:

- 1 **REPORT PERIOD** - Enter the report period into **Cell D1** of the A-19 Activity Report.
 - a This should match the report period entered on the corresponding A-19.
 - b Report period should include MM/YY to MM/YYYY, i.e. 03/20, March 2020, 03/2020, etc.
- 2 **COLUMN E** - Enter the total amount of all previous reimbursement requests submitted to Commerce for each applicable sub-category.
- 3 **COLUMN F** - Enter the total amount being requested in the current reimbursement request for each applicable sub-category.
- 4 **COLUMN H: USE OF FUNDS** - You must include a general description of the use of the funds being requested for each applicable sub-category. Keep descriptions as concise as possible, but include adequate context to demonstrate how these funds helped address the COVID-19 emergency. If applicable, please consider:
 - a Providing a brief description of the specific activities performed.
 - b Identifying specific populations served.
 - c Identifying specific programs created or utilized.
 - d Including any known or intended outcomes, results, or community impacts.
- 5 **OTHER SUB-CATEGORIES** - Budget categories 1-5 include a placeholder to add an additional sub-category if necessary.
 - a Enter a **Title** for other expenses added within the appropriate budget category.
 - b Enter titles into **Cells: D10, D19, D27, D36, and D41**.
 - c There is only one "other" placeholder in each budget category section. Please combine multiple "other" sub-categories added to the same budget category.
- 6 **OTHER BUDGET CATEGORIES** - Budget category 6 is where you should include any eligible expenditures that don't fall under budget categories 1-5.
 - a Enter a **Title** for these "other" expenses within budget category 6.
 - b Enter titles into **Cells D44 - D48**.
 - c There are only 5 entry fields available within Budget Category 6.

Coronavirus Relief Fund
A-19 Activity Report

Report Period:

Eligible Expenditures	Previously Reported Expenditures	Current Expenditures this Invoice	Total Cumulative Expenditures	Brief Description of Use of Funds
1 Medical Expenses				
A. Public hospitals, clinics, and similar facilities	\$ -	\$ -	\$ -	
B. Temporary public medical facilities & increased capacity	\$ -	\$ -	\$ -	
C. COVID-19 testing, including serological testing	\$ -	\$ -	\$ -	
D. Emergency medical response expenses	\$ -	\$ -	\$ -	
E. Telemedicine capabilities	\$ -	\$ -	\$ -	
F. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
2 Public Health Expenses				
A. Communication and enforcement of public health measures	\$ -	\$ -	\$ -	
B. Medical and protective supplies, including sanitation and PPE	\$ -	\$ -	\$ -	
C. Disinfecting public areas and other facilities	\$ -	\$ -	\$ -	
D. Technical assistance on COVID-19 threat mitigation	\$ -	\$ -	\$ -	
E. Public safety measures undertaken	\$ -	\$ -	\$ -	
F. Quarantining individuals	\$ -	\$ -	\$ -	
G. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
3 Payroll expenses for public employees dedicated to COVID-19				
A. Public Safety	\$ -	\$ -	\$ -	
B. Public Health	\$ -	\$ -	\$ -	
C. Health Care	\$ -	\$ -	\$ -	
D. Human Services	\$ -	\$ -	\$ -	
E. Economic Development	\$ -	\$ -	\$ -	
F. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
4 Expenses to facilitate compliance with COVID-19-measures				
A. Food access and delivery to residents	\$ -	\$ -	\$ -	
B. Distance learning tied to school closings	\$ -	\$ -	\$ -	
C. Telework capabilities of public employees	\$ -	\$ -	\$ -	
D. Paid sick and paid family and medical leave to public employees	\$ -	\$ -	\$ -	
E. COVID-19-related expenses in county jails	\$ -	\$ -	\$ -	
F. Care and mitigation services for homeless populations	\$ -	\$ -	\$ -	
G. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
5 Economic Supports				
A. Small Business Grants for business interruptions	\$ -	\$ -	\$ -	
B. Payroll Support Programs	\$ -	\$ -	\$ -	
C. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
6 Other COVID-19 Expenses				
A. Other:	\$ -	\$ -	\$ -	
B. Other:	\$ -	\$ -	\$ -	
C. Other:	\$ -	\$ -	\$ -	
D. Other:	\$ -	\$ -	\$ -	
E. Other:	\$ -	\$ -	\$ -	
Sub-Total:	\$ -	\$ -	\$ -	
TOTAL:	\$ -	\$ -	\$ -	

CITY COUNCIL ITEM 90.3-D

CITY OF LYNNWOOD City Council

TITLE: Utility Tax Elimination on Water/Sewer/Water runoff

DEPARTMENT CONTACT: Councilmember Jim Smith

SUMMARY:

This would eliminate the 6% tax that currently goes to the general fund.

ACTION:

Discuss and vote on acceptance

BACKGROUND:

There are now several taxes that are attached to Lynnwood utilities. This would eliminate one of those taxes.

PREVIOUS COUNCIL ACTIONS:

Motion is on the table to accept or reject. If accepted, a Resolution/Ordinance should be immediately vote on.

KEY FEATURES AND VISION ALIGNMENT:

This tax reduction would immediately lessen the burden on our Lynnwood families and businesses without harming utilities at all.

DOCUMENT ATTACHMENTS

Description:

[Utility Taxes Memo 5 2020](#)

Type:

Backup Material

Date: May 26, 2020

To: City Council

From: Sonja Springer, Finance Director

Subject: Concerns Regarding Permanently Waiving Utility Taxes on Water/Sewer/Storm Bills

Last week I provided you information regarding the estimated monthly impact on the General Fund's revenues of temporarily eliminating the 6% utility tax on the City's water, sewer and stormwater utilities during the COVID-19 epidemic. This utility tax is added on every customer's utility bill and the utility tax revenue is a source of revenue for the General Fund. The impact of eliminating this tax is approximately \$115,000 per month of reduced revenue to the General Fund.

Based upon Council comments during the May 18 City Council meeting, staff understands that the intent is to permanently repeal this utility tax. I have some serious concerns regarding the permanent elimination of the 6% utility tax on the City's utilities. This is not a good time to consider reducing the City's General Fund revenues when we don't fully know the true impact of COVID-19 on our other revenue sources, specifically the impact on the City's largest source of revenue, sales tax. We have been proactive with identifying expenditure reductions to offset the estimated sales tax and other revenue decreases expected in 2020.

Further reductions to the City's revenue would most certainly require permanent staff layoffs in one or more departments and this would seriously impact services to our businesses and residents. If the City Council chooses to eliminate the utility tax, the Council will also need to provide direction regarding service reductions.

Impact to the General Fund's 2021-2022 Budget

We are projecting lower sales tax revenues for the 2021-2022 budget which is requiring even further expenditure reductions to the General Fund budget.

Utility tax revenues are used to fund all departments' services. If the City decided to permanently eliminate the utility tax on the City's utilities, we would need to eliminate an additional \$2.9 million from the 2021-2022 General Fund budget. Other than increasing the property tax levy on a permanent basis, there would be no other way to offset this significant reduction other than to require significant staff layoffs in all departments, including the Police department. This would seriously reduce services to our businesses and residents.

The City has reduced its property tax levy significantly over the past few years from over \$12 million per year in 2017 to a current 2020 property tax levy of \$4.3 million. Lynnwood has the lowest property tax levy of almost all other Snohomish County cities. Due to its lower property taxes, the City relies more heavily on other revenue sources such as sales tax and utility taxes to provide the current level of service to our businesses and residents.

Impact to the City's Ability to Pay Its Current Debt Obligations

When the City issued \$25 million of Limited Tax General Obligation Bonds in 2012 to pay for the new Recreation Center, the sources of debt repayment included the following identified tax revenues, which the bondholders relied upon when they purchased the City's bonds. This chart is from page 11 of the Official Statement for the LTGO 2012 Bonds.

General Tax Revenues:	2012	2011	2010	2009
Property Tax	\$11,337,583	\$11,024,578	\$10,387,275	\$10,007,591
Sales Tax	16,692,925	15,505,639	16,151,110	15,844,445
Business Taxes (1)	6,432,814	5,490,180	4,478,193	2,533,477
Other Taxes	530,573	652,211	784,660	753,286
Total Taxes	\$34,993,895	\$32,672,608	\$31,801,238	\$29,138,799

(1) "Business Taxes" represents business taxes for admissions, cable television, gas, electric, water, storm water and sewer utilities; telephone services and solid waste.

With the City's decrease in property tax, coupled with the forecasted decrease in sales tax, this is not a good time to also decrease the business taxes used to pay our debt obligations. Considering our forecasted decrease in sales taxes, there already is a serious risk that the bond rating agencies will re-issue the City a lower bond rating, an additional decrease in business taxes could lower the bond rating even more.

I'm also concerned about the impact to our upcoming bond issue for the Criminal Justice Center, as strong General Fund revenues are a major consideration for rating agencies' evaluation of our ability to pay our debt. A lower bond rating results in higher interest rates on subsequent bond issues.

Who Will Benefit from the Elimination of the City's Utility Tax?

The average residential customer's bi-monthly bill includes approximately \$10.50 in utility taxes, or about \$5.25 per month. The largest customers will benefit the most, which include large commercial accounts and large multifamily complexes. Will the multifamily building owners pass on this savings to their tenants? We do not know the answer to that, nor can we control that. The top beneficiaries of a utility tax elimination would include Alderwood Mall, large hotels, large commercial development centers, multifamily complexes and apartment buildings.

How Can the City Make an Impact to the Businesses and Residents That Need It Most?

Instead of giving all utility customers a small reduction in their bi-monthly utility bill, and large companies a significant reduction to their utility bills, I recommend that we utilize a significant portion of the \$1.18 million CARES Act funding to help businesses and residents who need help the most. Small businesses need help. Unemployed residents and families also need assistance. I suggest we identify these businesses and residents and help them, utilizing the CARES Act funding.

The Mayor will be officially receiving notification of a \$1.18 million CARE Act award from the State of Washington on May 21. While we are still researching what we can do with this funding, it is apparent that using it to assist businesses and residents affected by COVID-19 is allowable. A task force headed up by Public Affairs Officer Julie Moore will be working on ways to help our community and businesses with this funding.

Staff Recommendation

Staff recommends not permanently eliminating the utility tax on its own utilities. Permanently eliminating the utility tax on the City's utilities will not significantly impact the businesses and community members affected by COVID-19, but instead, it will put the City at risk of meeting its debt obligations and will also increase the costs of future debt. It will also require a significant reduction in City services to our businesses and residents.

In summary, I believe we should help our businesses and community members that need it most. We can do this by creatively utilizing the one-time CARES Act funding. This will provide an impact to those families and businesses that need it most and need it now.

CITY COUNCIL ITEM 90.3-E

CITY OF LYNNWOOD City Council

TITLE: Executive Session, if needed

DEPARTMENT CONTACT: Nicola Smith, Mayor

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available