

**MINUTES OF THE SPECIAL COUNCIL MEETING OF THE LYNNWOOD CITY COUNCIL
HELD THURSDAY, JUNE 25, 2020 AT 3:00 p.m. VIA ZOOM**

Attendance:

Mayor Nicola Smith (absent)
Council President Christine Frizzell
Council Vice President Shannon Sessions
Councilmember Ian Cotton
Councilmember Ruth Ross (absent)
Councilmember George Hurst
Councilmember Jim Smith (absent)
Councilmember Julieta Altamirano-Crosby
Assistant City Administrator Art Ceniza
Interim City Clerk Karen Fitzthum

Others:

Finance Director Sonja Springer
Budget Supervisory Janella Lewis
Strategic Planner Corbitt Loch
Accounting Manager John White
Finance Supervisor Cyndie Eddy
Parks & Recreation Director Lynn Sordel
Director Ec. Devt/Interim Comm. Devt. David Kleitsch
Human Resources Director Evan Chinn

**State Auditor’s Office Entrance Conference for the 2019 Audit –
Marlon Deppen, Clay Trushinsky and Wendy Choy – State Auditor’s Office (3:02 p.m.)**

- Representatives from the State Auditor’s Office provided a presentation including the audit scope, levels of reporting, handling of confidential information, audit costs, expected communication, audit dispute process, loss reporting, peer reviews of the Auditor’s Office, audit survey, local government support team, the Center for Government Innovation. Questions and answers followed.

Status of the 2020 Financial “Gap” in the General Fund – Sonja Springer, Finance Director (3:20 p.m.)

- Finance Director Springer discussed the status of the 2020 Financial “Gap” in the General Fund and steps the City has taken to offset the \$9.4 million revenue shortage in 2020. She also discussed six options to consider for filling the remaining gap of approximately \$2.2 million. The Administration’s recommendation is Option 1 to allow the City to temporarily use a portion of the General Fund unassigned fund balance of Revenue Stabilization Fund Balance.
- Strategic Planner Corbitt Loch reviewed proposed amendments to Financial Policies which would be incorporated in option 1.
- Council comments and questions followed.
- There was discussion about using the possibility of using the Revenue Stabilization Fund due to the emergency nature of the situation in combination with one or more other options.

Utility Accounts Receivable and Collection Trends since COVID-19 – John White, Accounting Manager (4:11 p.m.)

- Accounting Manager White gave an update on Utility Accounts Receivable. He discussed unpaid utility bills by month. Council President Frizzell requested additional aging information about receivables. Finance Director Springer indicated that information would be provided at the July 9 meeting.

April 2020 Monthly Financial Report – Sonja Springer, Finance Director (4:20 p.m.)

- Finance Director Springer discussed the April 2020 monthly financial report showing operating expenditures and revenues for the General Fund. She emphasized that the sales tax revenue was

49 better than expected. It is expected that it will be worse in the months to come. Compared to the
50 same period is 2019, revenues are 15.09% below expectations, but this has been mitigated by
51 significant reductions in expenditures. She also reviewed the Economic Development Infrastructure
52 Fund (EDIF) Summary, the Real Estate Excise Tax (REET) fund, Utilities Fund, and the City's
53 Total Cash and Investment Balances and 2020 Investment Interest Earnings. Council comments and
54 questions followed.

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56 **Adjourn**

- 57 • Meeting adjourned at 4:34 p.m.

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60 DocuSigned by:

61 *Nicola Smith*

62 Nicola Smith, Mayor