

**LYNNWOOD CITY COUNCIL
Special Business Meeting
City Hall Council Chambers**

**Date: Tuesday, January 21, 2020
Time: 7:00 PM**

- 10 CALL TO ORDER & FLAG SALUTE
- 20 ROLL CALL
- 30 APPROVAL OF MINUTES
 - A Finance Committee Minutes ~ December 12, 2019
 - B Work Session ~ January 15, 2020
- 40 MESSAGES AND PAPERS FROM THE MAYOR
- 50 CITIZEN COMMENTS AND COMMUNICATIONS
- 60 PRESENTATIONS AND PROCLAMATIONS
 - A Introduction to Newly Promoted IT Director Will Cena
- 70 WRITTEN COMMUNICATIONS AND PETITIONS
- 80 COUNCIL COMMENTS AND ANNOUNCEMENTS
- 90 BUSINESS ITEMS AND OTHER MATTERS
 - 90 .1 UNANIMOUS CONSENT AGENDA
 - A Confirm: Planning Commission Candidate Layla Bush
 - B Confirm: Planning Commission Candidate Patrick Robinson
 - C Confirm: Salary Commissioner Interview: Applicant Connie Ballard
 - D Confirm: Salary Commissioner Appointment: Applicant Michele McGraw
 - E Confirm: Salary Commissioner Appointment - David Parshall
 - F Confirm: Ethics Commission Applicant Richard O'Connor
 - G Resolution - Calendar for 2021-2022 Budget
 - 90 .2 PUBLIC HEARINGS OR MEETINGS
 - 90 .3 OTHER BUSINESS ITEMS
 - A Executive Session, if needed
- 100 NEW BUSINESS
- 110 ADJOURNMENT

THE PUBLIC IS INVITED TO ATTEND

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

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

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

CITY COUNCIL ITEM 30-A

**CITY OF LYNNWOOD
City Council**

TITLE: Finance Committee Minutes ~ December 12, 2019

DEPARTMENT CONTACT: Sonja Springer, Finance Director

DOCUMENT ATTACHMENTS

Description:

[Minutes](#)

Type:

Backup Material

1 **MINUTES OF THE LYNNWOOD CITY COUNCIL FINANCE COMMITTEE**
2 **THURSDAY, DECEMBER 12, 2019, AT 2:00 P.M., LYNNWOOD CITY HALL, CONFERENCE ROOM #4**

3
4 **Attendance:**

5 Councilmember George Hurst, Chair
6 Councilmember Ian Cotton
7 Council Vice President Christine Frizzell
8 Councilmember-elect Julieta Altamirano-Crosby

9
10 **Staff:**

11 Art Ceniza, City Administrator
12 Sonja Springer, Finance Director
13 Corbitt Loch, Strategic Planner
14 Janelle Lewis, Finance Supervisor
15 Tom Davis, Police Chief
16 David Kleitsch, Economic Development Director
17 Robert Mathias, Community Development Building Official
18 Lynn Sordel, Parks and Recreation Director
19 Sarah Olson, Parks and Recreation Deputy Director

20
21

22 **Call to Order:** The meeting was called to order by Finance Committee Chair George Hurst at 3:01 pm.

23

24 **1) Review of Business License Fees vs. Business and Occupation (B&O) Tax**

25 Finance Director Springer presented the analysis of the business license fees and taxes imposed by
26 the City of Lynnwood and other local governments.

27

28 Business license fees are a significant source of revenue for the City and it provides revenue for
29 municipal services that support business activity. Police Chief Davis described some of the Police
30 Department services that directly and indirectly support local business.

31

32 Related to business licensing, there was discussion of licensing of short-term property rentals (such
33 as Airbnb). Councilmember Hurst asked what would be achieved by regulating short-term rentals.
34 Will personal safety be enhanced?

35

36 Councilmember Cotton stated that short-term rentals may become more prevalent in the future,
37 and the City should evaluate both the need for, and cost of, regulation and licensing by the City. It
38 was mentioned that the City may find it beneficial to require a business license for all types of
39 residential rental property—short-term and long-term.

40

41 Chief Davis said that a licensing requirement for rental property can provide for periodic property
42 inspections and the remediation of egregious life safety violations. Mr. Kleitsch said that the City
43 should establish requirements for licensing and inspection of rental homes. Mr. Cotton stated that a
44 significant level of opposition should be expected and that landlords may consider home inspections
45 to be an invasion of privacy.

46

47 Mr. Hurst added that a single-family home in his neighborhood is not maintained, has visible code
48 violations, is a rental property, and that a licensing program would help ensure such properties are

49 maintained to minimum standards. Mr. Kleitsch said that in such situations where an entire home is
50 rented, the property is a commercial enterprise and no longer simply a dwelling. The City Council
51 should consider the benefits and drawbacks of licensing rental homes. Mr. Kleitsch stated that
52 there are cities that do this. We should look at those and see how the licensing programs are
53 structured. Currently, there are 39 Airbnb listings in the City, so the magnitude of work and the
54 opportunity to generate adequate revenue needs to be considered. Mr. Robert Mathias asked what
55 would the City be willing to do if the property owner does not comply with licensing requirements?
56 Would the City be prepared to cause the displacement of tenants?
57

58 Mr. Loch acknowledged that the issues associated with short-term rentals may be different from
59 those of long-term rentals. What additional information or analysis is needed? Mr. Cotton
60 suggested that the prospect of licensing/inspecting rental property be discussed as part of the
61 upcoming housing policy initiative. The discussion then returned to the issue of business license
62 fees and B&O taxes. Ms. Frizzell stated that she would like the current business employee fee to be
63 based upon the business' total number of employee hours worked during the previous year (2,080
64 hours = one FTE). The fee structure could use ranges rather than an exact number of FTEs. How
65 does the City currently check the accuracy of employee information?
66

67 Mr. Loch summarized the information provided in the memorandum. He stated that each
68 jurisdiction needs to pick the business fees and/or taxes that best fit the community, but that all
69 options seem to have some degree of imprecision/inequity. The Committee was reminded that the
70 State's Business License System (BLS) does not accommodate a B&O tax, and therefore a change to
71 a B&O tax would require considerable investment in an alternative technology.
72

73 Last year, the City received \$2.7M in combined business license revenue (license application fee and
74 the per-employee fee). Regarding the question of what it costs the City to serve a business—this
75 would be virtually impossible to calculate because of number of variables that exist. The extent of
76 City services that benefit local businesses is considerable. Examples include streets and sidewalks,
77 law enforcement, traffic management, etc.
78

79 At the time the business employee fee was established, it was intended to generate General Fund
80 revenue to help support General Fund services. The business employee fee, based upon the
81 number of employees, was chosen because it offered proportionality between the amount of fee
82 and the size of the business. It was agreed that if the business employee fee is reduced or
83 eliminated, either new revenue or reductions in service will be needed. It was noted that most
84 Washington cities utilize a business license fee rather than B&O tax.
85

86 Mr. Kleitsch stated that Community Development has just completed the migration to the BLS. The
87 BLS will give the City better data regarding the resources needed to process business license
88 applications. If the City imposes a B&O tax, the BLS software will not support the administrative
89 work needed. He added that the City Council has considered the B&O tax in the past, and selected
90 business license fees as the best choice for Lynnwood. Mr. Kleitsch suggested the City continue with
91 the existing business license fees and potentially reevaluate once BLS data is available. Some
92 refinement of the assessment formula may be advisable.
93

94 Mr. Cotton asked if the new BLS adds efficiency to the application review process. Inefficiencies and
95 delays in application processing were mentioned as concerns during the small business summit held
96 on October 16, 2019. Ms. Springer said the BLS will help the businesses because they only must go

97 to one place instead of each City. The BLS is internet based and this allows business owners to
98 complete the process from their place of business.

99
100 Ms. Frizzell said that for businesses with numerous part-time employees, it can be difficult to keep
101 track of the head count. Instead, could businesses add up the number of hours worked, since that is
102 data readily available? Mr. Kleitsch said he will investigate that option. The Finance Committee
103 concurred that the City should give the new BLS system a chance to work and reassess at a later
104 time. Mr. Cotton suggested that the City survey local businesses to gauge their satisfaction with
105 BLS.

106
107 Ms. Frizzell asked if the revenue generated by business license fees is enough to cover the cost of
108 City services to businesses. It was agreed that an accurate calculation of City expenses would be a
109 very difficult undertaking.

110 111 **2) Parks and Recreation – Limited Term Senior Parks Planner Request**

112 Parks, Recreation and Cultural Arts (PRCA) Director Lynn Sordel introduced the memorandum and
113 distributed a draft job description for the senior parks planner position. He explained that this
114 agenda item was a courtesy briefing and that no action by the Finance Committee would be
115 required.

116
117 Director Sordel stated that PRCA has reached their limits to manage and coordinate capital
118 improvement projects. The South Lynnwood Park project is an example. The senior parks planner
119 would do project management and also able to do concept park design. The position would be
120 classified under AFSME (American Federation of State, County and Municipal Employees, AFL-CIO).

121
122 Mr. Cotton wanted to know if there is a project timeline that necessitates this action now, rather
123 than waiting for the upcoming budget cycle. Mr. Sordel stated that, yes, there are timelines and
124 schedules that PRCA needs to meet for current projects and grant-funded milestones. Ms. Olson
125 said that South Lynnwood Park and Scriber Park Trail are examples of major projects that are being
126 built with state and federal grant funds, and the City must adhere to the timelines specified by the
127 granting agency. It has been confirmed that Public Works' engineering project management team
128 would not have the capacity needed to oversee PRCA projects.

129
130 Mr. Hurst asked if PRCA staff anticipate that the position will help the City avoid consultant fees.
131 Mr. Olson stated that the parks planner could undertake early design work and construction
132 management tasks that are currently delegated to consultants, such as updating master plan
133 concepts for Rowe Park and redevelopment of Veterans Park. Mr. Sordel spoke about Veterans Park
134 and explained that the senior parks planner could work with partners and lead the redesign with
135 incorporation of the Gold Star Family Monument.

136
137 It was explained that Mayor Smith has approved this staffing change. Because this position is
138 limited term and funding is available within PRCA's capital budget, Council approval is not required.

139
140 Mr. Cotton asked that PRCA prepare a BFO worksheet for this position, along with performance
141 measures. Mr. Sordel responded that PRCA will provide updates of what this employee is doing.
142 Ms. Olson said that an updated BFO worksheet will be prepared for this program.

143

144 **3) Third Quarter 2019 Financial Report**

145 Ms. Springer summarized the Third Quarter 2019 Financial Report.

146

147 The report covers 37.5% of the biennium period. Mr. Cotton asked what is the expected
148 expenditures at this time? Should we be saying a different percent than the initial statement?
149

150 Ms. Springer responded that this information could be provided, but that the 4th Quarter report is a
151 more informative point in time to compare biennium-to-date revenues and expenditures as all
152 revenues and expenditures will be accrued and reported for the first 12 months of the biennium.

153 Ms. Frizzell said that you could go back a couple of years and see what those percentages are.

154 Included in the report are actual expenditures for the same period of time for the prior two prior
155 years, 2017 and 2018 to compare to the 2019 expenditures.
156

157 Mr. Kleitsch explained that Economic Development Department expenditures are low because of
158 position vacancies. He also said that REET revenue is higher because of the Talay Thai shopping
159 center purchase. Sound Transit bought the center because of parking easements with an adjacent
160 property but was able to return the property to private ownership.
161

162 Ms. Frizzell asked that on page 10 of the Financial Report, the comment under the chart, eliminate
163 wording ‘newly created’ because it is no longer “new”.
164

165 **4) Closing Comments**

166 Chief Davis stated that Mackenzie Architects has developed preliminary cost estimates for the
167 Criminal Justice Center project and that this information will be presented at the January 2020
168 meeting of the Finance Committee.
169

170 Mr. Loch said that in January staff will have the established budget calendar.
171

172 The next Finance Committee meeting will be held Thursday, January 23rd at 3:00pm, Conference
173 Room 4.
174

175 **Adjournment: The meeting was adjourned at 4:07 pm.**
176

177

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179

180 _____
Sonja Springer, Finance Director

CITY COUNCIL ITEM 30-B

**CITY OF LYNNWOOD
City Council**

TITLE: Work Session ~ January 15, 2020

DEPARTMENT CONTACT: Beth Morris, Executive Assistant | City Council

DOCUMENT ATTACHMENTS

Description:	Type:
Minutes	Backup Material

1 **MINUTES OF THE WORK SESSION OF THE LYNNWOOD CITY COUNCIL HELD, WEDNESDAY,**
2 **JANUARY 15, 2020 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS.**

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7 *Due to inclement weather, work session was cancelled.*

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12 _____
13 Nicola Smith, Mayor

CITY COUNCIL ITEM 60-A

CITY OF LYNNWOOD Human Resources

TITLE: Introduction to Newly Promoted IT Director Will Cena

DEPARTMENT CONTACT: Evan Chinn

SUMMARY:

The Mayor will appoint Will Cena to IT Director and wants Council to be informed of her decision and approval of this appointment. Mr. Cena was interviewed by the City Council on November 20, 2019 as a final step part of the City's rigorous selection process.

The LMC currently does not designate this position as one that requires council confirmation. As a courtesy Mr. Cena will be introduced to Council.

ACTION:

Receive Will Cena as the appointed IT Director.

BACKGROUND:

The Mayor selected Mr. Cena for the IT Director position after a hiring process that included resume screening, two panel interviews, an interview with the Mayor Smith and Art Ceniza, a council interview, and background investigation.

PREVIOUS COUNCIL ACTIONS:

Interviewed Mr. Cena on November 20, 2019. CM Frizzell was not able to attend this interview but is acquainted with Mr. Cena and his work at the City. CM Smith and CM Altimirano-Crosby were not on the Council at the time Mr. Cena was interviewed.

ADMINISTRATION RECOMMENDATION:

Meet and receive Will Cena as the City's new IT Director.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-A

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Planning Commission Candidate Layla Bush

DEPARTMENT CONTACT: Ashley Winchell

SUMMARY:

See January 21, 2020 Work Session Agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-B

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Planning Commission Candidate Patrick Robinson

DEPARTMENT CONTACT: Ashley Winchell

SUMMARY:

See January 21, 2020 Work Session Agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-C

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Salary Commissioner Interview: Applicant Connie Ballard

DEPARTMENT CONTACT: Evan Chinn, Human Services Director

SUMMARY:

See January 21, 2020 Work Session Agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-D

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Salary Commissioner Appointment: Applicant Michele McGraw

DEPARTMENT CONTACT: Evan Chinn, Human Services Director

SUMMARY:

See January 21, Work Session Agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-E

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Salary Commissioner Appointment - David Parshall

DEPARTMENT CONTACT: Evan Chinn, Human Resources Director

SUMMARY:

See January 21, 2019 Work Session agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-F

**CITY OF LYNNWOOD
Executive**

TITLE: Confirm: Ethics Commission Applicant Richard O'Connor

DEPARTMENT CONTACT: Karen Fitzthum, Acting City Clerk and Chief Procurement Officer

SUMMARY:

See January 21, 2020 Work Session Agenda

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM 90.1-G

CITY OF LYNNWOOD Administrative Services

TITLE: Resolution - Calendar for 2021-2022 Budget

DEPARTMENT CONTACT: Sonja Springer & Corbitt Loch

SUMMARY:

This agenda item provides for Council adoption of the planning calendar for preparation of the 2021-2022 biennial budget.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

The Revised Code of Washington (RCW) is ambiguous regarding the number of public hearings required prior to adoption of municipal budgets. The Municipal Research and Services Center (MRSC) offers the opinion that RCW calls for more than one public hearing. Accordingly, for the 2017-2018 and 2019-2020 budgets, Lynnwood has included two public hearings, and the draft calendar for 2021-2022 continues that practice--but advances the first hearing to September to allow for earlier public input. This first hearing would occur before the issuance of the Mayor's preliminary budget and therefore would focus on budget objectives and forecasted revenues.

Is the draft calendar appropriate as written?

ACTION:

Approve and adopt the attached resolution and calendar.

BACKGROUND:

During even-numbered years, the City prepares and adopts a biennial budget. The Lynnwood Municipal Code calls for adoption of a budget planning calendar by January 31.

PREVIOUS COUNCIL ACTIONS:

This action occurs during January of each year.

FUNDING:

NA.

KEY FEATURES AND VISION ALIGNMENT:

Community Vision: The City of Lynnwood will be regional model for a sustainable, vibrant community with engaged citizens and an accountable government.

Strategic Plan Priority 2: Ensure financial stability and economic success.

ADMINISTRATION RECOMMENDATION:

Adopt the attached resolution on the unanimous consent agenda at the January 21 special business meeting.

DOCUMENT ATTACHMENTS

Description:

[Resolution with Budget Calendar](#)

Type:

Backup Material



RESOLUTION NO. 2020-__

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
ADOPTING THE PLANNING CALENDAR FOR THE 2021-2022
BIENNIAL BUDGET.**

WHEREAS, in accordance with Chapter 35A.34 RCW and Chapter 2.72 LMC, the City has adopted a biennial budget process; and

WHEREAS, by January 31st of even-numbered years, LMC 2.72.020 calls for the adoption by resolution of a planning calendar for the preparation and adoption of the biennial budget; and

WHEREAS, this Resolution complies with Chapter 2.72 LMC and with Washington State Law governing the use of biennial budgets; now therefore

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

Section 1. Adoption of 2020 Planning Calendar the 2021-2022 Biennial Budget

The events and dates specified by Exhibit A to this Resolution shall comprise the 2020 budget planning calendar for the 2021-2022 biennial budget.

Section 2. The City Council shall retain its full authority to modify or amend the planning calendar as the Council deems necessary, and in a manner consistent with applicable law, adopted policies, and standard practices.

This resolution was adopted by the City Council at its meeting held January __, 2020 at the City of Lynnwood Council Chambers.

RESOLVED this ____ day of January 2020.

Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

Sonja Springer, Finance Director

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Exhibit A, Resolution 2020-____
2020 Planning Calendar for the 2021-2022 Biennial Budget
 2020 dates, except where noted.

Date	Budget Process/Step	Note
Jan. 21	Adoption of budget planning calendar per LMC 2.72.020.	City Council Business Meeting
Feb. 8	Council Summit: discussion of 5-year strategic priorities and strategic budget priorities for 2021-2022.	City Council Work Session
Feb.-May	As needed: Council discussion of strategic budget priorities, financial forecast, etc.	City Council Work Session(s)
Feb.-May	Outreach to the public, boards & commissions, partners, and staff regarding budget priorities.	
Sept. 14	Proposed Preliminary Budget delivered to City Council per LMC 2.72.060 and RCW 35A.34.080. This is limited to a general overview of fund revenues and expenditures.	City Council Business Meeting
Sept. 28	<i>Tentative:</i> First public hearing on Budget, 2021-2022 (budget priorities and assumptions).	City Council Business Meeting
Oct. 12	Preliminary Budget, 2021-2022 with the Mayor’s budget message presented to City Council per LMC 2.72.040. Council schedules public hearings per RCW 35A.34.090. Mayor proposes 2021 property tax levy.	City Council Business Meeting
Oct. 19	Department budget presentations:	City Council Work Session
Oct. 21	Department budget presentations:	City Council Work Session
Oct. 26	Department budget presentations:	City Council Business Meeting
Nov. 2	Budget presentations: <i>As needed.</i> City Council review of preliminary budget.	City Council Work Session
Nov. 9	Second public hearing on Preliminary Budget, 2021-2022. Public hearing on 2021 property tax levy. City Council review of preliminary budget.	City Council Business Meeting
Nov. 16	City Council review of preliminary budget.	City Council Work Session
Nov. 18	City Council review of preliminary budget <i>as needed.</i>	City Council Work Session
Nov. 23	City Council review of preliminary budget <i>as needed.</i> Adoption of Budget, 2021-2022. Adoption of 2021 property tax levy.	City Council Business Meeting
Dec.-Feb. 2021	Publish adopted budget book. Adopted budget transmitted to the state auditor and AWC per RCW 35A.34.120.	

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Note: The City Council Finance Committee is expected to review and provide guidance on portions or aspects of draft budget materials. Meetings of the Finance Committee are open to the public.

01/13/2024 CL

CITY COUNCIL ITEM 90.3-A

**CITY OF LYNNWOOD
City Council**

TITLE: Executive Session, if needed

DEPARTMENT CONTACT: Nicola Smith, Mayor

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available