



RESOLUTION NO. 2020-08

**A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,
RELATING TO THE 2019-2020 BUDGET AND THE PREPARATION OF
THE MAYOR'S PROPOSED BUDGET FOR 2021-2022.**

WHEREAS, the COVID-19 pandemic has negatively impacted City revenues during 2020, creating an estimated \$7.8 shortfall in General Fund revenues during 2020; and

WHEREAS, after identifying approximately \$5.6 in expenditure reductions, a forecasted \$2.2 million budget gap remains, with six months remaining in the 2019-2020 budget biennium; and

WHEREAS, the City's General Fund reserves are at or above the adopted goal of equaling 2.5 months of operating expenditures for the previous calendar year; and

WHEREAS, the City is currently developing the Mayor's Proposed Budget for the 2021-2022 biennium and confirmation is needed regarding the approach to be used to address the remaining 2020 budget gap; and

WHEREAS, during meetings open to the public held on June 25 and June 29, 2020, the City Council considered six options for addressing the remaining 2020 budget gap and a majority of the City Council expressed a preference for Option 1—use of General Fund reserves; and

WHEREAS, in combination with General Fund reserves, a plurality of Councilmembers expressed interest in utilizing a portion of Economic Development Infrastructure Fund (EDIF) balance to resolve the budget gap for 2020; and

WHEREAS, the actual amount of the General Fund budget gap for 2020 cannot be known before November/December 2020; and

WHEREAS, at a future meeting, the City Council will consider an ordinance to amend the adopted 2019-2020 Budget in a manner consistent with this resolution; and

WHEREAS, the City Council has determined that the provisions of this resolution support the public's health, safety, and welfare;

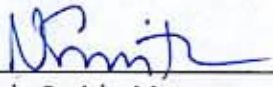
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD RESOLVES AS FOLLOWS:

34 **Section 1.** It is the intent of the City Council to authorize use of General Fund reserves
35 (Revenue Stabilization Fund and/or Unassigned Fund Balance) to address the forecasted \$2.2
36 million gap between General Fund revenues and expenses during 2020. Such authorization
37 would occur at a future time by approval of a budget amendment.
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39 **Section 2.** Pursuant to Section 1 of this Resolution, the City Council confirms that the 2021-
40 2022 Budget may have General Fund reserves less than the amount specified by the City of
41 Lynnwood Financial Policies, and will include a plan and schedule for restoring General Fund
42 reserves.
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44 PASSED by the City Council this 13th day of July 2020.
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46 APPROVED:

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49 Nicola Smith, Mayor
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52 ATTEST/AUTHENTICATED:

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55 Karen Fitzthum, Acting City Clerk
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PASSED BY CITY COUNCIL: 07/13/2020
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