

CITY OF LYNNWOOD
CITY COUNCIL SPECIAL BUSINESS MEETING MINUTES
December 27, 2011

1
2 10. CALL TO ORDER - The December 27, 2011 Special Business Meeting of the Lynnwood
3 City Council, held in the Council Chambers of Lynnwood City Hall, was called to order by
4 Mayor Gough at 7:00 p.m.

5
6 20.

ROLL CALL

Mayor Don Gough

Council President Mark Smith

Council VP Kerri Lonergan-Dreke

(excused)

Councilmember Ted Hikel

Councilmember Loren Simmonds

Councilmember Jim Smith (excused)

Councilmember Kimberly Cole (unexcused)

Councilmember Benjamin Goodwin

Others Attending:

Finance Director Hines

Parks & Recreation Director Sordel

Asst. City Administrator Art Ceniza

Council Assistant Beth Morris

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9 90. BUSINESS ITEMS AND OTHER MATTERS

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11 90.4 OTHER BUSINESS ITEMS

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13 A. Review, discuss, and take possible action on, the proposed resolution concerning
14 an interfund loan to the Golf Course Enterprise Fund #460.

15
16 Finance Director Hines summarized this item as contained in the Memo dated
17 12/21 to the Council from him and Mayor Gough. Mayor Gough further explained
18 the history of the interfund loans.

19
20 *Motion made by Councilmember Hikel to adopt Resolution No. 2011-18, "A*
21 *resolution of the City Council of the City of Lynnwood, Snohomish County,*
22 *Washington, authorizing an interfund loan from the Utility Fund to the Golf*
23 *Course Fund as designated in Exhibit A." The motion died for lack of a second.*

24
25 Councilmember Hikel stated that he had hoped to get this motion on the floor so
26 they could have a discussion on it.

27
28 Councilmember Simmonds stated that because of the fact they barely have a
29 quorum and because of the preponderance of new Councilmembers that will take
30 office after the beginning of the year, there is substantial benefit to looking at this

1 early in the new year. With the number of vacancies and the number of new
2 people coming in, he would rather opt for the 90-day version.

3
4 Councilmember Goodwin asked what the financial burdens of this might be on
5 the Utility Fund for any upcoming projects that they may have. Director Hines
6 replied that certain projects will have to be pushed out in order to absorb this. As
7 of November 30, the Utility Fund had about \$6.5 million in unrestricted cash,
8 about \$1.8 million in restricted cash, an interfund receivable from last year of
9 about \$2.7 million and normal receivables of about \$2.6 million.

10
11 Mayor Gough stated that he would not be making any interfund loans to the golf
12 course so it will be up to the new Council to resolve both the business plan and
13 two issues with regard to the interfund loan.

14
15 Council President Mark Smith commented that he views that as a severe
16 dereliction of duty on the Mayor's part.

17
18 *Motion made by Councilmember Mark Smith to adjourn the meeting.*

19
20 Mayor Gough stated that there is not a dereliction of duty. Councilmember Mark
21 Smith reminded the Mayor that there was a motion on the floor. The Mayor
22 continued to explain his position.

23
24 *Council President Mark Smith solicited a second to the motion to adjourn. The*
25 *motion died for lack of a second.*

26
27 Mayor Gough commented that if the Council chooses not to take action by
28 December 31, then they will have to take this up next year. If they are not willing
29 to do a 90-day loan now he is not sure that they will be doing that at all.

30
31 Council President Mark Smith stated that the Mayor has the authority to make the
32 90-day loan as he has done the last three years in a row. It is unfortunate that he is
33 refusing to do that and thus expose the City to a finding from the state auditors.
34 He reiterated that he thinks it is a gross dereliction of his responsibility as the
35 Chief Executive Officer of this city.

36
37 Mayor Gough disagreed. He stated that they asked the Council to do the job which
38 needs to be done by December 31.

39
40 Councilmember Hikel asked Council President Mark Smith and Councilmember
41 Simmonds whether they would entertain a motion for a 90-day loan.

42
43 *Motion made by Councilmember Simmonds, seconded by Councilmember*
44 *Goodwin, to adopt Resolution 2011-19 with the clarification that it be a 90-day*
45 *loan and the understanding that the Council will come back to this early next*
46 *year.*

1 Council President Mark Smith stated that he would be voting against this as it is
2 an unnecessary motion. The Mayor already has the authority to do that; he does
3 not need Council approval to do that. He asserted that the Mayor is trying to
4 transfer responsibility for something that is his responsibility. He stated that this is
5 already on the Council's agenda for the first business meeting in February. He
6 added that this is a poor way to bring this matter before the Council.
7

8 Councilmember Hikel thought it was strange that suddenly it is the Mayor's job to
9 do the job of the Council. The power had been given to the Mayor on a restricted
10 basis, but it is the prerogative of the Council to deal with these matters. The
11 Council is responsible for every penny that is authorized and every penny that is
12 spent. The Mayor can only spend money that is authorized by the Council.
13

14 Councilmember Simmonds commented that he found it disturbing that several
15 Councilmembers were not here. He noted that if they are not going to be here,
16 then they need to allow the newly electeds the opportunity to come and be brought
17 up to speed.
18

19 Councilmember Hikel agreed that it would be good for the incoming
20 Councilmembers to get up to speed on this item, but he noted that there was a
21 quorum tonight and they had a requirement to take action on this tonight.
22

23 Mayor Gough noted that the repayment date would be March 31, 2012.
24

25 Council President Mark Smith repeated that under Lynnwood Municipal Code
26 3.90 and Resolution 2001-07 the Mayor can make an interfund loan of any
27 amount on his own authority and without Council action for a period not to
28 exceed 90 days. This concurrence is unnecessary and he will be voting against the
29 motion. He restated that this is a poor way to make policy, to drop the resolution
30 on the Council at 10:00 at night and then call a special business meeting with no
31 work session to discuss this.
32

33 Councilmember Hikel requested a roll call vote.
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35 *Upon a roll call vote, the motion carried (3-1) with Councilmembers Hikel,*
36 *Simmonds, and Goodwin voting in favor of the motion and Council President*
37 *Mark Smith voting against the motion.*
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39 *Motion carried.*
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1 120. ADJOURNMENT

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The meeting was adjourned at 7:26 p.m.

Don Gough, Mayor

Lorenzo Hines, Jr.
Finance Director