



FINANCE COMMITTEE MINUTES

3:00 PM October 21, 2024
City Hall – 300 4th Street

Present:

Mayor Scott Korthuis
Finance Director Laura Scholl
Accounting Manager Christy Fowler
Public Works Director Jon Hutchings

Councilmembers:

Kyle Strengtholt (Chair)
Nick Laninga
Lee Beld

1. **The Finance Committee reviewed and approved the September 2024 minutes.**
2. **The Committee reviewed and approved the Payroll for the month of September 2024.**

3. **The September 2024 Overtime numbers were reviewed.**

The committee reviewed the payroll overtime impacts. The Police Department had a total of 369 hours, up from 302 hours in August. Shift Coverage was the biggest driver of this; It is noted that 46 hours are related to the Labor Day holiday. The Police Department is seeing various stressors that are impacting overtime including having an officer at police academy who recently graduated and will be completing her on the job training. Additionally, there have been several staff on medical leave that has been driving overtime with additional extended leave upcoming.

Fire Department was down to 316.5 hours from 340 hours in August.

The Committee spoke about the need for further discussions with both Police and Fire in reducing overtime, including the possible need for Monthly Overtime reviews outside of Public Safety and Finance Committee. Police has recently returned to offering overtime for only the hours that there is a gap, not for a whole shift. Additional discussions have been happening around the schedules, including the supervisors. Fire has been reviewing whether to occasionally run a staff member short.

4. **Sales Tax - YTD Review and Source Breakdown.**

Sales Tax revenues came in stronger than the last few months, at a total of \$350,685. This is under budget by \$5,563 or 1.6% but is great than September 2023 by \$26,382 or 8.1%. A year-to-date comparison of budget to actuals indicated that sales tax receipts were \$22,579 or 0.77% under the projected budget. When year to date 2024 is compared with

year-to-date 2023 collections, sales tax revenue reflects a 2.2% overall increase of \$26,382, bolstered by the strong sales tax collections earlier in the year.

5. The Claims Clearing Certificates were reviewed for September 11 to October 16, 2024.

Finance provided a new version of the Claims Detail report, sorting the invoices by Payee / Supplier and then by check and invoice numbers for Finance review.

6. Council Packet items presented:

- A. Report: Approval of Payroll and Claims. Approved for review by the full Council.
- B. New Business: Mayor's Budget message and preliminary budget for 2025 were not presented, but will be presented at Council.
- C. Consent: RES-24-1105 – Approving People's Bank Loan to Finance Quint Fire Truck. Finance confirmed that the first two payments for the fire truck have been made from specific cash sources and the Resolution allows for Finance to act quickly and take advantage of early payment discounts when the final invoice comes in. Approved for review by Full Council
- D. Consent for Nov 18 meeting – ORD-24-1693 Increase Utility Occupation Tax – This item was briefly discussed for inclusion in the November 18th Council meeting. This is related to the 2025 Budget and there could be changes in the amounts based on final budget decisions.
- E. Consent: RES-24-1107- Increase to the Ambulance Utility Fee – The Resolution was recommended to be changed to an effective date of December 1 instead of January 1. This would allow the additional revenues of approx. \$43,600 to be realized in January instead of February. Approved for review by the Full Council.
- F. New Business: Item added to the agenda – RES-24-1111 Interfund Loan from Sewer Fund to Current Expense – The Committee engaged in a lengthy discussion regarding this resolution, the cash balance situation and how the situation has evolved over the year. Public Works Director Hutchings provided support to the proposal and that there was sufficient funds in the Sewer fund to support this Resolution and the payback period from his perspective overseeing the Wastewater Treatment Plant upgrades. Finance Committee requested to be able to review a Cash Flow statement in future committee meetings, which Finance Director Scholl has been working on and will present. Resolution was approved for review by the full Council.

6. Finance Department Informational or Added Items

- A. Due to time constraints, the Monthly Financial Reports were not reviewed in depth. They were available for Committee review and to be forwarded to Council after. Finance commented on the Cash balance in the General Fund and the changes in the past month.
- B. Update to 2007 UTGO Bond Issue & Property Tax Levy – Since this issue was discussed in the July 15, 2024 Finance Committee, staff received additional clarification on how the

repayment needs to be handled. The summary version is that there are two different levies, the regular levy and the voted levy – they cannot cross between each other. Due to this error, for the last four years, the City has received a higher amount of tax from the taxpayers than was originally scheduled. With the plan of action currently, for the next three years, the taxpayers will see collections in the voted levy of about half of what they did the last four years. In three years, the City will pay off the remaining balance of the Bond. This will be an early payoff by five year, as it was scheduled to pay until 2032. Ultimately this will save the City and the taxpayer money.

The meeting was adjourned at 4:08 pm. The next Finance Committee meeting is on November 18, 2024 at 3:00 PM.

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