



FINANCE COMMITTEE MINUTES

2:00 PM January 20th, 2026
City Hall – 300 4th Street

Present:

Mayor Scott Korthuis
City Administrator John Williams
Finance Director Laura Scholl.
Racquel Muncy (Lynden Tribune)

Councilmembers:

Kyle Strengholt (Chair)
Nic Laninga
Lee Beld

1. The Finance Committee reviewed and approved the November 17th, 2025 minutes.

2. Sales Tax was reviewed for 2025.

Sales tax for 2025 for the whole year came in at \$3,816,091, which is 3.7% (\$148,567) less than 2024 and 4.59% (\$183,596) less than budgeted.

- December came in at \$329,089, which was on par with December 2024 at \$368 lower, but \$16,424 or 4.8% below expected monthly budget.
- November came in at \$330,719, which was 9.6% (\$35,303) less than November 2024 and 6% (21,035) less than monthly budget.

Finance Committee discussed the budget projection for 2026 for Sales Tax - \$4 million. Members of the committee were hopeful that the December number shows a turnaround from prior significantly lower months. However, sales tax will continue to be monitored close through 2026 for potential adjustments needed.

3. Overtime for 2025 was reviewed.

A summary of Overtime costs was reviewed for the full fiscal year by department. Overall, the City spent \$826,554 on Overtime, compared to \$454,000 budgeted and \$649,706 in 2024.

Finance Committee discussed how Overtime affects the overall General Fund budget, and ways to brainstorm mitigation strategies. The Police Chief and Fire Chief will be invited to attend Finance Committee in future months for further discussions, with Fire being invited to the February Finance Committee.

4. The Committee reviewed and approved the Payroll for November 2nd through December 27th, 2025.

5. Finance Committee reviewed and approved Claims for November and December 2025, up to December 30th.

Finance Committee had general discussion regarding the cost of certain professional services, such as engineering, construction management and legal, and at what point this may become cost effective to bring in house vs contracted services.

6. Council Packet items presented:

A. Payroll & Claims

B. 2026 Property Tax information update – Final numbers were received from the County and presented. An error was identified in the packet numbers and will be re-produced for Council report.

C. RES-26-1140 – Request to Cancel Check 34036 – reviewed and supported for full Council approval

D. ORD-26-1725 – Amending LMC Section 3.29 - Admission – reviewed and supported for full Council approval, amending the base exemption from \$2,500 in sales or \$125 in tax to \$5,000 in sales or \$250 in tax.

E. RES-26-1141 – Amending the Revolving Cash Fund – reviewed and supported for full Council approval.

7. Finance Department Informational or Added Items

A. Finance Committee discussed the potential of using an Interfund loan in 2026 to borrow temporary cash from less used funds and paying interest internally where possible instead of relying solely on external line of credit funding. Finance Committee supported bringing back a Resolution to this effect, with accompanying cash flow statements for funds that would be considered when borrowing.

B. Finance Committee was also advised of the potential need to increase the Line of Credit temporarily due to the Wastewater Treatment Plant upgrade. This was done previously with the Water Treatment Plant project due to the volume and high value of invoices.

C. Monthly reports were reviewed for November 2025. Preliminary December information will be available in the February meeting.

D. Cash flow statements were not reviewed in this meeting due to timing with year end. Prior month cash flow statements can be considered comparable for the first few months of 2026, with no major concerns in the first quarter, and updated cash flows with the 2026 budget will be available at the next meeting.

The meeting was adjourned at 3:55 pm. The next scheduled Finance Committee meeting is on Tuesday, February 17th, at 2:00 pm.