



FINANCE COMMITTEE MINUTES

3:00 PM June 30, 2025
City Hall – 300 4th Street

Present:

Mayor Scott Korthuis
City Administrator John Williams
Finance Director Laura Scholl

Councilmembers:

Kyle Strengtholt (Chair)
Nic Laninga

1. **The Finance Committee reviewed and approved the May 19, 2025 minutes.**
2. **The Committee reviewed and approved the Payroll for May 4th – June 14th, 2025.**

3. **The 2025 Overtime numbers were reviewed.**

The committee reviewed the payroll overtime impacts for May.

- Police incurred 596.8 hours in May compared to 290 hours in April and is up from 490 hours in May 2024. 42% of the year has elapsed, and Police has expended 70% of the OT budget for the year.
- Fire incurred 633.25 hours in May compared to 684.5 hours in April and is up from 404.5 hours in May 2024. 47.5 Hours or 7.5% represent hours related to training and set up of the Quint ladder truck. 13% of Fire OT was due to sick leave coverage and 18% was due to Kelly Days. 42% of the year has elapsed and Fire has used 78% of the OT budget for the year.
- The Committee discussed some general ideas for limiting the impacts of OT

4. Sales Tax - YTD Review and Source Breakdown.

Sales Tax revenues were reviewed for May and June 2025.

- May came in at \$318,535, this amount is 1.9% (\$6,290) below budget and 4.13% (\$13,711) below May 2024.
- June came in at \$289,955. This amount is 9.6% (\$30,963) below Budget and 4.4% (\$13,464) below June 2024.
- Overall, this puts us 2.07% (\$38,054) below YTD budget, and 4.6% (\$86,880) below 2024. At this point, it is expected that we will be at least 2% or \$40,000 below budget for 2024, which was projected flat to 2024. It is estimated that we will be closer to 4 or 5% below budgeted revenues by year end. (\$80-100K).

5. The Claims Clearing Certificates were reviewed and approved for May 16 through June 25, 2025.

The report is sorted by supplier, then by check number then invoice number. There is an indent at the start of each supplier name and totaled at the bottom of each supplier. A second report was provided and will be included going forward that includes all checks issued as one time payments, such as utility payments as well as payroll vendors.

6. Council Packet items presented:

- A. Reports: Payroll & Claims
- B. ORD-25-1713 – Mid Year budget Amendment – brief discussion regarding budget amendment that will come to Committee for further review at July Finance Committee
- C. Consent: RES-25-1124 Interlocal Agreement Surplus and Sale of 1997 Pierce Pump Engine. – Resolution approved for Council review.
- D. New Business: Discussion on Utility Tax for High Volume Users – Finance Committee will present at Council to determine a recommendation for Finance to bring back as an ordinance to update this rate.
- E. Consent: Selection of New Bond Counsel – Approved for Council review.
- F. School Impact Fees – City Administrator Williams advised a draft ordinance and draft interlocal agreement would be coming to Committee for discussion and ultimately Council review in the next couple of months. The drafts are being reviewed by legal counsel currently. It is recommended to incorporate a small administrative fee for managing the collections and disbursements of these fees, which would be built into the interlocal agreement. This would also require a new fund created in the 2026 budget process. The School District is hoping this will be approved and implemented for collections beginning January 2026.

7. Finance Department Informational or Added Items

- A. Finance Director Scholl advised that Real Estate Excise Tax (REET) revenues are down substantially at 51% down from budget and compared to 2024. If this trend continues, it will amount to \$500,000 less revenues than budgeted for the City, with 75% (\$375,000)

affecting the General fund and 25% (\$125,000) affecting the Parks Capital Reserve project fund.

- B. A financial analysis and projection report was presented for the General Fund, including a look back of actual revenues and expenditures for 2020 to 2024, budgeted and projected values for 2025, and future looking forecasts for 2026 through 2032. This analysis, and supported by the monthly Cash Flow projections, demonstrates that the City must take action to generate additional revenues or identify cost saving measures. Discussions occurred regarding what limited potential revenue generating options there may be as well as cost-saving alternatives.
- C. The Monthly Financial Reports were not reviewed for the month of May 31st, 2025 and will be sent following the meeting.
- D. Cash flow statement & Projection were provided for up to May 31, 2025. As of the end of May, the City ended with 57 days total Cash on Hand, and 43 days of Unrestricted Cash in the General Fund. The State Auditor indicates a bare minimum balance of 60 days on hand and recommendations are 90 days. This balance is expected to the highest point until the next influx of property tax for November. This report demonstrates the need for additional intervention.

The meeting was adjourned at 4:15 pm. The next Finance Committee meeting is on Monday, July 21st at 3:00 pm.