



## FINANCE COMMITTEE MINUTES

3:00 PM March 17, 2025  
City Hall – 300 4th Street

### Present:

Mayor Scott Korthuis  
City Administrator John Williams  
Finance Director Laura Scholl  
Accounting Manager Christy Fowler

### Councilmembers:

Kyle Strengtholt (Chair)  
Lee Beld

1. The Finance Committee reviewed and approved the February 18, 2025 minutes.

2. The Committee reviewed and approved the Payroll for the month of February 2025.

3. The 2025 Overtime numbers were reviewed.

The committee reviewed the payroll overtime impacts for February.

- Police incurred 322.5 hours in February compared to 334.5 hours in January and is flat compared last February (2024). Included in these hours is 65 hours of Holiday time worked, and 45 hours of Range time. Police continues to experience vacancies in the roster due to long term medical leaves. 16.67% of the year has elapsed, and Police has expended 25% of the OT budget for the year.
- Fire incurred 355.75 hours compared to 396.75 hours in January and is up from 205.5 hours last February (2024). 25% of Fire OT was due to sick leave coverage and 16% is due to Kelly Days.

The Finance Director provided details related to OT as a percentage of overall Salaries and Benefits, as requested in the January meeting:

	2022	2023	2024	2025 Budget
Total OT - All City	581,152	566,852	815,387	456,000
Total OT as % of Total	5.06%	4.29%	5.74%	3.13%
Total Police OT	279,774	249,879	423,054	229,500
Total OT as % of Total	8.28%	7.39%	12.51%	6.79%
Total Fire OT	209,518	221,526	258,756	202,000
Total OT as % of Total	8.93%	8.36%	8.89%	6.66%

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

Sales Tax revenues for February came in at \$359,978, which is improved over January. This amount is 3.14% (\$10,947) above budget and 5.65% (\$19,257) above January 2024. Overall, for two months, this puts us at 1.14% (\$7,420) above YTD budget. This is a positive swing, but is not enough data to demonstrate a trend. Small Cities report is showing other cities are experiencing flat or downward trending sales tax. Industry and other cities are reporting uncertainties and declining business related to border traffic.

#### **5. The Claims Clearing Certificates were reviewed and approved for February 11 through March 11, 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.

#### **6. Council Packet items presented:**

- A. Consent: 2026 Budget Calendar – approved for Council review. Finance will be adding dates for LTAC, Unified Fee Schedule and Satellite agency data as internal Calendar for planning
- B. Reports: Payroll & Claims
- C. Reports: InvoiceCloud Online Payment Provider Contract – Committee discussed moving to the new provider and that it will allow for credit card fees to be charged to the customer. Discussion also occurred around EFT charges, which are currently \$0.75 for the City to absorb the cost, for about 2500 customers per month (\$1875 monthly). Original discussion and contract is for the City to continue to absorb these fees to provide a free electronic option for citizens – this can be changed within InvoiceCloud at a later date if Council chooses – the fee for charging the customer will be higher than what is charged to the City. Finance did compare handling ACH payments in-house, where staff would manage ACH auto payments, prepare the file and load through the City's bank account. Though over time this may be slightly cheaper than the \$0.75/payment, the staff would then be responsible to control and protect the financial data of customers, which currently is encrypted and protected by our online processors. Contract approved for Council review.
- D. Reports: Transportation Benefit District Annual report for 2024 – This report was previously review in Public Works and the summary is that there are an increasing number of projects being funded and some concern about the fund balances and potential increasing debts. Finance Committee indicated that they appreciated this report being available to Finance Committee.

#### **7. Finance Department Informational or Added Items**

- A. The Monthly Financial Reports were reviewed for the Month ended February 28, 2025. Overall, it is too early in the year to tell where we are at Budget to Actuals as January has significant expenses (Insurance, membership renewals, Clothing allowances, etc.) that skew the straight line YTD. This is the first month that incorporates the sub-accounts for

Water & Sewer utilities for balances and activity. In future months, the summary will separate Operating and Capital variances.

- B. Cash Flow statement & Projection were provided for up to February, 2025, but not reviewed. The current cash balances are expected to maintain the majority of expenditures for the City through until May with the next influx of Property tax revenue. As of the end of February, the City ended with 50 days Cash on Hand (Calculated on the unrestricted balanced) in the General Fund. March and April are expected to be quite tight cash months until the next property tax influx comes in, with March projected to end at 32 days Cash on Hand. The State Auditor indicates a bare minimum balance of 60 days on hand and recommendations are 90 days.
- C. Finance Committee briefly discussed
- a. Opioid funds – City Administrator is in contact with other Cities and groups regarding how these funds can be expended. As part of the legal settlement, the City must come up with a plan on how to spend the money and have that plan approved. It is expected this plan will be developed over the next few months.
  - b. Hydrant funds – Discussion occurred regarding using some funds from the Hydrant balance to pay down the Quint loan early and the remaining amount to be used for a hydrant testing, replacement and repair program.
  - c. Audit Updates – expected to hear soon from Auditors for our exit interview for the 2023 Financial Statement audit and the 2023 ARPA compliance review.
  - d. Surplus Items – the older Fire Engine is expected to be on the next Committee for surplus and donation to Community program, the same night as the Quint Fire Engine Push in ceremony
  - e. City Credit Card provider – Currently, the City uses a standard credit card provided by our City's local bank. It does not provide any benefit to the city (such as cash back) and all procedures related to it are manual, paper and limited reporting. Finance has been in discussions with an alternate provider of government Procurement cards, which would expend the use of credit cards, reducing the number of invoices processed, allow for electronic records and approvals, and provide the City with 1% rebate on all purchases. The City Administrator has used similar providers in other cities and the rebates often offset the City's banking fees.

**The meeting was adjourned at 4:14 pm. The next Finance Committee meeting is on Monday, April 21 at 3:00 pm.**