



FINANCE COMMITTEE MINUTES

3:00 PM January 21, 2025
City Hall – 300 4th Street

Present:

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

Councilmembers:

Kyle Strengholt (Chair)
Nick Laninga
Lee Beld

1. The Finance Committee reviewed and approved the November 18, 2024 minutes.

2. The Committee reviewed and approved the Payroll for the month of November and December 2024.

3. The 2024 Overtime numbers were reviewed.

The committee reviewed the payroll overtime impacts for 2024. Overall, OT budgets were exceeded by 51% (\$216,106). This is a 53% increase over 2023, which saw OT in the amount of \$424,490. The major departments are Police & Fire, both of which saw numerous staffing challenges this past year.

- Fire - \$249,372 (4,212 hours) compared to \$202,000 budgeted (23% over). This is a 17% or \$36,878 increase over the \$212,494 incurred in 2023.
- Police – Flat rate of \$396,962 (4,664 hours). When adjusted for comp time earned less reimbursed amounts, this amount is reduced to \$355,242 compared to \$218,000 budgeted (63% over). This is an increase of 95% over the \$181,888 in 2023.

Looking to 2025, the budget has kept OT flat, which effectively reduces the number of hours of OT budgeted as rates have increased.

Comp Time for the City also incurred approximately \$52,700.

Finance Committee requested a comparison of Salary & Benefits Year over Year and OT. Finance Committee also requested whether employees can start to note whether the OT is for vacation or sick leave coverage in the timesheet.

4. Sales Tax - YTD Review and Source Breakdown.

Sales Tax revenues ended 2024 at \$3,964,658, which exceeds 2023 by 2.1% (\$80,169) and is the 2024 budget by 2.07% (\$83,609). Since last Finance Committee, the November and December revenues were received.

- November - \$351,754, compared to \$342,449 in 2023, 2.7% over 2023, and 2.4% under budget
- December - \$32,547, compared to \$328,207 in 2023, an increase of \$1,250 or 0.4% over 2023 and is 5.4% or \$18,694 under budgeted.

Looking to 2025, the 2025 budgeted was prepared conservatively, holding Sales tax relatively flat. The 2025 budget is \$3,999,687, which works out to a 0.88% increase over 2024. This can be monitored as the year goes on and adjusted as necessary.

5. The Claims Clearing Certificates were reviewed and approved for November 13 to December 30, 2024.

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. This does not include the final Year End check run dated December 31st, as this was not completed until Friday January 17th. The Year end check run will be reviewed with January expenditures at the February meeting.

Council Member Beld asked about:

- The costs of Engineering – this was explained as costs related to design and oversight of various projects, such as the WWTP, Cedar, Judson, Pine Street, etc.
- Dispatch Fees – There was a question related the differences between Police and Fire. Overall, in 2024, Police paid \$276,603 for dispatch fees and Fire paid \$235,993.

6. Council Packet items presented:

- A. Consent: RES-24-1114 – Request to Cancel Checks.
Check requested to be cancelled that was mailed during the Canada post mail strike and subsequently processed through EFT.
Approved for full Council review

6. Finance Department Informational or Added Items

- A. Finance Committee discussed a Council Budget Workshop early in the year to discuss the finances as a whole and help discuss priorities prior to Budget season. This will be brought up at January 21 Council meeting.
- B. The Monthly Financial Reports were provided for up to November 30, 2024, but not reviewed. The financial for December will be prepared as part of the year end package. November saw increasing cash balances due to the property tax receipts. This balance must be considered in conjunction with the longer-term cash flow projections and is not an indicator of a significant change in financial position. This balance must carry the City through until the next property tax influx in late April and May 2025.

- C. Cash Flow statement & Projection were provided for up to November 30, 2024, but not reviewed. Due to the timing of the open period check run, the cash flow projection for the end of December and January is not ready for review until February. It should be noted that January is a 3 pay period month and realizes very large expenditures for the City, including the city's insurance. Finance is monitoring the cash balances and will evaluate monthly whether there is opportunity for payback of the interfund loan at a quicker rate or if there are other cash flow considerations.
- D. Credit Card processing fees were discussed. The City incurred \$77K in credit card processing fees in 2024, and this amount is expected to increase due to the SmartGov implementation and the ability for all permits and fees to be paid through credit card. Staff sought direction from Council regarding re-couping these costs, whether to approach with incorporating costs into fees, charging for permits but not utilities or attempting to recover as much of these costs as possible from those who utilize credit cards for payments. Finance Committee was in favor of charging fees to all credit card payments and will confirm Council position at January 21 Council meeting.
- E. Finance provided a brief update on some projects, particularly the current Audit.

The meeting was adjourned at 4:02 pm. The next Finance Committee meeting is on Tuesday, February 18 at 3:00 pm.