



## MAYOR AND COUNCIL COMMUNICATION

DATE: 04/16/2013

**CONSENT**

ITEM #: 4

**MOTION**

**AGENDA ITEM:** March 2013 Financial Reporting

**SUBMITTED BY:** Cathy Bendel, Finance Director

**THROUGH:** Dean Zuleger, City Administrator

**REVIEWED BY:** Dean Zuleger, City Administrator

**SUMMARY AND ACTION REQUESTED:** As part of its Consent Agenda, The City Council is asked to accept the March 2013 Financial Reporting Packet. No specific motion is needed, as this is recommended to be part of the overall approval of the *Consent Agenda*.

**BACKGROUND INFORMATION:** The City of Lake Elmo has fiduciary authority and responsibility to conduct normal business operations and report the financial (unaudited) statement to the City Council. City guidelines suggest the Council be updated on a regular basis.

**STAFF REPORT:** Attached please find a report for March reflecting the monthly detail supporting the year to date actual results and comparing those results to the 2013 Budget.

As of the end of the first quarter, the actual results are within 1% of budget. The most significant variances are highlighted below:

**Revenues:**

- Building Permit revenue for the month exceeded budget by 27% and for the year by 62%. As mentioned in previous months, the growth trend has continued even during the winter and 8 new homes have been applied for to date in 2013 compared to 3 homes at this same time in both 2012 and 2011.
- Plan review fees continue to be strong as a result of the increased housing activity and are 48% above budget for the month and 63% above budget year to date.

## Expenses:

Most departments are below budget for the month as all Departments continue to be very cost conscious. A few key items to note:

- Workers Compensation expense hit in March but was not budgeted until later in the year. These numbers will be seen in each department based on the historical work comp rating for each job classification.
- The dues and subscription expense reflected for the Mayor & Council represents the annual cost for memberships in the League of Minnesota Cities (\$6,958) and the Association of Metropolitan Municipalities (\$3,381). The memberships were budgeted later in the year based on when they were paid in 2012.
- We were able to publish the newsletter earlier than anticipated so the expense hit in February rather than March when it was budgeted in the Communications Department budget.
- Due to coordinating initial audit fieldwork earlier than last year, the initial interim billing expense for audit hit earlier than budgeted for 2013 in the Finance Department budget.
- The annual accounting software maintenance expense (Springbrook) was paid for in January but was budgeted for in March based on when it was paid in 2012.
- The Planning Department has incurred expenses above the amounts budgeted for Engineering and Contract Services. All excess expenses were approved by City Council (The Theming project with Damon Farber).
- As mentioned last month, the small tools and equipment account for the Fire Department includes \$9,048 which was 100% reimbursed by WA County grant monies in March (for the purchase of laptop equipment for the fire vehicles).
- The Building repairs and maintenance expense is over budget to date in the Fire Department due to needing to replace two heaters in Firehouse #1 which were a safety risk.
- As expected as a result of the extended winter, the sand/salt and repairs and maintenance to equipment costs are above budget. Although these costs are not controllable, the Public works department did an excellent job of coordinating resources to minimize overtime.
- Please note that the salary expenses are based on more accurate departmental allocations than we had back in August when the budget was initially compiled. As a result, some departments are above budget, while others are under but overall, personnel expenses are below budget.

**RECOMMENDATION:** It is recommended that the City Council receive the March monthly Financial Reporting Packet *as part of tonight's Consent Agenda.*

Alternately, the City Council does have the authority to remove this item from the Consent Agenda and further discuss and review.

**ATTACHMENTS:**

1. March Financial Reports