



MAYOR AND COUNCIL COMMUNICATION

DATE: 7/16/2013

CONSENT

ITEM #: 3

AGENDA ITEM: June 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 June 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 June reflecting the monthly detail supporting the year to date actual results and comparing those results to the 2013 Budget.

As of mid-year 2013, the actual results are within 1% of budget. As reported last month, the annual insurance expense was budgeted in June so the year to date numbers are now in sync.

The most significant variances are highlighted below:

Revenues:

- Building Permit revenue for the month were 18% above budget. On a year to date basis actual activity is still above plan by 15%. It is believed that the weather caused numerous building delays for 2013 but the activity has begun to pick up and the inspection schedule has filled up. As reported on the building activity report, the new homes in 2013 are tracking very close to 2012 on a year to date basis.
- Plan review fees for the month were 41% above budget bringing the year to date revenue to 52% above budget.

Expenses:

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

- As mentioned earlier, the annual insurance premium of \$73.7k was paid to the League of Minnesota cities in May but was budgeted in June.
- As mentioned last month, the Mayor and City Council salaries were paid in May that were budgeted for June.
- The dues and subscription expense reflected for the Mayor & Council represents the annual cost for memberships in the League of Minnesota Cities (\$6,958). This membership cost was budgeted later in the year based on when it was paid in 2012.
- The legal services expense is higher than budgeted due to the increased number of notices needing to be published and filed related to the code revisions.
- 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 Planning Department has incurred expenses above the amounts budgeted for many expense items due to the City expansion initiative. The majority of the expenses were related to Engineering support and Contractor expenses.
- In June a bill for \$9.2k was paid as a result of receiving a past due notice on a bill that had not previously been paid. This related to salt for the last snow season.
- Please note that the salary expenses are based on more accurate departmental allocations than we had in August 2012 when the 2013 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 June 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. June Financial Reports