



## MAYOR & COUNCIL COMMUNICATION

**DATE:** February 18, 2014  
**CONSENT  
ITEM  
MOTION** #3

**AGENDA ITEM:** January 2014 Financial Reporting

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

**THROUGH:** Cathy Bendel, Finance Director

**REVIEWED BY:** Finance Committee

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**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation.....City Administrator
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECOMMENDER:** Finance

**FISCAL IMPACT:** NA

**SUMMARY AND ACTION REQUESTED:** As part of its Consent Agenda, the City Council is asked to accept the January 2014 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 the comparative financial statements for the month of January 2014 reflecting the monthly and year to date detail, comparing the actual results to the 2014 Budget.

The most significant variances are highlighted below:

Revenues:

- Building Permit revenue for the month was 71% below budget. When the budget was prepared, it was anticipated that the Lennar development would be well on its way by this time with on-going building activity, which has not been the case.
- Animal license revenue is 95% above budget due to the timely reminder sent out with storm water bills. In the past licenses were renewed throughout the year rather than as of January 1<sup>st</sup> as they should have been as they are an annual license.
- Utility Permit revenue for the month was above budget due to right of way permits being needed related to the I94 development activities.
- Plan check fees are 76% under budget for the month as a result of the delay in the Lennar development build out mentioned earlier.

Expenses:

Most departments were at or below budget for the month. A few key items to note:

- The membership with Metro Cities was renewed in January for 2014 and is included in the Mayor and Council department expenses. This expense was not included in the 2014 budget.
- Assessor costs under the Administration department for the month were below budget due to the transition to the new assessor effective March 1<sup>st</sup>. As a result, there were no assessor costs for January 2014.
- The \$5k in contract services under the Administration department represent the 2014 annual legislative representation retainer with Messerli and Kramer.
- The miscellaneous expense under the Finance department for \$1.2k is the cost for the Northland Securities annual bond disclosure publication. This expense was included in the budget in March.
- Small tools and equipment under the Fire department is over budget by \$3k. This is primarily due to purchasing a Thermal Imaging camera and charger for \$4.8k due to it being found at an auction for far below its market value.
- Sand and salt for the month came in below budget by \$7.8k for the month due to the budget anticipating a very snowy winter for early 2014. A portion of the savings represents the cost savings due to no longer having to pay sales tax on the salt purchases effective January 1<sup>st</sup>.

- Repairs and maintenance equipment in the Parks and Recreation department was higher than budget due to repairs being needed on the 98 GMC truck for \$2.2k. These were not budgeted for in 2014.

**RECOMMENDATION:** Based on the aforementioned, the staff recommends the City Council accept the attached January Financial Report.

**ATTACHMENT:**

1. January Financial Reports