



MAYOR & COUNCIL COMMUNICATION

DATE: December 16, 2014

CONSENT

ITEM# 4

AGENDA ITEM: November 2014 Financial Reporting

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Finance Committee

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 November 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 November 2014 reflecting the monthly and year to date detail, comparing the actual results to the 2014 Budget.

GENERAL FUND:

The most significant budget to actual variances are highlighted below:

Revenues:

- Building Permit revenue for the month was 96% above budget bringing the year to date results to 26% better than budget. This was primarily due to 10 new home starts in November (6 in the new development areas) as well as the two large commercial projects which were permitted in September and not included in the 2014 budget. With the spike in new home starts in November, the year to date new home starts is at 31 compared to 33 in 2013 and 29 in 2012.
- ROW permit revenue for the month was above budget by \$4.2k for the month bringing the year to date to \$19.2k above budget. This is a result in the increased development activity and the need for the service providers to do work in the right of ways.
- Miscellaneous state grant revenues are above budget by \$10k for the month due to the receipt of grant proceeds to fund AUAR work.
- Zoning and subdivision fees are above budget for the month by \$4.2k due to the budget assuming there would be no zoning exceptions requested in the month of November. In November there was a developer exception requested resulting in revenue for the month bringing the year to date to \$22.5k ahead of budget on a year to date basis.
- Plan check fees for the month are 200% above budget due to the 10 new homes mentioned earlier. This brings the year to date results to 56% better than budget.
- In the month of November there was a pipeline fire which was billable to the company involved. As a result of this and one other billable incident, \$9k in billable fire expenses have been recovered.

Expenses:

Most departments were at or below budget for the month due to the on-going diligent management of expenditures to the bottom line. A few items to note:

- Administration – General administration legal expenses continue to be under budget for the month by \$2.6k resulting at year to date expenses being \$21.2k below budget. This is a result of minimal litigation activity, the majority of the legal expenses being recoverable through developer offset of escrows, as well as utilization of our City Clerk where possible to assist to save costs.
- Administration – Information technology (\$7.7k) and rent expenses (\$2.5k) were above budget for the since no expense was budgeted. The City Council approved the Administration department moving in to new office space and these costs were part of that proposal.
- Elections – Although the PT salaries for the election judges were above the amount budgeted for November, the year to date salaries are \$2.4k better than budget.

- Building Inspection – Inspector contract services are slightly above budget for the month due to support being needed due to the number of building permits being submitted in the new development areas as well as the continued work on the two large commercial projects which began in September.
- Public Works – The part time salaries are \$1.1k higher than budget for the month due to all salaries being budgeted in the full time salary line item. On a year to date basis, the sum of the two salary expense lines are above budget due to the extra costs for snow removal as well as the summer focus on street repairs.
- Public Works – The street maintenance material cost for the month were \$6.3k above budget due to the purchase of asphalt to be used in the street repair initiative.

LIBRARY FUND:

Revenues:

- Rental income is slightly above budget for the month due to the timing of the receipt of rental payments. On a year to date basis, the rental income is slightly below budget due to the library deciding to no longer rent out one of the previous rental offices due to needing the space.

Expenses:

- Library Collection Maintenance (books, dvd's and other library service items) is above budget for the month and slightly above budget on a year to date basis due to an active push to expand resource materials at the library for patron use.

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

ATTACHMENT:

1. November Financial Reports