



## MAYOR & COUNCIL COMMUNICATION

**DATE:** February 24, 2015  
**CONSENT**  
**ITEM** #4  
**MOTION**

**AGENDA ITEM:** January 2015 Financial Reporting

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

**THROUGH:** Cathy Bendel, Finance Director

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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 2015 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 2015 reflecting the monthly and year to date detail, comparing the actual results to the 2015 Budget.

## **GENERAL FUND:**

The most significant budget to actual variances are highlighted below:

### Revenues:

- Building Permit revenue for the month was 41% below budget. The budget was compiled for the full year only and the amount shown for the month of January is 1/12<sup>th</sup> of the total budgeted for the year. This represents 5 new home starts.
- Sewer Permit revenue for the month was 100% below budget due to there being no new sewer permits in the month of January.
- Zoning and permit revenue was 100% above budget due to the budget for January being zero.
- Fine revenue for the month was 43% below budget. This is primarily a timing issue as there is very little court activity in January and the budget amount represents 1/12<sup>th</sup> of the annual budgeted amount.

### 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:

- Mayor and Council – The League of MN annual dues cover 9/1 – 8/31 each year. As a result, the amount in January is the carryover amount paid in 2014 as well as the annual contribution of \$5,000 made to the Youth Services Bureau in January for 2015.
- Planning and Zoning – FT Salary expense is above budget due to as there not being as much billable developer activity to offset toward escrow proceeds as anticipated in the budget.
- Engineering services expense is 24% above budget due to more general fund activity being worked on than anticipated in the budget.
- City Hall – Repairs and Maintenance Bldg – The repairs and maintenance expense for the month was 188% above budget due to having to do some electrical work in the new space which was not planned for in the budget (\$1,068).
- Fire – Repairs and Maintenance Bldg – The repairs and maintenance expense for January is \$1,350 above budget due to there being a cost savings opportunity by paying for the annual lawn service up front for the two fire stations. This is a timing issue that will catch up throughout the year.
- Building Inspection – The building inspection expenses are 46% below budget due to their utilization of a contracted inspector until the permit volume ramps up to a level justifying a staff addition.
- Sand & Salt – Salt expense for the month was 6% above budget for the month of January.

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

**ATTACHMENT:**

1. January Financial Reports