



## MAYOR & COUNCIL COMMUNICATION

**DATE:** 1/15/2013  
**REGULAR**  
**ITEM #:** 22  
**MOTION**

**AGENDA ITEM:** Creation of Administrative Committees / Finance, Human Resources

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

**THROUGH:** Mayor Mike Pearson

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

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**SUMMARY AND ACTION REQUESTED:** To further improve the operations of the City of Lake Elmo government, the City Council will create two administrative committees under the general provisions of the Lake Elmo Code of Ordinances. The Finance Committee will serve as a regular audit committee of the City Council. The Human Resources Committee will serve as the personnel policy and staffing committee of the City of Council. The creation of both Committees is also part of the previously adopted 2013 Plan of Work.

**BACKGROUND INFORMATION:** Most statutory cities in Minnesota are organized with a committee structure that encompasses six main areas: Finance, Public Works, Public Safety, Human Resources, Parks and Land Use (aka Planning Commission). For the most part, the Lake Elmo City Council has taken in upon itself to act as a Committee of the Whole in the area of Finance, Public Works, Public Safety and Parks – often using regular Council Meetings to accomplish the work of traditional municipal committees. This type of oversight has led to longer meetings, and perhaps, cursory reviews of critical issues in each of these four disciplines.

As a result, key areas such as the adoption of Government Accounting Standard Board principles, including the construction of a Comprehensive Audit and Financial Report (CAFR), which are industry standards, have not been completed. In addition, until recently a thorough examination of human resource policies have not taken place. This has led Council to rely on a limited staff resource and expertise to make decisions in this area.

**STAFF REPORT:** With the City of Lake Elmo poised to embark on a period of mandated growth, it is paramount that its financial procedures and staffing be aligned properly. It is the staff's opinion that two administrative committees be established to oversee these two important functions. The Finance Committee, with membership of (2) Council Members, and (3) members of the community with financial experience (preferably accountants), will function as a monthly audit committee and help develop financial policies as the City entertains the cost of growth. The Finance Committee will be staffed by the Finance Director. The Human Resources Committee, with membership of (2) Council Members, and (3) members of the community with personnel

experience, will function as the staffing resources and personnel policy overseers of the City. The Human Resources Committee will be staffed by the Administrator. Community members of each committee will be appointed by the Mayor with Council approval.

Both committees will function in an ad hoc role FY 2013 and if successful will be added as a standing committee in the City Code of Ordinances in FY 2014.

**RECOMMENDATION:** Based on the aforementioned information, the City Staff recommends the following action:

**M/S/P:**       **To approve, per the 2013 Plan of Work, the creation of the City of Lake Elmo Finance Committee and the City of Lake Elmo Human Resources Committee as ad hoc administrative bodies of the City Council through 2013.**

**M/S/P**       **To instruct staff to draft Committee operating guidelines / standard operating procedures for both the Finance Committee and the Human Resources Committee for Council approval at the February 5, 2013 regular meeting.**

**M/S/P**       **To approve the Mayor's selection of (2) City Council Members each to serve on the Finance Committee and the Human Resources Committee for FY 2013 and to begin the solicitation process of (3) community members each to serve on the respective committees, with the first meeting occurring no later than the third week in February.**

**SUGGESTED ORDER OF BUSINESS:**

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