



## MAYOR AND COUNCIL COMMUNICATION

DATE: 3/19/2013

**CONSENT**

ITEM #: 4

**MOTION**

**AGENDA ITEM:** February 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 February 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 February reflecting the monthly detail supporting the year to date actual results and comparing those results to the 2013 Budget. The report has been enhanced to now report upon the monthly results in addition to the year to date results.

The most significant variances are highlighted below:

Revenues:

- Building Permit revenue for the month exceeded budget by 102%. As mentioned in previous months, the growth trend has continued even during winter.
- As reported last month, the MSA maintenance fee reimbursement was budgeted to be received in January but it was actually be received in February.
- Plan review fees continue to be strong with the new housing increased activity and are 93% above budget for the month and 73% above budget year to date.

Expenses:

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

- Some recurring expense items showed zero for January a result of moving the expense back to December for the December expenses paid in January. As a result, the year to date numbers look low due to some expense items only including one month of expense.
- Unemployment Benefits and Workers Compensation are expensed as those benefits are paid out to claimants. However, in compiling the budget, amounts were included for each in January as a placeholder.
- The dues and subscription expense reflected for the Mayor & Council represents the annual cost for memberships in the League of Minnesota Cities (\$6,958) and the Association of Metropolitan Municipalities (\$3,381). The memberships were budgeted later in the year based on when they were paid last year.
- We were able to publish the newsletter earlier than anticipated so the expense hit in February rather than March when it was budgeted.
- The annual accounting software maintenance expense (Springbrook) was paid for in January but was budgeted for in March based on when it was paid in 2012.
- As mentioned last month, the small tools and equipment account includes \$9,048 which will be 100% reimbursed by WA County grant monies for the purchase of laptop equipment for the fire vehicles. The invoice has been submitted to WA County and the payment is expected to be received in March.
- Please note that the salary expenses are based on more accurate departmental allocations than we had back in August when the budget was initially compiled. As a result, some departments are above budget, while others are under but overall, personnel expenses are below budget.
- The Public Works has done an excellent job managing resources to the budget even with the continual weather challenges this year.

**RECOMMENDATION:** It is recommended that the City Council receive the February 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. February Financial Reports