



MAYOR & COUNCIL COMMUNICATION

DATE: November 19, 2013
**CONSENT
ITEM
MOTION** #3

AGENDA ITEM: October 2013 Financial Reporting

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Dean Zuleger, City Administrator

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 October 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 REORT: Attached please find a report for October reflecting the monthly and year to date detail supporting the year to date actual results and comparing those results to the 2013 Budget.

The most significant variances are highlighted below:

Revenues:

- Building Permit revenue for the month was 23% better budget. On a year to date basis actual activity continues to be above plan by 18%. As the weather remains mild the building activity remains steady.
- Utility Permit revenue for the month and year to date was far above plan due to the extensive development work along Hudson Boulevard and the need to relocate numerous utilities. These amounts represent the ROW permit fees.
- State Fire Aid revenue for the month was 100% above budget. This was due to this revenue having been budgeted in September but was received in October. On a year to date basis, revenue is 42% above budget due to receipt of supplemental aid received from the State of Minnesota of \$12,266.79. This was a result of the 2013 Omnibus Tax Bill which included a 30% global increase which was then allocated state wide.
- Plan review fees for the month were 35% above budget bringing the year to date revenue to 50% above budget.

Expenses:

Most departments continue to be below budget for the month and on a year to date basis as all Departments continue to be very cost conscious. A few key items to note:

- The annual League of Minnesota membership renewal was budgeted in September but was actually billed and paid in October resulting in a 100% variance for the month of October.
- The City Council recently approved the Administration Department to hire a lobbying firm to assist with the state grant application process. This monthly retainer of \$1k is reported as contract services and was not a budgeted expense resulting in a variance each month.
- Newsletter costs for the month are 100% over budget due to a timing difference between budget and actual. On a year to date basis, actual expenses are 14% below budget.
- The Planning Department has incurred expenses above the amounts budgeted for many expense items due to the City expansion initiative. The majority of the expenses were related to Engineering support and Contractor expenses.
- Fire prevention costs for the month were over budget but on a year to date basis the costs are right on budget. It was planned that the supplies would be ordered earlier in the year. Additional supplies were ordered in October.

- Engineering costs are above budget in the Building Inspection department for the month and on a year to date basis due to all the additional work necessary due to the growth initiative.
- The Cost for the Permit Works software and licenses of \$16.3k is reflected in the year to date Info technology costs for the Building Inspection department. This expense was not budgeted.
- The fuel cost in the Public Works department for the month and on a year to date basis are over budget due to the fall initiative of performing street maintenance before winter. The street maintenance expense is also over budget for this same reason.
- The part-time salaries under the Parks and Recreation department are higher than budgeted for the year due to having to cover the Park Maintainer functions with part time resources until the full-time position was filled. Overall the salary costs are lower than budget for the year.
- Please note that the salary and benefit expenses are based on more accurate departmental allocations than we had in August 2012 when the 2013 budget was initially compiled. As a result, some departments are above budget, while others are under but overall, personnel expenses are below budget.

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

ATTACHMENT:

1. October Financial Reports