



MAYOR & COUNCIL COMMUNICATION

DATE: January 19, 2016
REGULAR
ITEM #13

AGENDA ITEM: Financial Planning Services Agreement-Northland Services
SUBMITTED BY: Clark Schroeder, Interim City Administrator
THROUGH: Clark Schroeder, Interim City Administrator
REVIEWED BY: Finance Director Bendel, Finance Committee, Northland Securities

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: Interim City Administrator

IMPACT: Not to exceed \$3,000 for base model and \$160/hr for quarter (estimated at less than 4 hours per quarter) - unbudgeted expense

SUMMARY AND ACTION REQUESTED:

This item was initially presented to the City Council for consideration on December 15, 2015. At that time the item was tabled by the City Council with a request to add the item to the 1/12/16 workshop and have the workshop be a joint meeting with the Finance Committee to have further discussion on this topic. The workshop was held and all questions were discussed related to this item.

It is recommended that Northland Services be hired to take over the pro forma projection model as they have done similar work like this for the City in the past.

BACKGROUND INFORMATION (SWOT):

In 2012, the City of Lake Elmo entered into a contract with Northland Securities to provide Financial Planning Services/Analysis, specific to the Enterprise Funds. A detailed report was prepared and presented to the Lake Elmo City Council on February 28, 2013.

Since that time, a new model has been developed that has become unmanageable and cumbersome.

Hiring Northland will allow the City to return to a more simplified approach for analyzing the Enterprise Funds. Northland will develop and present a report to the Finance Committee and City Council and provide subsequent quarterly updates.

Strengths An independent analysis will provide the Council with a clear picture of the impact to the funds and free up staff time. It will remove the distraction and burden that has put on staff.

Weaknesses The City will have less detailed info and lose flexibility for interim updates.

Opportunities Northland is very familiar with Lake Elmo and the planned growth to date and envisioned for the future, thereby being best situated to provide advice to the Finance Committee and City Council.

Threats None identified.

RECOMMENDATION:

Staff is recommending that the City Council approve entering into a Financial Planning Agreement between the City of Lake Elmo and Northland Securities for an amount not to exceed \$3,000 for generating a pro-forma model for the Enterprise Funds and \$160 per hour for subsequent quarterly updates.

“Move to approve hiring Northland Securities Inc. to provide Financial Analysis Services to the City of Lake Elmo for an amount not to exceed \$3,000.00 for generating a pro-forma model for the Enterprise Funds and \$160.00 per hour for subsequent quarterly updates”.

ATTACHMENT:

None