



WHERE COMMUNITY AND SPIRIT MEET®

WORK SESSION MINUTES

A work session of the Kirkwood City Council was held on November 12, 2015, at 7:00 a.m. Present were Mayor McDonnell, Council Members Biedenstein, Griffin, Jaksetic, Luetzow, Sears, and Ward. Also in attendance were Chief Administrative Officer Russell Hawes, Assistant Chief Administrative Officer Georgia Ragland, and Public Information Officer Beth von Behren. City Clerk Betty Montañó was absent and excused.

APPROVAL OF WORK SESSION MINUTES

Motion was made by Council Member Griffin and seconded by Council Member Luetzow to approve the meeting minutes of November 5, 2015. The motion was unanimously approved.

ELECTRIC DEPARTMENT UPDATE

Director of Electric Mark Petty and GDS Associates consultant Chris Dawson were in attendance to present and discuss the Electric Department Update. A Power Point was presented. Some of the issues discussed are as follows:

- A brief summary of the past power supply situations pre-2009 and post 2009 were given.
 - A Strategic Plan and a Rate Stabilization Plan were implemented.
- Council Member Sears joined the meeting.
- The quality of Kirkwood's service is higher than Ameren's and the retail rates are lower than Ameren's.
- Things are on track relative to the budget.
- Kirkwood's single largest cost is Prairie State power, which is 67% of total power cost.
- Energy bought on the MISO market can have some fluctuations.
- The highest volume of energy purchased is in June, July, and August.
- The key electric issues going forward was presented and discussed.
- Kirkwood recently procured energy for 2018-2020 at a low market cost of 3.8 cents/kWh.
- Renewable energy benefits and costs was presented and discussed. Trying to look for a way to reduce our exposure to any potential carbon implications.
- The effect on customers the rate increase would have would be an increase of \$2.36/month for the first year and \$4.72/month for subsequent years.
- Question was raised regarding what the per kWh price is. Currently the residential price is 9 cents per kWh in the Winter and 10 cents per kWh in the Summer. The information regarding the cost per kWh is located in Chapter 23 of the Kirkwood Code of Ordinances.
- It was requested that council be supplied with the pages from Chapter 23 of the Kirkwood Code of Ordinances that deal with the cost per kWh for residential and commercial. Staff will provide the information to the council.
- Current and projected expenditures were presented and discussed.
- Director of Finance John Adams is working with Director of Electric Mark Petty and Chief Administrative Officer Russell Hawes on reviewing the Electric budget and expenditures.
- Discussions regarding the proposed rate increase will take place in January.



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2ND QUARTER FINANCIAL REPORT

Director of Finance John Adams presented and discussed the 2nd Quarter Financial Report. Some of the issues discussed are as follows:

- Balance Sheet – General Fund: Fund balance equals over 33% of the budgeted annual operating expenditures.
- Licenses, Permits, Fines & Fees: Shows a decline in collections compared to last year for court and building permits.
- Charges for Services: Shows a decrease in total revenues for the General Fund. Charges for services and investment income show an increase.
- Question was raised regarding why the collection fees for Planning and Zoning have decreased. Staff will check and let the council know.
- Expenditures: Are at less than 50% of authorized expenditures. Shows a decrease in net change in fund balance.
- Statement of Revenues, Expenditures, and Changes in Fund Balance – Police & Fire Property Tax Pension: Will receive the property tax distribution in December. Staff is keeping a close eye on this fund.
- Balance Sheet – Equitable Sharing Fund: No money is spent out of this fund without council approval.
- Statement of Revenues, Expenditures, and Changes in Fund Balance – Sewer Lateral Fund: Sewer Lateral charges exceeded the amount paid for the same period last year. A discussion took place. It was requested that the parameters of the program be supplied to the council.
- Statement of Revenues, Expenses, and Changes in Net Position – Electric Fund: Metered sales and operating expenses have decreased. A discussion took place.
- Statement of Revenues, Expenses, and Changes in Net Position – Water Fund: Metered sales have decreased and an increase in revenues. An update on the status of Capital projects was requested.
- Statement of Revenues, Expenses, and Changes in Net Position – Sanitation Fund: Revenues have remained stable, however, expenses have decreased due to less Capital expenses.
- Statement of Revenues, Expenses, and Changes in Net Position – Worker's Compensation Fund: Shows a large decrease in general liability.
- Statement of Revenues, Expenses, and Changes in Net Position – Medical Self Insurance Fund: Shows a decrease in claims paid. Question was raised regarding the amount of money for pending claims. The amount is approximately \$276,000.

The meeting was opened and adjourned.

Laurie Asche
Deputy City Clerk