



WHERE COMMUNITY AND SPIRIT MEET®

Minutes

CITIZEN'S FINANCE COMMITTEE

KIRKWOOD CITY HALL
139 S. KIRKWOOD ROAD
Main Level Conference Room

Friday November 19, 2010 - 7:00 A.M.

Attendance

Matthew Biere, John Banjak,
Kathy Paese, Mike Heyer, Ron Evens
Bonita Campbell

Council Liaison –

Staff Liaison – John Adams, Sandy Stephens, Teresa Knese

Staff – Georgia Ragland

Visiting Department Heads – Mark Petty

Absent

M Karl Hawkins, Ray DeVasto

CITIZEN COMMENT

There were no citizen comments.

Minutes 11/12/10 Meeting

Recommend approval Bonita Campbell; 2nd Ron Evens,
minutes approved

New Business:

- Budget review Georgia Ragland, John Adams, Sandy Stephens, Administration
- Budget review Mark Petty, Electric

Georgia Ragland (Administration):

- Passed out an informational article on reserves and other municipalities using reserves to balance budget.
- Machinery and Equipment this year includes buying new and refurbishing Christmas Decorations using LED lights for energy efficiency.
- Water usage charges up due to the Memorial Walkway fountain connected to City Hall building.
- Printing charges increased because it was felt they did not budget enough this year. Administration wants to turn the monthly utility bill insert into a mini newsletter instead of focusing on a particular topic every month.
- Strategic planning – Council looking at bringing in another facilitator to look at strategic planning this spring.
- Contingency – Fire and Police 2% increases when they reach maximum of their step increases.
- Personnel – Medical examinations are dependant on recruitment, random drug tests, accidents, etc.
- Legal – City Council biggest user, litigation second. Budget is pro-rated.
- Work Comp – Doing well with program. Christian doing a wonderful job and his professionalism is exemplary. Budget coming down because we now have a history since becoming self-insured and with a safety manager claims are decreasing.
- Other Professional Services – This account pays the third party administrator for work comp. It is based on claims and how complicated it is to administer. The city does not expect the budget to be exceeded.

John Adams (Finance):

- Rock Hill looking into other services the City of Kirkwood could provide for them; i.e. Financial Statements.
- Business licenses went down a little, but that does not mean Kirkwood is losing businesses. Business gross receipts down due to economic conditions.
- Liquor licenses increasing, Walgreens, Gas Stations, etc.

- Department objective is Internal Controls and conducting risk assessments. It is never ending, a continual process. Finance should have a good solid report by the end of this year.
- Online utility billing is rapidly growing.
- RFP's will be sent out for auditing services this year.

Mark Petty (Electric):

- Mark provided the Citizen Finance Committee with the power point presentation that was presented to Council last week. It provided information on what makes up calculating expenditures, rates, and revenues.
- De-regulation enabled us to look into new products and what companies are out there with products we can purchase.
- Mark gave a synopsis of power expenses from the Ameren contract that ended summer of 2009 through 2011 and beyond. With a rate increase project of 5% annually, the city is projected to increase the reserve fund to \$17M.
- Performance Indicators:
 - No staffing requests
 - Very little debt, self fund our improvements
 - Excellent customer service
 - Significant rate increase this year for commercial properties, going to \$.08 across the board
- Revenue increased over summer months due to warmer weather.
- Dropped from 5% to 1% on investments.
- Expenses expected to exceed revenue by 2.2M, but that includes capital.
- Capital has about 1M with depreciation.
- Capital repo dollars starting to be used up.

Next Meeting Discussion Topics:

- Fire and Recreation will present to the committee their operational and capital budget requests.

Meeting Adjourned: Next meeting Friday December 3, 2010 at 7:00 a.m. at City Hall