



## **WORK SESSION MINUTES**

A work session of the Kirkwood City Council was held on January 22, 2026, at 5:00 p.m. at Kirkwood City Hall, 139 S. Kirkwood Road, Kirkwood, Missouri. Present were: Mayor Gibbons, Council Members Jaksetic, Luetzow, McLean, Rheinnecker, Schaefer, and Zimmer. Also in attendance were Interim Chief Administrative Officer David Weidler, City Clerk Laurie Asche, Director of Finance Mary Sprung, Director of Public Services Chris Krueger, and Communications Manager Jessica Winter. Also in attendance were Members of the Citizens Finance Committee.

### **APPROVAL OF SPECIAL JANUARY 13, 2026 WORK SESSION MINUTES**

Motion was made by Council Member Schaefer and seconded by Council Member Zimmer to approve the minutes of the Special January 13, 2026 work session meetings. The minutes were approved with all in favor.

### **CITIZEN'S FINANCE COMMITTEE REPORT**

Citizen's Finance Committee (CFC) Chair Josh Loeffler, along with Members of the Committee presented the annual Citizen's Finance Committee Report to the City Council. Some of the discussion that took place is as follows:

- Cash Balances and Reserves:
  - Revenues have largely plateaued while expenditures continue to rise, resulting in declining unrestricted cash balances.
  - CFC identified contributing factors including deferred capital spending, interfund transfers, and unplanned impacts within the Electric Department.
  - CFC recommended discontinuing interfund transfers to allow enterprise funds to retain revenues for future capital needs.
  - CFC cited best-practice reserve targets of 30%–50% of annual operating expenditures for the General Fund.
  - CFC recommends a cash balance analysis of all department with the goal of establishing a standardized target for all departments throughout the City, as well as creating a 5-year plan to reach each targeted amount.
  - A discussion took place regarding the distinction between fund balance and unrestricted cash balance.

Motion was made by Council Member Luetzow and seconded by Council Member Zimmer directing the CFC to review and recommend unrestricted cash fund balance targets, starting in June of 2026. The motion was approved with all in favor.

- City Debt Service:
  - CFC reviewed recent Moody's downgrade to the City's debt rating.
  - Moody's cautioned against continued use of reserves and interfund borrowing.
  - CFC recommended limiting new debt issuance at this time.
  - Discussion took place regarding total bonded debt versus other liabilities such as compensated absences.



- Question was raised regarding if the COP's are affected by the downgrade?  
The answer is no.
- Capital Expenditures:
  - CFC expressed concern regarding insufficient long-term savings for capital assets.
  - It is important that each department add to their cash balances by saving for future expenses.
  - CFC recommended extending capital planning from a five-year to a ten-year horizon.
- Enterprise Operations:
  - Committee provided comparative data on municipal operation of water, electric, and sanitation services.
  - All three City Enterprises are currently operating with rates that are higher than market rates in neighboring municipalities.
  - CFC recommended a cost/benefit analysis of enterprises based on benefits to both residents and the City.
  - CFC voted 6-1 to recommend the sale of the Water Department, pending completion of the Water Committee review.
  - CFC advised pausing major water capital expenditures if sale is pursued.
- CFC recommends the City change audit firms every 5 years.
  - There is currently a Request for Proposals (RFP) out for these services.
- CFC recommended additional independent review related to Electric Department audit concerns.
- Electric: CFC recommends a deeper investigation, and more thorough audit by Sikich, into the financial issues surrounding the Electric Department.
  - The Council requested that a public statement be issued regarding what transpired with the Electric Department.
- Sanitation: CFC noted rates exceed many neighboring communities and recommended cost-benefit analysis if disparity continues.
- Parks and Recreation: CFC recommended identifying potential revenue opportunities including enhanced concessions, alcohol sales at the ice rink, and facility sponsorships.
  - Aquatic Center: CFC recommends an internal review of capital needs over the next three years, and pending the results of the assessment, the City should consider a permanent hiatus in the operation of the current Aquatic Center.
- Streets: CFC recommends continuing existing funding amounts for streets maintenance, in addition to the new citizen-approved TDD funds.
- Fire: CFC recognizes the Department's request for additional staff at Firehouse #3. However, the CFC recommends not proceeding with the additional staff given the existing financial constraints within the General Fund.



WHERE COMMUNITY AND SPIRIT MEET®

- Question was raised regarding if the CFC reviewed the three Firehouses to determine if three is enough or too many? The CFC did not review, but recommends the Council performing a capital feasibility study.
- A discussion took place regarding the Ready Rebound Program.

Motion was made by Council Member Zimmer and seconded by Council Member Schaefer to direct to CFC to analyze the Ready Rebound Program with City staff at the same time they are reviewing unrestricted cash fund balance targets. The motion passed with all in favor.

- Council requested that staff provide them with the plans for the Mrazek buildout.

Since no further matters were to come before the council, the meeting was adjourned.

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Laurie Asche  
City Clerk