



WHERE COMMUNITY AND SPIRIT MEET®

SPECIAL WORK SESSION MINUTES

A special work session of the Kirkwood City Council was held on January 29, 2026, at 4:30 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, and Director of Finance Mary Sprung. Council Member Rheinnecker participated via Zoom.

APPROVAL OF THE JANUARY 15, 2026 WORK SESSION MINUTES

Motion was made by Council Member Zimmer and seconded by Council Member McLean to approve the minutes of the January 15, 2026 work session meeting. The minutes were approved with all in favor.

INTERIM CHIEF ADMINISTRATIVE OFFICER BUDGET PRESENTATION

Interim Chief Administrative Officer David Weidler presented the Budget Report.

Some of the discussion that took place is as follows:

- The final budget books were not yet available due to ongoing revisions and printing timelines, with delays attributed to third-party budget software. Full budget books expected to be distributed within the next several days.
- General Revenue Overview:
 - Revenues continue to plateau, particularly sales tax.
 - Sales tax growth has slowed significantly compared to prior years.
 - Other revenue sources remain relatively stable.
 - City is still determining whether the current fiscal year will close with a small surplus or require use of fund balance.
 - Final outcome will not be known until all revenues and expenses are realized.
 - Questions were raised regarding timing of property tax and sales tax receipts. Property tax collections continue to arrive in incremental payments. Sales tax revenues lag actual economic activity by approximately six weeks to two months.
 - Question was raised regarding whether holiday shopping could materially improve results. Holiday-related increases were modest and insufficient to significantly change projections.
 - Concern was raised that inflation and rising consumer prices have not translated into higher sales tax revenues. Discretionary spending has tightened despite higher prices. Shift toward value-based shopping and pooled sales tax arrangements with St. Louis County limit local gains. Big-box and online retailers capture a significant portion of increased spending.
 - Wayfair and online sales tax revenues were noted as a positive offset, but not enough to overcome broader trends.
 - Staff will update the Council on a monthly basis regarding revenues.
- Personnel Cost Overview & Proposed Compensation Adjustments:
 - Personnel costs account for approximately 70% of the General Fund.
 - In FY25, across the board pay was adjusted to 65% of market from 55%, and the City's deferred compensation match was increased from 2% to 3%.



- There has been significant growth in personnel costs since FY 2022. Growth attributed to competitive labor markets, wage compression, and benefit adjustments.
- Proposed budget includes:
 - 1.5% merit increase for employees in April 2026.
 - 1.5% cost-of-living adjustment in January 2027.
 - Additional 1.5% across-the-board step increase for police and fire personnel.
- Public safety compensation studies are ongoing and expected to exceed 1.5%.
- A market study is currently being performed and results will be presented to Council for direction.
- Question was raised regarding how proposed increases compare to actual CPI trends. CPI exceeded budgeted levels in the prior year.
- Discussion took place regarding the possibility of combining merit and CPI into a single annual adjustment. The consultant recommendations to keep merit and CPI separate to preserve performance-based distinctions.
- The \$15 minimum wage has been incorporated into the budget, with seasonal camp positions working fewer than four months are exempt. All other eligible positions are included.
- Police and Fire Scheduling & Overtime:
 - Fire personnel work a 2,912-hour annual schedule.
 - Built-in overtime is included within salary calculations. Additional overtime occurs for shift changes, coverage, and special circumstances, and calculations vary based on work cycles.
 - It was requested that the budget include which costs are reflected in which line items.
- Administration Department and Insurance Programs:
 - No increases anticipated for medical or workers' compensation insurance.
 - Favorable performance of self-insured plans discussed.
 - Wellness initiatives, biometric screenings, and injury prevention efforts reviewed.
- Management Information Systems (MIS):
 - FY27 Capital items include: Upgrade personal computers (\$15,000) and Vulnerability testing (\$35,000).
- Facilities Operations Department:
 - FY27 Capital items include: Firehouse #2 roof replacement (\$165,000), City Hall east stairwell ceiling repairs (\$35,000), and KPAC generator installation (\$58,000).
 - Discussion took place regarding the installation of the generator at KPAC. The current generator is a rental. The new generator has already been purchased and needs to be installed.
- Finance Department:
 - Concern was raised about limited finance staffing capacity and question was raised regarding if a Financial Analyst position was included in the proposed budget. The position is not included.
 - Discussion took place regarding the balance between legal expenditures and Finance Department support.



- Staff agreed to further explore staffing options prior to next meeting.
- Fleet Services:
 - FY27 Capital items include: Pickup truck (\$65,000)
- Police Department:
 - FY27 Capital items include: 3 Patrol vehicles (\$205,000), 1 leased vehicle (\$10,300), and mobile data terminals (\$10,000).
 - In FY27 the Police Department will be exploring a new staffing model in dispatch to reduce costs and maintain services to the community. These costs savings could save approximately \$309,000.
- Fire Department:
 - FY27 Capital items include: 1 Command vehicle (\$75,000) and ventilators (\$32,850).
 - Question was raised regarding if the Ready Rebound Program was being recommended for Fire. Not at this time. The Citizens Finance Committee will be provided with data to evaluate the program.
 - Question was raised regarding if the projected net ambulance revenue has been updated in the proposed budget. The projected revenue is the same as last year.
- Planning & Development Services:
 - Staff recommends that the FY27 focus for long-range planning be focused to another sub-area study identified in the EnVision 2035 Plan, the Leffingwell Avenue area. Staff believes that the changing conditions in the area with the construction of the Grant's Trail extension warrant prioritization for this study. Because the study is intended to include a review and potential update to the City's Comprehensive Plan, there is a current estimated budget of \$70,000.
- Engineering Department:
 - FY27 Capital items include: Street restoration program (\$1,114,000), TDD projects (street restoration) (\$1,000,000), TDD projects (local grant match) (\$1,800,000), SBD TDD projects (\$200,000), Sidewalk improvement program (\$150,000), Pavement striping and markings (\$90,000), Bridge maintenance and design (\$50,000), Kirkwood Road Phase 1 – STP-5502(611) (\$3,500,000), Clay Avenue improvements – STP-5502(614) (\$801,975), Kirkwood Road Phase II – STP-5502(615) (\$1,304,680), Grants Trail Phase 1 (TAP) (\$1,292,785), Grants Trail Phase 2 (STP) (\$2,400,000), and Laven Del Lane stormwater project (\$300,000).
- Forestry Division:
 - Concern was raised regarding complaints being received regarding funds being more focused on tree removal rather than tree planting.
 - It was recommended that a maintenance fund be created for the maintenance of trees.
- Sanitation Department:
 - FY27 Capital items include: Replacement roll carts and receptacles (\$20,000), Rearloader truck (\$150,000), Sideloader truck (\$325,000), Roll-off truck (\$160,000), Recycling Center cardboard baler (\$160,000), and Transfer station compactor (\$160,000).
 - A 10% rate increase is anticipated in FY27.
 - Discussion took place regarding single-stream recycling.



- Street Department:
 - FY Capital items include: Skid steer (\$90,000) and Pickup truck (\$65,000).
 - New in FY2, it is proposed that the Street Department take on all permanent street repairs after a water main break that are less than 10' x 10'. This is expected to save approximately \$300,000 annually.
- Water Department:
 - FY27 Capital items include: Water main replacement (\$2,425,600), Park No. 1 pump station replacement (\$500,000), Lead service line replacement (\$400,000), Lead service line identification (\$400,000), Tank asset management (\$428,000), 20" butterfly valves (\$100,000), Dump truck (\$120,000), and Backhoe (\$150,000).
 - The FY27 proposed budget includes a rate increase of 5%.
 - Question was raised regarding if the \$1 per month service line fee that goes to St. Louis County could come back to the City.
 - Question was raised regarding if the City could hire an Engineer to develop engineering drawings for water main replacements in-house. Staff agreed to further explore staffing options.
- Recreation Department:
 - FY26 budget includes funding for a consultant analysis of all aspects of rebuilding/replacing the Aquatic Center, which is currently underway and expected to be complete in FY27.
 - Included in the proposed FY27 budget is concession and service at the Community Center. Further discussion will take place regarding this at an upcoming work session.
 - Council requested a Profit & Loss Statement for the KPAC.
- Electric Department:
 - FY27 Capital items include: Distribution line services (\$250,000).
 - Staff reviewed impacts of recent electric rate adjustments.
 - Mild December weather reduced consumption; colder January increased usage.
 - Regional outages limited wholesale power cost spikes.
 - Electric department budget reflects reduction from historically inflated levels.
 - Overtime budget increased to better reflect actual experience.
 - Concerns were raised about repeated discrepancies between budgeted and actual overtime. Examples cited showing overtime more than doubling budgeted amounts in prior years.
 - Concern was raised that budgets are built from prior budgets rather than actuals.
 - Discussion took place regarding the advance from Electric Fund to General Fund. Question was raised regarding whether the advance should be treated as a formal interfund loan. The possibility of charging interest was discussed. Interest is not currently budgeted but could be evaluated.
 - Concern was raised about cumulative electric fund losses.
- Transfers from Enterprise Funds have been halted.
- It was requested that Council be provided the status of reserves in the General Fund at the beginning of each year.



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- Question was raised when Council will start receiving quarterly financial reports. This will start taking place in April.
- It was requested that staff obtain a quote to up fit the Main Level Conference Room with the appropriate technology to be able to hold more interactive meetings and allow for live streaming. Staff will explore.
- Additional budget work sessions anticipated throughout February.
- Staff will continue refining projections and identifying cost controls.

MOTION TO CLOSE THE MEETING

Motion was made by Council Member Zimmer and seconded by Council Member Schaefer to close the meeting pursuant to RSMo Chapter 610.021 (1 - Legal).

Roll Call:

Mayor Gibbons	“Yes”
Council Member Jaksetic	“Yes”
Council Member Luetzow	“Yes”
Council Member McLean	“Yes”
Council Member Rheinnecker	“Yes”
Council Member Schaefer	“Yes”
Council Member Zimmer	“Yes”

The meeting was closed. Council Member Rheinnecker left the meeting.

MOTION TO OPEN THE MEETING

Motion was made by Council Member Jaksetic and seconded by Council Member Schaefer to open the meeting.

Roll Call:

Mayor Gibbons	“Yes”
Council Member Jaksetic	“Yes”
Council Member Luetzow	“Yes”
Council Member McLean	“Yes”
Council Member Rheinnecker	Absent
Council Member Schaefer	“Yes”
Council Member Zimmer	“Yes”

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

Laurie Asche
City Clerk