MINUTES OF CITY COUNCIL FY 2026
SPECIAL BUDGET WORK SESSION MEETING
CITY OF KENNESAW
Council Chambers
(2529 J.O. Stephenson Avenue, Kennesaw, GA 30144)

Livestream: www.kennesaw-ga.gov/publicmeetings/
June 30, 2025
7:00 PM

Present	Mayor Derek Easterling Mayor Pro Tem Pat Ferris Councilmember Madelyn Orochena Councilmember Tracey Viars Councilmember Antonio Jones Councilmember Anthony Gutierrez City Clerk Lea Alvarez City Manager Jeff Drobney

1. Invocation

2. Pledge of Allegiance

3. Call to Order

Mayor Easterling called the meeting to order at 7:45 p.m.

4. Announcements

5. Presentations

6. Old Business

7. New Business

A. **Budget: FY 2025-2026**
Draft Operating and Capital Budget for Fiscal Year 2025-2026.

City Manager Jeff Drobney presented the Fiscal Year 2026 recommended budget to the Council for their consideration. The Fiscal Year 2026 proposed budget is $34,561,990, which is an approximate 7.7 percent increase from last year. Dr. Drobney provided some highlights regarding the budget, including the recommended millage rate remaining at 7.75 mills, a three percent recommended Cost of Living Adjustment for all staff, and $635,570 to fund the City's reserve account. For Fiscal Year 2026, projected benefits and health care costs increased by approximately seven percent and retirement contributions increased by approximately 5 percent. Both costs are spread throughout each department. Dr. Drobney reviewed all proposed budget assumptions, including all revenue and expenditure highlights. The 100% senior tax exemption is projected to total $1,811,906 in dollars not being collected into the General Fund. Some of the expenditure highlights include how the Court Project fund, Court Services Improvement fund, Stormwater fund, Reserve fund, and Impact Fees will be used to cover various projects and needs [See **Exhibit A**].

Department Heads presented their operating budgets, highlights, any capital outlay items, and position summaries for their departments, respectively.

8. Committee and Board Reports

9. Public Hearing(s)

10. Consent Agenda

11. General and Administrative

12. Public Safety

13. Information Technology

14. Public Works and Building Maintenance

15. Recreation and Culture

16. Community Development

17. Public Comments

18. City Manager's Report

A. Reports, Discussions, and Updates

19. Mayor's Report

A. Mayor and Council (re)appointments to Boards and Commissions. This item is for (re)appointments made by the Mayor to any Board, Committee, Authority, or Commission requiring an appointment to fill any vacancies, resignations, and to create or dissolve boards and commissions, as deemed necessary.

20. Council Reports & Discussions

21. Executive Session

Pursuant to the provisions of O.C.G.A 50-14-3, the City Council could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney; and/or personnel matters; and/or real estate matters.

22. Adjourn

Mayor Easterling adjourned the meeting at 8:47 p.m.

Lea Alvarez

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Lea Alvarez, City Clerk

Honoring Our Heritage - Forging Our Future

City of Kennesaw, GA

FY 2026 Recommended Budget

Jeff Drobney

City Manager

Overview

After nearly three months of planning, budget reviews, and meetings, we’re here tonight to present the recommended FY26 budget. This has truly been a team effort, and I want to acknowledge the exceptional work of our Finance team—Jennifer, Tony, and Allen—who have each gone above and beyond. Special thanks to Anna for her meticulous attention to detail and her unwavering support wherever it was needed. Their professionalism and teamwork have been outstanding throughout this process. This proposed budget reflects the priorities we've heard from our residents and reinforces our shared commitment to delivering high-quality services and enhancing the quality of life in our community. It also demonstrates fiscal responsibility, incorporating thoughtful planning to help safeguard against potential future challenges—whether economic, environmental, or otherwise.

FY 2026 Recommended Budget

- Staff is presenting for consideration the Fiscal Year 2026 Recommended Budget totaling $34,561,990. This refers to the period of time between October 1, 2025 and September 30, 2026.
- Property taxes remain the City's largest source of revenue. A projected 2% increase in property tax revenue is driven by new development and re-valuations by the Cobb County Tax Assessor. In most cases, residents with the Floating Homestead Exemption will not see an increase. In 2024, steady growth and conservative budgeting allowed Kennesaw to reduce the millage rate of 8 mills to 7.75 mills.

Budget Highlights

- Recommend millage rate remains steady at 7.75 mills
- Real, Bond and Personal Tax Revenue budgeted at 2% increase over current year actual
- $635,570 to fund City's reserve account
- There is a 3% COLA proposed in the FY 26 budget
- Salary budgets in all departments include budgeting the cost of employees selling sick & vacation time as allowed by City policy, based on historic trends
- FY 26 projected benefit and health care costs increased by approximately 7% and retirement contributions decreased by approximately 5%– both are spread throughout each department
- Property and liability insurance rates across the state of Georgia have increased due to claim trends and increased replacement costs – Our GIRMA premium increased $41,675 or 7%
- Increase of overall budget between FY 25 and FY 26 is approximately 7.7%

Revenue Highlights

- We are seeing a decrease in Building Services revenues in FY25 and project these revenues will continue to fall in FY26. This is primarily due to a slowdown in development activity. This decrease is largely driven by rising construction costs, influenced by inflation and increased tariffs on building materials. These financial pressures have caused developers to delay or scale back projects, resulting in fewer permit applications and reduced revenue for the City. Eight (8) months into FY 25 building permits, architectural plan review services, plumbing, HVAC, grading, and electrical permits are only at approximately 45% of the projected revenue. Annual revenues for these six (6) budget lines were projected to be $842,000. Actual revenue at eight (8) months into FY 25 is $375,376.
- Other revenue lines such as Business & Occupation tax, alcohol fees – both on premise and retail, Sunday sales, recreation program fees, and summer and sports camps fees, all reflect a healthy consumption economy and that both residents and non-residents are participating in our recreation programs in record numbers.

Revenue Highlights – Senior Tax Exemption

The 100% Senior property tax exemption continues to have a significant negative impact on the General Fund. Any resident over 65 years of age is exempt from City of Kennesaw ad valorem property tax for the property on which they reside. This exemption has been in place since 1959 and for FY 26, the total dollar amounts not being collected into the General Fund is projected to total $1,811,906.

This is approximately a 6% increase of the FY 25 amount of $1,711,454 and an 18% increase over the FY 24 amount of $1,534,445. This is an approximate 465% increase since 2012 when the amount totaled $320,576. With the youngest baby boomers (age 59) being born in 1965 and with 10,000 people a day turning 65 years of age, the impact of the 100% senior exemption will continue to grow and have a larger impact on the General Fund. The senior exemption surpassed $1 million dollars in FY 2022.

If present trends continue the total amount of the senior exemption will surpass $2 million dollars in FY 27.

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City of Kennesaw, GA

FY 26 Expenditure Highlights

Personnel

Requests for ten (10) new full-time positions and two (2) part-time positions were received from the departments.

It is being recommended to:

- Add two (2) new full-time positions. Both positions will begin mid-fiscal year pending final review of revenues at the time of posting. The total budgeted impact of salary and benefits of new full-time positions for FY 2026 is approximately $54,400.
    - Custodian in Building Maintenance to perform general janitorial and light maintenance work at the new Public Safety Facility
    - Horticulture Technician at Smith-Gilbert Gardens to support maintenance of the Garden's seventeen acres
- Add two (2) part-time seasonal positions. The total budgeted impact of salary and benefits of new part-time positions for FY 2026 is approximately $34,800.
    - Parks Worker 1 (x2) to support the growing number of revenue-generating tournaments and sporting programs at Adams Park by ensuring the facilities are clean, safe, and professionally maintained

New Positions			
Department	**Position**	**GF Impact Half-Year**	**GF Impact Full-Year**
Building Maintenance	FT Custodian – Public Safety Facility	$27,400	$53,400
Smith-Gilbert Gardens	FT Horticulture Technician	$27,000	$53,500
Parks & Recreation	PT Adams Park Worker 1 (x2)	$17,800	$34,800

Court Project Fund

Court Project Fund		
Department	Item	Amount
Police	B&T Subguns (10)	$41,000
Police	40MM Launchers (6)	$16,000

Court Services Improvement Fund

Court Services Improvement Fund		
Department	Item	Amount
Court	Court Lobby Audio Upgrades	$1,500
Police	Patrol Rifles (30)	$120,000

Impact Fees

Impact Fees		
Department	Item	Amount
Parks & Recreation	Replacement lights and poles replacing lights on fields 5 & 6 in Adams Park	$320,000
Police	Public Safety Facility	$200,000

Stormwater Fund

Stormwater Fund	
Item	Amount
2025 Ford Escape for Stormwater - Replacement	$35,000
2025 Ford Explorer for Stormwater - Replacement	$43,000
Mack Dobbs/Summer Stream Storm Replacement	$1,000,000
Cherokee St./Ben King Improvement Storm	$1,000,000

Reserve Spending

City of Kennesaw, GA

Reserve Account	Item	Amount
Working Capital Reserve	Continued street paving	$500,000
Working Capital Reserve	Cobb International Project: The City was awarded a $2,000,000 grant for a reclamation and resurface project on Cobb International Blvd. The grant is being funneled through Georgia DOT who requires a 25% match.	$500,000
Working Capital Reserve	LCI Study: The City was awarded Atlanta Regional Commission's Livable Centers Initiative (LCI) grant $160,000. This is an 80% reimbursable grant. The total cost for the LCI study is $200,000.	$40,000
911 Reserves	911 Operations Renovation	$125,000

Capital Requests – General Fund

City of Kennesaw, GA

Capital Requests Funded from General Fund		
Department	Item	Amount
Museum	Two Way Motorola Radios	$9,000
Parks & Rec	2025 Ford Explorer	$40,000
Parks & Rec	Enclosed Trailer	$10,000
Parks & Rec	Exmark Zero Turn Rear Discharge Mower	$14,000
Parks & Rec	Leaf Vacuum	$23,500
Police	Ford Utility SUV for patrol	$95,000
Police	Ford Utility SUV for patrol	$95,000
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Police	Ford Utility SUV for patrol	$95,000
Police	Ford Utility SUV for patrol	$95,000
Police	Ford Utility SUV for patrol	$95,000
Police	Ford Utility SUV for detective	$65,000
Police	Ford Utility SUV for detective	$65,000
Police	Ford Utility SUV for detective	$65,000
Police	Ford Explorer XLT for Admin (Internal Affairs)	$60,000
Public Works - Fleet	2025 GMC SUV for City Manager – Replacement – current vehicle will become part of fleet	$60,000
Public Works - Fleet	2025 Ford Ranger 4x4 XL for Public Works - Replacement	$38,000
Public Works – Streets	Exmark 60" Turn Mower - replacement of 2018 mower	$14,000
Public Works - Streets	Black Cat Radar Traffic Counter	$9,400
	Total	**$1,042,900**

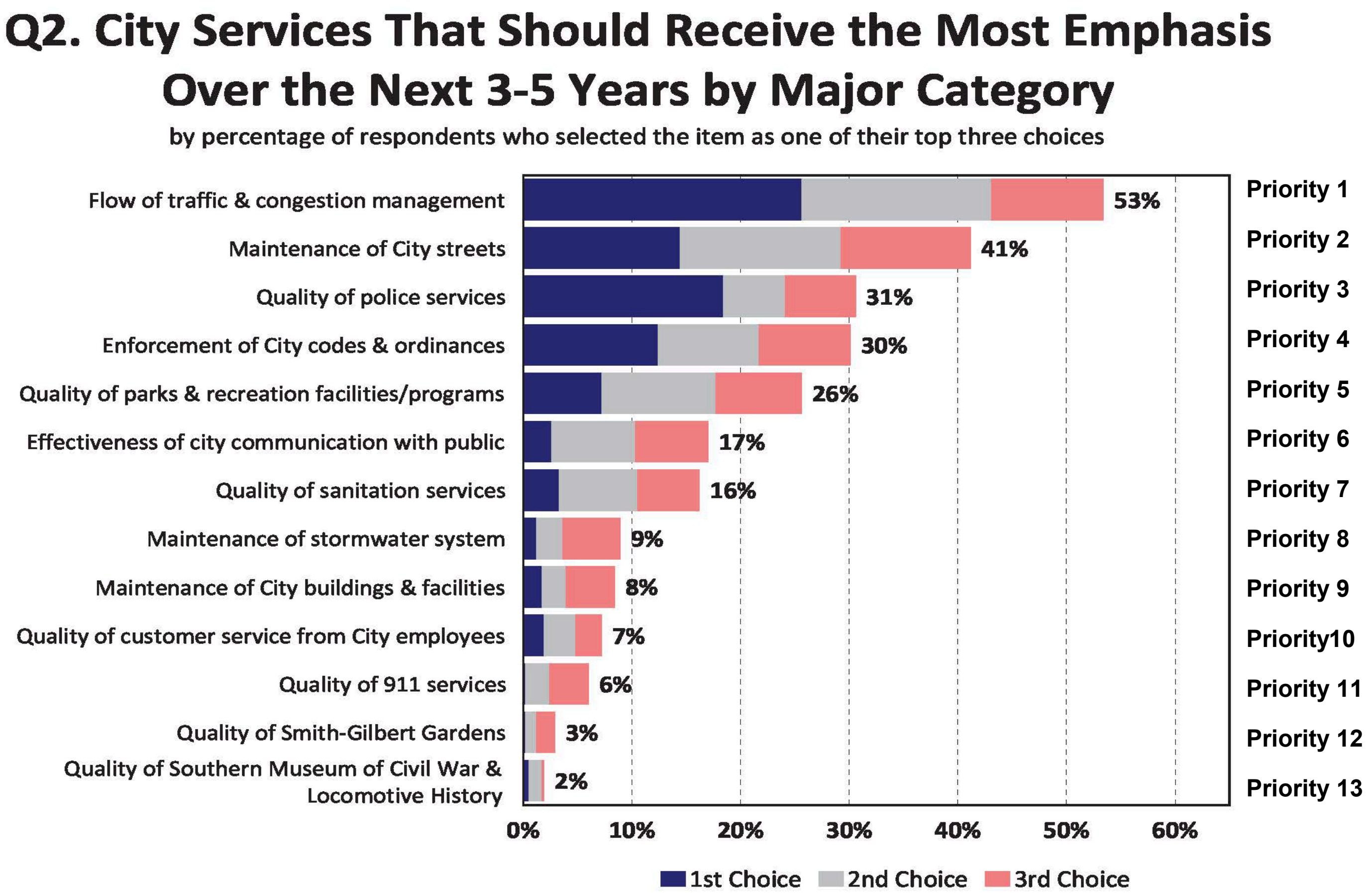
Non-Capital Requests

Non-Capital Requests Funded from General Fund		
Department	Item	Amount
Cemetery	Section III Tree Removal	$9,300
Communications	ADA & WCAG 2.1 Level AA Accessibility Compliance for City Communications	$10,000
	Total	**$19,300**

How Are we Funding Community Priorities?

Community Priorities

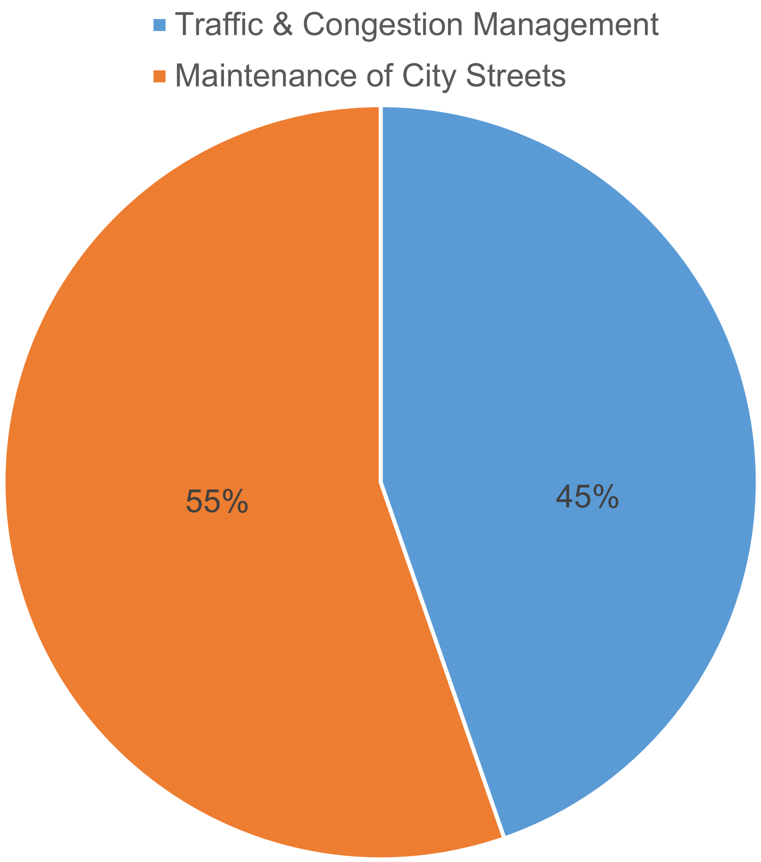
2022 City of Kennesaw Community Survey: Findings Report



Priorities 1 & 2: $18.2 Million (2022-2025)

Traffic & Congestion Management
- Ben King Road: $1,119,220 *(2016 SPLOST)*
- Cherokee Street: $3,390,723 *(2011 SPLOST)*
- Sardis Street Overpass: $1,083,304 *(2016 SPLOST)*
- Sardis Street Extension: $2,495,849 *(2016 SPLOST)*
- Sardis Street: $62,888 *(2022 SPLOST)*

Maintenance of City Streets
- Mack Dobbs Road (completed in 2024): $2,064,697 *(2016 SPLOST)*
- McCollum Pkwy/Ben King Road Roundabout (completed in 2022): $1,116,000 *(2016 SPLOST)*
- Neighborhood Street Improvements: $785,000 *(2022 SPLOST)*
- SLFRF 2022-2024: $4,203,577
- LMIG 2023-2025: $1,455,158
- CDBG 2023-2025: $467,324



Priorities 1 & 2: $2.1 Million (2025-2026)

GDOT LRA and SLGRG: $970,000

- Street & Right-of-Way Paving *(details in provided table)*

Reserve Fund: $500,000

- Street Paving Projects – Streets TBD

CDBG: $300,000 *(approximate)*

- Woodland Acres Subdivision – Phase IX

LMIG: $425,000 *(approximate)*

- TBD, currently evaluating next year's list

Street & Right-of-Way Paving		
Street Name	To	From
Dobbins Dr	Cherokee St	End
Duncan Dr	Main St	Big Shanty Dr
Kennesaw Station Dr	McCollum Pkwy	Timber Ln
Lee Ct	Kennesaw Station Dr	End
Grant Ct	Kennesaw Station Dr	End
Shirley Dr	Cherokee St	Cherokee St
Randolph Cir	Shirley Dr	Shirley Dr
White Oak Cir	Shirley Dr	Shirley Dr
Deerfield Dr	Moon Station Rd	End
Deerfield Ln	Deerfield Dr	Deerfield Pl
Deerfield Pl	End	End
Deerfield Way	Deerfield Pl	Deerfield Dr
Karen Lane	Dobbins Dr	Maple Dr
Terry Lane	Dobbins Dr	Maple Dr
Smith Dr	Dobbins Dr	Cherokee St
Scarlet Lane	Smith Dr	Twelve Oaks Cir
Pine Hill Circle	Big Shanty Dr	Big Shanty Dr
Pine Hill Dr	Cherokee St	Duncan Dr
Lula Ln	Pine Hill Dr	Carrie Dr
Carrie Dr	Pine Hill Dr	Big Shanty Dr
Madison Main	Legacy Park Cir	Marquette Way
Weeks Dr	Cherokee St	End
Thorngate Dr	Baker Rd	Thorngate Lane
Thorngate Lane	End	End
Thorngate Court	Thorngate Dr	End
Thorngate Way	Thorngate Lane	End
Collier Trace	Madison Main	End
Seattle Place	Kirkwood Dr	End

Priorities 1 & 2: $5 Million (2025 & Beyond)

Federal Grants

- $3,000,000 for neighborhood street resurfacing, sidewalk installation, and drainage improvements in Kencrest, Tara, Kennesaw Heights, Kennesaw Springs and Black Jack Estates
  - Kencrest neighborhood improvements planned for Fall 2025
- $2,000,000 to start repaving Cobb International Boulevard
  - Design to begin November 2025, construction November 2026

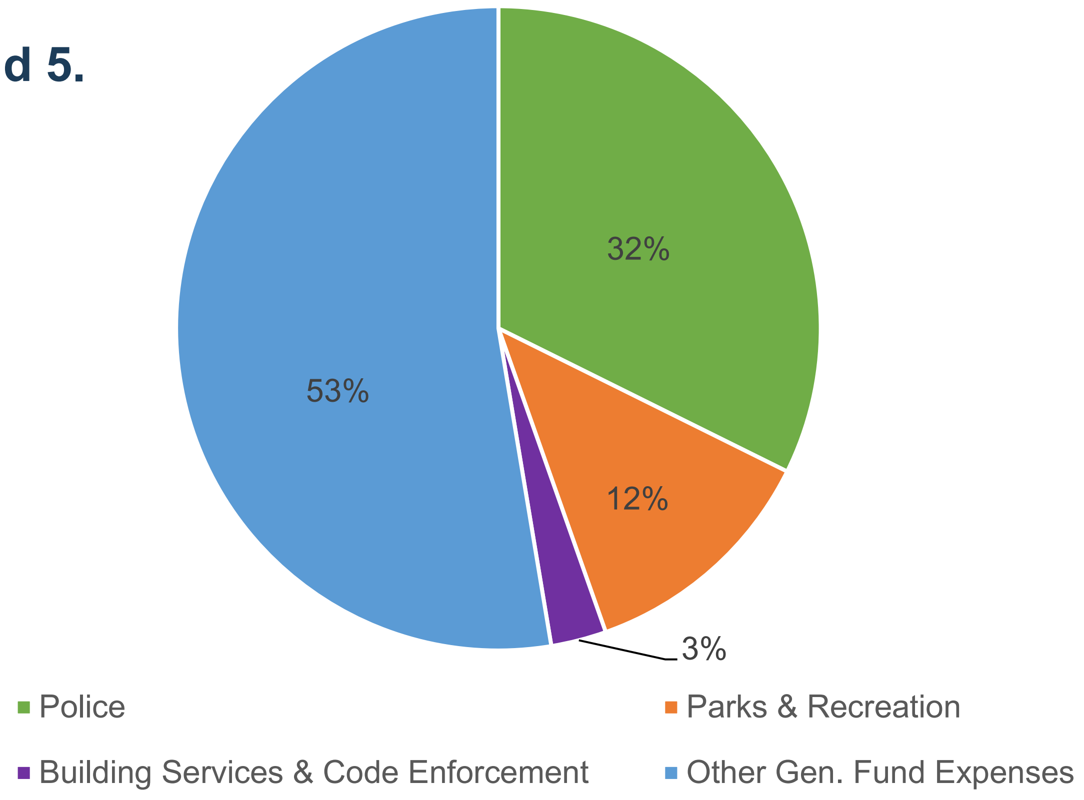
Priorities 3, 4, & 5: $27.3 Million (FY 24 and FY 25 General Fund)

Nearly half (47%) of the $57 million in the FY 24 and FY 25 combined budgets supported Priorities 3, 4, and 5.

Quality of Police Services
Total PD Budget: $18,651,812

Enforcement of City Codes & Ordinances
Total Building Services Budget: $1,601,427

Quality of Parks & Recreation Facilities/Programs
Total Parks & Rec Budget: $7,077,803



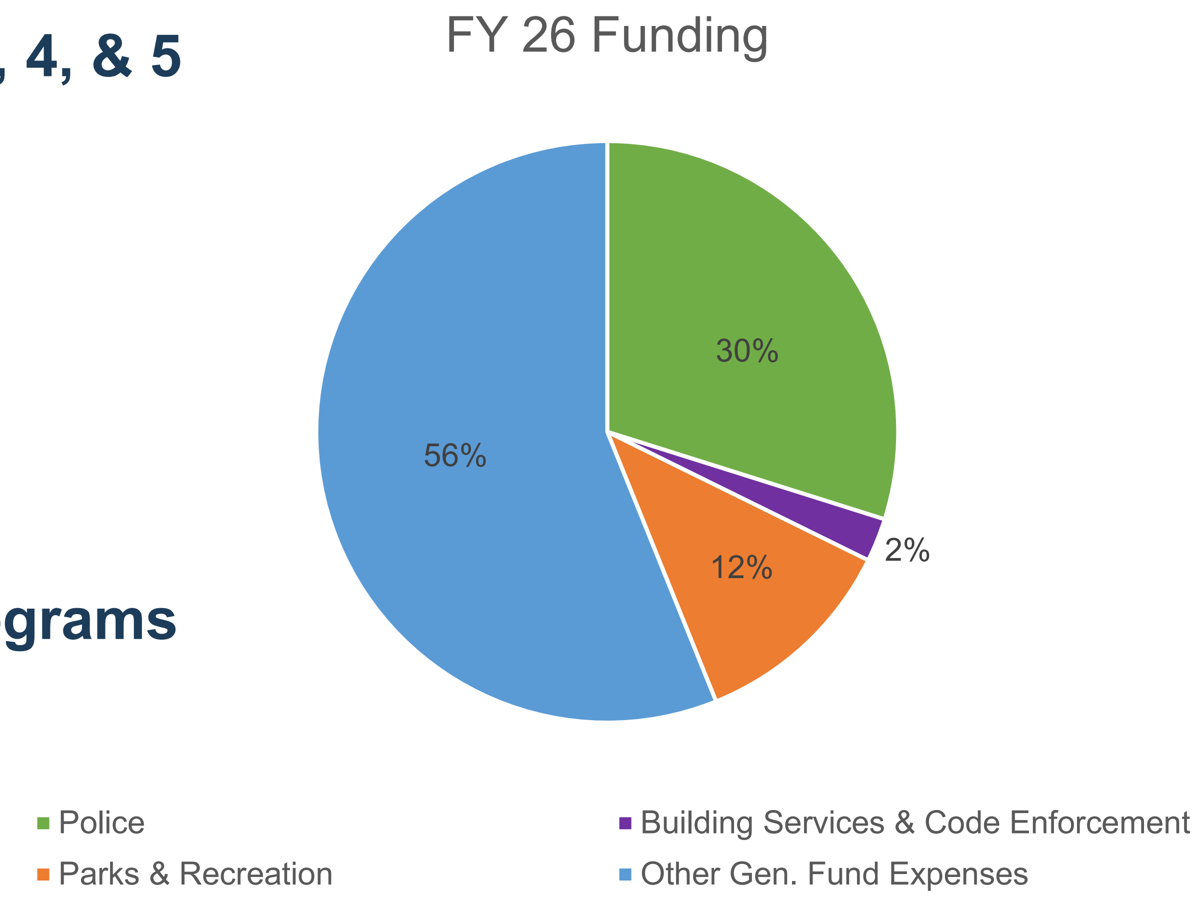
Priorities 3, 4, & 5: $34 Million (FY 26 General Fund)

44% of FY 26 Budget is funding Priorities 3, 4, & 5

Quality of Police Services
Total PD Budget: $10,322,085

Enforcement of City Codes & Ordinances
Total Building Services Budget: $836,015

Quality of Parks & Recreation Facilities/Programs
Total Parks & Rec Budget: $4,014,020



Thank You!

Names and Addresses will be disclosed in the Permanent Minutes of the City of Kennesaw

PLEASE MAKE SURE YOUR NAME IS LEGIBLE AND CLEAR

City Council FY 26 Budget Work Session
6/30/2025
Public Comment Sign-in

	Name	Address	Topic
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