

# Fiscal Year 2027 Budget Presentation

## Operating and Capital Budgets



May 05, 2026



# ONE CHATTANOOGA THROUGH LINES

ONE CHATTANOOGA will put our city on the path to shared prosperity and common purpose, with **7 goals and 40 key priorities**.

## BUILD A UNIVERSAL PATH TO EARLY LEARNING

1. Expand access to early learning for all families
2. Integrate our early learning programs from prenatal care
3. Train the next generation of excellent early learning professionals
4. Partner with Hamilton County Schools to provide high opportunities and services for families

## CATALYZE ECONOMIC VITALITY IN THE BLACK COMMUNITY

5. Make Chattanooga an investment-ready early learning city
6. Increase pathways to entrepreneurship and access to capital
7. Create robust and accessible workforce development programs
8. Commit to meaningful and constructive recidivism reentry programs
9. Ensure city purchasing and procurement practices maximize economic benefits
10. Advance arts, culture, and the creative economy across the city
11. Invest in historically underserved neighborhoods
12. Engage and involve the whole community in city planning
13. Expand affordable housing inventory across the city
14. Diversify the range of capital options available for affordable housing development

## ENSURE AFFORDABLE HOUSING CHOICES FOR ALL CHATTANOOGANS

15. Expand supportive housing resources to end chronic homelessness
16. Support both tenants and housing providers with eviction prevention resources
17. Preserve land for affordable housing in transition neighborhoods
18. Ensure timely, equitable, and responsive repairs to prevent homelessness

## IMPROVE LOCAL INFRASTRUCTURE & PUBLIC TRANSIT

19. Develop a strategic capital plan that includes long-term infrastructure investments
20. Modernize and invest in our public transit system
21. Design Chattanooga for sustainable and inclusive infrastructure
22. Expand and connect our local parks, trails, and green spaces
23. Invest in sustainable and resilient infrastructure

## BUILD A COMPETITIVE REGIONAL ECONOMY

24. Attract higher-paying jobs with targeted economic recruiting
25. Grow household income for all Chattanoogaans through workforce development and skills-training
26. Ensure essential City workers are paid a living wage
27. Lead in the emerging green economy
28. Foster a welcoming, inclusive, and prosperous city for New Americans
29. Refine Chattanooga's competitive advantages and traded clusters vs. rival cities

## CLOSE THE GAPS IN PUBLIC HEALTH

30. Address racial and economic disparities in public health outcomes
31. Prevent violence in our community by addressing root causes
32. Support youth development with intentional support and opportunities
33. Destigmatize mental and emotional health, leading with City policies
34. Ensure all Chattanoogaans have access to fresh, healthy, and affordable food
35. Leverage and improve outdoor spaces to advance public health
36. Streamline our city processes and prioritize innovative approaches to city services

## PROVIDE RESPONSIVE AND EFFECTIVE LOCAL GOVERNMENT

37. Increase opportunities for residents to engage local government
38. Implement practices and policies that ensure transparency and accountability
39. Invest in technology, platforms, and practices that allow Chattanooga to lead with citizen involvement and engagement
40. Advocate for local control over local issues and policies at the state and national level

# FY27 Budget Highlights



## Investment in City Employees

A 3% COLA increase city-wide (Sworn and Civilian) to keep pay competitive. This is in consideration of the regional CPI-U (2025 2.7%) as the waypoint for consistent investment and dedication to our employees.



## Property Tax Stability

No change to the current property tax rate for FY27, maintaining the rate at \$1.93.



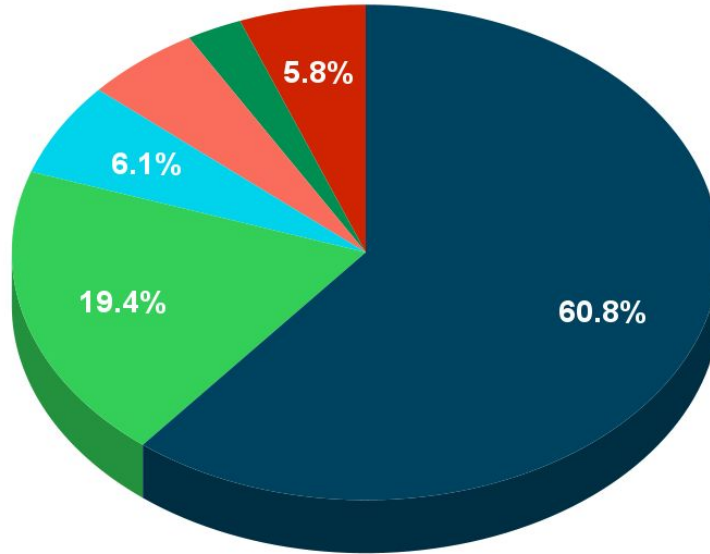
## Structurally Balanced Budget

Keeping with fiscal policies approved by the city council to present a structurally balanced budget.

# General Fund Revenues

<b>General Fund Revenue Source</b>	<b>Dollars</b>	<b>Percent</b>
Property Taxes	\$ 239,709,000	61%
Local Sales Taxes	\$ 76,575,000	19%
State Sales Taxes	\$ 24,058,000	6%
Other Local Taxes	\$ 20,841,000	5%
Intergovernmental	\$ 10,015,000	3%
Other Revenues	\$ 22,782,000	6%
<b>Total Revenue</b>	<b>\$ 393,980,000</b>	<b>100%</b>

## General Fund Revenue Sources



- Property Taxes
- Local Sales Taxes
- State Sales Taxes
- Other Local Taxes
- Intergovernmental
- Other Revenues

# General Fund Expenditures

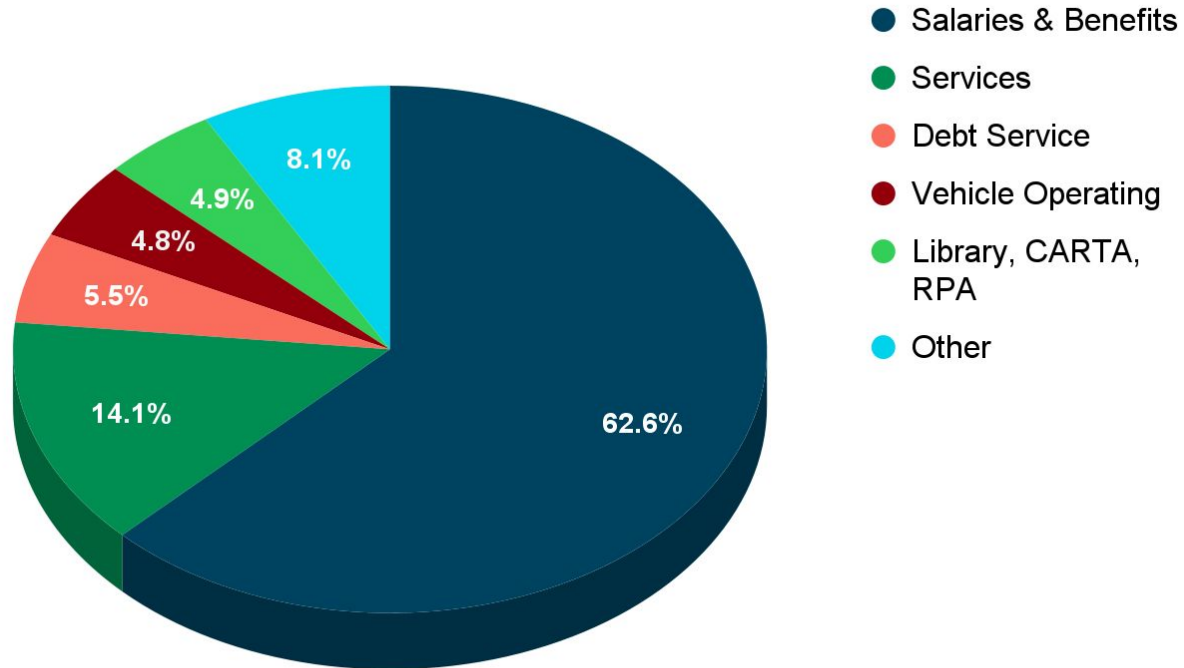
# Operations Budget Overview

Department	Dollars	Percent
Police	\$95,409,483	24%
Fire	84,588,216	22%
Public Works	52,563,247	13%
Debt Service	21,852,113	6%
Agencies & Quasi Agencies	22,339,881	6%
Parks & Outdoors	15,670,031	4%
General Government	29,369,200	7%
Information Technology	21,639,137	5%
Other Departments	50,548,692	13%
<b>Total Expenditures</b>	<b>\$393,980,000</b>	<b>100%</b>

Included in Other Departments	Dollars
Executive Branch	\$7,781,905
Finance and Admin	9,690,241
Human Resources	3,174,323
Community Development	14,915,526
Early Learning	2,308,362
City Planning	503,047
Economic Development	12,175,288
<b>Total</b>	<b>\$50,548,692</b>

Safety and Public Works comprise 59% of the budget.

## General Fund Expenditures by Type



# **FY27 General Government Capital Budget**

# \$33.4 Million in Capital Investments

## Transportation and Infrastructure

- \$10 million for paving to continue Mayor Kelly's \$10 million annual commitment
- \$2.58 million for public transit capital improvements
- \$5 million for the Wilcox Bridge replacement
- \$600,000 to replace signal cabinets and poles for improved signal timing

## Public Safety

- \$300,000 for Chattanooga Police Department and Chattanooga Fire Department facility maintenance
- \$1 million for Chattanooga Fire Department equipment maintenance
- \$300,000 to acquire property for a new fire station to provide enhanced coverage
- \$1.625 million for fire apparatus

## **Parks and Community Spaces**

- \$200,000 to expand Woodmore Park at Chris Ramsey Community Center
- \$150,000 for a new pocket park in Manchester Park
- \$2.75 million for the Riverfront Parks Redesign
- \$1.15 million to continue work on Montague Park
- \$150,000 for the North Chickamauga Creek Greenway

## **Affordable Housing**

- \$2.125 million funding for CHA - Westside Evolves (year 3 of 8)

## **Good Governance**

- \$3 million to expand capacity at the City's Landfill (Birchwood)
- \$1 million for deferred maintenance and improvements to City facilities

<b>Capital Budget Fund</b>	<b>Dollars</b>
General Government	\$33,411,636
Fleet	\$8,000,000
Solid Waste	\$4,400,000
Stormwater	\$17,497,731
Wastewater	\$103,800,000
<b>Total Capital Budget</b>	<b>\$167,109,367</b>

\$17,000,000	GO Bonds
\$5,080,000	Hotel/Motel
\$7,000,000	Econ Dev
\$800,000	ARPA Interest Earnings
\$1,800,000	State Street Aid
\$751,636	External Funds (Federal)
\$980,000	Other City Funds

# External Agency Funding

## FY 2027 Operations Budget Agency & Initiative Allocations

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### *From A20407*

**Chattanooga Regional Homeless Coalition – \$861,000**  
**Signal Centers – \$600,000**  
**Community Haven – \$560,000**  
**Chattanooga Neighborhood Enterprise (CNE) – \$400,000**  
**ArtsBuild – \$235,000**  
**Partnership for Families, Children and Adults – \$175,000**  
**Chambliss Center for Children – \$150,000**  
**Chattanooga Area Food Bank – \$100,000**  
**La Paz Chattanooga – \$100,000**  
**Montessori Elementary at Highland Park – \$100,000**  
**Children’s Advocacy Center of Hamilton County – \$93,000**  
**Bessie Smith Cultural Center – \$90,000**  
**Cadas Inc. (Council for Alcohol and Drug Abuse Services) – \$75,000**  
**LifeSpring Community Health – \$75,000**  
**Team Mentoring, Inc. – \$67,000**  
**Chattanooga Business Elite (CBE) HBCU Tours – \$30,000**  
**Creative Discovery Museum’s STEAM Fellows Program – \$25,000**  
**NAACP ACT-SO and Literacy Programs – \$20,000**  
**Transform Ministries – \$50,000**

### *From Other/Multiple Funding Sources*

**Grocery Store Incentive Program – \$150,000 (ED Fund)**  
**Extended Childcare at James A. Henry – \$200,000 (\$75k A20407+ \$125k ARPA)**  
**Grace Impact Center – \$200,000 (\$119 A20407 + \$81k Executive Branch)**  
**Preserve Chattanooga – \$30,000 (ED Fund)**

**In Closing.....**

# Providing For Priorities



## Fiscal Stewardship

- Structurally Balanced and Fiscally Sound



## Community Impact

- Continuing our work for **ONE Chattanooga**

# Budget Timeline

<del>Education Sessions</del>	<del>May 12 and May 19 (May 26 TBD)</del>
Public Hearing	June 2
Ordinance First Reading	June 16
Ordinance Second Reading	June 23

# Access the Mayor's Proposed Budget for FY 2027 Online

Visit the URL to view the FY27 Budget Book.

The book includes:

- Executive Summary
- Revenue and Expense Overview
- Operating Budget Ordinance (Draft)
- Revenues
- Fund Summary
- Departmental Summaries
- Other Funds
- Capital Budget / Capital Improvement Plan

<https://chattanooga.gov/stay-informed/budget-financial-data>