

# Fiscal Year 2024 Budget Presentation

Operating and Capital Budgets

---

**CITY OF CHATTANOOGA**  
Mayor Tim Kelly

# ONE Chattanooga

# One Chattanooga Strategic Plan

- Last year we formulated a bold, actionable budget for implementing the One Chattanooga plan
- **Key successes:**
  - Deployed federal funds to support the development of **600+ new affordable housing units**
  - **Reduced unsheltered homelessness** by ~40%
  - **Reduced violent crime** with a city-wide gun violence prevention plan
  - **Improved road conditions:** paved 60 lane miles, filled 40,000+ potholes, and secured federal funds to rebuild Wilcox Bridge
  - **500+ new jobs and \$50M in new investments** added to local economy

# One Chattanooga Strategic Plan

This year is about **continuing the work needed to execute the One Chattanooga vision** — with a focus on the things that matter most to Chattanoogaans

- ✓ Safer, healthier, more connected neighborhoods
- ✓ Affordable housing opportunities for all residents
- ✓ Continued improvements in roads, bridges, and parks
- ✓ A competitive regional economy
- ✓ Universal access to affordable, quality early childhood education
- ✓ Economic vitality in the Black community
- ✓ Responsive and effective local government

# This Budget Focuses Our Priorities and Doubles Down on One Chattanooga

- Historic investments in a robust compensation plan that will strengthen our city and attract a top-rate workforce
- Bolsters public safety and infrastructure investments: hiring firefighters, launching a CVI program, improving and renovating parks, and making major repairs to our bridges.
- Improves service delivery for residents: new refuse trucks and additional drivers; new STVR inspectors and an AHO
- And we're doing all of this **without a tax increase.**

**This budget focuses on  
what Chattanoogaans  
care most about**

# Significant Challenges

**This budget year called  
for us to focus,  
streamline, and  
demonstrate good  
stewardship.**



# Significant Challenges

## **Rebuilding a post-pandemic workforce**

- Maintaining improved pay scales
- Increasing base salaries to attract qualified civilian candidates

## **Impact of Inflation**

- Material costs, construction costs, contracting costs, fuel, utilities

## **Addressing deferred maintenance**

- Roads and bridges; parks and pools; community centers

# Key Investments

# Affordable Housing

- Deploying \$3M in federal funds **to create or preserve 400+ additional units of affordable housing** over the next year
- Building out affordable housing team with **3 positions** under Chief Housing Officer Nicole Heyman, including a new Director of Housing Finance
- Working with nationally renowned consultants to:
  - Determine housing needs across the city, neighborhood by neighborhood
  - Build out policy toolbox to incentivize developers and landlords to build and rent affordable units in the neighborhoods that need it most

# Homelessness Reduction

- \$820,000+ to the Chattanooga Regional Homeless Coalition to:
  - **Continue unifying partners** into a single continuum of care to house and support people experiencing homelessness
  - Manage **the Flexible Housing Fund** to support rapid rehousing efforts
  - Prioritize **rapid rehousing of veterans and households with children** experiencing homelessness
  - Fund the Chatt Foundation's **cold weather shelter**
- Ongoing project management and oversight of the **conversion of the Airport Inn into 80+ units of permanent supportive housing**

# Roads and Critical Infrastructure

**\$187 million for roads and critical infrastructure** (up \$57M from FY23)

- Includes **\$10 million for paving** as part of Mayor Kelly's commitment to invest \$40 million over 4 years for repaving roads
- **\$4.1 million for other road-related work and sidewalks**
- **\$19.9 million for bridges**, including \$18 million reserved for **renovation of Walnut Street Bridge** (\$13.3M from federal funding sources)
- \$142 million for wastewater projects, \$11 million for stormwater projects

# Public Safety

- Continuing work to unify and strengthen community partnerships for **violence interruption and prevention**, with a focus on youth
- \$400,000 for **updated IT resources** to support crime prevention
- Continued funding for **CPD crisis response unit** and **Victims Advocate Center**
- \$1.5M toward a **new fire training tower** for regional skills-based trainings (match with County)
- **9 new firefighter positions** and **\$4.5M for 5 new fire trucks** to replace aging trucks, support city growth, and maintain ISO rating

# Parks and Green Spaces

- \$1.6 million for **new parks and green spaces**
  - \$1.3M for **Provence Park** (will also restore city eligibility for national funding opportunities)
  - \$200,000 for a new pilot program to **revitalize schoolyards** into accessible green spaces shared by the community
  - \$115,000 to continue support the construction of **Lynnbrook Park**
- \$1M to begin the **revitalization of the Chattanooga Skatepark**
- \$400,000 reserved for **park improvements** in neighborhood parks that need it most

# Early Learning

- Deploying federal ARP dollars to **build a new pipeline of early learning professionals** through the One Chattanooga Institute for Early Care and Learning
- Continuing \$765,000 in supplemental funding for **Head Start teacher salaries** and other costs
- Adding a **new Community Forward School Coordinator** to help ensure HCS students and families in need reach their full potential with wraparound services and support



# Economic & Workforce Development

- \$50,000 to help **increase paid apprenticeship opportunities** city-wide through the Build Within Apprenticeship program
- \$150,000 toward **route expansions** at the Chattanooga airport
- Prioritizing partnerships that will **prepare Chattanoogaans for the jobs of the future**, from clean energy manufacturing to quantum technologies

**This budget year called  
for us to focus,  
streamline, and  
demonstrate good  
stewardship.**

# Sharpening our Focus on Community Centers

- Restructuring the Department of Community Development to **focus solely on community centers and services**
  - Neighborhood Services will join the Department of Equity and Community Engagement
  - Code Enforcement will join the Land Development Office
  - The Office of Family Empowerment will continue to serve our community as a part of this department
- Continuing to redefine **community centers as neighborhood hubs**, through new programming, skills-based training, and health screenings for all ages and stages

# Responsive & Effective Local Government

## Pay Plan Investments

- **New pay step plan** for non-sworn employees
  - Will help attract and retain our frontline workforce
  - Hourly employees receive credit for years of service
  - Salaried employees will receive 2 steps (approx. 2% cost of living increase)
  - Appointed employees will receive approx. 1.5% cost of living increase
- Sworn and wastewater employees will receive their regularly scheduled step increases

# Responsive & Effective Local Government

- Multiple investments to help **improve City service delivery**, including:
  - 2 new STVR inspectors and an Administrative Hearing Officer
  - 7 new refuse trucks and 4 new driver positions
  - Garbage/recycling routing software to identify brush/bulk/leaves
- New **cost savings incentive program**
- Continuing ongoing work to **modernize technology and digital services for residents**
  - Revitalizing the 311 application to improve user experience
  - Ongoing work to overhaul the city website

# Responsive & Effective Local Government

## **Streamlining to focus on priorities and best steward taxpayer dollars**

- Reforming local government to better serve Chattanooga means streamlining processes and eliminating redundancies — so that **taxpayer dollars are being put to work where they will best meet the needs of Chattanoogaans**
- Department by department exercise identified positions that had become redundant
- 15 vacant, 14 filled (8 full time, and 6 part time) positions across 6 departments are being eliminated

# Cost Savings

# Couch Cushion Savings Examples

- **Reduction in timeclock licenses:** IT training shifted more employees to using a built-in Oracle time clock, leading to a reduction in needed timeclock licenses.
  - ***Savings: \$68,000 annually; \$204,000 through end of contract***
- **Bringing work in house:** A new custodial contract for parks was slated to cost \$305,000. The department added 3 new crew workers instead at a cost of \$195,000.
  - ***Savings: \$110,000 annually.***



# Couch Cushion Savings Examples

- **Going paperless:** HR is reducing paper usage, copier costs, and office supplies by digitizing files
  - ***Savings: \$5,600 annually***
- **Getting rid of redundant software:** The library improved its own data-driven purchasing processes, eliminating the need for specialized software
  - ***Savings: \$25,000 annually***

# General Fund Revenues

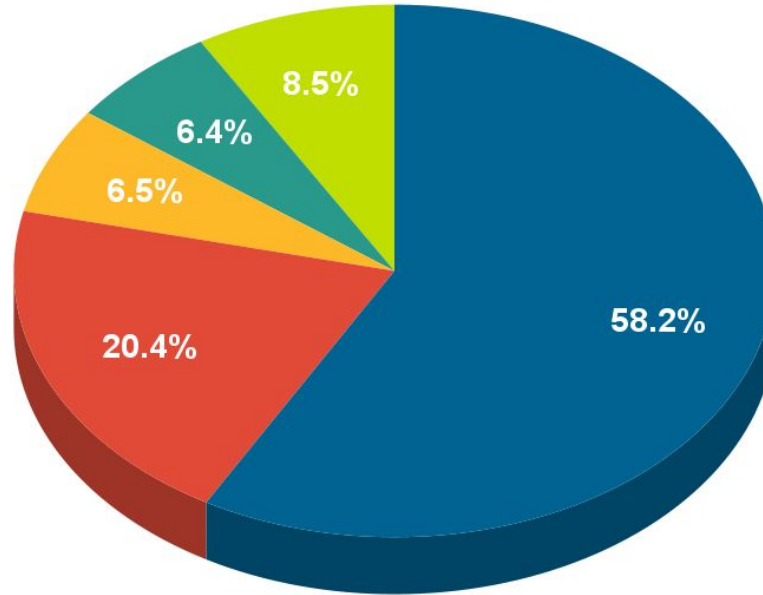
# No Tax Increase!

General Fund Revenue Source	Dollars	Percent
Property Taxes	\$191,573,790	58%
Local Sales Taxes	\$67,036,000	20%
Other Local Taxes	\$21,399,700	7%
State Sales Taxes	\$21,020,000	6%
Other Revenues	\$27,970,510	9%
<b>Total Revenues</b>	<b>\$329,000,000</b>	<b>100%</b>

Revenue increase of 4% resulting from natural growth.

Essential costs and department needs were a 12% increase in their requests!

# General Fund Revenue Sources



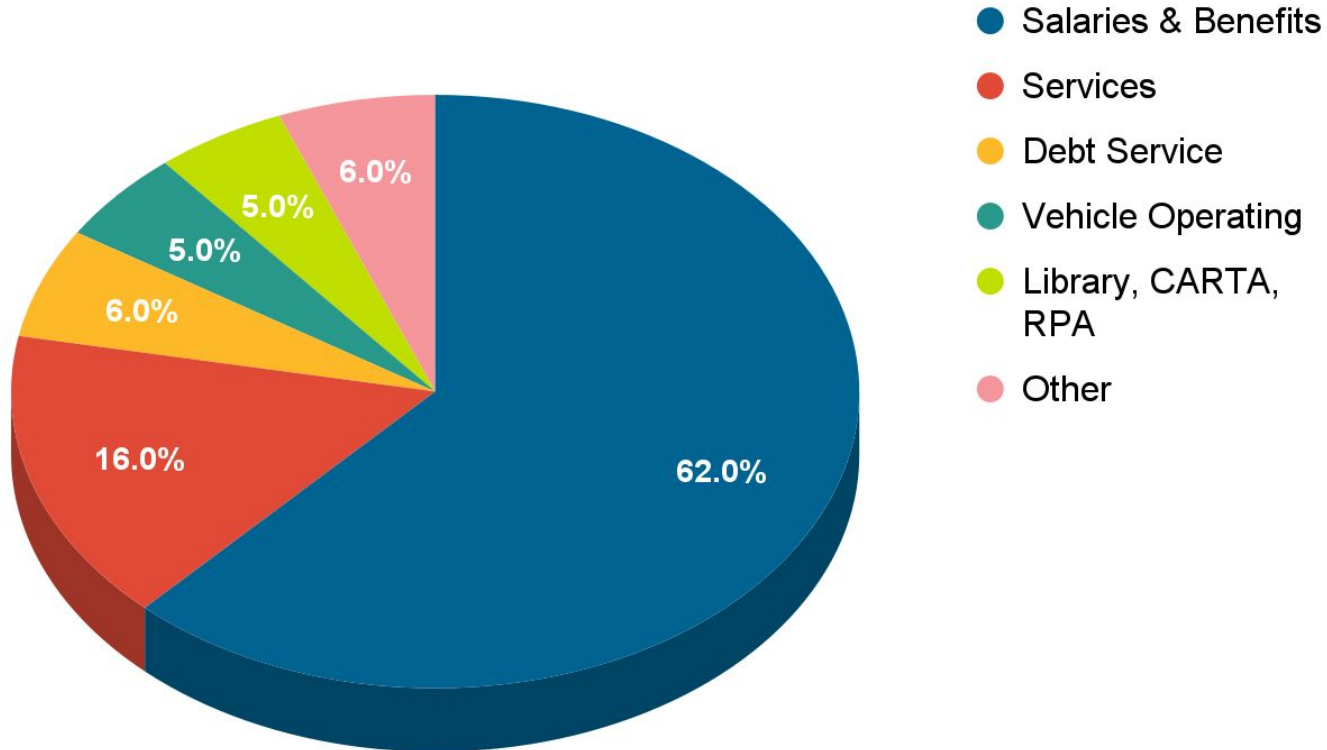
# General Fund Expenditures

# General Fund Expenditures by Department

Safety and Public Works comprise 58% of the budget.

Department	Dollars	Percent
Police	\$87,173,664	26%
Fire	\$62,445,934	19%
Public Works	\$41,678,949	13%
Debt Service	\$19,975,654	6%
General Government	\$15,282,840	5%
Information Technology	\$19,432,147	6%
Parks & Outdoors	\$16,949,697	5%
Quasi-Agencies	\$13,007,164	4%
Community Development	\$9,671,304	3%
Finance & Administration	\$7,432,826	2%
Executive Branch	\$6,495,249	2%
CARTA	\$5,800,000	2%
Other Departments	\$23,654,572	7%
<b>Total Expenditures</b>	<b>\$329,000,000</b>	<b>100%</b>

# General Fund Expenditures by Type



# Other Funds



Other Funds	Revenues	Expenditures
Municipal Golf Course	\$2,298,629	\$2,298,629
Economic Development	\$18,411,000	\$18,411,000
State Street Aid	\$6,646,526	\$7,646,526
Hotel/Motel Tax	\$8,962,200	\$8,962,200
Narcotics	\$100,000	\$200,000
Debt Service	\$24,376,995	\$24,376,995
Waste Water	\$114,847,814	\$141,649,168
Solid Waste	\$4,979,000	\$4,979,000
Storm Water	\$32,450,000	\$37,013,874
TN Valley Regional Communications	\$1,894,459	\$1,894,459
<b>Totals</b>	<b>\$214,966,623</b>	<b>\$247,431,851</b>

# Capital Budget Summary

# Three Capital Funds

Capital Budget Fund	Dollars
General Government	\$62,724,712
Wastewater	\$142,217,052
Stormwater	\$11,042,500
<b>Total Capital Budget</b>	<b>\$215,984,264</b>

# General Government Capital Budget

Functional Area	# of Projects	Dollars	External Funding	% of Total
Better Government	8	\$5,947,000	11%	9%
Economic Development	1	\$300,000	0%	0%
Education	1	\$100,000	0%	0%
Fleet	2	\$5,775,000	0%	9%
Neighborhoods	7	\$2,300,000	11%	4%
Outdoors	6	\$3,415,000	0%	5%
Public Safety	8	\$9,411,000	19%	15%
Roads and Bridges	9	\$33,841,882	44%	54%
Transit	1	\$1,634,830	0%	3%
<b>Total GG Capital</b>	<b>43</b>	<b>\$62,724,712</b>	<b>85%</b>	<b>100%</b>

# In Closing...

- **Fiscally Sound**
- **No Tax Increase**
- **Putting taxpayer dollars to work for ONE Chattanooga**

# Budget Timeline

Education Sessions	May 9, May 16, May 23, June 6
Public Hearing	June 6
Ordinance First Reading	June 13
Ordinance Second Reading	June 20

# Budget Book

Is Available on the City's Website

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