

Message from the Mayor

It is my honor as your mayor to propose a balanced budget for the City of Chattanooga's Fiscal Year 2026. In the face of fiscal pressure from inflationary forces, the end of pandemic-era federal dollars, and economic uncertainty, this first budget of my second term will deliver continued progress on the One Chattanooga goals that voters resoundingly supported in the last election. I want to thank our dedicated city finance and operations staff who have worked tirelessly to make this possible.

We're committed to the One Chattanooga vision. Which is why this budget makes these targeted investments, and more:

- 59% of this year's budget goes to police, fire, and public works, keeping government effective and responsive to meet the basic needs of Chattanooga
- For the fifth year in a row, we're ensuring at least \$10 million of funding to improve our local roads
- \$2 million to preserve existing affordable housing across the City
- Cost of living and step pay increases for non-sworn city employees
- \$10M toward public transit capital and operations investments
- Infrastructure investments for the generational South Broad and One Westside developments that will build new downtown neighborhoods
- \$150,000 for traffic light system modernization to re-time lights
- \$5.1 million to fully fund the city's portion of Wilcox Bridge replacement
- More than \$1,000,000 for early learning centers

Revenues to fund the City's budget are not currently indexed for inflation, and inflation is roughly 22% cumulatively since 2020. What that functionally means is that this budget is one that has to do more with less. Improving efficiencies and relentlessly looking for smarter ways to get the job done make it possible.

Despite all the good things this budget does fund, this year's fiscal constraints leave one glaring omission: pay raises for sworn police and firefighters. Our first responders are underpaid, not just when you consider the work they do—putting

their lives at risk to keep us safe—but also relative to competing public safety agencies in our market and in peer cities around the region. That’s not just wrong, it’s risky. If we can’t fill our academy classes and keep our best sworn employees, we won’t be able to meet our city’s needs. That’s why my Administration intends to come back later this year with a separate proposal on compensation for Chattanooga’s bravest men and women. We simply must.

Since coming into office, my core focus has been tackling Chattanooga’s structural challenges and setting our city on a path toward shared prosperity and common purpose — and that commitment remains as strong as ever. From our early reorganizing of city government around the real priorities of our residents to establishing the One Chattanooga roadmap and committing to putting our money where our mouth is year after year, we continue to have a strong foundation for progress.

I’m proud to continue building on that foundation with this FY26 budget. With your support, we can continue the momentum, meet today’s challenges, and shape a future that delivers on the promise and potential of our city for all Chattanoogaans.

Thank you for taking the time to read this budget document. If you have any questions or feedback you can email mayor@chattanooga.gov