

OFFICE OF MANAGEMENT & BUDGET
City of Savannah, Georgia

2026 Mid-Year Financial Update

Presented by: Melissa D. Carter June 25, 2026
FY 2026 · Mid-Year Analysis

Office of Management and Budget · City of Savannah

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Strategic Plan Alignment

Savannah GPS-Strategic Plan

Goal 6

Always Be a High-Performing Government

→

Objective 1

Ensure every dollar of public funds is spent wisely, transparently, and to the maximum benefit of our community.

→

Strategy 2

Transparently align budget resources with the City's key priorities

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Mid-Year Financial Update

AGENDA

- State of the Budget
- General Fund & Enterprise Funds
- Millage Rate

City of Salem - Office of Management & Budget
2026 Mid-Year Financial Update

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2026 Adopted Budget Recap

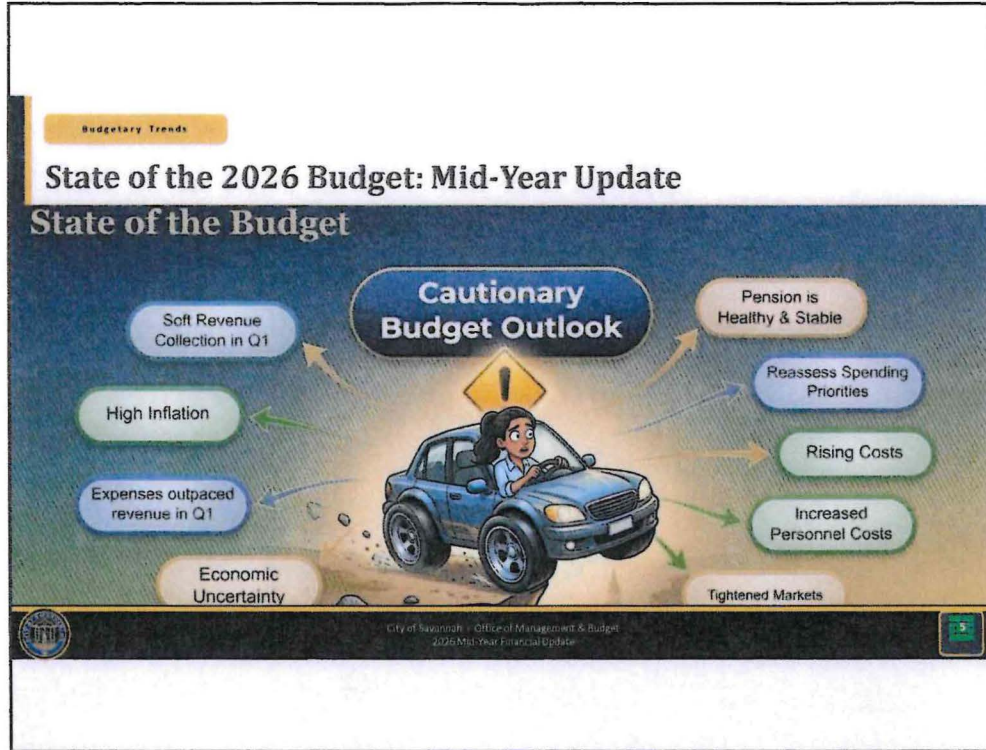
2026 Adopted Budget

\$646M

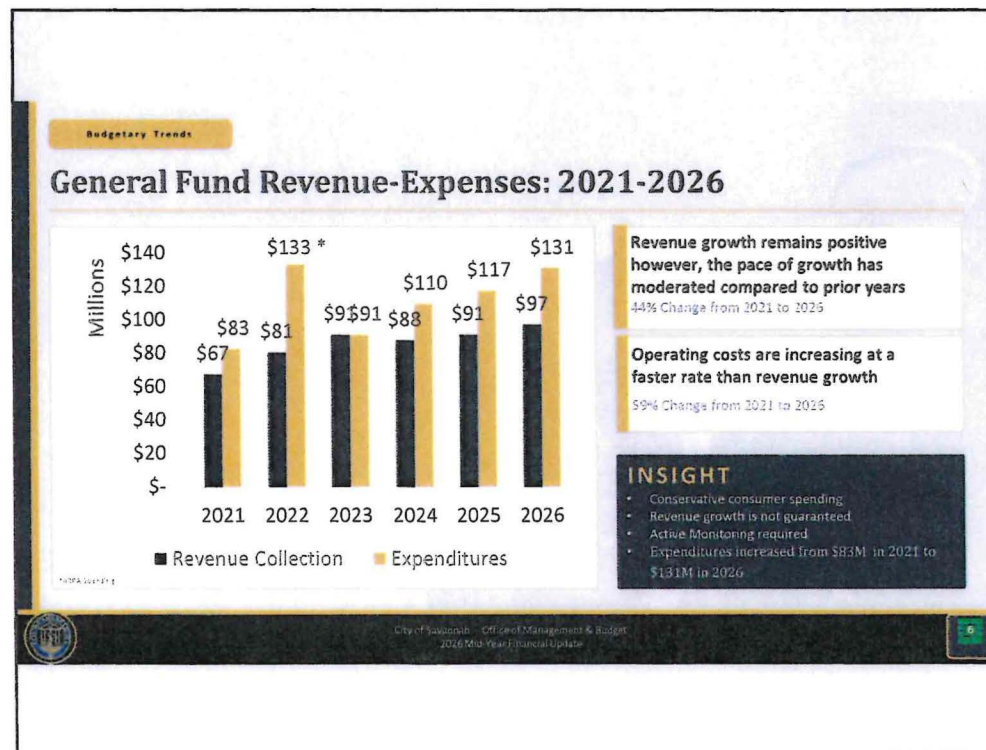
- 11.749 Budgeted Millage Rate
- 2,687.52 Full-time equivalent employees
- \$203 Million of Capital Improvements Projects
- \$117M of Property Tax Revenue
- \$307 Million of General Fund Spending
- \$4.7 Million for a 2.7% Cost-of-Living Adjustment
- No Draw on General Fund reserves
- \$2.5 Million for a 3% general wage increase for unified and managerial pay plan; 2.5% for the public safety pay plan

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Budgetary Trends

General Fund Revenues: January-May

Category	May 2026	May 2025	Variance
Sales Tax	25,962,142.00	27,126,448.54	(1,164,306.54)
Property Taxes	21,694,891.64	20,010,823.48	1,684,068.16
Licenses & Permits	11,936,342.32	11,301,235.94	635,106.38
Other Grant Revenue	10,099,649.48	4,114,911.98	5,984,737.50
Contribution Frm Other Funds	7,898,252.89	7,657,309.51	240,943.38
Other Taxes	6,324,198.22	6,660,596.13	(336,397.91)
Interfund Svcs	4,034,960.00	4,123,740.00	(88,780.00)
Interest/Dividends	2,822,760.65	3,482,933.96	(660,173.31)
Inspectn & Dev Fee	1,943,180.34	2,021,233.58	(78,053.24)
Fines & Penalties	1,758,948.05	2,260,205.38	(501,257.33)
Fees For Oth Srvc-GF	1,223,500.04	1,041,728.69	181,771.35
Letsure Servc Fees	540,710.67	498,689.22	42,021.45
Other User Fees	510,958.05	722,098.77	(211,140.72)
Gain/Loss Surpl Prop	314,063.50	26,881.00	287,182.50
Sanitation Revenue	41,438.90	27,211.16	14,227.74
Civic Ctr Revenue	13,262.00	12,850.00	412.00
Total	\$97,119,238	\$91,088,897	\$6,030,341

INSIGHT

Sales Tax collections are \$1.1M less than previous year accompanied by downward trends in other revenue streams.

Offset by \$5.9M higher than anticipated Rockingham Farm PILOT

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Budgetary Trends

General Fund Expense: Where are Our Primary Cost Drivers?

PERSONNEL (OT/STIPENDS)

- Fire has expended 99.6% of OT budget through May
- Police has expended 60.1% of OT Budget through May
- 47% of the Stipend budget was allocated for the Police. The Police have already exceeded their budget by \$54K

OUTSIDE SERVICES

- Temp. Labor account has been incurring expenses at an accelerated rate. If this trend persists, the \$130K risk will remain

#1: Internal controls and spending discipline:

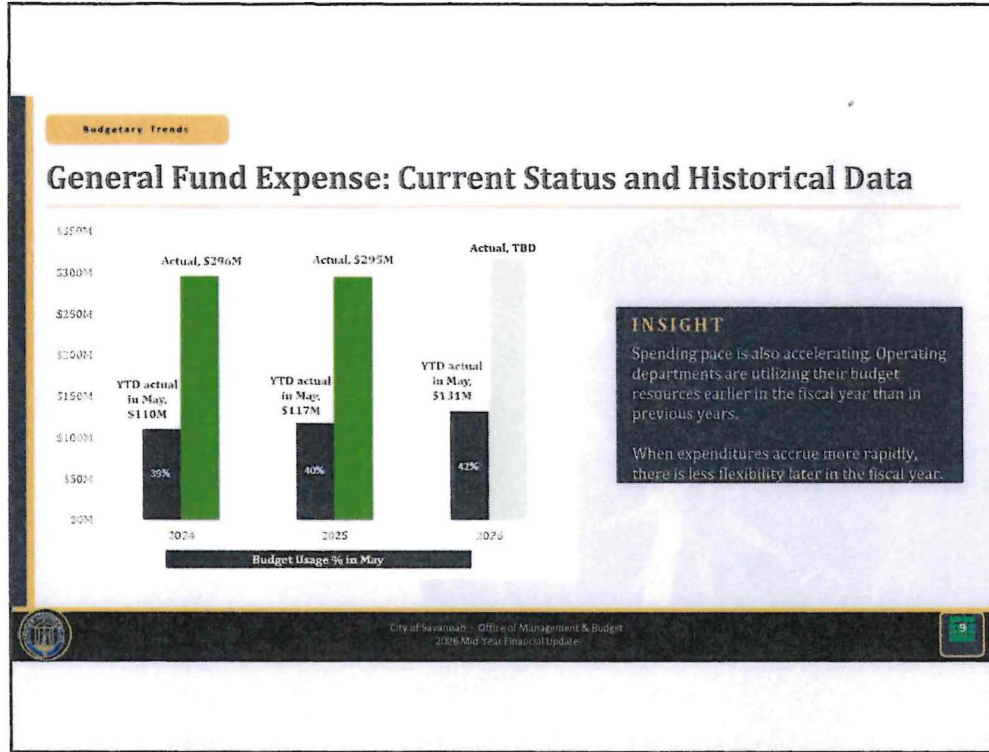
- Evaluate discretionary spending and new recurring expenditures

#2: Long-term fiscal sustainability:

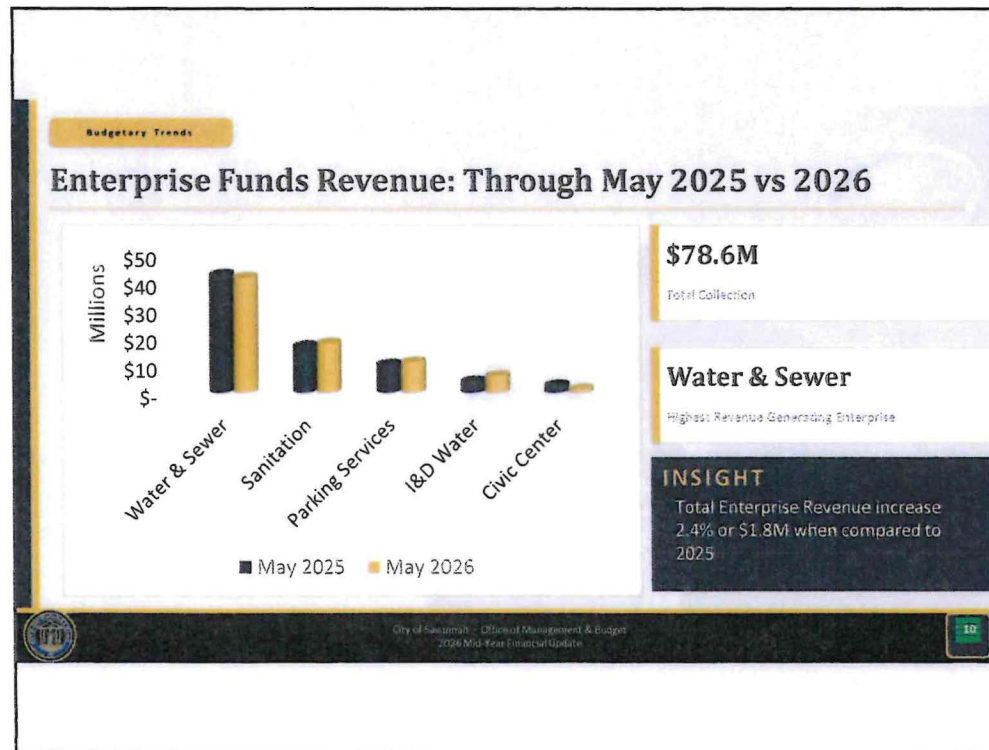
- Seek to maintain adequate reserves
- Emphasize accountability, reliability, and alignment with Council priorities
- Seek to balance community benefit and long-term operating impacts

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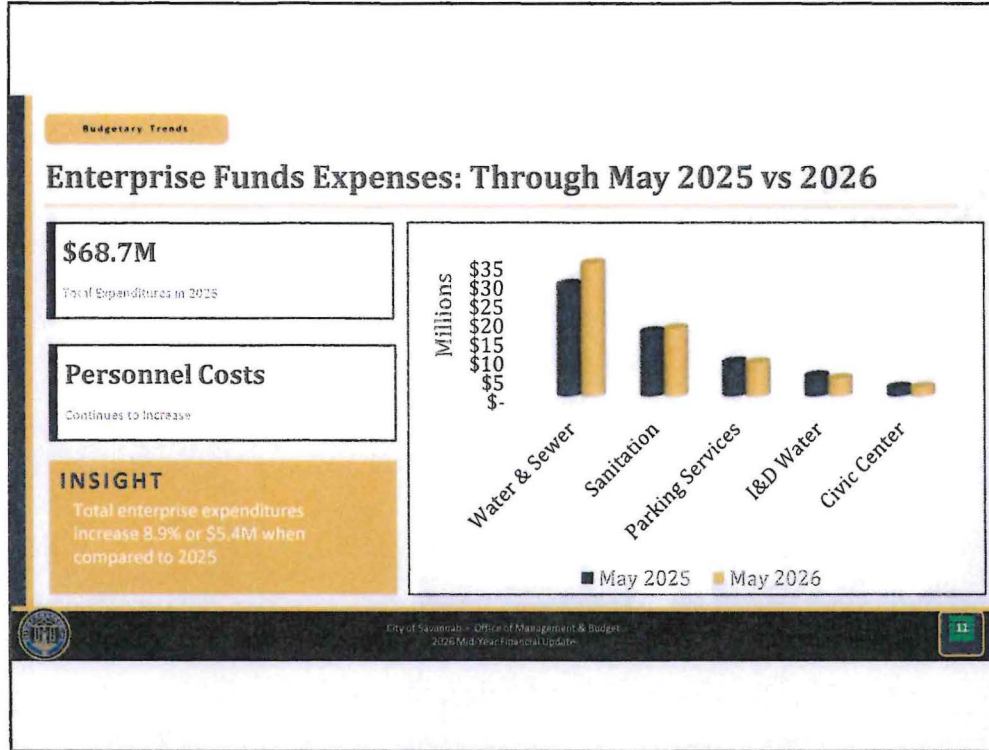
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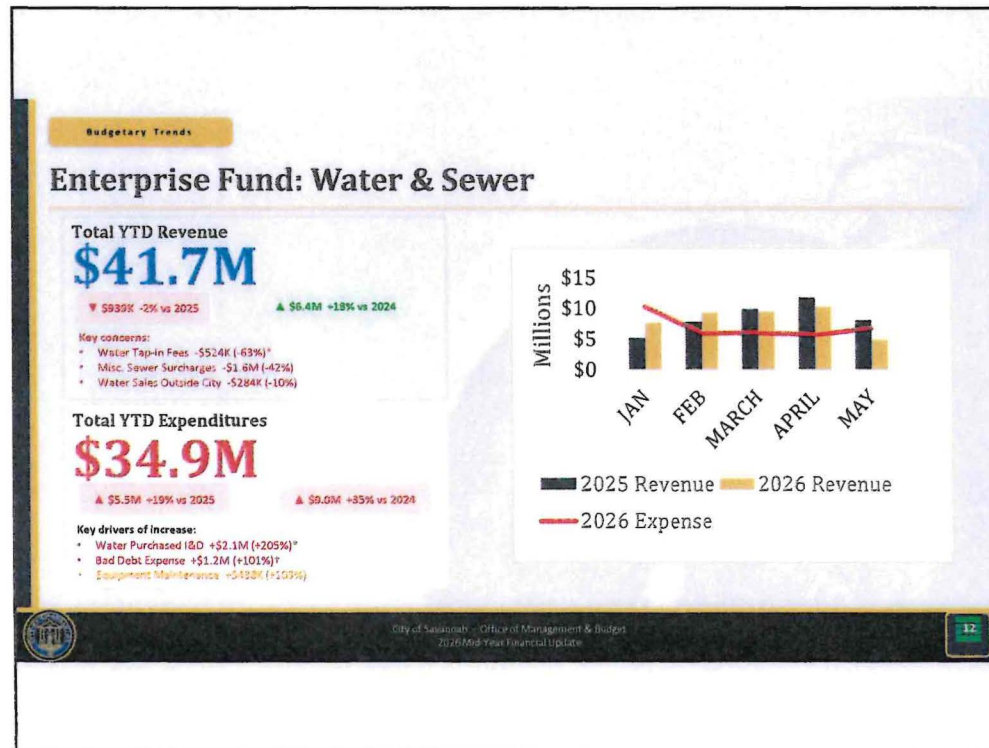
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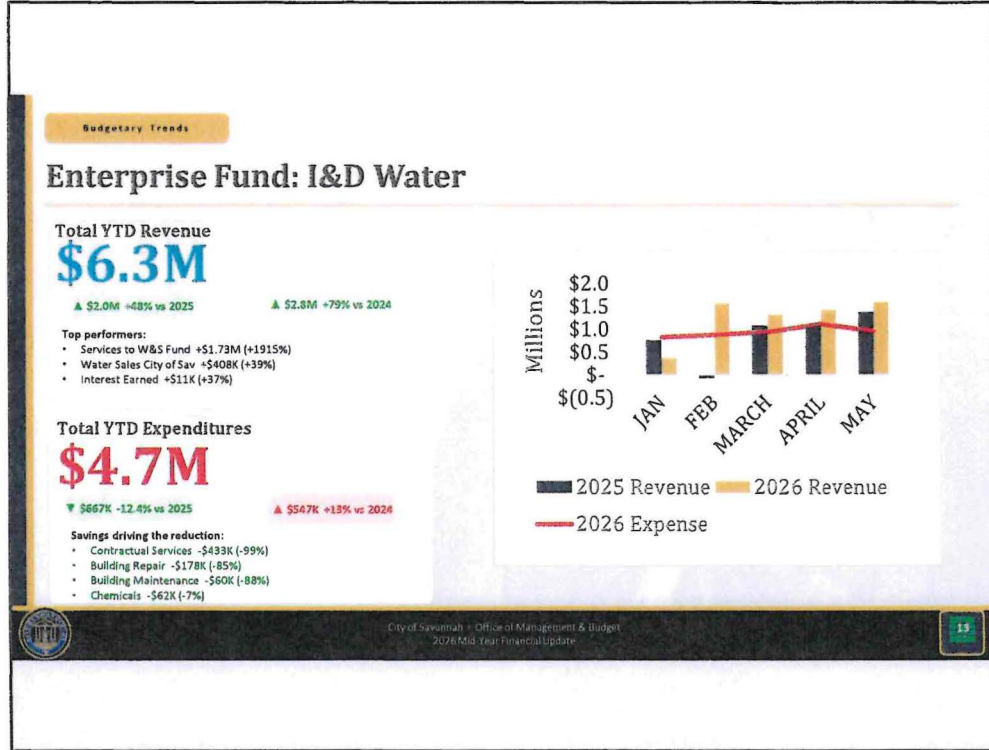
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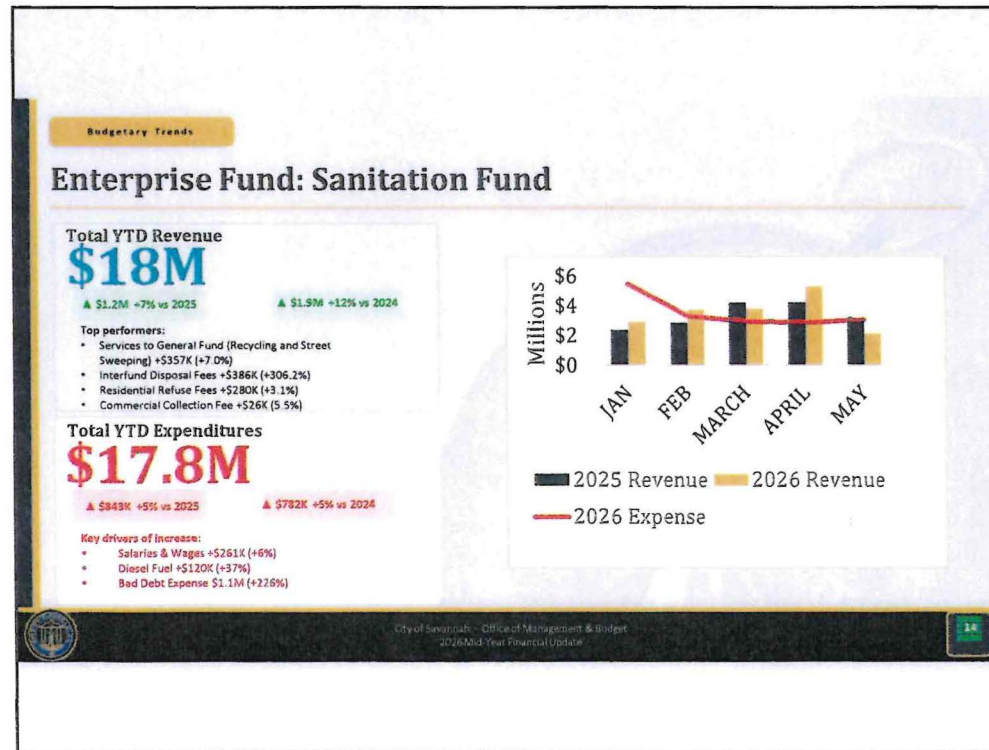
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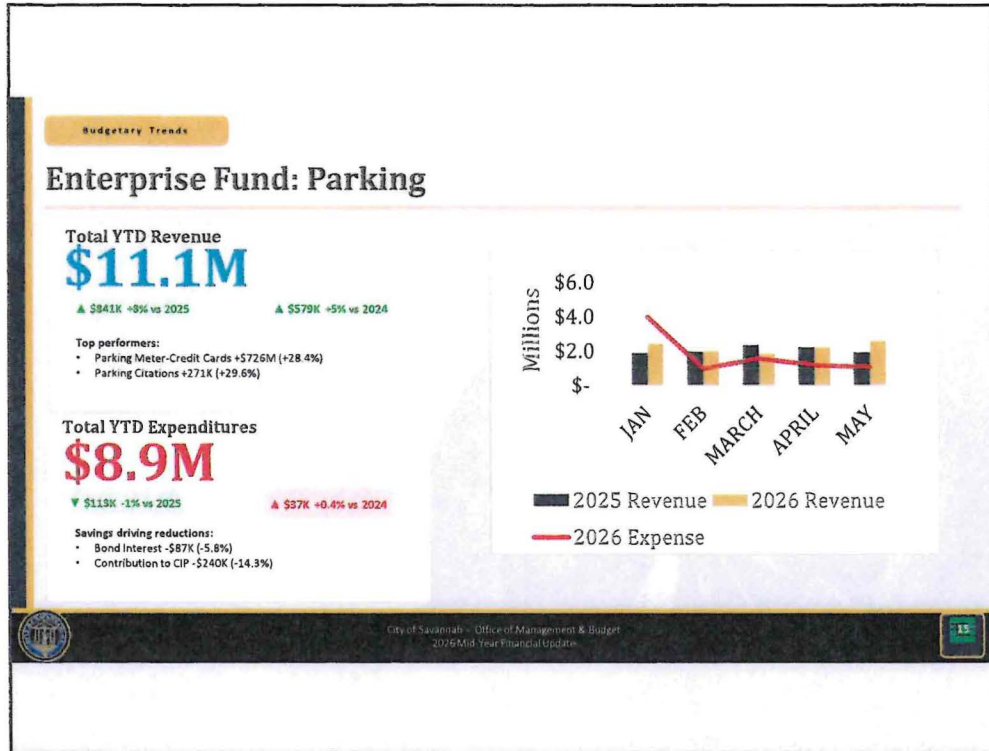
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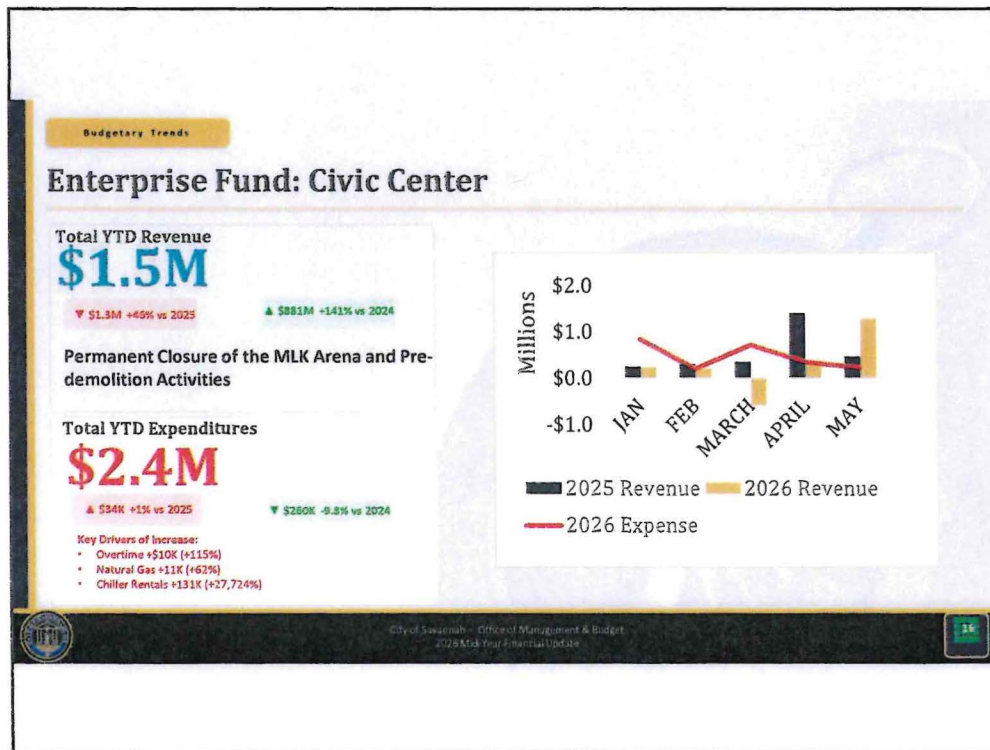
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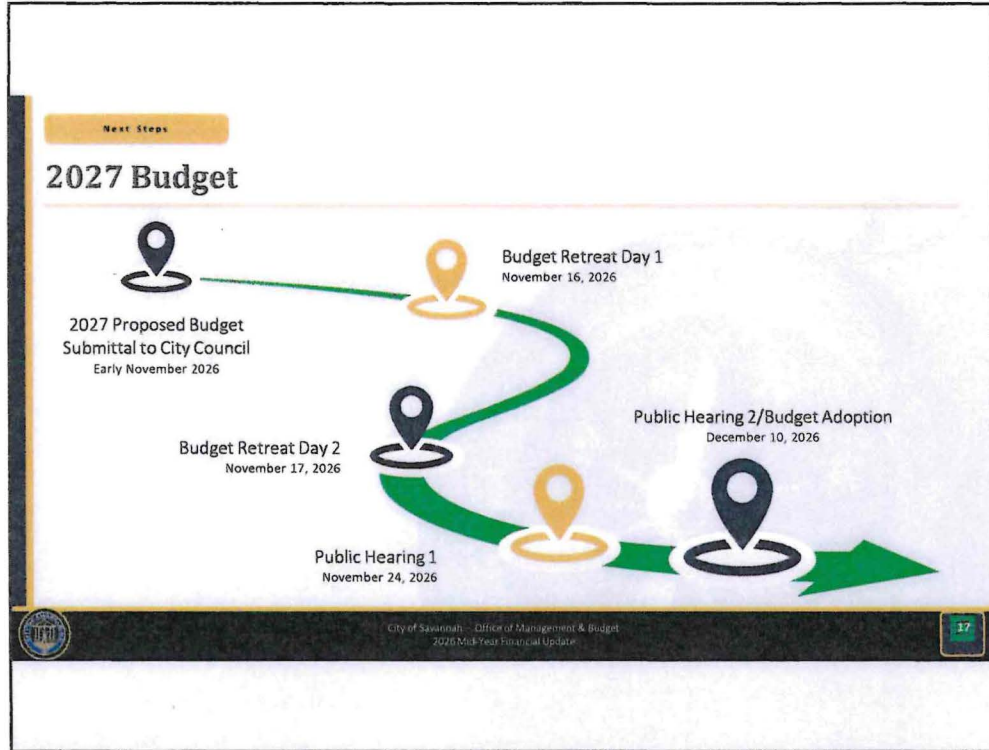
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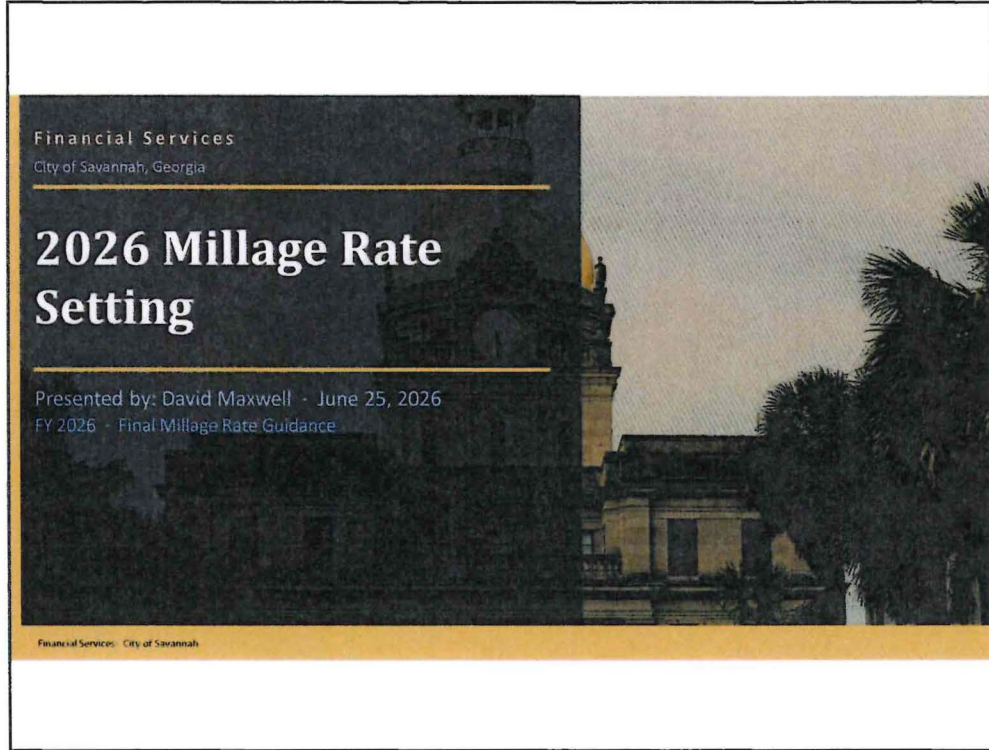
Thank You

Melissa D. Carter · Senior Director, Office of Management and Budget

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Questions & Discussion

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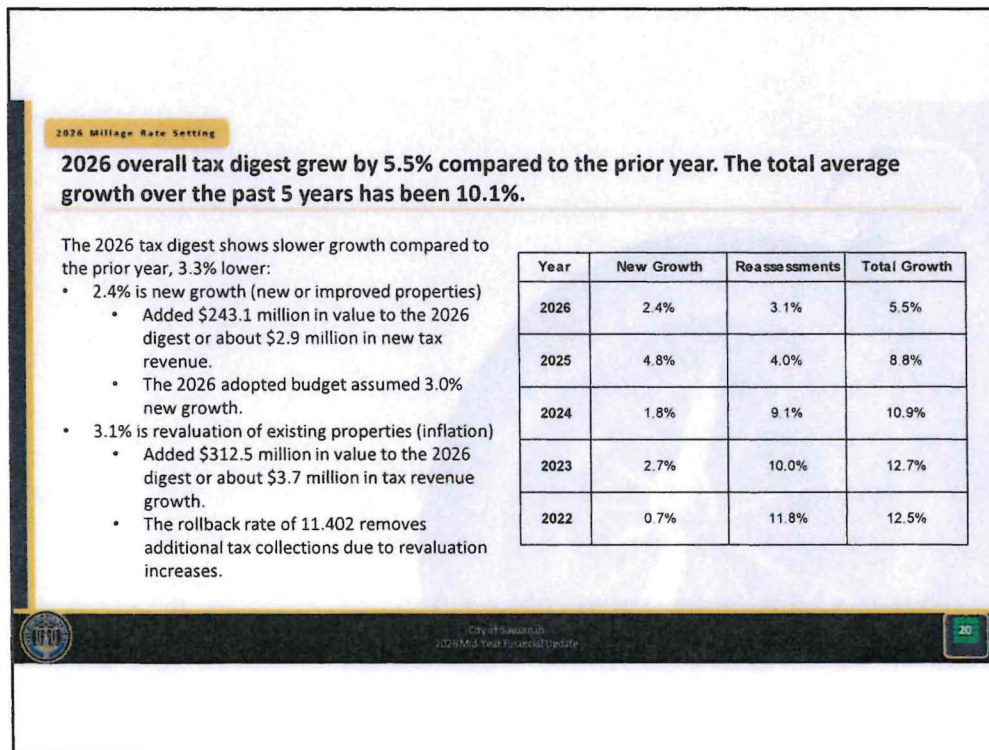
Financial Services
City of Savannah, Georgia

2026 Millage Rate Setting

Presented by: David Maxwell · June 25, 2026
FY 2026 · Final Millage Rate Guidance

Financial Services · City of Savannah

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2026 Millage Rate Setting

2026 overall tax digest grew by 5.5% compared to the prior year. The total average growth over the past 5 years has been 10.1%.

The 2026 tax digest shows slower growth compared to the prior year, 3.3% lower:

- 2.4% is new growth (new or improved properties)
 - Added \$243.1 million in value to the 2026 digest or about \$2.9 million in new tax revenue.
 - The 2026 adopted budget assumed 3.0% new growth.
- 3.1% is revaluation of existing properties (inflation)
 - Added \$312.5 million in value to the 2026 digest or about \$3.7 million in tax revenue growth.
 - The rollback rate of 11.402 removes additional tax collections due to revaluation increases.

Year	New Growth	Reassessments	Total Growth
2026	2.4%	3.1%	5.5%
2025	4.8%	4.0%	8.8%
2024	1.8%	9.1%	10.9%
2023	2.7%	10.0%	12.7%
2022	0.7%	11.8%	12.5%

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2026 Millage Rate Setting

Recommendation is to maintain current millage and reinvest into priority areas

FY2022	FY2023	FY2024
PUBLIC SAFETY- \$4,275,255	DRAINAGE- \$7,862,438	DRAINAGE, TRANSPORTATION & PUBLIC SAFETY \$7,580,073
<p>Raised Starting Pay for Uniformed Police and Fire Personnel</p>	<p>Victory Drive (Springfield Canal)- \$3M</p>	<p>Woodville, Sylvan Terrace and Tremont Rd. Drainage sectors and streetlights - \$3.5M</p>
<p>Implemented Sign-On Bonus Program for new hires</p>	<p>Liberty City (Springfield Canal)- \$862,438</p>	<p>Crosswalks, Pavement Markings- \$2M</p>
<p>Lateral Entry Program to boost recruitment incentive packages</p>	<p>Montgomery Crossroads (Hayner's Creek)- \$4M</p>	<p>Updates to PS Comp Plans and Incentive Pay to retain market competitiveness- \$1.6M</p>

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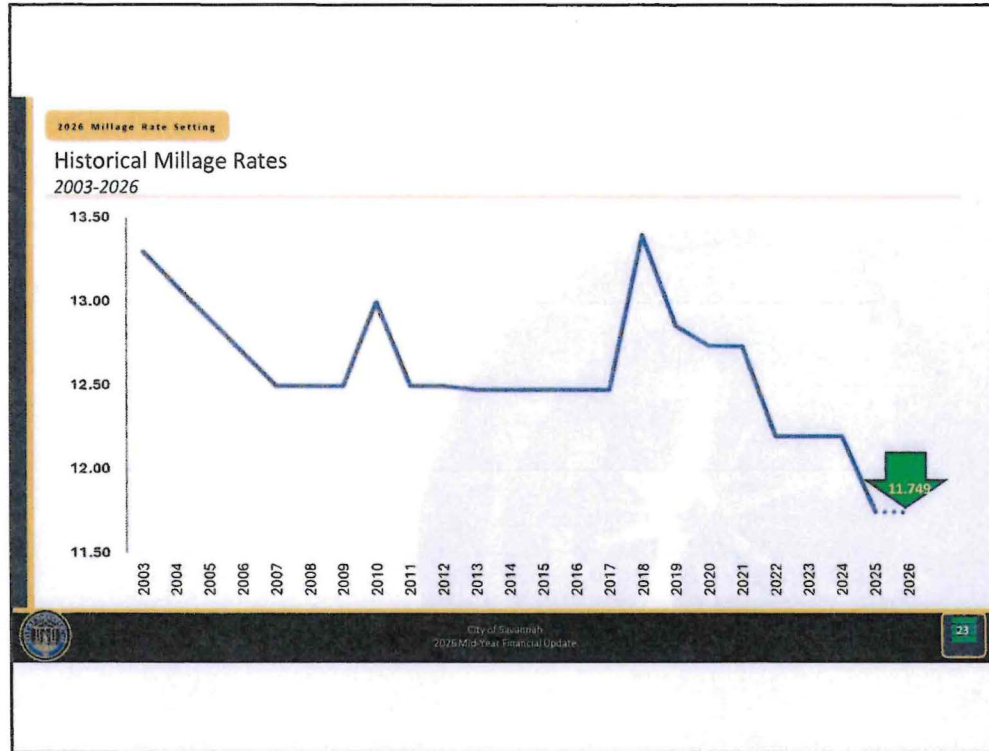
2026 Millage Rate Setting

General Fund Reserve Levels:

Year	Unassigned Fund Balance	Sales Tax Stabilization Fund	Total Reserves	Total Reserves as a Percent of Total Expenditures and Transfers Out
2022	\$ 49,360,451	\$ 8,747,000	\$ 58,107,451	19.5%
2023	53,887,923	8,747,000	62,634,923	22.7%
2024	59,598,399	8,747,000	68,345,399	22.8%
2025	64,650,696	8,747,000	73,397,696	24.9%

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2026 Millage Rate Setting

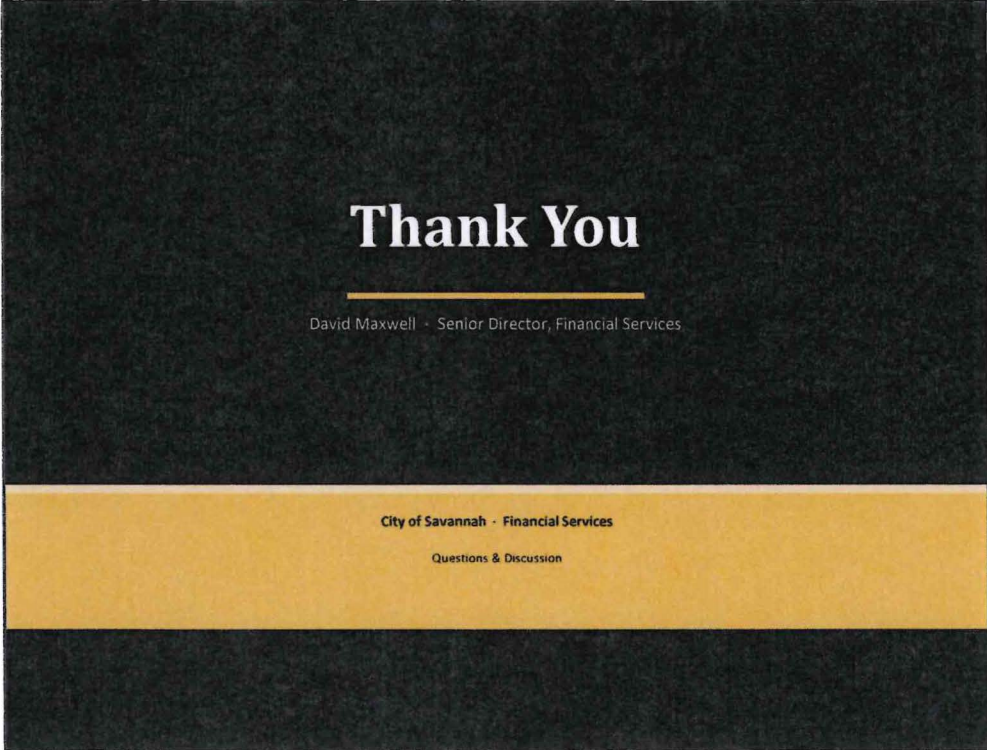
Proposed millage rate adoption schedule:

The proposed schedule to adopt the final 2026 millage rate, which is recommended to maintain the current millage is as follows:

- July 9, 2026 prior to 12:00 Noon - The first public hearing related to public input on Savannah’s 2026 property tax millage rate.
- July 9, 2026 at 2:00pm - First reading of the proposed revenue ordinance adopting the final millage rate for 2026.
- July 9, 2026 at 6:00pm - The second public hearing related to public input on Savannah’s 2026 property tax millage rate.
- August 13, 2026 at 2:00pm - The third public hearing related to public input on Savannah’s 2026 property tax millage rate.
- August 13, 2026 at 2:00pm - Second reading of the revenue ordinance and adoption of the final millage rate.

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2026 Millage Rate Setting

Discussion

Scenario	Millage	Revenue Projection	2026 Budgeted Revenues	Variance
2026 Recommended Millage	11.749	\$ 109,048,737	\$ 106,733,078	\$ 2,315,659
2026 Rollback Millage	11.402	105,828,044	106,733,078	(905,034)
Millage needed to achieve 2026 Budgeted Revenue	11.500	106,737,635	106,733,078	4,557

Considerations for City Council:

- City remains in a responsible financial position to meet current service plan; I do not recommend raising the Millage rate.
- Consider the current budgetary and economic environment (e.g. sales tax growth has softened; service costs have increased; economic uncertainty looms)
- If rollback rate is adopted, where should we cut \$900,000 in appropriated programming for FY26?
- If current millage rate is kept, how should City allocate revenue growth (e.g. public safety; stormwater; reserves; other)?

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