



SAVANNAH CITY COUNCIL
(preliminary)
ACTION MINUTES
Monday, November 17, 2025

Fiscal Year 2026 Council Budget Retreat

The Council Budget Retreat was held at the Savannah Civic Center Ballroom, 301 W. Oglethorpe Ave, at **9:00 a.m.** Mayor Johnson called the meeting to order, then recognized Alderman Kurtis Purtee to offer an invocation.

MEMBERS PRESENT:

Mayor Van R. Johnson, II, Presiding
Alderman Carolyn H. Bell, Post 1, At-Large
Alderman Alicia Miller Blakely, Post 2, At-Large
Alderman Bernetta B. Lanier, District 1
Alderman Detric Leggett, District 2
Alderman Linda Wilder-Bryan, District 3 – Vice Chair
Alderman Nick Palumbo, District 4 – Chairman
Alderman Dr. Estella Edwards Shabazz, District 5 – Mayor Pro Tem
Alderman Kurtis Purtee, District 6

ALSO PRESENT:

City Manager Jay Melder
Chief of Staff Daphanie Williams
Sr. Director, Management and Budget Melissa Carter
Sr. Director, Financial Services David Maxwell
City Attorney Bates Lovett
Assistant City Attorney Denise Cooper
Clerk of Council Mark Massey
Deputy Clerk of Council Gwendolyn Jones

AGENDA ITEMS

- **See attached Agenda, “Parking Lot” of requests, Proposed Budget Snapshot, City Manager’s Message, and PowerPoint presentations.**
- **The City Manager and staff made their presentations in accordance with the attached agenda, followed by the Mayor and Aldermen who either weighed-in, asked questions, offered comments, and/or made requests.**
- **The Management and Budget Team compiled a “Parking Lot” of requests, based upon matters raised by the Mayor and Aldermen.**

Mayor Johnson adjourned the meeting at 4:42 p.m. [NO ACTION WAS TAKEN.]



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Fiscal Year 2026 Council Budget Retreat

In continuance of and follow-up to the Budget Retreat, the Mayor and Aldermen will include additional presentations and discussion during the Workshop scheduled to take place during the regularly scheduled meeting to be held on Tuesday, November 25, 2025.

Video recordings of the budget workshop can be found on the City's Facebook page (<https://www.facebook.com/cityofsavannah/videos>) and are uploaded on the City's YouTube page: <https://www.youtube.com/@cityofsavannah/videos>.



**Fiscal Year 2026
Council Budget Retreat**
Savannah Civic Center Ballroom

November 17, 2025

“Securing our Future” with Savannah GPS plan as our Foundation”

AGENDA

8:30 AM Budget Workshop Opening (Breakfast will be served)

9:00 AM Call to Order.....Honorable Van R. Johnson, II
Mayor

9:05 AM FY26 Proposed Budget Overview.....Joseph A. Melder
City Manager

9:35 AM Implementing Savannah GPS.....Taffanye Young
Assistant City Manager

10:00 AM Public Safety

Savannah Fire Dept. Overview.....William Handy
Interim Fire Chief

Savannah Police Dept. Overview.....Lenny Gunther
Police Chief

11:00 AM Public Works

Water Resources Overview..... Ronald Feldner
Chief of Water Resources

Government Operations Overview.....Gene Prevatt
Chief of Government Operations

11:40 AM Community Development

Planning & Economic Development Overview.....Faye DiMassimo
Chief of Planning & Economic Development

Community Services Overview.....Melissa Carter
Interim Chief of Community Services

12:30 PM Lunch

Governance

1:30 PM **Information & Public Affairs Overview**Joseph Shearouse, Jr.
Chief of Information and Public Affairs

1:50 PM **Management Services Overview.....**Saesha Carlile
Chief Operating Officer

2:10 PM **FY26 Proposed Enterprise Funds & Debt Service....**David Maxwell
Sr. Director, Financial Services

2:40 PM **FY26 Proposed Budget Framework**Melissa Carter
Sr. Director, Management and Budget

3:00 PM **Proposed Five-Year Capital Plan Overview.....**Melissa Carter
Sr. Director, Management and Budget

3:20 PM **Council Direction.....**Honorable Van R. Johnson II
Mayor

4:00 PM **Adjourn**

FY26 Budget Retreat Parking Lot
November 17, 2025

City Manager's Office

- Improve communication overall including more engagement with youth and young adults/reach a wider demographic. (AMB)
- Have an additional workshop session to dive into police, vehicle at-fault accidents, and shootings (M VJ)
- City Attorney's Office to provide additional information on the SPLOST funding uses (AMB)
- Develop a way to better inform the public and council members about demolition activities within the community in advance. (DL)
- First quarter workshop commitment to improve the efficiency of sports and recreational services (M VJ, CM, Council)

Public Safety (William Handy and Lenny Gunther)

- Ensure Youth Services and Economic Development are included in public safety discussions similar to 911 committee. (BL)
- Work to acquire bomb dog (M VJ)
- Provide quantitative data on ONSE in reference to community policing activities (DL)
- Obtain police retention and attrition rate (M VJ)
 - Is there an opportunity to combine positions/tasks? (DL)
- Can additional officers be assigned to SPD Traffic Unit? (KP)
 - Establish a funeral escort policy (M VJ)
- Allocate funds to ensure officers can write professional, accurate, court ready police reports, and case documentation. (LWB)

Public Works (Ronald Feldner and Gene Prevatt)

- Create opportunities to have more accessible ways to dispose of waste (M VJ)
 - Education on litter reduction
 - Community involvement in anti-litter efforts
 - Explore penalties and incentives
 - Get kids involved to create a slogan for the Keep Savannah Beautiful campaign
- Removal of commercial dumpster on NW corner of Bolton & Drayton (CB)
- Explore re-adopting previous median maintenance practices (AMB)
- Creation of policies for developers to provide a landfill ticket to modify behaviors related to illegal dumping (BL)
- Provide timeline on park lighting installations (LWB)
- Deep dive into utility billing division (DL)
 - Educating residents to assist with understanding what is in their bill

Community Development (Faye DiMassimo and Melissa Carter)

- Create a list of the 14 DBE businesses that were converted to prime contractor status and ways we can support their endeavors (AMB)
- Develop ways to improve the quality of life for single parents (LWB)
 - Introduction of daycare services within the community centers
- Create more programs supporting parents with childcare and educational support services (M VJ)
 - Exploration of zoning opportunities to create daycare services within neighborhoods
- Traffic calming on Amaranth Ave (between Hopkins and MLK) (EES and CB)
- Explore best practices on City level economic development (BL)
 - Concentration on external partnerships for sustainability

- Look into government contracts/grants to aid with funding for economic development (NP)
 - Engage citizens in surveys and plannings to gain real feedback on what to develop and city direction
- How to streamline services with Parking Service, Transportation and Code Compliance to address STVR short-term vacation rentals?
- Re-evaluate past and current recreational services and sports activities (DL)
- Restructure the ONSSE and recreation programs to reflect the asks of the community (DL)
- Create efforts to get Savannah athletic talent back in Savannah (DL)
- Develop a way to effectively allocate time slots to teams and programs for park usage (AMB)
- Address color scheme across City parks (LWB)
- Consider hiring a more diverse age demographic to referee sporting events (LWB)
- List of all nonprofit grant applicants facilitated by community services. (AMB) Who do the nonprofits serve and what are they doing with their allocated funds? (LWB) Ensure requesters aren't duplicating services that are offered by another agency (i.e. Chatham County schoolboard) (CB)
 - Response: Full listing of non-profit programs funded see attached pg. 257-291.
 - Note: Place award basis for CPP, ACE, and VRG. *All three of the City's grant programs use a competitive, points-based review system (provided on pgs. 257-272 of the budget book), and awards go to the highest-scoring proposals. For ACE, VRG, and CPP, every application is scored by review committees using clear, published criteria that evaluate organizational capacity, program design, benefit to Savannah residents, proven or measurable outcomes, partnerships, and whether the budget is reasonable and aligned with the services offered. In short: applicants are graded against the same rubric, their scores*

*determine rankings, and funding is awarded accordingly. *Add list of all who were funded and not funded.*

- Establish more balance to the services outsourced to non-profits versus in-house. (LWB)
 - Fully utilize spaces within community centers to offer services
- Explore youth programs as an alternative to potentially unsafe activities (water bottle sales) (LWB)

Governance (Joseph Shearouse Jr. and Saesha Carlile)

- Implement better programming for SGTV (DL)
- Quarterly update on Civic Center Legacy Project (DL)
- Provide exact timeline of Water Works Stabilization (BL)
- Status of ACH payments implementation for vendors (LWB)
- List of all sidewalk repairs and bike lane additions (BL)
- Police vehicle accident audit results (DL)

PROPOSED BUDGET SNAPSHOT

Fiscal Year 2026

BUDGET IN BRIEF



The FY26 **Proposed Budget** of **\$656 million** delivers high-quality and enhanced services to residents while investing in initiatives that strengthen and secure the community well-being and operational resilience.

- Maintains the City's **lowest millage rate at 11.749**
- Contributes **\$16.1 million** to the Pension Fund
- Proposes a General Fund budget of **\$311 million**, balanced with no tax increase and no planned draw from reserve funds
- **Maintains reserves at 19%**, covering approximately 60 days of general operating costs: consistent with the City's Policy
- Contributes **\$25 million** for comprehensive medical benefits for employees, dependents, and retirees under age 65
- Introduces the **Stormwater Utility Fee**, in efforts to support a broader initiative to enhance stormwater management and address infrastructure needs



COMMUNITY DEVELOPMENT & RESILIENCY

- **\$3 million** in continued support to **Savannah Affordable Housing Fund**-\$500K more than the 2025 contribution
 - **\$1 million** in planned spending through the **Community Partnership Program** benefiting local nonprofit organizations
 - **\$685,000** in planned spending through the **Arts, Cultural, and Enrichment Program** benefiting local nonprofit organizations
 - **\$175,000** to support **County-wide housing initiative**
 - **\$350,000** continuous investment in the **Homeless Day Centers**
 - **\$500,000** in contributions to **Homelessness Support Grants**
 - **\$2 million** in SPLOST VII funding for **Blighted Property Acquisition & Redevelopment**
 - **\$40 million** in SPLOST VII funding to **redevelop and renovate the Civic Center** site to optimize space for public and municipal use and expand access to recreational programs
-



PUBLIC SAFETY

- **\$150 thousand** annual investment in **FUSUS**
 - **30 Firefighters** to support the operations of the newly built **New Hampstead Fire Facility**
 - **\$3 million** for the rehabilitation of the **Savannah Fire Headquarters**
 - **\$15.5 million** in SPLOST VII funding to support the construction of the **Northwest Precinct**
 - **\$910 thousand** for the expansion and improvement of the **Savannah Police Administration Building**
 - **\$218 thousand** to update **SPD's weaponry arsenal**
 - **\$48 thousand** for new **fingerprint scanners** to identify individuals who have fingerprints on file
 - **\$205 thousand** to support SPD operations in the **City's northwest annexations**
 - **\$298 thousand** for **1 Fire Prevention Inspector and 1 Fire Prevention Plans Reviewer**, including benefits and additional resources, to help to maintain the City's ability to deliver essential services effectively and efficiently
-



LIVABLE BUILT ENVIROMENT/ INFRASTRUCTURE

- **\$4 million** of additional enhancements to improve **Stormwater management operations** throughout the entire city
 - **\$6.2 million** in capital allocations supporting **streets, sidewalks, and traffic calming** to provide safe transportation
 - **\$5 million** in capital spending for improvement to the **City's water infrastructure**
 - **\$130 thousand** for **EV charging stations** installation in the City's Parking Facilities
 - **\$42 million** to overhaul the **Georgetown Water Reclamation Facility** to address the current and future growth in the service basin, along with future regulation governing wastewater treatment
 - **\$26.5 million** in capital allocation to support the **City's sewer infrastructure** including maintenance and large-scale repairs
-



QUALITY OF LIFE/FUNDAMENTAL CITY SERVICE

- **\$3 million** capital investment in **Recreation Improvement Projects** for parks, community centers, and gym improvements
 - **\$6.2 million** to continue modernizing the **City's water metering system**
 - **\$330 thousand** to improve **litter collection services**
 - **\$112 thousand** for **2 new Maintenance Workers**, including benefits, at the landfill to keep up with the increased daily upkeep and maintenance
 - Approximately **\$2 million** capital investment to address deferred facility maintenance and HVAC repairs
 - **\$1.5 million** in funding to support the maintenance needs at the **City's Parking Facilities**
 - **\$350 thousand** to restore **Ellis Fountain** to a properly functioning, interactive water feature with synchronized lighting
 - **\$180 thousand** to **install electronic signage** on East President Street, General McIntosh Boulevard, and the NB Truman Parkway to notify approaching drivers when the President Street railroad crossing is blocked
 - **\$77 thousand** to enhance accessibility to customer lots and create a more aesthetically pleasing and maintenance friendly environment at the **Laurel Grove North Cemetery**
-



ECONOMIC ACCESS, OPPORTUNITY AND VITALITY

- **\$3.5 million** in funding for the **Savannah Waterfront Redevelopment**
- **\$1.3 million** in funding for the **Waterworks Building Redevelopment** to preserve and restore an iconic historic asset
- **\$111 thousand** for **1 new Floodplain Coordinator** to help work toward a higher Community Rating System, resulting in greater flood insurance premium discounts for citizens
- **\$236,942** in **CDBG and program income funding** allocated to education and workforce development, Emerge Job Training scholarships, Child Development Associate, Certified Nursing Assistant, Culinary Kitchen Cook, and Fast Track Manufacturing/Logistics job programs
- **\$351,443** in **Community Block Development Grant** funding allocated to the Small Business Lending program

- **\$167 thousand** for **addition of 2 Contract Coordinators** to assist with increasing opportunities for local and minority-owned businesses through vendor outreach and compliance with diversity initiatives
- **\$25 thousand** to maintain continuity in program implementation and service delivery of the **CDC ACTION grant**

"Although a comparatively small amount is currently shown here, there are investments in other areas that also support this goal. The same dollar that supports affordable housing, mobility, resource management, etc. and is listed under another strategic goal also expands economic access, opportunity, and vitality."



HIGH-PERFORMING GOVERNMENT

- **\$4.7 million** to implement a **2.7 percent Cost of Living Adjustment** January 1st, 2026, for all employees
- **\$2.5 million** to implement a **3 percent general wage increase** for unified and managerial pay plans, and a 2.5 percent increase for the public safety pay plan, to begin July 1st, 2026
- **\$62,000** to continue the **Comprehensive Paid Internship Program**
- **\$60,000** to continue **Team Savannah's Fitness Reimbursement Program** to incentivize employee health and wellness
- **\$36.6 million** in SPLOST VII funding to support the construction of **new municipal office space**
- **Stipend Pay** increases from **\$32 to \$125 per week**

City Manager's Message

November 7, 2025

To the Honorable Mayor and City Council:

It is my privilege to present the Fiscal Year 2026 Proposed Operating and Capital Budget for the City of Savannah.

This year's budget carries a unifying theme — "Securing Our Future." This is the first budget built from the foundation of our new strategic plan, Savannah GPS. Our new strategic plan ensures that our community and organization are heading in the right direction.

Setting Our Course with Savannah GPS

Savannah now has a clearly defined roadmap, built by and for the people of Savannah. Adopted earlier this year, Savannah GPS charts our direction for the next several years through a shared vision and mission, framed inside six strategic goals. Together, they define what success looks like for our community.

Through thousands of conversations, surveys, and neighborhood meetings, our residents told us where they wanted Savannah to go. We listened. This plan, and this budget, reflect those priorities. Savannah GPS isn't just a document. It's our compass. It guides our decisions from major infrastructure investments to daily service delivery.

This FY 2026 budget is our first opportunity to implement the vision of Savannah GPS. Each department has developed an annual work plan connected directly to its six goals, ensuring that our projects and resources move the needle where it matters most. As we advance this work, we will measure and report our progress. We will hold ourselves accountable to outcomes that strengthen safety, opportunity, and quality of life across all neighborhoods.

Savannah GPS sets the course, and this budget is the engine that moves us on that course.

Our Mission Statement:

Savannah will be a safe, environmentally healthy, and economically thriving community for all.

Our Core Values:

Equity | Communication | Community Engagement | Innovation | Execution | Transparency | Accountability | Partnerships (including Regional Partnerships)

Savannah GPS translates the voices of our residents into clear direction and measurable goals. Each of the six strategic goals shape how we allocate resources and evaluate performance:

1. Increase Public Safety and Our Collective Sense of Security
2. Invest in Equitable Community Development & Resiliency
3. Expand Economic Access, Opportunity & Vitality for All
4. Develop a World-Class Livable Environment & Infrastructure
5. Improve Quality of Life by Raising Municipal Service Standards
6. Always Be a High-Performing Government.

Fiscal Overview & Budget Highlights

The FY26 Proposed Operating Budget of **\$656 million** delivers high-quality and enhanced services to residents while investing in initiatives that strengthen and secure the community's well-being and operational resilience.

The FY26 Budget:

- ❖ Maintains the City's lowest millage rate since 1987 at **11.749 mills**.
- ❖ Contributes **\$16.1 million** to the Pension Fund.
- ❖ Proposes a General Fund budget of **\$311 million**, balanced with no tax increase and no planned draw from reserve funds.
- ❖ **Maintains reserves at 19 percent**, covering approximately 60 days of general operating costs, consistent with the City's Policy.
- ❖ Contributes **\$25 million** for comprehensive medical benefits for employees, dependents, and retirees under age 65; up \$5 million from the 2025 adopted budget.
- ❖ Introduces the **Stormwater Utility Fee**, in efforts to support a broader initiative to enhance stormwater management and address critical infrastructure needs.
- ❖ Includes **\$204 million** of capital improvement investments.

2026 Fund Appropriations*	
General Fund	\$311,422,054
Special Revenue Fund	\$79,659,341
Internal Services Fund	\$49,955,017
Debt Services Fund	\$5,334,505
Capital Improvement Fund	\$204,392,505
Enterprise Funds	
Water & Sewer	\$110,869,240
I&D Water Fund	\$14,840,716
Civic Center Fund	\$5,144,075
Parking Services Fund	\$28,698,240
Sanitation Fund	\$46,404,199
Stormwater Fund	\$4,000,000
*Includes interfund transfers and bond issuances in the Capital Improvement Fund	

Advancing Savannah GPS – Plan of Action

1. Increase Public Safety and Our Collective Sense of Security

We are committing resources to:

- Invest \$198,000 to improve coordination between law enforcement and the community by enhancing our transparency, responsiveness and safety through technology upgrades including the continuation of FUSUS; **a real-time intelligence and video integration platform** and the acquisition of new fingerprint scanners.
- Invest \$20 million to modernize public safety facilities and equipment to rehabilitate both the Savannah Fire Headquarters and the Savannah Police (SPD) Administration Facilities and update the SPD weaponry arsenal.
- Add (30) Fire personnel to staff and support operations at the newly built **New Hampstead Fire Station**, and both a Fire Prevention Inspector, and Plans Reviewer to strengthen community risk reduction and streamline the review process for new and existing developments ensuring safety compliance and efficient permitting.

2. Invest in Equitable Community Development & Resiliency

Key actions include:

- \$3 million – Continued **support for the Savannah Affordable Housing Fund**.
- Approximately \$1.7 million in grants to support non-profit organizations and promote creativity and community engagement.

- **\$850,000 in Homelessness Support Grants** to assist providers offering Day Center services, housing and case management services.
- \$260,000 to operate Jenkins High Pool on behalf of Savannah-Chatham County Public Schools, providing recreational swimming, swim lessons, and swim team programs that promote community health, safety, and youth development.

3. Expand Economic Access, Opportunity & Vitality for All Citizens

This budget advances this vision by investing in entrepreneurship, job training, and the redevelopment of key economic assets that will sustain long-term growth and opportunity for all residents. Key investments include:

- \$3.5 million – **Savannah Waterfront Redevelopment** constitutes a continued investment in the transformation of Savannah's waterfront into a vibrant, accessible, economic and cultural destination that supports tourism, local business growth, and public access to the riverfront.
- \$20 million – **Historic Waterworks Building Redevelopment** to restore and establish an adaptive reuse of an iconic historic asset in the Canal District, preserving Savannah's heritage while promoting economic revitalization.
- \$236,942 – Education and Workforce Investments that fund Emerge Job Training Scholarships and **workforce programs** that prepare residents for in-demand careers.

These efforts ensure that Savannah's economy remains dynamic and accessible.

4. Develop World-Class Livable Environment & Infrastructure

Capital and operating investments will focus on:

- Street, sidewalk and public-space maintenance and enhancements including \$6.2 million in capital investments focused on improving walkability, reducing traffic speeds in neighborhoods and a multi-modal approach to mobility.
- **Stormwater/flood control** system investments of \$4 million to implement upgrades to reduce flooding risks and protect neighborhoods and natural resources supported by a proposed Stormwater Utility.
- Water and Sewer Infrastructure investments with the overhaul of the Georgetown Water Treatment Facility. This \$42 million investment will improve efficiency, capacity and environmental protection to meet current and future growth demands within the service basin. Other major investments are proposed to maintain, modernize, address large-scale repairs, and enhance operational efficiency.

5. Improve Quality of Life by Raising Municipal Service Standards

Enhancing recreation amenities, investing in infrastructure maintenance, and modernizing community assets are the objectives of some key investments proposed such as a:

- \$3 million - **Recreation Improvement Projects** to upgrade and modernize parks, community centers, and gym facilities creating safe, engaging, and inclusive spaces that promote recreation, wellness, and community connection.
- \$1.5 million – Parking Facilities Maintenance funding to address maintenance and operational needs across parking garages and lots, ensuring safety, reliability, and long-term functionality.

- \$2 million – Deferred Facility Maintenance and HVAC Repairs to address deferred maintenance projects across municipal buildings and to replace and repair HVAC systems, ensuring safe, efficient, and comfortable public facilities.
- \$350,000 - **Restoration of the historic Ellis Fountain** enhancing downtown's public realm and cultural character with synchronized lighting and interactive water feature.
- \$180,000 - Traffic Notification System along East President Street, General McIntosh Boulevard, and the northbound Truman Parkway to alert drivers when the President Street railroad crossing is blocked, improving traffic flow, safety, and commuter experience.

6. Always Be a High-Performing Government

- Implementing a 3 percent general wage increase for unified and managerial pay plans and a 2.5 percent increase for the public safety pay plan, ensuring competitive compensation and continued **retention of skilled employees**.
- \$111,000 to support a Data Security and Governance Analyst to continue the City's **commitment to data-driven decision making**.
- Continued funding for the Comprehensive Paid Internship Program, which provides meaningful, hands-on experience for students and emerging professionals while developing the next generation of civic leaders.
- \$60,000 investment to continue Team Savannah's Fitness Reimbursement Program promoting employee health and wellness and increasing the employee stipend pay from \$32 to \$125 per week, demonstrating the City's commitment to employee well-being and recognition.

Through investments in people, transparency, and continuous improvement, we are building an organization that exemplifies excellence in public service.

Water, Sewer and Stormwater Infrastructure Security

Savannah prides itself on producing some of the best water in the country. Over the course of the next several years, we will invest heavily in the City's water and sewer infrastructure. This budget allocates \$477.8 million in projects over the next five years to ensure our excellent service continues. Included in this amount is **a new sewer treatment plant** located in Georgetown that will replace the existing treatment plant and increase the treatment capacity at that location from 2.45 million gallons per day (MGD) to 4.0 MGD.

The City also plans to expand the Travis Field treatment plant that will increase the treatment capacity at that location from 4.0 MGD to 8.0 MGD. These two new facilities will help the City meet the growing service demands for sewage treatment in the south and southwest areas of the City. This ambitious five-year capital plan will be financed through a combination of small incremental rate increases, connection fees for new users and strategic borrowings. The financing plan forecasts an investment of \$442 million over the next five years. The first year of the plan calls for \$137 million in 2026. The water and sewer system enjoys a favorable credit rating of AA+ from Standard and Poor's and Aa1 from Moody's. The forecasted rate increase in 2026 for the City's median user is 5.7 percent.

In addition to the sewer treatment facilities mentioned previously, the City is currently under way with work to expand and modernize its surface water treatment plant to expand capacity to 65 MGD from the current capacity of 57 MGD.

This project is funded through a **\$146 million package** from the Georgia Environmental Facilities Authority (GEFA) authorized by the State in early 2025 under a **new Regional Water Partnership Agreement**. Half of this amount will be forgiven, and the remaining balance will be repaid at zero interest. The funding package contains favorable financing terms for the City of Savannah and its rate payers. It is anticipated that the new GEFA loan will add about \$2 million of new debt service for the surface water customer base annually.

Securing Our Information Technology Infrastructure

In today's digital environment, the City of Savannah's ability to deliver reliable and efficient services, both internally and externally, depends on the strength and security of the information technology infrastructure. As **cyber threats become more sophisticated and elaborate**, it is essential that the City invest in robust systems, and proactive cybersecurity measures to safeguard sensitive data and protect critical operations. Maintaining secure, resilient, and responsive IT infrastructure not only ensures the continuity of public services but also upholds public trust in the City's ability to manage information responsibly.

The FY26 budget continues our **commitment to strengthening cybersecurity defenses**, updating legacy systems, and providing staff with the tools and training necessary to respond to evolving digital risk. To advance these goals, this budget includes the addition of three new positions within the Innovation and Technology Services Department: a Data Security and Governance Analyst, a Network Technician, and a Bi-Directional Amplifier Inspector.

The addition of a Data Security and Governance Analyst represents a proactive investment in the City's digital resilience. This role will focus on protecting sensitive information, **enabling the secure and ethical use of artificial intelligence powered tools, and implementing modern governance frameworks** using technologies like Microsoft Purview. This new role will drive a cultural and operational shift toward structured data stewardship, minimizing risk, ensuring data-driven decision-making, and safeguarding the City's digital assets for the future.

Further strengthening the City's technology infrastructure security includes the addition of a Network Technician, as the City's network is the backbone for all digital services. This role will ensure that architectural decisions, security frameworks, and technology deployments are guided by expert oversight and aligned with long-term goals for resiliency, scalability, and compliance.

The inclusion of a Bi-Directional Amplifier (BDA) Inspector will enhance the City's information technology infrastructure security by ensuring reliable and uninterrupted communication capabilities within facilities. Reliable communication is a foundational element of resilient IT and public safety systems, supporting coordinated incident response, minimizing downtime, and protecting both personnel and assets. By maintaining compliance with public safety communication standards and ensuring system integrity, this role contributes directly to the City's overall technology resilience and emergency preparedness.

Fiscal Discipline

This proposed budget maintains reserves, manages debt, and preserves flexibility, because securing our future means safeguarding against downside risk as well as pursuing areas of opportunity.

In today's uncertain economic climate, marked by inflationary pressures, rising service costs, tariffs, the unpredictability at the Federal level, and evolving community needs, the **City of Savannah is firmly committed to sound fiscal discipline**.

As of December 31, 2024, the City of Savannah's General Fund **unassigned fund reserves** stood at \$59,598,399 or **19.9 percent** of the total General Fund expenditures and transfer-outs for the year. This level of reserves compares favorably with established policy guidelines and reflects the City's prudent financial management.

These reserves provide a critical safeguard against potential economic downturns, ensuring the City's continued ability to deliver essential services and maintain stability in the face of future fiscal challenges.

Budget Challenges and Opportunities

The FY26 budget reflects a disciplined approach to fiscal stewardship amid rising operational costs and more modest revenue growth. In July 2025, City Council voted to **adopt a rollback millage rate of 11.749 mills**, following an 8.81 percent increase in the City's taxable property values compared to FY2024. Of this increase, 4.01 percentage points stemmed from higher property valuations, while 4.80 percentage points resulted in new development and growth across the community. By selecting the rollback rate, Council prioritized relief for property owners while preserving core services. As a result, FY2026 General Fund property tax revenues are projected to remain flat relative to FY25, amid escalating service delivery costs.

While the **City's sales tax revenues have remained stable** at approximately \$66 million annually from 2022 to 2024, projections for FY 25 and FY26 suggest a slight decline to \$65.5 million. This consistency reflects a resilient local economy, yet underscores a critical challenge: sales tax growth is no longer outpacing with the rising cost of operations. Given that sales taxes comprise roughly 21 percent of the General Fund, even modest fluctuations in this revenue stream have outsized implications for budget planning.

Capital planning presents additional challenges. During the development of the FY26-FY30 Capital Improvement Program (CIP), departments submitted \$253.4 million in proposed project requests. Of this, \$204.4 million is included in the FY26 capital budget – representing a 161 percent increase over the prior year's \$78 million allocation. This surge is largely attributable to major investments in the Civic Center, public buildings, and water and sewer infrastructure.

The City will continue to evaluate unfunded projects (currently totaling \$49 million), periodize critical investments that align with City Council vision in Savannah GPS, and defer non-essential initiatives where appropriate.

Savannah GPS provides us the opportunity to align the budget with the vision of City Council and our community. To meet the goals of Savannah GPS, we will need new work programs, restructuring of old programs, and reallocation of programs whose mission may have changed. This opportunity will require a phased financial plan that works strategically and responsibly within our financial constraints.

Special Purpose Local Option Sales Tax (SPLOST 8)

On Tuesday, November 4th, City of Savannah and Chatham County voters overwhelmingly confirmed their support for the continuation of one of the greatest community development tools in the history of municipal government - the 1-penny sales tax known as SPLOST. Since 1985, SPLOST has funded over \$750 million worth of capital improvement projects in Savannah, fundamentally improving the built environment Savannahians live in today.

SPLOST 8 will fund \$268 million worth of critical capital improvement projects over the next six years. Almost 40 percent of SPLOST is paid for by visitors to our community, but all of the proceeds directly

benefit the citizens of Chatham. SPLOST takes significant pressure off the general fund and helps properly fund capital needs without increasing property tax rates.

SPLOST 8 Investments

- \$91 million in Transportation and Mobility
- \$72 million in Community Development
- \$68.3 million in Stormwater Improvements
- \$15.7 million in Park and Recreation
- \$11 million in Public Safety
- \$10 million in Municipal Investments

2026 Capital Improvement Plan

The 2026 Budget includes resources toward critical infrastructure, community development, and public facility improvements, all aligned to the strategic plan.

- Civic Center Improvements: Approximately \$40 million from SPLOST 7 Tier V collections is budgeted to support the renovation of the Johnny Mercer Theatre and partial restoration of the Oglethorpe Square plan. Another \$40 million will be allocated from SPLOST 8.
- Traffic Management, Streets & Sidewalks: Approximately \$6.18 million, funded primarily by SPLOST 7, will support mobility enhancements citywide. Planned projects include an early warning system for the President Street railroad crossing, along with sidewalk installation and repair, street resurfacing, and traffic calming initiatives. An additional \$24 million from SPLOST 8 will be invested in the Highlands/Benton Blvd. Expansions and improvements.
- Traffic Management/Community Development: \$4 million from SPLOST 8 Tier I will be invested in the removal of the I-16 Flyover returning an approximate seven acres of land back to the City for development, reconnecting, and revitalizing neighborhoods that have long been cut off by the flyover.

Other major funding highlights of the Capital Improvements Plan include:

- Community Development & Recreation: A total of **\$10.6 million** dedicated to projects that **enhance neighborhood interconnectivity** and mobility, expand housing solutions, and foster economic development opportunities across the City.
- Squares, Monuments, Parks & Cemeteries: Approximately \$635,000 will fund improvement projects that preserve and enhance the City's historic greenspaces, hardscapes, and fountains, supporting both neighborhood revitalization and economic growth.
- Drainage Improvements: \$2.25 million allocated for **new drainage projects**, including \$1.4 million for neighborhood drainage improvements funded by the Stormwater Utility. These efforts also continue the multi-year rehabilitation of the City's storm sewer system.
- Public Buildings: The Public Buildings category, totaling \$64.7 million, represents a much needed investment in new construction and facility rehabilitation. Projects include upgrades and new construction for general administration, parking garages, public safety, and community centers.
- Water & Sewer Improvements: This category remains a major component of the City's capital plan, with \$73.6 million, or 36 percent of FY26 investments, allocated to ensure regulatory compliance, expand capacity, and modernize water and sewer infrastructure.

- Other Projects: The \$6.4 million allocated to this category addresses a range of strategic priorities, including modernization of the water metering system, fuel site upgrades for Sanitation, and expansion of electric vehicle charging infrastructure in City parking facilities.

This capital plan is fundamentally about making smart investments now to reduce future burdens and enable the City to respond to evolving needs.

Fiscal Year 2026 Utility Rates

Enterprise Fund revenue projections are derived from fees established for distinct service lines and are paid by the citizens who utilize those services. In most cases, the revenue generated from these fees are sufficient to fully fund the operational and capital expenditures associated with each service line. City Council formally reviews and adopts the fee schedules on an annual basis to ensure that rates remain consistent with the cost-of-service delivery and the City's long-term financial objectives.

The following rate changes for the Sanitation and Water and Sewer Utilities are:

Sanitation Services - The residential refuse rate for 2025 was \$40.77 per month. For 2026, the new proposed rate is \$42.81, which is an increase of five percent or \$24.48 per year. It is recommended the commercial disposal fee be increased from \$5.42/Cubic Yards (CY) to \$5.69/CY and that commercial collection rates are raised from an average of \$5.22/CY to \$5.48/CY. Both the commercial disposal fee and commercial collection rates are proposed to increase five percent in 2026.

Water Services - The proposed water service rates for 2026 are higher than those for 2025. While the base charge remains unchanged, the increase applies only to the consumption charges. The recommended increase for inside city rates is +\$0.03/centum cubic feet (CCF), and for outside city rates, the increase is +\$0.05.

Sewer Services - The proposed sewer service rates for 2026 are higher than those for 2025. While the base charge remains unchanged, the increase applies only to the consumption charges. The increase for inside city rates is +\$.40/CCF; and for outside city rates, the increase is +\$0.60/CCF.

Securing the Stormwater Infrastructure

For the first time, the FY26 Budget introduces a **Stormwater Utility Fee**. The fee is intended to ensure the long-term sustainability of the City's stormwater management operations. This fee will provide a stable and equitable funding source to support the operation, maintenance, and capital improvement of stormwater infrastructure. Revenues generated through the Stormwater Utility Fund will be used exclusively for activities such as drainage system maintenance, flood prevention, and compliance of state and federal environmental regulations.

The Stormwater Utility Fee will be assessed based on the amount of impervious surface area on each property, reflecting each parcel's contribution to stormwater runoff. Establishing this fee aligns with best practices adopted by many municipalities and ensures that the cost of managing stormwater is distributed fairly among property owners.

By providing a revenue source independent of the General Fund's revenues, this new revenue source provides financial stability that protects the City from unexpected costs related to flooding, system failures, and regulatory noncompliance, while supporting investments in water quality and resilience. The Stormwater Utility Fee strengthens both the City's fiscal foundation and the safety of our community.

Securing/Strengthening the Livelihoods of Our Employees

Here at the City of Savannah, we recognize that our employees are the foundation of the high-quality public services we provide to our community. Securing and strengthening employee livelihoods remains a top priority in the FY26 budget. This includes strategic investments in competitive compensation, comprehensive benefits, and workplace wellness initiatives. The FY26 budget allocates \$4.7 million to implement a 2.7 percent cost-of-living adjustment for all employees effective January 1, 2026, and an additional \$2.5 million for a general wage increase beginning July 1, 2026. It is important to note that the 2.7 percent adjustment is based on the Consumer Price Index (CPI) 12-month change from July 2024 to July 2025, ensuring that employee compensation keeps pace with inflation. This adjustment follows significant efforts in 2025 to align the City's pay rates at or above the market, recognizing and rewarding the dedication and contributions of our workforce.

In addition to maintaining competitive compensation, the budget provides \$25 million to sustain comprehensive medical benefits for employees, their dependents, and retirees under age 65, an increase of \$5 million over the 2025 adopted budget.

Looking Ahead

As we implement Savannah GPS through this budget, our focus remains on partnerships between government and residents, businesses and neighborhoods, and generations today and tomorrow. "Securing Our Future" means taking the long view: building infrastructure that lasts, strengthening systems that serve equitably, and planning for challenges we can anticipate because we have chosen to chart our course together.

This budget is both a reflection of where we are and a declaration of where we're going. With Savannah GPS, we know our direction. With this budget, we begin the journey guided by data, grounded in community, and inspired by the people we serve.

Gratitude and Commitment

As we present this budget, I want to recognize the countless people who make Savannah the exceptional community it is, from residents who shaped the Savannah GPS plan to city employees who deliver services with dedication and care.

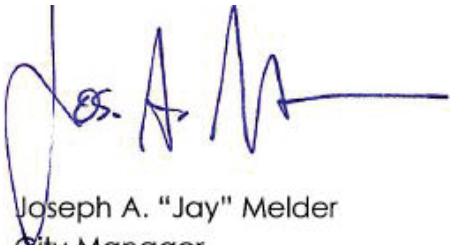
This document reflects collaboration: between elected leaders who set policy direction, professional staff who execute it, and community members whose engagement ensures we stay on course. Together, we've built a framework that balances immediate needs with long-term vision, ensuring that Savannah's growth is intentional and inclusive.

To the Mayor and City Council, thank you for your leadership and commitment to transparency. To the City of Savannah workforce, who we affectionately call Team Savannah, thank you for your tireless service and professionalism—you are the heart of this city.

The FY 2026 Budget, rooted in community vision and guided by Savannah GPS, is more than a financial statement, it is our shared promise to **Secure Our Future**. By aligning our resources with strategic goals, weaving equity and resilience into our decisions, and committing to high operational performance, we are laying the groundwork for a stronger, more inclusive, and more vibrant city.

Together, we are charting a clear path forward. One guided by data, defined by accountability, and inspired by the people we serve. Let us move forward together with purpose, collaboration and optimism.

Respectfully submitted,



Joseph A. "Jay" Melder
City Manager

