

# Homewood Budget FY 2025/26

August 25, 2025

# Proposed Budget

## FY 2025-2026

- This years Budget has already been thoroughly vetted.
  - The Directors, Chief of Staff, and City Manager have spent hours going through this budget together.
  - Council Representatives received Director Briefs and provided insights.
  - The Mayor has participated and reviewed throughout the process.
- Our total budget for 2025/2026 is **\$128,511,652** (All Funds)
- We have an Operational Budget of **\$75,593,637** which is based on a **2% revenue increase** and augmented with **\$3.32M from Carry Over Fund** Balance just like in the past.
- Personnel:
  - Current CPI (Consumer Price Index) is **\$3.5% - Budgeted COLA.**
  - JCPB (Jefferson County Personnel Board) **5% merit pay increase.**
  - Pending surplus funds – **Tiered Bonuses.**
- We have a **Capital Expenditure Budget of \$20,978,248** and created a 5-Year Capital Plan
- Funding for the Homewood City Schools: **\$~27,256,003**
  - Payment of Debt from the \$55M 2016 Bond issue for the BOE: **\$~3,212,500 (not cash to schools)**
  - 1 cent Sales Tax Projected Revenue: **\$~11,633,140**
  - BOE Trust Fund: **\$~12,410,363**
    - Property Tax: \$~11,814,071
    - Ad Valorem-Personal Property: \$~596,292

# Proposed Support To City Council Priorities

- **Fund a new Fire Station #2:** It is in 5-Year Capital Plan
  - Design FY25/26 – Funded ~\$600K
  - 2 Years of Construction 26 -28 ~\$10M
- **Divergent Diamond:** This \$29.24M project has \$5.85M from the city, \$14.4M ALDOT/Fed, \$8.99M MPO, and Jefferson County funding an additional \$1M.
  - Critical for the future development of West Homewood and supports the stability of the City's Finances
  - Fixes critical traffic congestion standing in the way of growth in West Homewood.
- **Fire Trucks:**
  - \$750K for a Fire Truck ordered 2 years ago to be received OCT/NOV 2025.
  - \$2.8M for a Ladder Truck to be delivered in 2029, funding allocated this FY.
  - \$350K Mini Pumper / Quick Response Truck.

# Proposed Support to City Manager Priorities

- **The development of a Comprehensive Plan.** 80/20 Split with the Regional Planning Commission paying up to \$400K and Homewood paying up to \$100K
  - Town Planning & Urban Design Collaborative (TPUDC) will facilitate its development
  - Late January to February kick-off, with a strong push for community involvement.
  - Creates the Vision of the City in 20-30 years, focuses future budgeting decisions, and ensures development is in line with the Communities Vision.
- **Flood prevention:** there are 13 Stormwater and Creek Wall projects in Capital Improvements totaling \$2.18M
- **This is a balanced budget** which meets the needs of the community and Directors.
  - Accomplishing a critical leadership goal, not allowing subordinates to accept risk.
  - As a leader it is my job to resource our Directors so that they do not assume risk.
  - This budget does that.

# Proposed for Budget Discussions

- **Bonds:** There are \$24,280,000 of 5% coupon bonds still outstanding from the Series 2016 issue. The bonds are callable 9/1/26, so we could close a “current” tax-exempt refunding in early June. We plan on having calls with the rating agencies in March with a sale in late April and a closing first week in June. Assuming a minimum threshold savings target of 3%, savings would be about \$725,000. Of course, achieving the savings will be dependent on market conditions at the time of sale.
- **Investments:** We are consolidating a lot of small accounts to larger long-term accounts at a higher interest rate, i.e. Raymond James is 4.26%.
- **Accounts are in transition** to Synovus and my goal is by the budget’s approval we are in line with the Homewood Fiscal Policies which will be published with the Budget.
- **Updated Fiscal Policies** and **City Manager Contract and Budget Authorities** will be in this.