

MAYOR'S BUDGET RECOMMENDATIONS

# BUILDING

A  BRIGHTER FUTURE

FISCAL YEAR 2020





**“Public safety** must be first”

“Please invest in **young professionals** and their **leadership development**... there is a growing population of young adults who need **community and connectivity**.”

**“Prioritize education** and **improve public areas** to make Tuscaloosa a **destination** for more than just football.”

“Keep the growth going but don’t overlook marginalized communities within the city. **A city that looks good attracts people and jobs.**”

“Without **excellent schools** and **less crime**, you cannot drive economic growth... you have to build a base where people are safe, fed, and educated.”



# STANDARD OF EXCELLENCE

To be the most **innovative** and **effectively managed** city in the United States

The budget is the City's roadmap to enhance the **quality of life** for **all citizens**.

It will be **conservative** to ensure healthy reserves and maintain high credit ratings.

# CORE BELIEFS



Economic prosperity  
in all parts of our city



Open, efficient and  
effective customer-friendly  
environment



Emphasis on comprehensive  
planning and infrastructure  
investments



Citizen safety in all  
areas with swift and  
effective response



Highly effective  
pre-k programs



Shared responsibility among  
employees to provide high  
level of dedication



# OPERATING BUDGETS

General Fund	\$ 164,175,294
Water and Sewer Fund	56,195,268
Elevate Tuscaloosa Fund	15,000,000
<b>Total</b>	<b>\$ 235,370,562</b>





## EMPLOYEE INVESTMENT

2.2%

Cost of Living Adjustment

**\$1,722,276**

TWO

Step Increases

**\$1,751,850**

**Minimal** increases in **employee health insurance** deposit rates

One of the **highest net pays** for employees since **2006**

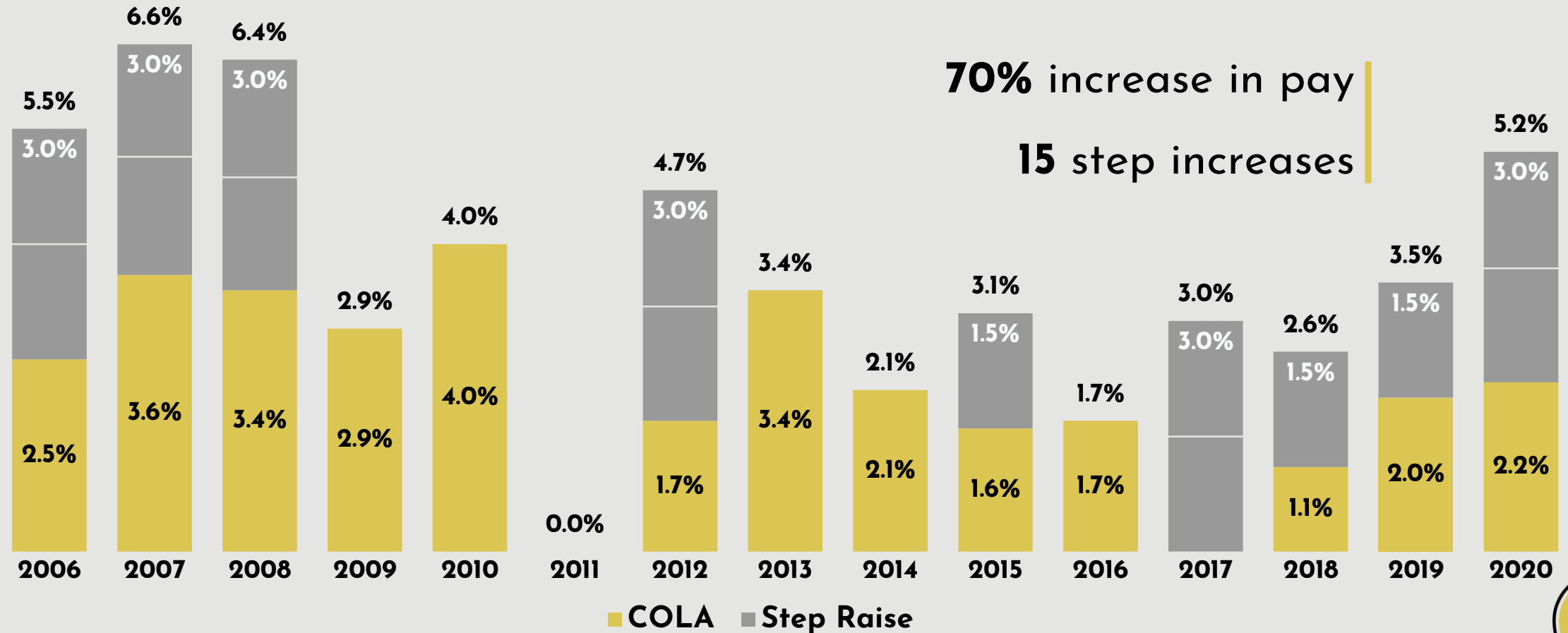
Includes **\$150,000** to offset the **Health Insurance Fund deficit**





# SALARY INCREASE TRENDS

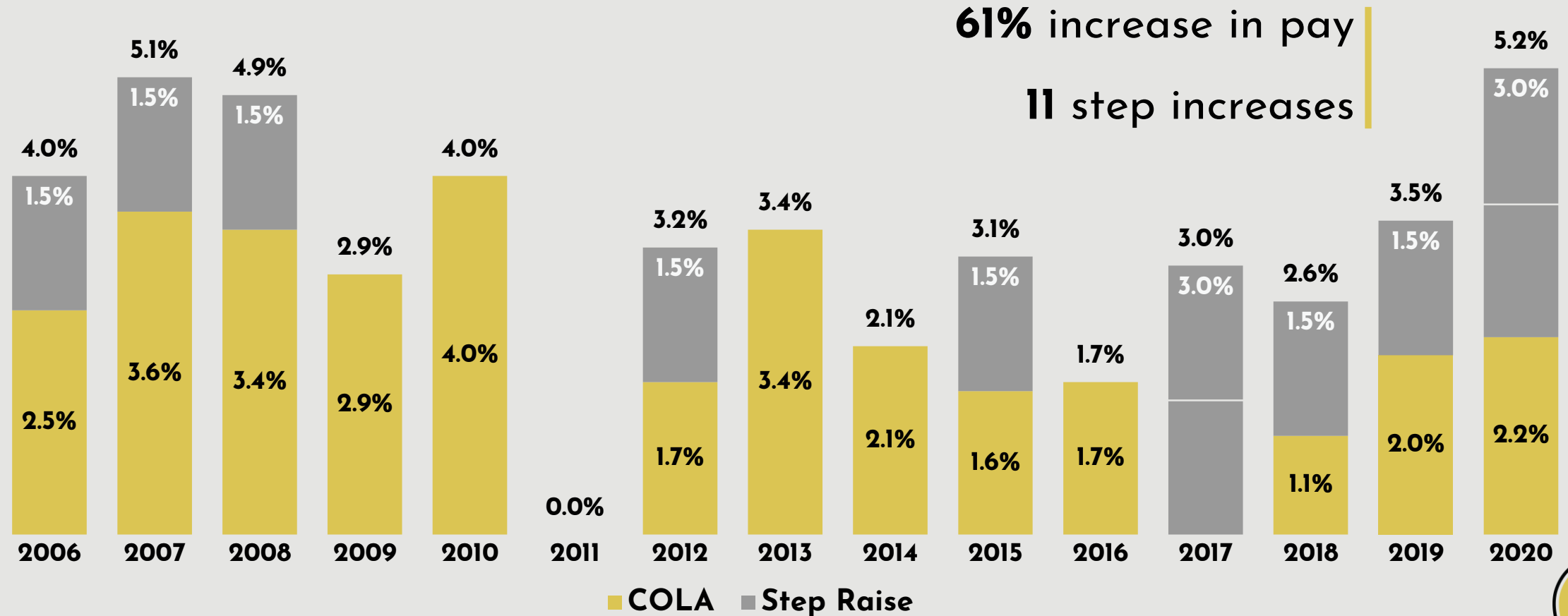
## Exempt/Public Safety COLA and Step Increases





# SALARY INCREASE TRENDS

## Non-Exempt COLA and Step Increases



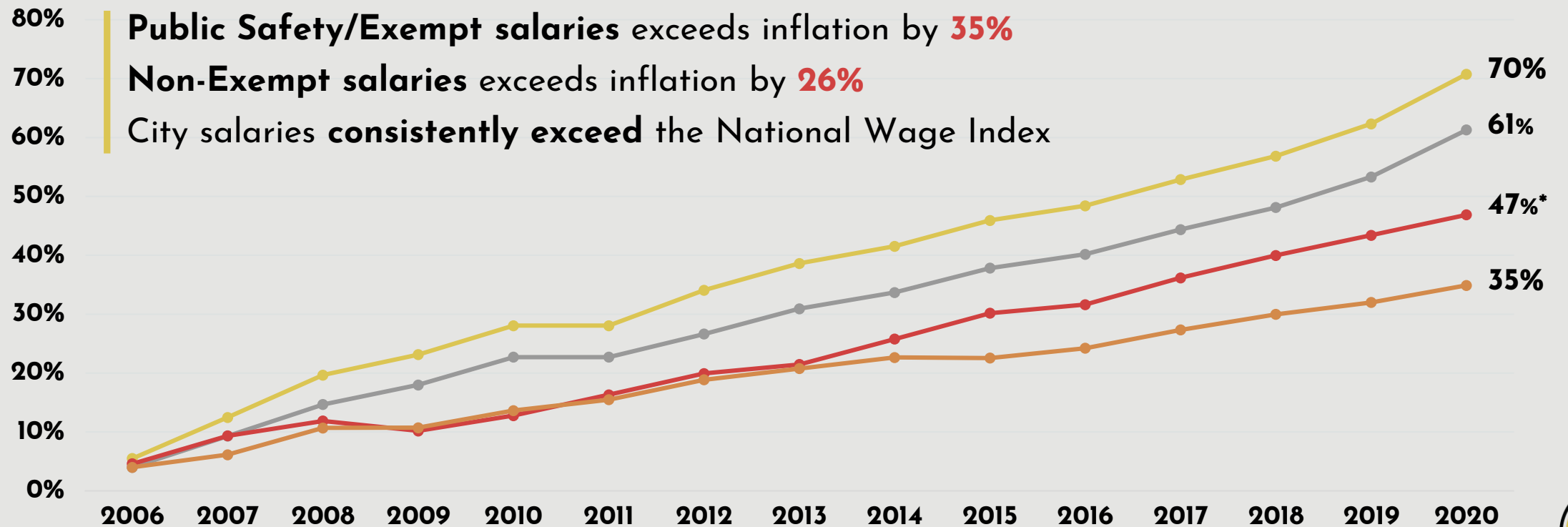




# SALARY INCREASE TRENDS

## Compared to National Wage Index and Inflation

— Exempt/Public Safety Salaries — Non-Exempt Salaries — National Wage Index — National Inflation



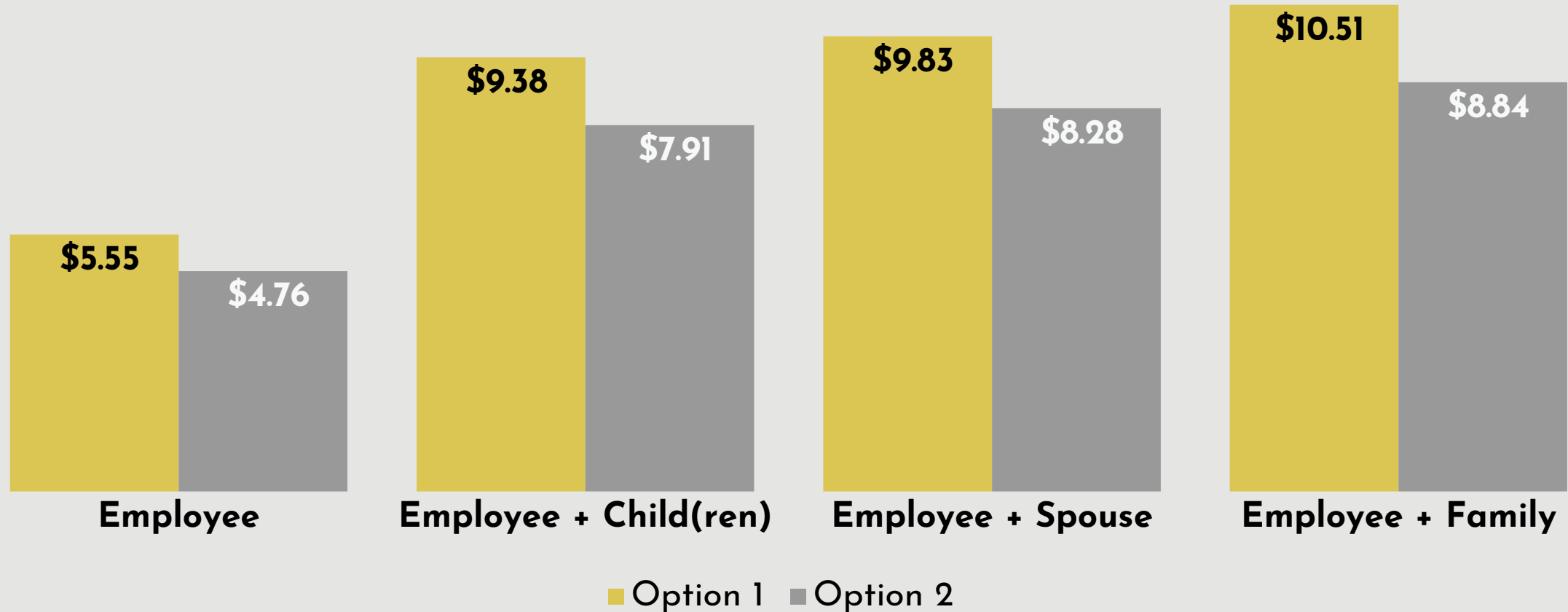
\*Fiscal year 2019 and 2020 were projected using historical annual growth





# HEALTH INSURANCE IMPACT

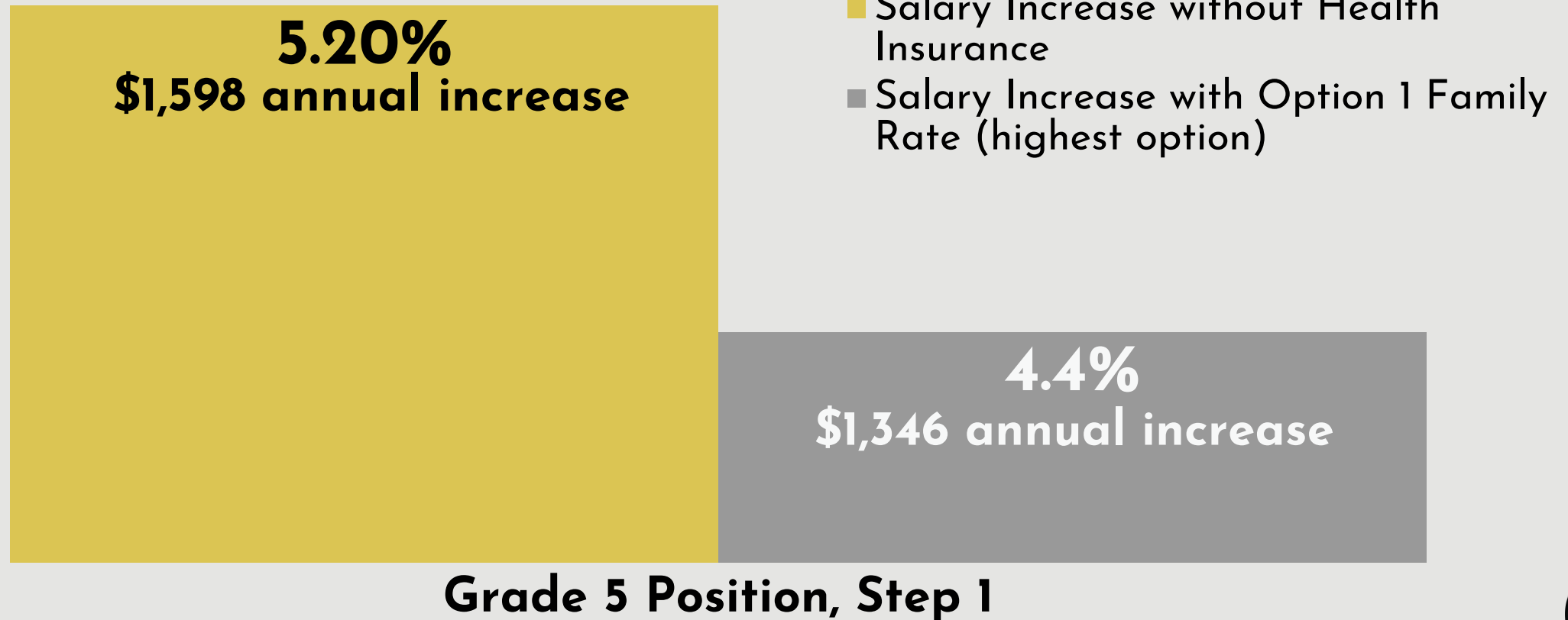
## Bi-weekly Employee Premium Increases





# HEALTH INSURANCE IMPACT

Net salary increase to lowest pay grade



GENERAL FUND

# UNDESIGNATED RESERVES

Total **\$49,548,055**

Water/Sewer  
**\$15,301,566**

General Fund  
RFFI  
**\$20,951,978**

General Fund  
**\$13,294,511**

FY 2011 Budget **\$42,598,280**

Reserves are based on the FY 2018 and  
FY 2010 annual audits

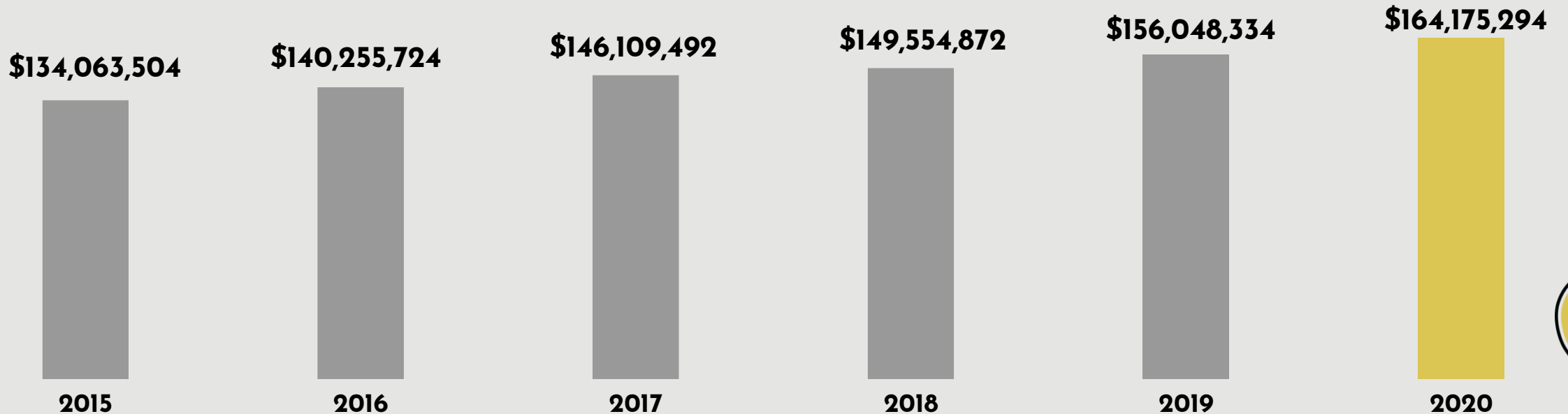




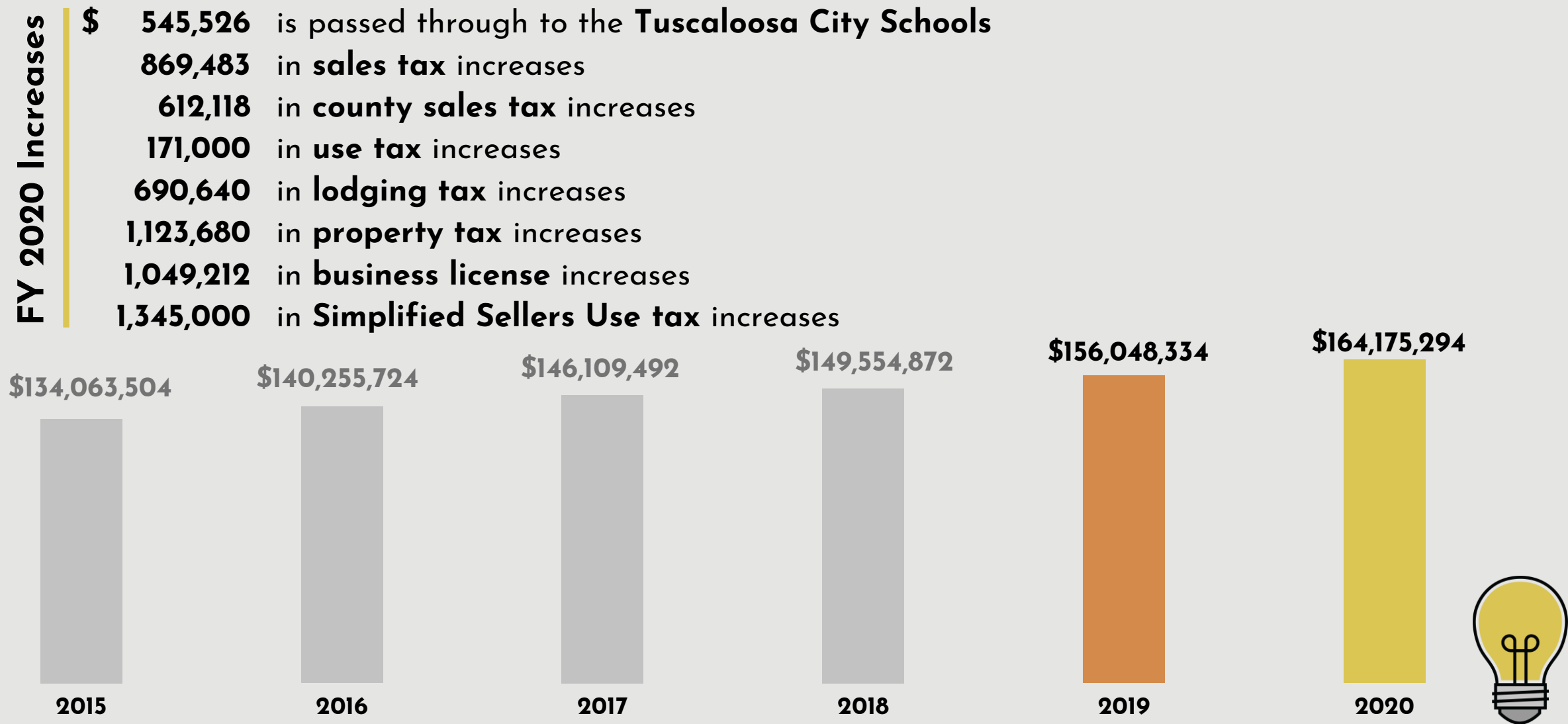
# REVENUE BUDGET HISTORY

**\$30 million** growth since 2015

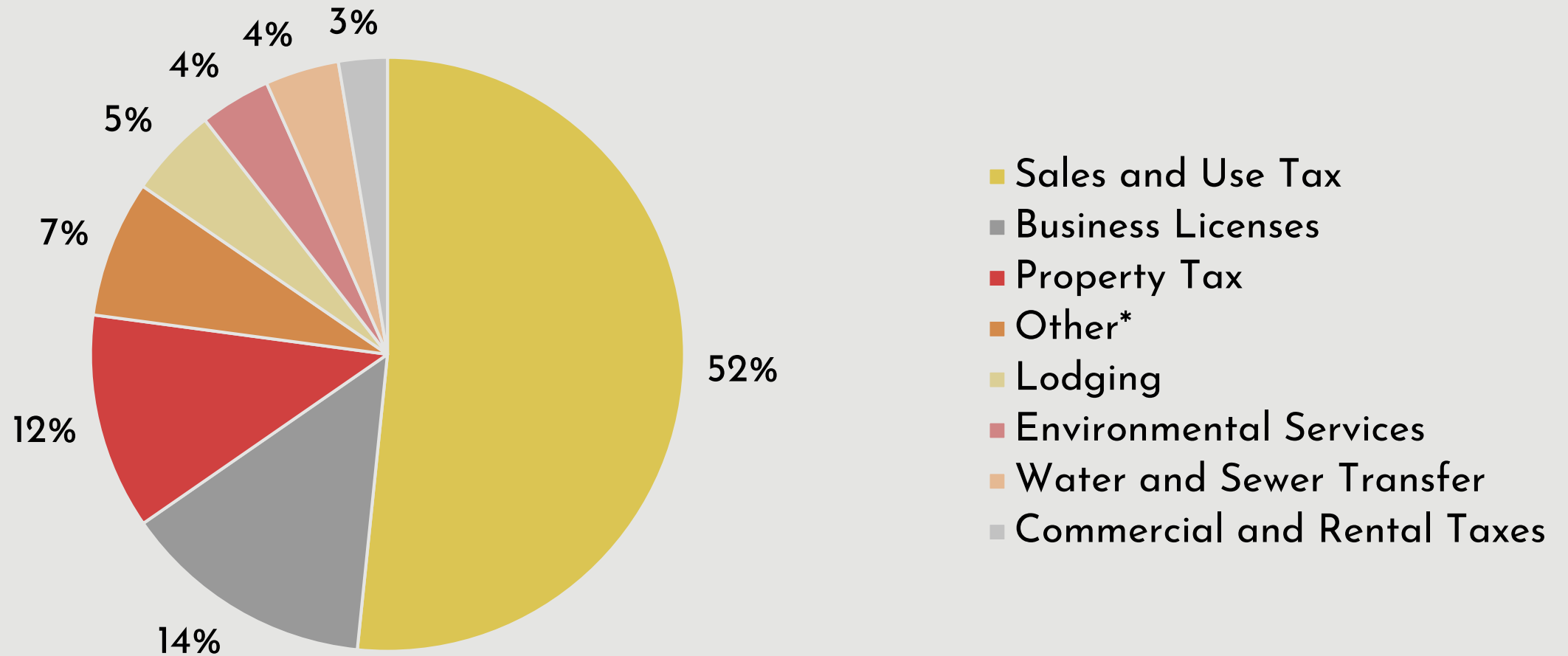
**\$5.2 million** property tax  
**\$5.1 million** sales tax  
**\$4.1 million** county sales  
**\$2.8 million** lodging tax  
**\$2.2 million** business license



# REVENUE BUDGET HISTORY



# REVENUE SOURCES



\*Other includes, but is not limited to, grants, interest income, building permits, bank excise tax, transfers, road and bridge tax, inspection fees, and cost reimbursements

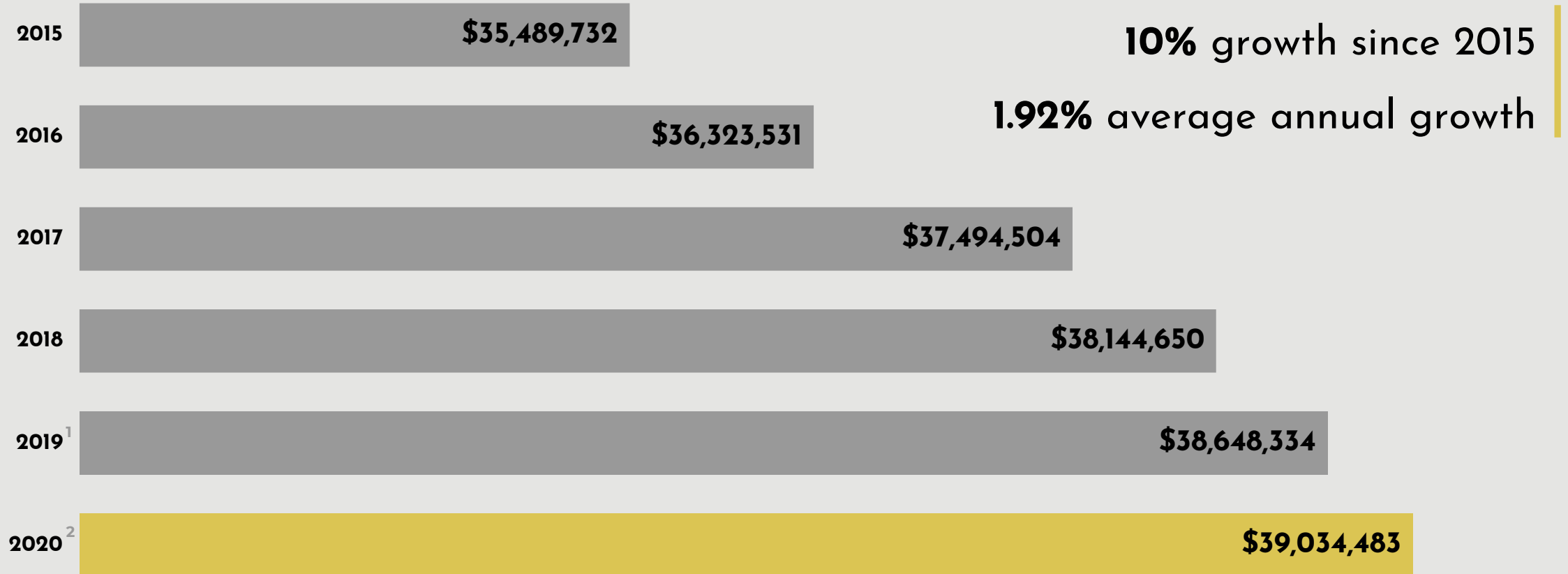


# MAJOR DISCRETIONARY REVENUES

DISCRETIONARY REVENUE	FY 2020 PROPOSED	FY 2019 BUDGET	INCREASE
City Sales Tax	\$ 39,034,483	\$ 38,165,000	\$ 869,483
Business License	20,928,212	19,879,000	1,049,212
Ad Valorem Tax	18,165,680	17,042,000	1,123,680
County Sales Tax	17,484,118	16,872,000	612,118
Lodging Tax	8,549,640	7,859,000	690,640
Use Tax	4,016,000	3,845,000	171,000
Rental License Tax	3,349,000	3,323,000	26,000
Simplified Sellers Use Tax	2,070,000	860,000	1,210,000
Liquor Tax	1,788,000	1,671,000	117,000
<b>Total</b>	<b>\$115,385,133</b>	<b>\$109,381,000</b>	<b>\$6,004,133</b>



# CITY SALES TAXES



<sup>1</sup>Projected collections per Accounting and Finance Department

<sup>2</sup>FY 2020 budget based on FY 2019 projections

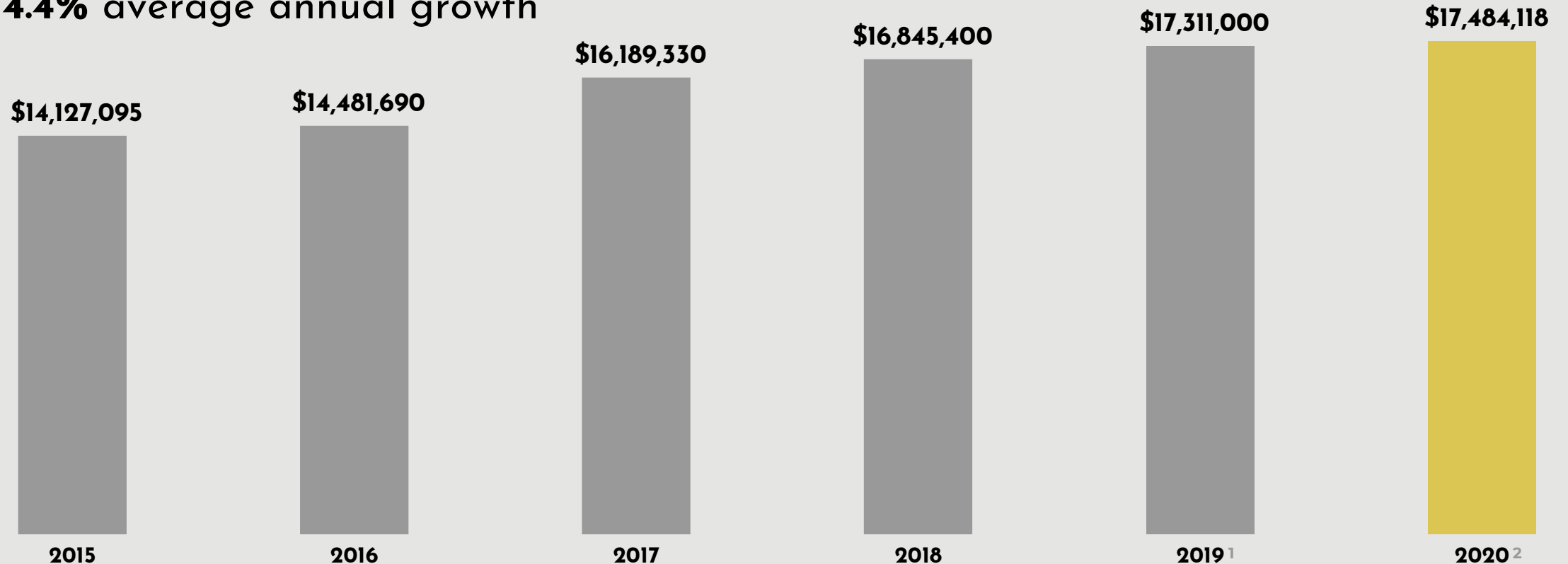




# COUNTY SALES TAX

**23.7%** growth since 2015

**4.4%** average annual growth



<sup>1</sup>Projected collections per Accounting and Finance Department

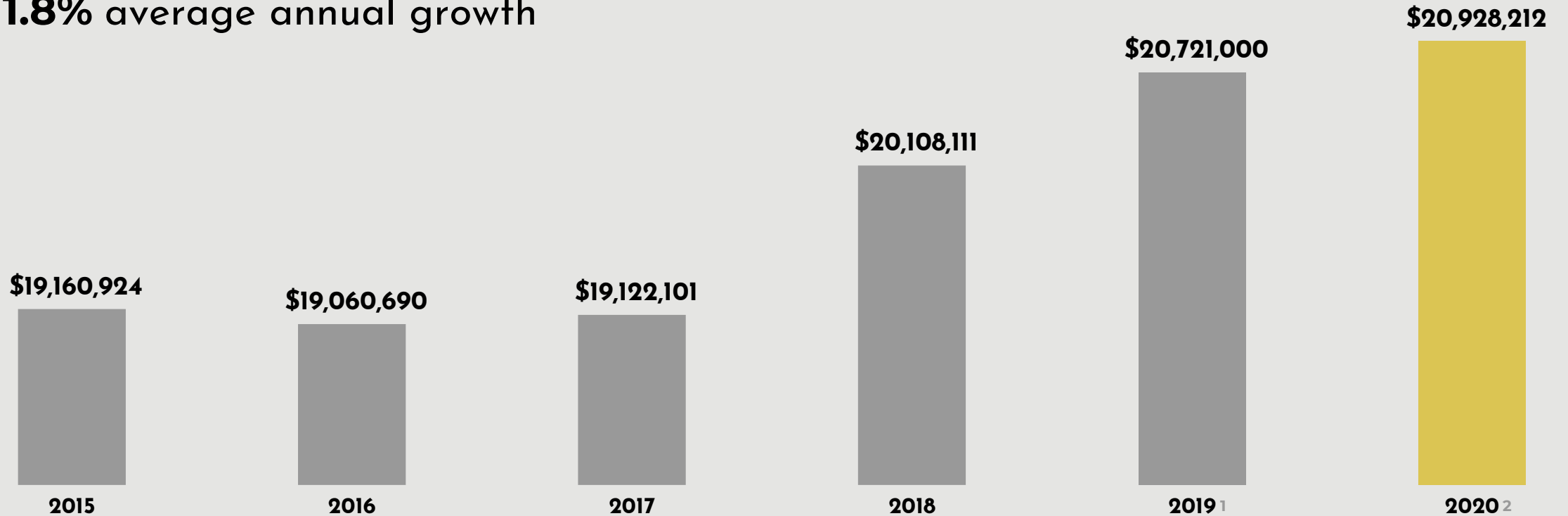
<sup>2</sup>FY 2020 budget based on FY 2019 projections



# BUSINESS LICENSE

**9.2%** growth since 2015

**1.8%** average annual growth



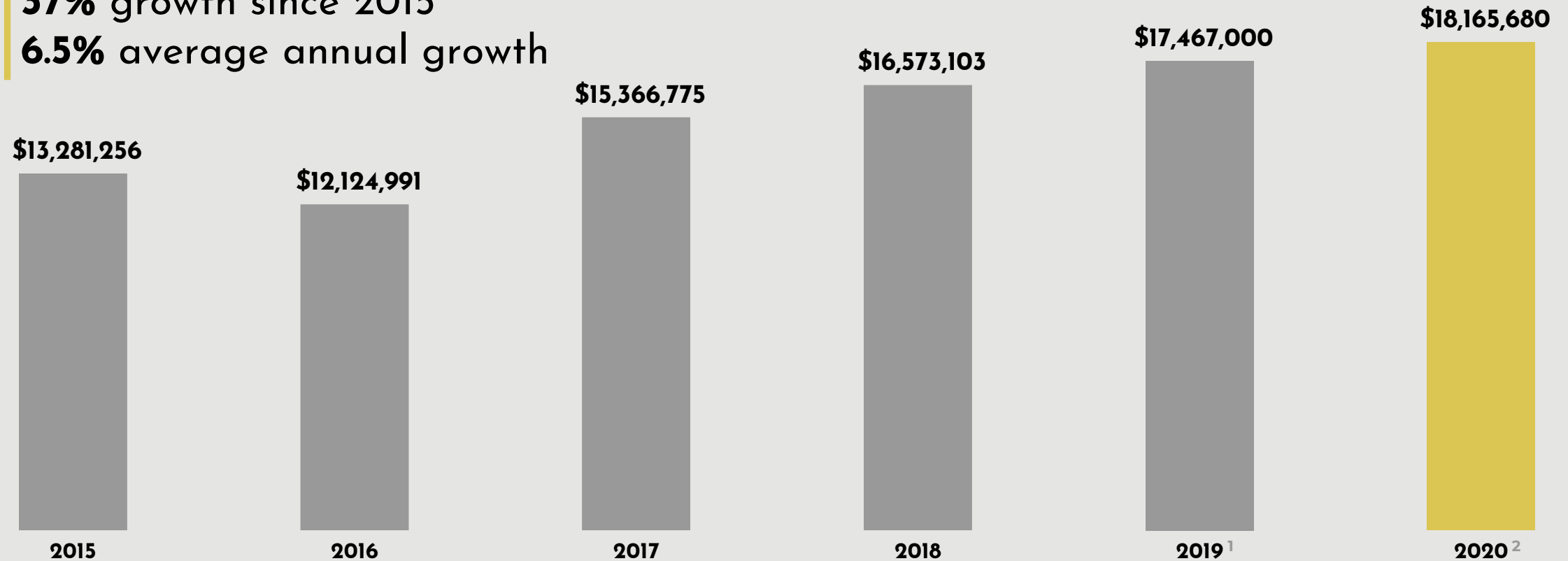
<sup>1</sup>Projected collections per Accounting and Finance Department

<sup>2</sup>FY 2020 budget based on FY 2019 projections



# PROPERTY TAX

**37%** growth since 2015  
**6.5%** average annual growth



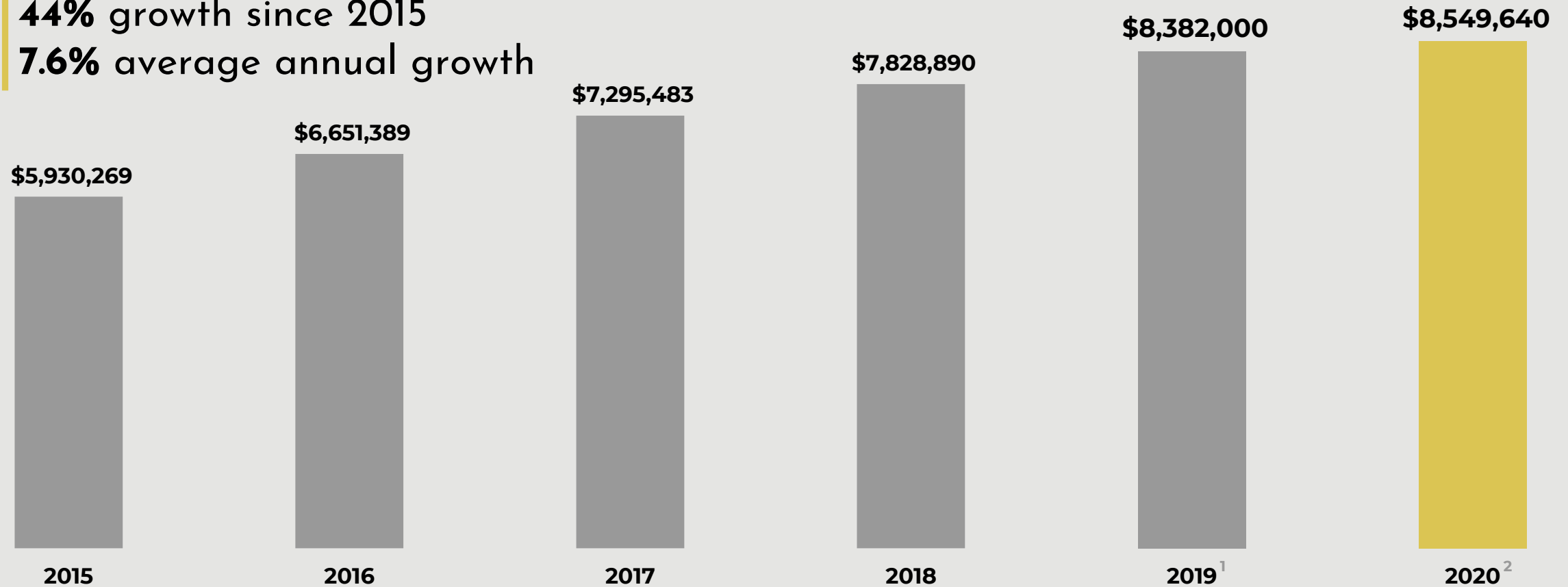
<sup>1</sup>Projected collections per Accounting and Finance Department

<sup>2</sup>FY 2020 budget based on FY 2019 projections plus 4% growth



# LODGING TAX

**44%** growth since 2015  
**7.6%** average annual growth



<sup>1</sup>Projected collections per Accounting and Finance Department

<sup>2</sup>FY 2020 budget based on FY 2019 projections



# LODGING TAX ALLOCATIONS

**2%** of lodging tax is committed to the **Amphitheater** and **River Market**

In FY 2008, we projected we'd collect **\$1,107,387** in **FY 2020**

We exceeded our target by 27%, budgeting **\$1,415,117**

For FY 2020, **\$865,426** will be used for Amphitheater and River Market debt service payments





# EXPENDITURE HIGHLIGHTS

## BUDGET PROCESS

Each department was tasked with **level funding** operations using FY 2019 amounts with exceptions for items such as auto fuel and utilities

Items outside of level funded amounts were submitted during the budget process as **unfunded requests** and carefully reviewed

- Personnel
- New initiatives
- Technology
- Equipment and facility improvements



# EXPENDITURE HIGHLIGHTS

## New Initiatives



**\$404,810**

**New personnel for the Tuscaloosa Police Department**

- **6 new police officers**
- **\$205,405** budgeted for FY 2020 due to timing of new hires

**\$180,000**

**Purchase of NIBIN machine**

- The **National Integrated Ballistics Information Network** allows for the capture and comparison of ballistic evidence to aid in solving and preventing violent crimes involving firearms.

**\$205,000**

**Upgrades to body cameras and tasers for police officers**

- 200 body cameras
- 62 tasers



# EXPENDITURE HIGHLIGHTS

## New Initiatives



**\$108,960**

**New personnel for the Office of the City Attorney**

- **Assistant City Attorney** to assist in prosecuting efforts



**\$129,064**

**New personnel for Tuscaloosa Fire and Rescue**

- **EMS Prevention Coordinator** to continue prevention efforts that started during the **ACTION** program
- **Fleet Services Officer** to assist with minimizing costs associated with downtime for repairs and maintenance.



# EXPENDITURE HIGHLIGHTS

## Agency Funding and Contingency



**\$150,000** for **Tuscaloosa's One Place** to assist in renovations for **new facility**. This will be paid over a 3-year period (\$50,000/year) and funded in the GF-RFFI



**\$100,000** for the **Tuscaloosa Children's Center** to complete a **building expansion**. This will be paid over a 2-year period (\$50,000/year) and funded in the GF-RFFI



**\$45,000** for the **Tuscaloosa SAFE Center** to assist with ongoing operation needs.

All other agencies that submitted applications were **level funded** with exception of council approved appropriations

Provides a contingency balance of **\$537,825**





# EXPENDITURE HIGHLIGHTS

## Public Safety Radio Communications System

- Leading-edge **emergency** and **disaster response** capabilities
- Safer community
- **Enhanced mutual support** with neighboring communities
- **Real-time information** sharing among first responders

Cost **\$6,000,000**

7-year lease **\$936,000/year**



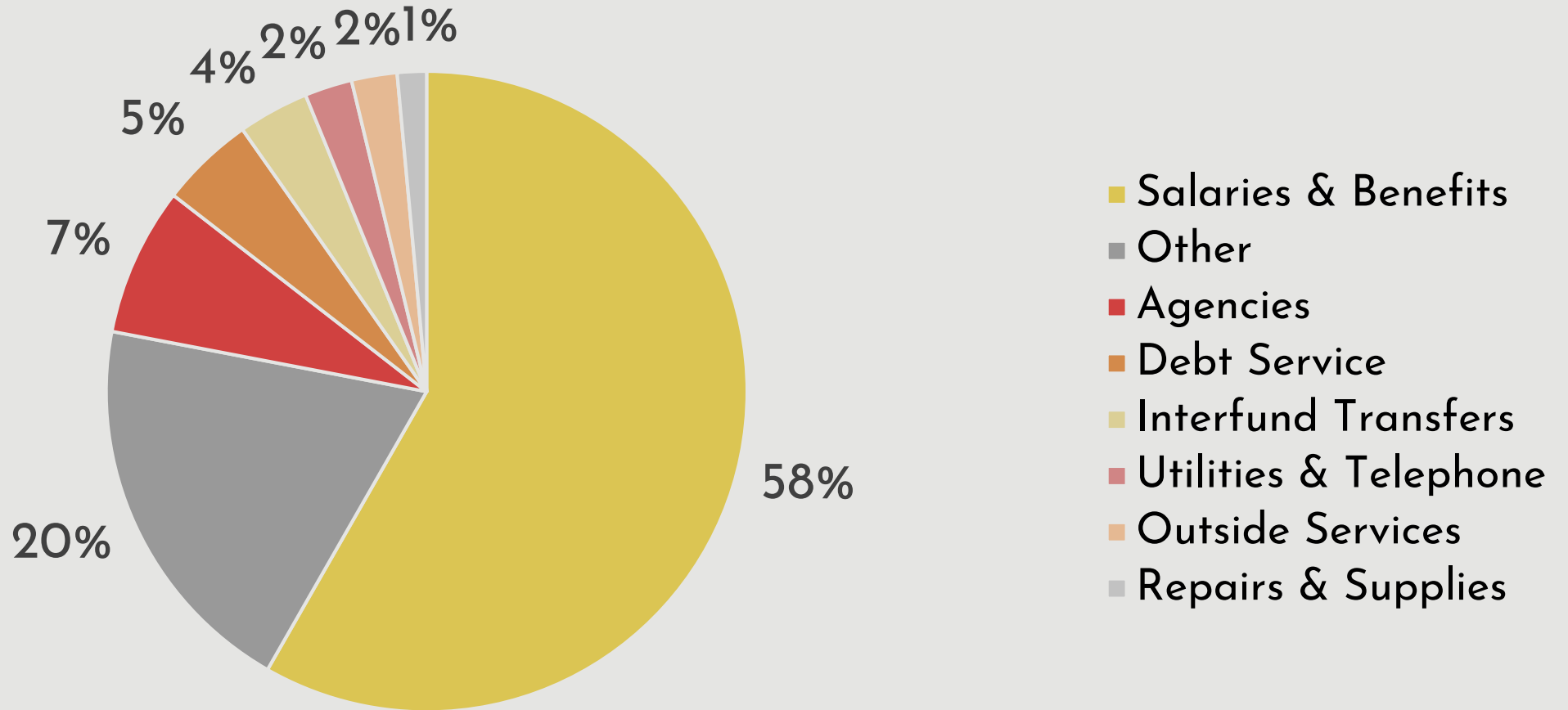


# DIRECT EXPENDITURES BY DEPARTMENT

Infrastructure and Public Services	\$ 35,177,079	27.3%
Police	34,275,742	26.6%
Fire & Rescue	24,965,784	19.4%
<b>Agencies</b>	<b>12,301,379</b>	<b>9.5%</b>
Information Technology	5,730,909	4.4%
Accounting and Finance	4,586,338	3.6%
Office of Urban Development	3,464,259	2.7%
Human Resources	2,784,280	2.2%
Office of the City Attorney	1,998,751	1.6%
Office of the Mayor	1,600,652	1.2%
Municipal Court	1,092,080	0.8%
Federal Programs	541,509	0.4%
Council	439,822	0.3%



# ALL EXPENDITURES BY TYPE



\*Other includes, but is not limited to, contingency, maintenance contracts, jail costs, pass through funds, insurance and claims

\$95,667,112 in Salaries and Benefits



# THEN AND NOW

## Budget Comparison

	2007	2019	2020
Salaries and Overtime	60%	59%	58%
Agencies	11%	8%	7%
Debt Service	4%	5%	5%
Utilities and Telephone	1%	2%	2%
Auto Fuel and Maintenance	2%	1%	1%
Full-Time Employees*	1,233	1,249	1,261**

Does not include other operating expenditures

\* Source for prior year FTE data City of Tuscaloosa CAFR

\*\* Based on fiscal year 2018 CAFR data plus Mayor's FY 2020 recommendations



**WATER AND SEWER FUND**

# WATER AND SEWER BUDGET HISTORY

FISCAL YEAR	BUDGETED REVENUES	BUDGETED EXPENSES
2020*	51,523,409	56,195,268
2019	50,060,687	55,691,141
2018	49,500,412	53,708,557
2017	47,833,814	52,759,051
2016	47,452,451	52,987,395
2015	45,123,268	48,715,154

\*Without debt principal, expenses would be \$46,495,268



# REVENUE HIGHLIGHTS

Recommending a **3%** Water and Sewer rate increase

- **2%** will be dedicated to 2019 SRF debt service
- **1%** will cover annual operating increases

Recommending a **1.5%** WS rate increase for rural water authorities

\*Does not include garbage rates

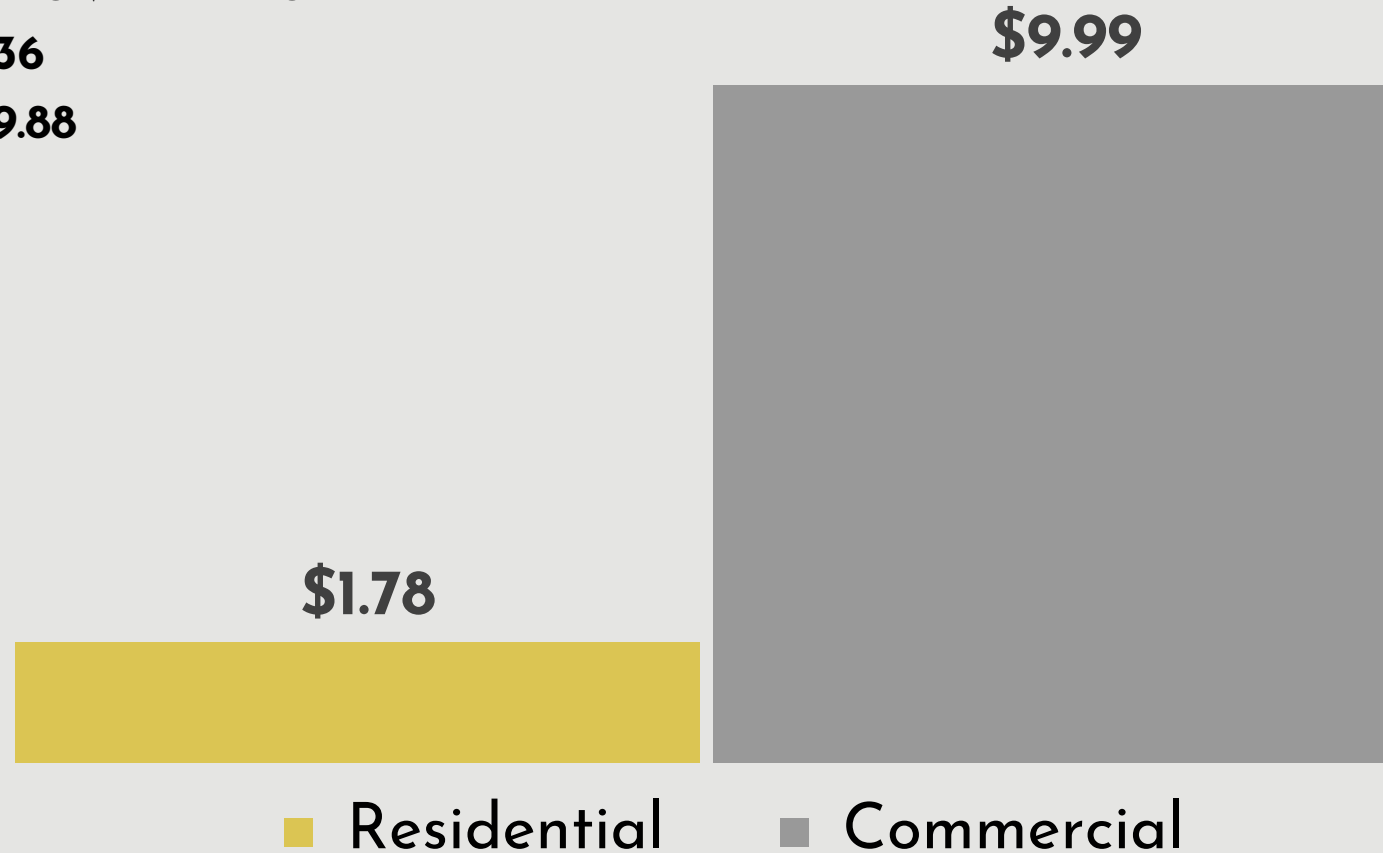


# MONTHLY CUSTOMER IMPACT

## ANNUAL COST OVER PRIOR YEAR

Residential **\$21.36**

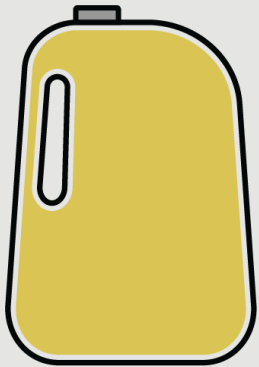
Commercial **\$119.88**



# REVENUE HIGHLIGHTS

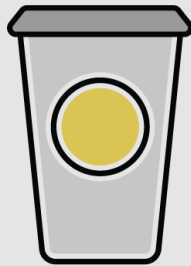


A gallon of **tap water** costs **\$0.0029**



**\$3.62**

A gallon of  
**milk**



**\$16.80**

A gallon of  
**coffee**



**\$45.34**

A gallon of  
**wine**



**\$1.00**

A gallon of  
**bottled water**





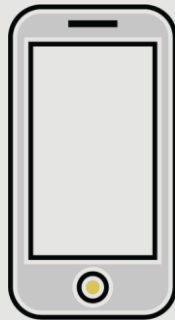
# REVENUE HIGHLIGHTS



Average monthly **Residential** Water and Sewer bill is **\$59.20**



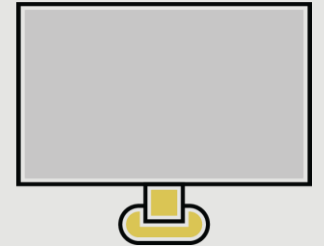
**\$135**  
**Power**



**\$94**  
**Cell Phone\***



**\$35.49**  
**Internet**



**\$85**  
**Cable**

\*Average consumer not household

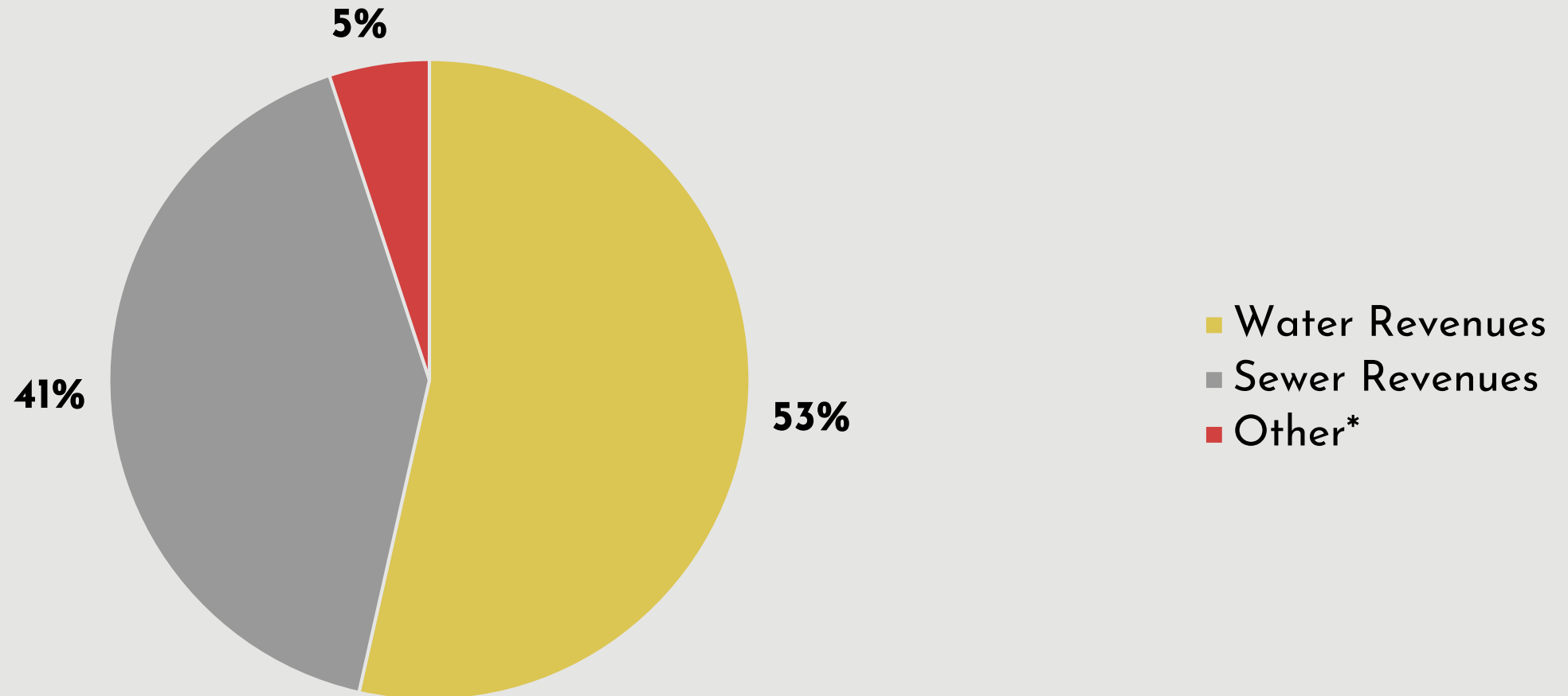


# REVENUE COMPARISON

REVENUES	FY 2019 BUDGET	FY 2020 BUDGET	DIFFERENCE
Use of Property	\$ 31,000	\$ 31,000	\$ 0
Charges for Services	49,471,733	52,231,633	2,759,900
Other Operating	466,500	187,000	(279,500)
Transfers from Other Funds	44,544	44,776	232
Cost Reimbursements	46,910	29,000	(17,910)
<b>Total</b>	<b>\$50,060,687</b>	<b>\$52,523,409</b>	<b>\$2,462,722</b>



# REVENUE SOURCES



\*Other includes, but is not limited to, collection fees, tap fees, meter/fire connection fees, interest income, transfers from other funds and cost reimbursements



# THEN AND NOW

## Budget Comparison

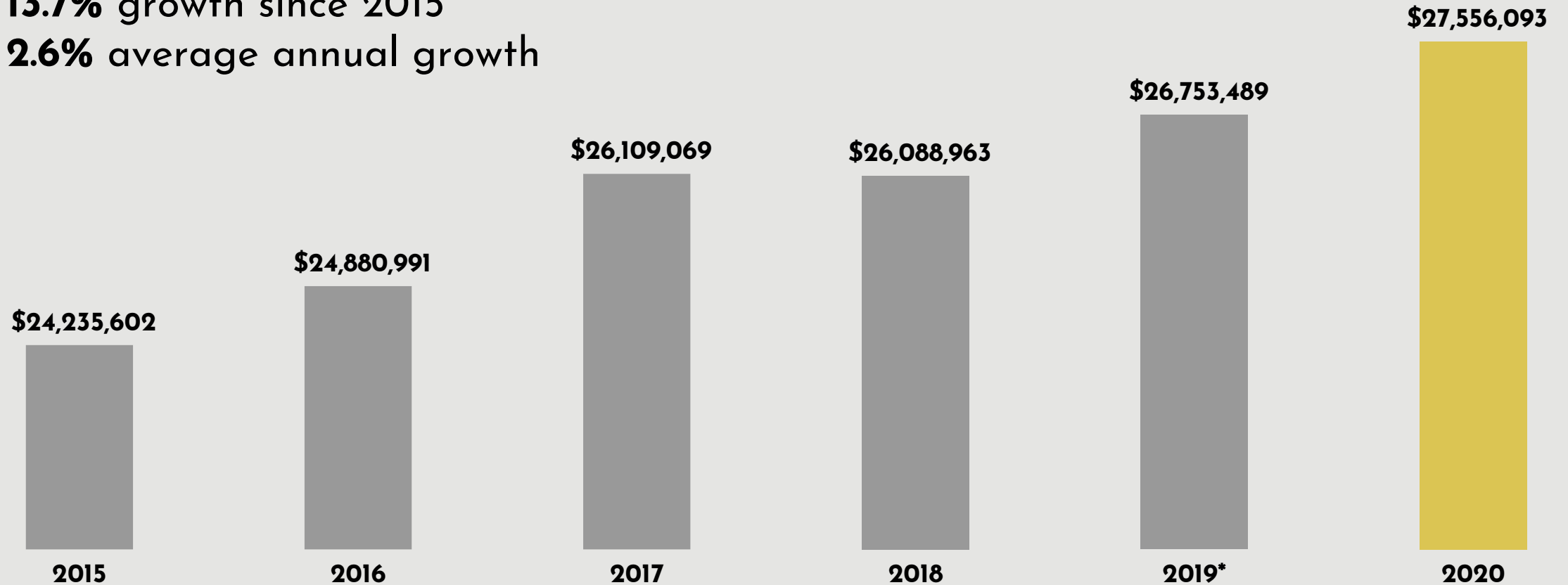
	2007	2019	2020
Salaries and Benefits	27%	23%	23%
<b>Debt Service</b>	<b>30%</b>	<b>23%</b>	<b>22%</b>
Utilities and Telephone	7%	6%	7%
Equipment	1%	2%	2%
Auto Fuel and Maintenance	1%	1%	1%

\*Does not include other operating expenditures



# WATER REVENUES

**13.7%** growth since 2015  
**2.6%** average annual growth

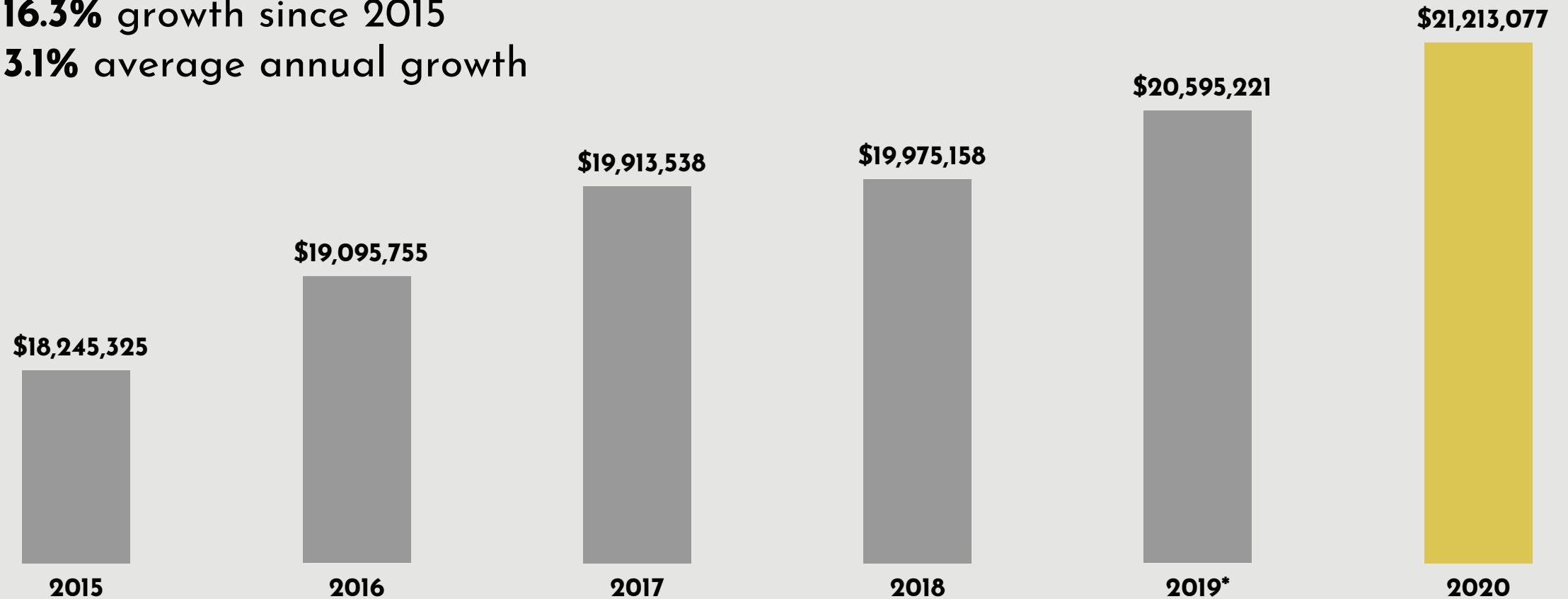


\*Projected collections per Accounting and Finance Department



# SEWER REVENUES

**16.3%** growth since 2015  
**3.1%** average annual growth



\*Projected collections per Accounting and Finance Department



# EXPENDITURE HIGHLIGHTS



**\$20,000**

## **Lake Supply Dam Inspections**

- This funding will begin a rotating schedule of dam inspections for Lake Tuscaloosa, Lake Harris and Lake Nicol



**\$363,080**

## **Ed Love Raw Water Upgrade Project**

- Improvements to the raw water pumping station that will optimize operations and allow the migration to current technology and supported platforms
- Funded through Water Service Fees collected in all districts



**\$341,459**

## **WWTP Raw Sewage and Aeration Improvements Project**

- Improvements that will result in better sewage pump efficiency and increased performance while also reducing energy requirements
- Funded through Sewer Service Fees collected in all districts



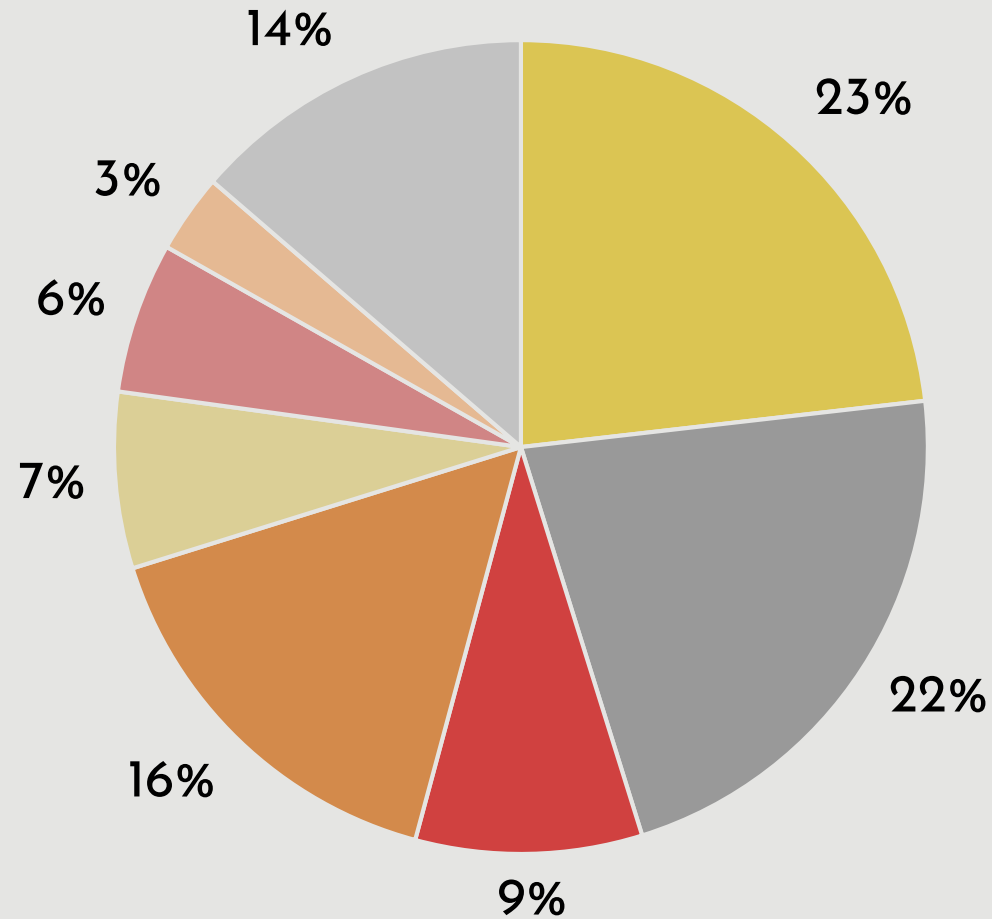
# DIRECT EXPENDITURES BY DEPARTMENT

Infrastructure and Public Services	\$ 24,583,296	90.7%
Office of Urban Development	1,181,439	4.4%
Information Technology	781,565	2.9%
Accounting and Finance	514,462	1.9%
Office of the City Attorney	50,000	0.2%





# ALL EXPENDITURES BY TYPE



- Salaries and Benefits
- Debt Service
- Other Operating
- Depreciation
- Utilities and Telephone
- Repairs and Supplies
- Special Projects
- Interfund Transfers

Other expenses include, but are not limited to, chemicals, tip fees, outside services and auto fuel  
\$13,173,224 in salaries, and benefits





# ELEVATE

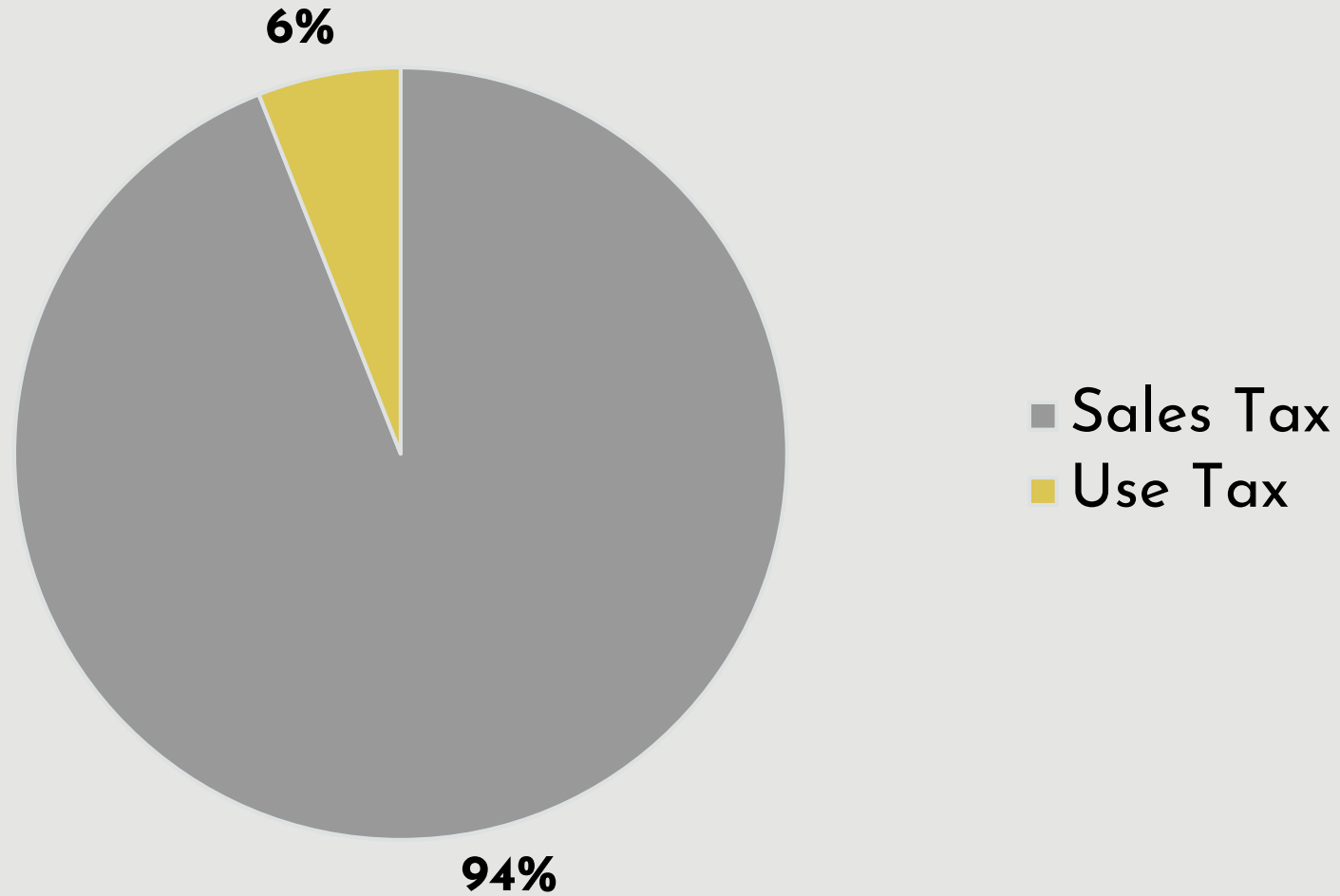
TUSCALOOSA

# FY 2020 Elevate Revenues

Sales Tax, Gross	\$19,374,688
Use Tax	897,457
<b>Total Revenues, Gross</b>	<b>\$20,272,145</b>
Less:	
Sales Tax Abatement, Legacy Park	(235,458)
Sales Tax Abatement, Construction Mitigation	(36,667)
Reimbursement to GF for Garbage Fee Subsidy	(5,000,000)
<b>Total Revenues, Net</b>	<b>\$ 15,000,000</b>



# ELEVATE REVENUE SOURCES



# ENVIRONMENTAL SERVICES

## Garbage, Trash and Recycling

Residential customers will average **\$200 in savings** per year on their environmental services fee (97% will save \$218 annually)

Residential (first cart)	\$ 3.25
Residential (second cart)	23.35
Non-Residential	31.35





# FISCAL YEAR 2020

**\$15 Million**

**85%**

Education

Infrastructure

Economic Development

Public Safety

Operations &  
Maintenance

**7.5%**

Public Works Capital Fund

**70%**

Drainage

**20%**

Undesignated

**10%**

Community Parks and  
Recreation

**7.5%**

Public Safety Capital Fund



Vehicles, Equipment  
and Capital Projects

# VEHICLES AND EQUIPMENT

## Revenue Sources

General Fund	\$ 2,854,777
GF RFFI FY 2019 Closeouts	139,179
PWCF FY 2019 Closeouts	397,636
Water and Sewer Fund	650,000
Elevate - PWCF Equipment (Undesignated 20%)	225,000
Elevate - PSCF	1,125,000
<b>Total</b>	<b>\$ 5,391,592</b>





# VEHICLES AND EQUIPMENT

## Infrastructure and Public Services

Leased Equipment Payment	\$ 556,397
6 - ½ Ton Trucks	156,000
2 - ¾ Ton Trucks	187,000
1 - One Ton Truck	82,000
2 - Forklifts	94,000
1 - Garbage Truck	325,000
1 - Recycling Truck	150,000
2 - Knuckle Boom	250,000
1 - Bucket Truck	94,000
1 - Squad Truck	95,000
3 - Zero Turn Mower	42,000
1 - Tractor	90,000
Equipment contingency	40,695
<b>Total</b>	<b>\$ 2,162,092</b>



# VEHICLES AND EQUIPMENT

## Police

Cradlepoints	\$ 205,000
1 - Patrol Vehicle (Code Enforcement Division)	40,000
3 - Youth Aide Vehicles (Juvenile Division)	105,000
3 - SUVs (Criminal Investigative Division)	105,000
2 - Motorcycles (Traffic Division)	60,000
8 - Patrol Vehicles (Patrol Division)	480,000
<b>Total</b>	<b>\$ 995,000</b>



# VEHICLES AND EQUIPMENT

## Fire and Rescue

Repayment of Fire Equipment Purchased - Year 4 of 4	\$ 750,000
Fire Station #5 Purchase - Year 1 of 4	250,000
1 - One Ton Truck	65,000
1 - Pumper Truck	625,000
1 - ¾ Ton Truck	54,500
<b>Total</b>	<b>\$ 1,744,500</b>



# VEHICLES AND EQUIPMENT

## Information Technology

Various Data Security Platforms - Cybersecurity	\$ 130,000
CrowdStrike USB Endpoint Protection - Cybersecurity	35,000
Cyrene Email Security Platform - Cybersecurity	25,000
Municipal Court Software	300,000
<b>Total</b>	<b>\$ 490,000</b>



# CAPITAL PROJECT RECOMMENDATION

## Revenue Sources

FY 2020 Estimated Gas Tax Distribution	\$ 700,000
FY 2020 Estimated Gas Tax - Rebuild Alabama Act	300,000
<b>Total</b>	<b>\$ 1,000,000</b>

## Project Recommendation

2019 City-wide Resurfacing Project (Current Budget)	\$ 2,528,685
FY 2020 Gas Tax Additions	1,000,000
<b>Total Project Budget</b>	<b>\$ 3,528,685</b>



# **BUDGET TEAM**

## **ACCOUNTING AND FINANCE**

**Walt Maddox**  
Mayor

**Susan Snowden**  
Chief Financial Officer

**Katy Metcalfe**  
Deputy Chief Financial Officer

**Becky Scheeff**  
Director of Budgets & Strategic Planning

**Ashley Price**  
Budget Manager

**London Jenkins**  
Grants Manager

**Estella Hare**  
Accounting Manager



# 2019 BUDGET HEARING SCHEDULE

## DAUGHERTY CONFERENCE ROOM

### Tuesday, Sept. 3

8 – 8:30 a.m.	Budget Overview
8:30 – 9:00 a.m.	Revenues
9:00 – 10:00 a.m.	Police
10:00 – 11:00 a.m.	Fire and Rescue
11:00 – 11:30 a.m.	Office of the City Attorney
11:30 – 12:00 p.m.	Office of Federal Programs
Noon – 12:30 p.m.	Accounting and Finance



# 2019 BUDGET HEARING SCHEDULE

## DAUGHERTY CONFERENCE ROOM

### Tuesday, Sept. 10

8 – 8:45 a.m.	Office of Urban Development
8:45 – 9:45 a.m.	Elevate Tuscaloosa Fund
9:45 – 10:45 a.m.	Vehicles and Equipment
10:45 – 12:30 p.m.	Infrastructure and Public Services





# 2019 BUDGET HEARING SCHEDULE

## DAUGHERTY CONFERENCE ROOM

### Tuesday, Sept. 17

8 – 9:15 a.m.	Agency Funding
9:15 – 9:45 a.m.	Human Resources
9:45 – 10:15 a.m.	Municipal Court
10:15 – 11:15 a.m.	Information Technology
11:15 a.m. – Noon	Mayor/Clerk/Council/Communications
Noon – 12:30 p.m.	Budget Hearing Wrap Up





MAYOR'S BUDGET RECOMMENDATIONS

# BUILDING

A BRGHTER FUTURE

FISCAL YEAR 2020

