



MAKING TUSCALOOSA **SAFER AND STRONGER**

FISCAL YEAR 2022 | MAYOR'S BUDGET RECOMMENDATION



GENERAL FUND

CITY SALES TAX RATES

	Population	City Sales Tax Rate
Mobile	187,041	5.0%
Huntsville	215,006	4.5%
Dothan	71,072	4.0%
Decatur	57,938	4.0%
Birmingham	200,733	4.0%
Auburn	76,143	4.0%
Madison	56,933	3.5%
Hoover	92,606	3.5%
Montgomery	200,603	3.5%
Tuscaloosa	99,600	3.0%

GENERAL FUND

OUTSTANDING DEBT GOVERNMENTAL ACTIVITIES

	Annual Budget	Debt
Huntsville	\$ 454,793,193	\$ 910,451,322
Birmingham	\$ 539,186,000	\$ 276,894,000
Auburn	\$ 133,378,437	\$ 251,039,999
Madison	\$ 64,345,787	\$ 248,131,451
Mobile	\$ 347,267,235	\$ 200,820,482
Montgomery	\$ 284,251,087	\$ 189,588,622
Tuscaloosa	\$ 185,953,587	\$ 113,527,239
Hoover	\$ 144,933,712	\$ 94,170,201
Decatur	\$ 102,959,796	\$ 42,783,000
Dothan	\$ 107,760,088	\$ 16,610,832

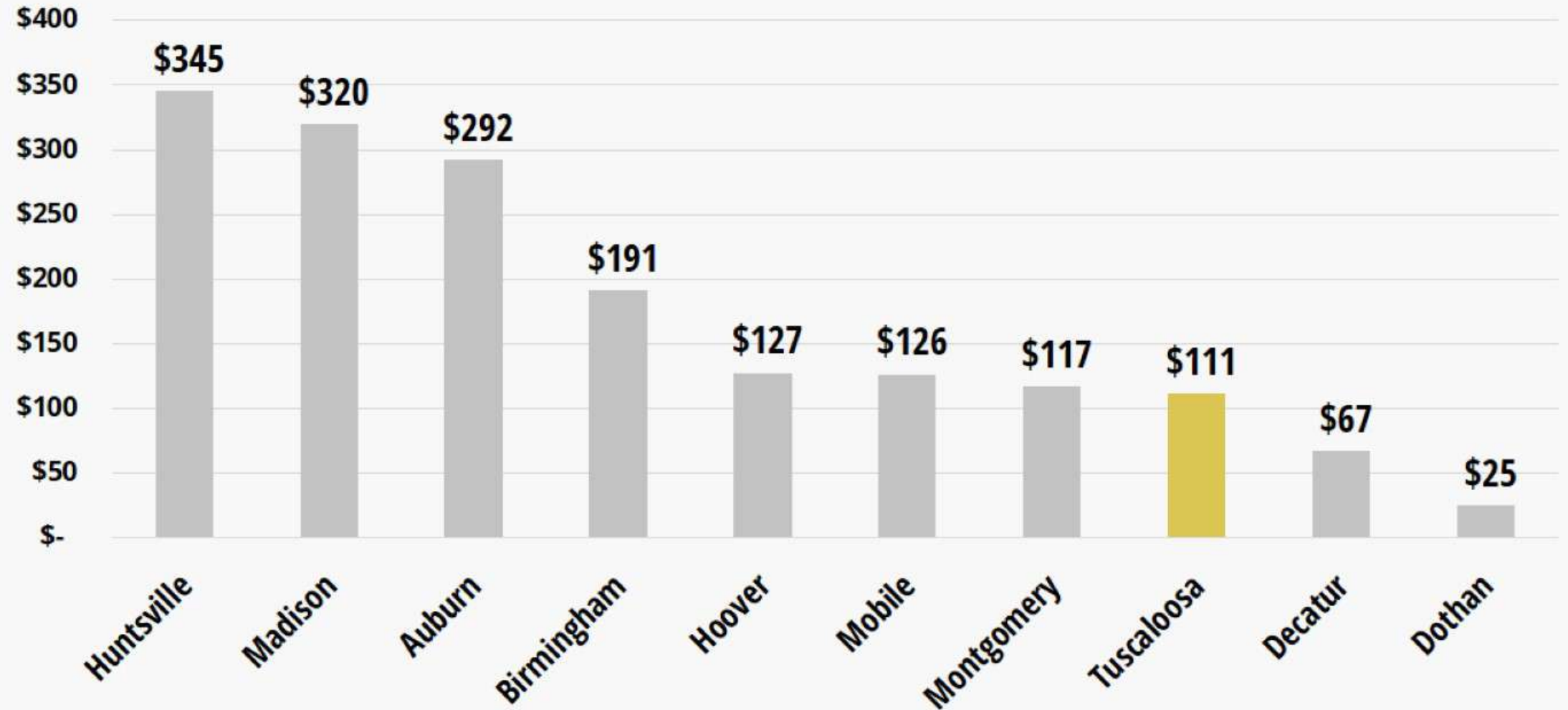
GENERAL FUND

OUTSTANDING DEBT GOVERNMENTAL ACTIVITIES

	Debt Service as % of Budget
Madison	28.3%
Auburn	16.7%
Huntsville	16.3%
Montgomery	8.3%
Hoover	8.1%
Birmingham	7.1%
Mobile	6.8%
Tuscaloosa	6.0%
Decatur	3.7%
Dothan	1.6%

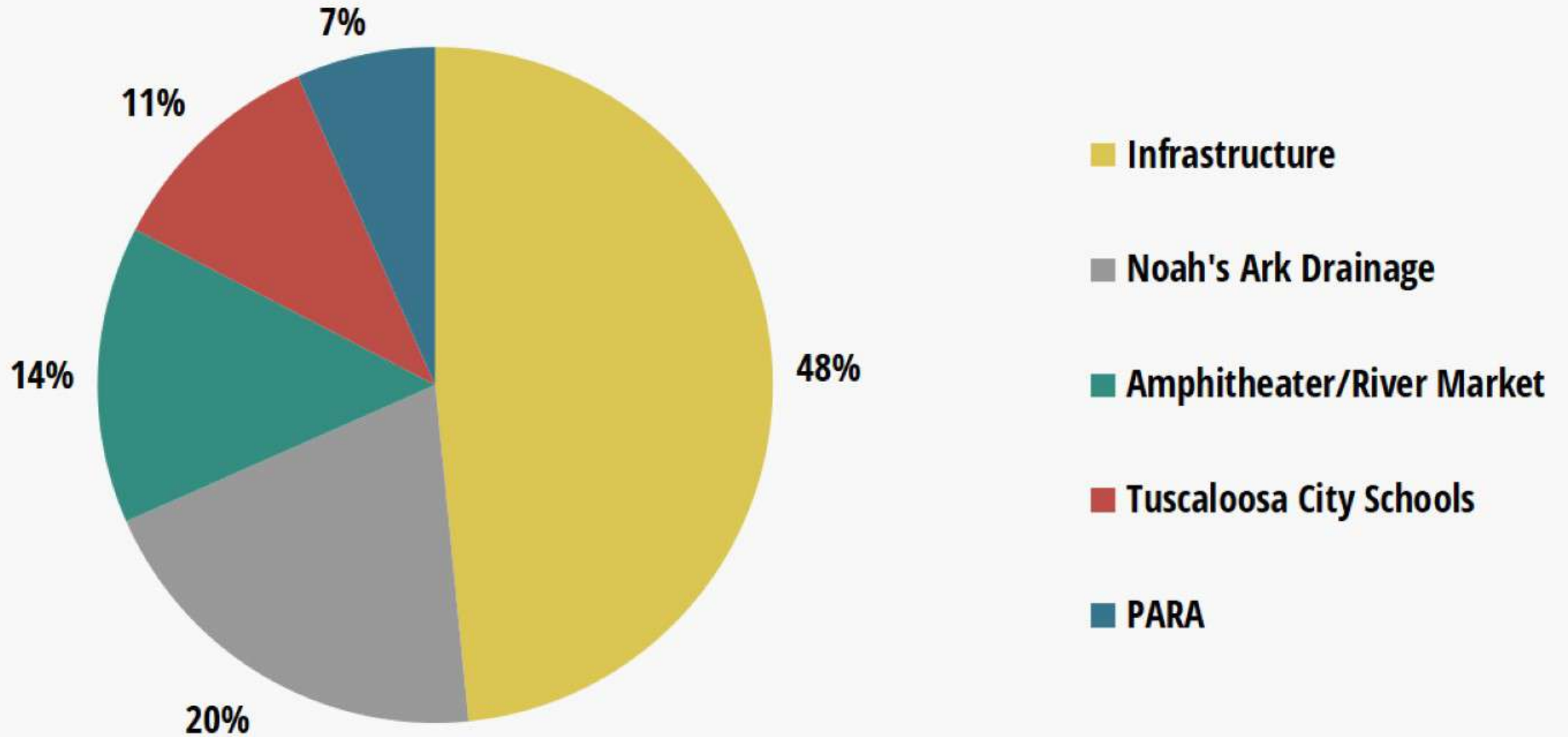
GENERAL FUND

DEBT SERVICE PER CAPITA



GENERAL FUND

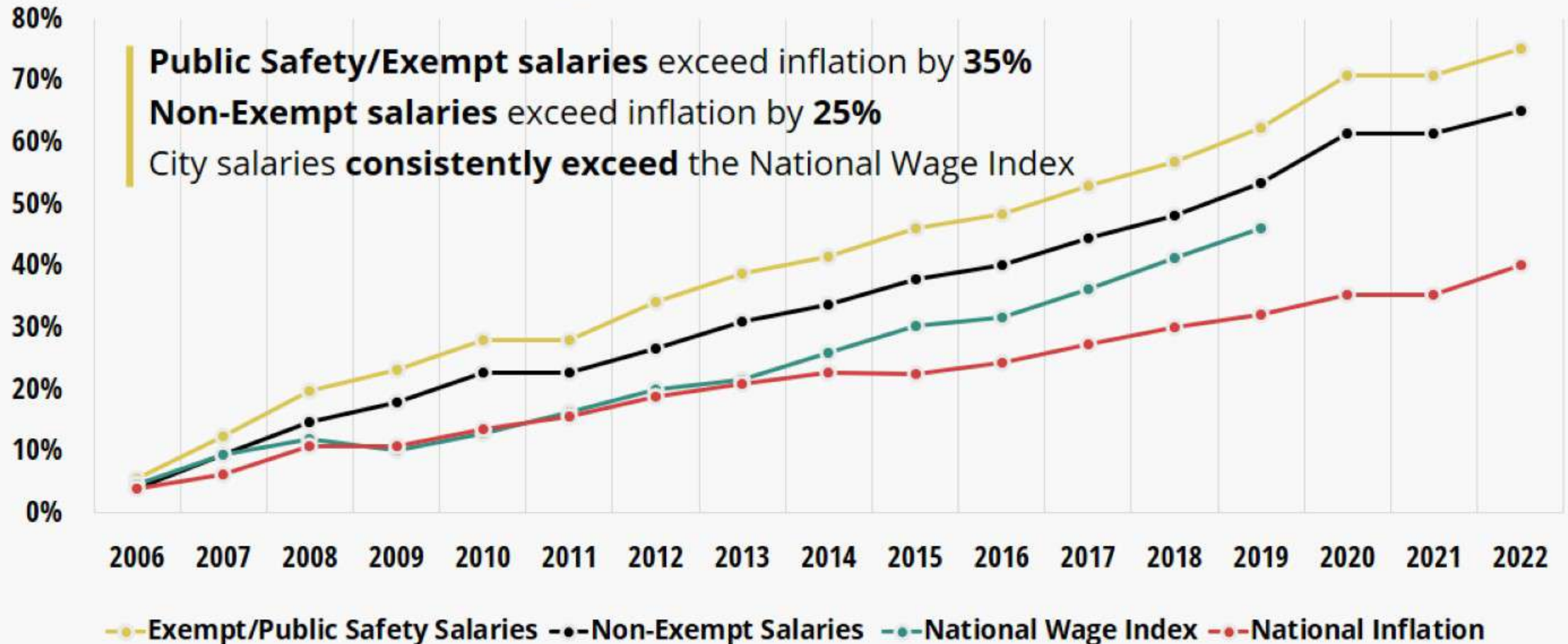
GENERAL FUND DEBT



GENERAL FUND

SALARY INCREASE TRENDS

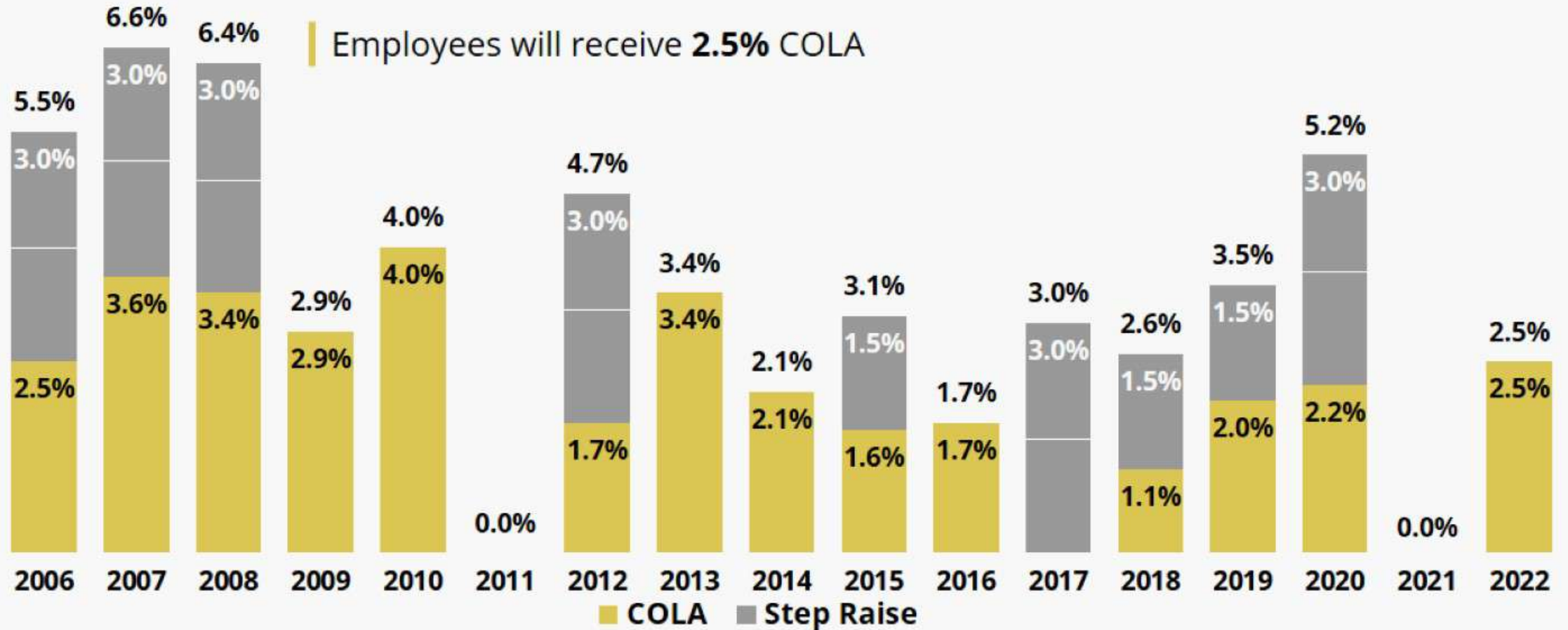
Compared to National Wage Index and Inflation



GENERAL FUND

SALARY INCREASE TRENDS

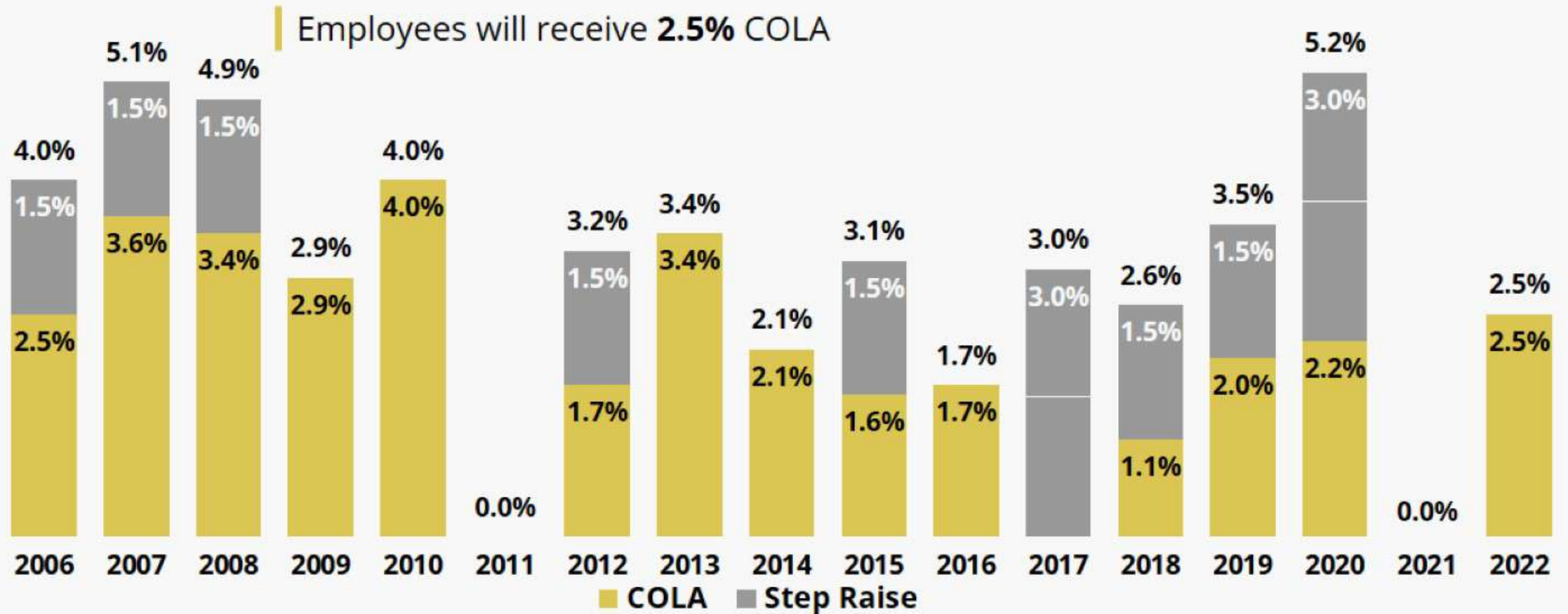
Exempt/Public Safety COLA and Step Increases



GENERAL FUND

SALARY INCREASE TRENDS

Non-Exempt COLA and Step Increases



GENERAL FUND

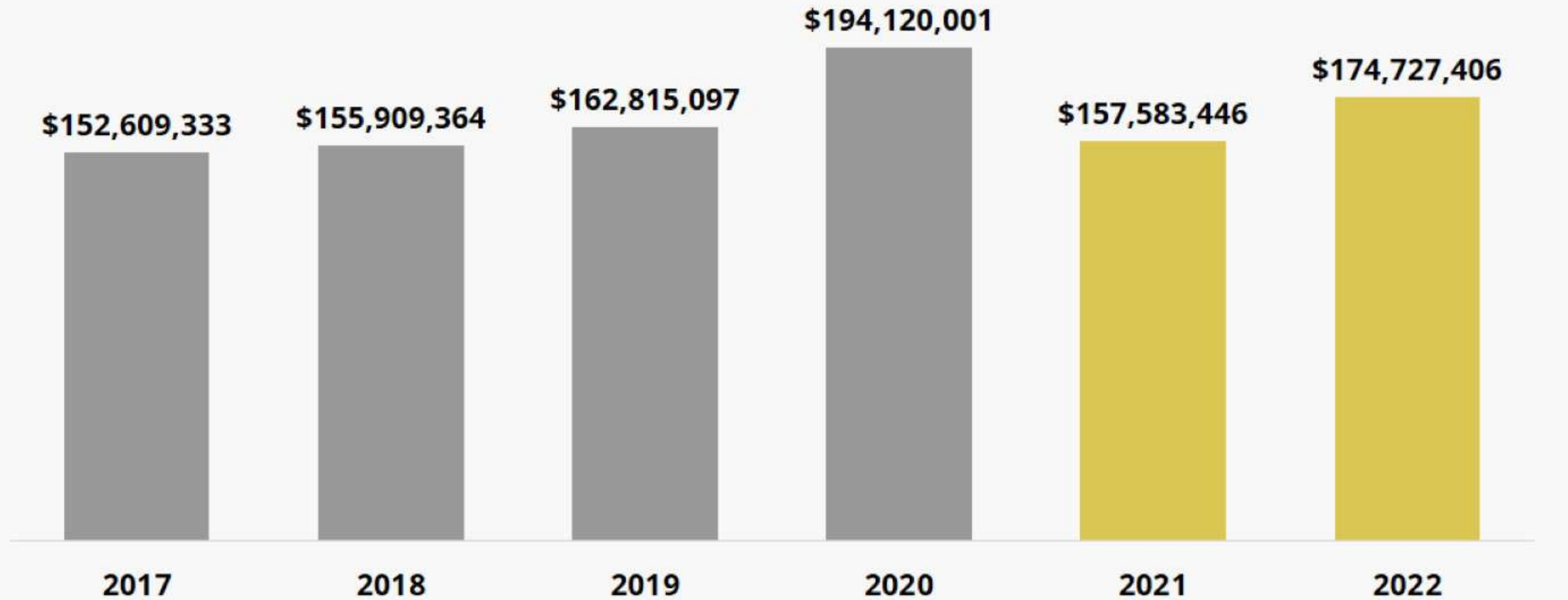
HEALTH INSURANCE IMPACT

Bi-weekly Employee Premium Increases



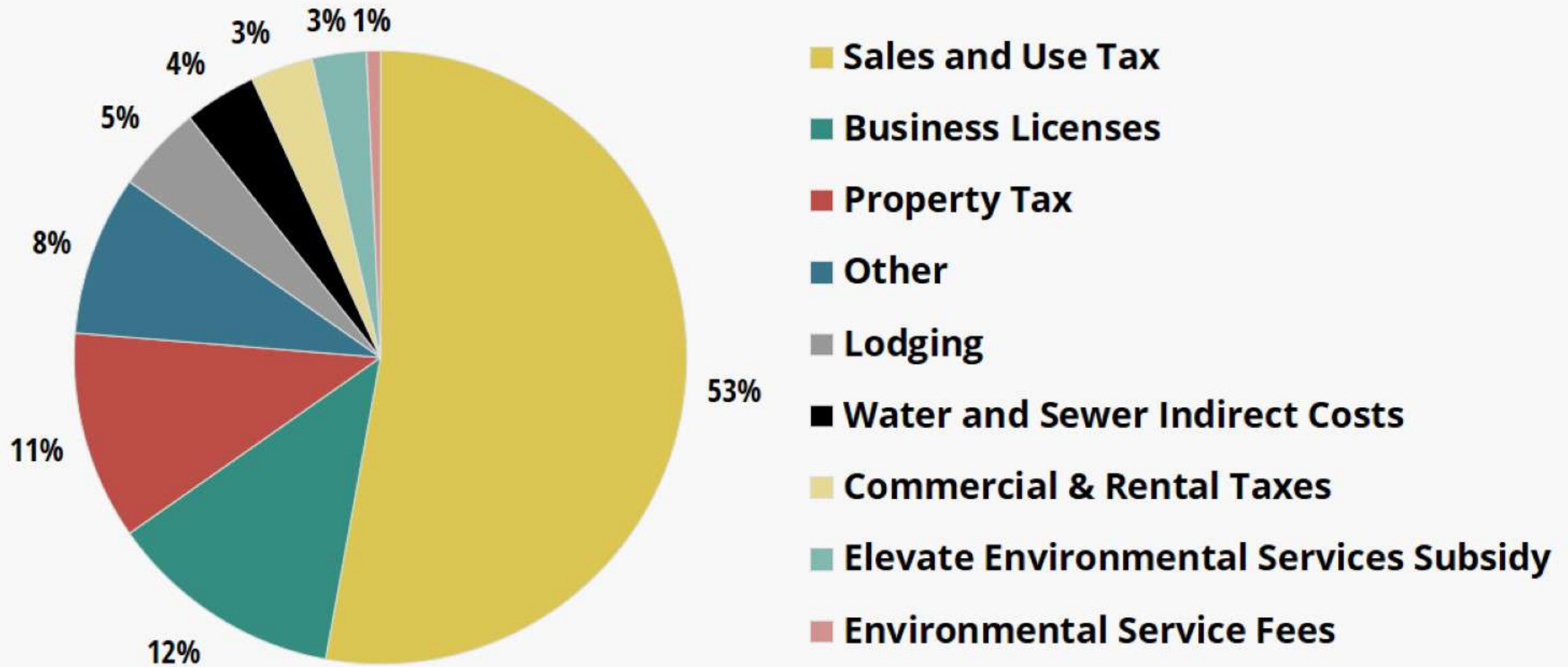
GENERAL FUND

REVENUE BUDGET HISTORY



GENERAL FUND

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

GENERAL FUND

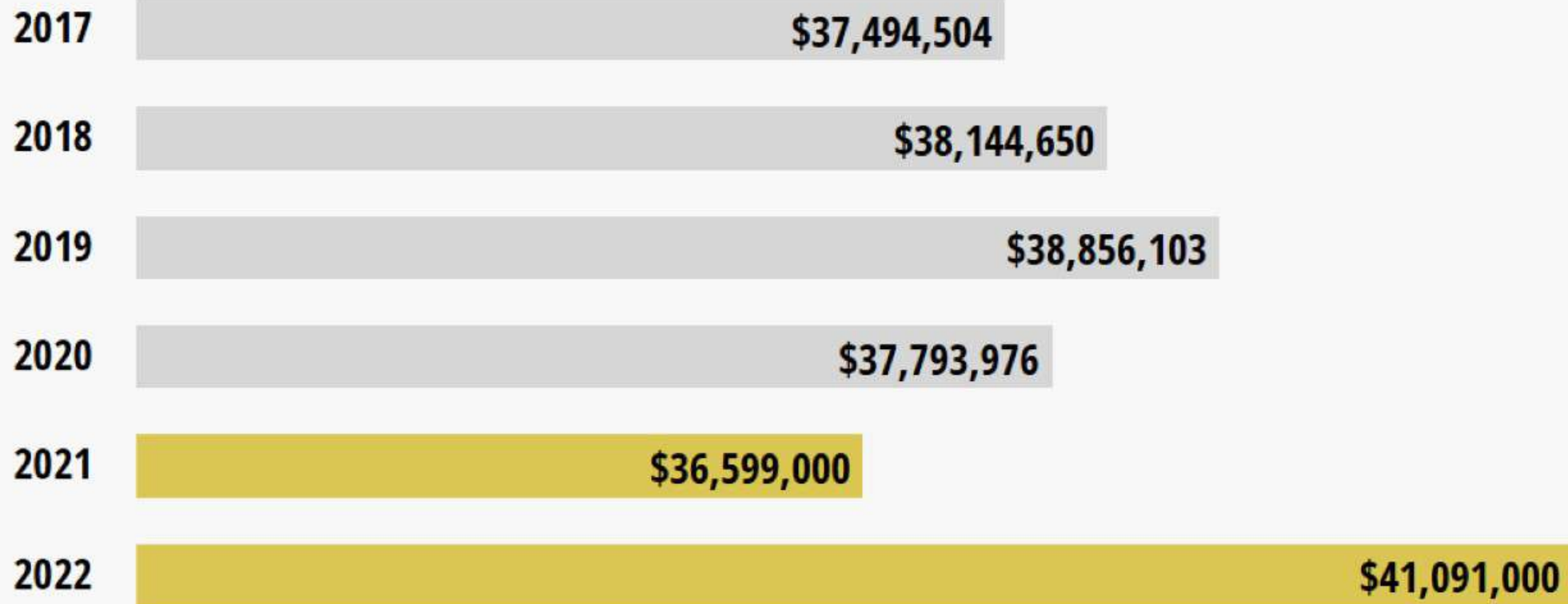
MAJOR DISCRETIONARY REVENUES

	FY 2022 Budget	FY 2021 Budget	Difference
City Sales Tax	\$ 41,091,000	\$ 36,599,000	\$ 4,492,000
Business License	21,681,000	20,715,000	966,000
Property Tax	19,209,592	17,660,000	1,549,592
County Sales Tax	18,844,000	16,736,000	2,108,000
Lodging Tax	8,359,500	5,515,000	2,844,500
Simplified Sellers Use Tax	4,715,000	3,350,000	1,365,000
Rental License Tax	4,698,858	3,288,000	1,410,858
Use Tax	4,511,000	4,330,000	181,000
Liquor Tax	2,292,000	1,611,000	681,000
Total	\$ 125,401,950	\$ 109,804,000	\$ 15,597,950

GENERAL FUND

CITY SALES TAX

1% average annual growth between 2017-2020



GENERAL FUND

COUNTY SALES TAX

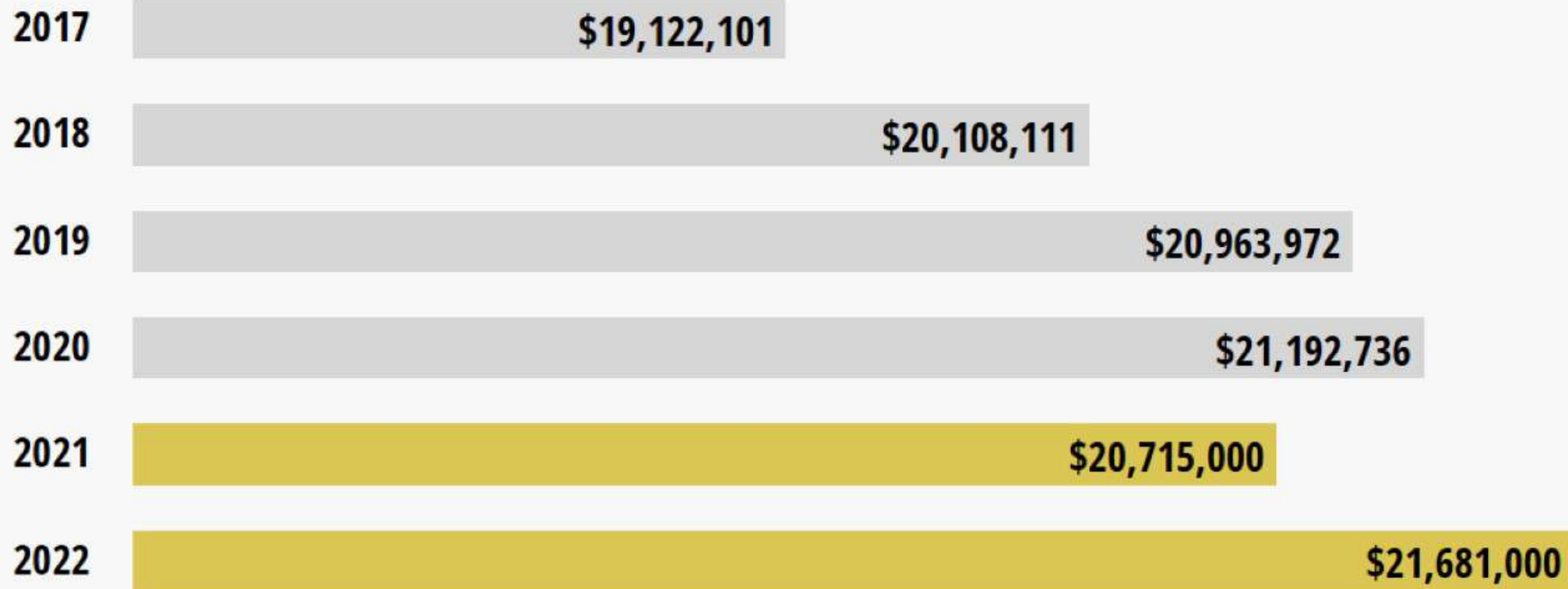
5% average annual growth between 2017-2020



GENERAL FUND

BUSINESS LICENSE

2% average annual growth between 2017-2020



GENERAL FUND

PROPERTY TAX

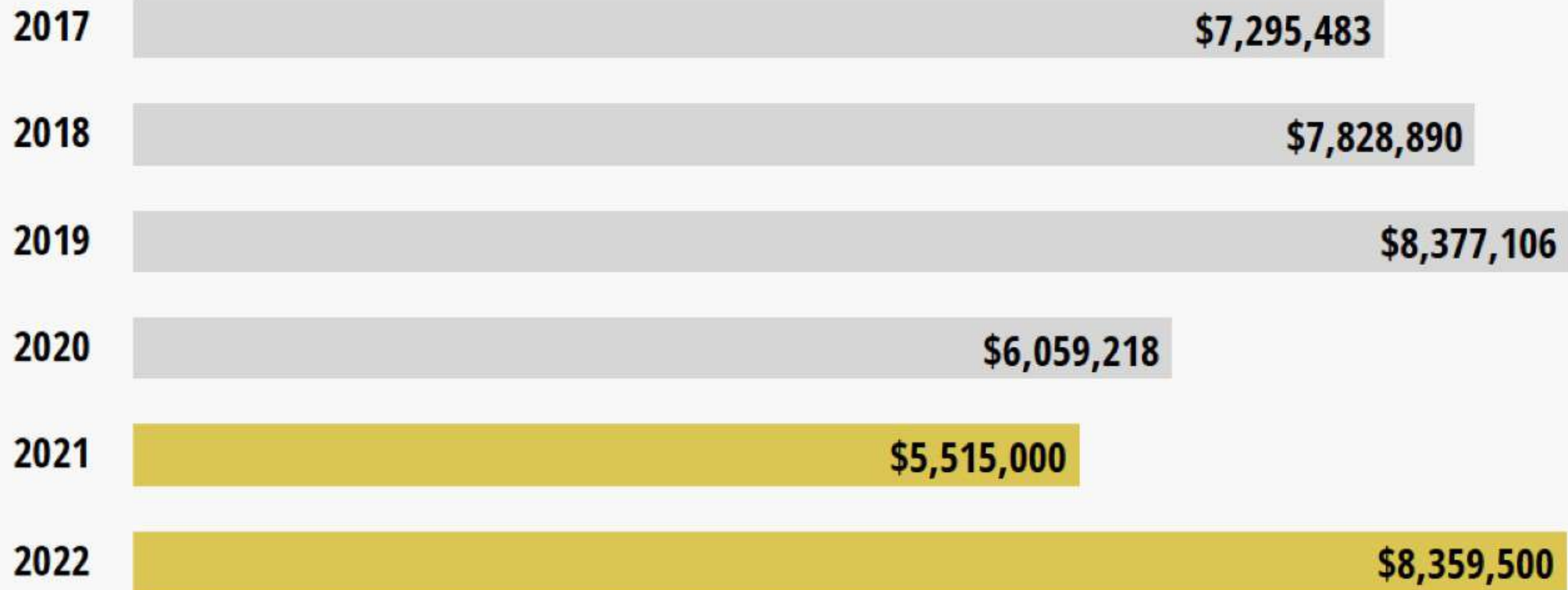
13% average annual growth between 2017-2020



GENERAL FUND

LODGING TAX

8% average annual growth between 2017-2020



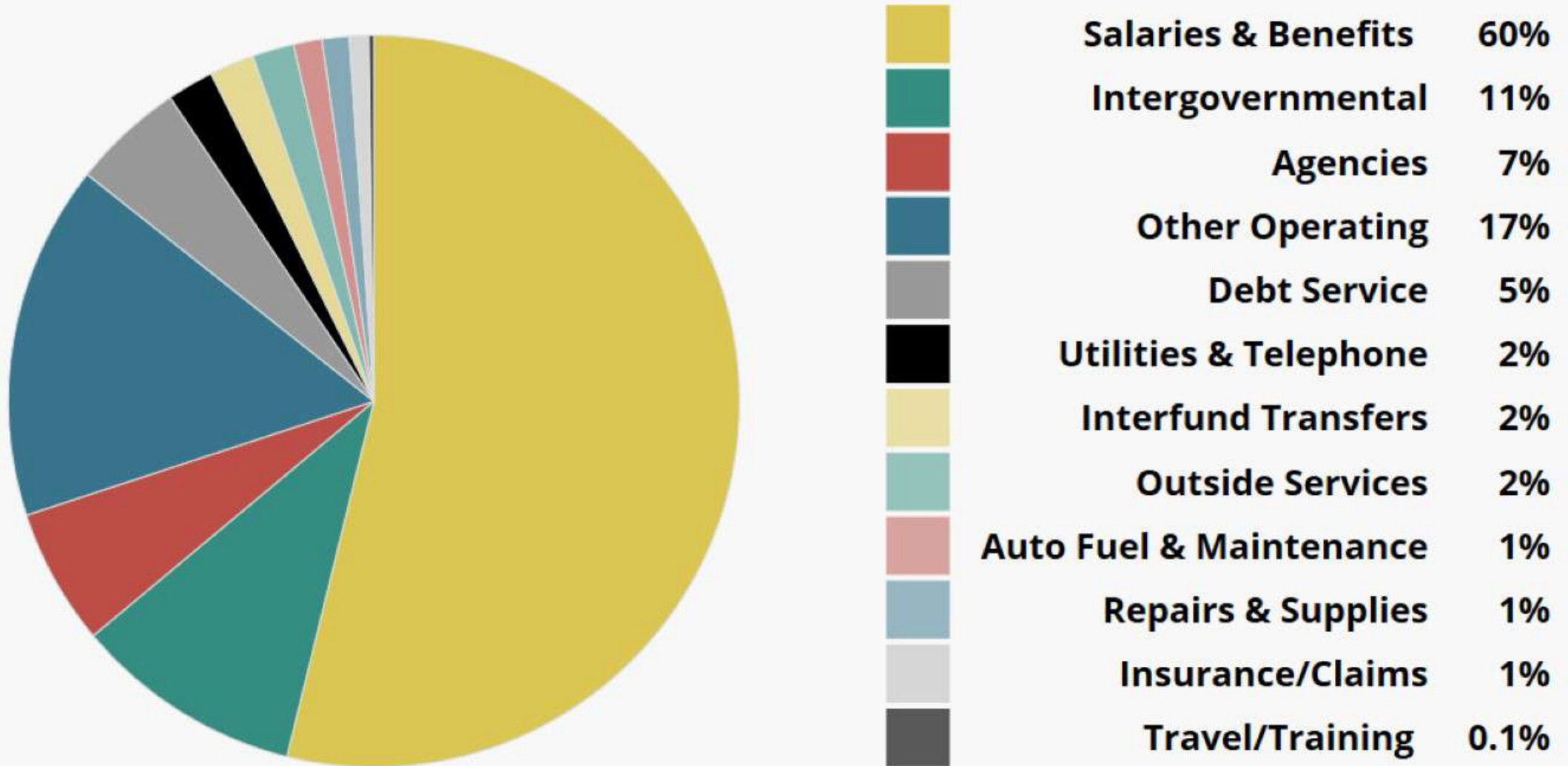
GENERAL FUND

DIRECT EXPENDITURES BY DEPARTMENT

Infrastructure and Public Services	\$ 36,954,926
Police	35,885,377
Fire	28,625,811
Agencies	11,837,785
Information Technology	5,528,601
Accounting and Finance	5,120,051
Urban Development	3,706,935
Human Resources	2,852,055
Office of the City Attorney	2,207,112
Mayor	1,668,406
Municipal Court	1,117,137
Community and Neighborhood Services	610,228
Council	354,896

GENERAL FUND

ALL EXPENDITURES BY TYPE



*Other includes, but is not limited to, contingency, maintenance contracts, jail costs, pass through funds, insurance and claims \$95,498,678 in Salaries and Benefits

GENERAL FUND

THEN AND NOW

Budget Comparison

	2007	2021	2022
Salaries and Benefits*	60%	62%	60%
Agencies	11%	7%	7%
Debt Service	4%	5%	6%
Utilities and Telephone	1%	3%	2%
Auto Fuel and Maintenance	2%	2%	2%

Does not include other operating expenditures

*FY 2021 salaries and benefits are less than FY 2020

GENERAL FUND

WATER & SEWER FUND

REVENUE BUDGET HISTORY



WATER AND SEWER FUND

REVENUE HIGHLIGHTS

Recommending a **6%** annual Water and Sewer rate increase to cover operating and capital

| **2.5%** to account for CPI

| **3.5%** will be dedicated to the 10-year Water & Sewer Infrastructure Plan

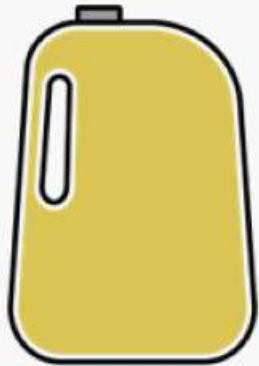
Recommending an equal rate increase for rural water authorities

2% dedicated to 2019 SRF debt service

REVENUE HIGHLIGHTS



A gallon of tap water costs \$0.0033 



\$2.93

A gallon of
milk



\$16.80

A gallon of
coffee



\$62.67

A gallon of
wine



\$1.22

A gallon of
bottled water

REVENUE HIGHLIGHTS



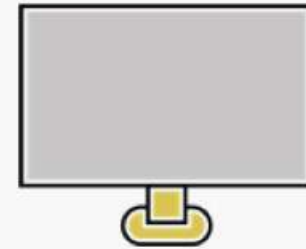
💧 Average monthly residential water and sewer bill is **\$46.80**



\$143.85
Power



\$71.84
Internet



\$86.70
Cable

WATER RATE COMPARISON PER 10,000 GALLONS



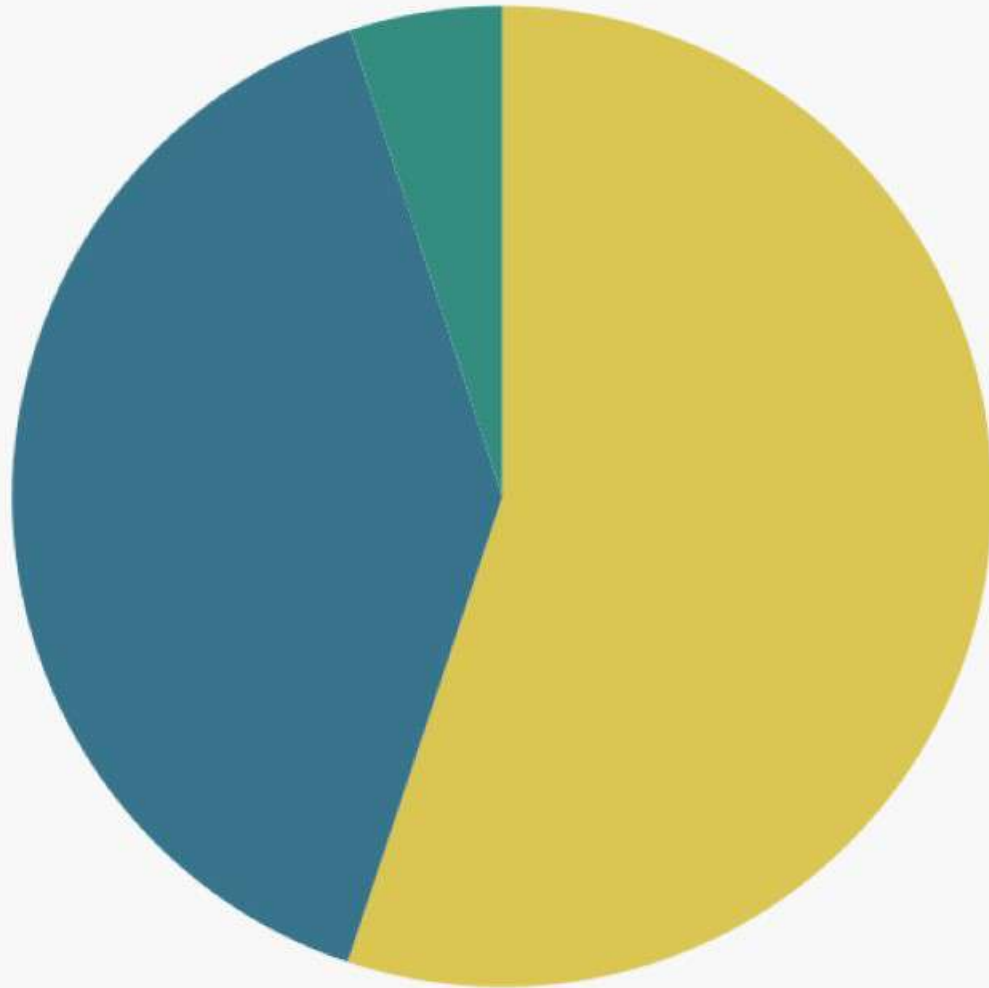
WATER AND SEWER FUND

REVENUE COMPARISON

REVENUES	FY 2022 BUDGET	FY 2021 BUDGET	DIFFERENCE
Charges for Services	\$ 54,281,414	\$ 51,333,477	\$ 2,947,937
Cost Reimbursements	20,000	25,000	(5,000)
Other Operating	204,500	467,000	(262,500)
Transfers from Other Funds	41,065	41,065	-
Use of Property	32,500	32,500	-
Total	\$ 54,579,479	\$ 51,899,042	\$ 2,680,437

WATER AND SEWER FUND

REVENUE SOURCES



Water Revenues	55%
Sewer Revenues	40%
Other Operating	5%

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

WATER REVENUES

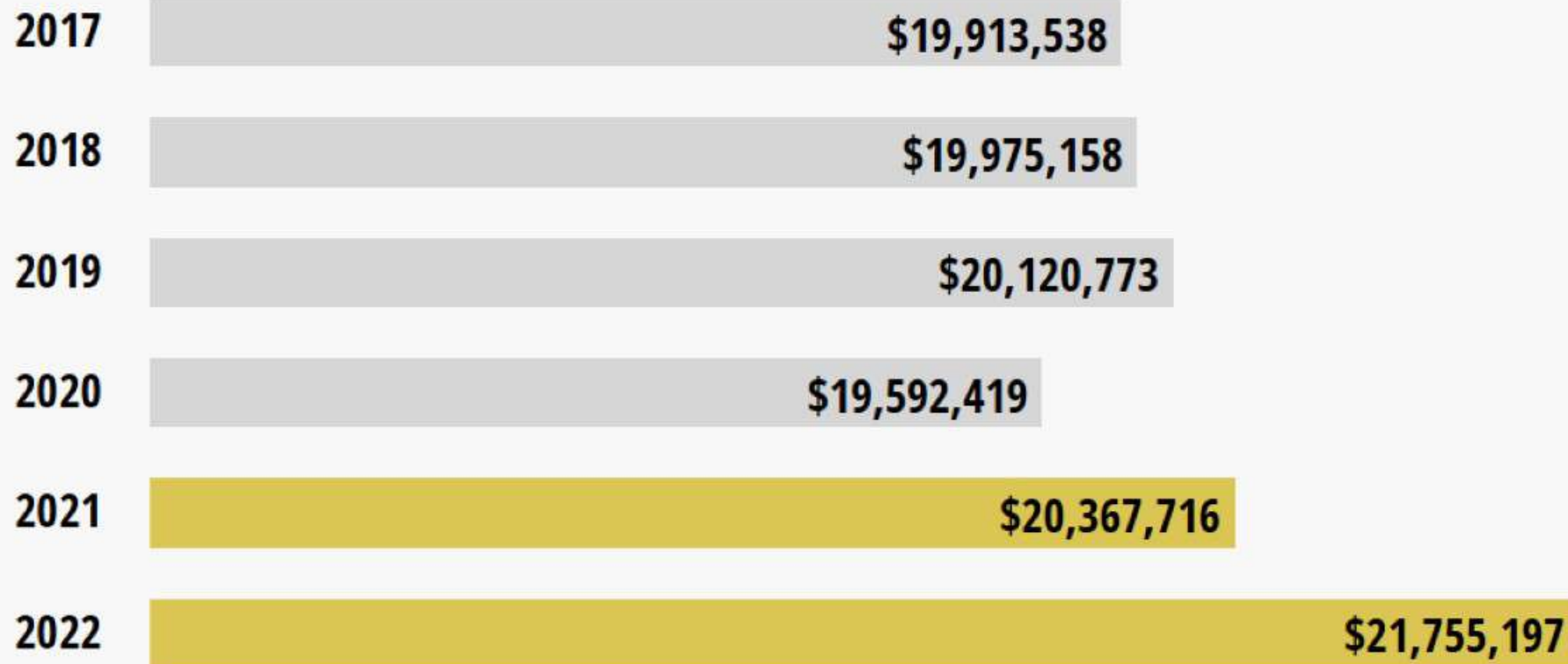
3% average annual growth between 2016-2020



WATER AND SEWER FUND

SEWER REVENUES

2% average annual growth between 2016-2020



WATER AND SEWER FUND

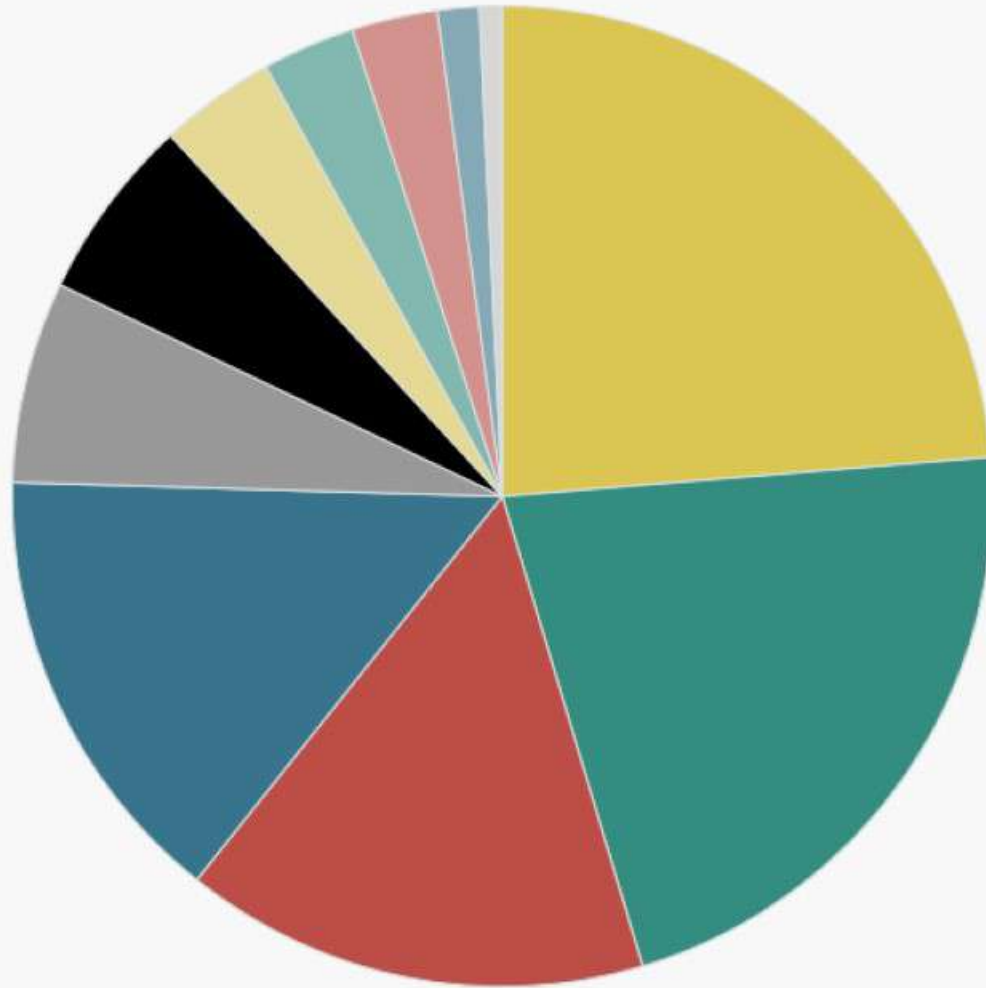
DIRECT EXPENDITURES BY DEPARTMENT












Infrastructure & Public Services	\$ 25,676,023	44%
Office of Urban Development	1,221,669	2.1%
Information Technology	850,000	1.4%
Accounting & Finance	524,546	0.9%
Office of the City Attorney	44,059	0.3%

*Other includes transfers to other funds, debt service and depreciation

WATER AND SEWER FUND

ALL EXPENDITURES BY TYPE



	Salaries & Benefits	24%
	Debt Service	22%
	Depreciation	15%
	Interfund Transfers	15%
	Utilities & Telephone	7%
	Repairs & Supplies	6%
	Other	4%
	Special Projects	3%
	Chemicals	3%
	Outside Services	1%
	Auto Fuel & Maintenance	<1%

WATER AND SEWER FUND

INDIRECT COSTS NEW WATER & SEWER EMPLOYEE EXAMPLE

DIRECT COST TO WATER & SEWER FUND

New Water & Sewer Employee



DIRECT COST TO GENERAL FUND

Human Resources

Posts positions

Verifies background information

Facilitates interview process

Manages hiring process

Handles insurance & benefits setup

Sets up time card

Fleet Maintenance

Issues Vehicle

Accounting & Finance

Sets up payroll information

WATER AND SEWER FUND

INDIRECT COSTS

Personnel Operating Area	Basis for consideration	% of W&S Work	Budget of Operating Area	% of budget allocated to WS
Office of the City Attorney	# of documents created	32%	\$ 2,010,036	\$ 643,211.52
Human Resources	# of employees	15%	2,836,162	425,424.30
Accounting and Finance	Total budgets	31%	4,892,516	1,516,679.96
Facilities Maintenance	Square footage of City Facilities	41%	5,000,624	2,050,255.84
Municipal Security	Square footage of City Facilities	41%	650,000	266,500.00
Information Technology	# of devices managed	17%	5,453,069	927,021.73
City Clerk	# of Council agenda items	46%	1,784,795	821,005.70
Fleet Maintenance	# of vehicles	39%	1,420,516	554,001.24
Total indirect Cost Transfer Basis Support				\$ 7,204,100.29
Total transfer to GF for Indirect Costs using 12%				\$ 5,936,757

WATER AND SEWER FUND

INDIRECT COSTS

In order to save time and resources, the City calculates an annual flat rate of **12%** to apply to the Water and Sewer budget.

12% Flat Rate	Estimated Actual Costs
\$5,936,757	\$7,204,100

*Within reasonable government accounting standards for pronouncements

THEN AND NOW

Budget Comparison

	2007	2021	2022
Salaries and Benefits*	27%	24%	24%
Debt Service	30%	22%	22%
Utilities and Telephone	7%	7%	7%
Equipment	1%	0.4%	0%
Auto Fuel and Maintenance	1%	7%	1%

Does not include other operating expenditures

*FY 2021 salaries and benefits are less than FY 2020

WATER AND SEWER FUND

OUTSTANDING DEBT GOVERNMENTAL ACTIVITIES

	DEBT	TOTAL ANNUAL DEBT SERVICE	DEBT SERVICE PER CAPITA
Birmingham	\$ 276,894,000	\$ 38,401,000	\$ 191.30
Madison	248,131,451	18,216,090	319.96
Mobile	200,820,482	23,625,789	126.31
Montgomery	189,588,622	23,455,513	116.93
Huntsville	961,499,898	82,340,108	382.97
Auburn	283,060,913	25,305,062	332.34
Hoover	113,956,382	13,294,060	143.56
Decatur	88,833,000	8,319,000	143.58
Dothan	99,290,642	11,131,886	156.63
Tuscaloosa	\$ 194,280,692	\$ 23,051,012	\$ 231.44

No Utilities

Sewer Utilities

Water, Sewer & Electric Utilities

Water & Sewer Utilities

WATER AND SEWER FUND

VEHICLES, EQUIPMENT & CAPITAL PROJECTS

REVENUE SOURCES

General Fund	\$	420,000
General Fund Facility Renewal Fund		100,000
General Fund Reserve for Future Improvements (GF-RFFI)		1,770,000
Alabama Trust Fund		927,998
Public Safety Capital Fund		3,006,001
Public Works Capital Fund		378,485
American Rescue Plan		14,086,559
Total	\$	20,689,043

VEHICLES, EQUIPMENT & CAPITAL PROJECTS

INVESTMENT AREAS

	CAPITAL PROJECTS	VEHICLES & EQUIPMENT	TOTAL
City-Wide	\$ 9,266,485	\$ -	\$ 9,266,485
Infrastructure & Public Services	543,000	2,143,000	2,686,000
Tuscaloosa Fire Rescue	2,305,000	174,000	2,479,000
Tuscaloosa Police Department		2,414,000	2,414,000
Information Technology		1,494,001	1,494,001
Agencies	1,922,398	427,159	2,349,557
Total	\$ 14,036,883	\$ 6,652,160	\$ 20,689,043

VEHICLES, EQUIPMENT & CAPITAL PROJECTS

Fiscal Year 2022 10-Year Infrastructure Investment Plan

PURPOSE

To have the safest and strongest infrastructure in the nation, focusing on these 7 primary areas

- | Lakes
- | water treatment plants
- | water distribution system
- | wastewater collections system
- | water resource recovery facility
- | IT and security
- | equipment and vertical assets

INVESTMENT LAKES

\$9,461,844

10-YEAR INFRASTRUCTURE PLAN

LAKES

AERATOR REPAIR

\$7,000,000

Installing a valve on the upstream side of the dam aerator piping



An aerial photograph of a construction site. A large, deep trench has been excavated, revealing a network of pipes and conduits. The trench is filled with a mix of brown soil and dark, possibly metallic or plastic, materials. The surrounding area is a mix of dirt, grass, and some sparse vegetation. The overall scene suggests a major infrastructure project, such as the installation of a water or sewer system.

INVESTMENT DISTRIBUTION & COLLECTIONS

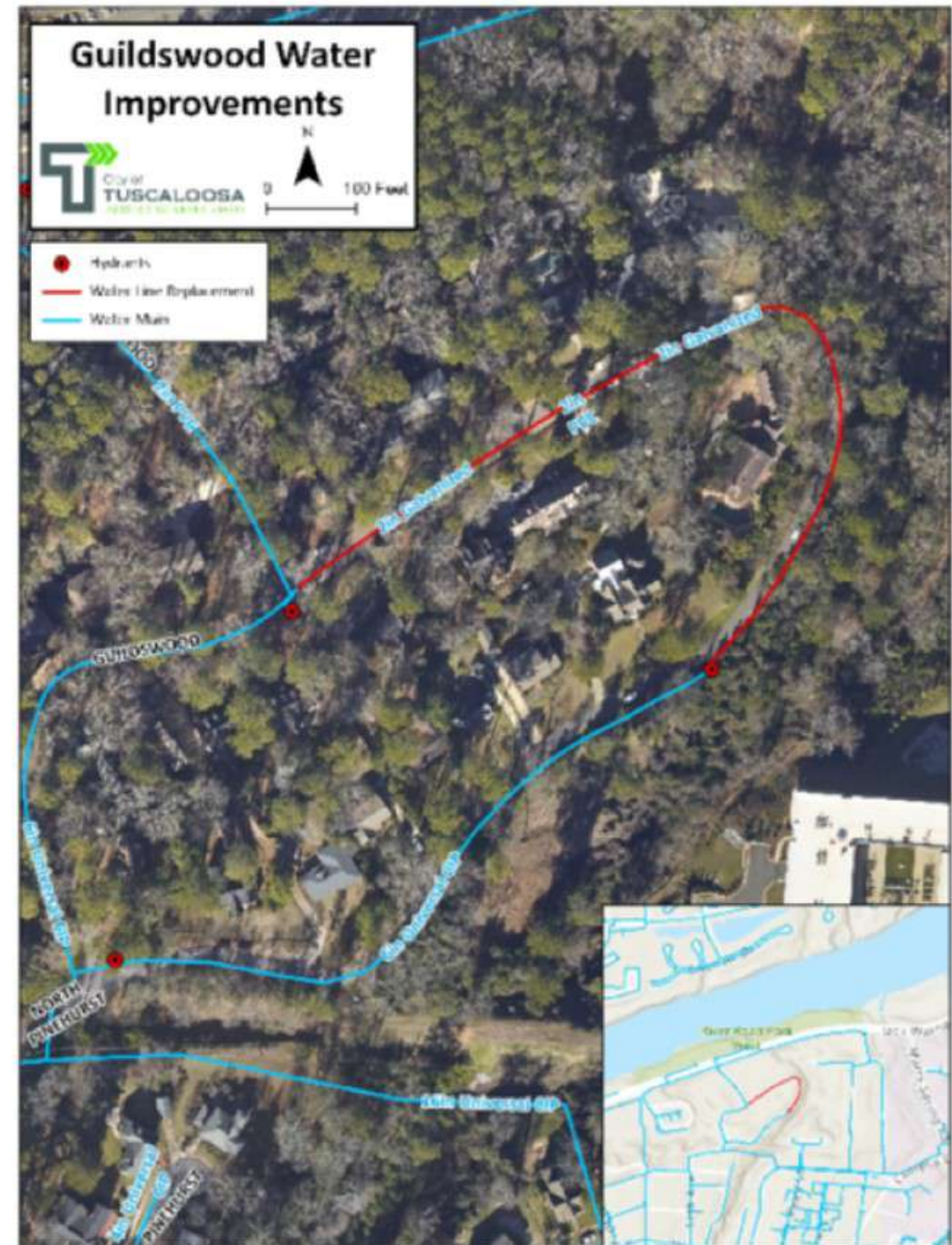
\$64,760,538

10-YEAR INFRASTRUCTURE PLAN

DISTRIBUTION & COLLECTIONS GUILDWOOD WATER IMPROVEMENTS

\$600,000

Replacing 1,100 feet of 2" galvanized pipe with 6" ductile iron pipe



DISTRIBUTION & COLLECTIONS

ARLINGTON SEWER REPLACEMENT

\$2,500,000

Replacing 4" and 6" clay sanitary sewer pipes with 8" PVC lines



DISTRIBUTION & COLLECTIONS

BROOKSDALE SEWER REPLACEMENT

\$2,000,000

Replacing a section of public sewer that serves approximately 20-30 homes that continuously has backups and overflows due to poorly conditioned lines

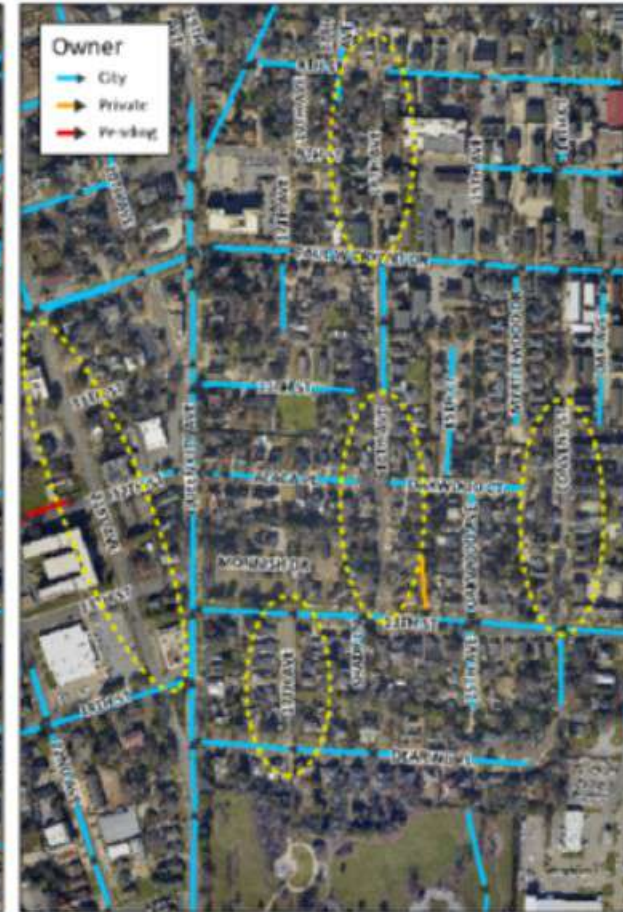
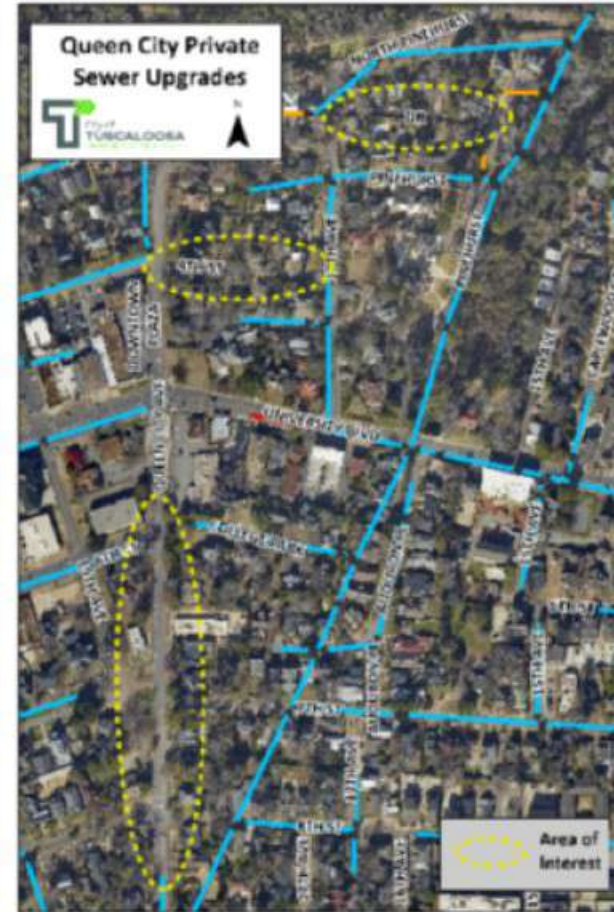


DISTRIBUTION & COLLECTIONS

QUEEN CITY PRIVATE SEWER UPGRADES

\$3,000,000

Eliminating some of the oldest shared private sewer lines that are in City streets by installing City sewer service to this area





INVESTMENT PLANTS & FACILITIES

\$84,927,693

10-YEAR INFRASTRUCTURE PLAN

PLANTS & FACILITIES

ED LOVE RAW WATER STATION

\$12,000,000

Upgrades to address current deficiencies and increase the reliability and reliance of the raw water pump station



PLANTS & FACILITIES

DIGESTER MIXING UPGRADES

\$2,610,000

Replacing non-working mixers with upgraded mixing technology



PLANTS & FACILITIES

LIFT STATION 3

\$4,000,000

Replacing 3 existing pumps, installing a new generator and installing a new electrical building and accommodating site work at the largest pump station in the city while building existing capacity



PLANTS & FACILITIES

LIFT STATION 10 & 11

\$4,000,000

Constructing a 1.5 million gallon flow equalization (EQ) tank at Lift Station 10 to handle peak sewer flows required to reduce SSOs occurring at Lift Station 10.

The improvements include an EQ tank, transfer pump, electrical controls and associated piping.

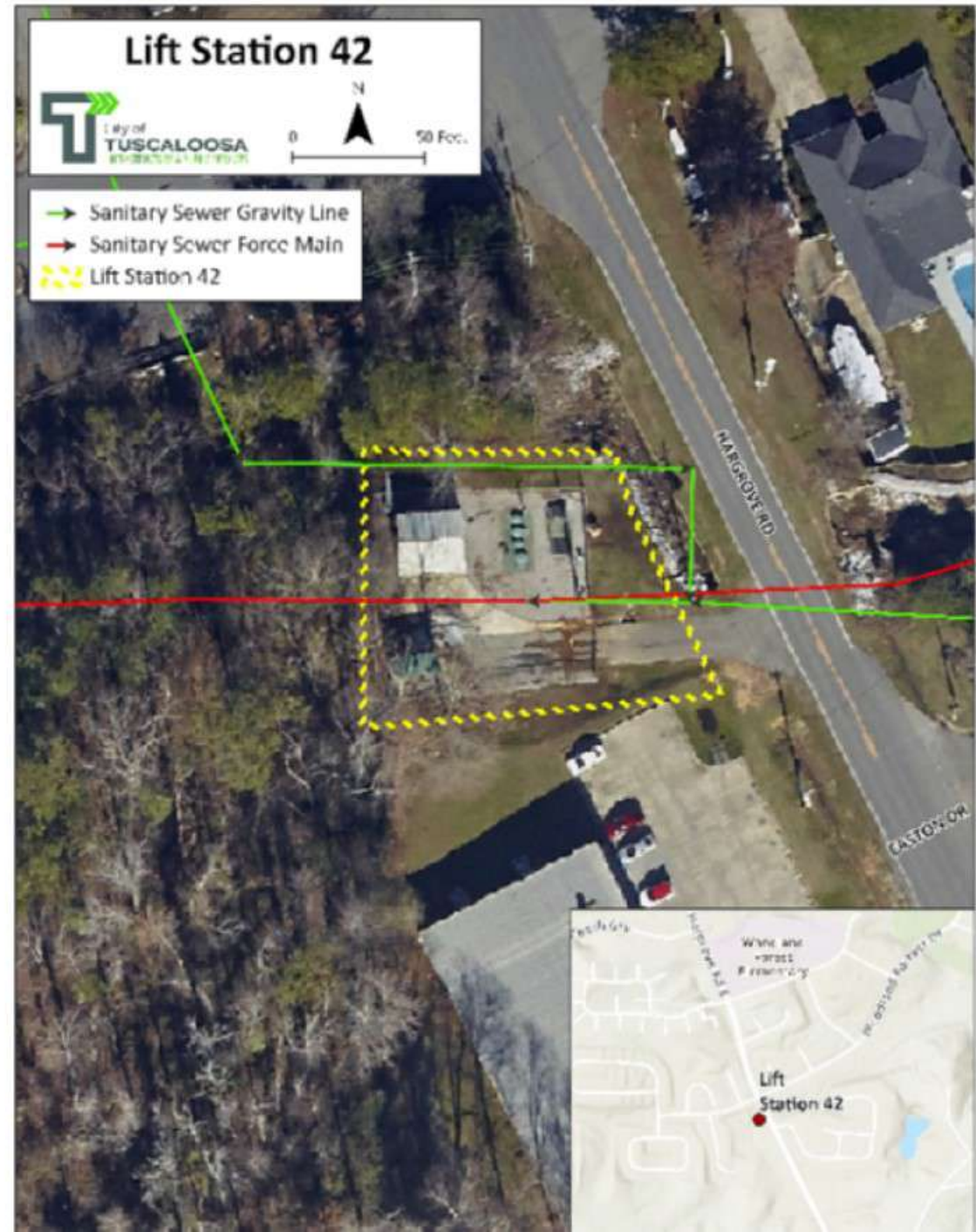


PLANTS & FACILITIES

LIFT STATION 42

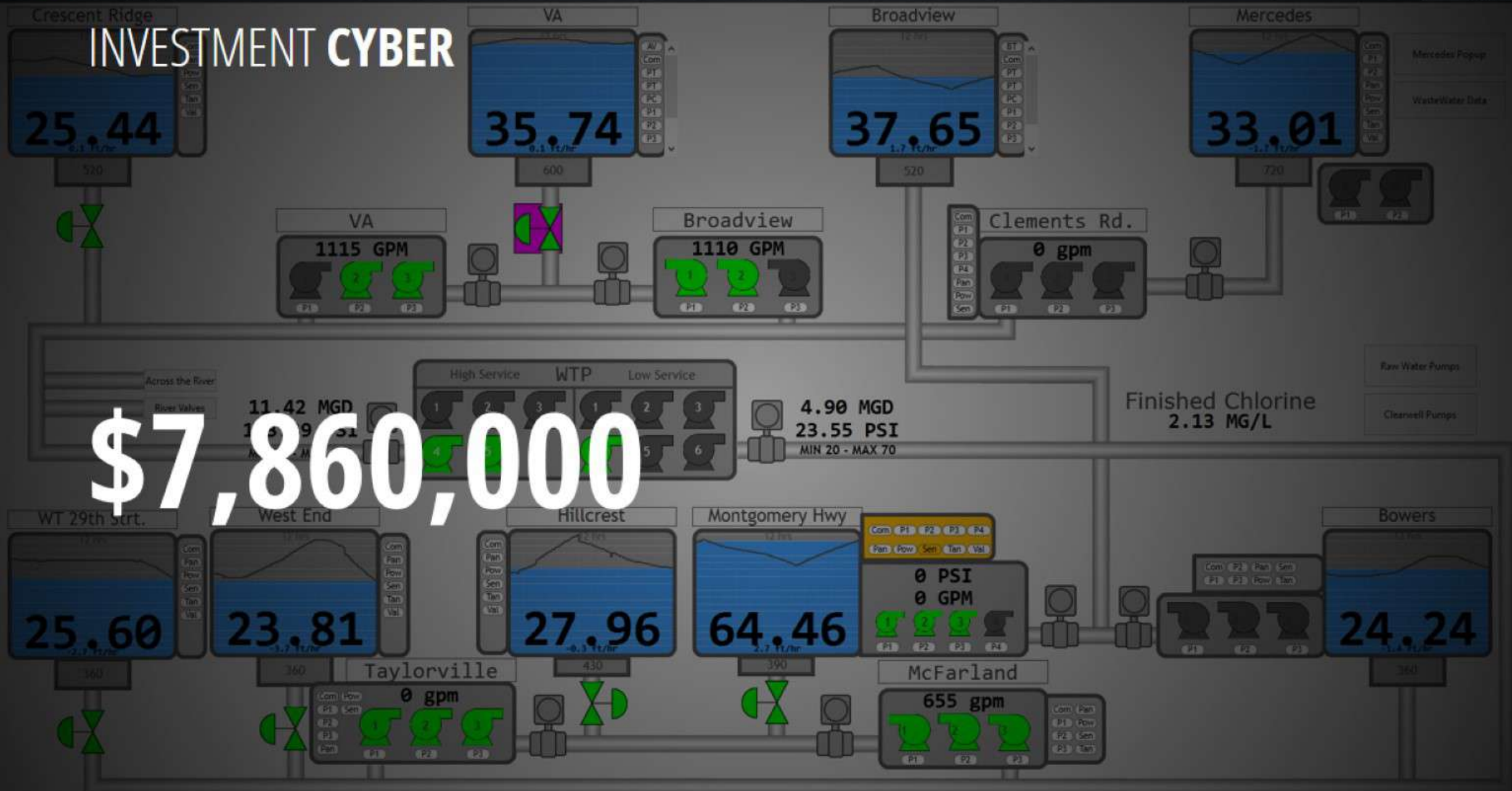
\$3,500,000

Eliminating or reconfiguring to minimize odors and SSOs



INVESTMENT CYBER

\$7,860,000



10-YEAR INFRASTRUCTURE PLAN

CYBER SECURITY IMPROVEMENTS

\$5,800,000

Providing remote site SCADA
modernization at different
locations



CYBER WRRF SECURITY UPGRADES

\$750,000

Repairing or upgrading access gates, adding a locking capability to the administration building and repairing or replacing the security cameras





INVESTMENT WATER & SEWER EXPANSION

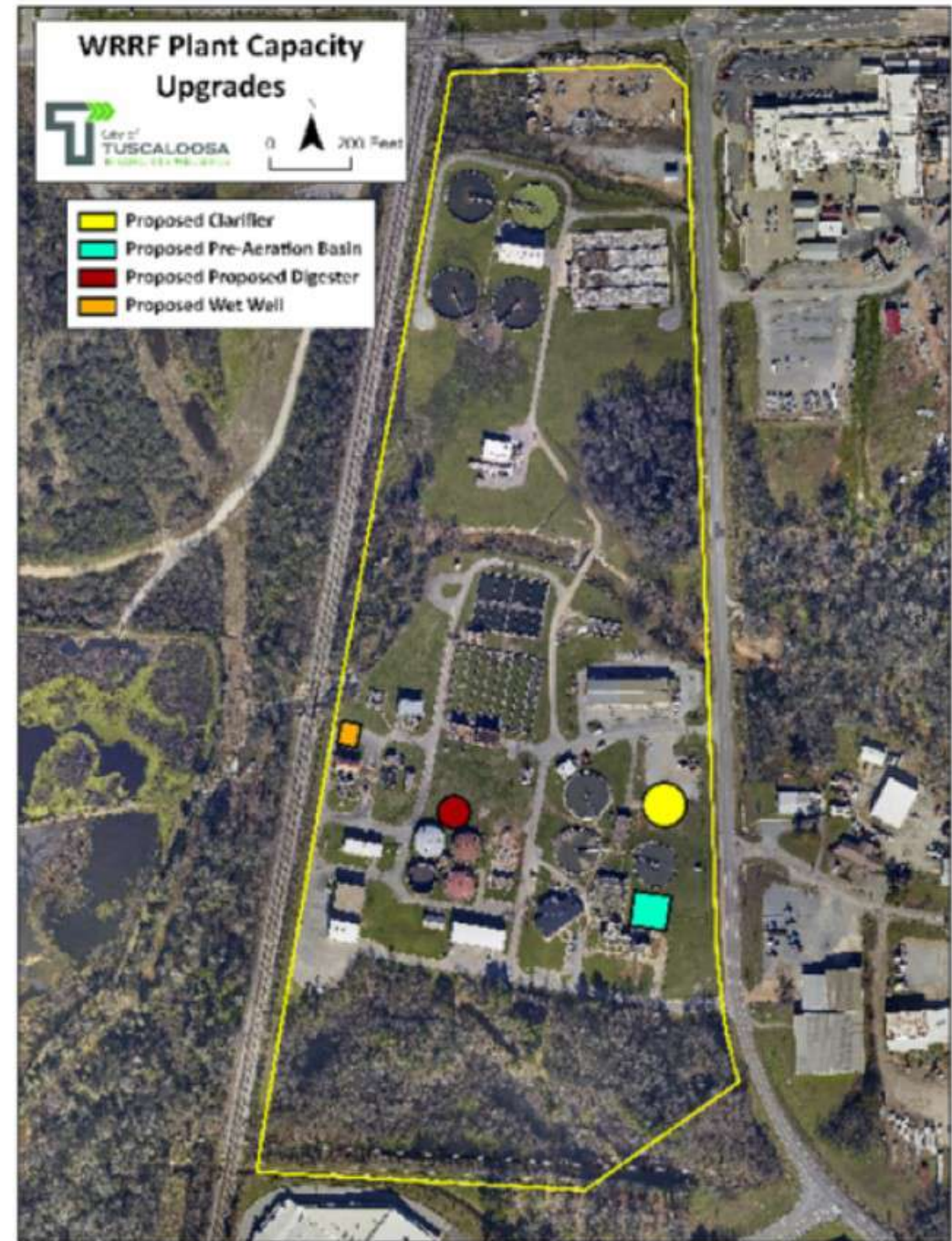
\$130,080,000

10-YEAR INFRASTRUCTURE PLAN

WATER & SEWER EXPANSION FLETCHER

\$2,000,000

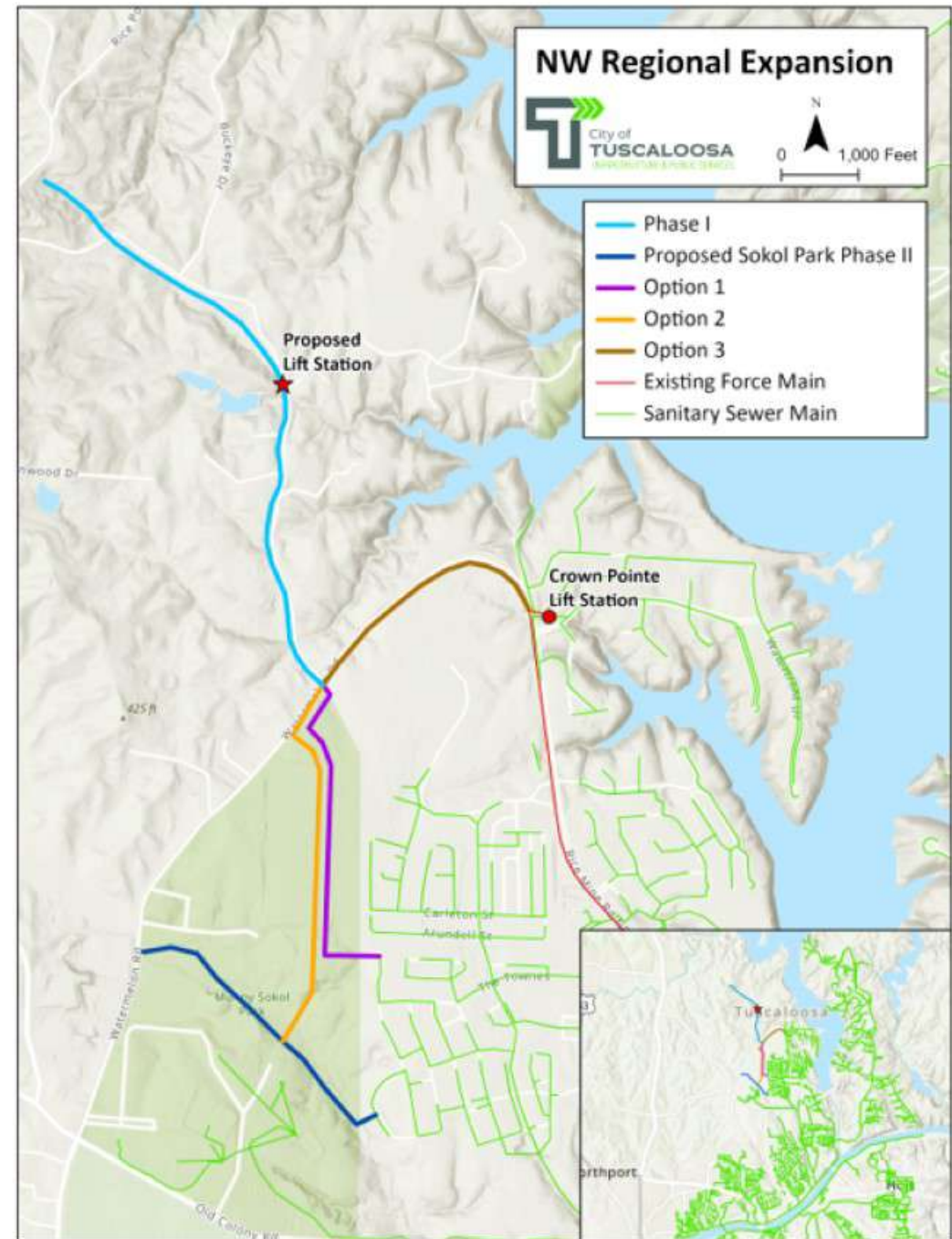
Adding an additional clarifier, installing a new digester and blower and upgrading the headworks to increase the facility's permitted capacity



WATER & SEWER EXPANSION NORTH WESTERN SEWER LINE

\$12,000,000

Expand the major sanitary sewer collection system by adding a regional lift station and force main to the area north of Martin Road, northwest of Watermelon Road and bound by Lake Tuscaloosa and Carroll's Creek Tributary on the north and west

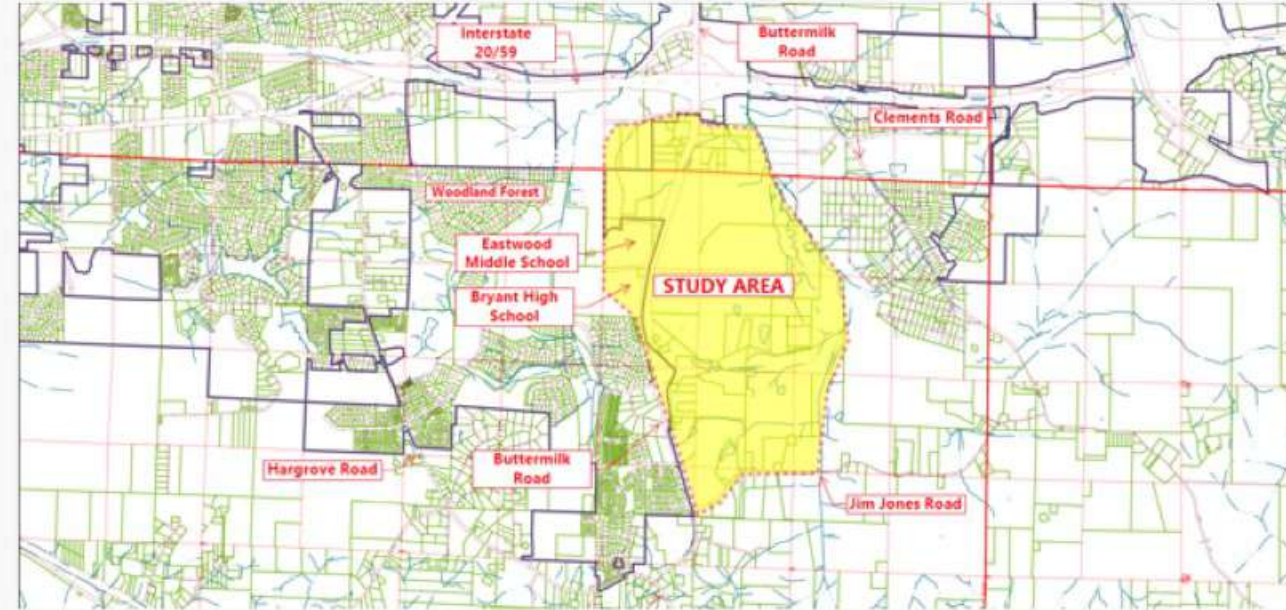


WATER & SEWER EXPANSION

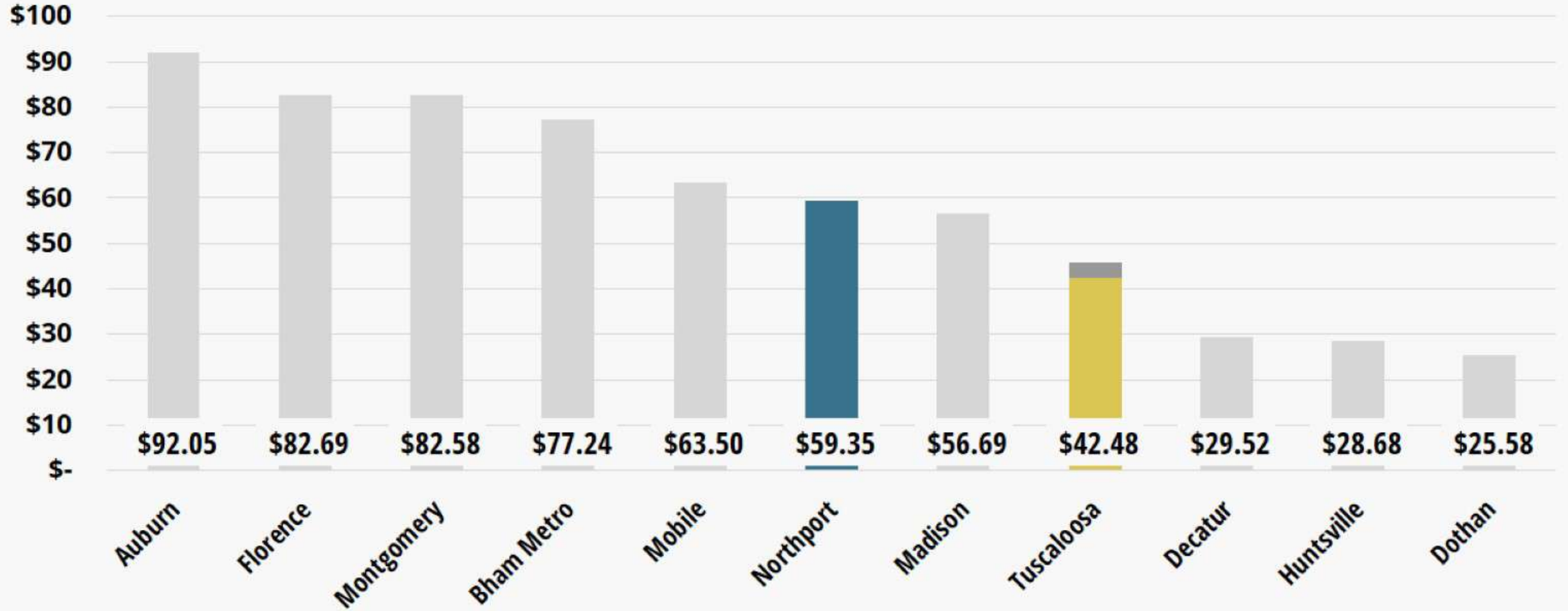
EASTERN SEWER LINE

\$24,400,000

Establishing sewer service to the eastern area of Tuscaloosa along Buttermilk Road, providing areas for future workforce housing expansion and growth

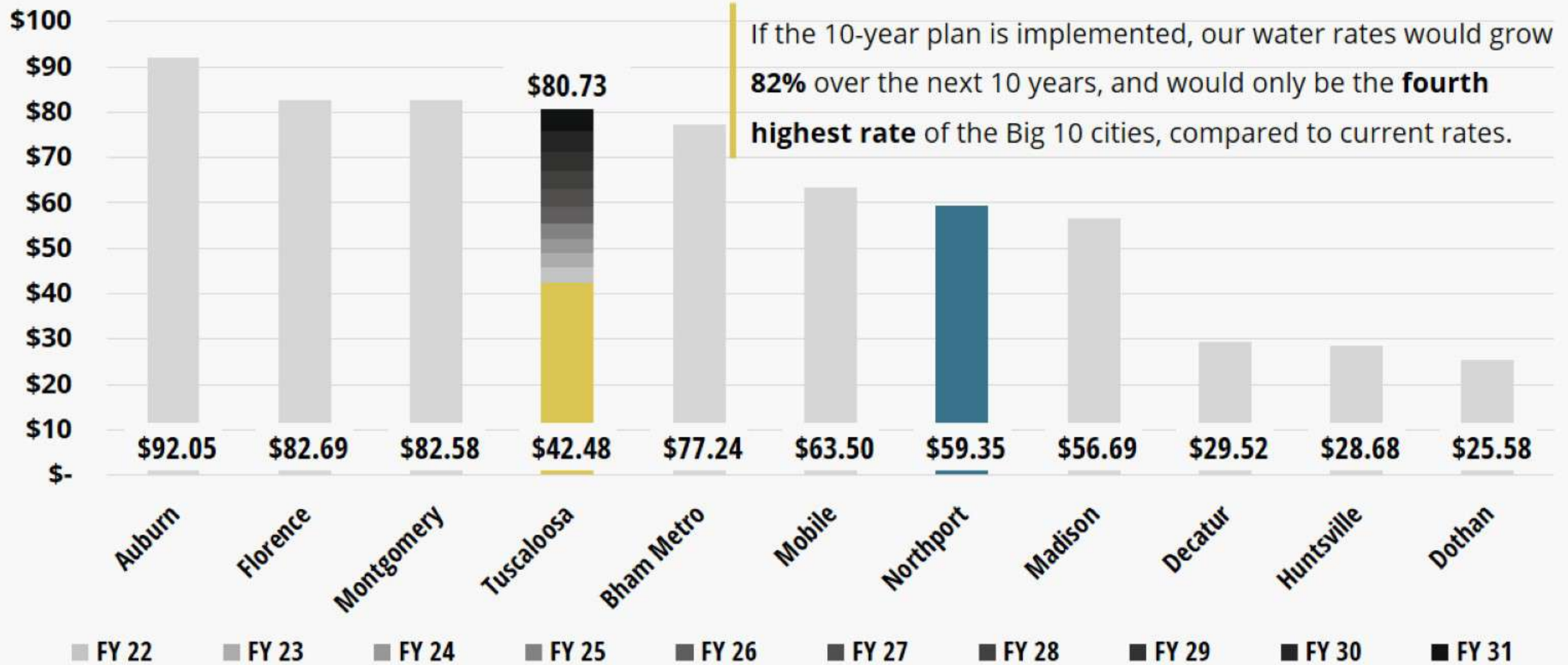


WATER RATE COMPARISON PER 10,000 GALLONS



10-YEAR INFRASTRUCTURE PLAN

WATER RATE COMPARISON PER 10,000 GALLONS

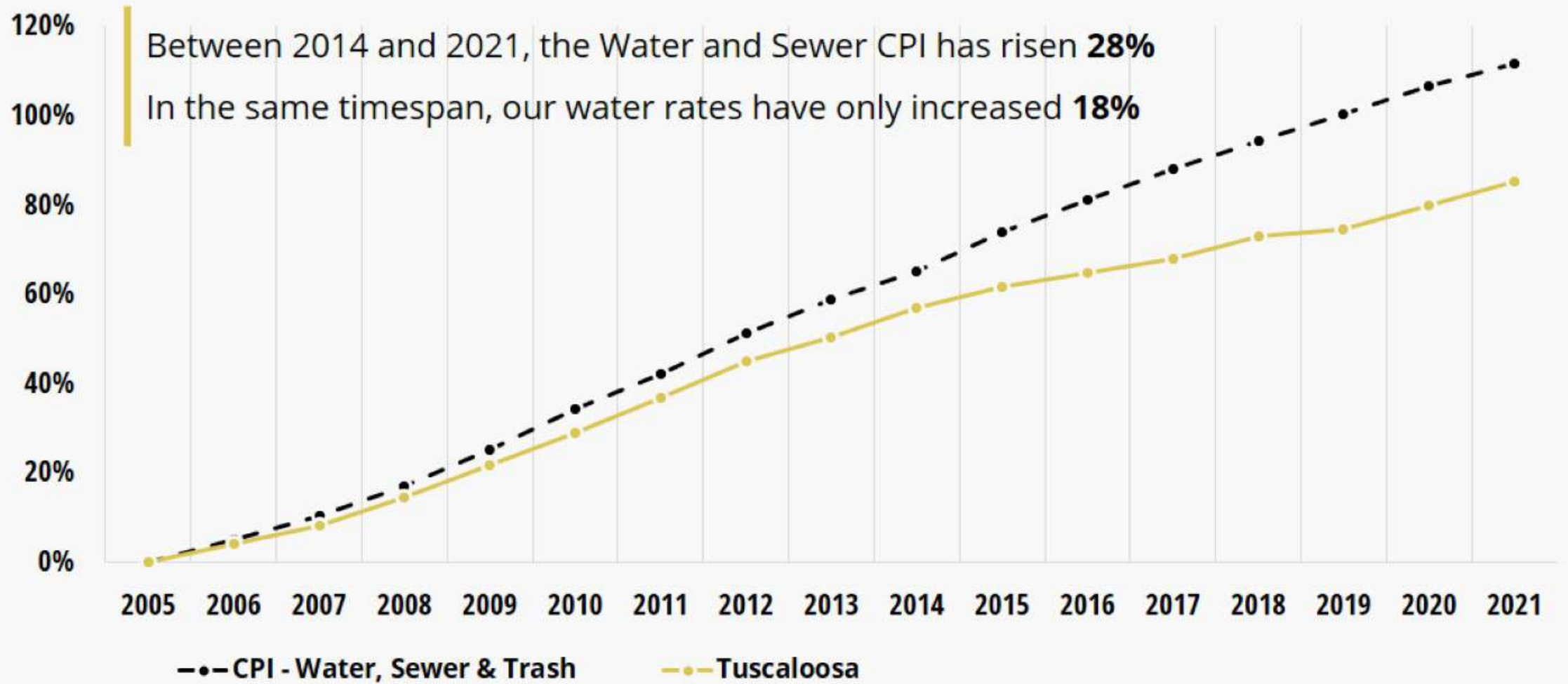


10-YEAR INFRASTRUCTURE PLAN

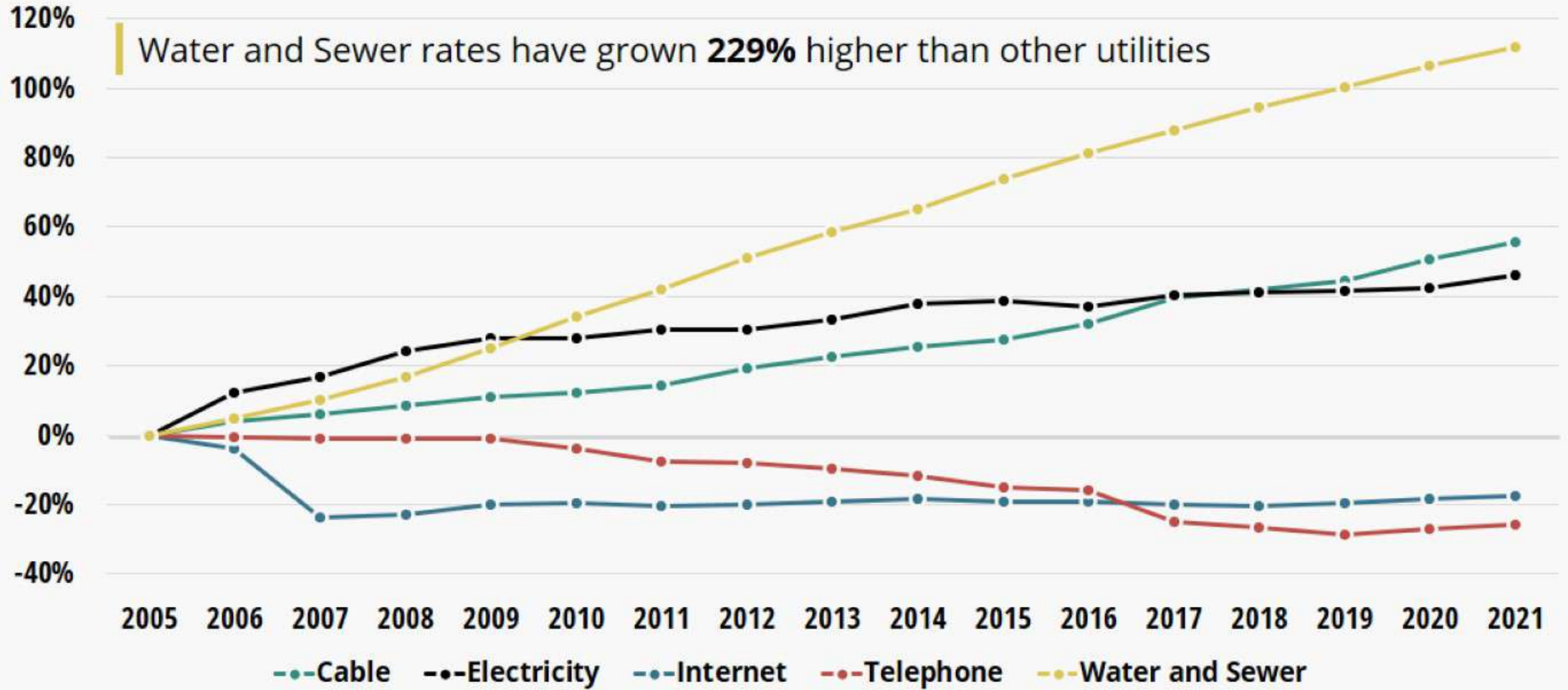
REVENUE STREAM

	RATE INCREASE	INCREASE REVENUES
FY 2022	3.5%	\$ 1,699,054
FY 2023	6%	4,713,662
FY 2024	6%	7,909,147
FY 2025	6%	11,296,360
FY 2026	6%	14,886,807
FY 2027	6%	18,692,680
FY 2028	6%	22,726,905
FY 2029	6%	27,003,184
FY 2030	6%	31,536,040
FY 2031	6%	36,340,867
Total		\$ 176,804,706

WATER & SEWER INCREASE



NATIONAL UTILITY RATES CPI



WATER & SEWER DEBT ROLL OFF

	Debt Issuance	Total Debt Principal	Total Debt Interest	Total Amount of Debt to Roll-off
FY 2022	2012-B Warrant	\$ 1,270,000	\$ 31,750	\$ 1,301,750
FY 2022	SRF 2012-A	5,400,000	171,000	5,571,000
FY 2026	DWSRF 2013	2,385,000	116,640	2,501,640
FY 2032	2014-C Warrant	3,595,000	659,575	4,254,575
Total		\$ 12,650,000	\$ 978,965	\$ 13,628,965

BUDGET TEAM

Accounting and Finance

Katy Metcalfe

Deputy Chief Financial Officer

Becky Scheeff

Director of Budgets & Strategic Planning

Ashley Price

Budget Manager

Estella Hare

Accounting Manager

Cayson Sawyer

Senior Accountant

Katy Beth Jackson

UD Manager of Finance & Special Projects

Carly Standridge

Acting Chief Financial Officer