



TUSCALOOSA FIRST

Fiscal Year 2026 Budget



Financial Strength

MOODY'S

Aa1

FitchRatings

AAA

Core Beliefs



Citizens must be safe, whether crime, fire, medical response or an act of nature, our response is swift and effective



Neighborhood protection and economic growth are achieved through conservative financial management, comprehensive planning and strategic infrastructure investments



All underserved areas deserve investments that enhance educational, economic and recreational opportunities



Elite customer service is a shared responsibility of everyone and our work must be guided by responsiveness, respect and accountability



General Fund
\$208,397,107



Elevate Tuscaloosa Fund
\$31,427,715

Public Safety

\$82,821,013



Education

\$7,119,774



Infrastructure

\$60,245,210



Increase in Employee Investment
\$2,534,642



AI Innovation Investment

Peregrine technology

One of the first municipal governments in the state to adopt this technology

TPD has adopted, moving into W&S and other departments

Open AI enterprise license



Public Safety RSA Conversion

\$4,960,788

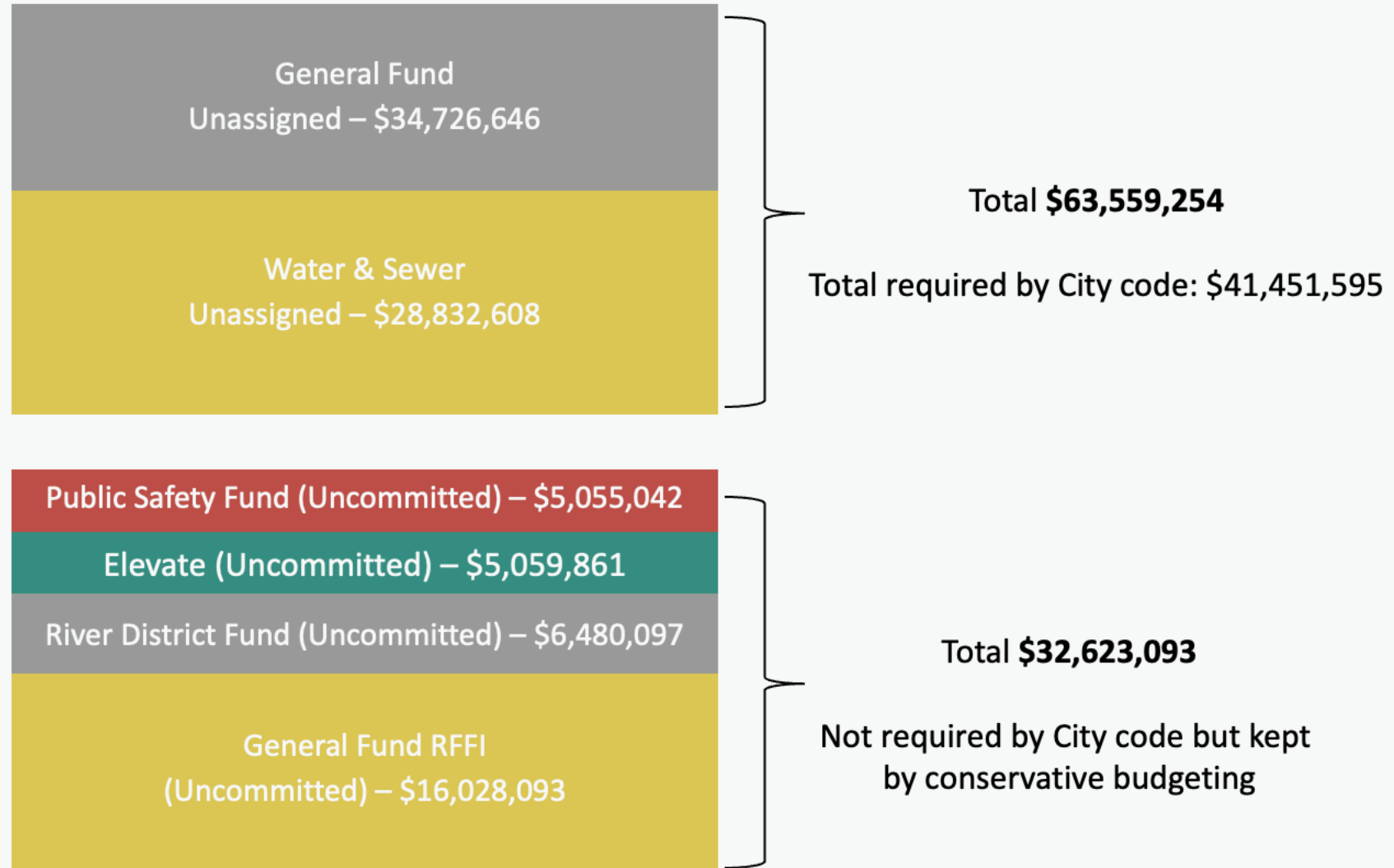


Elevate Grants & Partnerships

\$116,472,475



Unassigned Fund Balance



Revenue and Budgeting

Reduced anticipated budget cuts through

- Prudent financial management
- Increased revenue generation

Achieved level-funding for all City departments and most agencies

Taking over maintenance of six parks



Environmental Service Fees

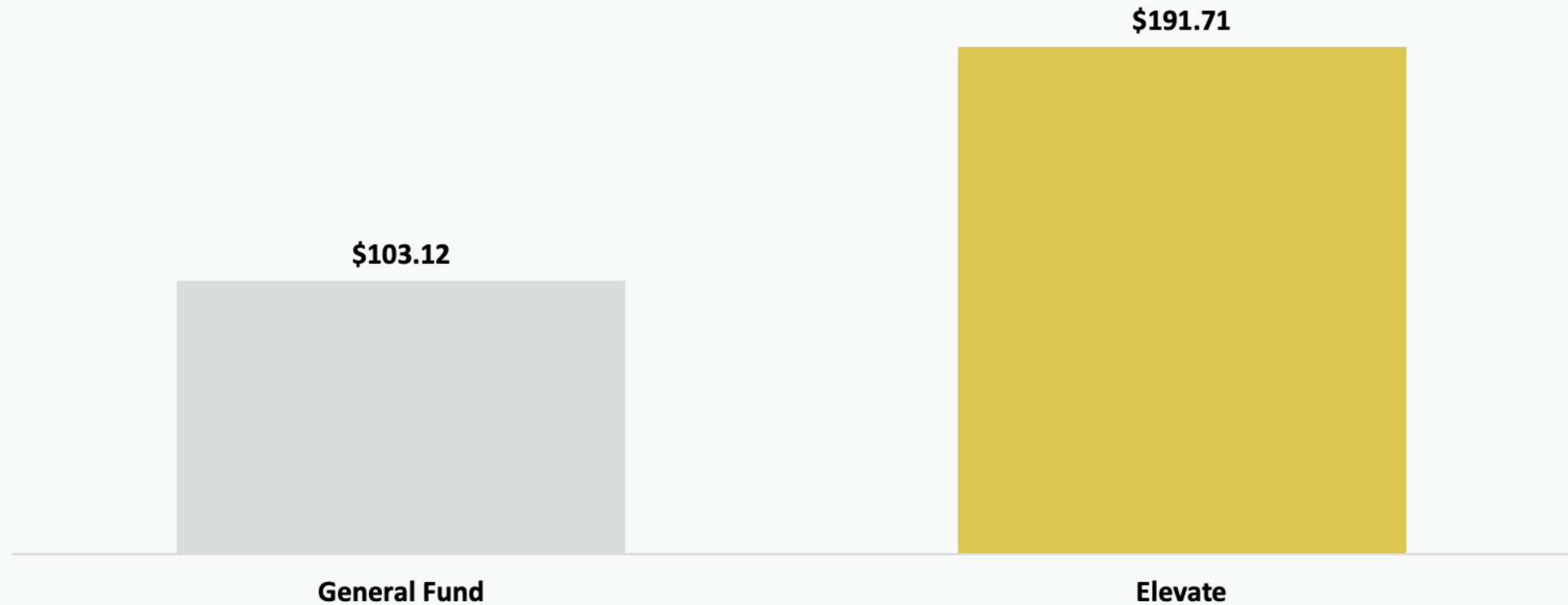
Increase \$1 per month

Residential customers will save
\$295 per year on environmental
services fee



Environmental Services Annual Discount

Residential customers will save **\$295 per year** on environmental services fee



TUSCALOOSA FIRST

General Fund



City Sales Tax Rates

	Population	City Sales Tax Rate
Mobile	201,367	5%
Huntsville	230,402	4.5%
Dothan	71,650	4%
Decatur	57,974	4%
Birmingham	196,357	4%
Auburn	83,757	4%
Madison	64,029	3.5%
Hoover	93,013	3.5%
Montgomery	195,818	3.5%
Tuscaloosa	114,288	3%

General Fund

Total Debt

	FY25 Budget	FY25 Debt Service	% of budget	Total Debt - Governmental Activities*
Huntsville	\$ 478,172,939	\$ 76,395,153	15.98%	\$ 1,026,905,000
Birmingham	582,615,812	22,810,357	3.92%	570,704,453
Auburn	162,744,355	9,556,829	5.87%	294,656,000
Madison	98,102,843	21,930,573	22.35%	294,466,889
Montgomery	334,173,899	25,599,275	7.66%	249,289,063
Tuscaloosa**	239,824,722	18,688,294	7.80%	225,075,948
Hoover	179,078,305	17,514,350	9.78%	177,631,768
Mobile	352,542,260	23,084,542	6.55%	137,445,327
Decatur	96,165,724	6,540,914	6.8%	81,629,000
Dothan	\$ 119,868,356	\$ 1,089,375	0.91%	\$ 14,423,503

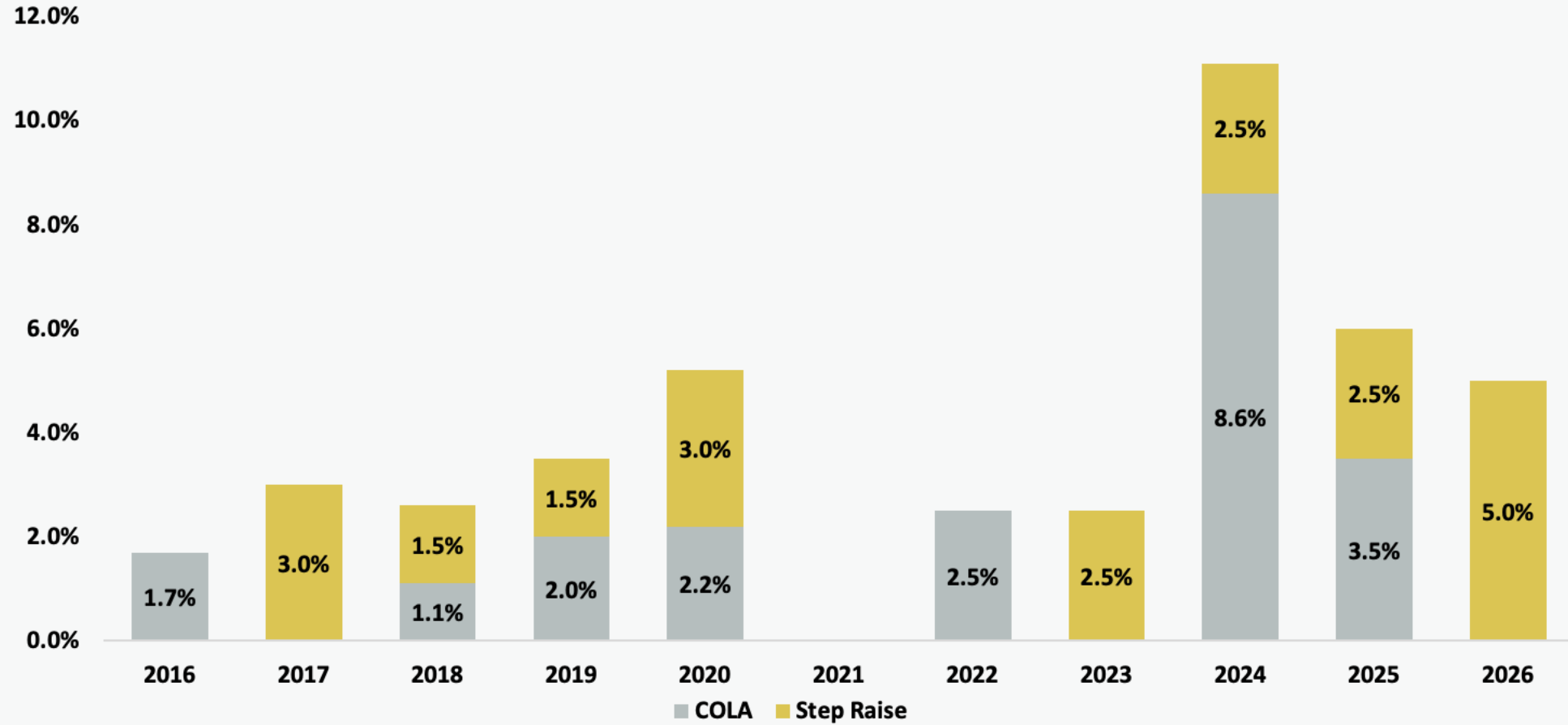
*FY24

**FY26 does not include TCRIC

General Fund

Public Safety Employee Raises

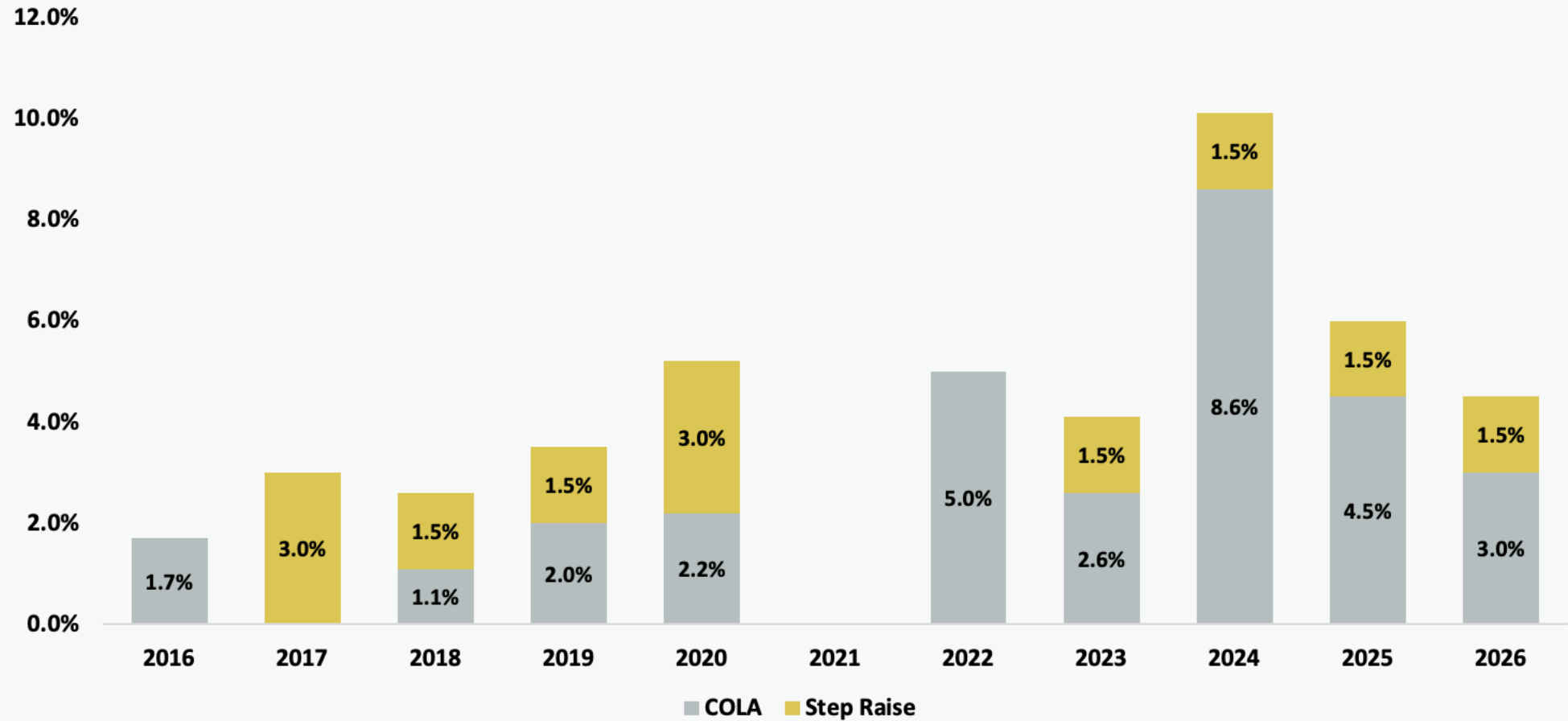
5% increase



General Fund

Non-Public Safety Employee Raises

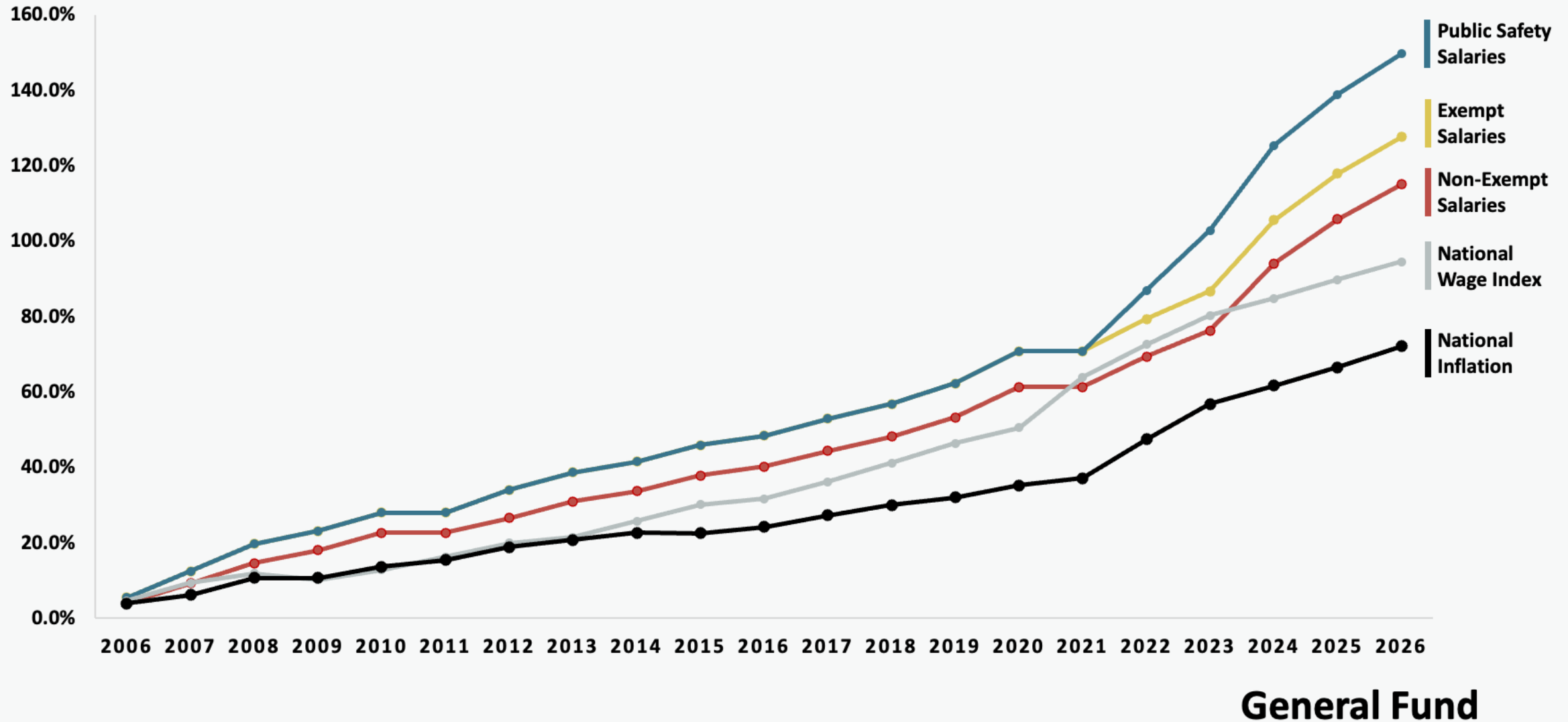
4.5% increase



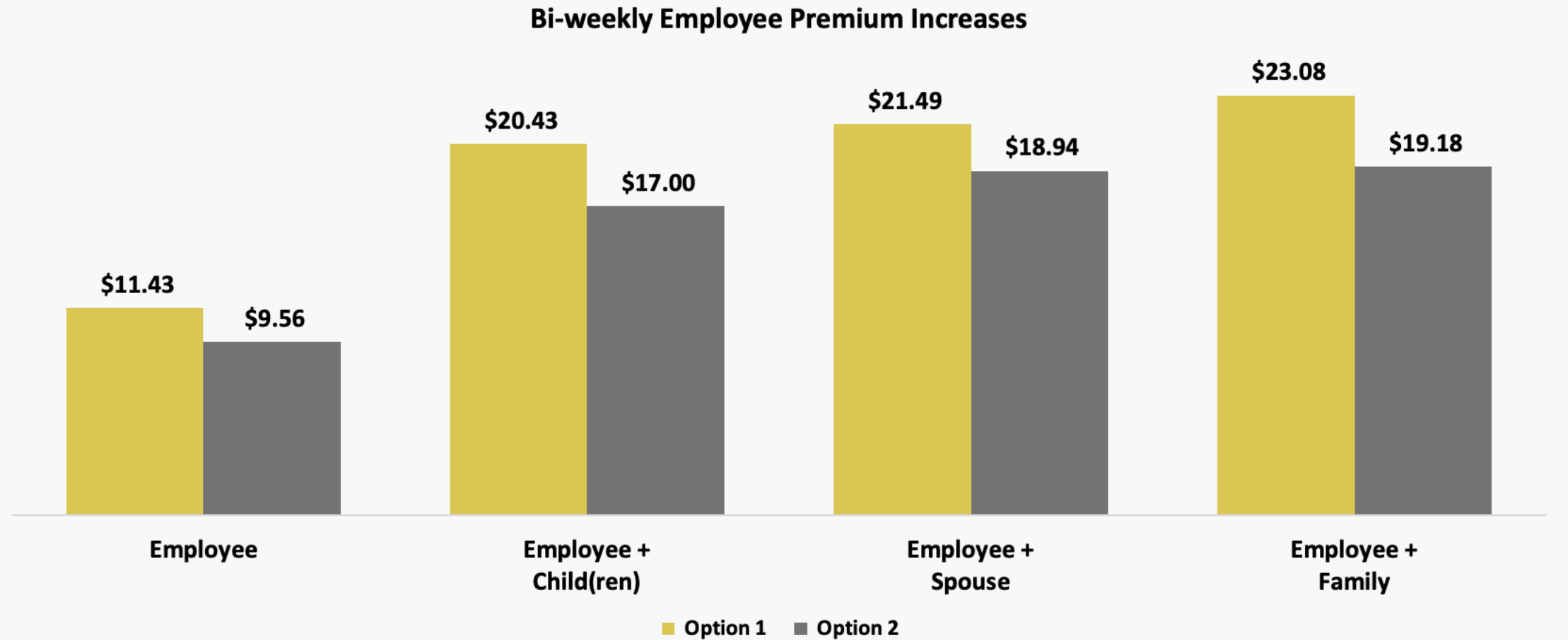
General Fund

Salary Increase Trends

Compared to National Wage Index

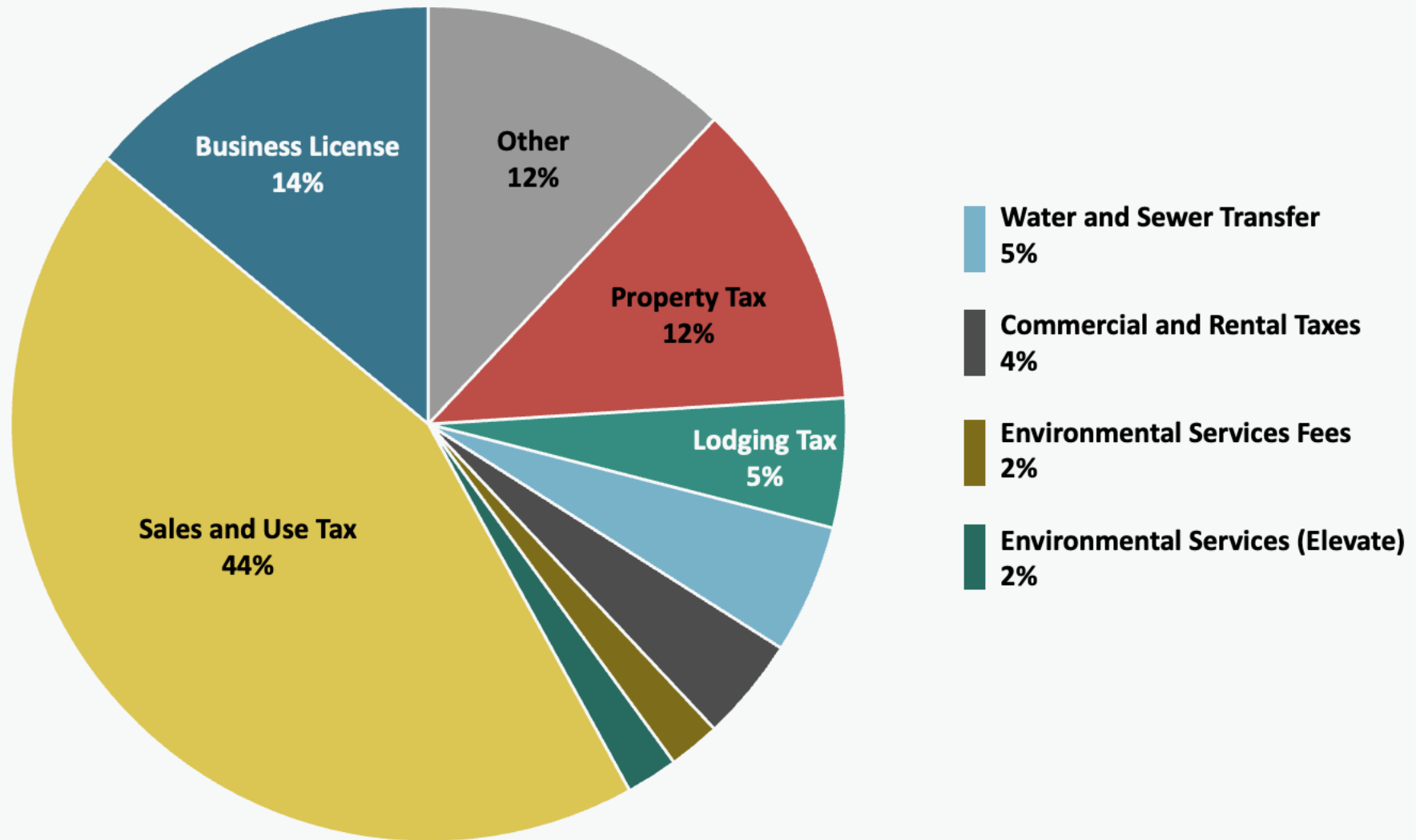


Health Insurance Impact



General Fund

Revenue Sources (% of budget)



*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

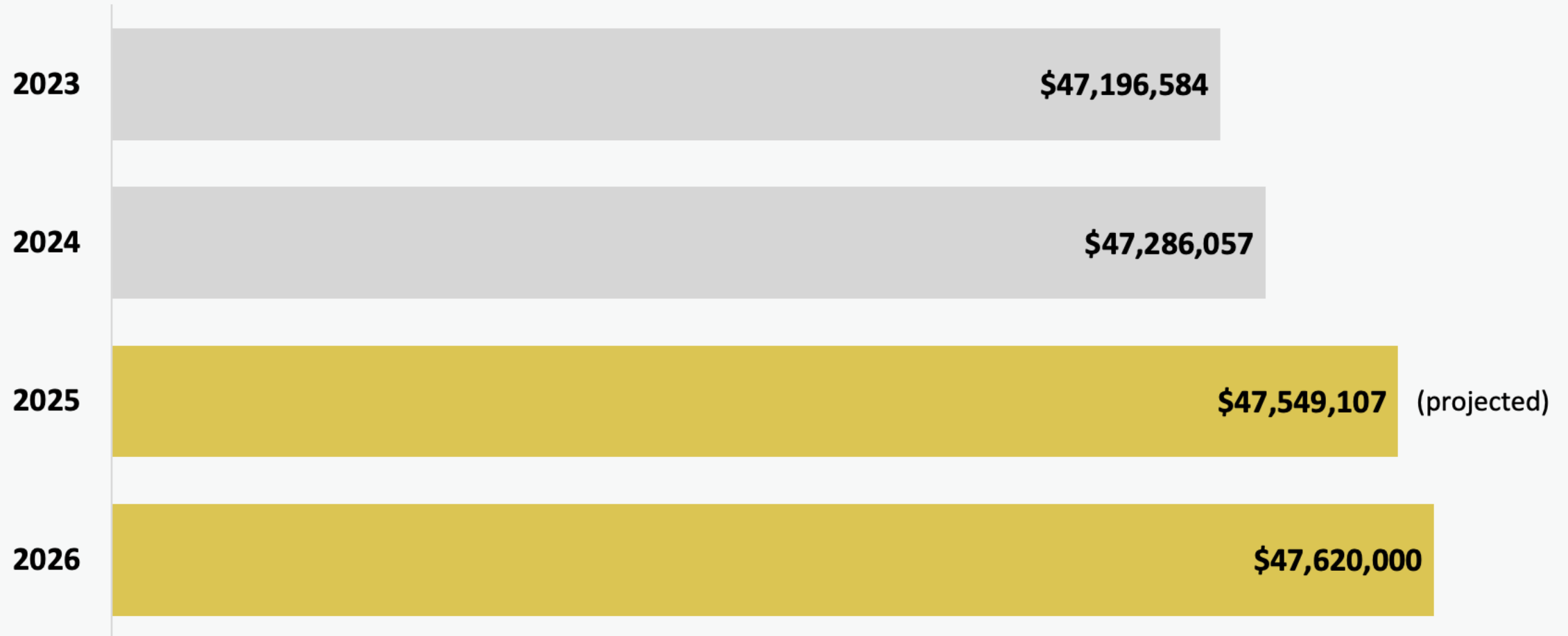
Major Discretionary Revenues

	FY 2026 Budget	FY 2025 Budget	Difference
Sales tax	\$ 47,620,000	\$ 47,223,000	\$ 397,000
Use tax	6,680,000	6,168,000	512,000
Use tax - internet	9,381,000	8,243,000	1,138,000
Ad valorem tax	23,045,000	21,549,000	1,496,000
Liquor tax	3,637,000	3,537,000	100,000
Lodging tax	11,733,000	11,245,000	488,000
Dwelling tax	4,613,000	4,303,000	310,000
Business license	26,303,000	24,681,000	1,622,000
County sales tax	22,345,000	22,272,000	73,000
Total	\$ 155,357,000	\$ 149,221,000	\$ 6,136,000

General Fund

City Sales Tax

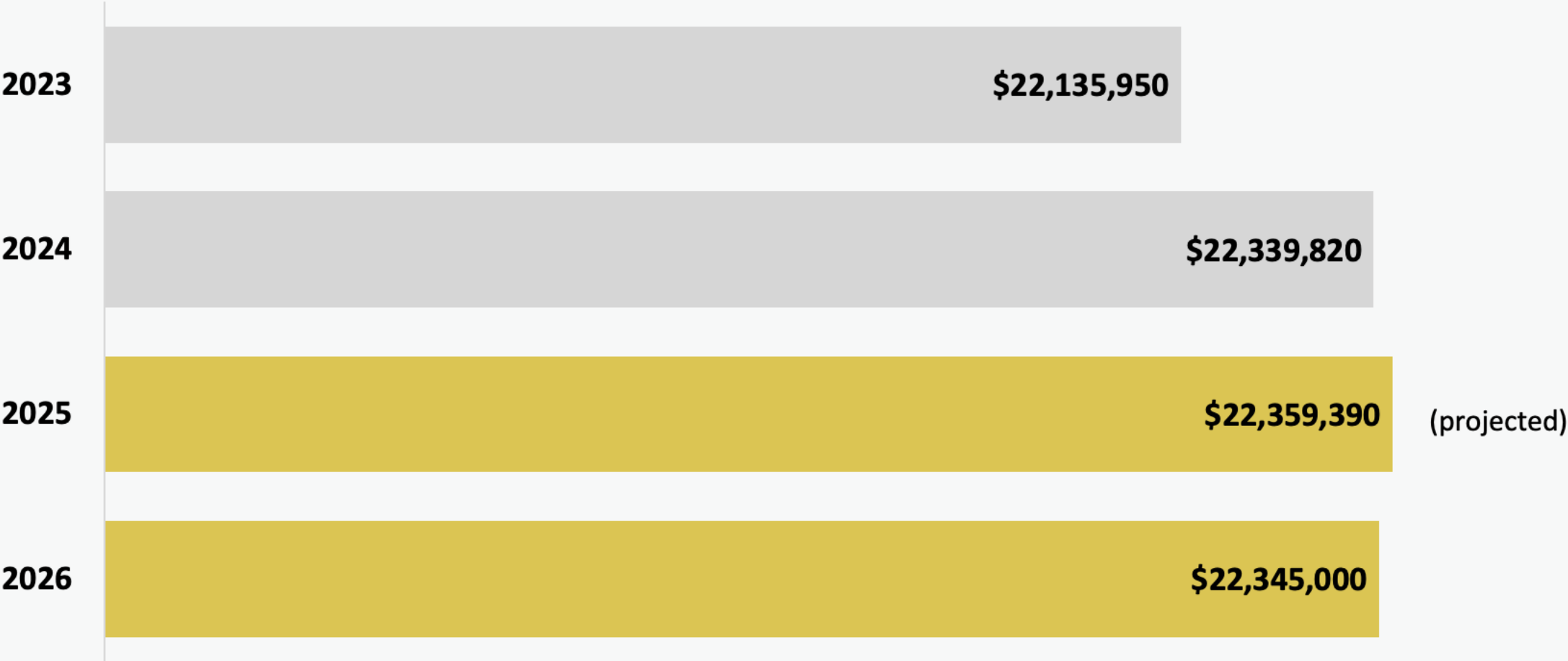
1% average annual growth between 2023-2025



General Fund

County Sales Tax

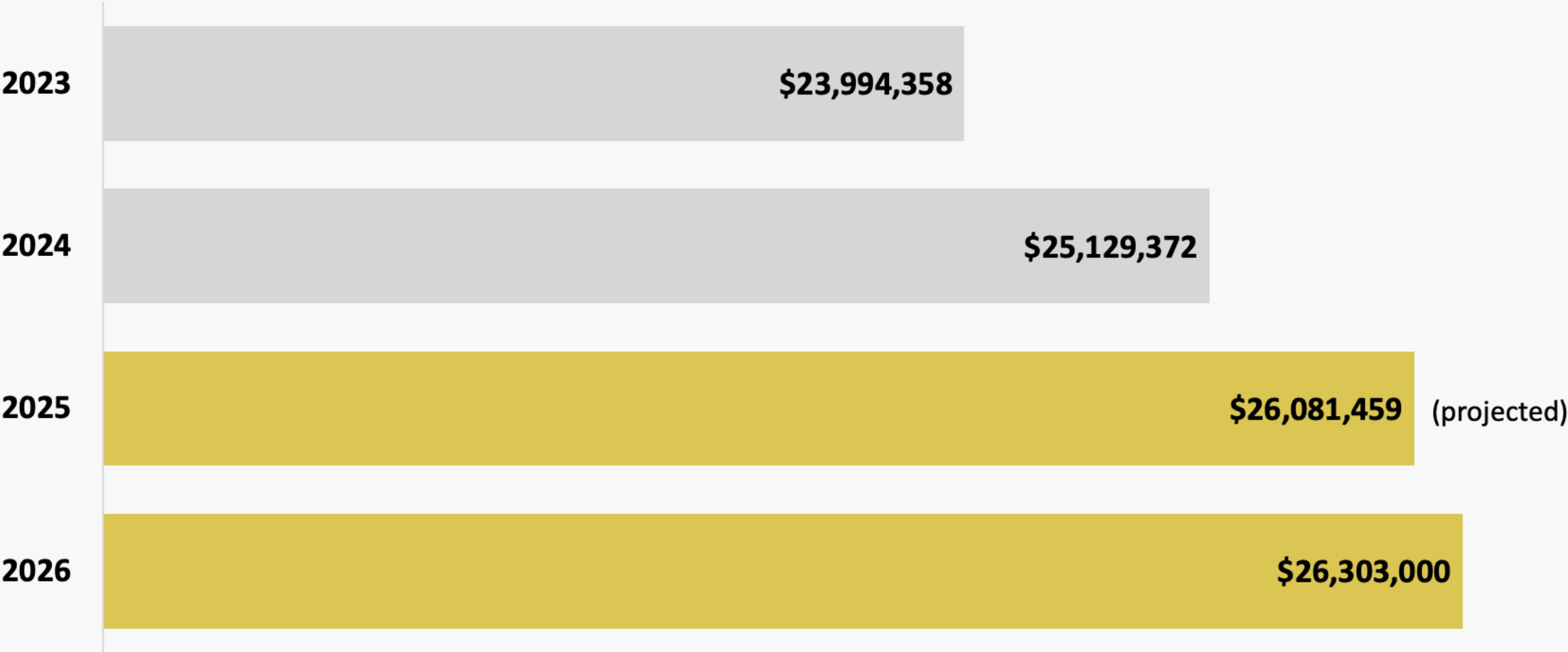
2% average annual growth between 2023-2025



General Fund

Business License

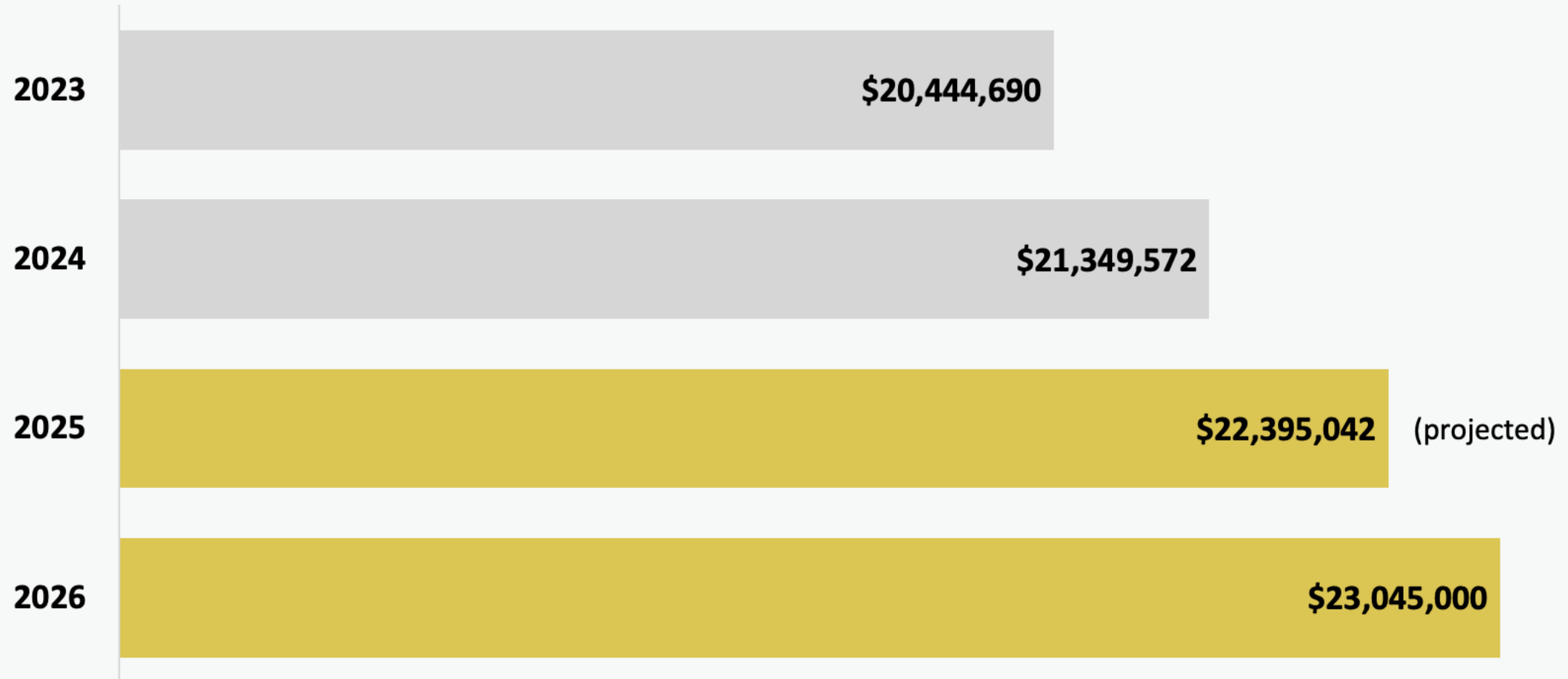
5% average annual growth between 2023-2025



General Fund

Property Tax

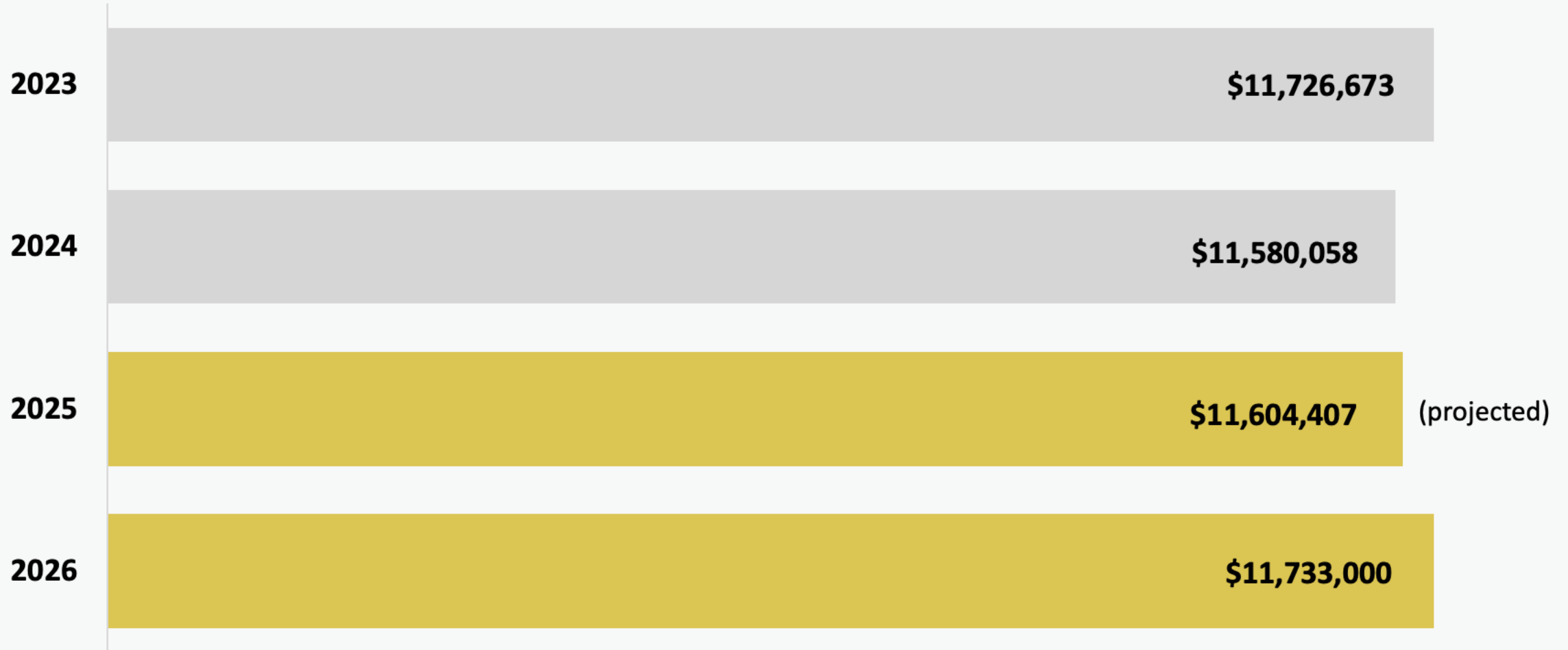
3% average annual growth between 2023-2025



General Fund

Lodging Tax

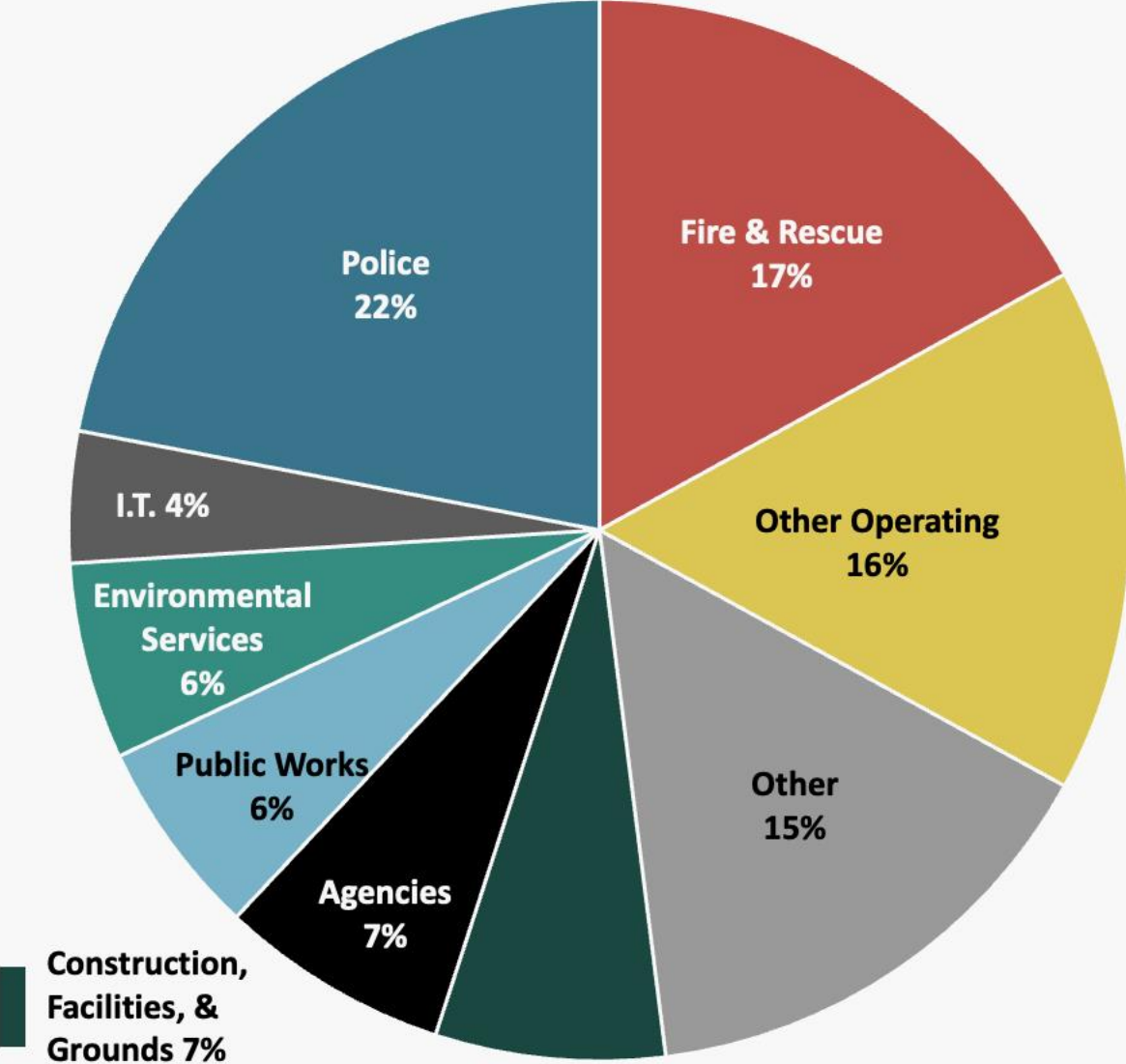
1% average annual growth between 2023-2025



Includes short-term rentals.

General Fund

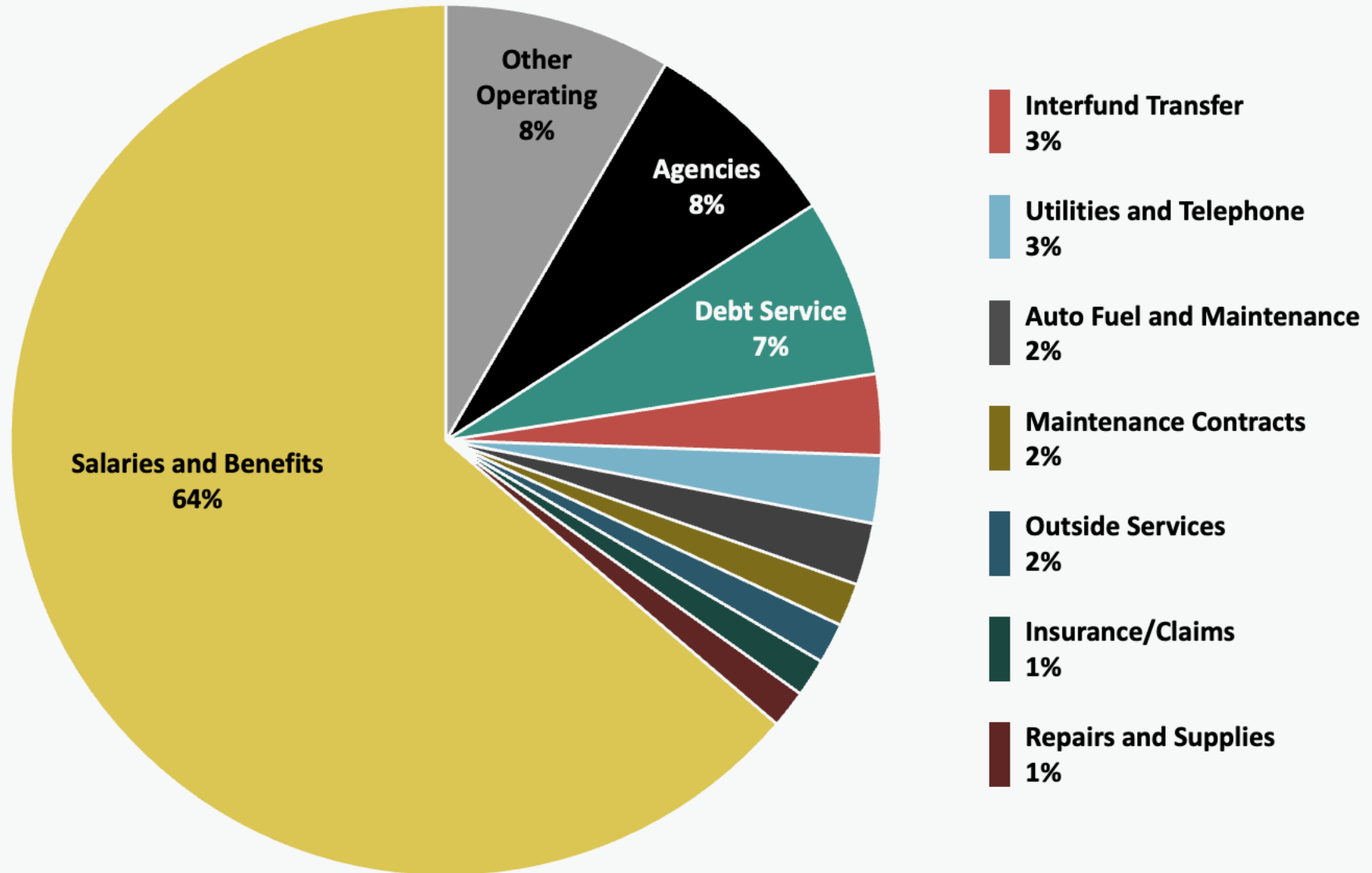
Expenditures By Department



*Other Operating includes debt service, lodging tax transfers, jail costs, animal shelter, property insurance, RSA escrow, etc.



All Expenditures By Type



General Fund

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

Public Safety Escrow

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Projection
Total Revenues	\$ 7,482,689	\$ 7,063,720	\$ 9,022,291	\$ 11,143,733
Total Additional Police and Fire Salary/Benefits	4,438,347	5,336,328	5,563,357	6,182,946
Annual Surplus/Deficit	\$ 23,044,352	\$ 1,727,392	\$ 3,368,934	\$ 4,960,788
Cumulative Surplus/Deficit	\$ 3,338,137	\$ 5,065,529	\$ 8,434,463	\$ 13,395,250

General Fund

Then and Now

Budget Comparison

	2007	2025	2026
Salaries and Benefits	60%	64%	64%
Debt Service	4%	7%	7%
Debt Service excluding TCRIC	4%	4%	4%

Does not include other operating expenditures

General Fund

A close-up photograph of a Black male graduate wearing a red mortarboard cap and gown. He is smiling broadly with his mouth open, looking upwards and to the right. He has a thick beard and is holding a smartphone in his left hand, which is raised. He is wearing several honor cords in blue, yellow, and red. A circular blue and gold pin on his chest reads 'MU ALPHA THETA MATHEMATICS HONOR SOCIETY'. Another circular pin below it says 'PROVEN • PREMIER • PROMISED'. A semi-transparent white banner across the middle of the image contains the text 'TUSCALOOSA FIRST' in a large, black, sans-serif font, with 'FIRST' in white. Below this banner is the 'ELEVATE TUSCALOOSA' logo.

TUSCALOOSA FIRST

ELEVATE
TUSCALOOSA

Grants & Partnerships

Grants and Partnerships	
BUILD Grant (Western Riverwalk)	\$ 15,000,000
FAA (Tuscaloosa National Airport)	34,569,307
MPO (University Blvd)	10,000,000
ALDOT (Transit Study)	78,000
Grant Funding	\$ 59,647,307
Saban Center	\$ 55,825,168
All-Inclusive Playground	1,000,000
Partnership Funding	\$ 56,825,168
Total Grants & Partnership Funding	\$ 116,472,475

15% Operations & Maintenance Fund

Crew salaries + benefits	\$ 1,189,895
TPD salaries + benefits	101,514
Elevate operating & maintenance costs	356,735
Utilities	228,685
Transfer to River District Fund	1,500,000
Undesignated Reserves	3,336,939
Total	\$ 6,713,768

Revenues

Sales Tax	\$ 23,981,000
Use Tax	3,340,315
Other	4,383,400
Gross Revenues	\$ 31,704,715
Less:	
Sales Tax Abatements	(277,000)
Environmental Services Fees transfers	(5,000,000)
Net Revenues	\$ 26,427,715



Pre-K

500+ children enrolled in pre-k
for spring 2025 semester

Each child enrolled in pre-k
saves the family **\$5,811**

Elevate Tuscaloosa



Summer Learning

1,700+ students took advantage of this free program in 2025

28% of total PreK-7th grade students attended summer learning

Each child who participates saves the family **\$5,500**

Elevate Tuscaloosa



Dual Enrollment

Since the program began, students have earned **10,000+ credit hours**

Every 10th, 11th and 12th grade student gets **12 free hours**

The University of Alabama expansion program allows students to take up to **9 additional courses (12+ hours)** at **no cost**

Shelton State matches with an **additional 12 hours** after graduating high school

Elevate Tuscaloosa



Saban Center

\$196,207 for two new positions
from River District Fund

- Operations Facilities Director
- Accountant

Elevate Tuscaloosa



Freeman Park & Pool

\$250,000 for planning and design

Elevate Tuscaloosa



Public Safety

\$1 out of every \$5 from Elevate Tuscaloosa goes directly to public safety employees

Elevate Tuscaloosa



TUSCALOOSA FIRST

Fiscal Year 2026 Budget

Find this presentation and more information on the Mayor's 2026 Proposed Budget at
tuscaloosa.com/26budget

