



# 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**

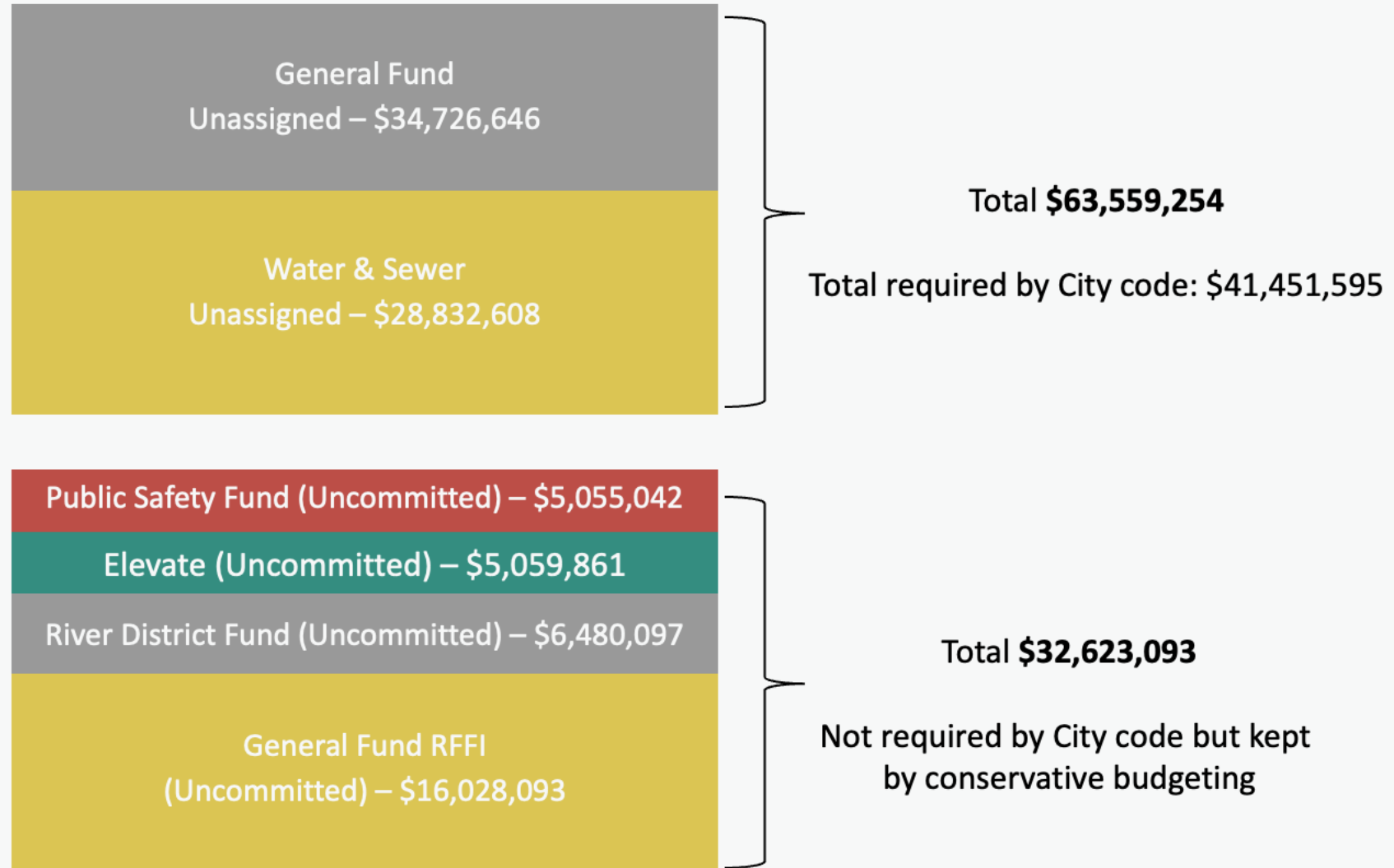


**Elevate Grants & Partnerships**

**\$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

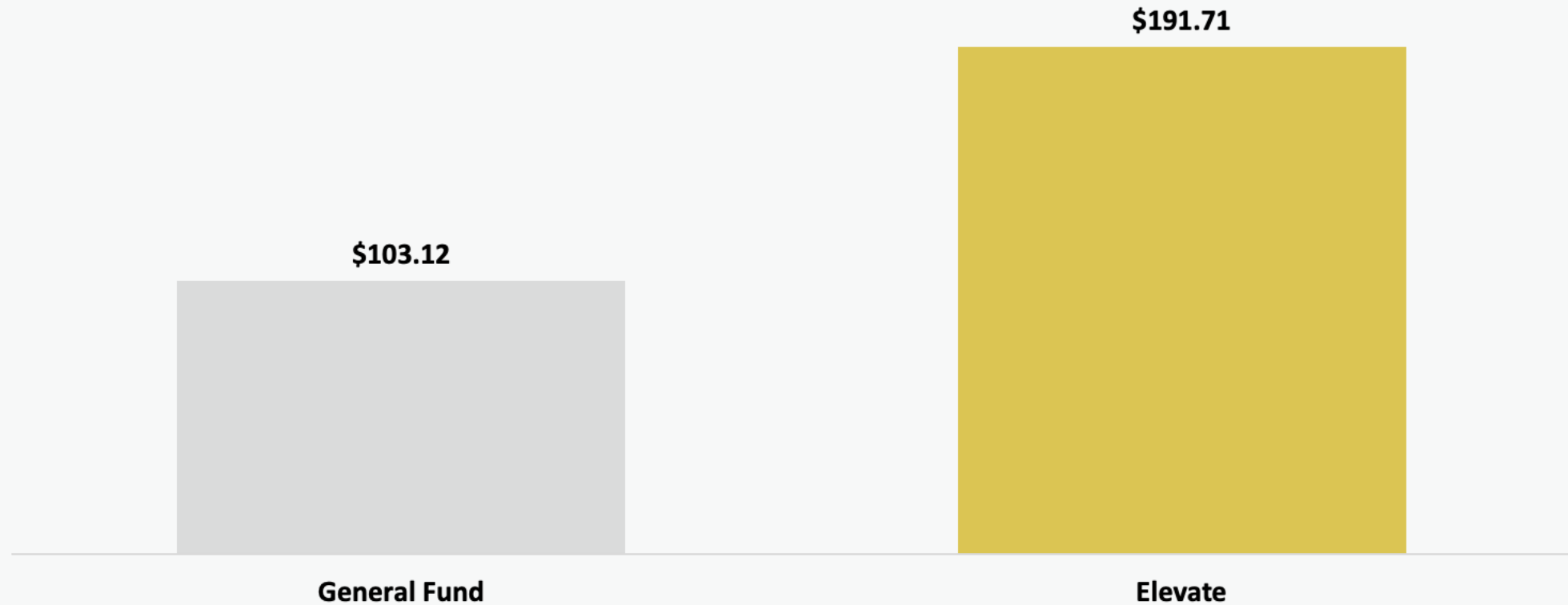
Increase \$1 per month

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%
<b>Tuscaloosa</b>	<b>114,288</b>	<b>3%</b>

**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
<b>Tuscaloosa**</b>	<b>239,824,722</b>	<b>18,688,294</b>	<b>7.80%</b>	<b>225,075,948</b>
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

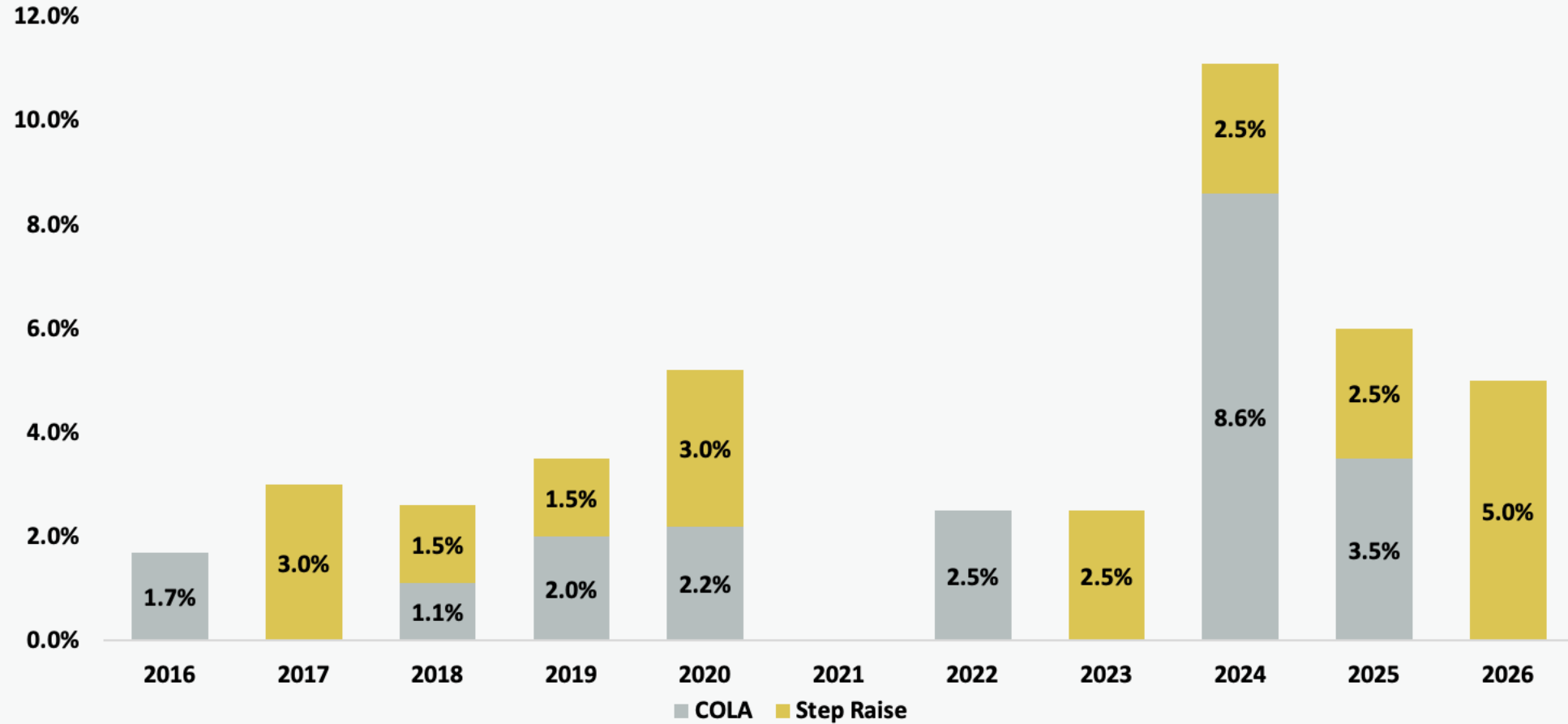
\*FY24

\*\*FY26 does not include TCRIC

**General Fund**

# Public Safety Employee Raises

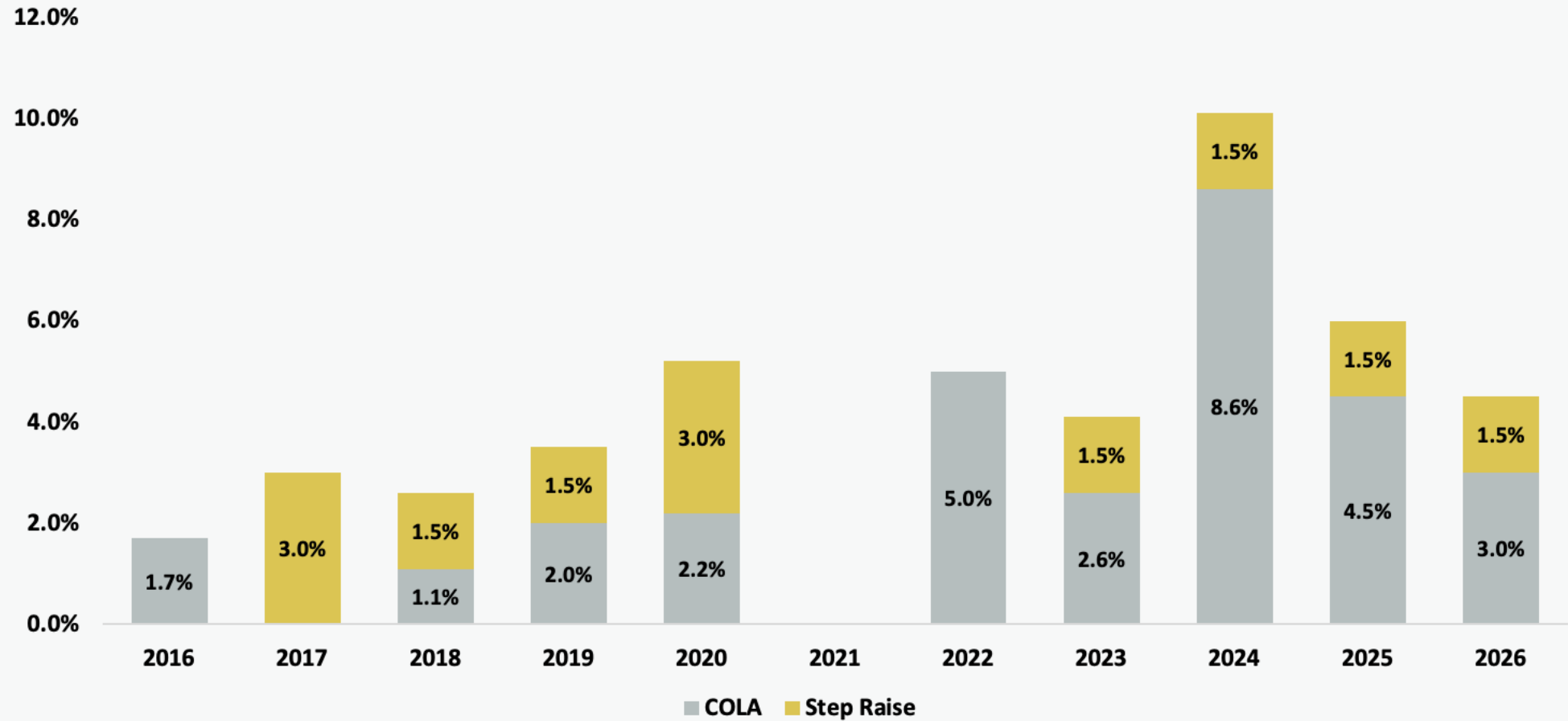
5% increase



**General Fund**

# Non-Public Safety Employee Raises

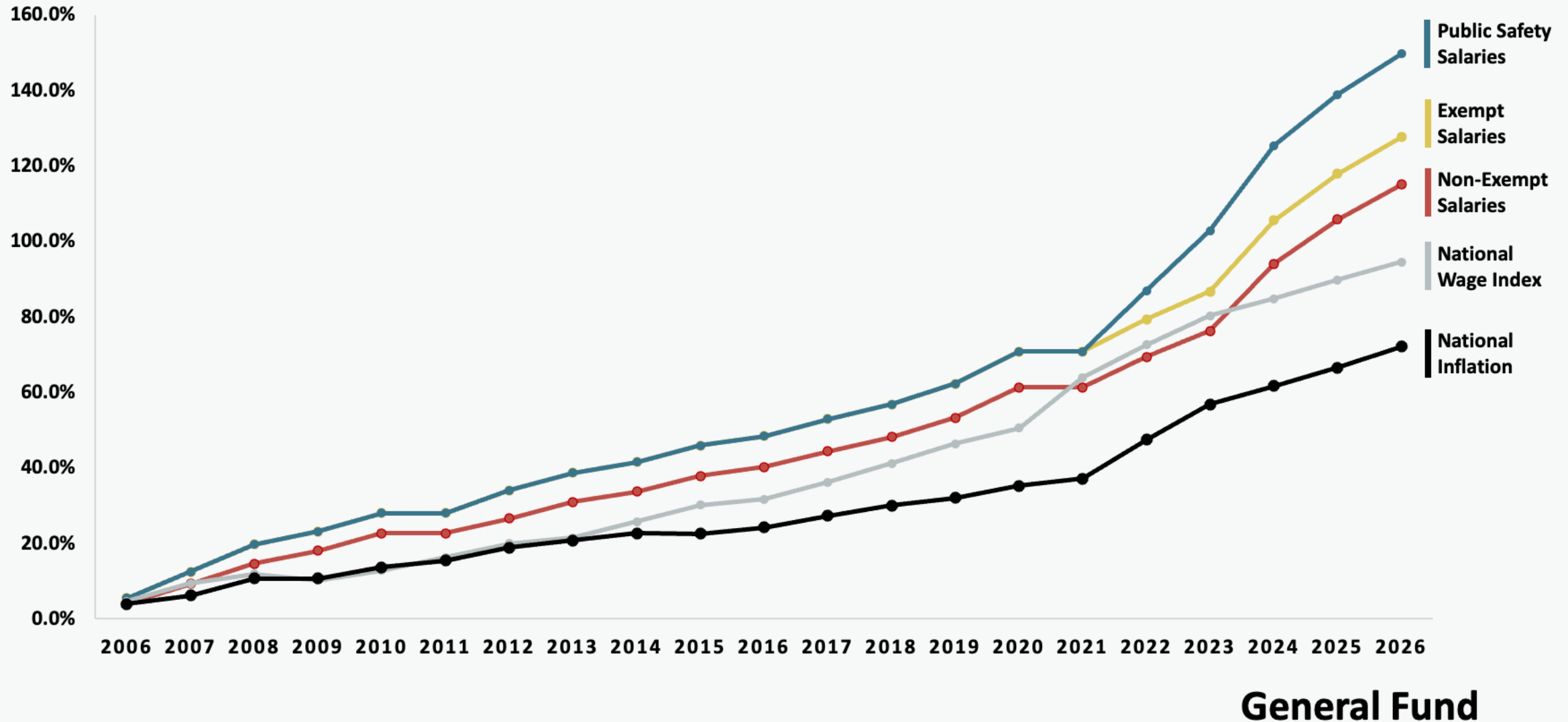
4.5% increase



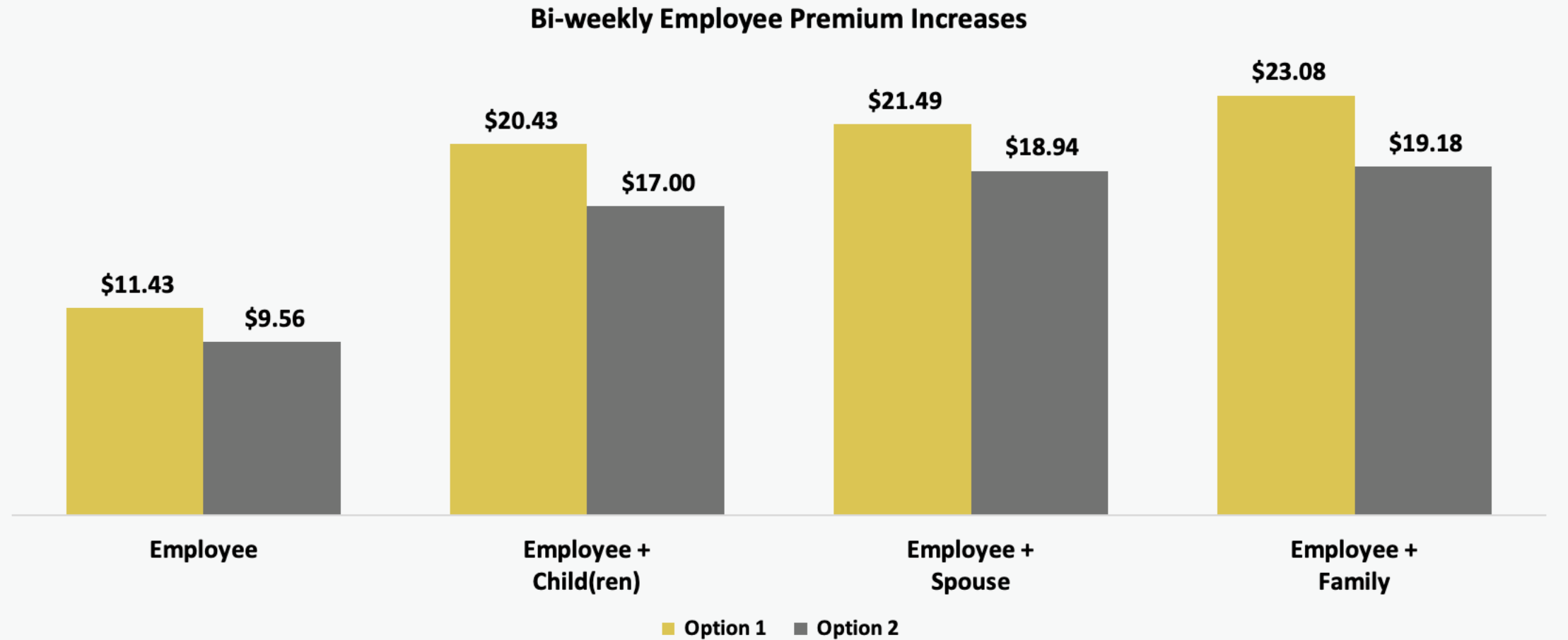
**General Fund**

# Salary Increase Trends

## Compared to National Wage Index

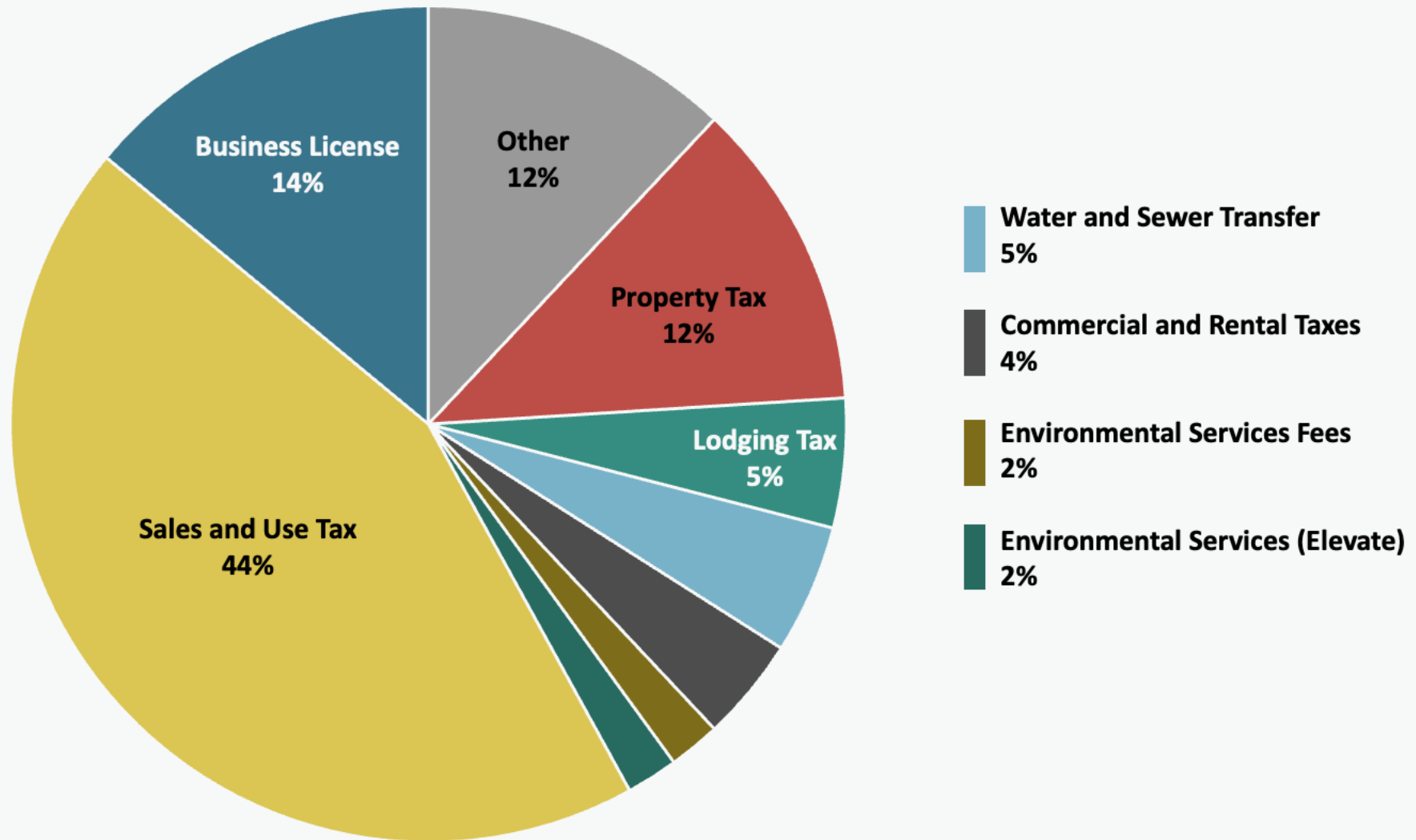


# Health Insurance Impact



**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**

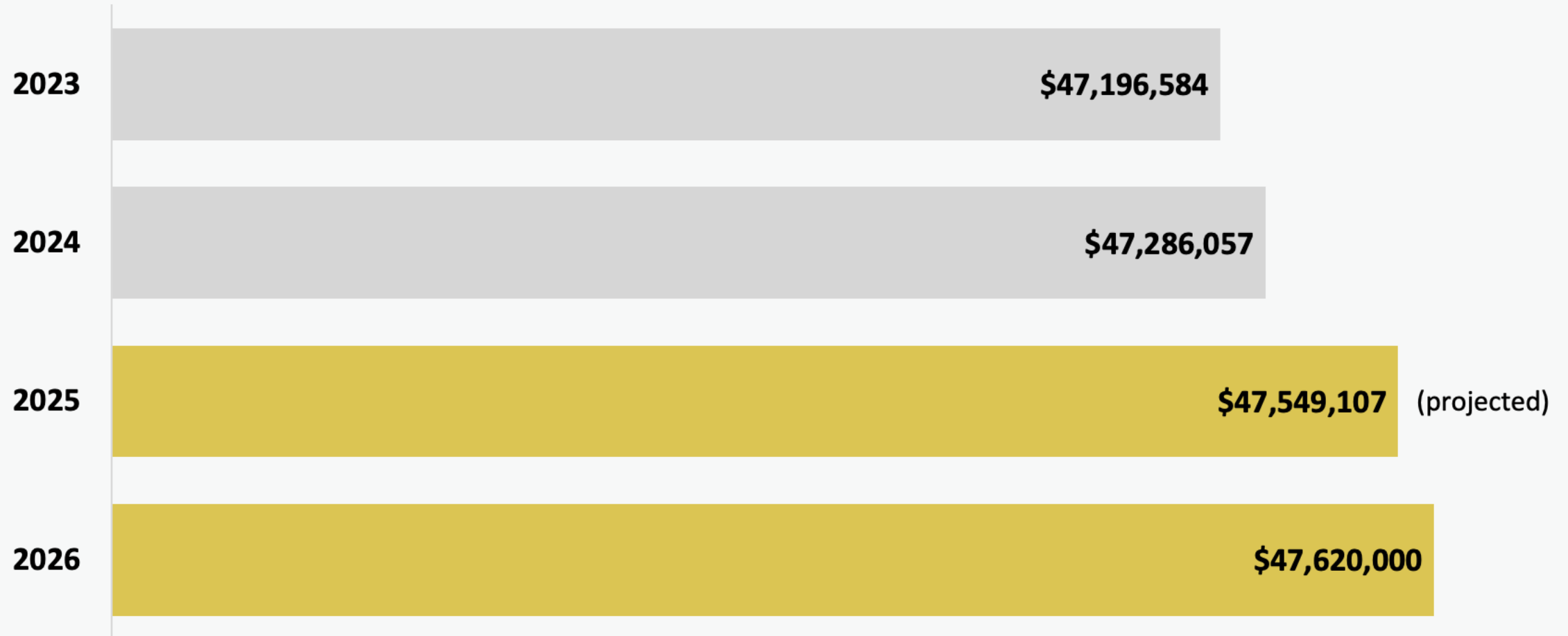
# Major Discretionary Revenues

	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
<b>Total</b>	<b>\$ 155,357,000</b>	<b>\$ 149,221,000</b>	<b>\$ 6,136,000</b>

**General Fund**

# City Sales Tax

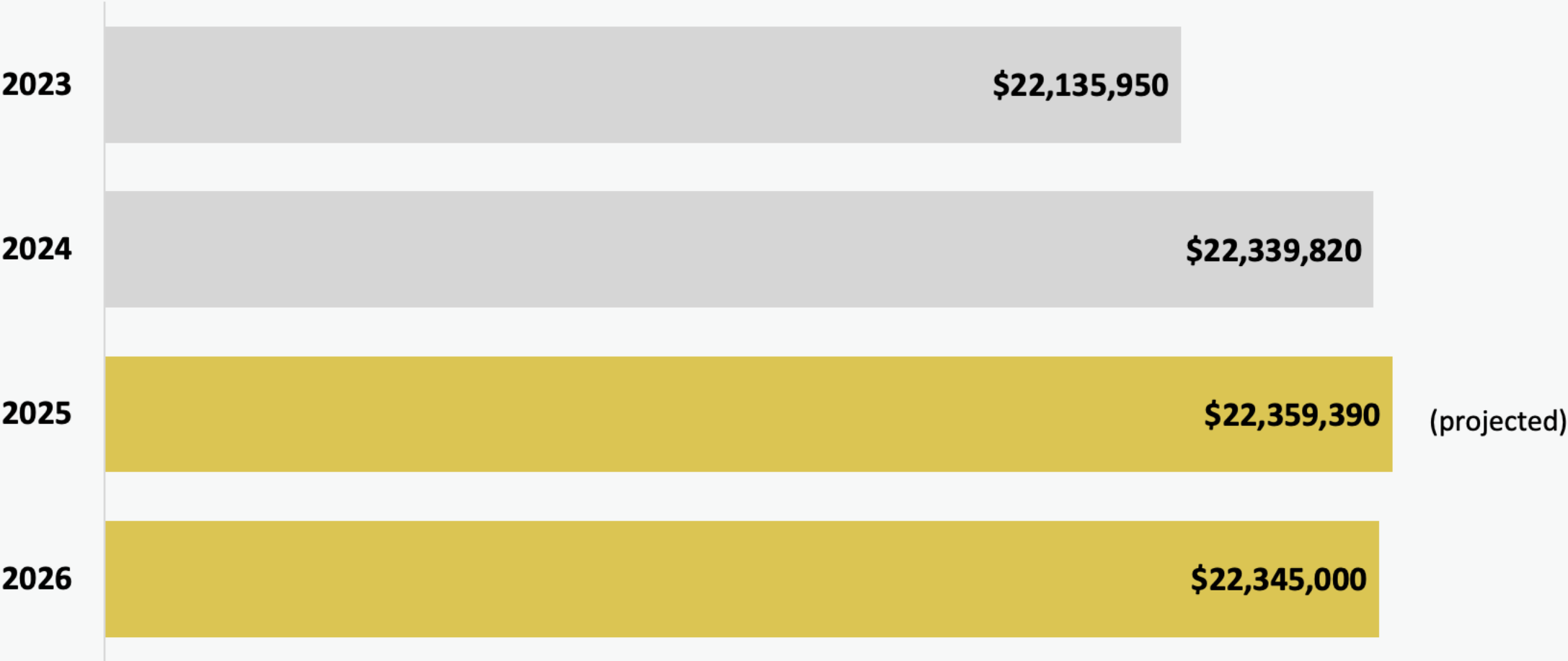
1% average annual growth between 2023-2025



General Fund

# County Sales Tax

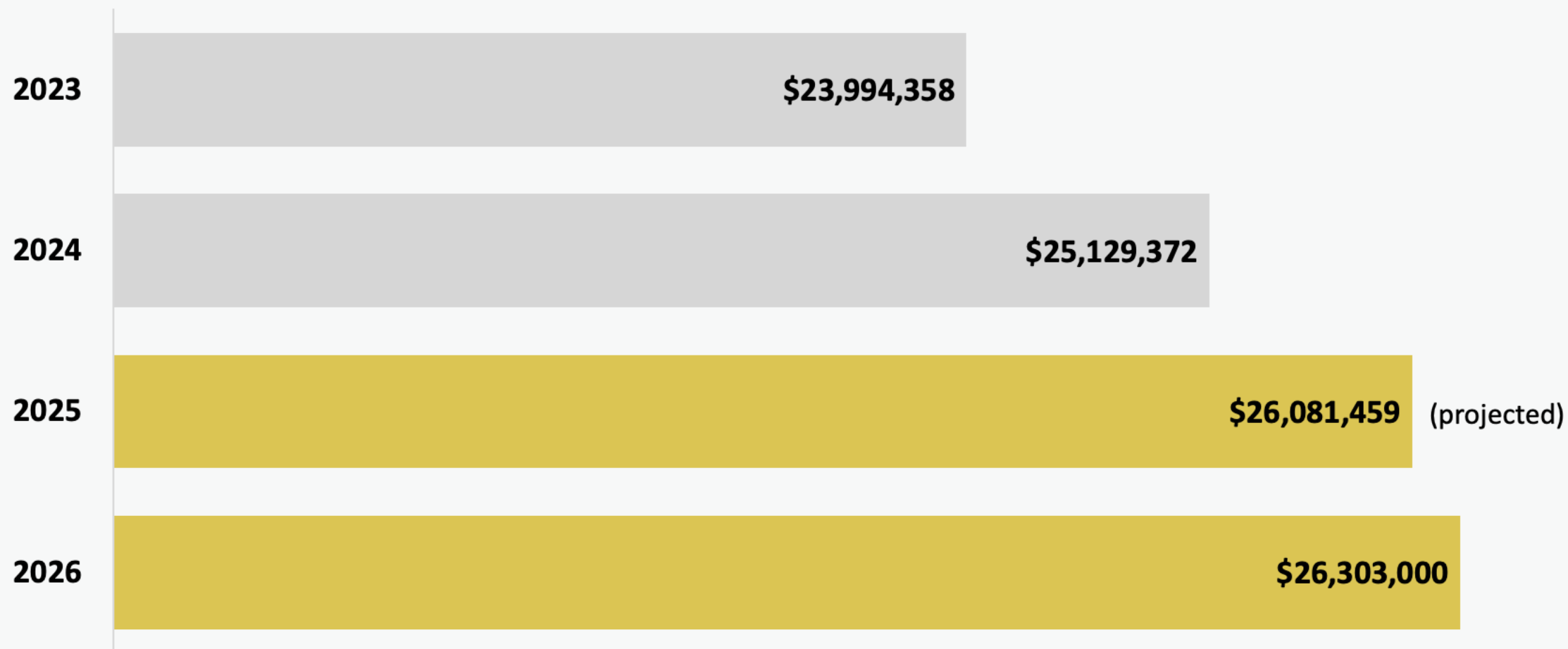
2% average annual growth between 2023-2025



General Fund

# Business License

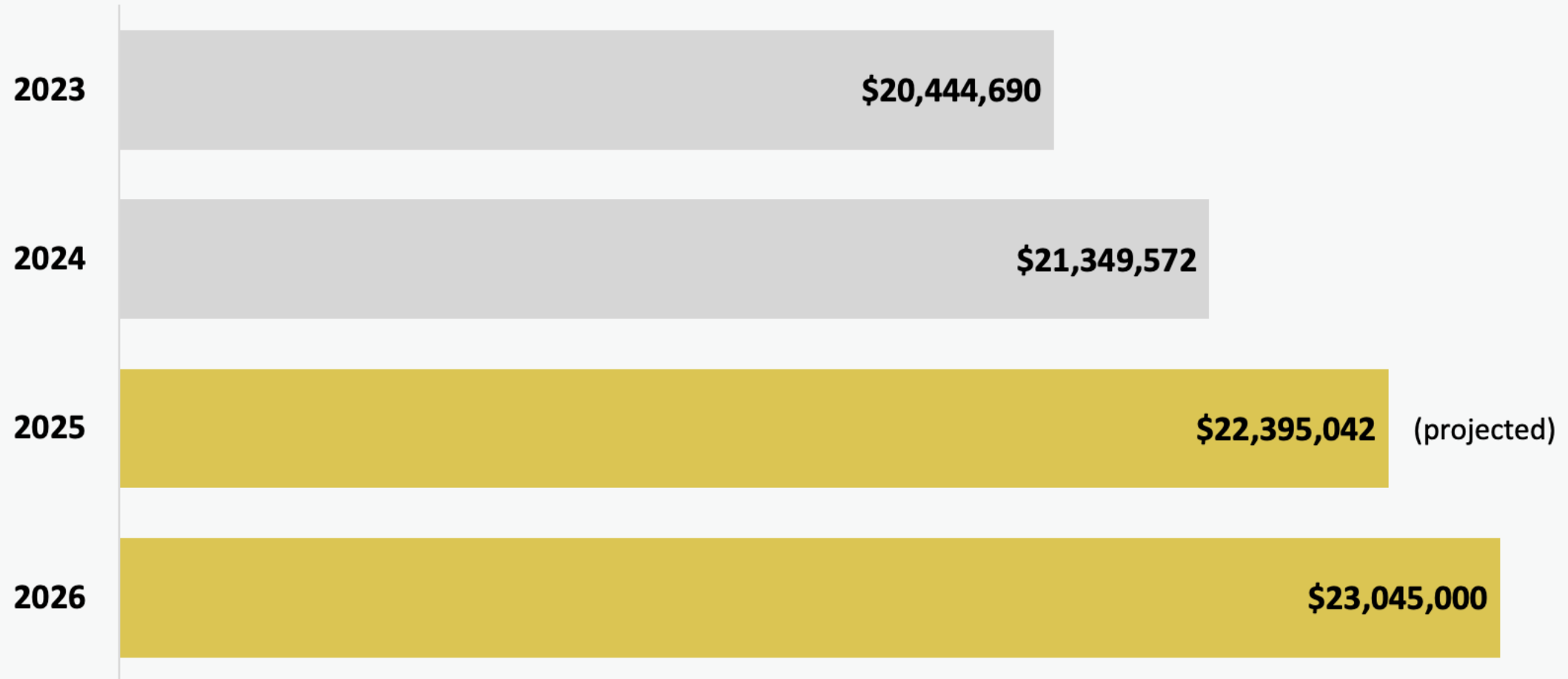
5% average annual growth between 2023-2025



**General Fund**

# Property Tax

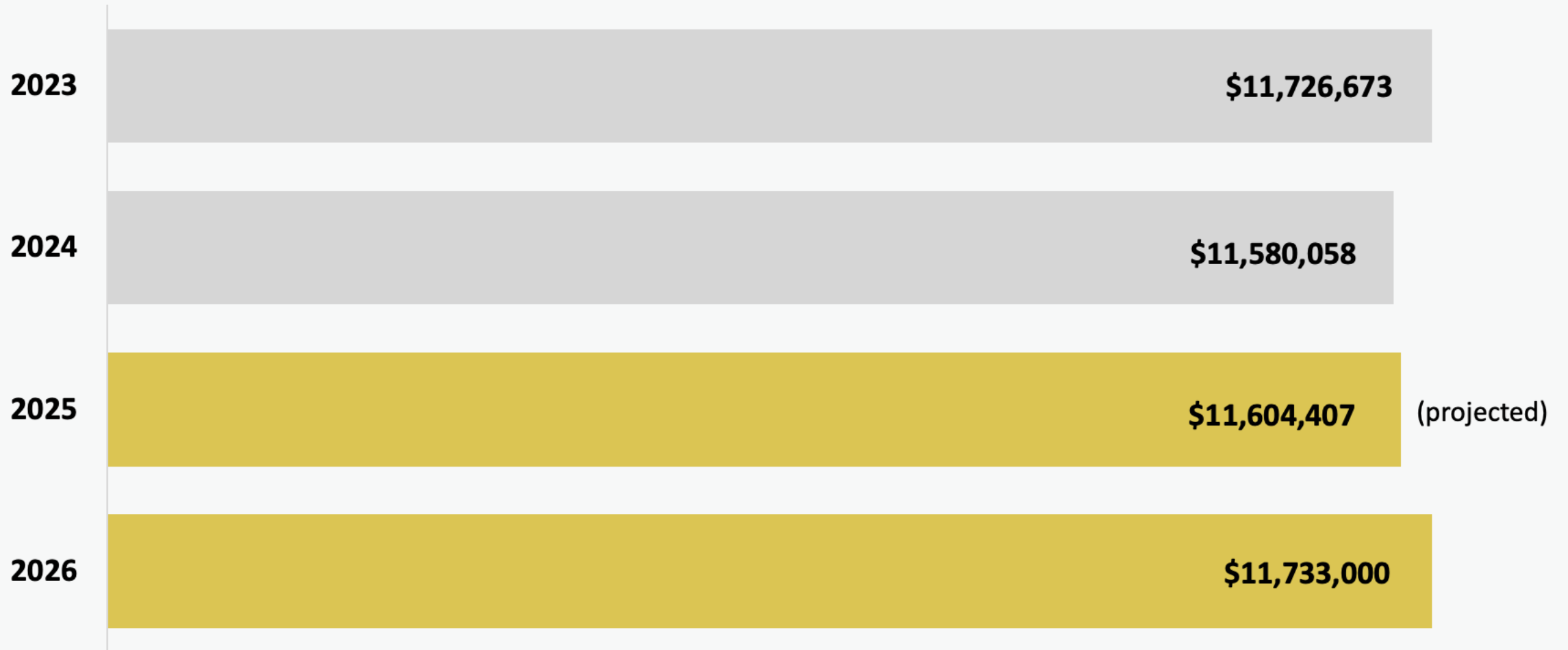
3% average annual growth between 2023-2025



**General Fund**

# Lodging Tax

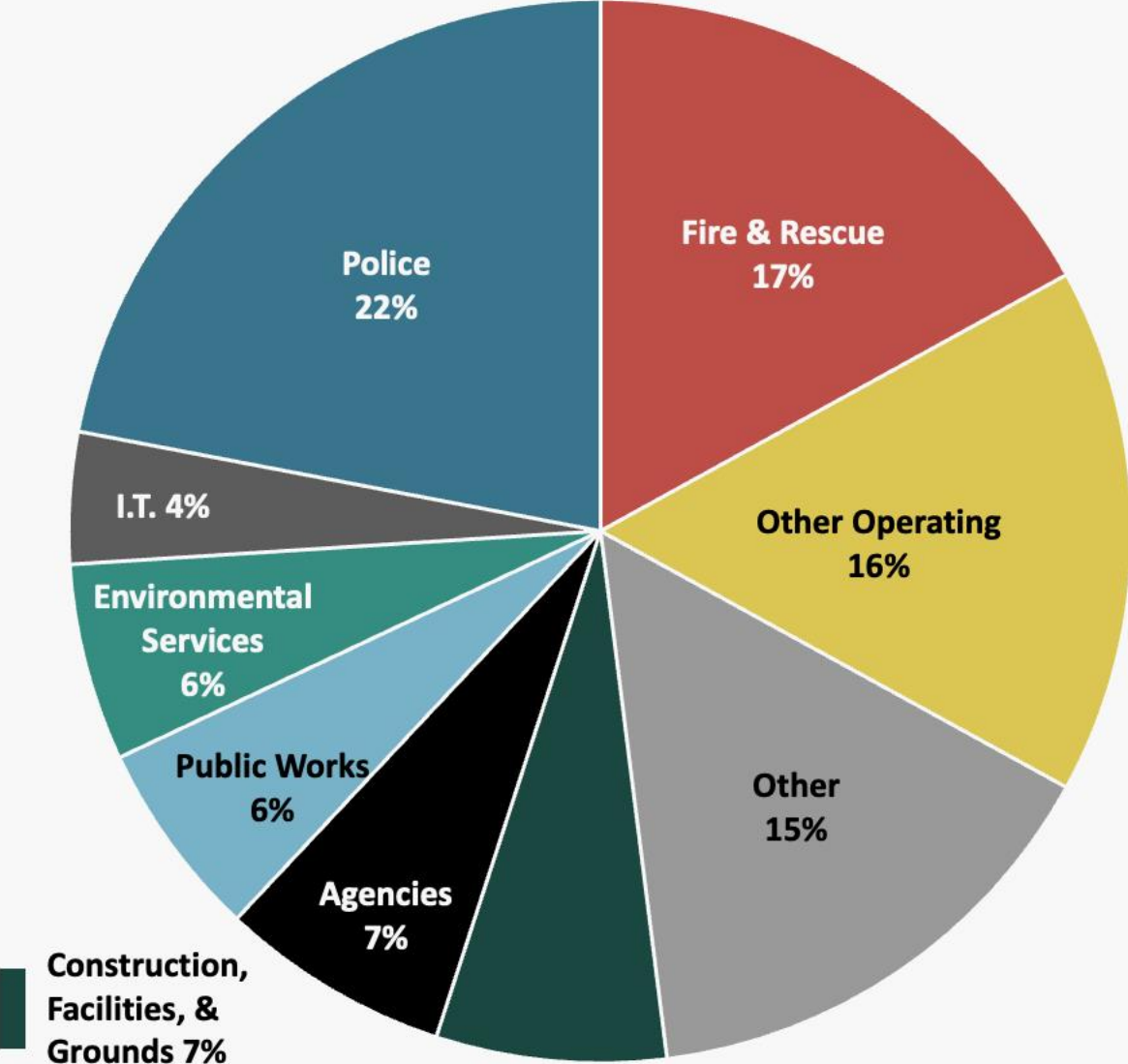
1% average annual growth between 2023-2025



Includes short-term rentals.

**General Fund**

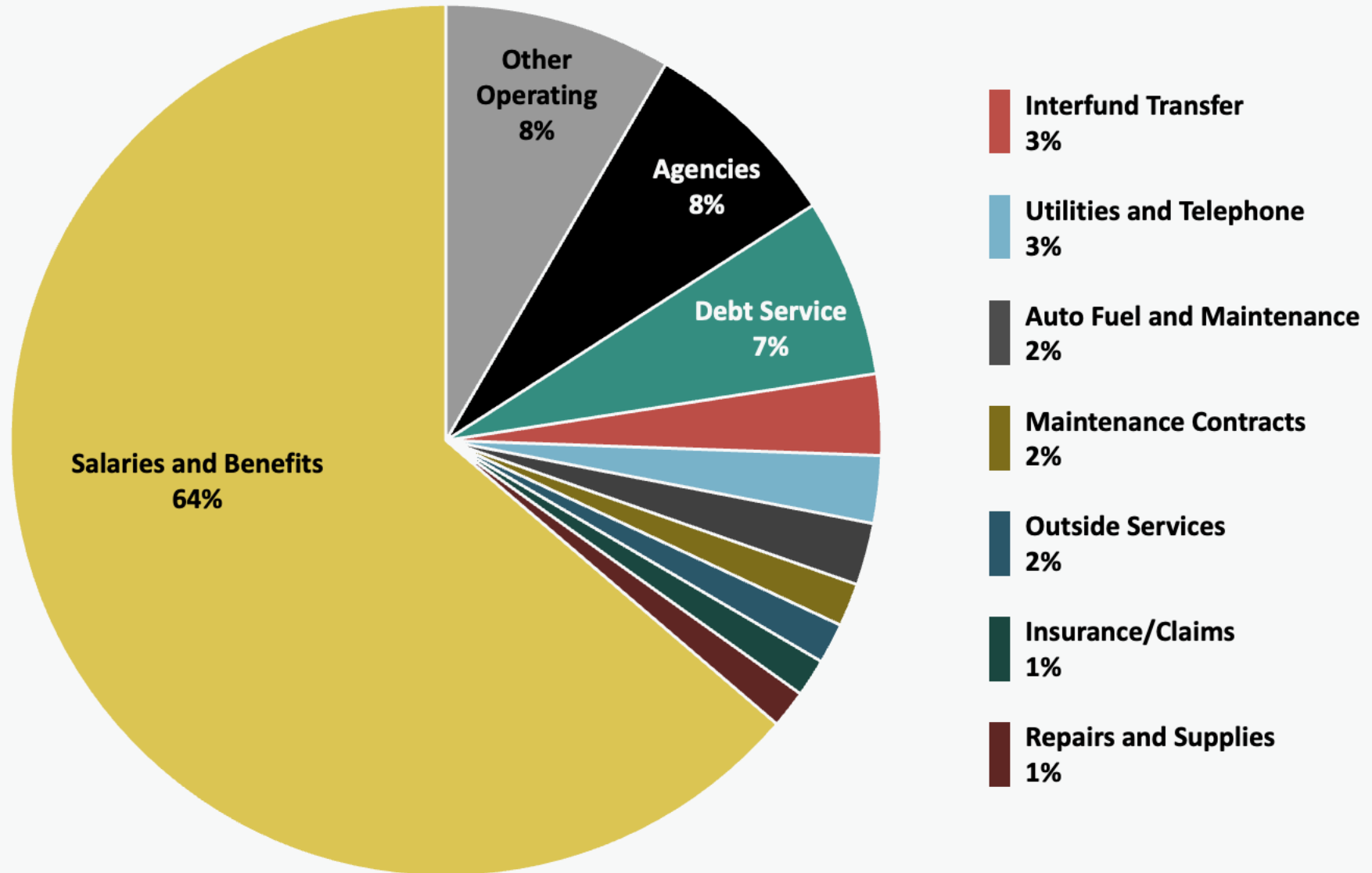
# Expenditures By Department



\*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	\$ 3,044,352	\$ 1,727,392	\$ 3,368,934	\$ 4,960,788
Cumulative Surplus/Deficit	<b>\$ 3,338,137</b>	<b>\$ 5,065,529</b>	<b>\$ 8,434,463</b>	<b>\$ 13,395,250</b>

**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**



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**ELEVATE**  
TUSCALOOSA



# Grants & Partnerships

<b>Grants and Partnerships</b>	
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
<b>Grant Funding</b>	<b>\$ 59,647,307</b>
Saban Center	\$ 55,825,168
All-Inclusive Playground	1,000,000
<b>Partnership Funding</b>	<b>\$ 56,825,168</b>
<b>Total Grants &amp; Partnership Funding</b>	<b>\$ 116,472,475</b>

# 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
<b>Total</b>	<b>\$ 6,713,768</b>

# Revenues

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



## 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**

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# 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

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# Saban Center

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

- Operations Facilities Director
- Accountant

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# Freeman Park & Pool

**\$250,000** for planning and design

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# Public Safety

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

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# TUSCALOOSA FIRST

**Fiscal Year 2026 Budget**

Find this presentation and more information on the Mayor's 2026 Proposed Budget at  
***[tuscaloosa.com/26budget](https://tuscaloosa.com/26budget)***

