



MEETING SYNOPSIS

February 8, 2021

The following is a summary of the third Elevate Advisory Council Financial Analysis subcommittee meeting. The meeting attendance sheet follows. The meeting materials can be found on the Elevate Tuscaloosa website under About > Meetings. The group received the most recent updates to the Elevate Tuscaloosa 10-year financial projection (copy online in the meeting materials).

Elevate financial projection and discussion

Mayor Walt Maddox made a few comments about the 10-year projection. He noted that the 2020 column used to be a projection but now shows the actual income and spending in the Elevate fund for that year. The other columns continue to be projections (estimated) of where the Elevate fund is expected to make investments through 2030. The subcommittee was not asked to take any action during the meeting; instead, to review the information and ask questions or make suggestions.

The projection includes funding allocated to Restart Tuscaloosa and funding that was loaned to the city's General Fund for operations and agency funding provided to Tuscaloosa County Parks and Recreation Authority and the Tuscaloosa Public Library. Restart Tuscaloosa is the city's financial response to the ongoing coronavirus pandemic; the General Fund allocation was also provided due to the pandemic and is set up to be repaid to the Elevate Tuscaloosa fund from the city's General Fund between 2022 and 2024.

Mayor Maddox noted that the city has issued its first round of bonds to pay for projects, including the Northern Riverwalk, Western Riverwalk, and River District Park. The first bond repayment will occur in 2021. Each of the three projects was allocated \$5.5 million in bond funding. In addition, there is a \$5 million contingency within the bond funding that is not specifically allocated to a project at this time.

Mayor Maddox explained that he would like the Financial Analysis Subcommittee to reconvene this summer with the purpose of reviewing each Elevate Tuscaloosa project or program included in the projection. He would like the subcommittee to scrutinize the validity and merit of each individual allocation and then take their questions, feedback, ideas, and suggestions to the full Elevate Advisory Council for discussion. This process could result in different priorities moving forward. The timing will coincide with the inauguration of any returning and new elected officials following our municipal election. Brendan Moore (City of Tuscaloosa) echoed the Mayor's comments, noting that the return



on investment and the return on community need to be examined in order to maximize the impact of Elevate on our city.

Mayor Maddox noted that the undesignated balance shown at the bottom of the projection each year is an item that he monitors. This is the amount we expect to have on hand at the end of each year (it is a cumulative total) and which is not yet allocated to a program or project.

Councilor Cynthia Almond (City of Tuscaloosa, ex officio subcommittee member) asked to receive an explanation of the projected revenues. Susan Snowden (City of Tuscaloosa, staff liaison) responded. Mrs. Snowden noted that the 2020 revenue amount is the actual amount received last year. The city's external audit is currently being completed and the 2020 revenue amount could change slightly but Mrs. Snowden does not anticipate any significant changes. In addition, Mrs. Snowden stated that the 2021 revenue amount is the budgeted revenue formally adopted by the City Council for the fiscal year ending on September 30, 2021. Due to the ongoing pandemic, the 2021 revenue budget was developed based upon very conservative estimates and assumptions. Mrs. Snowden noted that the city's sales tax revenues have not been heavily impacted by the pandemic; however, the business license revenues (in the city's general fund) could decline in 2021 since licenses are based upon the business's gross receipts in the prior year (during which time the pandemic was ongoing). Although business licenses do not impact the Elevate Tuscaloosa plan, they do impact the city's normal operations.

Mayor Maddox noted that one upcoming request he is aware of will be for improvements to the McDonald Hughes Community Center. The original allocation of \$1.5 million was accidentally reduced to match the work being done in the first half of the renovation to the facility. Once the city has ascertained the amount needed to complete the second half of the renovation, a request to restore that original allocation will be made. The second half of the renovation is expected to provide a connection between the main building and the adjacent storm shelter, among other improvements.

Terrance Dedrick (subcommittee member) requested an update on the various projects at the Tuscaloosa National Airport. David Pass (subcommittee member) responded, beginning with the efforts to attract a commercial air service carrier to our airport. Pre-pandemic, Tuscaloosa was poised to make a case for attracting such a brand. A market survey completed about a year ago got 6,000 responses when 500 were expected. Meanwhile, the airline industry has lost over \$30 billion, even considering the federal government's assistance in 2020. Passenger demand is still around 30% of pre-COVID demand. As vaccinations ramp up, travel should rebound more. Tuscaloosa will have to re-do some of our work to prove our market case once again. However, we are still



reaching out to carriers and keeping dialogue open. Our Small Community Air Service Development grant, signed last July, provides about four more years until we need to complete our eligible work per the terms of the grant. Mr. Pass noted that all grant recipients of this type are experiencing the exact same terms and challenges of meeting the timelines in the grant. The funding in the grant is helping us attract a commercial carrier. Switching to a different project, Mr. Pass noted that the reconstruction of the airport's primary runway is critical and we can thank the CARES act for providing the remainder of funding to build it with federal grant. Tuscaloosa did not have to pay the match that we expected to pay, so the project is now 100% grant funded. It will be under construction within a couple of months and complete this summer. In conclusion, Mr. Pass feels very optimistic about our efforts at the airport. Mr. Moore thanked Mr. Pass for the update and for the significant amount of work that he devotes to our airport.

Next Steps

Mayor Maddox reiterated that he hopes to schedule work sessions for the Financial Analysis Subcommittee in the summer. These meetings will be scheduled later.

**Financial Analysis Subcommittee Meeting Attendance
February 8, 2021**

<u>Name</u>	<u>In Attendance</u>
Brown, Joseph	
Dedrick, Terrance	X
Pass, David	X
Prewitt, Nicole	X
Rumsey, Steven	X
Warren, Jimmy	X
Almond, Cynthia (ex officio)	X
Brooks, Karen (EAC co-chair)	X
England, Chris (EAC co-chair)	
Jackson, Katy Beth (staff liaison)	X
Snowden, Susan (staff liaison)	X