



MEETING SYNOPSIS

August 9, 2021

The following is a summary of the fourth Elevate Advisory Council Financial Analysis subcommittee meeting. The meeting attendance sheet follows. The group received the most recent updates to the Elevate Tuscaloosa 10-year financial projection (copy at elevatetuscaloosa.com under About → Meetings → View Materials).

Elevate financial projections and timeline

Mayor Walt Maddox distributed a copy of the agenda for his upcoming August 27, 2021 City of Tuscaloosa budget presentation to the City Council. He noted that this presentation will include operating and capital budgets for fiscal year (FY) 2022, including the federal funding awarded under the American Rescue Plan (ARP). This federal award will help offset the 15 million dollars in revenue losses the City experienced last year. A particular area of focus in the proposed budget will be the police and fire (public safety) personnel pay plan.

The Mayor noted that everything discussed in this meeting is in draft form. The amounts are subject to change between now and budget adoption. Shifting the discussion to the public safety pay plan, the Mayor reminded the subcommittee that, along with the capital projects and educational initiatives, one of the cornerstones of Elevate is public safety. Our greatest threat in public safety is recruiting and retaining the most psychologically and physically fit public safety employees in both police and fire.

Tuscaloosa police officers undergo six times more training than the average counterpart elsewhere in Alabama does. Since the Mayor took office in 2006, public safety pay has increased by 70 percent, outpacing both inflation and trends in this sector. In spite of this, one police officer resigns from Tuscaloosa Police Department every 15 days. On average, our officers lack longevity, which means they lack long-term on-the-job experience.

In Tuscaloosa Fire Rescue (TFR), applicants have dropped from 52 in 2016 to 17 in 2021. There is a seniority challenge, with 25 percent of the TFR workforce eligible for retirement. At the same time, 41 percent of personnel have less than five years of experience. Long-term health risks are certainly a factor in recruitment and retention. Heart disease and cancer have affected our own people, including some under the age of 40. Exposure to smoke, chemicals, and stress all contribute to health risks.

Our chief public safety competitor is the University of Alabama Police Department, which offers a larger compensation package, plus tuition breaks and an overall lower-stress environment. In addition, Hoover, the Tuscaloosa County Sheriff's Office, and other county



law enforcement offices have met our compensation package, making a transition out of the City of Tuscaloosa more appealing.

At this point, our public safety pay plan must rise to an elite level in order to compete. A key consideration is to identify a way to fund such an increase over the long-term. The Mayor discussed his draft-funding proposal. Various funding sources identified include Elevate Tuscaloosa, a new fee on tickets to special events offering alcohol, rental tax on 200+ bedroom student rental properties, and traffic light camera revenue. For the portion proposed from Elevate, beginning in FY 2022, the Mayor will recommend eliminating the existing 7.5 percent of funding going to Public Works capital projects and redirect it to this public safety pay plan. In addition, the existing 7.5 percent going to Public Safety capital projects would be directed toward this pay plan in FY 2022, and increased by five percent in FY 2023. Overall, this would bring the total public safety pay plan funding within Elevate to 20 percent of net revenues by FY 2023. The reduction in funding for Public Works capital projects will be offset by ARP funding and new opportunities coming in the Biden administration's infrastructure bill.

For the portion coming from rental tax on 200+ bedroom student rental properties, there will be a list of developments that would be subject to the increase. Our workforce and family oriented developments will not be affected.

Steven Rumsey (subcommittee member) expressed support for the proposed public safety funding increase. He noted that having a safe community is a foundational element to quality of life and attracting new residents to Tuscaloosa. Dave Pass (subcommittee member) echoed Mr. Rumsey's support.

Terrance Dedrick (subcommittee member) commented that his understanding from contacts in public safety is that the current pay plan does not provide a specific reward for longevity. He asked if anything would be done with the pay plan structure to address this. Mayor Maddox responded that the new plan would honor both rank and years of service. For example, under the current plan, it is possible for a police officer with 15 years of service to receive higher pay than a Sergeant (a higher rank) with 15 years of service. The proposed plan will correct this. In addition, the City is investigating the cost to convert all public safety employees into the Retirement Systems of Alabama (RSA) pension plan.

The Mayor also reviewed the 10-year financial projection with the subcommittee, noting each individual change since the last meeting in February. The log describing each change is included in the meeting materials on the website. On the log, yellow highlight indicates a project that has been added. Red highlight indicates a project that has been removed.



The expected income from the BUILD grant has been added to the projection and is offset by an equal amount added to the Western Riverwalk project for costs that will be funded by the grant.

The Athletic and Events Center line item has been removed. The funding previously allocated to it has been redirected to both the Benjamin Barnes YMCA project and the Experience Venues project.

Some projects on the projection are serving as placeholders, with additional due diligence and professional work needed before a true plan, design, or construction project emerges. The Bama Theatre and Harris-Nicol Water Recreation and Trails are examples.

Benjamin Barnes YMCA has been added to the projection. Project Unity recognized that West Tuscaloosa has a shortage of youth athletic programs. One of the Youth Sports subcommittee's recommendations is to construct a new Benjamin Barnes facility. The current Elevate projection proposes providing 500,000 dollars in FY 2022 for professional services and 9.5 million dollars more in a FY 2023 bond issue for construction, furniture, fixtures, and equipment. The Y has already responded to Project Unity recommendations, in part, by providing new baseball and soccer leagues in West Tuscaloosa. The new Barnes facility would be city-owned and YMCA-operated. Fundraising by the Y would need to be directed toward operations and maintenance, rather than the capital costs.

The projection has both Bowers Park and Sokol Park now receiving an immediate investment for FY 2022 to make some necessary improvements (for 750,000 dollars and 1,660,000 dollars, respectively). Both parks would have their future bond issues reduced by equal amounts. These proposals have been discussed by Mayor Maddox with Judge Robertson but have not yet been approved by the County Commission. Some ARP funding would also be added to the amount invested at Bowers Park. Improvements at Bowers include demolishing the tennis courts, restoring the pool so that it can reopen, and repaving park roads. Improvements at Sokol include roadway and paving improvements.

The Civil Rights Foundation and Trail project has been added to the projection, with funding proposed to be spent from the FY 2022 Restart Tuscaloosa Experience allocation. This project is a rare one that has educational, historical, and tourism value. The proposed funding is for 500,000 dollars for professional services to kick-start the project.

A recommendation will be made to increase Operations and Maintenance from 10 percent to 15 percent annually beginning in FY 2022. This item is designed to take care of ongoing capital maintenance needs for all Elevate projects. The percentage rate could continue to increase in the future. Mayor Maddox welcomes any information about private sector rules of thumb or best practices for this type of funding.



The bond amount for the Experience and Event Venues line item has been reduced by 25 million dollars, with that amount being added to the Saban Center project for construction. Altogether, 37 million dollars have been or will be spent by the city for the Saban Center, if the council approves the new amount for construction. For the Experience Venue itself, the ongoing feasibility study will help guide and direct the future of the project.

Gateway Discovery Center has been added to the projection, with 250,000 dollars for professional fees slated for FY 2022. This addition is another recommendation by Project Unity. The group identified a deficit of technology and broadband offerings in East Tuscaloosa, and particularly in Alberta. These improvements will target youth and provide access to technological, creative, digital arts equipment and software. The existing facility has good technology bones in place, including fiber infrastructure.

Construction for the McAbee Center project has been increased to 10 million dollars. Based on current construction prices, the higher projection is more realistic to achieve the goal of delivering an elite active-aging center. Today, the center's operating costs are subsidized each year for over one million dollars. There are also numerous deferred maintenance items in the existing building totaling millions of dollars. Because of these realities, rebuilding the center is the most likely path the project will take.

Mr. Rumsey asked if there is any space in Tuscaloosa to highlight our African American cultural offerings. He mentioned the legacy of Dinah Washington and asked if there is any space in the Dinah Washington Cultural Arts Center to exhibit African American art, music, and historical items. Mayor Maddox responded favorably to the idea but noted some challenges with the lease on the building. Currently, the lease that the city has with Christ Episcopal Church has about 14 or 15 years remaining (originally a 20-year term), and from a long-term project perspective, that is a very short timeframe.

McDonald Hughes Phase II has been added to the projection, with a total of eight million dollars allocated for construction and professional services in FY 2023 and FY 2024.

Project Trinity has been removed from the projection.

Saban Center is still progressing. Tuscaloosa Public Library is meeting with their funding partners to determine the library's best path forward.

Funding for the Skilled Trades Academy is a new addition. If approved, this will expand our educational initiatives into the workforce preparedness sector.

Snow Hinton Park has been revised with professional services slated to begin in FY 2022 and construction proposed for FY 2023. The improvements will address safety concerns at the park, in addition to providing new amenities and making it more attractive.



Mr. Pass requested funding for commercial air service recruitment. If approved, the funding would be used for consulting services to establish an appropriate level of service for our community and identify carriers who would be good matches. It would also cover travel costs to attend air shows and conferences where recruitment activities occur. Tuscaloosa was awarded a grant a couple of years ago to help attract commercial service. The grant funding has a timeline during which it must be spent. Other airports in Alabama with minimal commercial air service have a much greater economic impact than our airport does, even when the communities themselves are much smaller than Tuscaloosa. Mayor Maddox responded that he will reach out to the airport manager to identify the exact amount needed, work through the options of how to fund it, and pinpoint the best one.

Tuscaloosa Tennis Center has been increased to a 10 million dollar project. Mayor Maddox noted that this existing facility is likely the most successful PARA facility in our portfolio. The center is at capacity for memberships and cannot accept more at its current size. The proposed larger expansion would allow for large tournaments, including partnerships with the University of Alabama. The revised expansion proposes four more indoor courts and almost two dozen more outdoor courts. If approved and completed, the facility would be the best tournament tennis facility in the state of Alabama. An added benefit exists with this project due to its ability to provide an economic impact, in addition to the community asset. This project will be discussed at the next Parks and Recreation meeting, scheduled for August 18.

Jimmy Warren (subcommittee member) asked where we have tennis courts that are offered free to the public. If the courts at Bowers Park are demolished, there will not be many free courts left for public use. Mayor Maddox responded that we would likely need to work with Tuscaloosa Tennis Center to identify times when their courts could be used free of charge. He also noted that we have agreements with Tuscaloosa City Schools that allow the public to use all school courts when class is not in session.

Mr. Dedrick asked about the bass fishing tournament facilities that were presented by Don Staley (President and CEO of Tuscaloosa Tourism and Sports) at the June 17 Advisory Council meeting. Brendan Moore (City of Tuscaloosa) responded that this topic is slated to be on the agenda at the second or third Parks and Recreation subcommittee meeting later this year.

Next Steps

Mayor Maddox asked the subcommittee to continue to review the 10-year projection and email thoughts, concerns, and suggestions. He will not present the budget to the City Council until August 27 and welcomes feedback.

**Financial Analysis Subcommittee Meeting Attendance
August 9, 2021**

Name	In Attendance
Dedrick, Terrance	YES
Pass, David	YES
Prewitt, Nicole	YES
Rumsey, Steven	YES
Steward, Rob (for Joseph Brown)	YES
Warren, Jimmy	YES
Tyner, Kip (ex officio City Council President)	NO
Brooks, Karen (EAC co-chair)	NO
England, Chris (EAC co-chair)	NO
Wilson, Matthew (City Council District 1)	NO
Howard, Raevan (City Council District 2)	NO
Crow, Norman (City Council District 3)	NO
Busby, Lee (City Council District 4)	NO
Faile, John (City Council District 6)	NO
Lanier, Cassius (City Council District 7)	NO