

CITY OF CULLMAN, ALABAMA



Fiscal Year 2027 Budget

Draft

Stay Awhile... or a Lifetime.

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What We'll Cover

1 Fiscal Year 2026 General Fund Budget Performance

2 Financial Challenges Ahead

3 Proposed General Fund Budget for Fiscal Year 2027

4 Proposed Sewer Fund Budget for Fiscal Year 2027

5 Proposed Water Fund Budget for Fiscal Year 2027

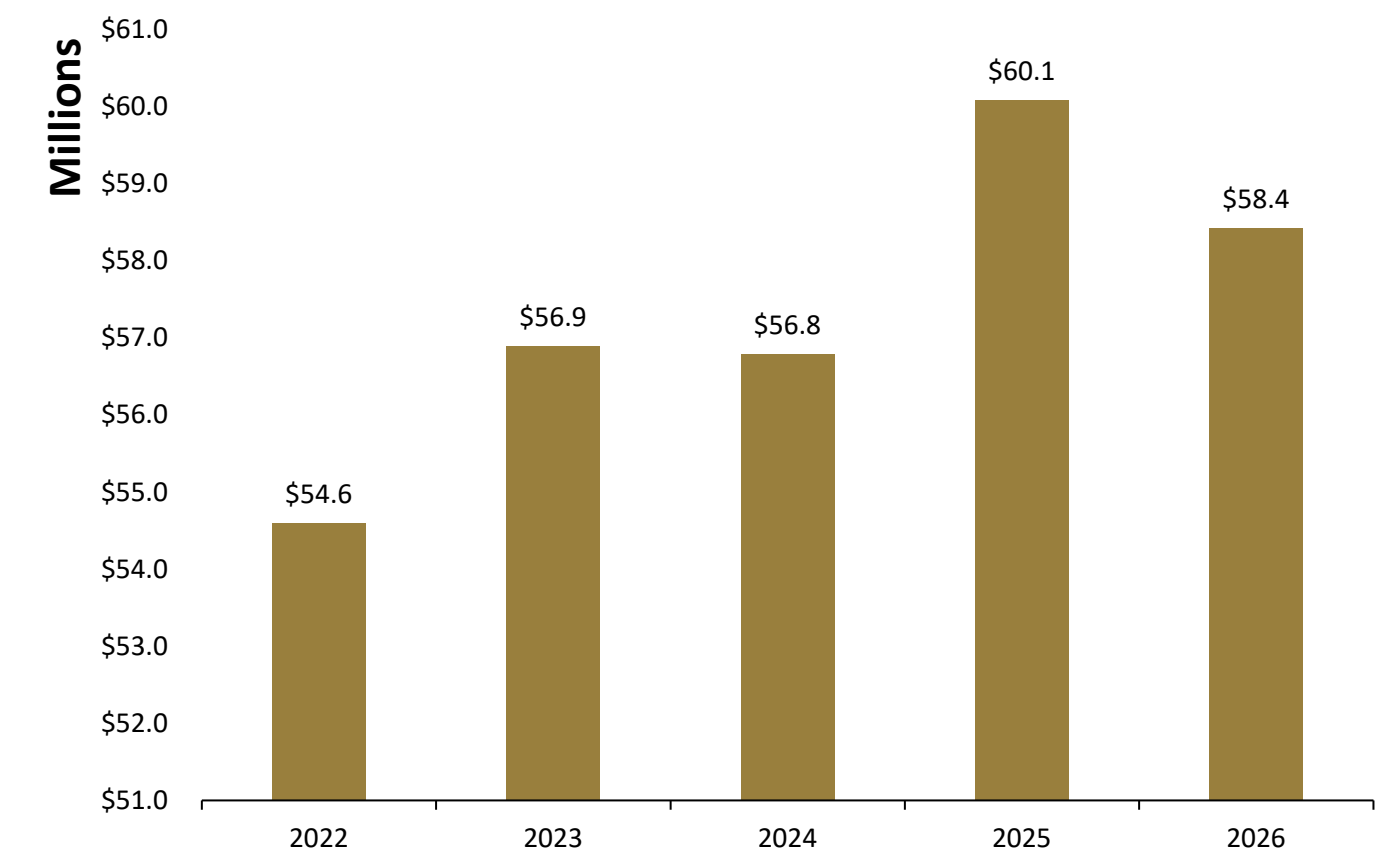
6 Investment in our City Employees



SECTION ONE – PART ONE

Fiscal Year 2026 General Fund Budget Performance

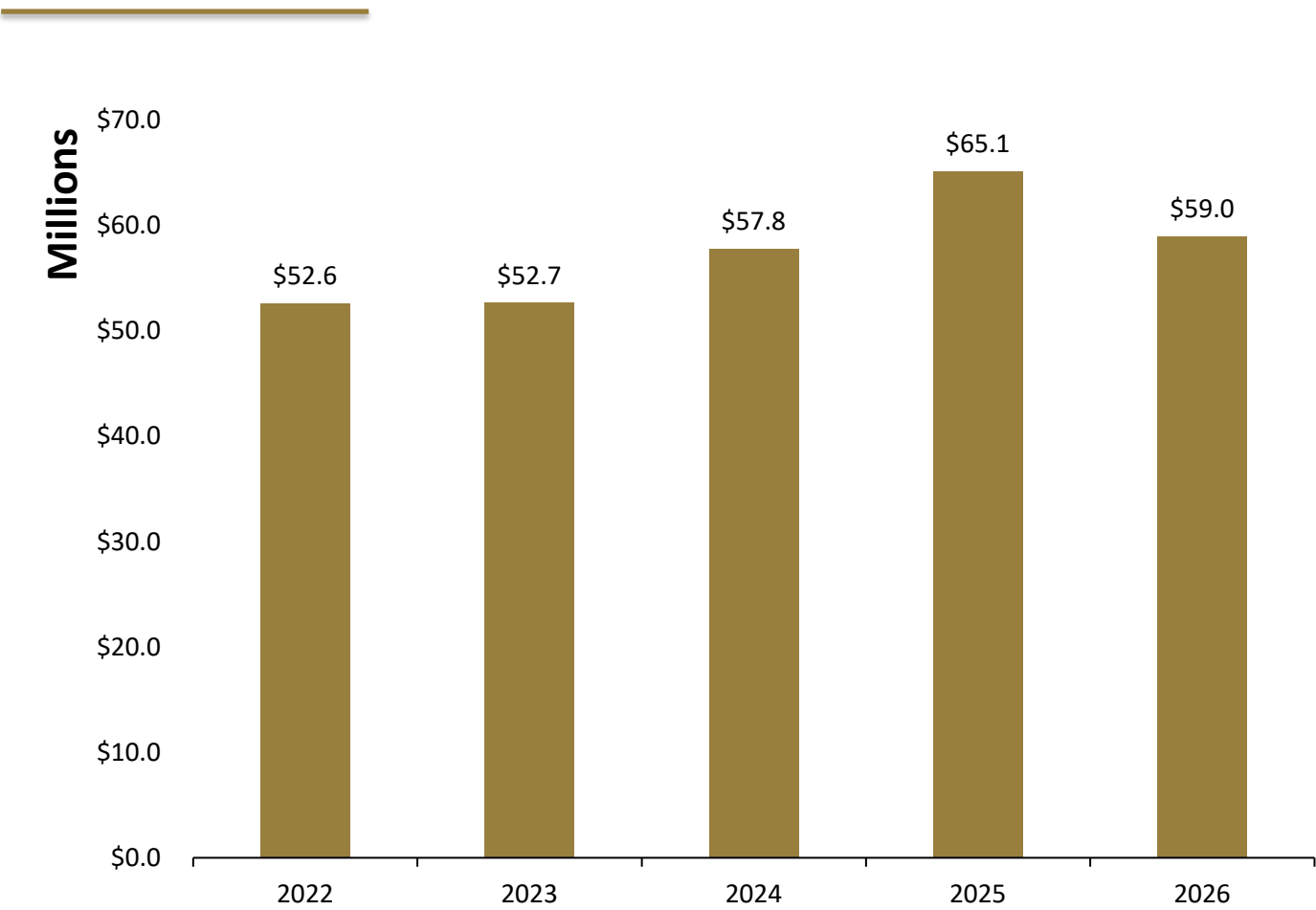
Revenue Comparison over the last 5 years



KEY TAKEAWAYS

- Overall revenues in the General Fund have decreased by 2% due to the rapid increase in online purchasing, which has created a challenge for the City of Cullman.
- The tax received by the City on a \$100 purchase from a local business is equivalent to \$800 of online purchase because of the current SSUT revenue split due to our small population.
- Remember to always “Shop Local” which funds our local schools, infrastructure, public safety, and other essential services.

Expenditure Comparison over the last 5 years

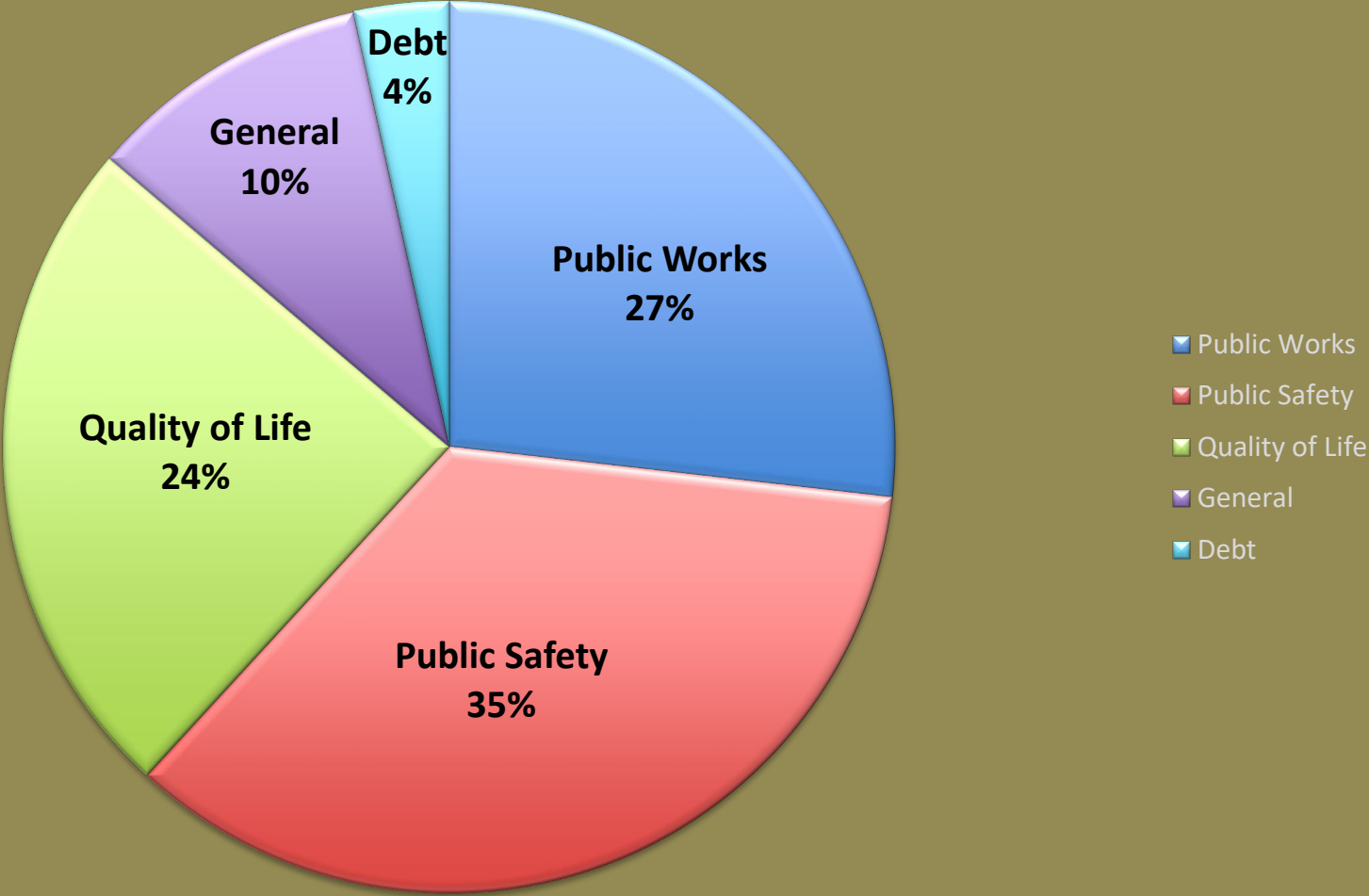


KEY TAKEAWAYS

- Overall expenditures in the General Fund have decreased over 9% due to a reduction in capital projects.
- Since 2021, the City of Cullman, along with the rest of America, has experienced consistent inflation causing our cost of operations to rise significantly.

Fiscal Year 2026 General Fund Expense Allocation

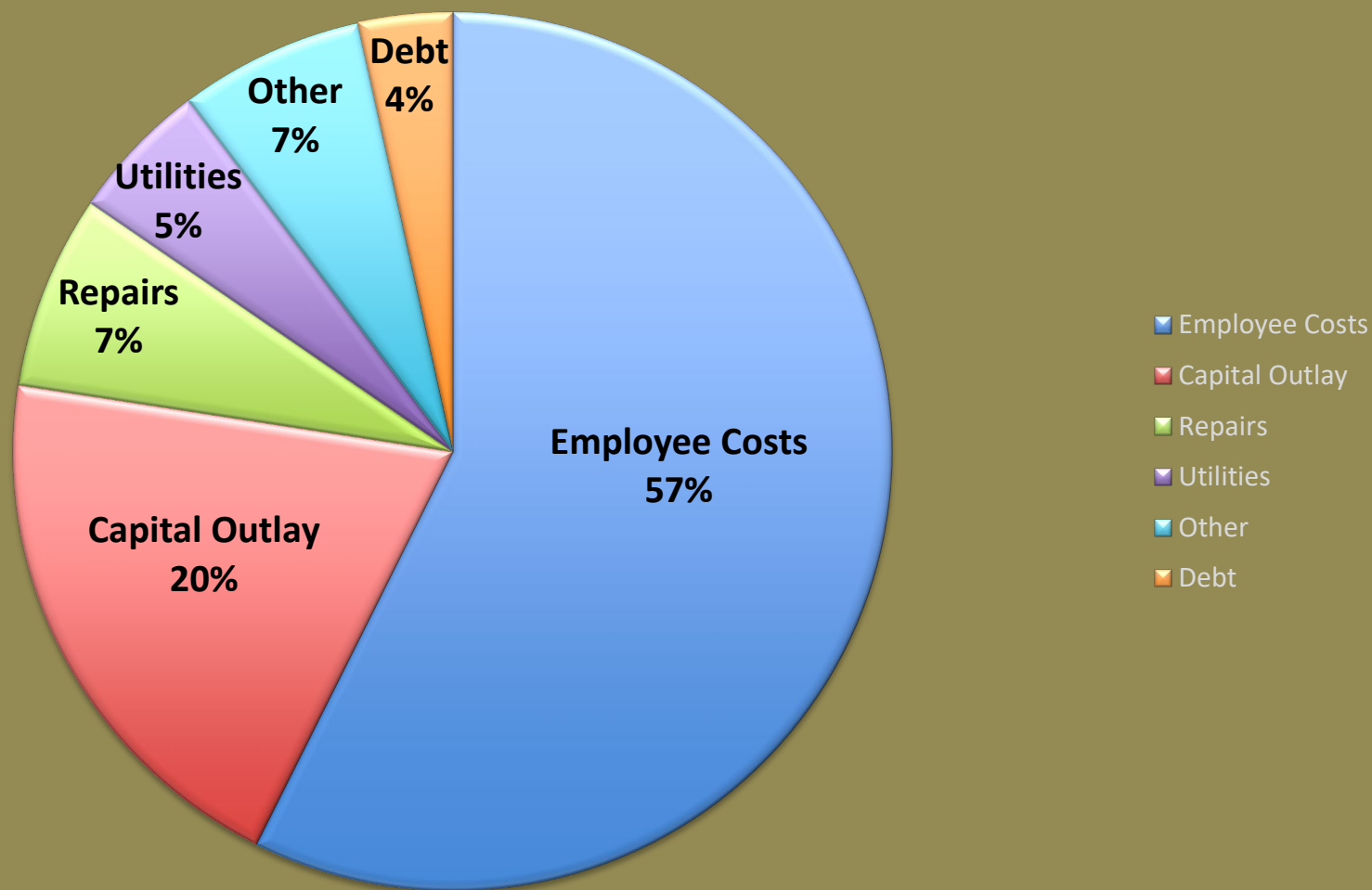
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KEY TAKEAWAYS

Public Safety	\$ 20,667,488
Public Works	\$ 15,819,178
Quality of Life	\$ 14,393,672
General	\$ 6,098,740
Debt Service	\$ 2,031,767
Total General Fund	\$ 59,010,845

Fiscal Year 2026 General Fund Expense Types



KEY TAKEAWAYS

Employee Costs \$ 33,851,391

Capital Outlay \$ 11,838,788

Repairs \$ 4,214,971

Other \$ 4,016,151

Utilities \$ 3,057,777

Debt \$ 2,031,767

Total General Fund
\$ 59,010,845



SECTION ONE – PART TWO

General Fund Capital Projects Completed

OMNISPORTS DISTRICT

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WHY IT MATTERS

Over the past 12 months, the OmniSports District experience 1,226,907 visits, which is a 24.2% increase from the previous year.

The economic impact from the OmniSports District is estimated to be \$45 million, which would create \$787,500 in tax revenues for the City to use for public infrastructure (streets), public safety, and other essential services and \$225,000 for our local school system.



LAZY RIVER AT WILDWATER

WHY IT MATTERS

- Wildwater is now the 2nd highest attended theme/water park in the State of Alabama, which firmly establishes Cullman as a leading family recreational destination. This year, Wildwater has collected over 120,000 paid admissions not including special events.
- Wildwater is the first and only recreational facility that is completely self-funded. Wildwater not only pays for its daily operations, but it also repays the City for its debt service.



ROAD INFRASTRUCTURE IMPROVEMENTS

WHY IT MATTERS

- Downtown Revitalization through the Streetscape Program – 4th Ave & 4th St SW
- Neighborhood Improvements through the CDBG projects – Logan Street SW
- Other Road Infrastructure Improvements
- Total Road Infrastructure Improvements of **\$2,519,627**





SECTION TWO

FINANCIAL CHALLENGES AHEAD

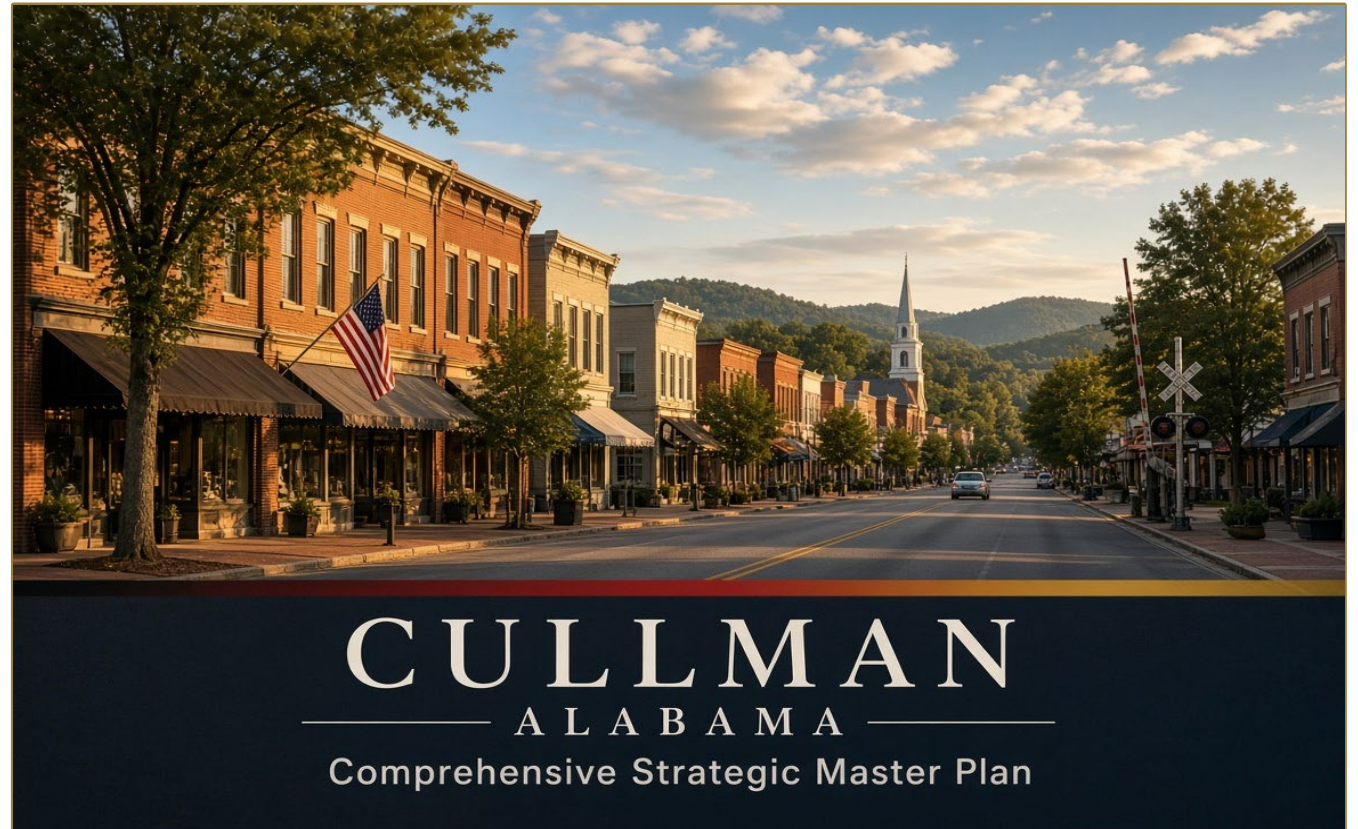
Financial Challenges Ahead

- Municipalities in Alabama **live and die** by our local sales tax accounting for **50%** of the general fund.
- Our current local sales tax is down **1%** this year due to the rise in online purchasing up **13%**.
- Since 2020, online purchasing in the City of Cullman and across the State has grown rapidly up **226%**.
- Online purchasing in the City of Cullman has outpaced “shopping local” by over **182%** since 2020.
- The economic impact of **\$100** spent with a local business is equivalent to **\$800** of online purchases.

How do we overcome these challenges?

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The Cullman City Council has initiated the development of a Comprehensive Strategic Master Plan for the City of Cullman. Through careful planning, the City will address these revenue challenges and other issues while positioning our community for smart growth and lasting prosperity.

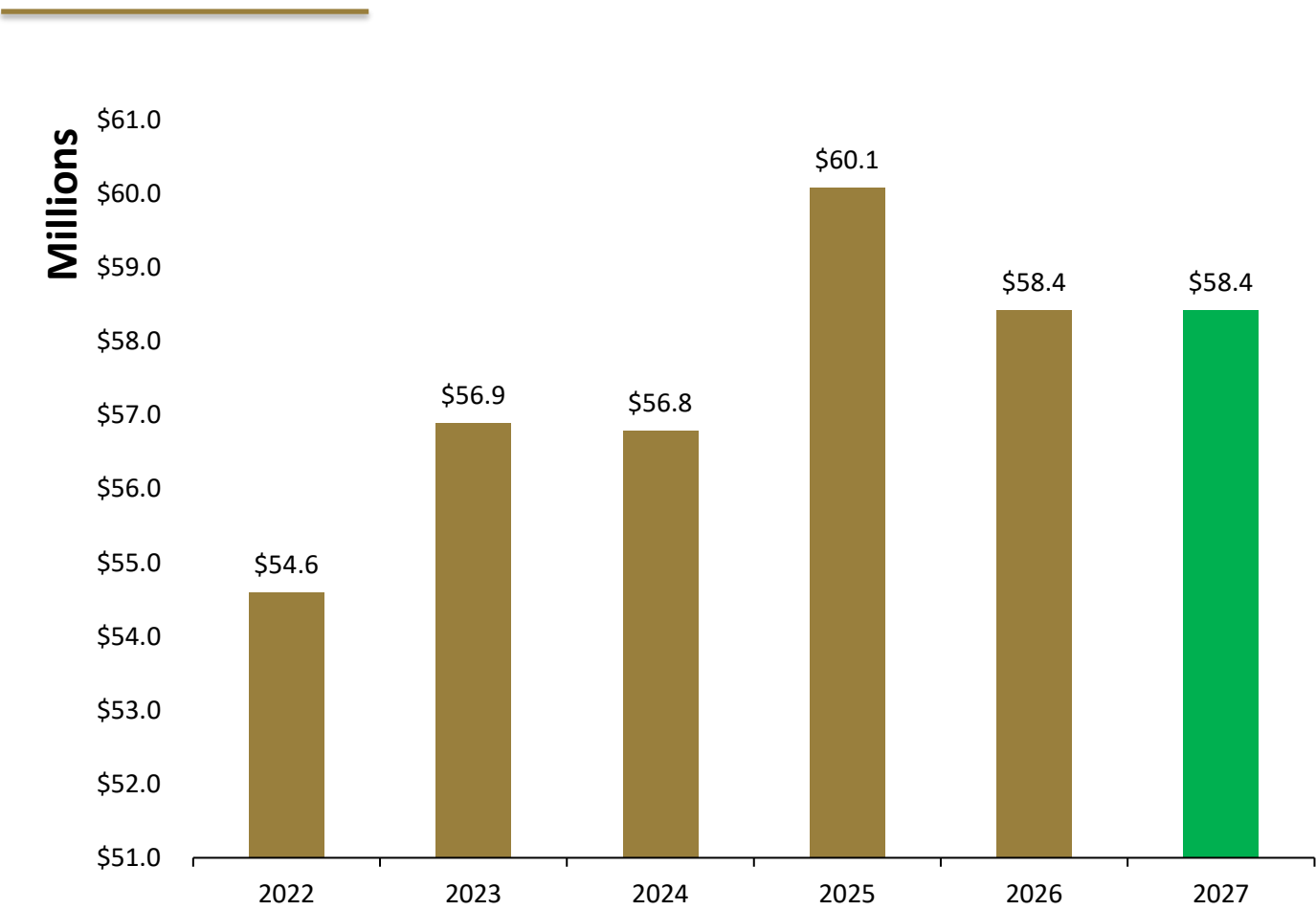




SECTION THREE – PART ONE

Proposed General Fund Budget for Fiscal Year 2027

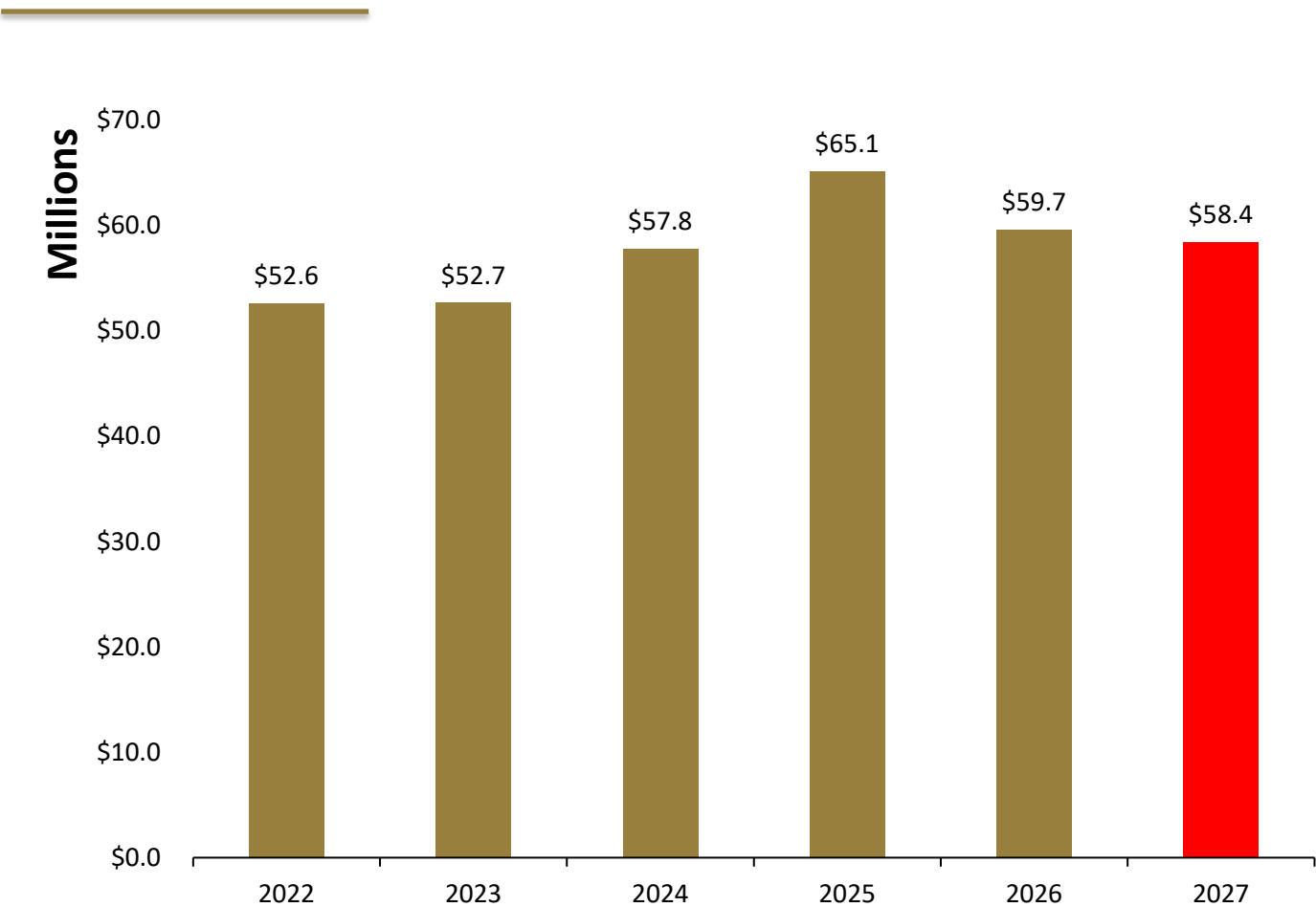
Projected General Fund Revenues for Fiscal Year 2027



KEY TAKEAWAYS

- The budget for the General Fund is proposed to be level funded due to decreased sales tax.
- The City Council is working on a plan to improve our revenues through various incentives, smart development, and possibly a small business stimulus plan.

Projected General Fund Expenses for Fiscal Year 2027

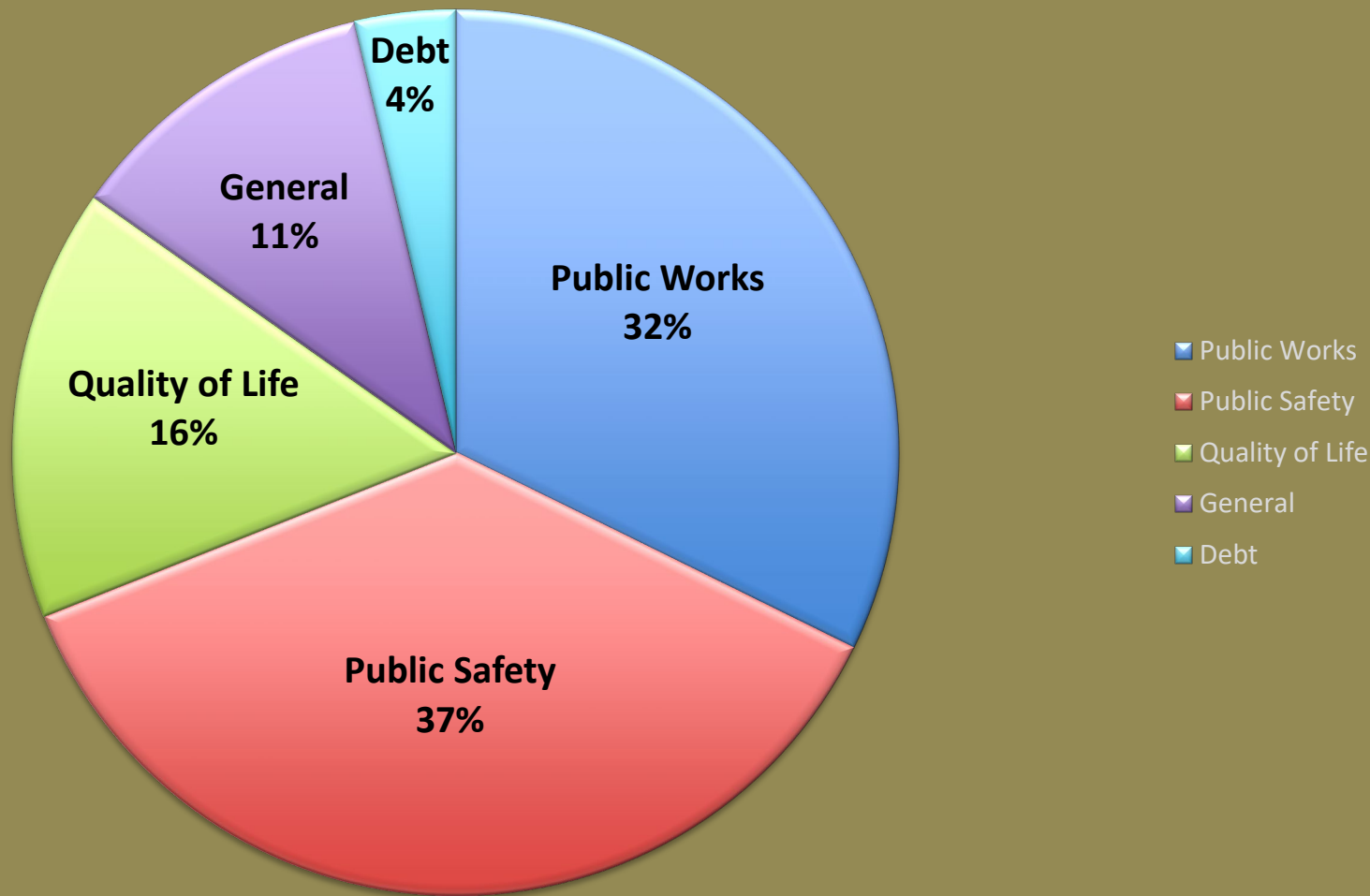


KEY TAKEAWAYS

- The General Fund Budget will decrease due to the reduction in revenues.
- Overall expenses in the General Fund Budget will be decreased by 2% through a reduction in the number of capital projects.
- This budget was difficult to balance due to the consistent inflation year after year.

Projected FY2027 General Fund Expense Allocation

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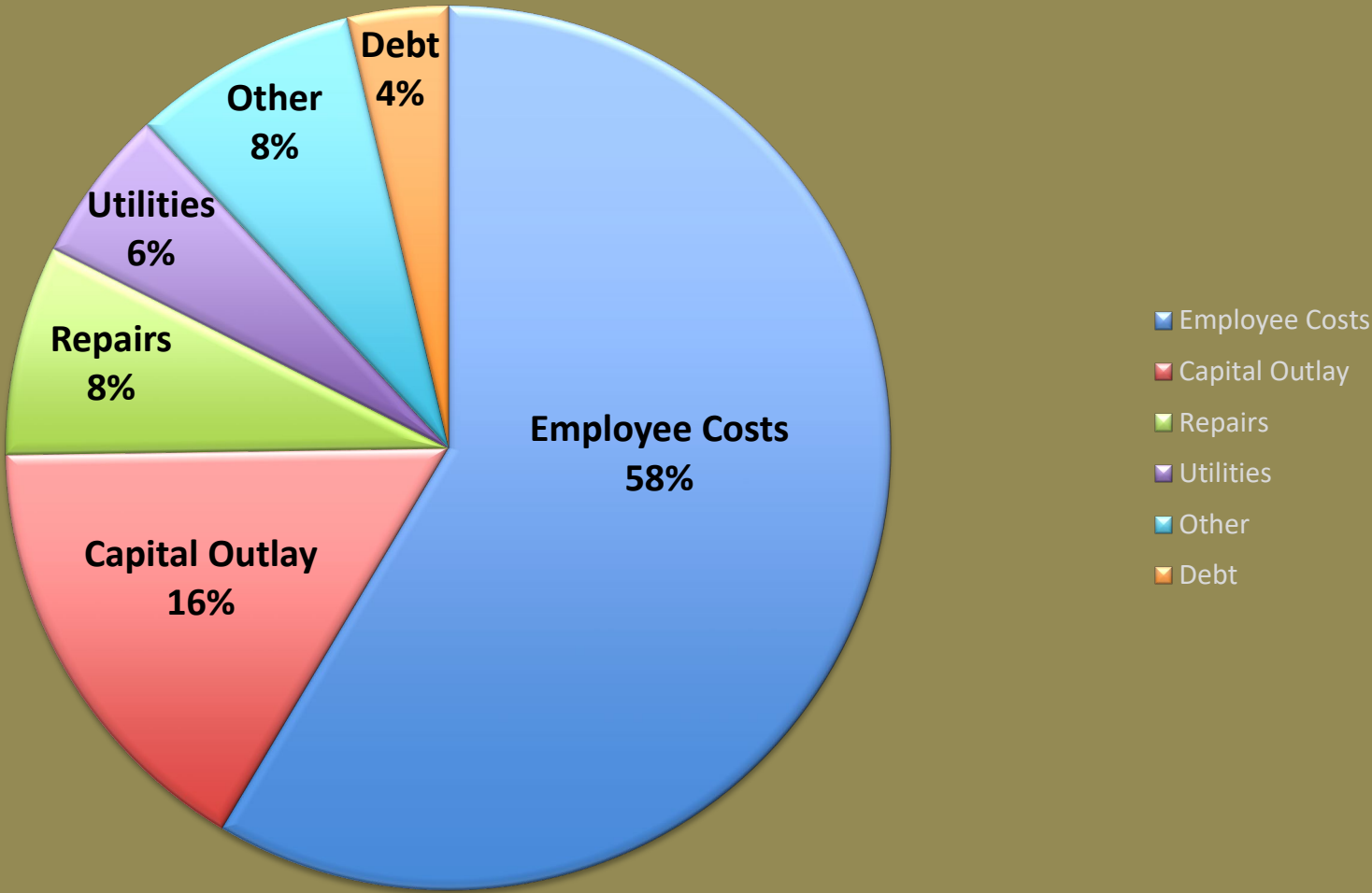


KEY TAKEAWAYS

Public Safety	\$ 21,464,177
Public Works	\$ 18,837,106
Quality of Life	\$ 9,239,004
General	\$ 6,738,163
Debt Service	\$ 2,148,763

Total General Fund
\$ 58,427,213

Projected FY2027 General Fund Expense Types



KEY TAKEAWAYS

Employee Costs \$ 34,205,962

Capital Outlay \$ 9,478,649

Repairs \$ 4,486,669

Other \$ 4,823,560

Utilities \$ 3,283,610

Debt \$ 2,148,763

Total General Fund
\$ 58,427,213



SECTION THREE – PART TWO

Proposed General Fund Capital Projects

PERFORMING ARTS THEATER

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ALABAMA, USA

WHY IT MATTERS

- The City received a 50/50 Grant from ARC in the amount of \$750,000 to build the Cullman Performing Arts Theater.
- The total capital investment for this project is estimated to be \$1,500,000.



EAST SIDE PARK IMPROVEMENTS

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ALABAMA, USA

WHY IT MATTERS

- The City received a 50/50 LWCF Grant in the amount of \$500,000 to renovate East Side Park.
- The total capital investment for this project is estimated to be \$1,000,000.



ROAD INFRASTRUCTURE IMPROVEMENTS

WHY IT MATTERS

- Downtown Revitalization through the Streetscape Program – 3rd Ave & 5th St SW
- Neighborhood Improvements through the CDBG projects – Logan Street SW
- Other Road Infrastructure Improvements
- Total Road Infrastructure Improvements of **\$5,065,000**

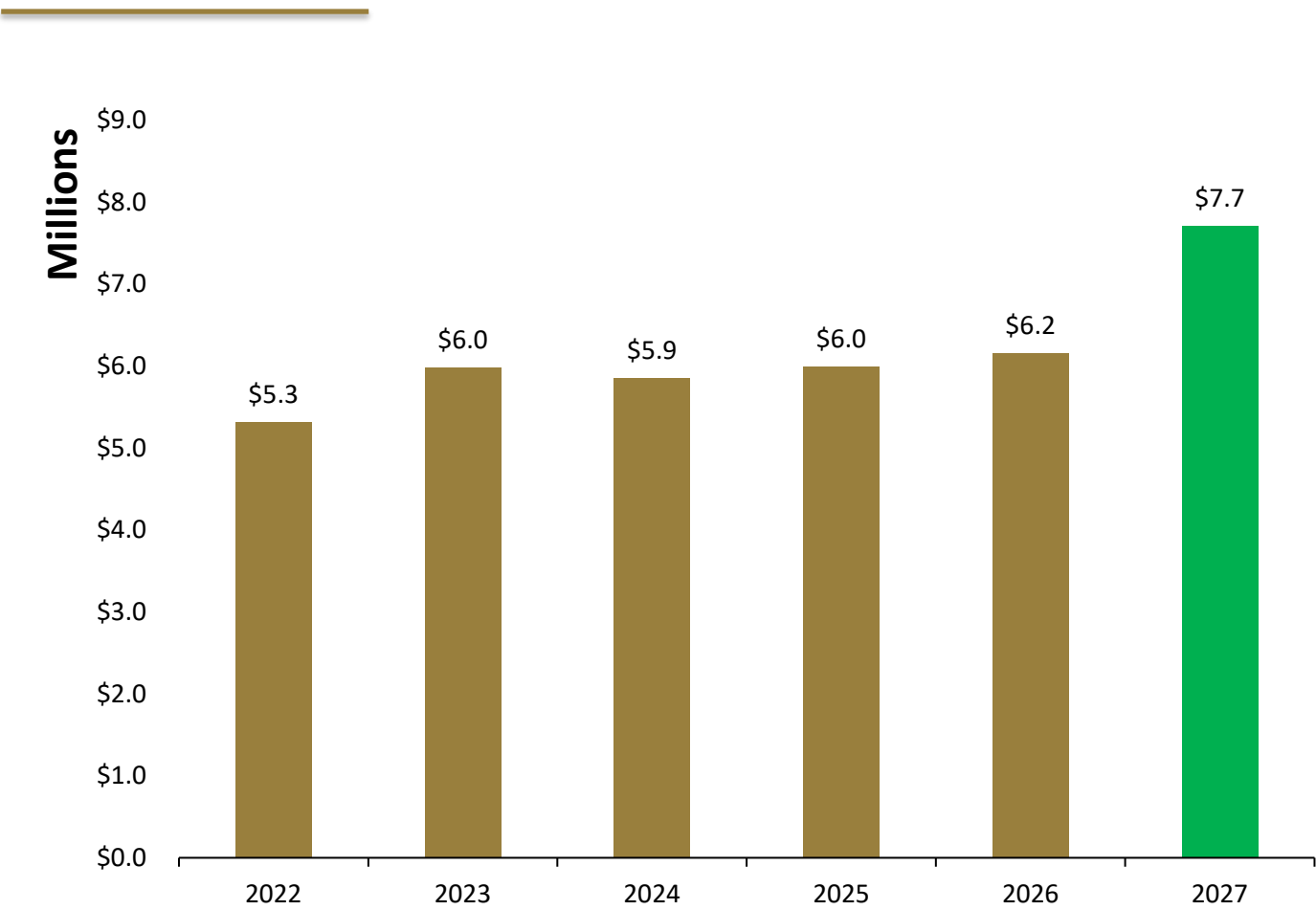




SECTION FOUR – PART ONE

Proposed Sewer Fund Budget for Fiscal Year 2027

Projected FY2027 Operating Budget for the Sewer Fund



KEY TAKEAWAYS

- The operating budget for the Sewer Fund is proposed to be increased by 25% due to consistent inflation (year after year) and the larger number of repairs and maintenance projects to be completed.

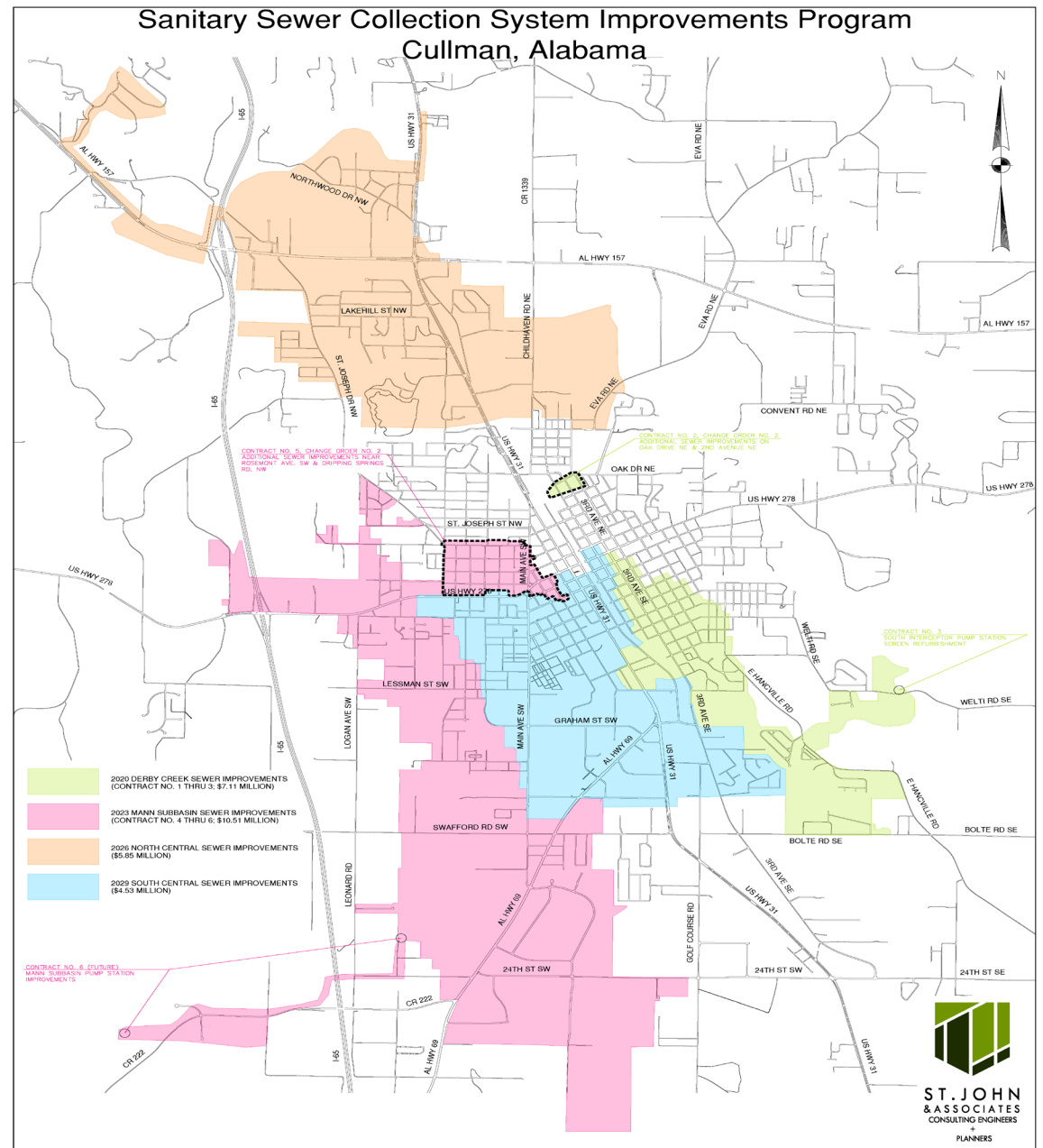


SECTION FOUR – PART TWO

PROPOSED SEWER CAPITAL PROJECTS

WHY IT MATTERS

- In 2020, the City began replacing its sewer collection system. Total capital investment after all phases are complete is expected to be a total investment of \$30 million. The next and final phase of sewer line replacement is the North Central Basin, which will hopefully begin this year.



WASTEWATER TREATMENT PLANT IMPROVEMENTS

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WHY IT MATTERS

- This past year, we have started multiple improvements and maintenance projects at the Wastewater Treatment Plant. We anticipate a strong capital investment over the next few years to complete these essential plant improvements.

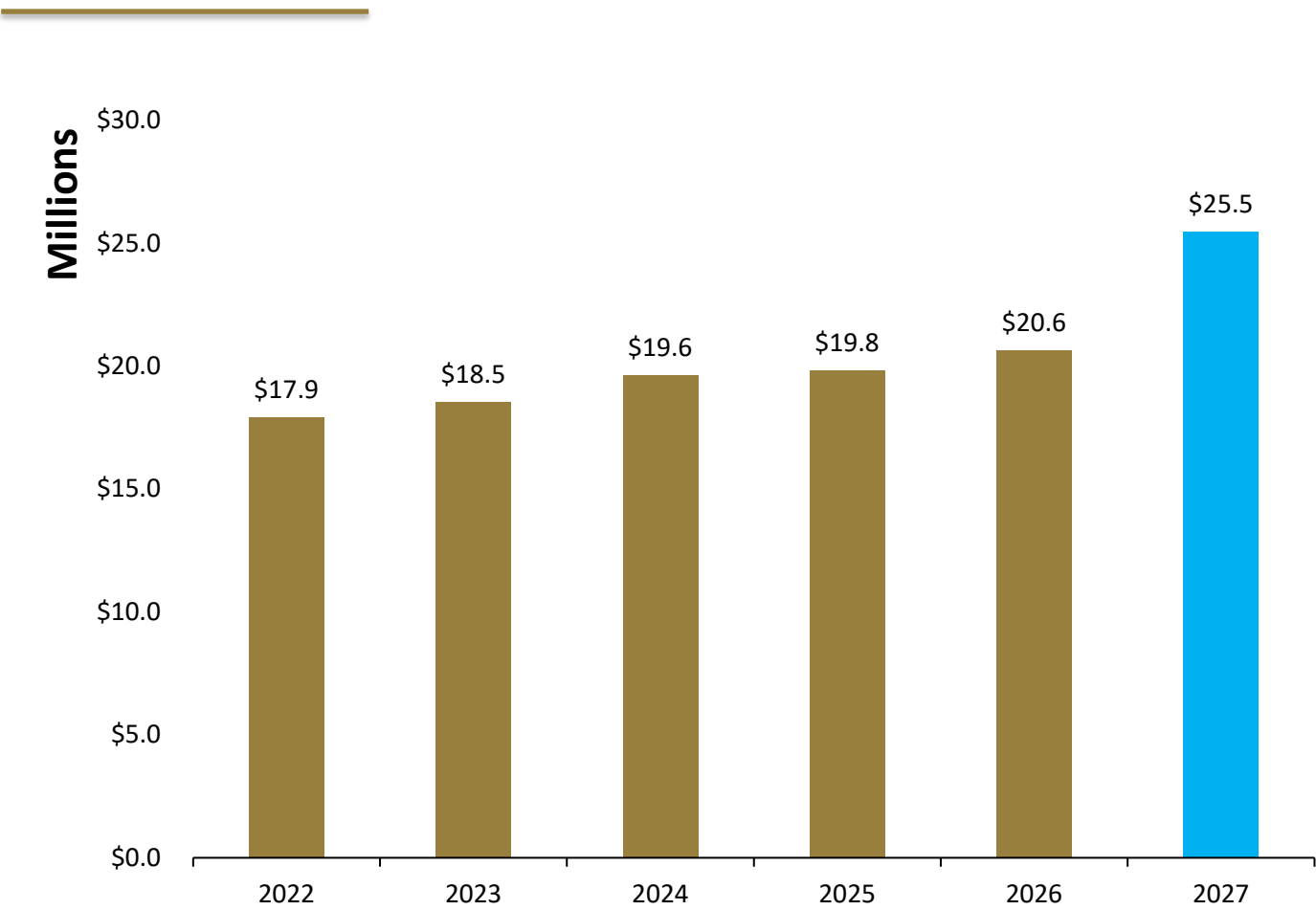




SECTION FIVE – PART ONE

Proposed Water Fund Budget for Fiscal Year 2027

Projected FY2027 Operating Budget for the Water Fund



KEY TAKEAWAYS

- The operating budget for the Water Fund is proposed to be increased by 23% due to consistent inflation (year after year) and the larger number of repairs and maintenance projects to be completed.



SECTION FIVE – PART TWO

PROPOSED WATER CAPITAL PROJECTS

WATER DISTRIBUTION SYSTEM IMPROVEMENTS

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WHY IT MATTERS

- The largest capital improvement in the Water Fund will be the replacement of our 30-inch primary water distribution line. The estimated project cost is \$10.5 million, which will be funded by two SRF loans.



CLEAN WATER TREATMENT PLANT IMPROVEMENTS

WHY IT MATTERS

- This past year, we have started multiple plant improvements and maintenance projects at the Cullman Water Treatment Plant. We anticipate a strong capital investment over the next few years to complete these essential plant improvements.





SECTION SIX

INVESTMENT IN OUR CITY EMPLOYEES

Investment in our City Employees

- Proposing a new Employee Pay Scale
- Adding a new Retiree Insurance Plan
- Creating an optional Flex Spending Plan for Employees
- One Additional Employee Wellness Day



Thank You

CITY HALL

204 2nd Avenue NE
Cullman, AL 35055
P.O. Box 278
Cullman, AL 35056-0278

CONTACT

256-775-7109
cullmanal.gov
cityclerk@cullmanal.gov

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