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Tuscaloosa, Alabama: Fitch New Issue Report

Key Rating Drivers Revenue Framework: ‘aaa’: Fitch believes revenue growth prospects are strong, reflecting favorable historical trends and expectations for growth in population, property appreciation and continued new development. The city has a high independent legal ability to raise revenues via increases to its sales taxes and other locally generated revenues such as business licenses and fees. Expenditure Framework: ‘aa’: Fitch expects the pace of spending to generally align with revenue growth trends. The city maintains significant expenditure flexibility, benefitting from the absence of collective bargaining and moderate fixed carrying costs for debt and retiree benefits. Long-Term Liability Burden: ‘aa’: The city’s long-term liabilities (overall debt and pension) are currently moderate at about 13% of personal income but are expected to increase moderately over the next few years as the city undertakes several infrastructure and quality of life initiatives. The combined pension asset-to-liability ratio remains low notwithstanding recent reform efforts and full actuarially-based contributions.

ACCESS REPORT

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