



2026 / ADOPTED ANNUAL BUDGET REPORT

FOR THE YEAR BEGINNING OCTOBER 1ST, 2025

MAYOR: TAB BOWLING

**CITY
COUNCIL:**

JACOB LADNER
HUNTER PEPPER
KYLE PIKE

CARLTON MCMASTERS
BILLY JACKSON

City of Decatur, Alabama

For the Fiscal Year Beginning October 1st, 2025

City Administration and Departments

Stephanie Simon, City Clerk

Kyle Demeester, Finance

Richelle Sandlin, Human Resources

Wanda Tyler, Landfill

Takisha Gholston, Municipal Court

Torry Mack, Police

Chad Bowman, Planning

Dane Shaw, Economic Development

Tracy Thornton, Fire

Brad Phillips, Information Systems

Herman Marks, Legal

Hunter Allen, Parks and Recreation

Daniel Boutwell – Street & Environmental Services

Johnny Jones, Youth Services

Prepared by the City of Decatur Finance Department

Kyle Demeester, Director of Finance/Purchasing/Revenue

Dawn Runager, Deputy Director of Finance/Finance Manager

Rebecca Colburn, Senior Financial Accountant

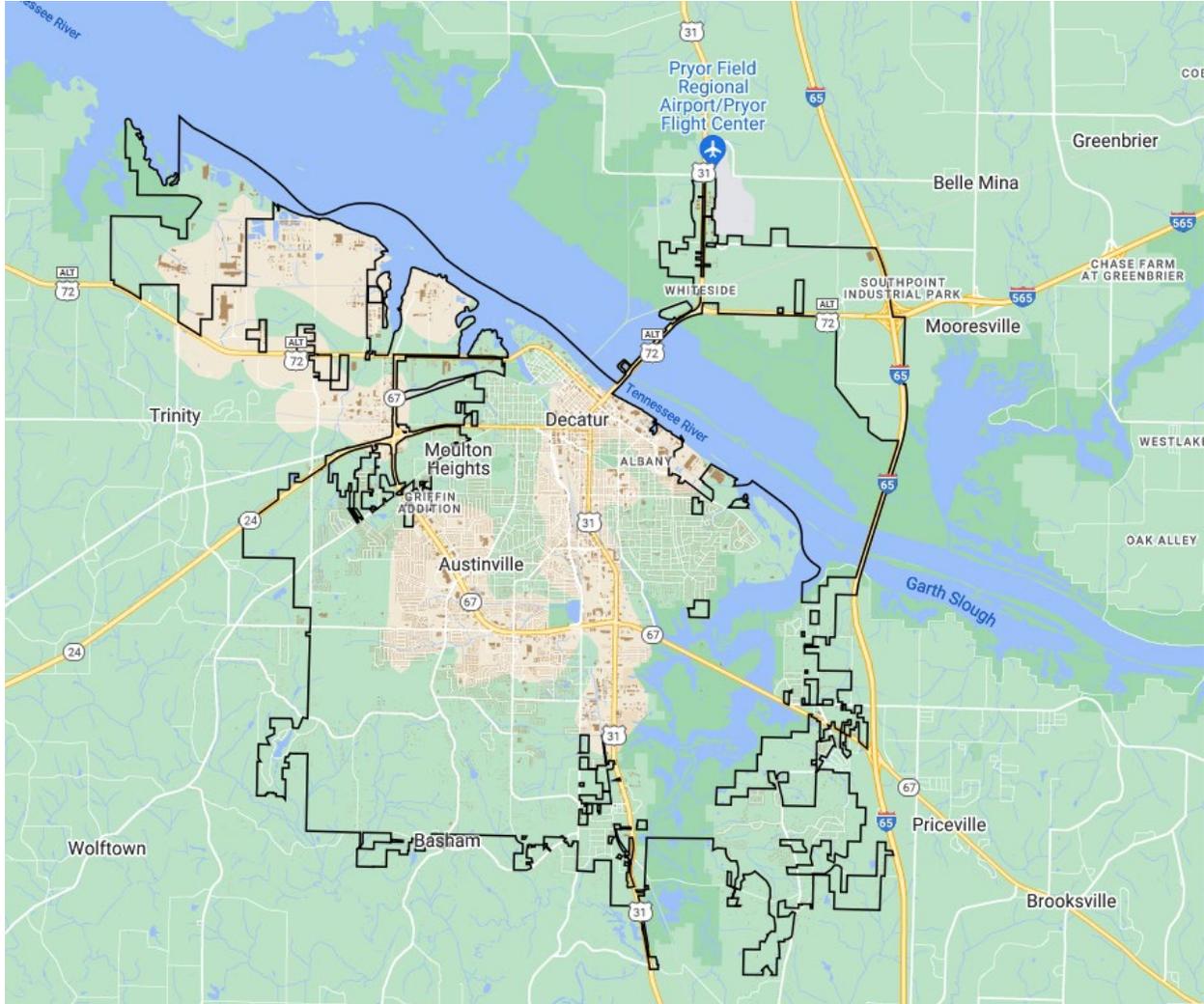
Tinola Ellison, Senior Financial Accountant

Debbie South, Senior Financial Accountant

Jeff Shelton, Senior Financial Accountant

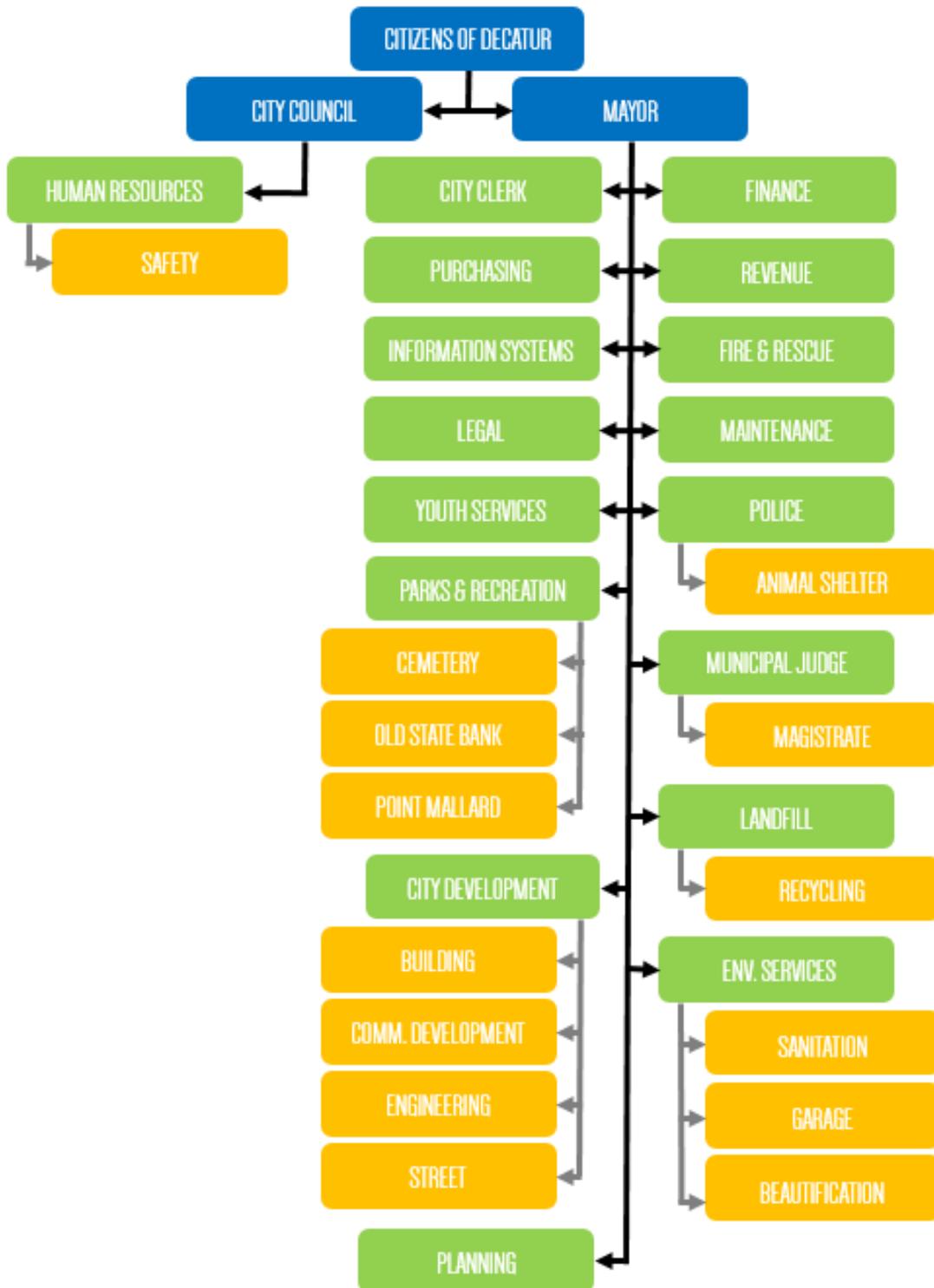
City of Decatur, Alabama

City Limits



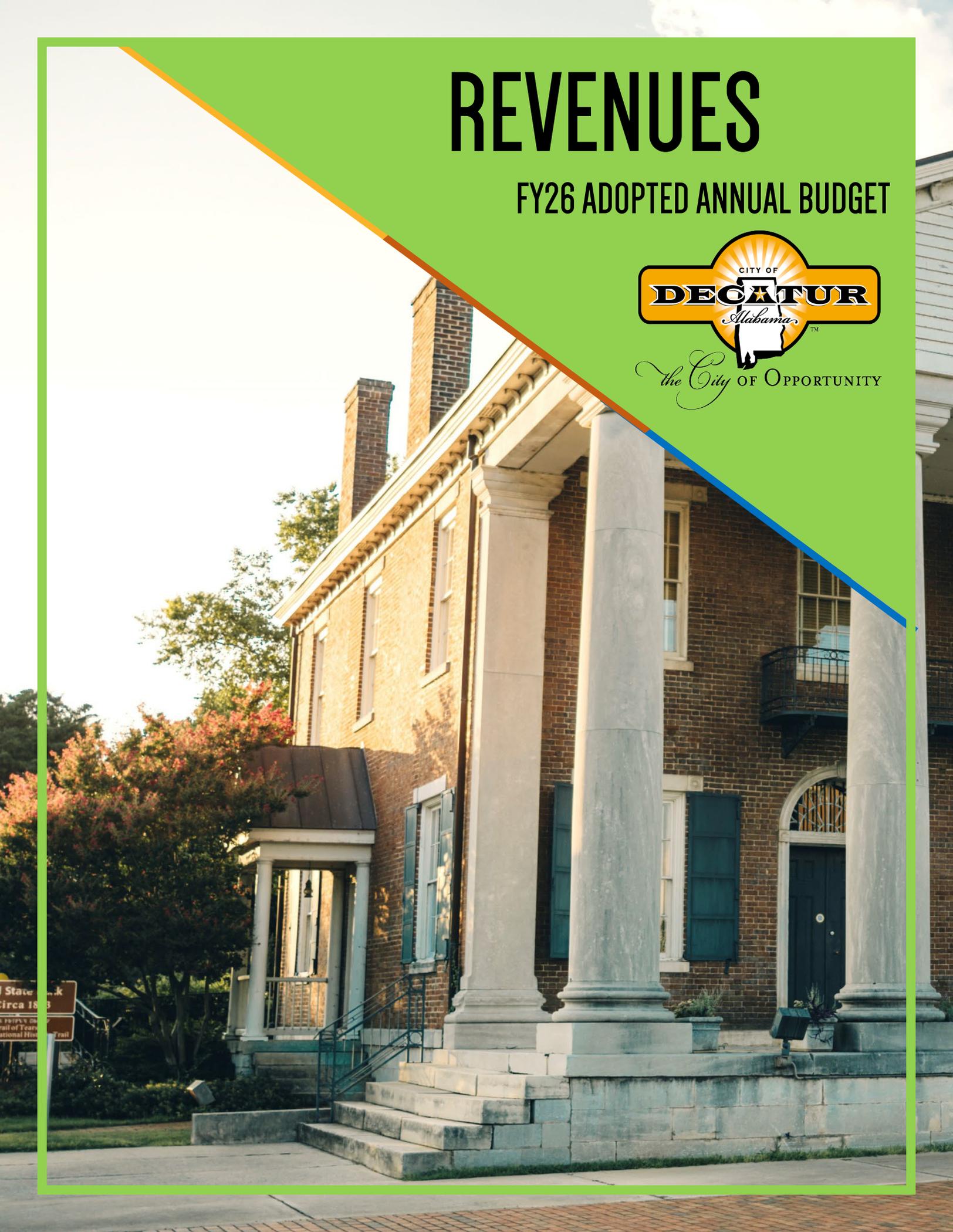
City of Decatur, Alabama

Organizational Chart



REVENUES

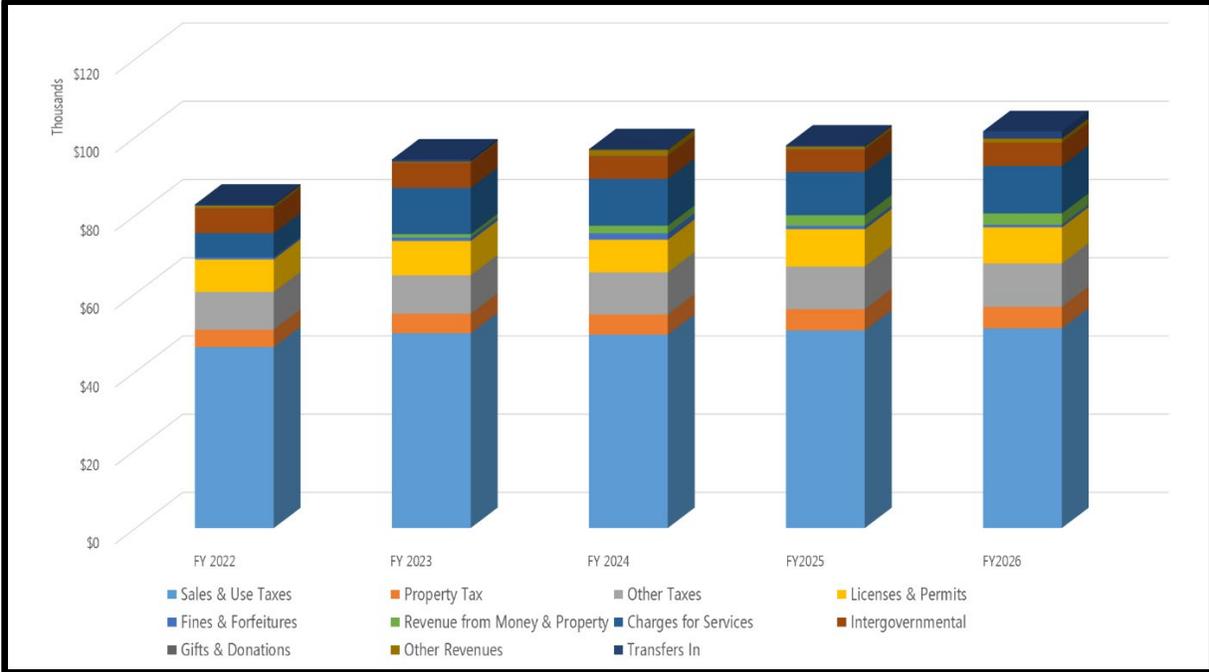
FY26 ADOPTED ANNUAL BUDGET



City of Decatur, Alabama

Trends in Top Revenues

City of Decatur					
General Fund Revenues					
	Actuals			Projected	Proposed
	FY 2022	FY 2023	FY 2024	FY2025	FY2026
Sales & Use Taxes	\$ 46,281	\$ 49,824	\$ 49,444	\$ 50,520	\$ 51,073
Property Tax	\$ 4,462	\$ 4,988	\$ 5,157	\$ 5,446	\$ 5,500
Other Taxes	\$ 9,613	\$ 9,826	\$ 10,781	\$ 10,927	\$ 11,095
Licenses & Permits	\$ 8,335	\$ 8,793	\$ 8,353	\$ 9,532	\$ 9,214
Fines & Forfeitures	\$ 583	\$ 823	\$ 1,619	\$ 856	\$ 677
Revenue from Money & Property	\$ (913)	\$ 909	\$ 1,943	\$ 2,711	\$ 2,866
Charges for Services	\$ 6,133	\$ 11,827	\$ 12,001	\$ 11,099	\$ 12,191
Intergovernmental	\$ 6,339	\$ 6,429	\$ 5,829	\$ 5,716	\$ 5,918
Gifts & Donations	\$ 98	\$ 60	\$ 87	\$ 54	\$ -
Other Revenues	\$ 591	\$ 240	\$ 1,492	\$ 654	\$ 1,027
Transfers In	\$ 300	\$ 535	\$ 180	\$ 327	\$ 1,913
Totals In Thousands	\$ 81,822	\$ 94,255	\$ 96,887	\$ 97,841	\$ 101,474



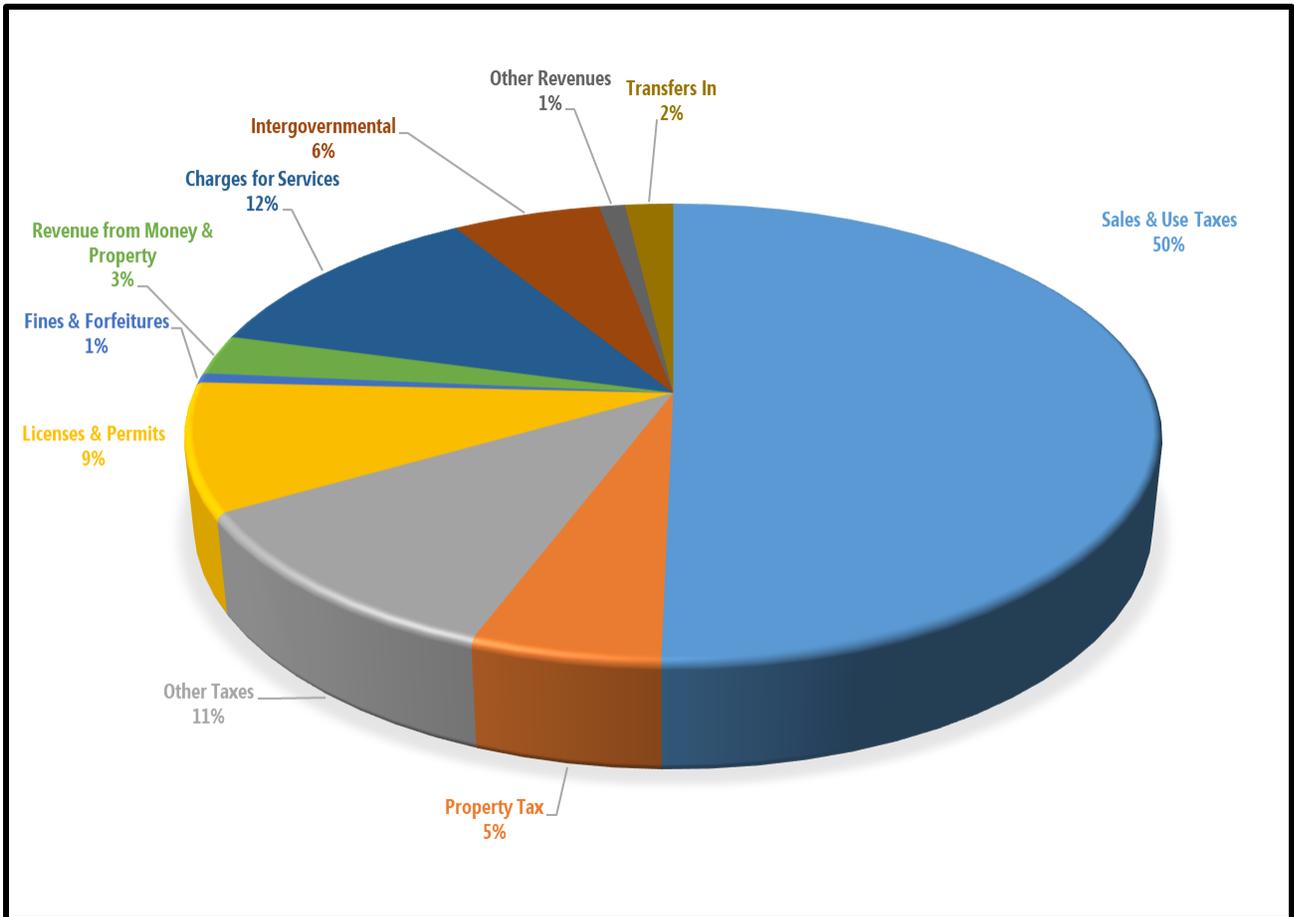
City of Decatur, Alabama

Trends in Top Revenues

City of Decatur's Finance Department is tasked with providing for the adequate funding of city operations. The city's revenue streams are unique, requiring analysis of historical actuals and current economic trends. The original revenues budget is the projection of revenues formulated using this data. A midyear review is done based upon changes in the data. General fund revenues are the city's retained portion of taxes. The portion belonging to Decatur City Schools are not included in this fund (discussed later).

The city's top revenue sources in the proposed FY2026 budget are the following:

- Sales and Use Taxes
- Simplified Seller's Use Tax (SSUT)
- Business Licenses
- Garbage Collection Fees
- Property Tax
- Payments in Lieu of Tax (PILOT)



*Pie graph revenues categorized by function code per Annual Comprehensive Financial Report

Sales and Use Tax

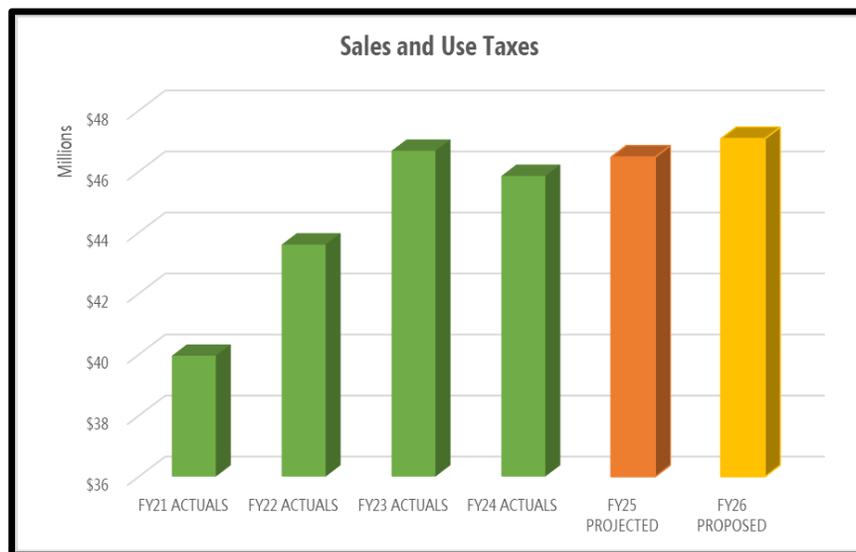
The city's top revenue source is consistently Sales & Use Tax representing half of the city's revenue budget in General Fund, projected to be 47.44% of FY2025's revenues.

As authorized by ordinance, the city levies a sales tax, generally applied to retail purchases of goods, at the rate of 4%. The city also levies a use tax on goods delivered within the city not subject to the sales tax at the same rate.

In the city limits, 9% of sales tax is collected on most retail purchases. It is disbursed among governmental agencies as follows:

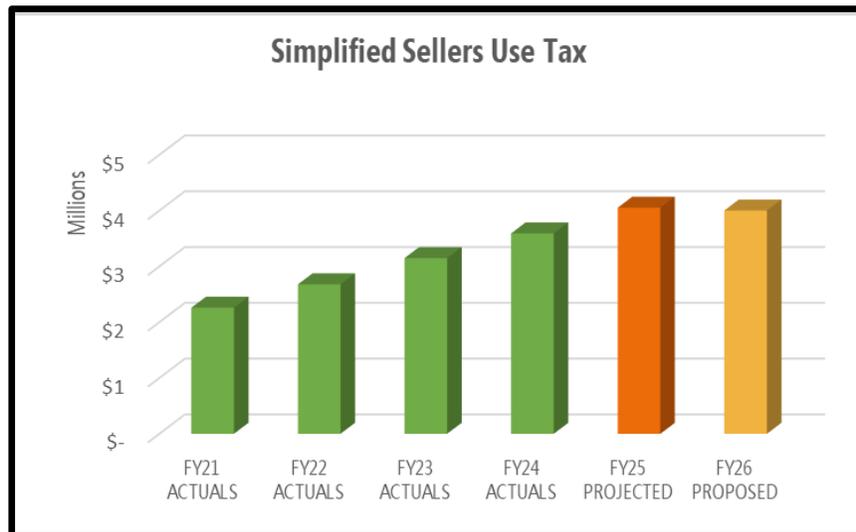


This revenue source supports various activities of the city including services for citizens like public safety, parks and recreation, garbage collection, street maintenance and more. Therefore, the support of our local businesses and industries is critical to the availability of local government services. For budget purposes, the Sales and Use tax revenue is projected by estimating the current revenue through fiscal year end, using trend analysis and forecasts of growth in the local economy. The graph below shows the historical Sales and Use tax revenue trends, as well as a comparison of projected revenue for FY2025 and the proposed budget for FY2026.



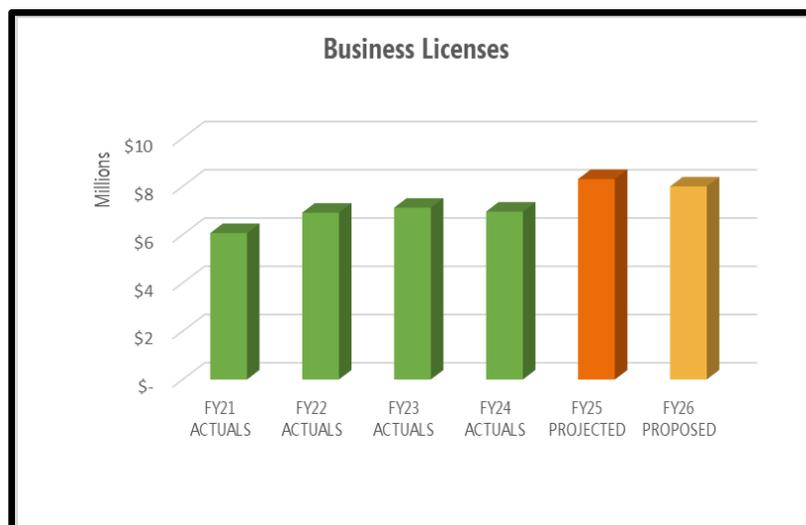
Simplified Sellers Use Tax (SSUT)

One of the fastest growing revenues over the last decade, Simplified Sellers Use Tax or SSUT, is projected to be 3.94% of total General Fund revenues. SSUT is a special program designed to make it easier for out-of-state and online sellers to collect and remit sales taxes on purchases shipped into Alabama. The current rate (8%) is administered and remitted to the city by the Alabama Department of Revenue. Since its first full year of receiving disbursements (FY2017), this revenue source has grown by over \$3.4 million.



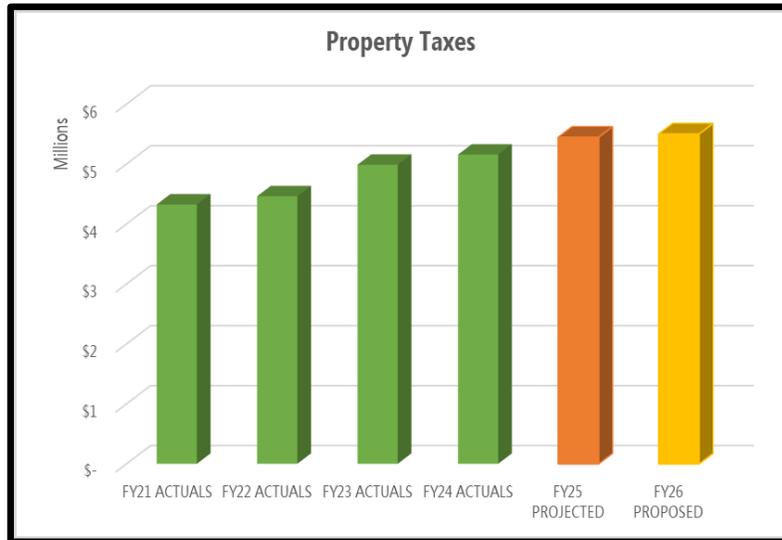
Business Licenses

The second largest revenue source for the city is license fees, which comprises roughly 8.48% of total General Fund revenues. The city levies a license fee on business conducted in the Decatur city limits (Police Jurisdiction as well) based on a gross receipts business classification schedule. Schedules and associated rates are set both by Alabama State Code and City Ordinance.



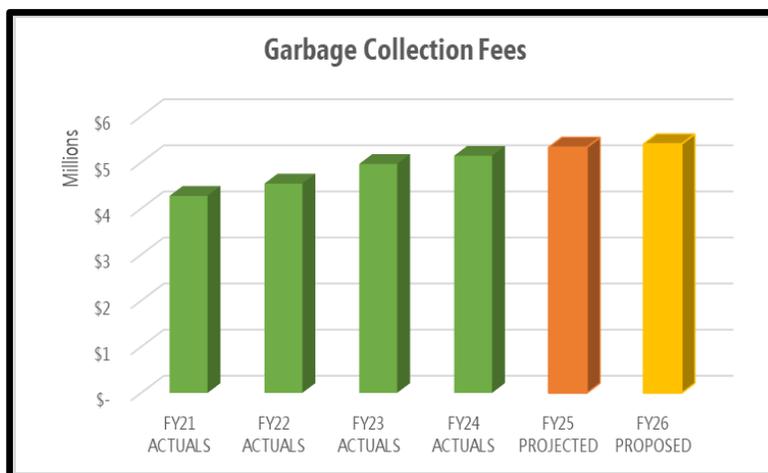
Property Taxes

Property taxes are taxes levied under various provisions of the constitution and statutes of the State of Alabama. These taxes are “ad valorem” meaning according to the value of the item being taxed. Many ad valorem taxes may be used only for purposes for which they are levied. Of the total 45.3 mills collected on property in Decatur city limits, 18.6 mills is allocated for general fund purposes and 3.6 mills restricted for Decatur City Board of Education. The city’s portion of property tax collections make up 5.42% of total General Fund revenues, proposed in the FY2026 budget.



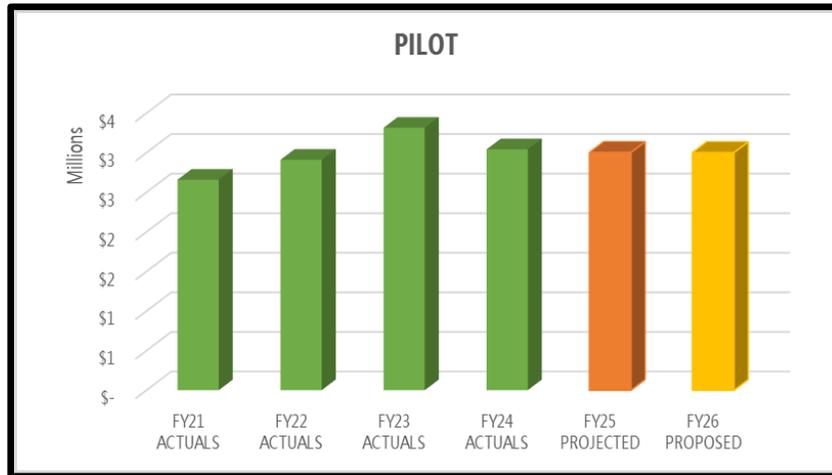
Garbage Collection Fees

The city charges for garbage collection, administered by Decatur Utilities, bound by a local city ordinance. The ordinance adjusts this fee annually according to the CPI (consumer price index). This revenue source makes up 5.32% of the proposed budget revenues in General Fund and is projected to be 5.43% of the General Fund revenues for FY2025.



Payment in Lieu of Taxes (PILOT)

The fifth largest general fund revenue source comes from Tennessee Valley Authority (TVA) by way of payments in lieu of taxes. TVA pays 5% of their profits to the 7 states that make up the TVA area in lieu of the assessment of local property taxes. The distribution formula from the State of Alabama split this percentage of profit for Alabama to the 16 counties serviced by TVA. The counties distribute the funds to cities and towns that would have received property taxes from TVA. Decatur's portion of payments in lieu of taxes make up 3% of total General Fund revenues projected for FY2025.



EXPENDITURES

FY26 ADOPTED ANNUAL BUDGET



The City OF OPPORTUNITY



ALABAMA CENTER FOR THE ARTS



133

City of Decatur, Alabama

Expenditures

While the revenue budgets for the new fiscal year are based on historical, current and projected economic trends, the expenditure budgets are based on known cost habits and proposed changes in the next budget year. Continuing the use of a zero based budget, costs of known public services will equal revenues. Expenditure planning is critical to achieving this balanced approach.

Each year's budget requires careful deliberation to plan spending levels of the city. The following are topics of discussion amongst city leadership when deliberating cost protection and how movement can influence spending levels:

- Personnel – a critical city resource, direct correlation to public services provided
- Personnel Benefits – a function of employee wellness and health cost trends
- Debt Service – fixed costs based on transcripts (legal) agreements
- Agency Appropriations – the effects of funding changes in key public services
- Fleet Maintenance – driven by age and city function, growth in personnel and services, combined with the depreciation of individual assets and increased costs
- Technology – annual support and upgrades to existing systems, including advancement in cybersecurity and process efficiencies to improve citizen services with growth and demand
- Infrastructure Maintenance – aging city infrastructure with increased costs of maintenance materials and labor driven by availability and other external economic factors
- Utilities – market-based rates, dependent on weather and public use of facilities

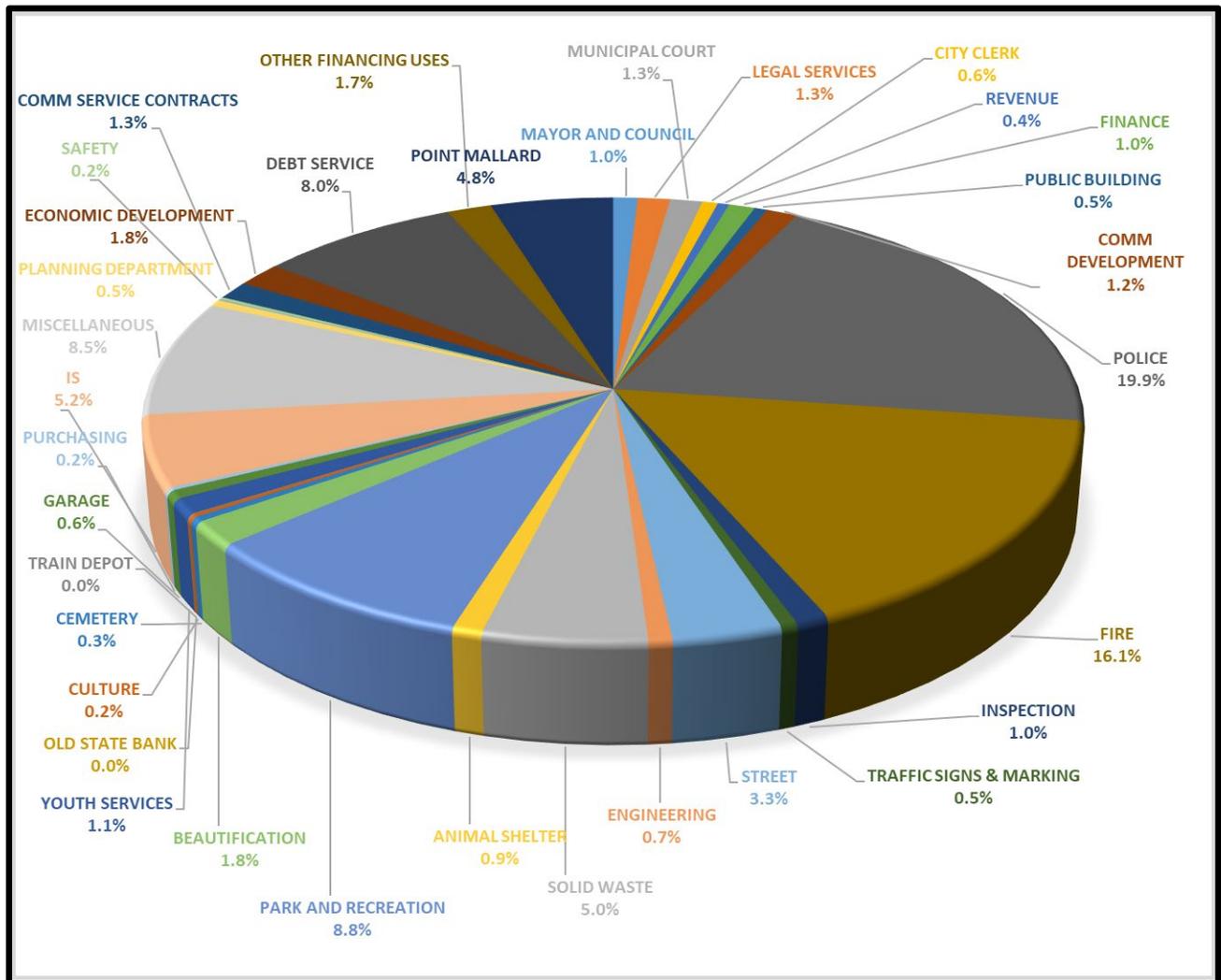
Another factor to consider is the addition and construction of new facilities and infrastructure. Most construction is the result of increased demand, such as road extensions or parks and recreation facilities. While much of the actual construction costs are supported by borrowing, the city must consider the personnel, operation and debt service costs that increase the annual city's budgeted expenditures.

Considering the above factors, the expenditures presented in this section are divided in the following sections for comparability; departmental spending with trend information on personnel, agency and intergovernmental appropriations, debt service and transfers are presented.

Departmental Operations

For reporting purposes, the city has 42 General Fund departments and 4 Enterprise Fund departments. Certain departments like Community Development, Decatur Youth Services, Police, Municipal Court, Personnel Board and Capital Improvements are partially accounted for outside the General Fund and discussed in later sections of this document.

Shown below are the Fiscal Year 2026 Proposed General Fund Departmental Budgets compared to one another. The departments with the largest share are also the departments that contain the largest number of employees, who, as mentioned above, have the largest effect on service levels in our community.



DEPARTMENTS	ACTUAL	BUDGET	PROPOSED	INCREASE (DECREASE)	
	FY2024	FY2025	BUDGET	FY2026 OVER FY2025	
	\$	\$	FY2026	AMOUNT	PERCENT
			\$	\$	%
MAYOR AND COUNCIL	723,221	599,814	969,590	369,776	61.65%
LEGAL SERVICES	837,008	1,071,054	1,279,400	208,345	19.45%
MUNICIPAL COURT	832,157	1,046,292	1,279,583	233,291	22.30%
CITY CLERK	498,093	799,497	620,237	(179,260)	-22.42%
REVENUE	421,976	437,474	450,328	12,854	2.94%
FINANCE	947,239	980,643	1,040,826	60,183	6.14%
PUBLIC BUILDING	2,079,946	511,888	514,167	2,279	0.45%
COMMUNITY DEVELOPMENT	1,304,839	1,297,783	1,236,787	(60,996)	-4.70%
GARAGE	557,541	593,580	589,593	(3,987)	-0.67%
PURCHASING	160,723	181,197	193,747	12,550	6.93%
INFORMATION SYSTEMS	4,162,227	4,559,077	5,244,564	685,487	15.04%
MISCELLANEOUS	7,584,287	7,524,173	8,542,600	1,018,427	13.54%
SAFETY	185,178	179,153	184,897	5,744	3.21%
SUBTOTAL - GENERAL GOVERNMENT	20,294,435	19,781,626	22,146,319	2,364,693	11.95%
FIRE	13,150,162	15,732,794	16,218,174	485,380	3.09%
INSPECTION	949,022	1,014,592	1,004,082	(10,510)	-1.04%
POLICE	16,198,728	20,098,206	20,068,422	(29,784)	-0.15%
TRAFFIC SIGNS & MARKINGS	471,624	526,349	517,202	(9,147)	-1.74%
SUBTOTAL - PUBLIC SAFETY	30,769,536	37,371,941	37,807,880	435,940	1.17%
STREET	3,710,266	2,997,423	3,043,038	45,615	1.52%
ENGINEERING	3,096,184	665,792	690,609	24,817	3.73%
SOLID WASTE	6,447,601	5,714,222	5,399,397	(314,825)	-5.51%
SUBTOTAL - PUBLIC WORKS	13,254,051	9,377,437	9,133,044	(244,393)	-2.61%
ANIMAL SHELTER	760,039	857,617	922,793	65,176	7.60%
PARK AND RECREATION	7,955,271	8,166,410	8,877,725	711,315	8.71%
BEAUTIFICATION	1,487,713	1,623,491	1,783,160	159,669	9.83%
CEMETERY	323,052	308,344	343,120	34,776	11.28%
YOUTH SERVICES	1,038,179	1,194,745	1,122,266	(72,479)	-6.07%
CULTURE	153,940	139,854	195,854	56,000	40.04%
TRAIN DEPOT	34,567	56,597	49,597	(7,000)	-12.37%
OLD STATE BANK	104,106	3,300	2,200	(1,100)	-33.33%
POINT MALLARD	4,691,803	5,273,735	4,866,382	(407,353)	-7.72%
SUBTOTAL - PUBLIC SERVICES	16,548,670	17,624,093	18,163,096	539,003	3.06%
COMM SERVICE CONTRACTS	1,403,095	1,289,652	1,324,027	34,375	2.67%
ECONOMIC DEVELOPMENT	2,516,003	2,297,140	2,282,140	(15,000)	-0.65%
SUBTOTAL - COMM. SERVICE CONTRACTS	3,919,098	3,586,792	3,606,167	19,375	0.54%
PLANNING	192,381	440,368	491,448	51,080	11.60%
BUSINESS DEVELOPMENT		172,000	82,000	(90,000)	-52.33%
SUBTOTAL - COMMUNITY DEVELOPMENT	192,381	612,368	573,448	(38,920)	-6.36%
DEBT SERVICE	6,305,979	6,540,914	8,006,732	1,465,818	22.41%
OTHER FINANCING USES	2,587,767	1,270,553	1,760,223	489,670	38.54%
SUBTOTAL - DEBT AND FINANCING USES	8,893,746	7,811,467	9,766,955	1,955,488	25.03%
GRAND TOTAL - GENERAL FUND	93,871,916	96,165,724	101,196,910	5,031,186	5.23%

DEPARTMENTS	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$	INCREASE (DECREASE) FY2026 OVER FY2025	
				AMOUNT \$	PERCENT %
PERSONNEL	355,642	307,642	359,877	52,235	16.98%
OPERATING	367,579	292,172	609,713	317,541	108.68%
MAYOR AND COUNCIL	723,221	599,814	969,590	369,776	61.65%
PERSONNEL	695,025	759,560	812,195	52,634	6.93%
OPERATING	69,889	151,494	167,205	15,711	10.37%
CAPITAL	72,094	160,000	300,000	140,000	87.50%
LEGAL SERVICES	837,008	1,071,054	1,279,400	208,345	19.45%
PERSONNEL	821,860	1,031,232	1,263,373	232,141	22.51%
OPERATING	10,297	15,060	16,210	1,150	7.64%
MUNICIPAL COURT	832,157	1,046,292	1,279,583	233,291	22.30%
PERSONNEL	452,726	487,752	513,548	25,796	5.29%
OPERATING	45,367	311,745	106,689	(205,056)	-65.78%
CITY CLERK	498,093	799,497	620,237	(179,260)	-22.42%
PERSONNEL	334,117	364,559	377,173	12,614	3.46%
OPERATING	87,859	72,915	73,155	240	0.33%
REVENUE	421,976	437,474	450,328	12,854	2.94%
PERSONNEL	922,493	962,433	1,023,211	60,778	6.32%
OPERATING	24,746	18,210	17,615	(595)	-3.27%
FINANCE	947,239	980,643	1,040,826	60,183	6.14%
PERSONNEL	285,996	272,583	288,162	15,579	5.72%
OPERATING	268,512	239,305	226,005	(13,300)	-5.56%
CAPITAL	1,525,439	-	-	-	-
PUBLIC BUILDING	2,079,946	511,888	514,167	2,279	0.45%
PERSONNEL	1,063,605	1,159,776	1,100,060	(59,716)	-5.15%
OPERATING	131,036	138,007	136,727	(1,280)	-0.93%
CAPITAL	110,198	-	-	-	0.00%
COMMUNITY DEVELOPMENT	1,304,839	1,297,783	1,236,787	(60,996)	-4.70%
PERSONNEL	408,276	406,552	458,953	52,401	12.89%
OPERATING	112,047	187,028	130,640	(56,388)	-30.15%
CAPITAL	37,218	-	-	-	-
GARAGE	557,541	593,580	589,593	(3,987)	-0.67%
PERSONNEL	154,318	170,647	181,447	10,800	6.33%
OPERATING	6,405	10,550	12,300	1,750	16.59%
PURCHASING	160,723	181,197	193,747	12,550	6.93%
PERSONNEL	1,323,702	1,330,618	1,416,030	85,412	6.42%
OPERATING	2,469,418	3,228,459	3,761,534	533,075	16.51%
CAPITAL	369,108	-	67,000	67,000	0.00%
INFORMATION SYSTEMS	4,162,227	4,559,077	5,244,564	685,487	15.04%

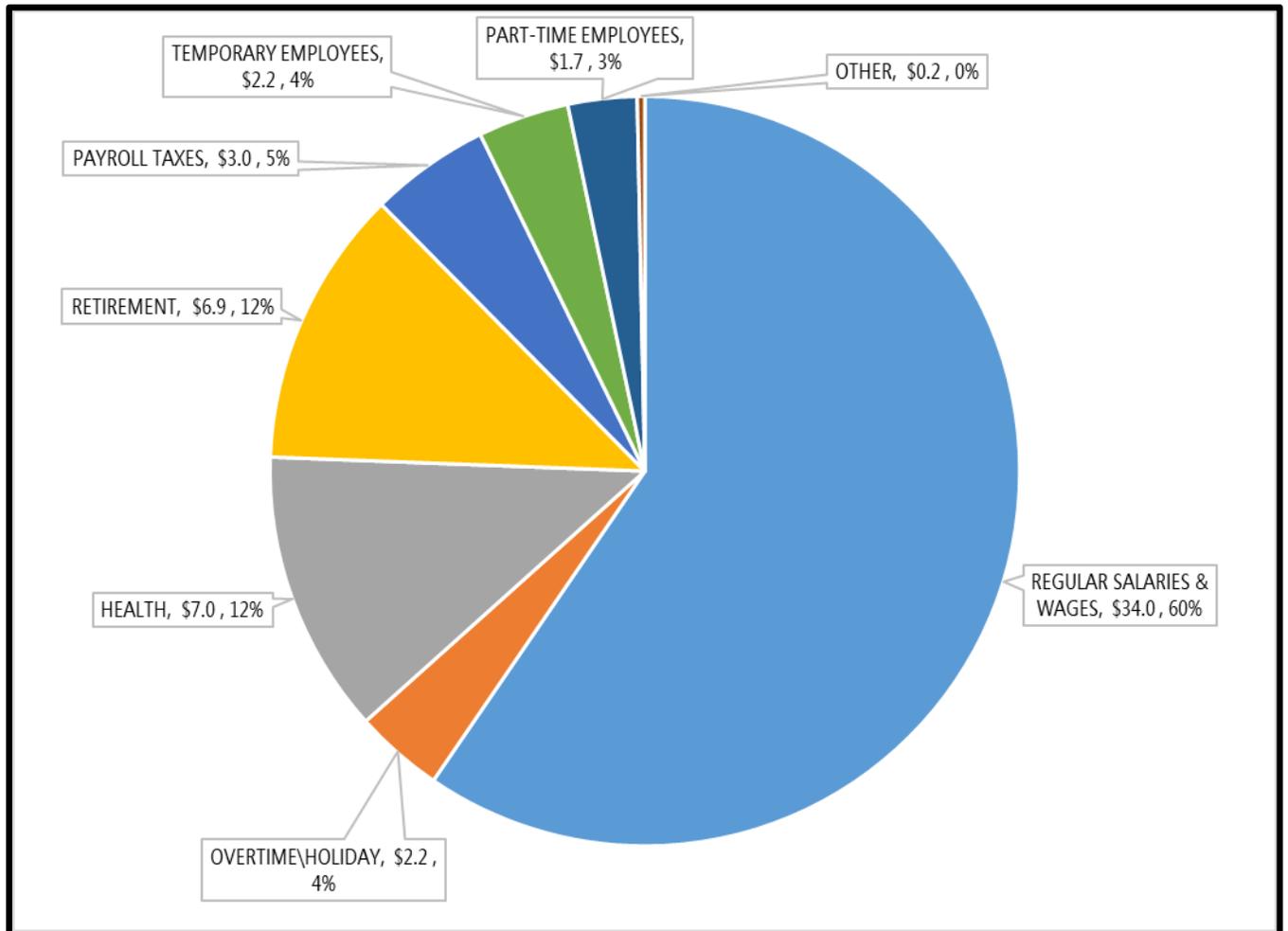
DEPARTMENTS	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$	INCREASE (DECREASE) FY2026 OVER FY2025	
				AMOUNT \$	PERCENT %
PERSONNEL				-	#DIV/0!
OPERATING	7,584,287	7,024,173	8,042,600	1,018,427	14.50%
CAPITAL	-	500,000	500,000	-	0.00%
MISCELLANEOUS	7,584,287	7,524,173	8,542,600	1,018,427	13.54%
PERSONNEL	108,258	112,594	117,158	4,564	4.05%
OPERATING	45,836	66,559	67,739	1,180	1.77%
CAPITAL	31,084				
SAFETY	185,178	179,153	184,897	5,744	3.21%
PERSONNEL	11,812,422	14,188,602	14,463,382	274,780	1.94%
OPERATING	1,026,645	1,394,592	1,754,792	360,200	25.83%
CAPITAL	311,095	149,600		(149,600)	-100.00%
FIRE	13,150,162	15,732,794	16,218,174	485,380	3.09%
PERSONNEL	850,492	958,172	953,262	(4,910)	-0.51%
OPERATING	23,144	56,420	50,820	(5,600)	-9.93%
CAPITAL	75,387				
INSPECTION	949,022	1,014,592	1,004,082	(10,510)	-1.04%
PERSONNEL	13,152,670	16,610,759	16,192,027	(418,732)	-2.52%
OPERATING	2,446,374	2,827,447	3,276,396	448,949	15.88%
CAPITAL	599,684	660,000	600,000	(60,000)	-9.09%
POLICE	16,198,728	20,098,206	20,068,422	(29,784)	-0.15%
PERSONNEL	306,005	334,842	370,695	35,853	10.71%
OPERATING	148,471	191,507	146,507	(45,000)	-23.50%
CAPITAL	17,148				
TRAFFIC SIGNS & MARKINGS	471,624	526,349	517,202	(9,147)	-1.74%
PERSONNEL	1,765,577	2,105,306	2,152,260	46,954	2.23%
OPERATING	1,654,178	658,617	744,778	86,161	13.08%
CAPITAL	290,511	233,500	146,000	(87,500)	-37.47%
STREET	3,710,266	2,997,423	3,043,038	45,615	1.52%
PERSONNEL	502,450	532,892	562,209	29,317	5.50%
OPERATING	53,825	132,900	128,400	(4,500)	-3.39%
CAPITAL	2,539,909	-		-	0.00%
ENGINEERING	3,096,184	665,792	690,609	24,817	3.73%
PERSONNEL	2,181,937	2,371,315	2,555,877	184,562	7.78%
OPERATING	2,058,171	2,034,195	2,007,611	(26,584)	-1.31%
CAPITAL	2,207,493	1,308,712	835,909	(472,803)	-36.13%
SOLID WASTE	6,447,601	5,714,222	5,399,397	(314,825)	-5.51%
PERSONNEL	586,372	697,182	729,116	31,934	4.58%
OPERATING	141,994	160,435	193,677	33,242	20.72%
CAPITAL	31,673	-	-	-	0.00%
ANIMAL SHELTER	760,039	857,617	922,793	65,176	7.60%

DEPARTMENTS	ACTUAL	BUDGET	PROPOSED	INCREASE (DECREASE)	
	FY2024	FY2025	BUDGET	FY2026 OVER FY2025	
	\$	\$	FY2026	AMOUNT	PERCENT
			\$	\$	%
PERSONNEL	5,299,058	5,749,892	6,398,401	648,509	11.28%
OPERATING	2,121,648	2,416,518	2,479,324	62,806	2.60%
CAPITAL	534,566	-	-	-	0.00%
PARK AND RECREATION	7,955,271	8,166,410	8,877,725	711,315	8.71%
PERSONNEL	327,622	358,849	356,746	(2,103)	-0.59%
OPERATING	1,133,059	1,264,642	1,426,414	161,772	12.79%
CAPITAL	27,032	-	-	-	0.00%
BEAUTIFICATION	1,487,713	1,623,491	1,783,160	159,669	9.83%
PERSONNEL	131,938	139,495	149,485	9,990	7.16%
OPERATING	151,961	168,849	193,635	24,786	14.68%
CAPITAL	39,153	-	-	-	0.00%
CEMETERY	323,052	308,344	343,120	34,776	11.28%
PERSONNEL	845,447	1,072,452	1,009,735	(62,717)	-5.85%
OPERATING	85,261	122,293	112,531	(9,762)	-7.98%
CAPITAL	107,470	-	-	-	0.00%
YOUTH SERVICES	1,038,179	1,194,745	1,122,266	(72,479.11)	-6.07%
OPERATING	153,940	139,854	195,854	56,000	40.04%
CAPITAL	0	-	-	-	0.00%
CULTURE	153,940	139,854	195,854	56,000	40.04%
OPERATING	34,567	56,597	49,597	(7,000)	-12.37%
TRAIN DEPOT	34,567	56,597	49,597	(7,000)	-12.37%
PERSONNEL	81,649	-	-	-	0.00%
OPERATING	14,084	3,300	2,200	(1,100)	-33.33%
CAPITAL	8,374	-	-	-	0.00%
OLD STATE BANK	104,106	3,300	2,200	(1,100)	-33.33%
PERSONNEL	2,832,666	3,127,815	2,677,462	(450,353)	-14.40%
OPERATING	1,609,474	1,876,920	2,188,920	312,000	16.62%
CAPITAL	249,663	269,000	-	(269,000)	0.00%
POINT MALLARD	4,691,803	5,273,735	4,866,382	(407,353)	-7.72%
PERSONNEL	169,400	399,709	421,466	21,757	5.44%
OPERATING	22,981	40,659	69,982	29,323	72.12%
PLANNING	192,381	440,368	491,448	51,080	11.60%

Salaries and Benefits Costs

The City of Decatur will budget about \$57.17 million in FY2026 on employee salaries and benefits. Of this amount, approximately 71% (\$40.1M) will be spent on employee salaries, and 29% (\$17.0M) will be spent on other benefits. The cost of an average full-time employee in FY2026 is \$94,194. This includes an average benefit cost of \$29,836 or 32% (fringe benefit rate). A breakdown of FY2026 personnel costs budgeted is illustrated as follows:

CITY OF DECATUR ANNUAL PAYROLL COSTS (\$ in Millions)



Economic and Community Appropriations

Decatur partners with numerous agencies to further culture, community, education, recreation, public safety and local economic efforts of a growing region. The city contracts with each entity in an understanding of the specific services the entity will provide. These entities, partnerships and contracts take many forms to deliver the greatest impact to their targeted population. Below is a listing of all appropriations to outside city and non-profit agencies for the proposed FY2026 budget.

AGENCY NAME	FY24 Actuals	FY25 Revised Budget	FY26 Original Budget Proposal
Decatur Public Library	\$ 397,680	\$ 397,680	\$ 412,680
Morgan Co EMCD-911	\$ 477,488	\$ 477,487	\$ 501,362
Decatur/Morgan Emergency Mgmt Agency	\$ 35,000	\$ 31,500	\$ 31,500
Decatur Morgan Hospital Foundation-Safe Haven Baby Box	\$ 3,500	\$ -	\$ -
Mental Health Center	\$ 30,000	\$ 27,000	\$ 27,000
Morgan Co Health Dept	\$ 120,000	\$ 108,000	\$ 108,000
Com Act Partnership-Meals on Wheels	\$ 14,227	\$ 12,805	\$ 12,805
Com Act Partnership-Foster Grandparents	\$ 7,200	\$ 6,480	\$ 6,480
Princess Theatre	\$ 80,000	\$ 72,000	\$ 72,000
Dec Morgan Seniors Council	\$ 51,000	\$ 45,900	\$ 45,900
Morgan Co Rescue Squad	\$ 15,000	\$ 13,500	\$ 13,500
Community Foundation of Greater Decatur - Youth Entrepreneurial CEO Program	\$ 75,000	\$ -	\$ -
Delano Park Conservancy	\$ -	\$ 25,000	\$ -
Volunteer Center	\$ 5,000	\$ 4,500	\$ -
Carnegie Visual Arts Ctr	\$ 17,000	\$ 15,300	\$ 15,300
Community Free Clinic	\$ 75,000	\$ 67,500	\$ 67,500
Young Professionals of Decatur	\$ -	\$ 10,000	\$ 10,000
Clearview Cancer Institute (CCI Economic Development)	\$ -	\$ 250,000	\$ -
Decatur-Morgan Co Chamber - The Partnership, 5-Year Plan	\$ 50,000	\$ 45,000	\$ 45,000
Morgan Co Economic Develop Assoc	\$ 61,000	\$ 54,900	\$ 54,900
CEOTA (Relocate Horton House)	\$ -	\$ -	\$ -
NARCOG-Transport Planning	\$ 300,000	\$ 270,000	\$ 270,000
Decatur-Morgan Convention & Visitors-Tourism (64.3% of 7% tax)	\$ 1,335,903	\$ 1,189,550	\$ 1,189,550
Pryor Field	\$ 30,000	\$ 27,000	\$ 27,000
Decatur-Morgan Co Chamber - Business Development	\$ 50,000	\$ 45,000	\$ 45,000
Downtown Decatur Merchants & Business Assoc (DDMBA) -3rd Friday	\$ 5,000	\$ 5,000	\$ -
Downtown Redevelop Authority	\$ 84,100	\$ 75,690	\$ 75,690
Entrepreneurial Center	\$ 100,000	\$ 90,000	\$ 75,000
Best and Brightest	\$ -	\$ -	\$ -
Total General Fund	\$ 3,419,098	\$ 3,366,792	\$ 3,106,167

AGENCY NAME	FY24 Actuals	FY25 Revised Budget	FY26 Original Budget Proposal
Decatur Public Library	\$ 99,420	\$ 99,420	\$ 99,420
Morgan Co Child Advocacy Ctr	\$ 25,000	\$ 25,000	\$ 25,000
Decatur Youth Symphony	\$ 20,000	\$ 20,000	\$ 20,000
Boys & Girls Club	\$ 100,000	\$ 100,000	\$ 100,000
Total School Fund	\$ 244,420	\$ 244,420	\$ 244,420

AGENCY NAME	FY24 Actuals	FY25 Revised Budget	FY26 Original Budget Proposal
Best and Brightest	\$ 500,000	\$ 500,000	\$ 500,000
Total Water for Resale Fund	\$ 500,000	\$ 500,000	\$ 500,000

AGENCY NAME	FY24 Actuals	FY25 Revised Budget	FY26 Original Budget Proposal
CEOTA (Relocate Horton House)	\$ -	\$ -	\$ -
Decatur Morgan Hospital	\$ 19,000	\$ -	\$ -
Total Room Occupancy Fund	\$ 19,000	\$ -	\$ -

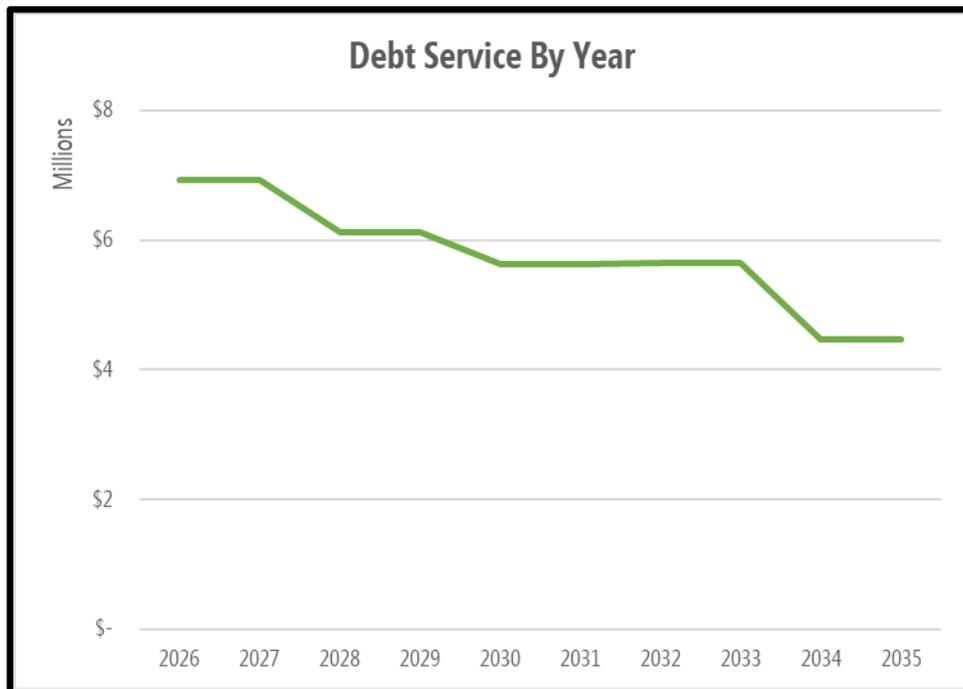
AGENCY NAME	FY24 Actuals	FY25 Revised Budget	FY26 Original Budget Proposal
Partnership for a Drug Free Community	\$ -	\$ 174,600	\$ 195,600
Total Opioid Settlement Fund	\$ -	\$ 174,600	\$ 195,600

Grand Totals	\$ 4,182,518	\$ 4,285,812	\$ 4,046,187
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Debt Service and Debt Outstanding

The city issues debt to finance the construction of long-term capital projects. Most debt issued by the city of Decatur is categorized as "general obligation" debt, or debt that is backed by the full faith and credit of the city. A summary of all the outstanding debt and future year over year debt service of the city is as follows:

Issuance Series	Original Issue Amount	Outstanding as of October 1st, 2025
2016-A	21,630,000	9,840,000
2016-B	5,140,000	3,340,000
2021-A	17,660,000	10,485,000
2021-B	16,150,000	16,150,000
2021-C	2,035,000	2,035,000
2023	32,745,000	32,745,000
Total	95,360,000	74,595,000



OTHER GOVERNMENTAL FUNDS

FY26 ADOPTED ANNUAL BUDGET



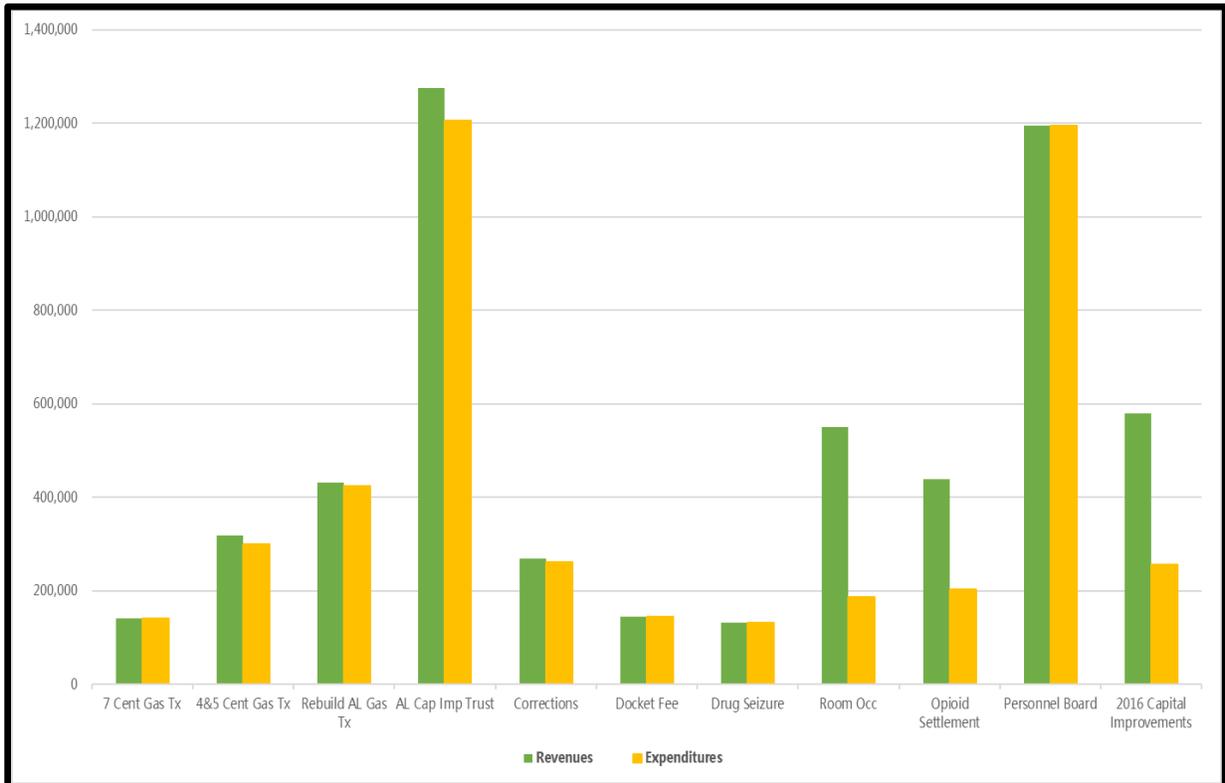
City of Decatur, Alabama

Other Governmental Funds

Fiscal Year 2026 Proposed Budget

Other Governmental Funds	7 Cent Gas Tax	4&5 Cent Gas Tax	Rebuild AL Gas Tax	AL Cap Imp Trust	Corrections
Revenues	142,100	317,700	431,000	1,275,949	270,000
Expenditures	142,100	300,000	425,000	1,206,267	261,801
Revenues over (under) Expenditures	-	17,700	6,000	69,682	8,199

Other Governmental Funds	Docket Fee	Drug Seizure	Room Occ	Opioid Settlement	Personnel Board	Cap. Improv.
Revenues	144,300	132,365	550,000	438,619	1,195,337	580,000
Expenditures	144,300	132,365	187,428	202,700	1,195,337	257,000
Revenues over (under) Expenditures	-	-	362,572	235,919	-	323,000



Title and Description of Other Governmental Fund	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$
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7 Cent Gas Tax Fund

Accounts for Decatur's share of the State of Alabama seven cent gas tax revenues and expenditures; restricted for use of highway maintenance and improvement of public streets.

Revenue	142,265	138,900	142,100
Expense	129,673	135,201	142,100
Excess (deficit) of Revenue over Expenditures	12,592	3,699	-

4 & 5 Cent Gas Tax Fund

Accounts for Decatur's share of the State of Alabama four and five cent gas tax revenues and expenditures; restricted for the resurfacing, restoration, and rehabilitation of roads, bridges, and streets.

Revenue	317,269	307,825	317,700
Expense	267,866	293,749	300,000
Excess (deficit) of Revenue over Expenditures	49,403	14,076	17,700

2019 Rebuild AL Gas Tax Fund

Accounts for Decatur's share of the Rebuild Alabama gas tax; this additional gas tax funding is designated for the repairs and resurfacing of public streets and bridges.

Revenue	455,844	416,415	431,000
Expense	454,964	416,415	425,000
Excess (deficit) of Revenue over Expenditures	880	-	6,000

Alabama Capital Improvement Trust Fund

Accounts for Decatur's share of the interest earned from the State of Alabama Trust Fund; designated for capital improvements, payment of bond principal /interest, and restoration of capital improvements such as building and streets.

Revenue	547,029	1,385,000	1,275,949
Expense	598,762	1,359,000	1,206,267
Excess (deficit) of Revenue over Expenditures	(51,733)	26,000	69,682

Corrections Fund

Accounts for a portion of all traffic and misdemeanor offenses designated to be used for construction, operation or maintenance of municipal jail, juvenile center, court complex or other correctional facilities.

Revenue	341,891	285,000	270,000
Expense	408,177	230,887	261,801
Excess (deficit) of Revenue over Expenditures	(66,286)	54,113	8,199

Title and Description of Other Governmental Fund	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$
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Docket Fees Fund

Accounts for all special court fees collected designated for use by municipal court for training, equipment and enhancements for the court system.

Revenue	107,663	356,770	144,300
Expense	275,237	356,770	144,300
Excess (deficit) of Revenue over Expenditures	(167,574)	-	-

Drug Seizure Fund

Accounts for funds generated from the sale of transferred property from illegal drug operations designated for use in police and drug seizure operations.

Revenue	74,245	153,500	132,365
Expense	12,743	153,500	132,365
Excess (deficit) of Revenue over Expenditures	61,502	-	-

Room Occupancy Fund

Accounts for the \$3 per rented room (\$1.50 in Police Jurisdiction) tax levy; restricted for the promotion of City tourism.

Revenue	540,942	534,000	550,000
Expense	193,745	148,316	187,428
Excess (deficit) of Revenue over Expenditures	347,197	385,684	362,572

Opioid Settlement Fund

Accounts for Decatur's share of the State of Alabama settlements with manufacturers, distributors and retailers stemming from opioid related agreements restricted for opioid abatement and remediation along with administrative costs.

Revenue	244,990	140,000	438,619
Expense	-	53,200	202,700
Excess (deficit) of Revenue over Expenditures	244,990	86,800	235,919

Personnel Board Fund

Accounts for activity of the specially appointed personnel board which fills the role of human resources and payroll preparation.

Revenue (Transfer In from GF)	966,799	1,112,953	1,195,337
Expense	999,082	1,112,953	1,195,337
Excess (deficit) of Revenue over Expenditures	(32,283)	-	-

Title and Description of Other Governmental Fund	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$
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Capital Improvements Fund

Accounts for the revenues and expenditures related to the Joe Wheeler PILOT revenue and construction of roads.

Revenue	366,839	350,000	580,000
Expense	373,449	308,438	257,000
Excess (deficit) of Revenue over Expenditures	(6,610)	41,562	323,000

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City of Decatur Board of Education

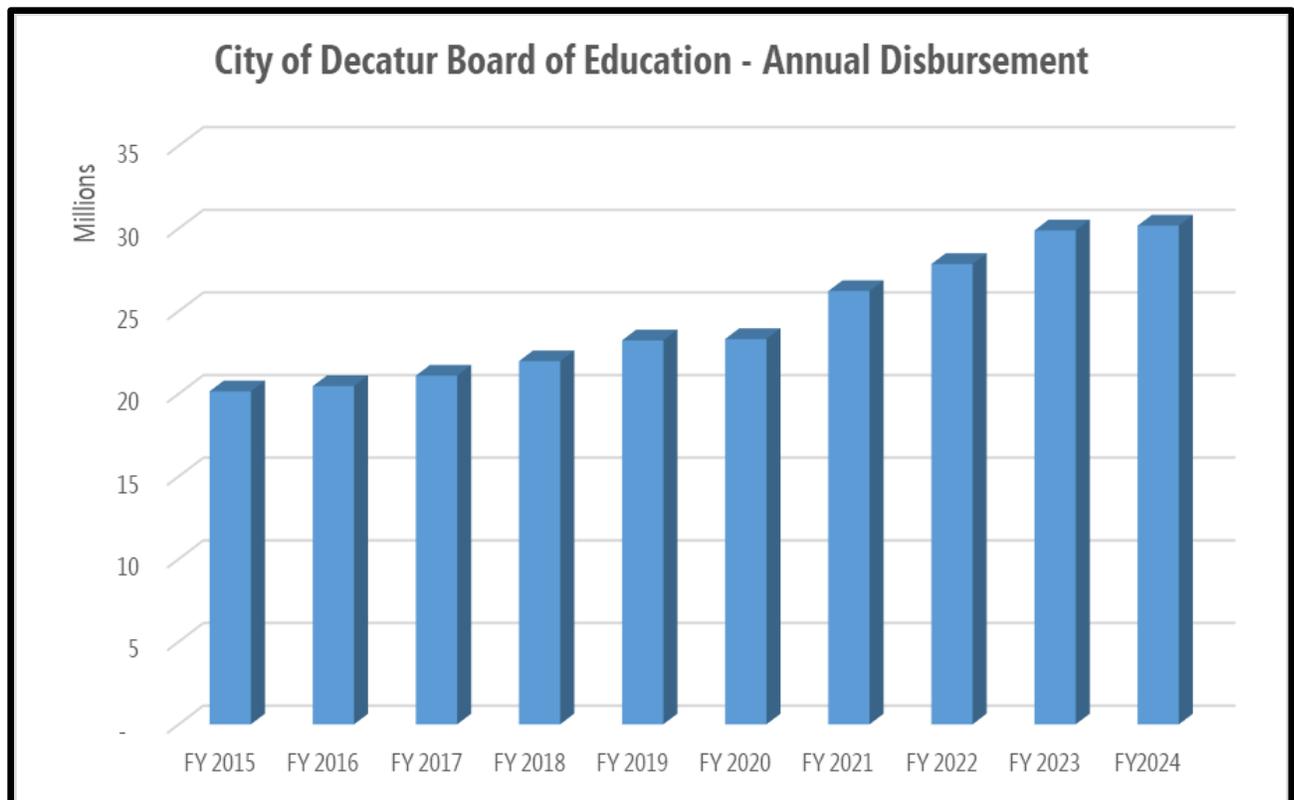
The Board of Education is responsible for elementary and secondary education within the government's jurisdiction. The citizens of the City of Decatur elect members of the Board of Education and this board serves as the approving body for all school related budgets. The Board of Education is fiscally dependent upon the City of Decatur government due to the tax levies received. These tax levies include sales and use, property, tobacco and payments in lieu of tax. The Board of Education is presented as a governmental fund type, specifically as a discretely presented component unit. Only the portion of school revenue that is passed through the city is presented in this budget for council consideration and does not represent the total revenues and expenditures of the City of Decatur Board of Education.

Title and Description of Other Governmental Fund	ACTUAL FY2024 \$	BUDGET FY2025 \$	PROPOSED BUDGET FY2026 \$
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Board of Education Fund - Decatur City Schools

Accounts for the appropriation of sales and use tax, property tax, tobacco tax and payments in lieu of tax allocated to pass through to the Decatur City Schools.

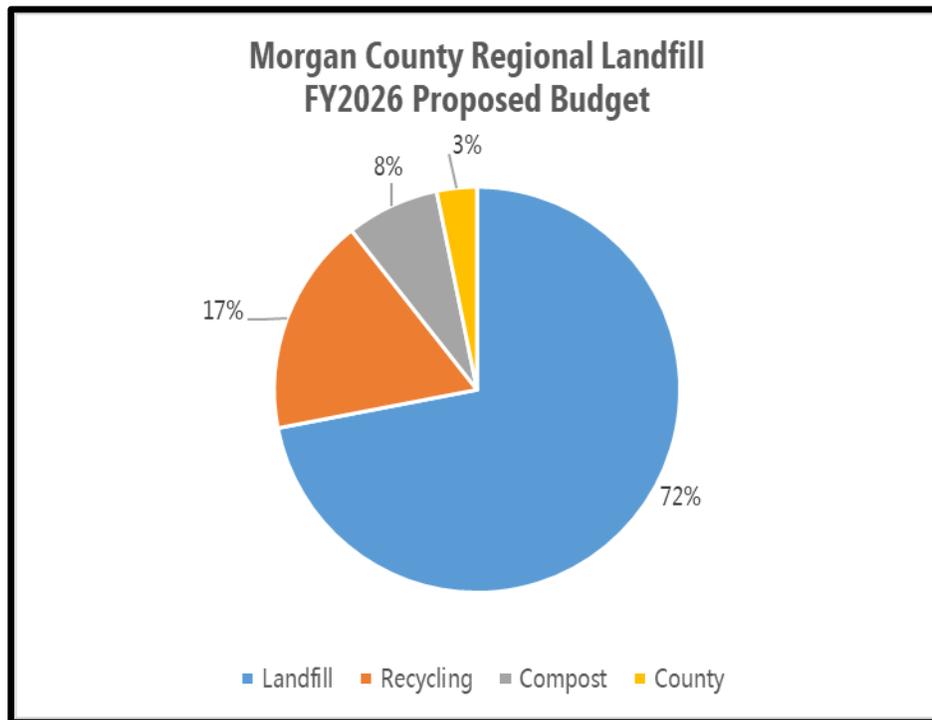
Revenue	30,171,968	30,325,701	31,175,704
Expense	30,171,968	30,325,701	31,175,704
Excess (deficit) of Revenue over Expenditures	-	-	-



Enterprise Fund – Landfill

Revenues

The city administers, maintains and operates the Morgan County Regional Landfill, classified as the city's only proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the Decatur's audited financial statements. The City of Decatur and Morgan County form a 50/50 owner partnership and the City of Decatur acts as administrator of the landfill's operations and stewards of the landfill's resources. The Morgan County Regional Landfill departments include landfill, recycling, compost & county administered operations. The landfill department is the largest comprising 72% of proposed budget for FY2026. Landfill revenues are shared to offset the 4 department's operational costs.



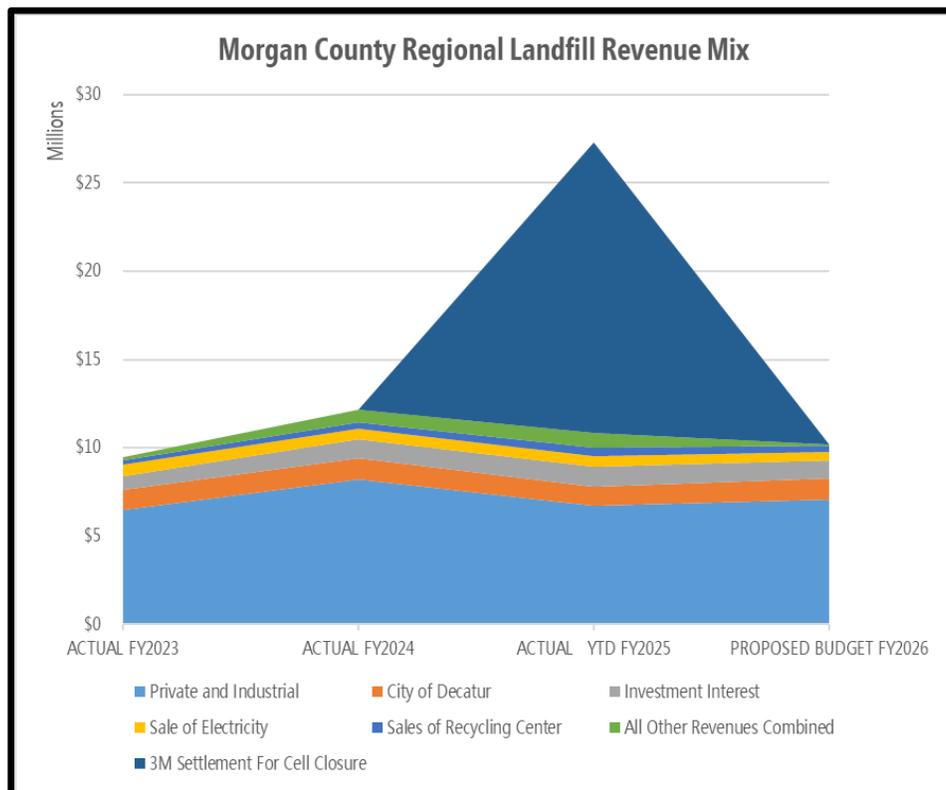
The Landfill's top revenue sources in the proposed FY2026 budget are the following:

- Private and Industrial Accounts
- Investment Interest
- Sales of Recycling
- City of Decatur
- Sales of Electricity

Using data from recent years, private and industrial dumping on average accounts for approximately 68% of Decatur Morgan Landfill's revenues. This revenue increased in FY2023 due to an increase various dumping fees. The City of Decatur dumping makes up on average 12% of the landfill's total revenues. This includes regular trash dumping and debris. Investment interest is the 3rd largest source of revenue for the landfill. Because of the landfill's fiscal cash balance, the amount of interest earned is substantial.

The 4th largest revenue of the landfill is sale of electricity. The landfill's methane is used to produce electricity by a third party and sold to Joe Wheeler. Although it is a top 5 revenue, this revenue is dependent on non-drought conditions to be robust. Sales of the recycling center has become the 5th largest revenue source of the landfill. With an increased global awareness to repurpose materials and investment in technologies funded by grant proceeds, the landfill has seen consistent revenues over the past several years with the exception of FY2020 due to the pandemic. The largest FY25 revenue for the Landfill will be 3M Settlement funds. To date, the Landfill has received \$16.46 million. However, this revenue is 100% offset by the expenditures recorded for the closure of cells 2-11 per the settlement agreement (see increased Landfill operating expense YTD). Remaining revenues and expenditures for the project will be rolled over to FY26 via separate resolution.

Description	ACTUAL FY2023	ACTUAL FY2024	ACTUAL YTD FY2025	PROPOSED BUDGET FY2026
Private and Industrial	6,480,181	8,217,336	6,731,837	7,075,000
City of Decatur	1,150,098	1,165,130	1,083,194	1,200,000
Investment Interest	742,238	1,130,751	1,087,228	1,000,000
Sale of Electricity	695,095	573,182	647,585	475,000
Sales of Recycling Center	225,583	372,021	445,168	350,000
3M Settlement For Cell Closure	-	-	16,460,050	-
All Other Revenues Combined	158,190	705,832	852,594	95,750
TOTAL	9,451,385	12,164,251	27,307,657	10,195,750



Expenditures

The FY2026 budget proposal is comprised of 2 component, Morgan County's estimates of the budget needed for the county administered department and the city's projection for all other departments based upon historical data and information from the landfill director.

Description	ACTUAL FY2023	ACTUAL FY2024	REVISED BUDGET FY2025	ACTUAL YTD FY2025	PROPOSED BUDGET FY2026
Landfill Personnel	939,327	1,008,783	1,003,860	820,289	1,040,626
Landfill Operating	2,475,599	2,475,253	30,370,402	14,719,840	3,652,115
Landfill Depreciation	2,597,638	4,606,088	950,000	-	950,000
TOTAL	6,012,564	8,090,124	32,324,262	15,540,129	5,642,741
Recycling Personnel	520,740	556,268	770,951	595,908	774,146
Recycling Operating	247,869	310,111	574,281	352,512	365,281
Recycling Depreciation	172,601	165,095	225,000	30,340	225,000
TOTAL	941,209	1,031,474	1,570,232	978,760	1,364,427
Compost Personnel	167,898	212,972	198,654	166,320	293,380
Compost Operating	122,583	173,077	280,100	233,897	264,100
Compost Depreciation	123,839	177,348	77,926	-	77,926
TOTAL	414,320	563,397	556,680	400,217	635,406
County Personnel	180,588	162,278	209,021	141,763	205,899
County Operating	29,270	27,253	43,217	22,105	33,217
County Depreciation	14,080	17,602	12,000	-	12,000
TOTAL	223,938	207,133	264,238	163,868	251,116

For this enterprise fund, capital expenditures are not a required part of the adopted budget as they are not recorded as expenditures; only the depreciation expense of the assets where applicable. However, capital expenditures are presented to council to keep the council, county and citizenry advised of landfill improvements in real and personal property. Assets can vary from opening/closing of cells for dumping to equipment and vehicles. The capitalization threshold currently is \$7500. Current proposed FY2026 capital requests include:

- Cell 17 Construction (\$3.6M)
- Articulated Dump Truck (\$480k)
- Refuse Trucks (2) (\$375k per)
- Rubber Tire Loader (\$390k)