



2027 / ADOPTED ANNUAL BUDGET REPORT

FOR THE YEAR BEGINNING OCTOBER 1ST, 2026

MAYOR: KENT LAWRENCE

**CITY
COUNCIL:**

KYLE PIKE
TERRANCE ADKINS
BARRY BULLARD

CARLTON MCMASTERS
PAM WERSTLER

City of Decatur, Alabama

For the Fiscal Year Beginning October 1st, 2026

City Administration and Departments

Stephanie Simon, City Clerk

Kyle Demeester, Finance

Lillie Farmer, Human Resources

Wanda Tyler, Landfill

Takisha Gholston, Municipal Court

Torry Mack, Police

Chad Bowman, Planning

Dane Shaw, Economic Development

Nathan Springer, Fire

Ashley Warren, Information Systems

Herman Marks, Legal

Hunter Allen, Parks and Recreation

Daniel Boutwell, Street & Sanitation 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

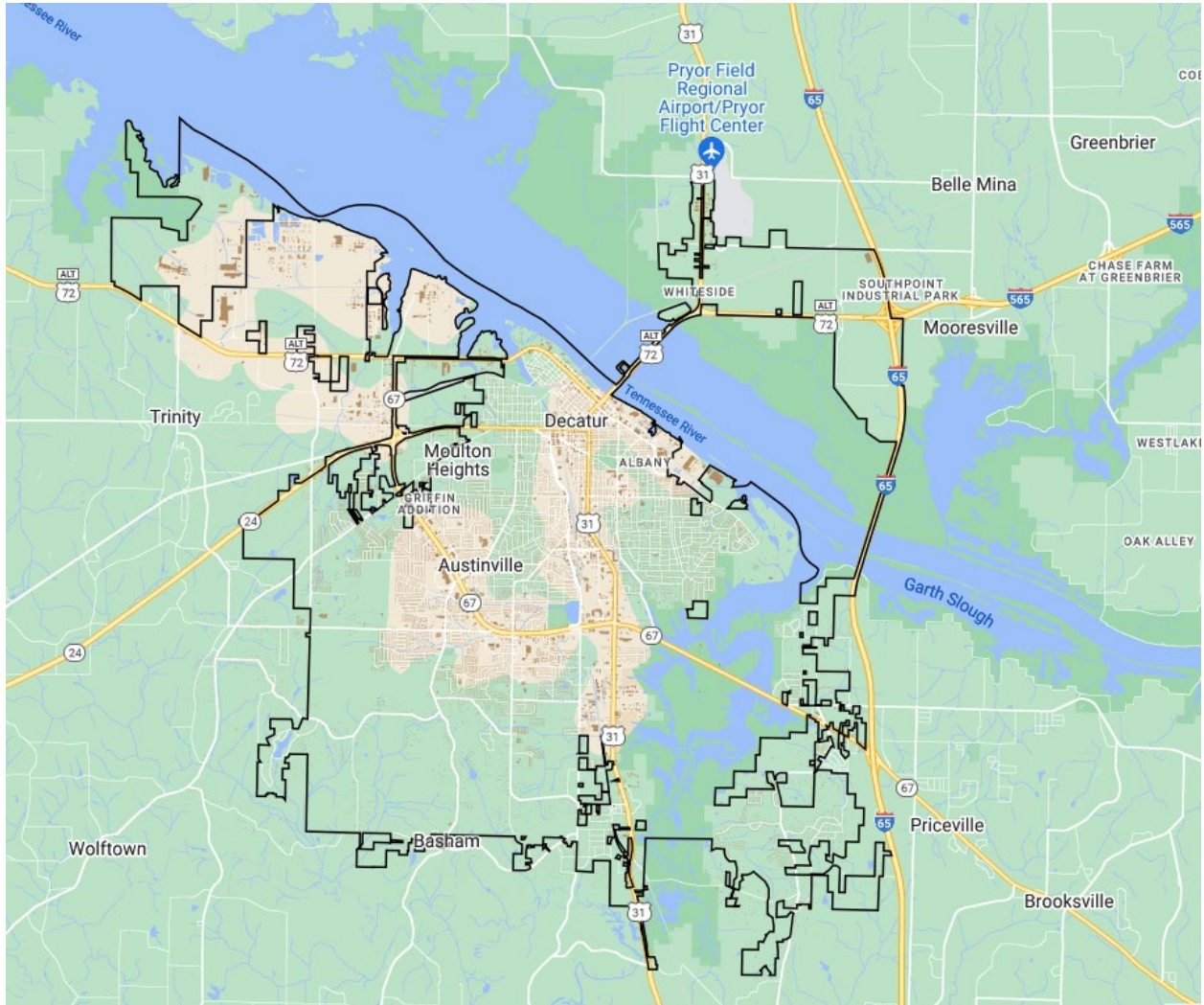
Tinola Teague, Senior Financial Accountant

Debbie South, Senior Financial Accountant

Jeff Shelton, Senior Financial Accountant

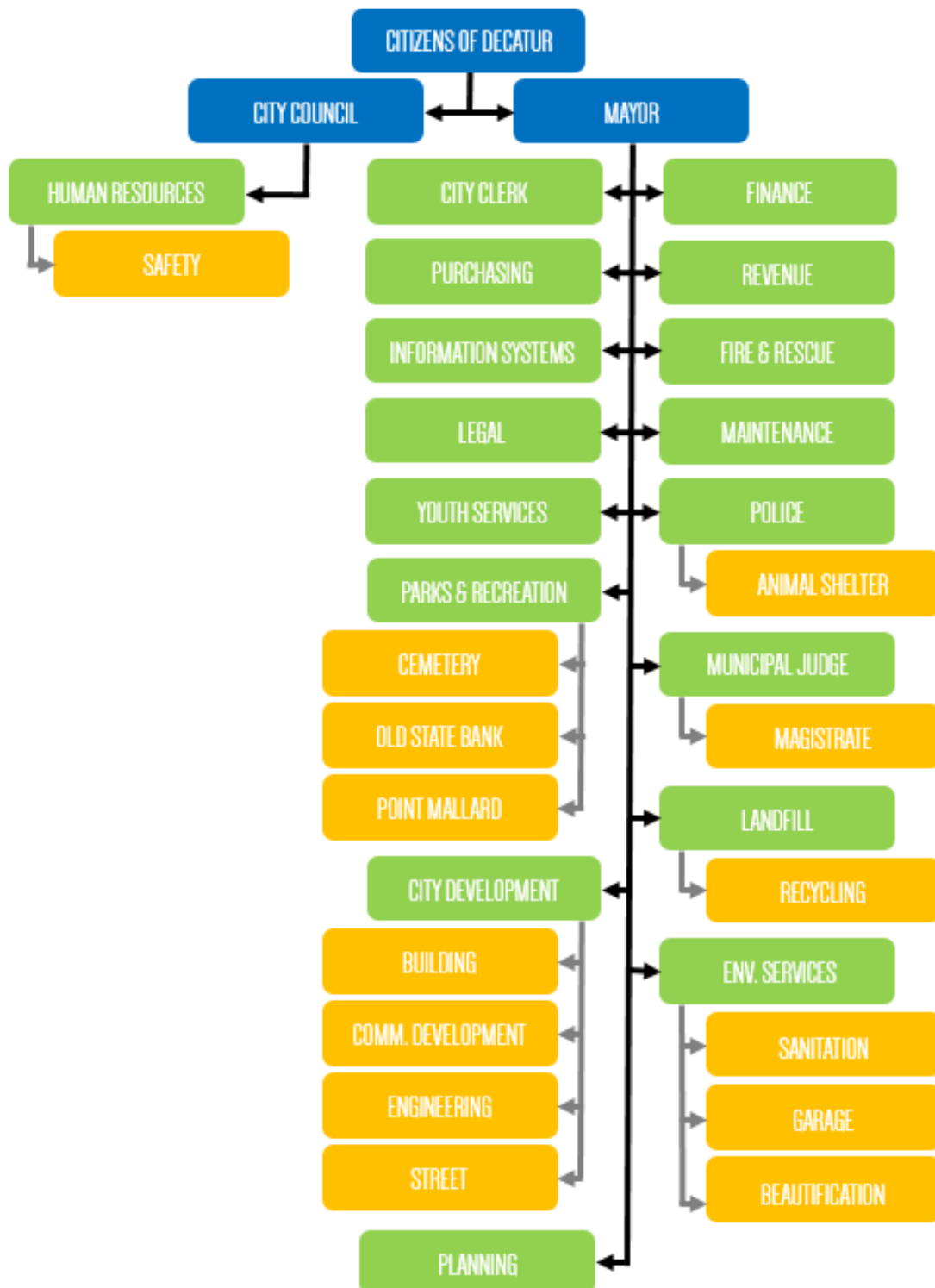
City of Decatur, Alabama

City Limits



City of Decatur, Alabama

Organizational Chart



REVENUES

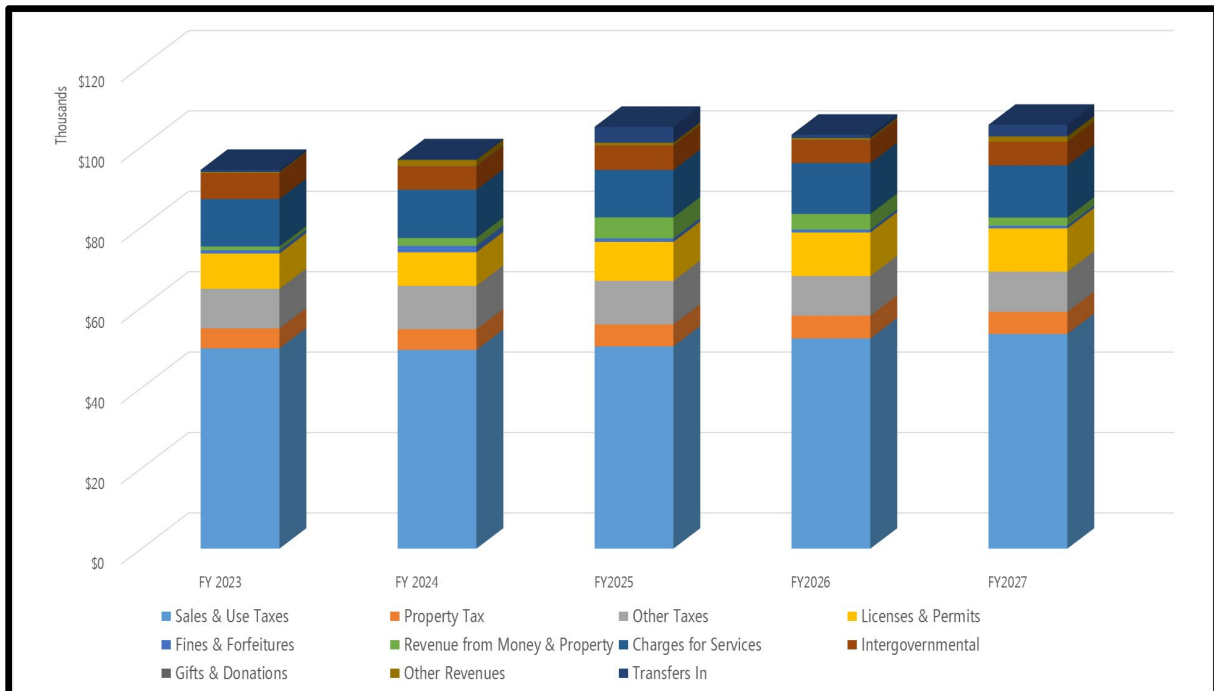
FY27 ADOPTED ANNUAL BUDGET



City of Decatur, Alabama

Trends in Top Revenues

City of Decatur					
General Fund Revenues					
	Actuals			Projected	Proposed
	FY 2023	FY 2024	FY2025	FY2026	FY2027
Sales & Use Taxes	\$ 49,824	\$ 49,444	\$ 50,335	\$ 52,302	\$ 53,413
Property Tax	\$ 4,988	\$ 5,157	\$ 5,447	\$ 5,669	\$ 5,500
Other Taxes	\$ 9,826	\$ 10,781	\$ 10,854	\$ 9,852	\$ 9,993
Licenses & Permits	\$ 8,793	\$ 8,353	\$ 9,683	\$ 10,842	\$ 10,780
Fines & Forfeitures	\$ 823	\$ 1,619	\$ 867	\$ 706	\$ 658
Revenue from Money & Property	\$ 909	\$ 1,943	\$ 5,229	\$ 3,905	\$ 2,034
Charges for Services	\$ 11,827	\$ 12,001	\$ 11,805	\$ 12,668	\$ 12,960
Intergovernmental	\$ 6,429	\$ 5,829	\$ 6,058	\$ 5,716	\$ 5,899
Gifts & Donations	\$ 60	\$ 87	\$ 57	\$ 78	\$ -
Other Revenues	\$ 240	\$ 1,492	\$ 661	\$ 416	\$ 1,325
Transfers In	\$ 535	\$ 180	\$ 3,953	\$ 850	\$ 2,910
Totals In Thousands	\$ 94,255	\$ 96,887	\$ 104,950	\$ 103,002	\$ 105,471



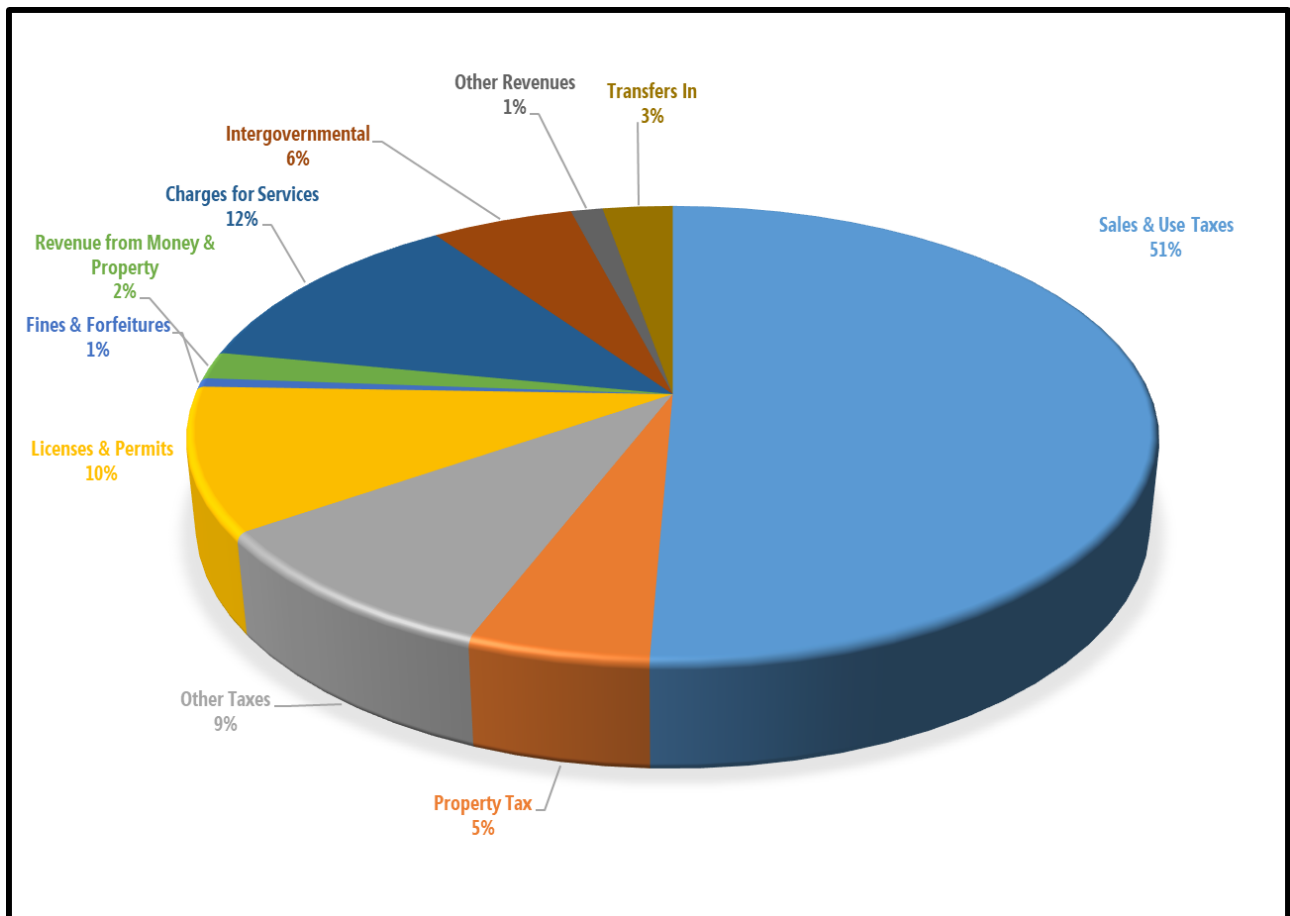
City of Decatur, Alabama

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 FY2027 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)



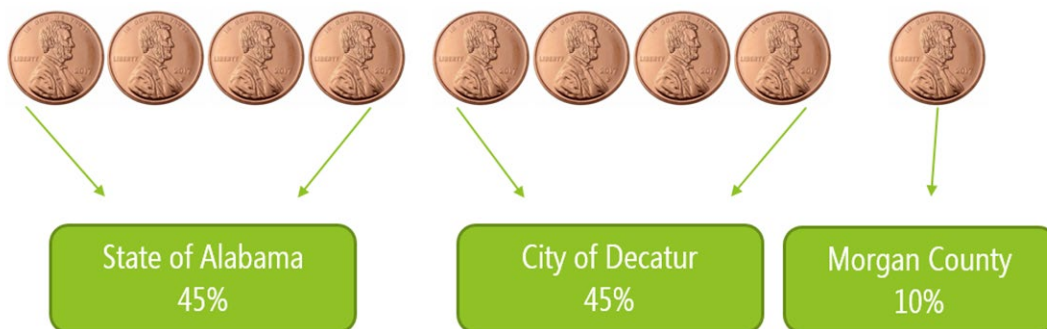
*Pie graph revenues categorized by function code per Annual Comprehensive Financial Report

Sales and Use Tax

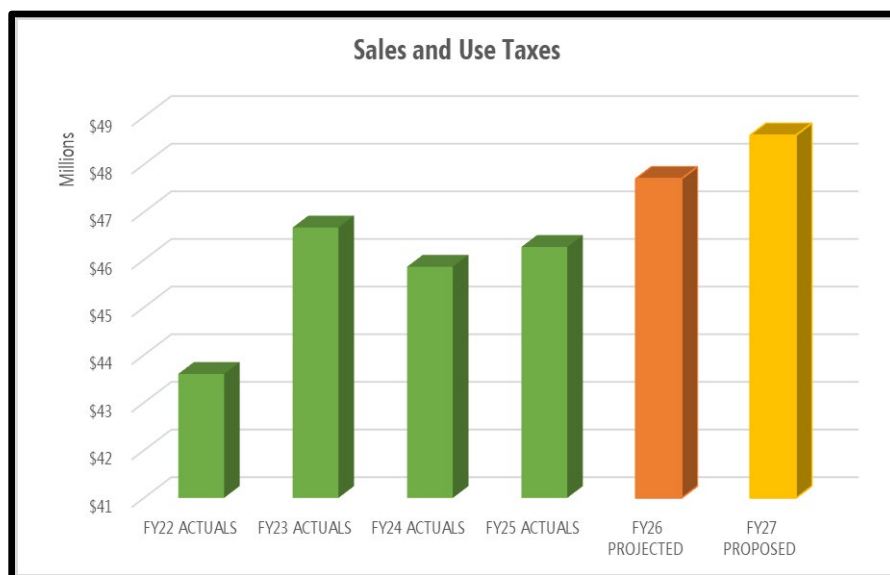
The city's top revenue source is consistently Sales & Use Tax representing half of the city's revenue budget in General Fund, projected to be 50.77% of FY2026's revenues.

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:

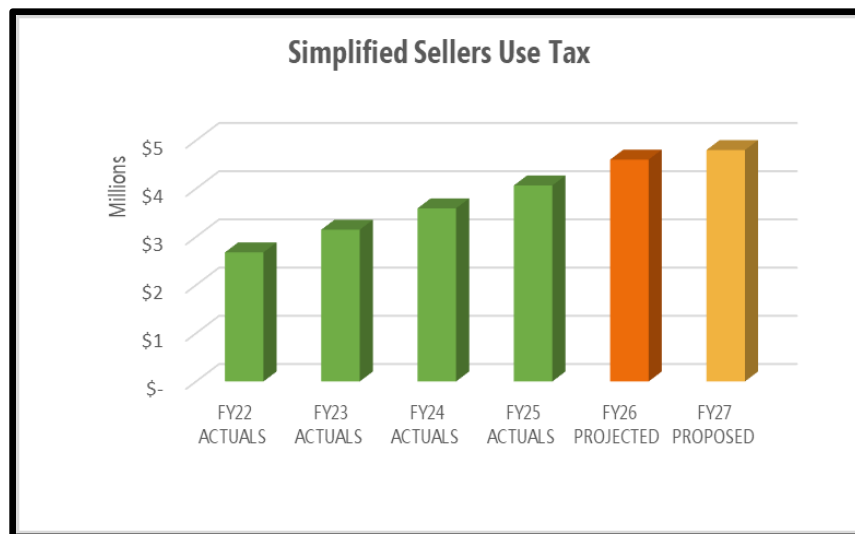


This revenue source supports various activities of the city including services for citizens like public safety, parks and recreation, garbage collection, street maintenance and more. Therefore, the support of our local businesses and industries is critical to the availability of local government services. 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 FY2026 and the proposed budget for FY2027.



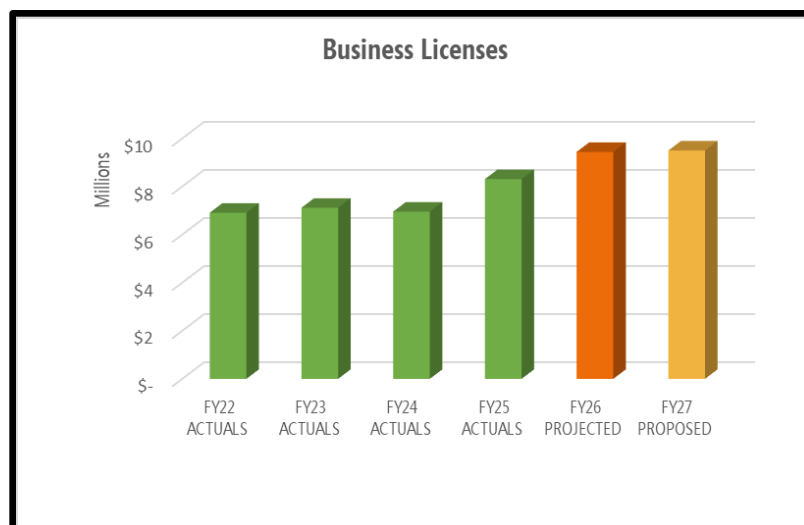
Simplified Sellers Use Tax (SSUT)

One of the fastest growing revenues over the last decade, Simplified Sellers Use Tax or SSUT, is projected to be 4.47% 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 \$4.5 million.



Business Licenses

The second largest revenue source for the city is license fees, which comprises roughly 8.06% 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.



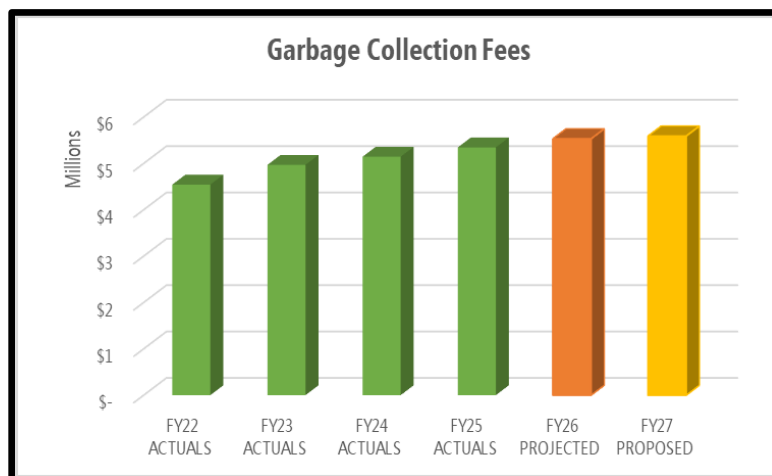
Property Taxes

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 are 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 5.21% of total General Fund revenues, proposed in the FY2027 budget.



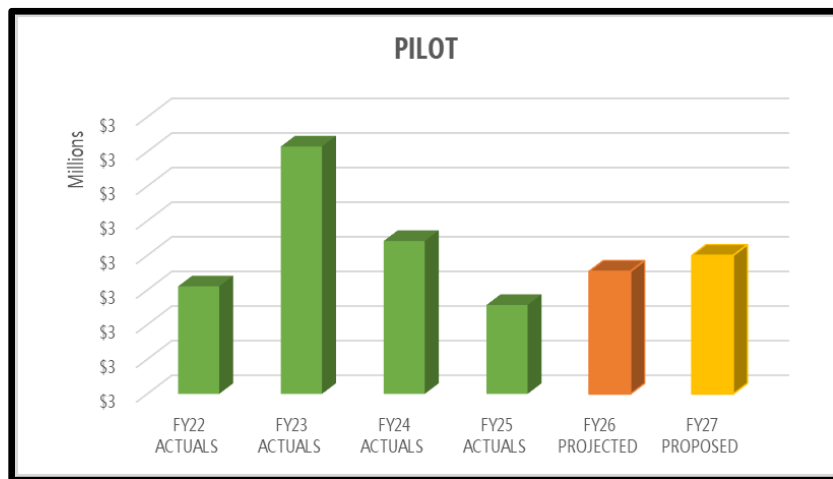
Garbage Collection Fees

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 5.30% of the proposed budget revenues in General Fund and is projected to be 5.37% of the General Fund revenues for FY2026.



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 2.87% of total General Fund revenues projected for FY2026.



EXPENDITURES

FY27 ADOPTED ANNUAL BUDGET



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.

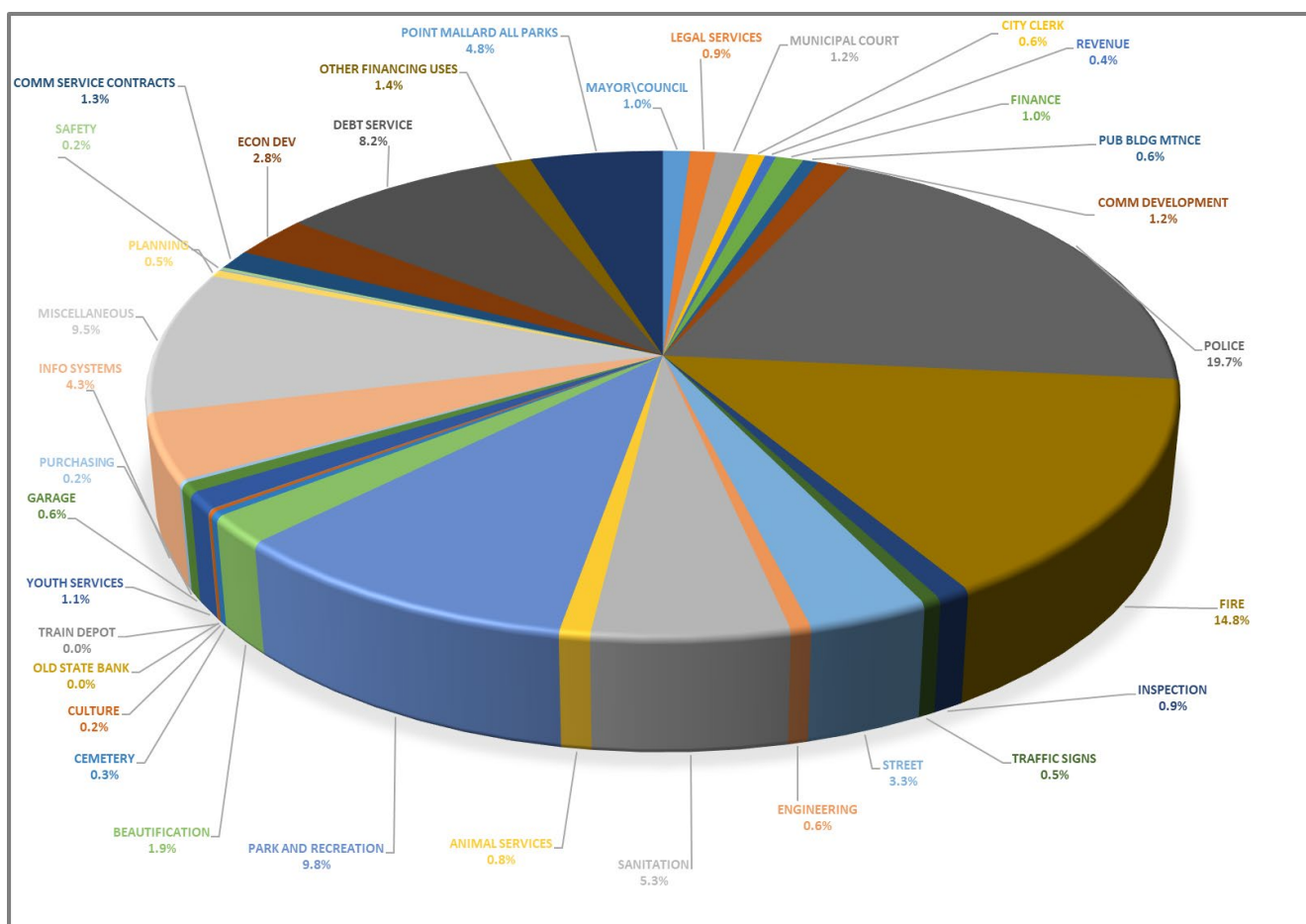
Considering the above factors, the expenditures presented in this section are divided in the following sections for comparability; departmental spending with trend information on personnel, agency and intergovernmental appropriations, debt service and transfers are presented.

Departmental Operations

For reporting purposes, the city has 43 General Fund departments, 1 blended component unit department (Human Resources\Personnel Board Fund) and 4 Enterprise Fund departments (Landfill & Recycling departments). Certain departments like Police, Municipal Court and Capital Improvements are partially accounted for outside the General Fund and discussed later pertaining to special revenue fund budgets requiring passage by the council.

Community Development, Planning, Decatur Youth Services, Street and Infrastructure, Fire, Police and Parks and Recreation may also be partially funded by grant funding. With the exception of certain grant matches proposed in the General Fund budget, grant awards are approved individually by council upon acceptance of awards and are not part of this budget proposal.

Shown below are the Fiscal Year 2027 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 FY2025	BUDGET FY2026	PROPOSED BUDGET FY2027	INCREASE (DECREASE) FY2027 OVER FY2026	
	\$	\$	\$	AMOUNT \$	PERCENT %
MAYOR AND COUNCIL	703,664	969,590	1,041,382	71,792	7.40%
LEGAL SERVICES	870,496	1,279,400	991,297	(288,103)	-22.52%
MUNICIPAL COURT	969,151	1,279,583	1,264,608	(14,975)	-1.17%
CITY CLERK	588,581	620,237	628,604	8,367	1.35%
REVENUE	375,915	450,328	420,847	(29,481)	-6.55%
FINANCE	960,376	1,040,826	1,071,278	30,452	2.93%
PUBLIC BUILDING	1,183,912	514,167	593,587	79,420	15.45%
COMMUNITY DEVELOPMENT	1,190,967	1,236,787	1,261,772	24,985	2.02%
GARAGE	526,982	589,593	660,533	70,940	12.03%
PURCHASING	184,006	193,747	193,719	(28)	-0.01%
INFORMATION SYSTEMS	4,416,500	5,244,564	4,584,511	(660,053)	-12.59%
MISCELLANEOUS	8,384,603	8,542,600	10,022,420	1,479,820	17.32%
SAFETY	155,528	184,897	187,072	2,175	1.18%
SUBTOTAL - GENERAL GOVERNMENT	20,510,681	22,146,319	22,921,630	775,311	3.50%
FIRE	14,000,829	16,218,174	15,579,524	(638,650)	-3.94%
INSPECTION	859,032	1,004,082	958,622	(45,460)	-4.53%
POLICE	17,052,742	20,068,422	20,730,902	662,480	3.30%
TRAFFIC SIGNS & MARKINGS	441,775	517,202	525,698	8,496	1.64%
SUBTOTAL - PUBLIC SAFETY	32,354,378	37,807,880	37,794,746	(13,134)	-0.03%
STREET	3,372,995	3,043,038	3,482,539	439,501	14.44%
ENGINEERING	695,961	690,609	590,179	(100,430)	-14.54%
SANITATION	6,323,644	5,399,397	5,628,651	229,254	4.25%
SUBTOTAL - PUBLIC WORKS	10,392,600	9,133,044	9,701,369	568,325	6.22%
ANIMAL SHELTER	827,141	922,793	882,247	(40,546)	-4.39%
PARK AND RECREATION	7,882,118	8,877,725	10,353,268	1,475,543	16.62%
BEAUTIFICATION	1,667,175	1,783,160	2,007,120	223,960	12.56%
CEMETERY	254,499	343,120	319,521	(23,599)	-6.88%
YOUTH SERVICES	1,178,626	1,122,266	1,178,546	56,280	5.01%
CULTURE	450,239	195,854	159,854	(36,000)	-18.38%
TRAIN DEPOT	12,081	49,597	48,097	(1,500)	-3.02%
OLD STATE BANK	3,230	2,200	2,200	-	0.00%
POINT MALLARD AQUATIC	2,764,915	3,259,958	3,126,284	(133,674)	-4.10%
POINT MALLARD GOLF	1,351,348	882,720	1,197,666	314,946	35.68%
POINT MALLARD CAMPGROUND	413,274	500,903	444,641	(56,262)	-11.23%
POINT MALLARD EVENT & GEN PARK	316,133	222,800	340,999	118,199	53.05%
SUBTOTAL - PUBLIC SERVICES	17,120,780	18,163,096	20,060,443	1,897,346	10.45%
COMM SERVICE CONTRACTS	1,314,653	1,324,027	1,357,588	33,561	2.53%
ECONOMIC DEVELOPMENT	2,513,392	2,282,140	2,942,590	660,450	28.94%
SUBTOTAL - COMM. SERVICE CONTRACTS	3,828,044	3,606,167	4,300,178	694,011	19.25%
PLANNING	234,555	491,448	488,920	(2,528)	-0.51%
BUSINESS DEVELOPMENT	73,403	82,000	79,500	(2,500)	-3.05%
SUBTOTAL - COMMUNITY DEVELOPMENT	307,958	573,448	568,420	(5,028)	-0.88%
DEBT SERVICE	6,552,946	8,006,732	8,697,105	690,373	8.62%
OTHER FINANCING USES	8,336,986	1,760,223	1,427,574	(332,649)	-18.90%
SUBTOTAL - DEBT AND FINANCING USES	14,889,932	9,766,955	10,124,679	357,724	3.66%
GRAND TOTAL - GENERAL FUND	99,404,373	101,196,910	105,471,464	4,274,555	4.22%

DEPARTMENTS	ACTUAL FY2025	ORIG BUDGET FY2026	PROPOSED BUDGET FY2027	INCREASE (DECREASE) FY2027 OVER FY2026	
	\$	\$	\$	AMOUNT \$	PERCENT %
PERSONNEL	310,428	359,877	515,731	155,854	43.31%
OPERATING	393,236	609,713	525,651	(84,062)	-13.79%
MAYOR AND COUNCIL	703,664	969,590	1,041,382	71,792	7.40%
PERSONNEL	743,451	812,195	817,667	5,472	0.67%
OPERATING	44,827	167,205	173,630	6,425	3.84%
CAPITAL	82,218	300,000	-	(300,000)	-100.00%
LEGAL SERVICES	870,496	1,279,400	991,297	(288,103)	-22.52%
PERSONNEL	954,802	1,263,373	1,231,478	(31,895)	-2.52%
OPERATING	14,349	16,210	33,130	16,920	104.38%
MUNICIPAL COURT	969,151	1,279,583	1,264,608	(14,975)	-1.17%
PERSONNEL	490,923	513,548	534,204	20,656	4.02%
OPERATING	97,657	106,689	94,400	(12,289)	-11.52%
CITY CLERK	588,581	620,237	628,604	8,367	1.35%
PERSONNEL	343,893	377,173	393,092	15,919	4.22%
OPERATING	32,022	73,155	27,755	(45,400)	-62.06%
REVENUE	375,915	450,328	420,847	(29,481)	-6.55%
PERSONNEL	946,931	1,023,211	1,064,573	41,362	4.04%
OPERATING	13,445	17,615	6,705	(10,910)	-61.94%
FINANCE	960,376	1,040,826	1,071,278	30,452	2.93%
PERSONNEL	252,841	288,162	290,432	2,270	0.79%
OPERATING	183,897	226,005	303,155	77,150	34.14%
CAPITAL	747,174	-	-	-	-
PUBLIC BUILDING	1,183,912	514,167	593,587	79,420	15.45%
PERSONNEL	1,031,582	1,100,060	1,143,396	43,336	3.94%
OPERATING	159,285	136,727	118,376	(18,351)	-13.42%
CAPITAL	100	-	-	-	0.00%
COMMUNITY DEVELOPMENT	1,190,967	1,236,787	1,261,772	24,985	2.02%
PERSONNEL	402,552	458,953	471,606	12,653	2.76%
OPERATING	124,430	130,640	188,927	58,287	44.62%
CAPITAL	-	-	-	-	0.00%
GARAGE	526,982	589,593	660,533	70,940	12.03%
PERSONNEL	170,766	180,447	184,069	3,622	2.01%
OPERATING	13,239	13,300	9,650	(3,650)	-27.44%
PURCHASING	184,006	193,747	193,719	(28)	-0.01%
PERSONNEL	1,344,427	1,416,030	1,326,976	(89,054)	-6.29%
OPERATING	2,674,436	3,761,534	3,257,535	(503,999)	-13.40%
CAPITAL	397,637	67,000	-	(67,000)	0.00%
INFORMATION SYSTEMS	4,416,500	5,244,564	4,584,511	(660,053)	-12.59%

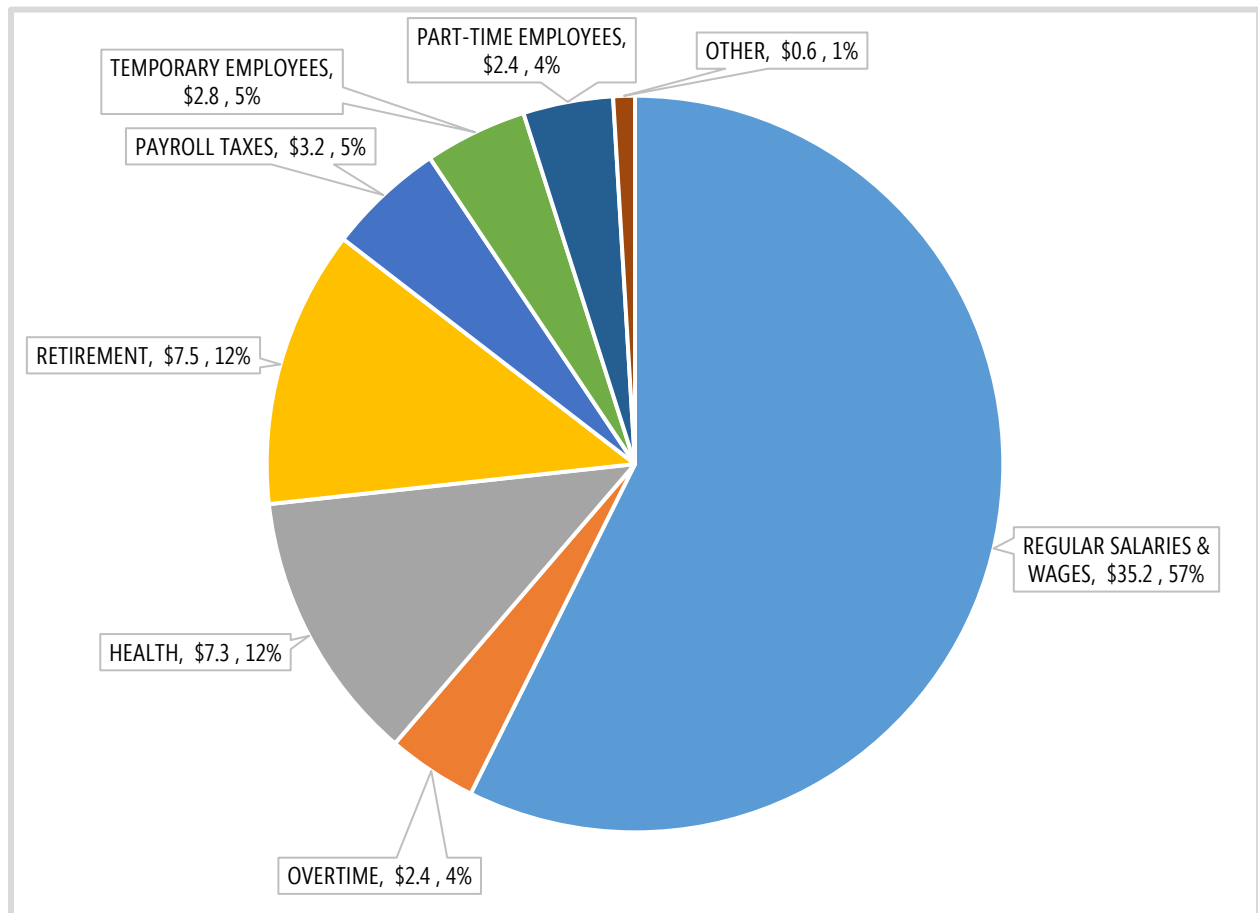
DEPARTMENTS	ACTUAL	ORIG	PROPOSED	INCREASE (DECREASE)	
	FY2025	BUDGET	BUDGET	FY2027 OVER FY2026	
	\$	\$	\$	\$	%
OPERATING	8,384,603	8,042,600	10,022,420	1,979,820	24.62%
CAPITAL	-	500,000	-	(500,000)	-100.00%
MISCELLANEOUS	8,384,603	8,542,600	10,022,420	1,479,820	17.32%
PERSONNEL	112,805	117,158	121,706	4,548	3.88%
OPERATING	42,723	67,739	65,366	(2,373)	-3.50%
SAFETY	155,528	184,897	187,072	2,175	1.18%
PERSONNEL	12,612,215	14,463,382	13,989,633	(473,749)	-3.28%
OPERATING	1,091,601	1,754,792	1,589,891	(164,901)	-9.40%
CAPITAL	297,014	-	-	-	0.00%
FIRE	14,000,829	16,218,174	15,579,524	(638,650)	-3.94%
PERSONNEL	827,098	953,262	908,602	(44,660)	-4.68%
OPERATING	31,933	50,820	50,020	(800)	-1.57%
INSPECTION	859,032	1,004,082	958,622	(45,460)	-4.53%
PERSONNEL	13,600,942	16,192,027	16,538,231	346,204	2.14%
OPERATING	2,847,288	3,276,395	3,576,308	299,913	9.15%
CAPITAL	604,512	600,000	616,363	16,363	2.73%
POLICE	17,052,742	20,068,422	20,730,902	662,480	3.30%
PERSONNEL	322,283	370,695	370,191	(504)	-0.14%
OPERATING	107,142	146,507	155,507	9,000	6.14%
CAPITAL	12,350	-	-	-	
TRAFFIC SIGNS & MARKINGS	441,775	517,202	525,698	8,496	1.64%
PERSONNEL	1,893,324	2,152,260	2,189,645	37,385	1.74%
OPERATING	1,223,763	744,778	1,146,894	402,116	53.99%
CAPITAL	255,908	146,000	146,000	-	0.00%
STREET	3,372,995	3,043,038	3,482,539	439,501	14.44%
PERSONNEL	508,853	562,209	510,611	(51,598)	-9.18%
OPERATING	113,033	128,400	79,568	(48,832)	-38.03%
CAPITAL	74,075	-	-	-	0.00%
ENGINEERING	695,961	690,609	590,179	(100,430)	-14.54%
PERSONNEL	2,245,013	2,555,877	2,746,354	190,477	7.45%
OPERATING	2,026,134	2,007,611	2,335,233	327,622	16.32%
CAPITAL	2,052,497	835,909	547,064	(288,845)	-34.55%
SANITATION	6,323,644	5,399,397	5,628,651	229,254	4.25%
PERSONNEL	630,978	729,116	695,635	(33,481)	-4.59%
OPERATING	152,959	193,677	186,612	(7,065)	-3.65%
CAPITAL	43,203	-	-	-	0.00%
ANIMAL SHELTER	827,141	922,793	882,247	-40,546	-4.39%

DEPARTMENTS	ACTUAL FY2025 \$	ORIG BUDGET FY2026 \$	PROPOSED BUDGET FY2027 \$	INCREASE (DECREASE) FY2027 OVER FY2026	
				AMOUNT \$	PERCENT %
PERSONNEL	5,747,183	6,398,401	7,037,199	638,798	9.98%
OPERATING	2,032,923	2,479,324	3,257,569	778,245	31.39%
CAPITAL	102,012	-	58,500	58,500	0.00%
PARK AND RECREATION	7,882,118	8,877,725	10,353,268	1,475,543	16.62%
PERSONNEL	265,200	356,746	356,514	(232)	-0.07%
OPERATING	1,401,976	1,426,414	1,650,606	224,192	15.72%
CAPITAL	0	-	-	-	0.00%
BEAUTIFICATION	1,667,175	1,783,160	2,007,120	223,960	12.56%
PERSONNEL	141,278	149,485	154,121	4,636	3.10%
OPERATING	113,221	193,635	165,400	(28,235)	-14.58%
CEMETERY	254,499	343,120	319,521	-23,599	-6.88%
PERSONNEL	963,988	1,009,735	1,052,846	43,111	4.27%
OPERATING	151,987	112,531	125,700	13,169	11.70%
CAPITAL	62,650	-	-	-	0.00%
YOUTH SERVICES	1,178,626	1,122,266	1,178,546	56,280.31	5.01%
OPERATING	225,458	195,854	159,854	(36,000)	0.00%
CAPITAL	224,781	-	-	-	0.00%
CULTURE	450,239	195,854	159,854	-36,000	-18.38%
OPERATING	12,081	49,597	48,097	(1,500)	-3.02%
TRAIN DEPOT	12,081	49,597	48,097	(1,500)	-3.02%
PERSONNEL	-	-	-	-	0.00%
OPERATING	3,230	2,200	2,200	-	0.00%
OLD STATE BANK	3,230	2,200	2,200	-	0.00%
PERSONNEL	1,593,668	1,889,908	2,075,149	185,241	9.80%
OPERATING	915,116	1,370,050	1,051,135	(318,915)	-23.28%
CAPITAL	256,132	-	-	-	0.00%
POINT MALLARD AQUATIC	2,764,915	3,259,958	3,126,284	(133,674)	-4.10%
PERSONNEL	766,124	472,000	684,446	212,446	45.01%
OPERATING	420,058	410,720	513,220	102,500	24.96%
CAPITAL	165,166	-	-	-	0.00%
POINT MALLARD GOLF	1,351,348	882,720	1,197,666	314,946	35.68%
PERSONNEL	246,574	315,553	272,691	(42,862)	-13.58%
OPERATING	166,700	185,350	171,950	(13,400)	-7.23%
CAPITAL	-	-	-	-	0.00%
POINT MALLARD CAMPGROUND	413,274	500,903	444,641	-56,262	-11.23%
PERSONNEL	105,885	-	124,299	124,299	0.00%
OPERATING	210,248	222,800	216,700	(6,100)	-2.74%
CAPITAL	-	-	-	-	0.00%
POINT MALLARD EVENT & GEN PARK	316,133	222,800	340,999	118,199	53.05%
PERSONNEL	206,119	421,466	448,132	26,666	6.33%
OPERATING	28,436	69,982	40,788	(29,194)	-41.72%
PLANNING	234,555	491,448	488,920	(2,528)	-0.51%

Salaries and Benefits Costs

Citywide, City of Decatur will budget about \$61.33 million in FY2027 on employee salaries and benefits. Of this amount, approximately 70% (\$42.7M) is budgeted for employee compensation and 30% (\$18.56M) will be spent on other benefits. The cost of an average full-time employee (compensation and benefits) budgeted for FY2027 is \$101,910. This includes an average benefit cost of \$32,621 or 32% (fringe benefit rate). A breakdown of FY2027 personnel costs for all city funds 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 FY2027 budget.

AGENCY NAME	FY25 Actuals	FY26 Revised Budget	FY27 Original Budget Proposal
Decatur Public Library	\$ 397,680	\$ 412,680	\$ 412,680
Morgan Co EMCD-911	\$ 477,487	\$ 501,362	\$ 516,403
Decatur/Morgan Emergency Mgmt Agency	\$ 31,500	\$ 31,500	\$ 31,500
Mental Health Center	\$ 27,000	\$ 27,000	\$ 27,000
Morgan Co Health Dept	\$ 108,000	\$ 108,000	\$ 108,000
Com Act Partnership-Meals on Wheels	\$ 12,805	\$ 12,805	\$ 12,805
Com Act Partnership-Foster Grandparents	\$ 6,480	\$ 6,480	\$ -
Princess Theatre	\$ 72,000	\$ 72,000	\$ 72,000
Dec Morgan Seniors Council	\$ 45,900	\$ 45,900	\$ 45,900
Morgan Co Rescue Squad	\$ 13,500	\$ 13,500	\$ 13,500
Delano Park Conservancy	\$ 25,000	\$ 25,000	\$ 25,000
Volunteer Center	\$ 4,500	\$ -	\$ -
Carnegie Visual Arts Ctr	\$ 15,300	\$ 15,300	\$ 15,300
Community Free Clinic	\$ 67,500	\$ 67,500	\$ 67,500
Young Professionals of Decatur	\$ 10,000	\$ 10,000	\$ 10,000
Clearview Cancer Institute (CCI Economic Development)	\$ 150,000	\$ 182,788	\$ -
Decatur-Morgan Co Chamber - The Partnership, 5-Year Plan	\$ 45,000	\$ 45,000	\$ 45,000
Morgan Co Economic Develop Assoc	\$ 54,900	\$ 54,900	\$ 54,900
NARCOG-Transport Planning	\$ 270,000	\$ 341,268	\$ 270,000
Decatur-Morgan Convention & Visitors-Tourism	\$ 1,250,802	\$ 1,189,550	\$ 950,000
Pryor Field	\$ 27,000	\$ 27,000	\$ 27,000
Decatur-Morgan Co Chamber - Business Development	\$ 45,000	\$ 45,000	\$ 45,000
Downtown Decatur Merchants & Business Assoc (DDMBA) -3rd Friday	\$ 5,000	\$ -	\$ -
Rock the South Economic Dev	\$ -	\$ 700,000	\$ 900,000
Downtown Redevelop Authority	\$ 75,690	\$ 75,690	\$ 75,690
Entrepreneurial Center	\$ 90,000	\$ 75,000	\$ 75,000
Best and Brightest	\$ 500,000	\$ 500,000	\$ 500,000
Total General Fund	\$ 3,828,044	\$ 4,585,223	\$ 4,300,178

AGENCY NAME	FY25 Actuals	FY26 Revised Budget	FY27 Original Budget Proposal
Decatur Public Library	\$ 99,420	\$ 99,420	\$ 149,420
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	\$ 294,420

AGENCY NAME	FY25 Actuals	FY26 Revised Budget	FY27 Original Budget Proposal
Decatur Morgan Co Hospitality- 2026 Spirit of America Sponsorship	\$ -	\$ 7,000	\$ -
Decatur Morgan Co Hospitality -2026 North Alabama Airfest Sponsorship	\$ -	\$ 10,000	\$ -
Rock the South Economic Development	\$ -	\$ 500,000	\$ 200,000
Total Room Occupancy Fund	\$ -	\$ 517,000	\$ 200,000

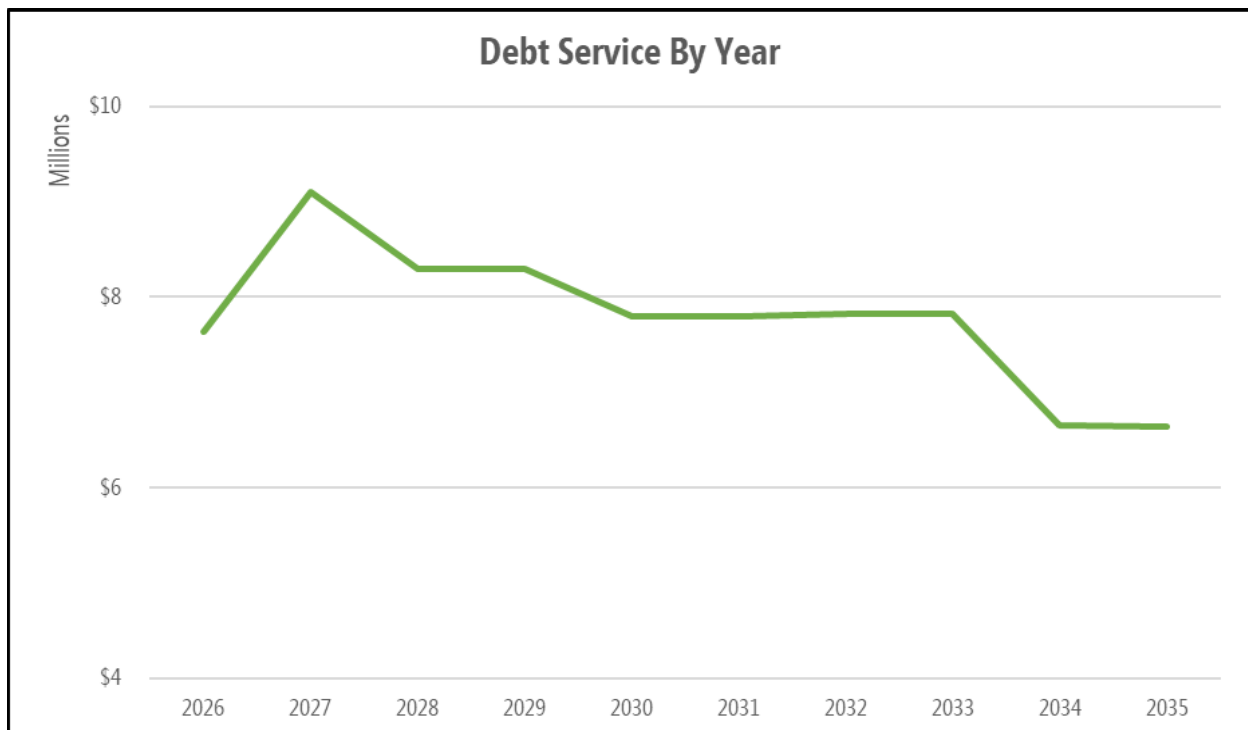
AGENCY NAME	FY25 Actuals	FY26 Revised Budget	FY27 Original Budget Proposal
Bridge Life Inc	\$ -	\$ 124,200	\$ 124,200
Partnership for a Drug Free Community	\$ 174,600	\$ 195,600	\$ 216,600
Victorious Reentry Program	\$ -	\$ 121,750	\$ 122,350
Total Opioid Settlement Fund	\$ 174,600	\$ 441,550	\$ 463,150
Grand Totals	\$ 4,247,064	\$ 5,788,193	\$ 5,257,748

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:

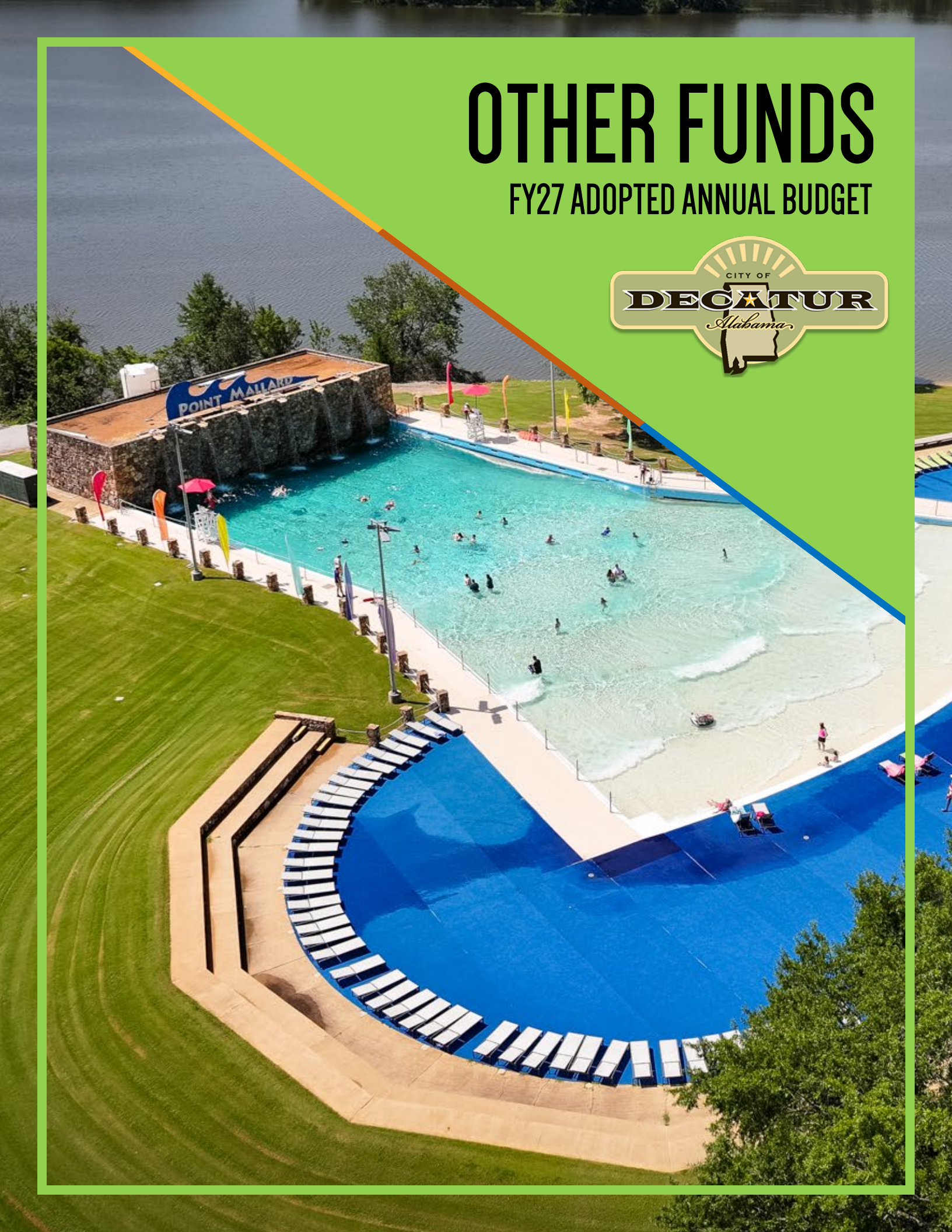
Issuance Series	Original Issue Amount	Outstanding as of October 1st, 2026
2016-A	21,630,000	7,130,000
2016-B	5,140,000	3,095,000
2021-A	17,660,000	9,005,000
2021-B	16,150,000	16,150,000
2021-C	2,035,000	2,035,000
2023	32,745,000	32,745,000
2025-A	30,110,000	30,110,000
2025-B	5,085,000	5,085,000
Total	95,360,000	70,160,000

The following is a table of debt service payments across funds for the warrants.



OTHER FUNDS

FY27 ADOPTED ANNUAL BUDGET



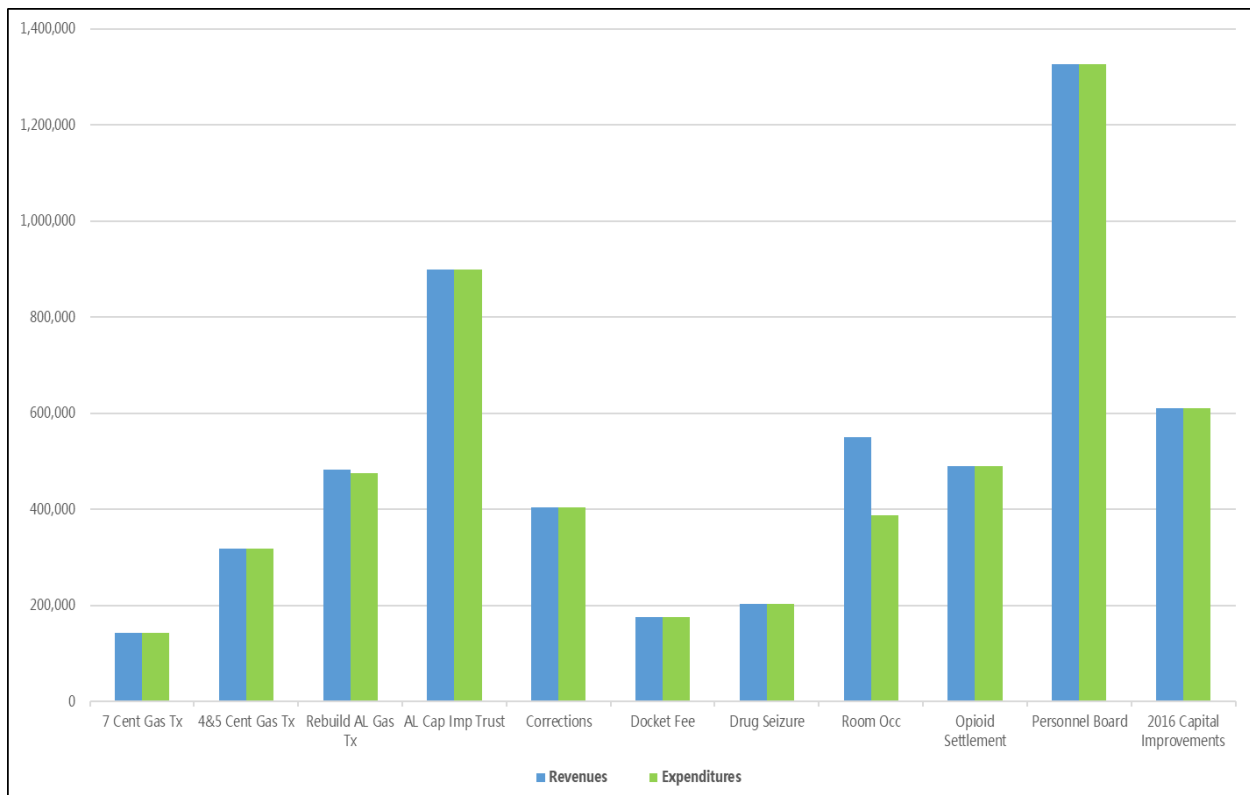
City of Decatur, Alabama

Other Governmental Funds

Fiscal Year 2027 Proposed Budgets

Other Governmental Funds	7 Cent Gas Tax	4&5 Cent Gas Tax	Rebuild AL Gas Tax	AL Cap Imp Trust	Corrections
Revenues	144,000	318,700	482,000	900,000	403,799
Expenditures	144,000	318,700	475,000	900,000	403,799
Revenues over (under) Expenditures	-	-	7,000	-	-

Other Governmental Funds	Docket Fee	Drug Seizure	Room Occ	Opioid Settlement	Personnel Board	Cap Improv
Revenues	175,700	203,000	550,000	489,350	1,326,618	610,000
Expenditures	175,700	203,000	387,636	489,350	1,326,618	610,000
Revenues over (under) Expenditures	-	-	162,364	-	-	-



Title and Description of Other Governmental Fund	ACTUAL FY2025 \$	BUDGET FY2026 \$	PROPOSED BUDGET FY2027 \$
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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	145,228	142,000	144,000
Expense	43,135	142,000	144,000
Excess (deficit) of Revenue over Expenditures	102,093	-	-

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	324,156	317,700	318,700
Expense	267,095	300,000	318,700
Excess (deficit) of Revenue over Expenditures	57,060	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	477,027	431,000	482,000
Expense	386,994	425,000	475,000
Excess (deficit) of Revenue over Expenditures	90,033	6,000	7,000

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	535,256	1,275,949	900,000
Expense	680,550	1,206,267	900,000
Excess (deficit) of Revenue over Expenditures	(145,295)	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	276,654	270,000	403,799
Expense	219,428	261,801	403,799
Excess (deficit) of Revenue over Expenditures	57,226	8,199	-

Title and Description of Other Governmental Fund	ACTUAL FY2025 \$	BUDGET FY2026 \$	PROPOSED BUDGET FY2027 \$
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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	95,092	144,300	175,700
Expense	238,115	144,300	175,700
Excess (deficit) of Revenue over Expenditures	(143,023)	-	-

Drug Seizure Fund

Accounts for funds generated from the sale of transferred property from illegal drug operations designated for use in police activities related to drug operations.

Revenue	44,432	132,365	203,000
Expense	174,927	132,365	203,000
Excess (deficit) of Revenue over Expenditures	(130,495)	-	-

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	530,811	550,000	550,000
Expense	147,368	187,428	387,636
Excess (deficit) of Revenue over Expenditures	383,443	362,572	162,364

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	696,525	438,619	489,350
Expense	175,839	202,700	489,350
Excess (deficit) of Revenue over Expenditures	520,686	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)	1,008,604	1,195,337	1,326,618
Expense	1,008,604	1,195,337	1,326,618
Excess (deficit) of Revenue over Expenditures	-	-	-

Title and Description of Other Governmental Fund	ACTUAL FY2025 \$	BUDGET FY2026 \$	PROPOSED BUDGET FY2027 \$
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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	599,792	580,000	610,000
Expense	288,725	257,000	610,000
Excess (deficit) of Revenue over Expenditures	311,067	323,000	-

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City of Decatur Board of Education

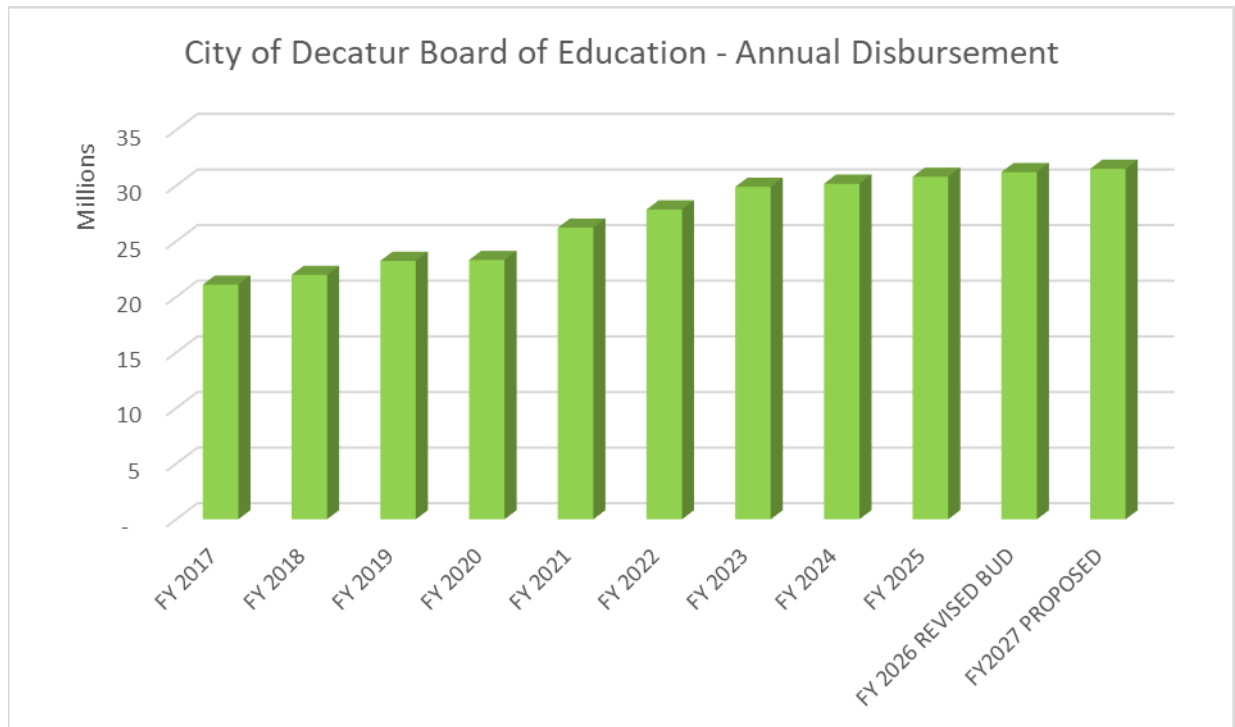
The Board of Education is responsible for elementary and secondary education within the government's jurisdiction. The citizens of the City of Decatur elect members of the Board of Education and this board serves as the approving body for all school related budgets. The Board of Education is fiscally 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 FY2025 \$	BUDGET FY2026 \$	PROPOSED BUDGET FY2027 \$
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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.

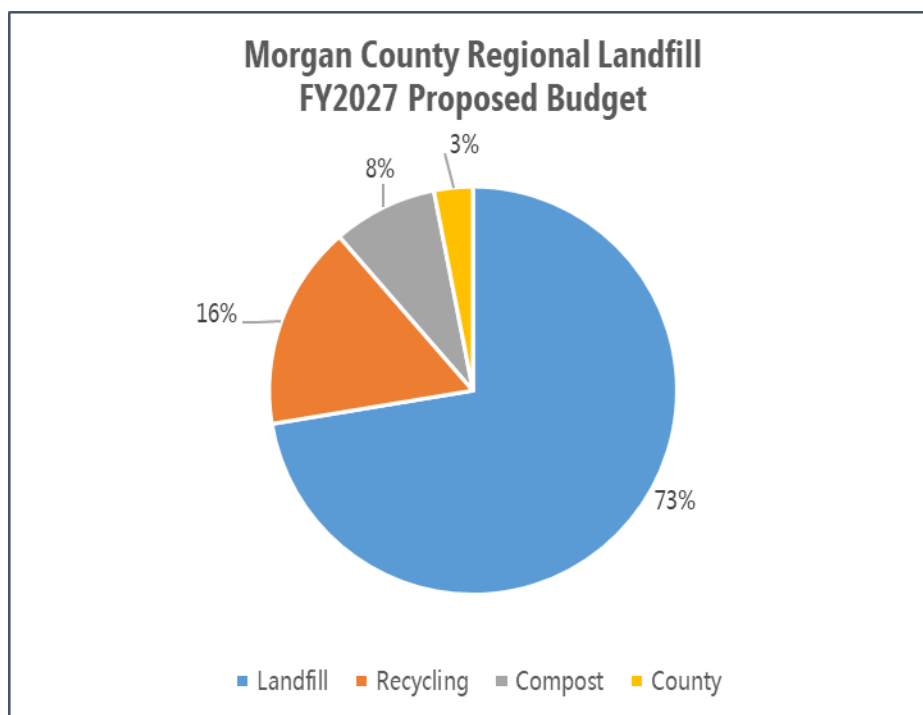
Revenue	31,064,442	31,175,704	31,848,747
Expense	31,064,442	31,175,704	31,848,747
Excess (deficit) of Revenue over Expenditures	-	-	-



Enterprise Fund – Landfill & Recycling

Revenues

The city administers, maintains and operates the Morgan County Regional Landfill and Recycling facility, 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 facility's operations and stewards of the facility's resources. Morgan County Regional Landfill and Recycling departments include landfill, recycling, compost & county administered operations. The landfill department is the largest comprising 73% of proposed budget for FY2027. The facility's revenues are shared to offset the 4 department's operational costs.



The facility's top revenue sources in the proposed FY2027 budget are the following:

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

Using historical data from prior years, private and industrial dumping on average accounts for approximately 71% of Decatur Morgan Landfill's revenue budget. The City of Decatur dumping makes up on average 11% of the landfill's revenue budget. This includes regular trash dumping and debris. The recently approved rate increase for certain dumping was factored into the projection for this revenue source.

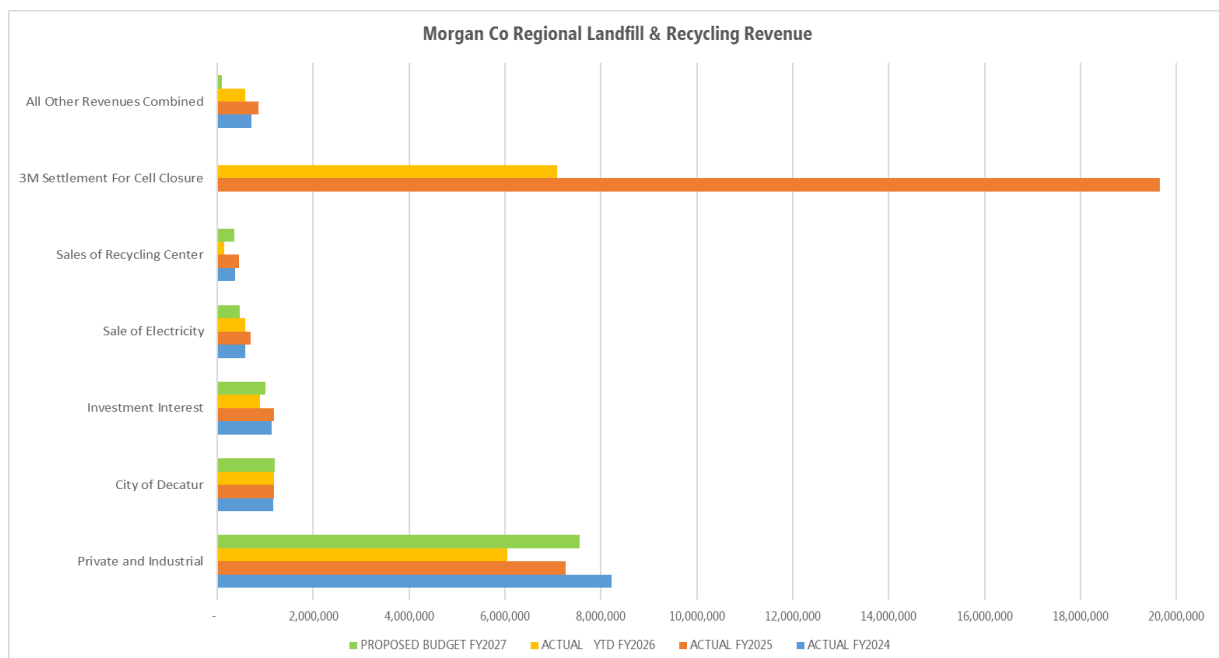
Investment interest is the 3rd largest source of revenue for the landfill. Because of the landfill's fiscal cash balance, the amount of interest earned is substantial.

The 4th largest revenue budgeted for 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 revenue, this revenue is dependent on non-drought conditions to be robust.

Sales of the recycling center is budgeted to be 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 FY26 revenue for the facility will once again be 3M Settlement funds. To date, the Landfill has received \$26.73 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). The project is slated to be complete in FY2026.

Description	ACTUAL FY2024	ACTUAL FY2025	ACTUAL YTD FY2026	PROPOSED BUDGET FY2027
Private and Industrial	8,217,336	7,257,095	6,048,768	7,551,941
City of Decatur	1,165,130	1,177,071	1,185,108	1,200,000
Investment Interest	1,130,751	1,186,127	891,562	1,000,000
Sale of Electricity	573,182	699,499	578,284	475,000
Sales of Recycling Center	372,021	455,751	144,433	350,000
3M Settlement For Cell Closure	-	19,650,019	7,085,794	-
All Other Revenues Combined	705,832	863,149	581,238	95,750
TOTAL	12,164,251	31,288,710	16,515,188	10,672,691



Expenditures

The FY2027 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 FY2024	ACTUAL FY2025	REVISED BUDGET FY2026	ACTUAL YTD FY2026	PROPOSED BUDGET FY2027
Landfill Personnel	1,008,783	958,007	1,065,626	995,884	1,116,540
Landfill Operating	2,475,253	22,444,451	10,861,742	9,996,941	3,735,997
Landfill Depreciation	1,496,917	1,464,912	950,000	10,881	1,400,000
TOTAL	4,980,953	24,867,370	12,877,368	11,003,706	6,252,537
Recycling Personnel	556,268	673,438	779,146	590,109	781,538
Recycling Operating	310,111	365,594	564,684	328,388	394,956
Recycling Depreciation	165,095	228,325	225,000		225,000
TOTAL	1,031,474	1,267,357	1,568,830	918,497	1,401,494
Compost Personnel	212,972	174,209	239,380	176,339	252,698
Compost Operating	173,077	243,309	348,855	283,723	264,100
Compost Depreciation	177,348	208,546	77,926	-	200,000
TOTAL	563,397	626,064	666,161	460,062	716,798
County Personnel	162,278	179,065	205,899	147,651	221,634
County Operating	27,253	21,832	33,217	25,864	33,217
County Depreciation	17,602	14,981	12,000	-	12,000
TOTAL	207,133	215,878	251,116	173,515	266,851

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 and recycling improvements in real and personal property. Assets can vary from open/closure of cells for dumping to equipment and vehicles. Current proposed FY2027 of \$1,708,000 capital requests are as follows:

- Administrative office renovations \$30k
- Cell B construction/demolition site additional funding \$250K
- Generator for sump pump \$90K
- Bull fencing \$80K
- Vehicle for scale operator \$35k
- Closure/post-closure \$352k
- Conveyor for new baler \$200K
- Scissor lift \$25k
- Trailers \$50k
- Rubber Tire Loaders \$520k
- F250 Truck \$60k
- Fuel Rig for C&D site \$16k