



2025 / ADOPTED ANNUAL BUDGET REPORT

FOR THE YEAR BEGINNING OCTOBER 1ST, 2024

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, 2024

City Administration and Departments

Stephanie Simon, City Clerk

Kyle Demeester, Finance

Richelle Sandlin, Human Resources

Wanda Tyler, Landfill

Takisha Gholston – Municipal Court

Todd Pinion, Police

Dane Shaw, Economic Development

Tracy Thornton, Fire

Brad Phillips, Information Systems

Herman Marks, Legal

Jason Lake, Parks and Recreation

Daniel Boutwell – Street & Environmental Services

Brandon Watkins, 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



Office of the Mayor

Tab Bowling, Mayor

September 16th, 2024

Dear City Council Members and Citizens of Decatur:

For your consideration, the Annual Budget for the City of Decatur, Alabama, for the fiscal year beginning October 1, 2024 is hereby presented. Responsibility for both the accuracy of the data, and the completeness rests with the Office of the Mayor who extends gratitude to our Finance Department for their leadership in completing a balanced budget. This financial data contained herein, has been prepared by the Finance Department of the City of Decatur. We believe the data as presented is accurate in all material aspects, and that it is presented in a manner to fairly set forth the financial position and results of operations of the City.

The City of Decatur provides a full range of services. These include police and fire protection, sanitation services, the construction and maintenance of streets and infrastructure, recreational facilities, cultural events, community services, and general administrative services. The city operates Point Mallard Park, a premier outdoor family park on the Tennessee River, and home of America's first wave pool. The City continues to make investments in the park to attract visitors to the area as well as serve the citizens of Decatur.

The information in our FY25 Budget is better understood when it is considered from the broader perspective of the specific environment within which the City of Decatur operates. Based on a recent analysis by SmartAsset, the city of Decatur metro area is the second best place to work in the manufacturing industry in the United States. Decatur/Morgan County is home to approximately 145 Industries, including 12 Fortune 500 companies and 7 Global 500 companies.

As the economy rallied through a difficult national economic environment, the City of Decatur saw 12 expansion/equipment upgrades totaling \$254,621,632 and 391 new jobs in the last few years. We would be remiss to not mention the accomplishments and growth of our industrial taxpayers – which also factor into future development needs. The following notes are worth highlighting:

- Beyond Gravity announced an additional \$42 million capital investment and 158 new jobs to support United Launch Alliance's production of Vulcan Rockets.
- Nucor Steele - \$125M new plant dedicated to their new automation business unit (Nucor Tower & Structures) producing transmission towers. An estimated 200 new jobs were created.



Office of the Mayor

Tab Bowling, Mayor

- Bunge North America committed to a \$26.8M capital expansion to better unload product from farmers and load finished goods into barges. While no jobs were created with announcement, this commitment secures the current 205 jobs.
- Feralloy Corporation announced an \$8.75M investment to cut line upgrades, new anti-crane system, new coil grubber, conveyor upgrade and dock improvements. 9 jobs will be created from this investment.
- The City of Decatur has made a \$2M investment to gather data points as it relates to a second river bridge. The study conducted provided various route alternates. The next action steps will be for environmental analysis to occur.
- Governor Kay Ivey announced a \$30M workforce training center to focus on electric vehicles and new technologies in the automotive industry. This facility will be located at the Alabama Robotics Technology Park.
- The Alabama Port Authority announced the expansion of an inland port in Decatur, Alabama. In a partnership with CSX, the port will complete rail connectivity from intermodal container transfer facility at the Port of Mobile. This will connect the state's southern port to the central/northern parts of the state. It is noted, \$100 billion of statewide economic impact in a calendar year is created from the Port of Mobile and Forbes has named them the second fastest growing port of entry in all of the United States.

In addition to the industrial expansion, the City continues to see retail establishments locate into Decatur. Residential areas are also seeing expansion in correlation to the increased demand for housing. Some of the more notable items that occurred in 2023 are the following:

- The City entered into a contract to sell downtown parcels of land to Riverloft Apartments who plan to bring 100 Class A apartment units, along with retail real estate to the City's downtown district.
- Rausch Coleman Builders announced the addition of 250 homes in Phase 1 and an additional 200 midsize/town home style living quarters to the western boundary of our City.
- Legacy Cove continues to see activity as it relates to their 15 river view estate properties
- 18 townhomes were completed in the downtown bank street district. The 1st development of its kind in Decatur; 2-3 bedroom, modern, spacious, updated living units.
- Announcement of City Harbor along the Tennessee River was made. A \$30M investment that will bring shops, restaurants, lodging and entertainment to the City's riverfront.



Office of the Mayor

Tab Bowling, Mayor

- Decatur's 2nd Avenue downtown also saw an influx of development, welcoming the first downtown hotel in Fairfield Inn and Suites, a multi-story parking garage and the Alabama Center of Arts student dormitory (3 story – 49 apartments)
- GreenPoint AG announced the relocation of their Corporate Headquarters to Lee St. The relocation will bring 100 executive level jobs to downtown, plus a training division that will impact lodging.
- Wilson Morgan Park Recreation center and Sportsplex entered the design stage of the projects
- Some exciting new business establishments welcomed to the City are 7 Brew Coffee (Coffee), Dutch Brothers (Coffee), Wing Stop (Restaurant), Just Wing It (Restaurant), Tropical Smoothie (Restaurant), Shine Time (Car Wash), Tidal Wave (Car Wash).

In summary, overall revenues continue their historical increasing trend and City management continues to support a conscientious effort to provide quality of life attractions and services to our City. These overwhelming factors position the City of Decatur favorably for growth. While experiencing the most challenging budget I have participated in, our team was able to construct a level budget

Again, I would like to thank our CFO and Finance Department, along with our Department Directors and Managers for the attention they give to the financial operations of the City. I want to conclude with encouragement that this budget publication serves helpful as we introduce the City's financial plan for the upcoming 2025 fiscal year.

Sincerely,

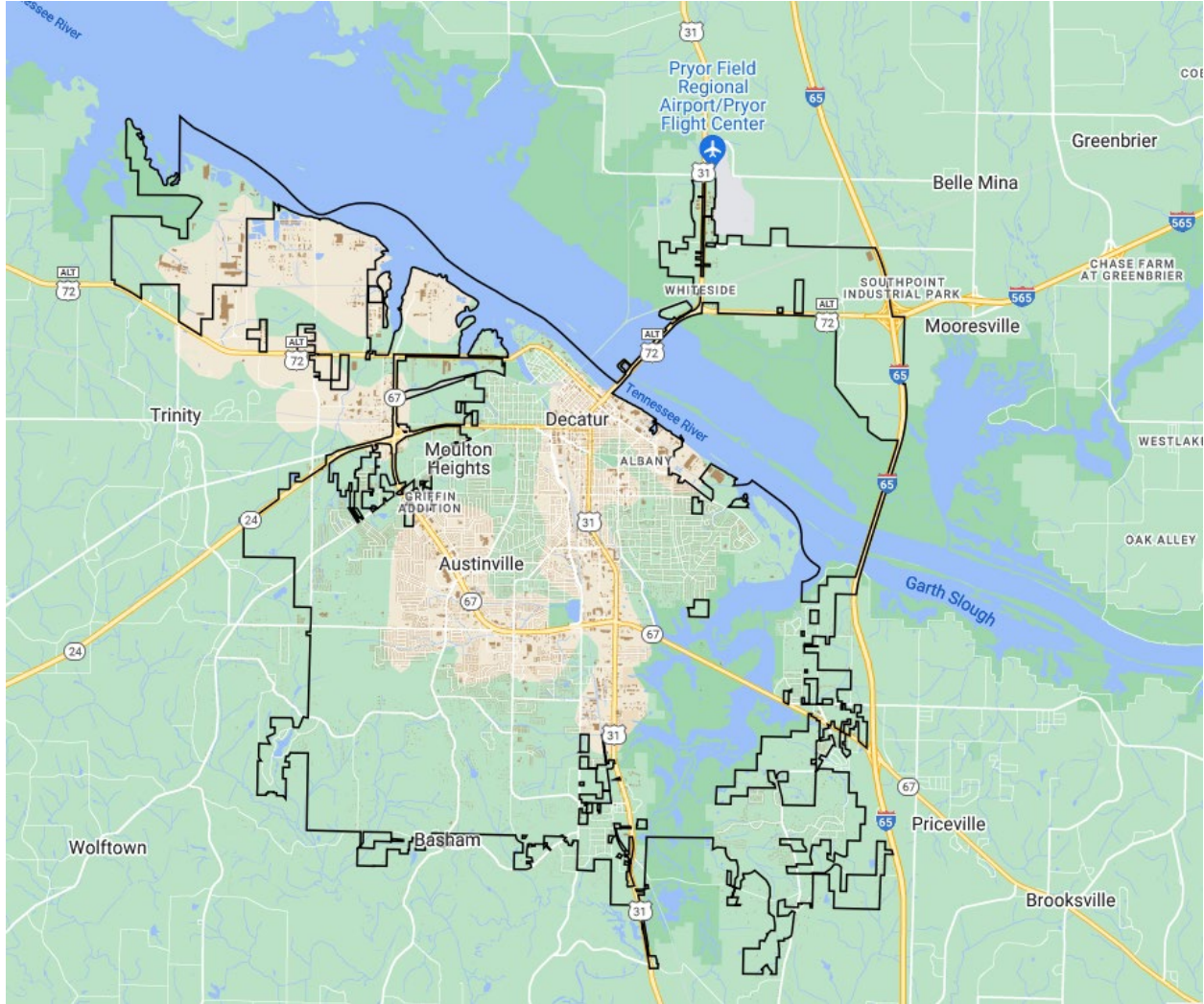
A handwritten signature in black ink that reads "Tab R. Bowling".

Tab R. Bowling

Mayor

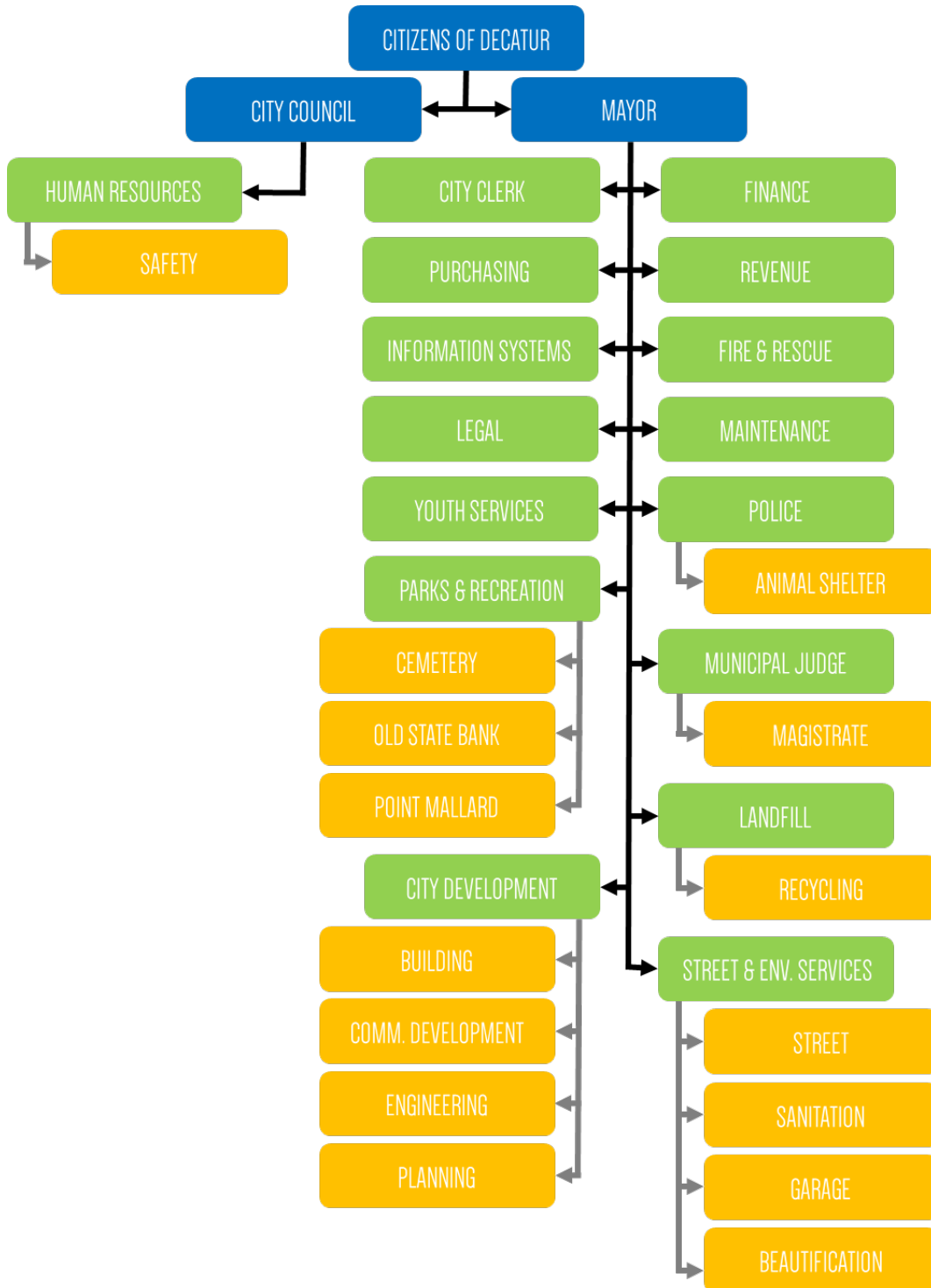
City of Decatur, Alabama

City Limits



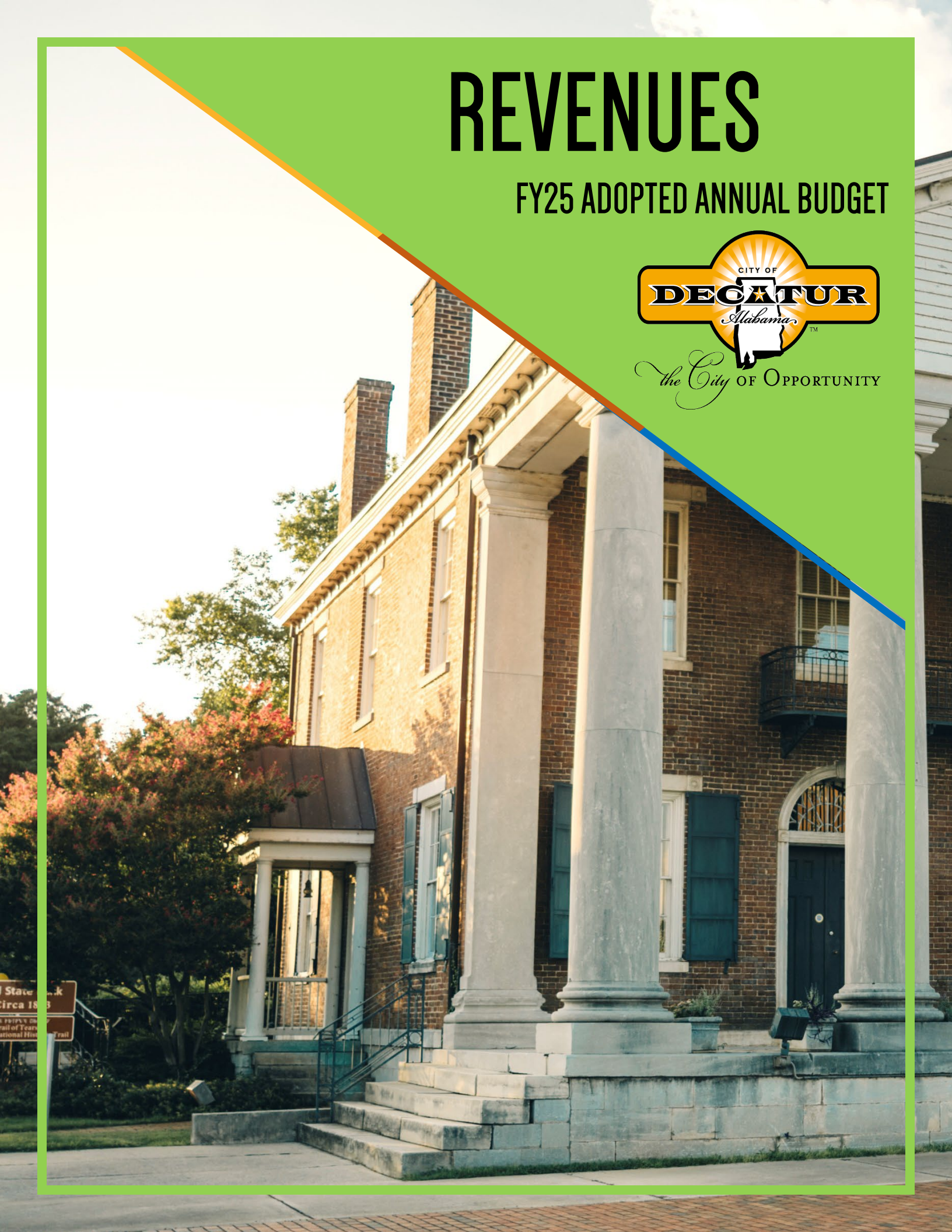
City of Decatur, Alabama

Organizational Chart



REVENUES

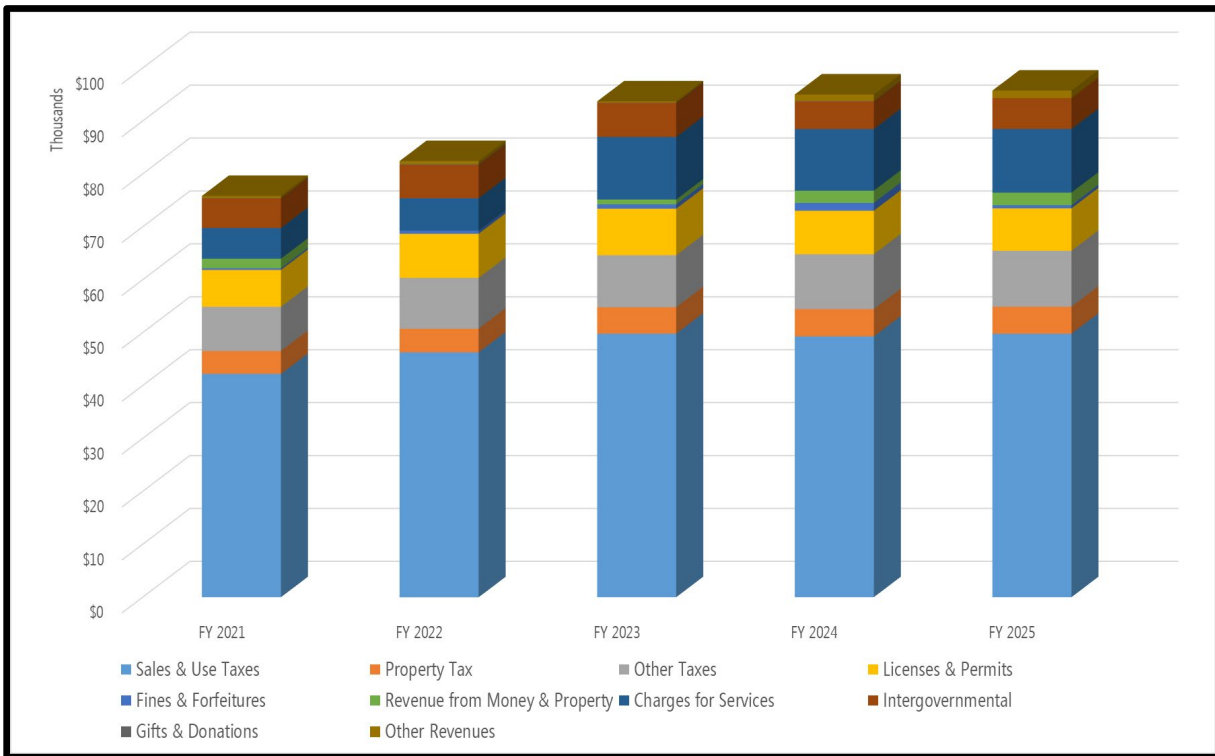
FY25 ADOPTED ANNUAL BUDGET



City of Decatur, Alabama

Trends in Top Revenues

City of Decatur					
General Fund Revenues					
	Actuals			Projected	Proposed
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Sales & Use Taxes	\$ 42,218	\$ 46,281	\$ 49,824	\$ 49,292	\$ 49,805
Property Tax	\$ 4,325	\$ 4,462	\$ 4,988	\$ 5,155	\$ 5,100
Other Taxes	\$ 8,352	\$ 9,613	\$ 9,826	\$ 10,379	\$ 10,569
Licenses & Permits	\$ 6,961	\$ 8,335	\$ 8,793	\$ 8,224	\$ 8,028
Fines & Forfeitures	\$ 328	\$ 583	\$ 823	\$ 1,489	\$ 592
Revenue from Money & Property	\$ 1,804	\$ (913)	\$ 909	\$ 2,297	\$ 2,385
Charges for Services	\$ 5,805	\$ 6,133	\$ 11,827	\$ 11,657	\$ 12,018
Intergovernmental	\$ 5,595	\$ 6,339	\$ 6,429	\$ 5,216	\$ 5,852
Gifts & Donations	\$ 67	\$ 98	\$ 60	\$ 75	\$ -
Other Revenues	\$ 395	\$ 591	\$ 240	\$ 1,236	\$ 1,410
Totals In Thousands	\$ 75,851	\$ 81,522	\$ 93,720	\$ 95,020	\$ 95,757



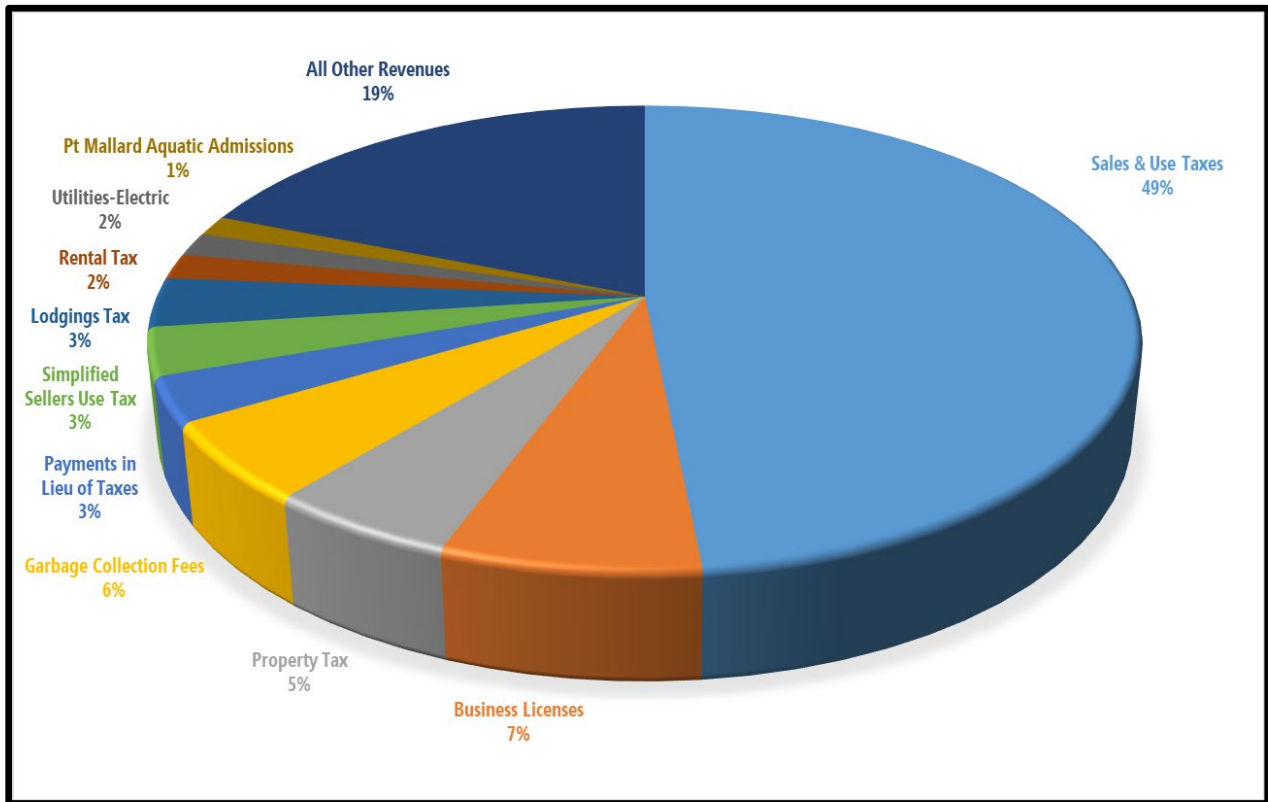
City of Decatur, Alabama

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 FY2025 budget are the following:

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

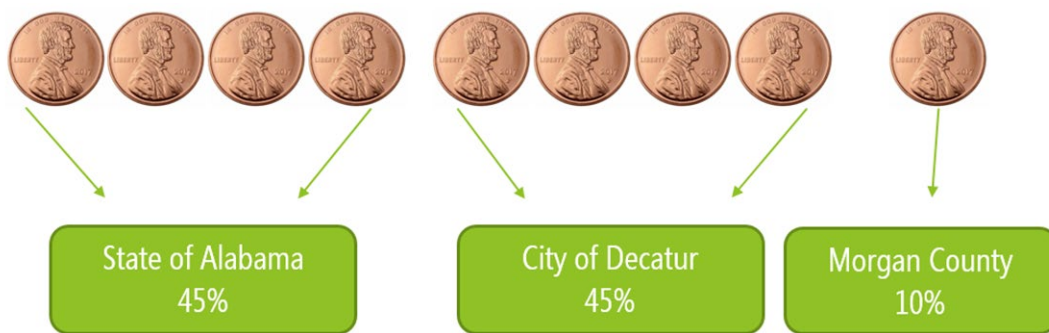


Sales and Use Tax

The city's top revenue source is consistently Sales & Use Tax representing almost half of the city's revenue budget in General Fund, projected to be 47.21% of FY2024'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:

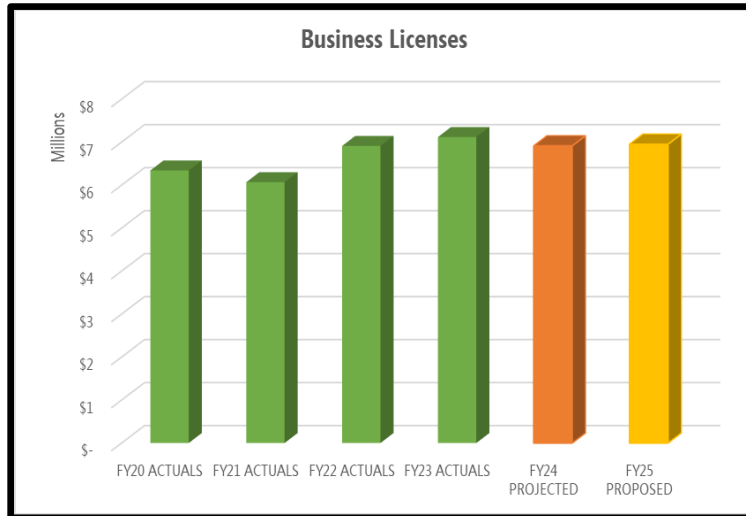


This revenue source supports various activities of the city including services for citizens like public safety, parks and recreation, garbage collection, street maintenance and more. Therefore, the support of our local business and industries is critical to the availability of local government services. 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 FY2024 and the proposed budget for FY2025.



Business Licenses

The second largest revenue source for the city is license fees, which comprises roughly 7.12% 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.



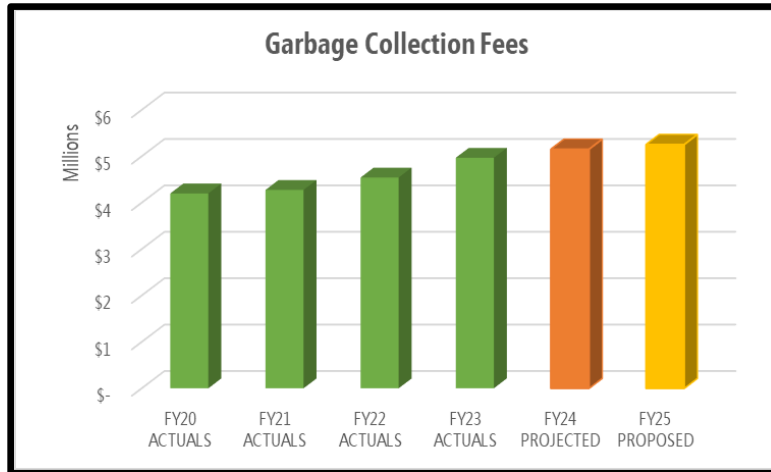
Property Taxes

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 5.31% of total General Fund revenues, proposed in the FY2025 budget.



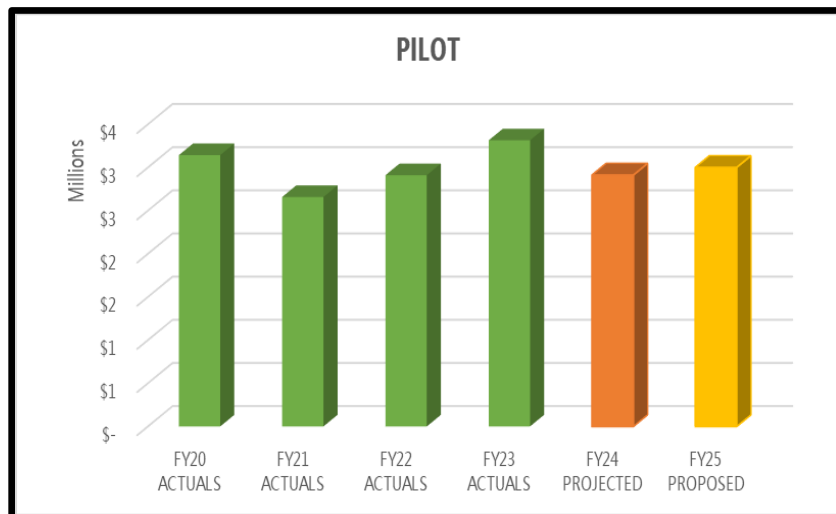
Garbage Collection Fees

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 6% of the proposed budget revenues in General Fund and is projected to be 5.3% of the General Fund revenues for FY2024.



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 FY2024.



EXPENDITURES

FY25 ADOPTED ANNUAL BUDGET



The City OF OPPORTUNITY



ALABAMA CENTER FOR THE ARTS



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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 planning spend 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 – key public services affects by changes in funding
- Fleet Maintenance – driven by age and city function, growth in personnel and services, combined with the depreciation of individual assets, increase costs
- Technology – annual support and upgrades to existing systems, includes advancement in customer service and ability to automate service with growth in 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

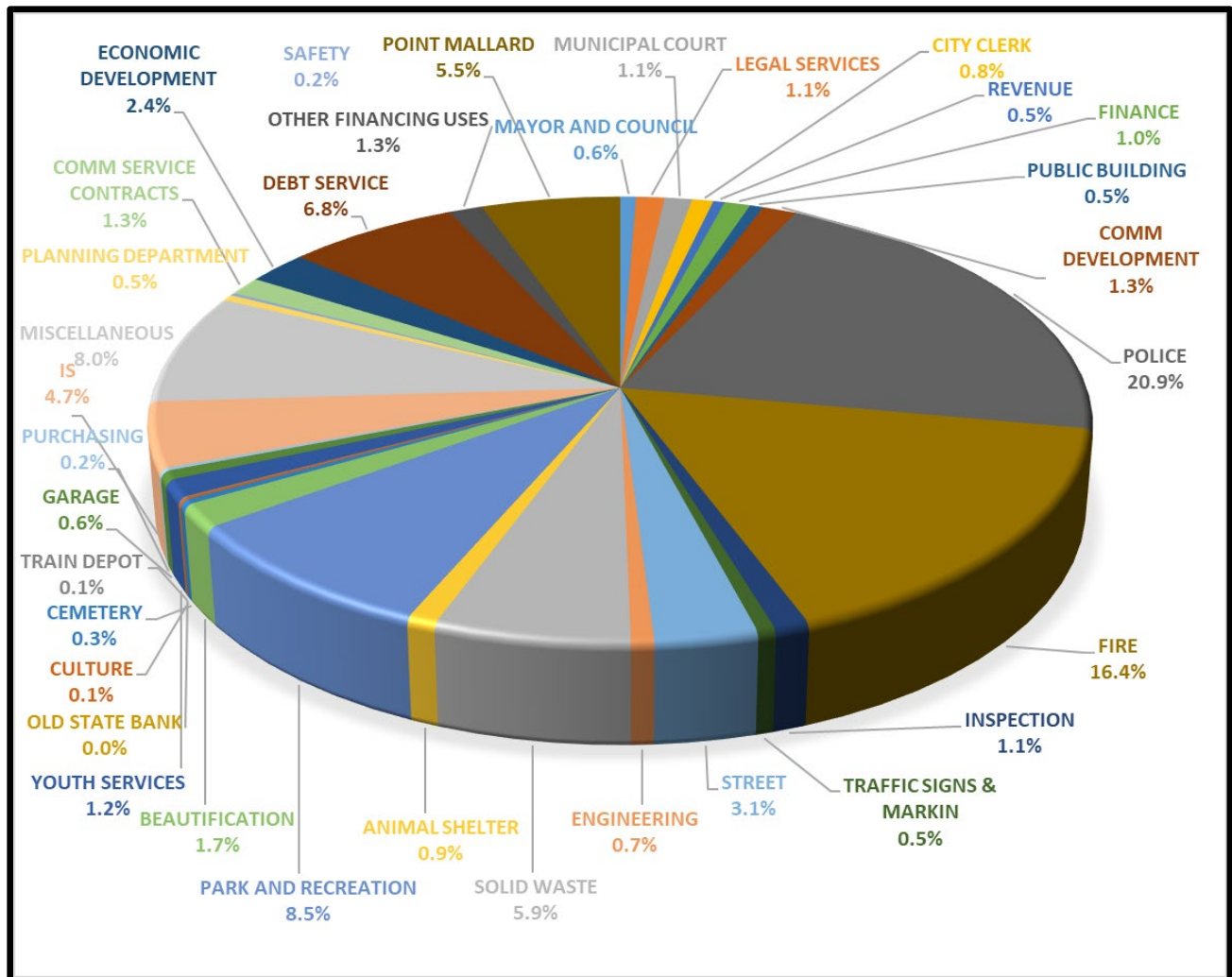
Another factor to consider is the addition and construction of new facilities and infrastructure. Most construction is the result of increased demand, such as road extensions or parks and recreation facilities. While much of the actual construction costs are supported by borrowing, the city must consider 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.

Departmental Operations

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

Shown below are the Fiscal Year 2025 Proposed 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)	
	FY2023	FY2024	BUDGET	FY2025 OVER	FY2024
	\$	\$	\$	AMOUNT	PERCENT
				\$	%
MAYOR AND COUNCIL	641,714	673,679	599,814	(73,865)	-10.96%
LEGAL SERVICES	816,265	993,244	1,071,054	77,810	7.83%
MUNICIPAL COURT	1,044,464	849,277	1,046,292	197,015	23.20%
CITY CLERK	475,562	540,041	799,497	259,456	48.04%
REVENUE	330,344	393,407	437,474	44,067	11.20%
FINANCE	883,807	1,006,967	980,643	(26,324)	-2.61%
PUBLIC BUILDING	489,538	620,445	511,888	(108,557)	-17.50%
COMMUNITY DEVELOPMENT	1,230,268	1,320,011	1,297,783	(22,228)	-1.68%
GARAGE	390,515	523,415	593,580	70,165	13.41%
PURCHASING	171,722	155,131	181,197	26,066	16.80%
INFORMATION SYSTEMS	3,549,531	4,212,876	4,559,077	346,201	8.22%
MISCELLANEOUS	7,197,630	6,862,798	7,524,173	661,375	9.64%
SAFETY	139,000	170,779	179,153	8,374	4.90%
SUBTOTAL - GENERAL GOVERNMENT	17,360,360	18,322,070	19,781,626	1,459,555	7.97%
FIRE	12,476,077	13,915,629	15,732,794	1,817,165	13.06%
INSPECTION	1,013,617	1,072,827	1,014,592	(58,235)	-5.43%
POLICE	15,321,770	18,723,628	20,098,206	1,374,578	7.34%
TRAFFIC SIGNS & MARKINGS	404,888	530,182	526,349	(3,833)	-0.72%
SUBTOTAL - PUBLIC SAFETY	29,216,352	34,242,266	37,371,941	3,129,675	9.14%
STREET	2,727,529	2,866,161	2,997,423	131,262	4.58%
ENGINEERING	913,801	574,339	665,792	91,453	15.92%
SOLID WASTE	7,561,829	6,797,505	5,714,222	(1,083,283)	-15.94%
SUBTOTAL - PUBLIC WORKS	11,203,159	10,238,005	9,377,437	(860,568)	-8.41%
ANIMAL SHELTER	695,119	764,600	857,617	93,017	12.17%
PARK AND RECREATION	10,016,522	8,656,981	8,166,410	(490,571)	-5.67%
BEAUTIFICATION	486,013	611,670	1,623,491	1,011,821	165.42%
CEMETERY	190,648	313,401	308,344	(5,057)	-1.61%
YOUTH SERVICES	1,028,721	1,071,544	1,194,745	123,201	11.50%
CULTURE	377,730	219,854	139,854	(80,000)	-36.39%
TRAIN DEPOT	10,081	25,597	56,597	31,000	121.11%
OLD STATE BANK	91,511	96,632	3,300	(93,332)	-96.58%
POINT MALLARD	4,314,937	4,679,403	5,273,735	594,332	12.70%
SUBTOTAL - PUBLIC SERVICES	17,211,282	16,439,682	17,624,093	1,184,411	7.20%
COMM SERVICE CONTRACTS	1,287,809	1,324,844	1,289,652	(35,192)	-2.66%
ECONOMIC DEVELOPMENT	3,702,215	2,364,650	2,297,140	(67,510)	-2.85%
SUBTOTAL - COMM. SERVICE CONTRACTS	4,990,024	3,689,494	3,586,792	(102,702)	-2.78%
PLANNING	238,567	374,274	440,368	66,094	17.66%
BUSINESS DEVELOPMENT	241,498	187,000	172,000	(15,000)	-8.02%
SUBTOTAL - COMMUNITY DEVELOPMENT	480,065	561,274	612,368	51,094	9.10%
DEBT SERVICE	4,628,566	6,006,366	6,540,914	534,548	8.90%
OTHER FINANCING USES	5,821,294	1,612,246	1,270,553	(341,693)	-21.19%
SUBTOTAL - DEBT AND FINANCING USES	10,449,860	7,618,612	7,811,467	192,855	2.53%
GRAND TOTAL - GENERAL FUND	90,911,102	91,111,403	96,165,724	5,054,321	5.55%

DEPARTMENTS	ACTUAL	BUDGET	PROPOSED	INCREASE (DECREASE)	
	FY2023	FY2024	BUDGET	FY2025 OVER FY2024	
	\$	\$	FY2025	AMOUNT	PERCENT
			\$	\$	%
PERSONNEL	323,001	325,118	307,642	(17,476)	-5.38%
OPERATING	318,713	348,561	292,172	(56,389)	-16.18%
MAYOR AND COUNCIL	641,714	673,679	599,814	(73,865)	-10.96%
PERSONNEL	652,665	718,499	759,560	41,061	5.71%
OPERATING	37,036	92,745	151,494	58,749	63.34%
CAPITAL	126,564	182,000	160,000	(22,000)	-12.09%
LEGAL SERVICES	816,265	993,244	1,071,054	77,810	7.83%
PERSONNEL	1,035,253	836,216	1,031,232	195,016	23.32%
OPERATING	9,211	13,061	15,060	1,999	15.31%
MUNICIPAL COURT	1,044,464	849,277	1,046,292	197,015	23.20%
PERSONNEL	414,579	436,047	487,752	51,705	11.86%
OPERATING	60,983	103,994	311,745	207,751	199.77%
CITY CLERK	475,562	540,041	799,497	259,456	48.04%
PERSONNEL	306,767	340,491	364,259	23,768	6.98%
OPERATING	23,577	52,916	73,215	20,299	38.36%
REVENUE	330,344	393,407	437,474	44,067	11.20%
PERSONNEL	875,073	976,652	962,433	(14,219)	-1.46%
OPERATING	8,734	30,315	18,210	(12,105)	-39.93%
FINANCE	883,807	1,006,967	980,643	(26,324)	-2.61%
PERSONNEL	259,448	291,715	272,583	(19,132)	-6.56%
OPERATING	230,090	288,730	239,305	(49,425)	-17.12%
CAPITAL	-	40,000	-	(40,000)	-100.00%
PUBLIC BUILDING	489,538	620,445	511,888	(108,557)	-17.50%
PERSONNEL	1,043,148	1,121,943	1,159,776	37,833	3.37%
OPERATING	186,920	198,068	138,007	(60,061)	-30.32%
CAPITAL	200	-	-	-	0.00%
COMMUNITY DEVELOPMENT	1,230,268	1,320,011	1,297,783	(22,228)	-1.68%
PERSONNEL	316,244	406,552	406,552	-	0.00%
OPERATING	74,271	82,601	187,028	104,427	126.42%
CAPITAL	-	34,262	-	(34,262)	-100.00%
GARAGE	390,515	523,415	593,580	70,165	13.41%
PERSONNEL	166,733	153,781	170,647	16,866	10.97%
OPERATING	4,989	1,350	10,550	9,200	681.48%
PURCHASING	171,722	155,131	181,197	26,066	16.80%
PERSONNEL	1,314,752	1,341,424	1,330,618	(10,806)	-0.81%
OPERATING	2,072,703	2,871,452	3,228,459	357,007	12.43%
CAPITAL	162,076	-	-	-	0.00%
INFORMATION SYSTEMS	3,549,531	4,212,876	4,559,077	346,201	8.22%

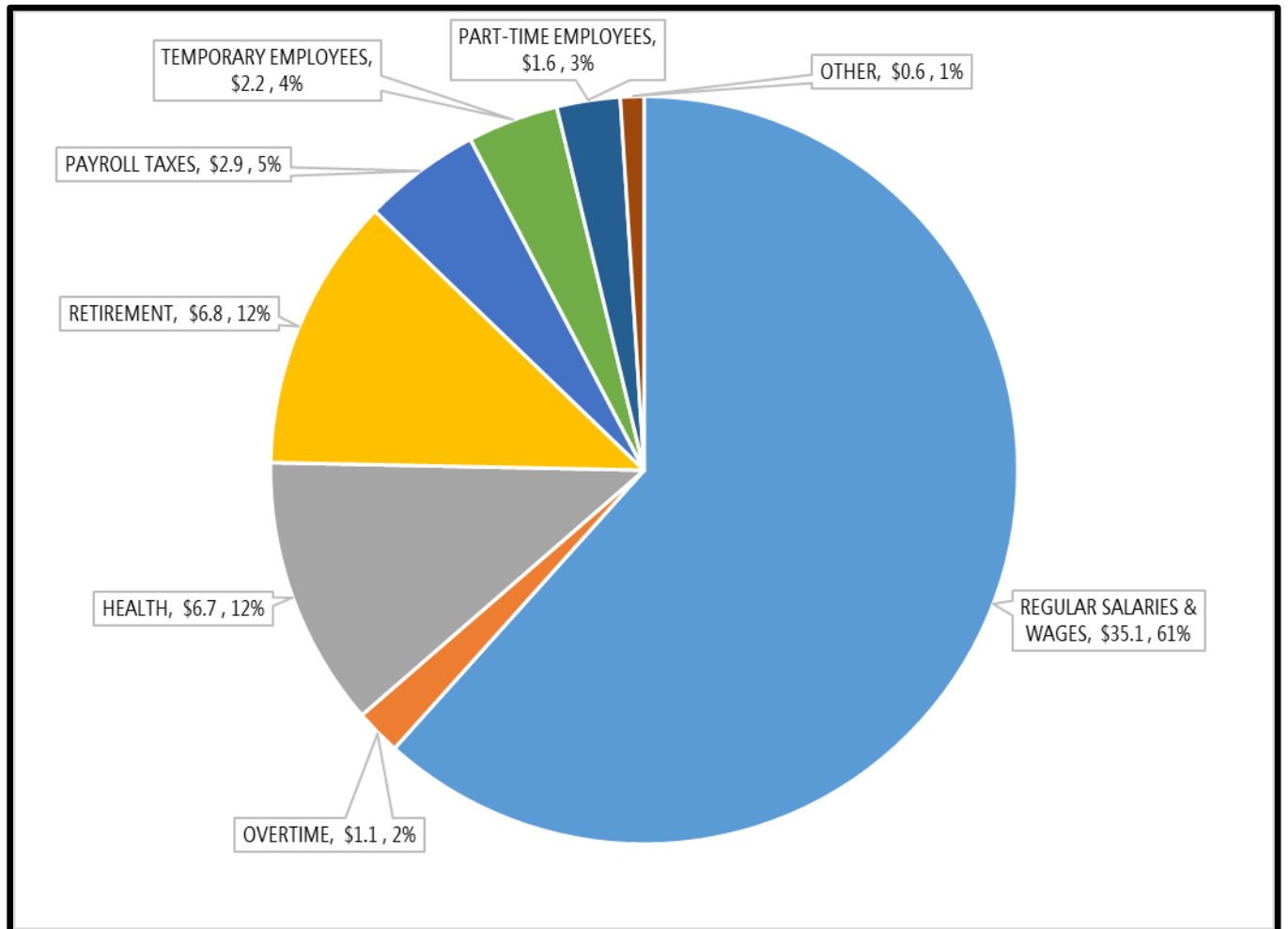
DEPARTMENTS	ACTUAL	BUDGET	PROPOSED	INCREASE (DECREASE)	
	FY2023	FY2024	BUDGET	FY2025 OVER FY2024	
	\$	\$	FY2025	AMOUNT	PERCENT
				\$	%
PERSONNEL	775,506	800,000	700,000	(100,000)	-12.50%
OPERATING	6,422,124	5,562,798	6,324,173	761,375	13.69%
CAPITAL	-	500,000	500,000	-	0.00%
MISCELLANEOUS	7,197,630	6,862,798	7,524,173	661,375	9.64%
PERSONNEL	102,891	108,120	112,594	4,474	4.14%
OPERATING	36,109	62,659	66,559	3,900	6.22%
SAFETY	139,000	170,779	179,153	8,374	4.90%
PERSONNEL	10,942,590	12,058,130	14,188,602	2,130,472	17.67%
OPERATING	968,272	1,606,431	1,394,592	(211,839)	-13.19%
CAPITAL	565,215	251,068	149,600	(101,468)	-40.41%
FIRE	12,476,077	13,915,629	15,732,794	1,817,165	13.06%
PERSONNEL	968,006	1,030,541	958,172	(72,369)	-7.02%
OPERATING	45,611	42,286	56,420	14,134	33.42%
INSPECTION	1,013,617	1,072,827	1,014,592	(58,235)	-5.43%
PERSONNEL	12,634,268	15,269,470	16,467,009	1,197,539	7.84%
OPERATING	2,687,502	2,854,158	3,631,197	777,039	27.22%
CAPITAL	-	600,000	660,000	60,000	10.00%
POLICE	15,321,770	18,723,628	20,098,206	1,374,578	7.34%
PERSONNEL	277,433	357,424	334,842	(22,582)	-6.32%
OPERATING	127,455	172,758	191,507	18,749	10.85%
TRAFFIC SIGNS & MARKINGS	404,888	530,182	526,349	(3,833)	-0.72%
PERSONNEL	1,830,158	2,262,764	2,396,933	134,169	5.93%
OPERATING	354,772	442,397	454,490	12,093	2.73%
CAPITAL	542,599	161,000	146,000	(15,000)	-9.32%
STREET	2,727,529	2,866,161	2,997,423	131,262	4.58%
PERSONNEL	468,300	516,838	532,892	16,054	3.11%
OPERATING	58,190	57,501	132,900	75,399	131.13%
CAPITAL	387,311	-	-	-	0.00%
ENGINEERING	913,801	574,339	665,792	91,453	15.92%
PERSONNEL	1,778,678	2,068,577	2,052,088	(16,489)	-0.80%
OPERATING	3,034,019	2,270,608	2,265,922	(4,686)	-0.21%
CAPITAL	2,749,132	2,458,320	1,396,212	(1,062,108)	-43.20%
SOLID WASTE	7,561,829	6,797,505	5,714,222	(1,083,283)	-15.94%
PERSONNEL	532,201	614,780	697,182.00	82,402	13.40%
OPERATING	115,601	149,820	160,435.00	10,615	7.09%
CAPITAL	47,317	-	-	-	0.00%
ANIMAL SHELTER	695,119	764,600	857,617	93,017	12.17%

DEPARTMENTS	ACTUAL	BUDGET	PROPOSED	INCREASE (DECREASE)	
	FY2023	FY2024	BUDGET	FY2025 OVER FY2024	
	\$	\$	\$	AMOUNT	PERCENT
				\$	%
PERSONNEL	5,175,707	5,616,256	5,749,892	133,636	2.38%
OPERATING	4,344,544	3,040,725	2,416,518	(624,207)	-20.53%
CAPITAL	496,271	-	-	-	0.00%
PARK AND RECREATION	10,016,522	8,656,981	8,166,410	(490,571)	-5.67%
PERSONNEL	73,484	363,538	358,849	(4,689)	-1.29%
OPERATING	412,529	248,132	1,264,642	1,016,510	409.67%
BEAUTIFICATION	486,013	611,670	1,623,491	1,011,821	165.42%
PERSONNEL	89,996	128,501	139,495	10,994	8.56%
OPERATING	100,652	144,900	168,849	23,949	16.53%
CAPITAL	-	40,000	-	(40,000)	-100.00%
CEMETERY	190,648	313,401	308,344	(5,057)	-1.61%
PERSONNEL	791,611	955,982	1,072,452	116,470	12.18%
OPERATING	190,614	115,562	122,293	6,731	5.82%
YOUTH SERVICES	1,028,721	1,071,544	1,194,745	123,201	11.50%
OPERATING	181,839	164,854	139,854	(25,000)	-15.16%
CAPITAL	195,891	55,000	-	(55,000)	-100.00%
CULTURE	377,730	219,854	139,854	(80,000)	-36.39%
OPERATING	10,081	25,597	56,597	31,000	121.11%
TRAIN DEPOT	10,081	25,597	56,597	31,000	121.11%
PERSONNEL	79,872	79,872	-	(79,872)	-100.00%
OPERATING	11,639	16,760	3,300	(13,460)	-80.31%
OLD STATE BANK	91,511	96,632	3,300	(93,332)	-96.58%
PERSONNEL	2,720,724	3,001,477	3,127,815	126,338	4.21%
OPERATING	1,594,213	1,677,926	1,876,920	198,994	11.86%
CAPITAL	-	-	269,000	269,000	0.00%
POINT MALLARD	4,314,937	4,679,403	5,273,735	594,332	12.70%
PERSONNEL	223,762	333,188	399,709	66,521	19.97%
OPERATING	14,805	41,086	40,659	(427)	-1.04%
PLANNING	238,567	374,274	440,368	66,094	17.66%

Salaries and Benefits Costs

The City of Decatur will budget about \$56.9 million in FY2025 on employee salaries and benefits. Of this amount, approximately 72% (\$40.0M) will be spent on employee salaries, and 28% (\$16.9M) will be spent on other benefits. The cost of an average full-time employee in FY2025 is \$94,994. This includes an average benefit cost of \$30,219 or 31% (fringe benefit rate). A breakdown of FY2023 personnel costs is illustrated as follows:

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



Economic and Community Appropriations

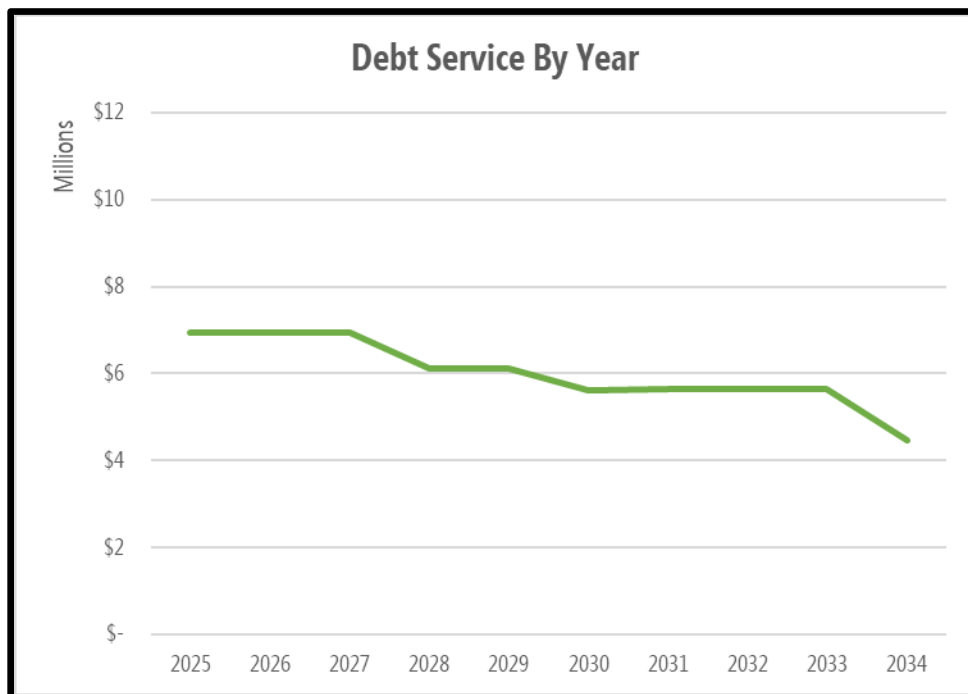
Decatur partners with numerous agencies to further culture, community, education, recreation, public safety and local economy efforts of a growing region. The city contracts with each entity in an understanding of the specific services the entity will provide. These entities, partnerships and contracts 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 FY2025 budget:

AGENCY NAME	FY23 Actuals	FY24 Revised Budget	FY25 Original Budget Proposal
Decatur Public Library	\$ 377,936	\$ 397,680	\$ 397,680
Morgan Co EMCD-911	\$ 460,446	\$ 477,488	\$ 477,487
Decatur/Morgan Emergency Mgmt Agency	\$ 35,000	\$ 35,000	\$ 31,500
Decatur Morgan Hospital Foundation-Safe Haven Baby Box	\$ -	\$ 3,500	\$ -
Mental Health Center	\$ 30,000	\$ 30,000	\$ 27,000
Morgan Co Health Dept	\$ 120,000	\$ 120,000	\$ 108,000
Com Act Partnership-Meals on Wheels	\$ 14,227	\$ 14,227	\$ 12,805
Com Act Partnership-Foster Grandparents	\$ 7,200	\$ 7,200	\$ 6,480
Princess Theatre	\$ 80,000	\$ 80,000	\$ 72,000
Dec Morgan Seniors Council	\$ 51,000	\$ 51,000	\$ 45,900
Morgan Co Rescue Squad	\$ 15,000	\$ 15,000	\$ 13,500
Community Foundation of Greater Decatur - Youth Entrepreneurial CEO Program	\$ -	\$ 75,000	\$ -
Volunteer Center	\$ 5,000	\$ 5,000	\$ 4,500
Carnegie Visual Arts Ctr	\$ 17,000	\$ 17,000	\$ 15,300
Community Free Clinic	\$ 75,000	\$ 75,000	\$ 67,500
Young Professionals of Decatur	\$ -	\$ -	\$ 10,000
Decatur-Morgan Co Chamber - The Partnership, 5-Year Plan	\$ 50,000	\$ 50,000	\$ 45,000
Morgan Co Economic Develop Assoc	\$ 61,000	\$ 61,000	\$ 54,900
CEOTA (Relocate Horton House)	\$ 938,774	\$ -	\$ -
NARCOG-Transport Planning	\$ 300,000	\$ 300,000	\$ 270,000
Decatur-Morgan Convention & Visitors-Tourism (64.3% of 7% tax)	\$ 1,308,958	\$ 1,189,550	\$ 1,189,550
Pryor Field	\$ 149,383	\$ 30,000	\$ 27,000
Decatur-Morgan Co Chamber - Business Development	\$ 50,000	\$ 50,000	\$ 45,000
Downtown Decatur Merchants & Business Assoc (DDMBA) -3rd Friday	\$ 10,000	\$ 5,000	\$ -
Downtown Redevelop Authority	\$ 234,100	\$ 84,100	\$ 75,690
Entrepreneurial Center	\$ 100,000	\$ 100,000	\$ 90,000
Best and Brightest	\$ -	\$ -	\$ 230,000
Total General Fund	\$ 4,490,024	\$ 3,272,745	\$ 3,316,792
AGENCY NAME	FY23 Actuals	FY24 Revised Budget	FY25 Original Budget Proposal
Decatur Public Library	\$ 99,127	\$ 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	\$ 244,127	\$ 244,420	\$ 244,420
AGENCY NAME	FY23 Actuals	FY24 Revised Budget	FY25 Original Budget Proposal
Best and Brightest	\$ 500,000	\$ 500,000	\$ 270,000
Total Water for Resale Fund	\$ 500,000	\$ 500,000	\$ 270,000
AGENCY NAME	FY23 Actuals	FY24 Revised Budget	FY25 Original Budget Proposal
CEOTA (Relocate Horton House)	\$ 250,000	\$ -	\$ -
Decatur Morgan Hospital	\$ -	\$ 20,000	\$ -
Total Room Occupancy Fund	\$ 250,000	\$ 20,000	\$ -
Grand Totals	\$ 5,484,151	\$ 4,037,165	\$ 3,831,212

Debt Service and Debt Outstanding

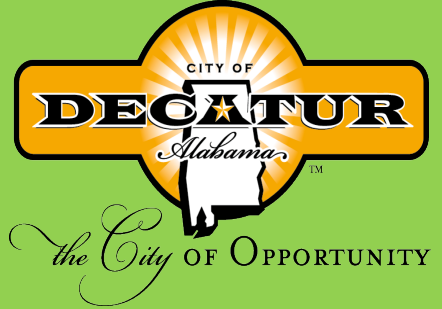
The city issues debt to finance the construction of long-term capital projects. Most debt issued by the city of Decatur is categorized as "general obligation" debt, or debt that is backed by the full faith and credit of the city. A summary of all the outstanding debt and future year over year debt service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

Issuance Series	Original Issue Amount	Outstanding as of October 1st, 2024
2016-A	21,630,000	12,500,000
2016-B	5,140,000	3,580,000
2021-A	17,660,000	11,955,000
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	78,965,000



OTHER GOVERNMENTAL FUNDS

FY25 ADOPTED ANNUAL BUDGET



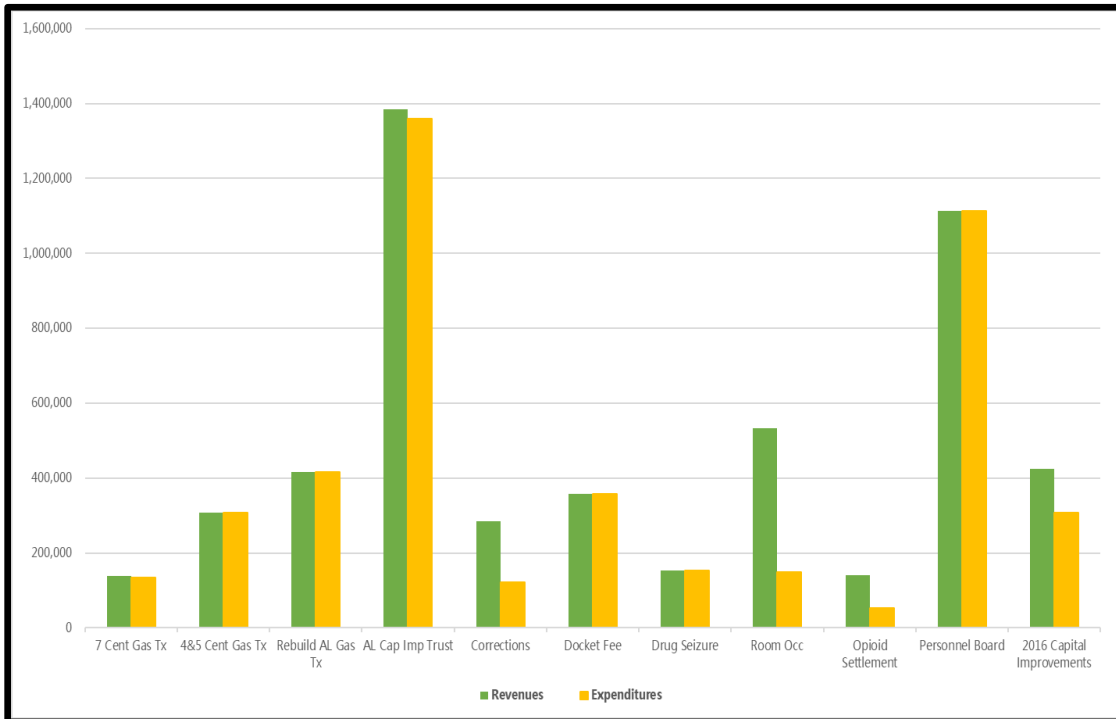
City of Decatur, Alabama

Other Governmental Funds

Fiscal Year 2025 Proposed Budget

Other Governmental Funds	7 Cent Gas Tax	4&5 Cent Gas Tax	Rebuild AL Gas Tax	AL Cap Imp Trust	Corrections
Revenues	138,900	307,825	416,415	1,385,000	285,000
Expenditures	135,201	307,825	416,415	1,359,000	120,887
Revenues over (under) Expenditures	3,699	-	-	26,000	164,113

Other Governmental Funds	Docket Fee	Drug Seizure	Room Occ	Opioid Settlement	Personnel Board	Cap. Improv.
Revenues	356,770	153,500	534,000	140,000	1,112,953	425,000
Expenditures	356,770	153,500	148,316	53,200	1,112,953	308,438
Revenues over (under) Expenditures	-	-	385,684	86,800	-	116,562



Title and Description of Other Governmental Fund	ACTUAL FY2023 \$	BUDGET FY2024 \$	PROPOSED BUDGET FY2025 \$
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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	141,985	138,900	138,900
Expense	131,763	129,673	135,201
Excess (deficit) of Revenue over Expenditures	10,222	9,227	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	314,849	307,700	307,825
Expense	339,358	303,885	293,749
Excess (deficit) of Revenue over Expenditures	(24,509)	3,815	14,076

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	414,562	457,111	416,415
Expense	510,584	457,111	416,415
Excess (deficit) of Revenue over Expenditures	(96,022)	-	-

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	533,348	2,126,345	1,359,000
Expense	721,332	2,126,345	1,359,000
Excess (deficit) of Revenue over Expenditures	(187,984)	-	-

Title and Description of Other Governmental Fund	ACTUAL FY2023 \$	BUDGET FY2024 \$	PROPOSED BUDGET FY2025 \$
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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	496,205	501,000	285,000
Expense	263,780	482,131	230,887
Excess (deficit) of Revenue over Expenditures	232,425	18,869	54,113

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	145,611	377,868	356,770
Expense	30,902	377,868	356,770
Excess (deficit) of Revenue over Expenditures	114,709	-	-

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	102,792	81,500	153,500
Expense	129,061	36,500	153,500
Excess (deficit) of Revenue over Expenditures	(26,269)	45,000	-

Room Occupancy Fund

Accounts for the \$2 per rented room (\$1 in Police Jurisdiction) tax levy; restricted for the promotion of City tourism.

Revenue	548,191	624,500	534,000
Expense	398,246	214,079	148,316
Excess (deficit) of Revenue over Expenditures	149,945	410,421	385,684

Title and Description of Other Governmental Fund	ACTUAL FY2023 \$	BUDGET FY2024 \$	PROPOSED BUDGET FY2025 \$
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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	1,326,195	233,737	140,000
Expense	-	189,267	53,200
Excess (deficit) of Revenue over Expenditures	1,326,195	44,470	86,800

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)	1,011,897	1,016,799	1,112,953
Expense	966,240	1,016,799	1,112,953
Excess (deficit) of Revenue over Expenditures	45,657	-	-

Capital Improvements Fund

Accounts for the revenues and expenditures related to the construction of both road and economic development projects financed by general obligation warrants.

Revenue	59,648	650,000	425,000
Expense	242,058	596,703	308,438
Excess (deficit) of Revenue over Expenditures	(182,410)	53,297	116,562

City of Decatur Board of Education

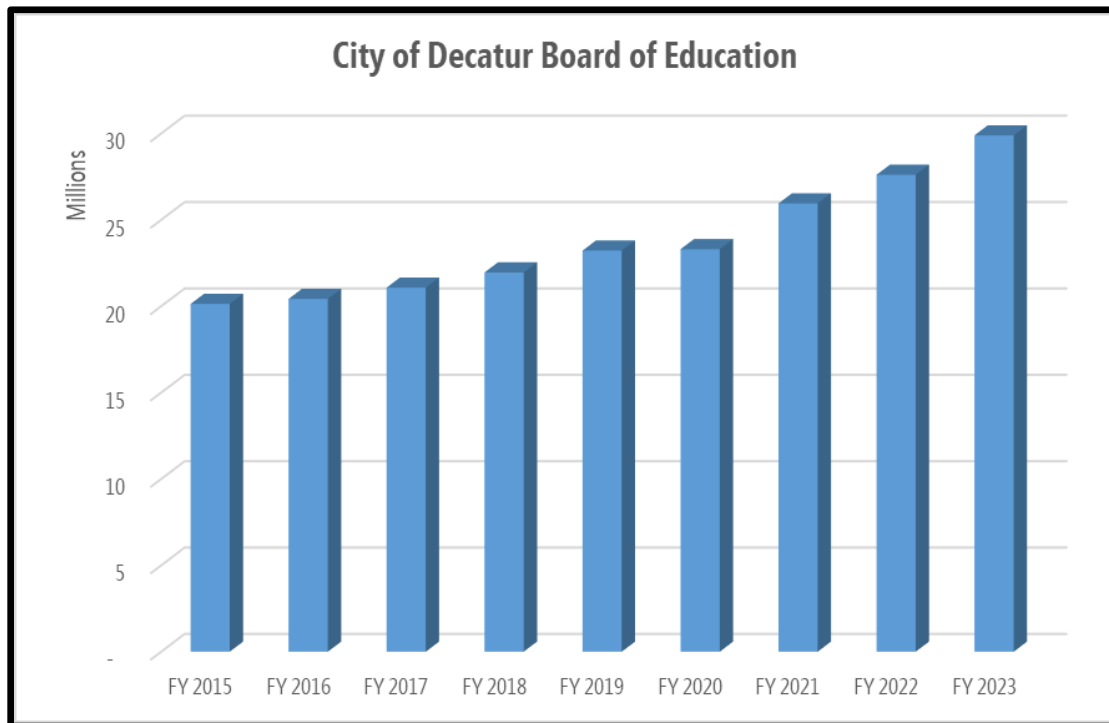
The Board of Education is responsible for elementary and secondary education within the government's jurisdiction. The citizens of the City of Decatur elect members of the Board of Education and this board serves as the approving body for all school related budgets. The Board of Education is fiscally 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 FY2023 \$	BUDGET FY2024 \$	PROPOSED BUDGET FY2025 \$
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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.

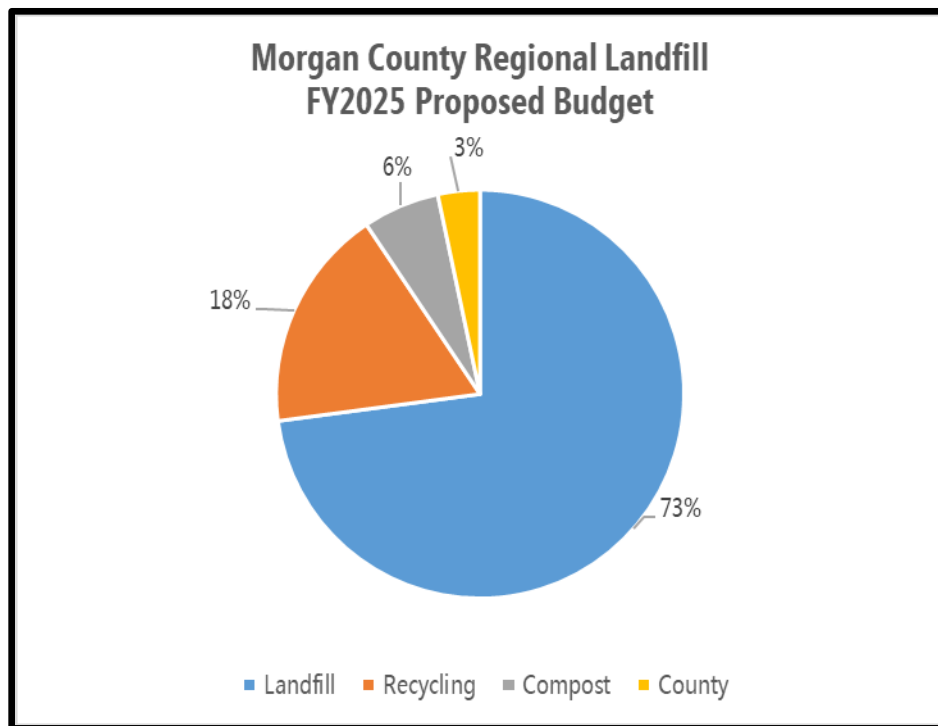
Revenue	29,888,882	28,642,660	30,325,701
Expense	29,888,882	28,642,660	30,325,701
Excess (deficit) of Revenue over Expenditures	-	-	-



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 73% of proposed budget for FY2025. Landfill revenues are shared to offset the 4 department's operational costs.



The Landfill's top revenue sources in the proposed FY2025 budget are the following:

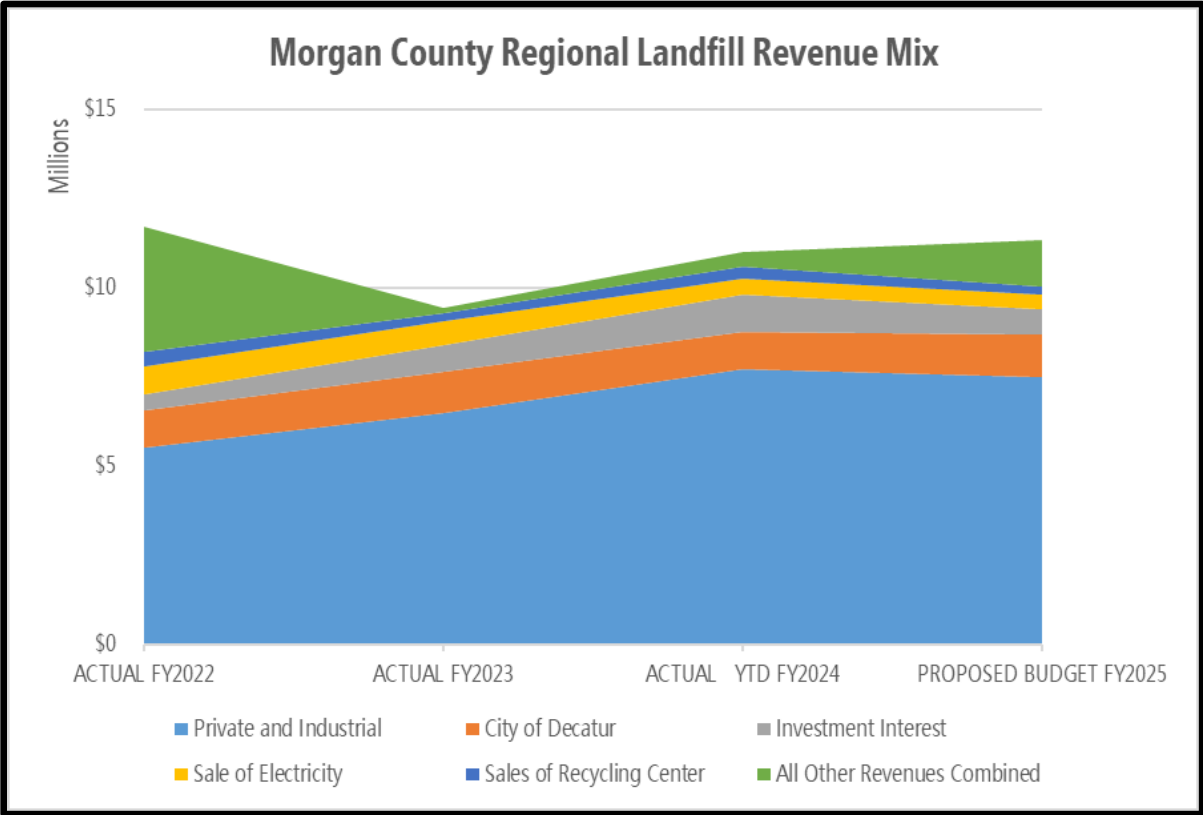
- Private and Industrial Accounts
- Investment Interest
- Sales of Recycling
- City of Decatur
- Sales of Electricity

Using data from recent years, private and industrial dumping on average accounts for approximately 65% 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 10% 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, the landfill has seen consistent revenues over the past several years with the exception of FY2020 due to the pandemic.

Description	ACTUAL FY2022	ACTUAL FY2023	ACTUAL YTD FY2024	PROPOSED BUDGET FY2025
Private and Industrial	5,512,475	6,480,181	7,700,111	7,500,000
City of Decatur	1,063,543	1,150,098	1,079,924	1,200,000
Investment Interest	443,326	742,238	1,031,596	700,000
Sale of Electricity	789,515	695,095	460,176	400,000
Sales of Recycling Center	378,778	225,583	337,227	225,000
All Other Revenues Combined	3,523,727	158,190	405,795	1,305,765
TOTAL	11,711,364	9,451,385	11,014,829	11,330,765



Expenditures

The FY2025 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 FY2022	ACTUAL FY2023	REVISED BUDGET FY2024	ACTUAL YTD FY2024	PROPOSED BUDGET FY2025
Landfill Personnel*	754,834	939,327	936,289	740,013	998,860
Landfill Operating	2,492,184	3,209,092	3,884,086	2,345,045	3,600,715
Landfill Depreciation	981,946	947,565	950,000	805,784	950,000
TOTAL	4,228,965	5,095,983	5,770,375	3,890,841	5,549,575
Recycling Personnel*	542,308	518,913	739,736	488,968	760,951
Recycling Operating	298,242	247,869	765,760	286,204	360,281
Recycling Depreciation	176,820	172,601	225,000	-	225,000
TOTAL	1,017,370	939,382	1,730,496	775,172	1,346,232
Compost Personnel*	153,412	167,898	225,147	190,337	228,654
Compost Operating	161,609	122,583	181,400	164,980	156,100
Compost Depreciation	95,985	123,839	77,926	-	77,926
TOTAL	411,006	414,320	484,473	355,317	462,680
County Personnel*	191,491	177,562	188,346	138,438	209,021
County Operating	22,926	29,270	36,397	21,148	33,217
County Depreciation	14,080	14,080	12,000	-	12,000
TOTAL	228,497	220,912	236,743	159,585	254,238
*Does not include OPEB (Other Post Employment Benefits)					

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. Historical asset additions and proposed additions are as follows:

Description	ACTUAL FY2022	ACTUAL FY2023	ACTUAL YTD FY2024	PROPOSED BUDGET FY2025
Landfill	1,194,347	8,971,950	2,708,803	1,262,810
Recycling	-	-	416,675	495,000
Compost	-	1,083,107	453,275	-
County	-	-	60,794	65,000
TOTAL	1,194,347	10,055,057	3,639,547	1,822,810