



# City of Dothan

## Budget Work Session Fiscal Year 2026

August 14, 2025

# Budget Goals

- Be fiscally responsible by maintaining an adequate Fund Balance compared to budgeted expenditures and transfers for General and Utility Funds.
- Maintain a Fund Balance Reserve with a minimum Unassigned Fund Balance of 8% to 17% (1-2 months).
- Reserve funds for Capital Improvement Projects as they are approved.

# Budget Goals

- Maintain a six-year Capital Improvement Projects (CIP) document to plan for future projects.
- Present by April 15th of each fiscal year, a Mid-Year Budget to fund any unfunded items that were requested during the budget process, if funds are available.
- Fund Strategic Plan Action Items.

# Budget Goals

- Continue to maintain sewer system to be compliant with EPA.
- Maintain infrastructure, facilities, resurfacing and fleet.
- Maintain competitive pay for staff.
- Maintain financial integrity of the self-insured programs.

# Budget Summary 2026

	GENERAL FUND	UTILITY FUND	SOLID WASTE FUND	CIVIC CENTER FUND	SCHOOL FUND	PUBLIC BLDG. AUTHORITY FUND	DEBT SERVICE FUND	TOTAL
<b>Revenues</b>								
Current Revenues	\$ 28,752,406	\$ 39,213,000	\$ 6,271,000	\$ 1,900,000	\$ 175,000	\$ -	\$ -	\$ 76,311,406
Sales Tax	95,000,000	-	-	-	-	-	-	95,000,000
Electric Sales	-	91,800,000	-	-	-	-	-	91,800,000
Reimbursement from Schools	-	-	-	-	300,000	-	-	300,000
Accumulated Depreciation	-	14,615,000	1,535,000	-	-	-	-	16,150,000
Utilization of Fund Balance	3,000,000	8,459,852	-	-	-	-	-	11,459,852
<b>Total Revenues</b>	<b>\$ 126,752,406</b>	<b>\$ 154,087,852</b>	<b>\$ 7,806,000</b>	<b>\$ 1,900,000</b>	<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 291,021,258</b>
<b>Expenditures</b>								
Salaries & Benefits	\$ 87,582,600	\$ 20,275,363	\$ 5,631,502	\$ 307,500	\$ 172,749	\$ -	\$ -	\$ 113,969,714
Operating	22,103,536	97,176,499	5,056,196	1,592,500	63,000	-	-	125,991,731
Outside Agency Support	10,589,265	-	-	-	3,783,286	-	-	14,372,551
Capital Improvements	15,227,815	5,040,000	1,050,000	-	-	-	-	21,317,815
Debt Service	-	9,297,441	-	-	-	4,982,631	1,089,375	15,369,447
<b>Total Expenditures</b>	<b>\$ 135,503,216</b>	<b>\$ 131,789,303</b>	<b>\$ 11,737,698</b>	<b>\$ 1,900,000</b>	<b>\$ 4,019,035</b>	<b>\$ 4,982,631</b>	<b>\$ 1,089,375</b>	<b>\$ 291,021,258</b>
<b>Transfers In/(Out)</b>								
From General Fund to Debt Service	\$ (1,089,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,089,375	\$ -
From General Fund to Solid Waste Fund	(4,982,631)	-	-	-	-	4,982,631	-	-
From Utility Fund to General Fund	14,822,816	(14,822,816)	-	-	-	-	-	-
From Utility Fund to Solid Waste Fund	-	(3,931,698)	3,931,698	-	-	-	-	-
From Utility Fund to School Fund	-	(3,544,035)	-	-	3,544,035	-	-	-
<b>Total Other Financing Uses</b>	<b>\$ 8,750,810</b>	<b>\$ (22,298,549)</b>	<b>\$ 3,931,698</b>	<b>\$ -</b>	<b>\$ 3,544,035</b>	<b>\$ 4,982,631</b>	<b>\$ 1,089,375</b>	<b>\$ -</b>

# Budget Summary 2026

	GENERAL FUND	UTILITY FUND	TOTAL
Beginning Fund Balance (Est)	\$ 28,000,000	\$ 44,000,000	\$ 72,000,000
Revenues	123,752,406	145,628,000	269,380,406
Expenditures	(135,503,216)	(131,789,303)	(267,292,519)
Transfer to Debt Service Fund	(1,089,375)	-	(1,089,375)
Transfer to Public Building Authority Fund	(4,982,631)	-	(4,982,631)
Transfer to Solid Waste Fund	-	(3,931,698)	(3,931,698)
Transfer to School Fund	-	(3,544,035)	(3,544,035)
Transfer to(from) Utility Fund	<u>14,822,816</u>	<u>(14,822,816)</u>	<u>-</u>
Ending Fund Balances (Est)	\$ 25,000,000	\$ 35,540,148	\$ 60,540,148
Fund Balance Reserves	<u>\$ (12,557,954)</u>	<u>\$ (16,412,751)</u>	<u>\$ (28,970,705)</u>
Unassigned Fund Balance (Est)	<u>\$ 12,442,046</u>	<u>\$ 19,127,397</u>	<u>\$ 31,569,443</u>

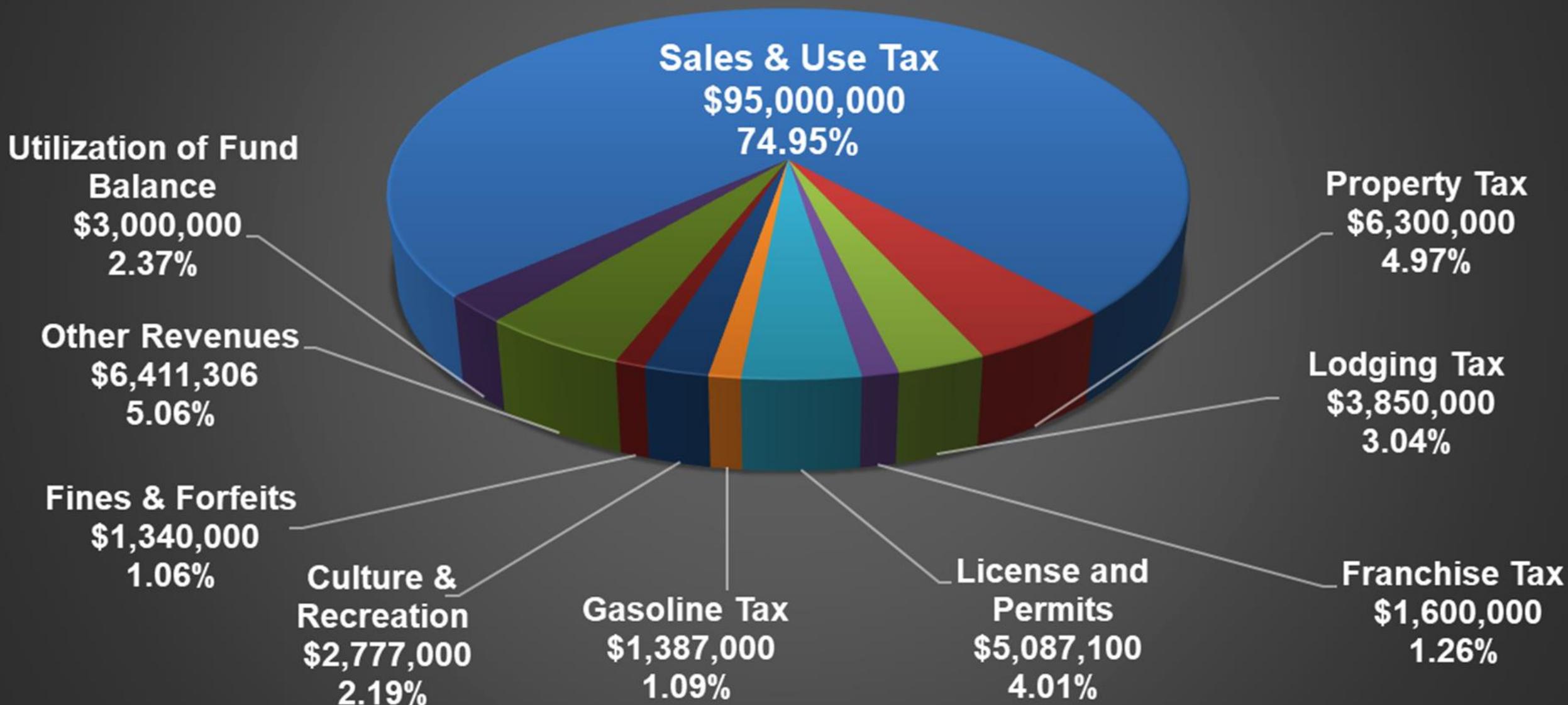
# Fund Balance Reserves

	09/30/20	09/30/21	09/30/22	09/30/23	09/30/24	08/14/25
General	\$ 8,075,202	\$ 8,085,468	\$ 10,516,253	\$ 11,825,000	\$ 12,472,367	\$ 12,557,954
Utility	10,805,283	10,819,020	13,458,665	15,162,500	15,842,169	16,412,751
Solid Waste	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>500,000</u>	<u>517,700</u>	<u>546,229</u>
Fund Balance Reserves	<u>\$ 18,880,485</u>	<u>\$ 18,904,488</u>	<u>\$ 23,974,918</u>	<u>\$ 27,487,500</u>	<u>\$ 28,832,236</u>	<u>\$ 29,516,934</u>

# Fund Balance Reserves Strategy

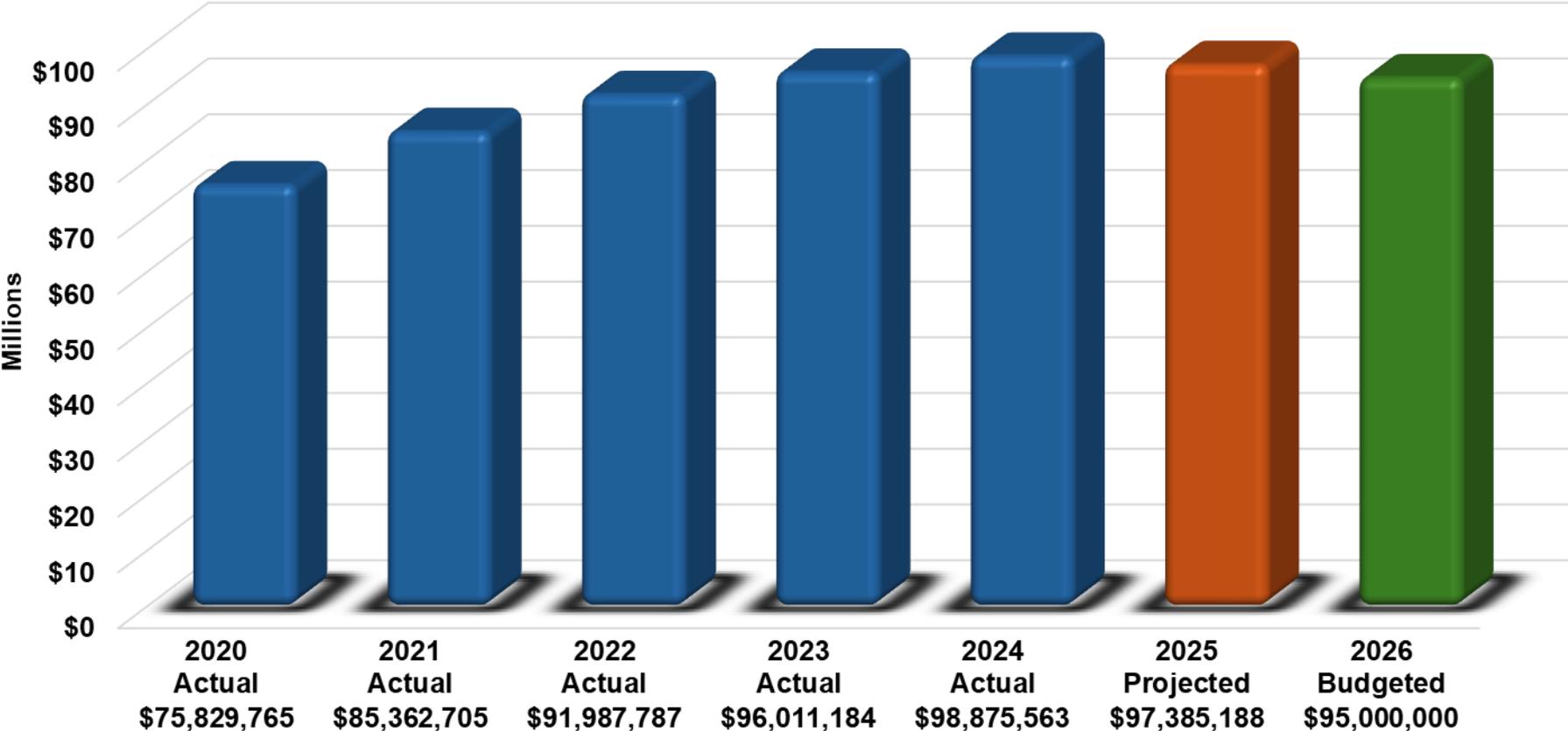
Fund	Budgeted Expenses and Transfers	Goal of 8% - 17%	Actual Amount Reserved
General Fund	\$ 141,575,222	\$ 11.3 - \$24.0 M	\$ 12.6 M
Utility Fund	\$ 154,087,852	\$ 12.3 - \$26.2 M	\$ 16.4 M
Solid Waste Fund	<u>\$ 11,737,698</u>	<u>\$ .9 - \$ 2.0 M</u>	<u>\$ .5 M</u>
Total	\$ 307,400,772	\$ 24.5 - \$52.2 M	\$ 29.5 M

# General Fund Revenues FY 2026 - \$126,752,406



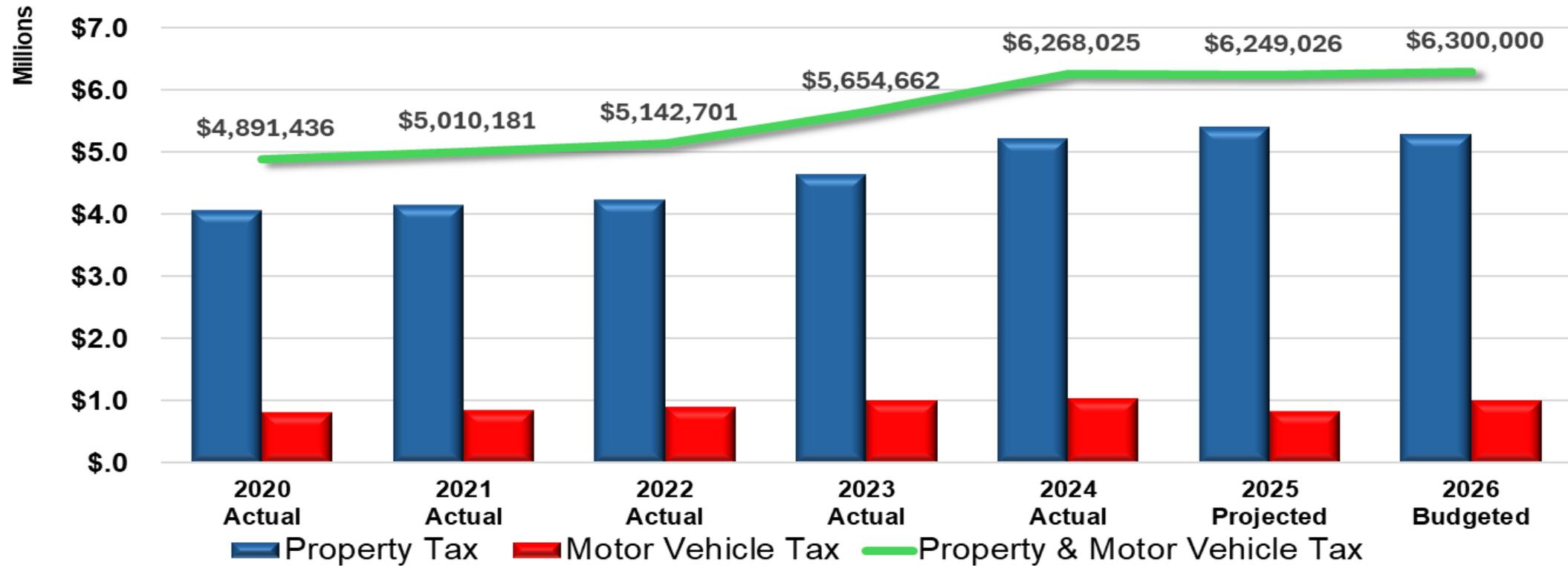
# Sales & Use Tax

## Sales Tax Revenue



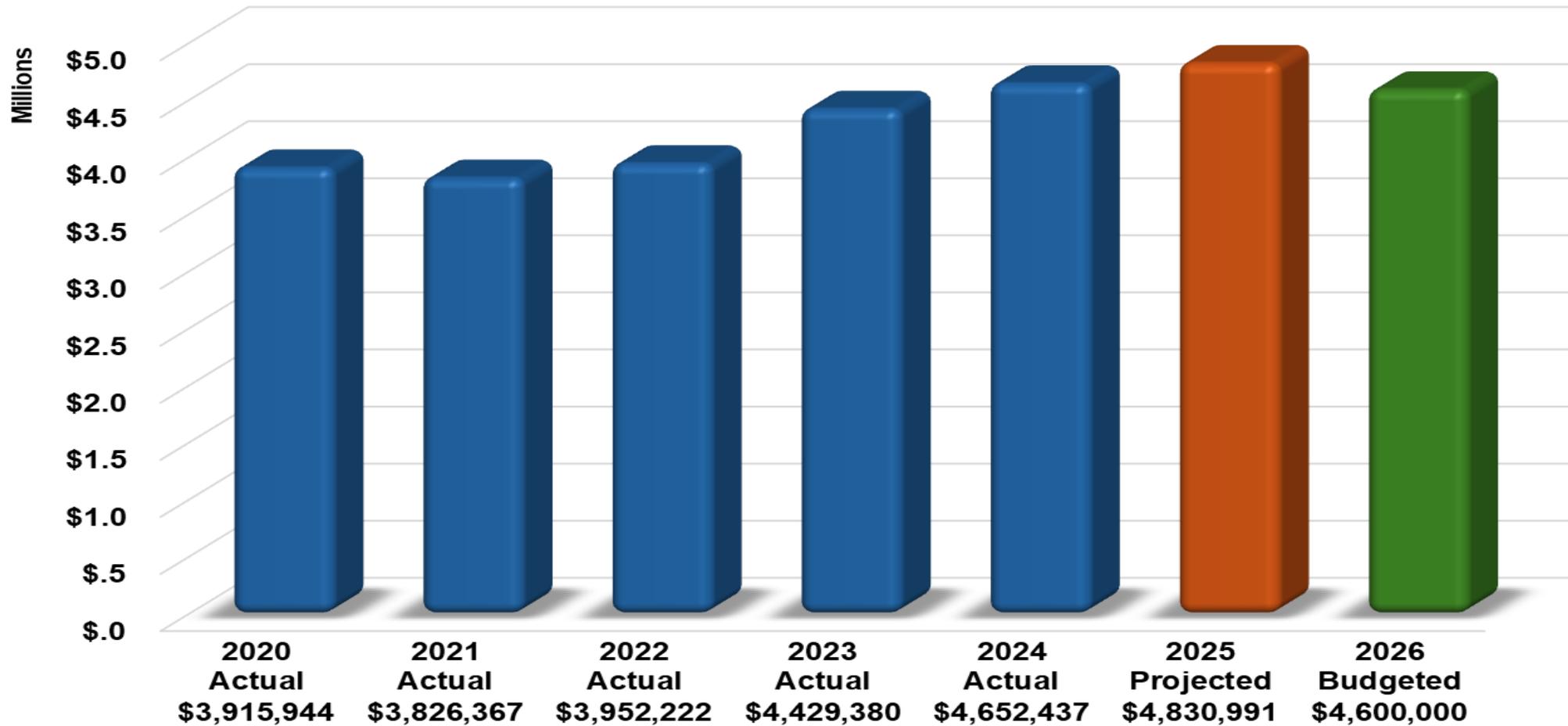
# Property Tax

## Advalorem Taxes



# Business License Revenue

**Business License Revenue**



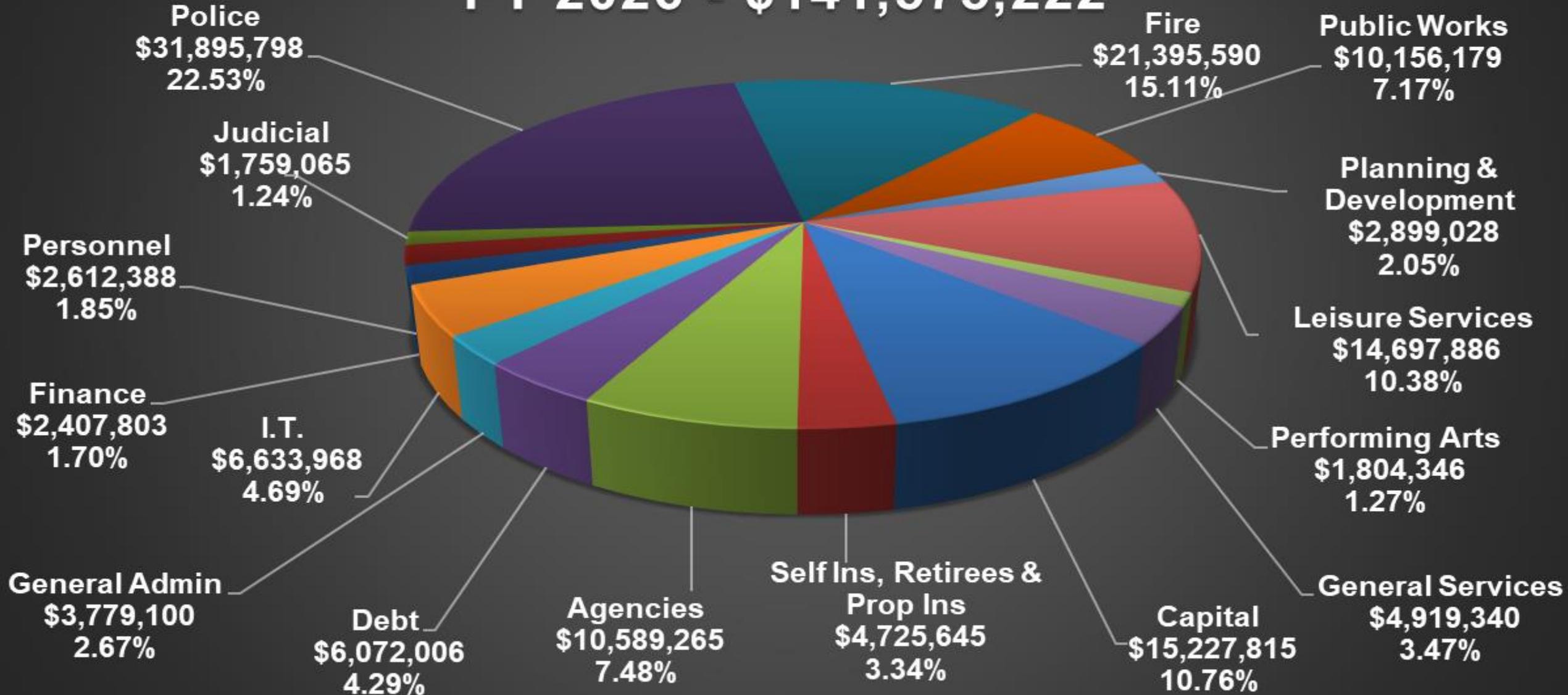
# General Fund – Summary of Changes in Revenue

Taxes	\$ 1,450,000
Licenses & Permits	709,600
Intergovernmental Revenue	34,500
General Government Revenue	875,000
Fines & Forfeitures	77,000
Miscellaneous Revenue	<u>737,950</u>
Total Increase from 2025 Budget	<u><u>\$ 3,884,050</u></u>

# General Fund Expenditures

(Includes Debt)

## FY 2026 - \$141,575,222



# General Fund – Administration/Support Services

General Administration	\$ 4,445,800
Information Technology	7,774,218
Finance	2,407,803
Personnel	3,249,388
General Services	12,547,357

# General Fund – Administration/Support Services

Judicial	\$ 1,760,015
Agency Support	10,589,265
Debt	<u>6,072,006</u>
Total	<u><u>\$48,845,852</u></u>
Percent of Total GF Expenditures	34.5%

# General Fund – Public Safety

Police	\$ 35,947,247
Fire	<u>21,416,990</u>
Total	<u>\$ 57,364,237</u>
Percent of Total GF Expenditures	40.5%

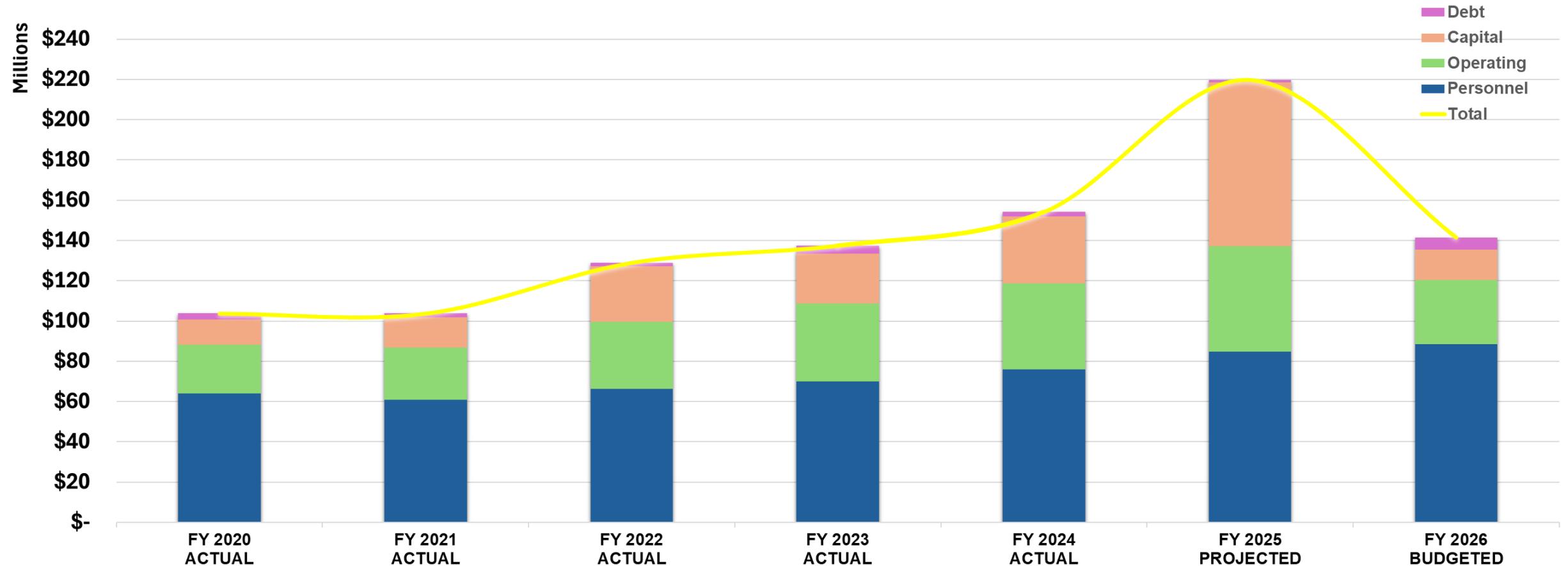
# General Fund – Public Works

Engineering/Traffic	\$ 4,696,472
Street	10,231,607
Planning & Development	<u>3,099,028</u>
Total	<u>\$18,027,107</u>
Percent of Total GF Expenditures	12.7%

# General Fund – Culture & Recreation

Leisure Services	\$ 15,529,886
Performing Arts	<u>1,808,140</u>
Total	<u>\$ 17,338,026</u>
Percent of Total GF Expenditures	12.3%

# General Fund Expenditures



# General Fund – Summary of Changes in Expenditures

Salaries & Benefits	\$ 3,674,070
Operating Expenditures	(708,866)
Agency Funding	829,750
Capital Improvement Items	<u>2,607,287</u>
Total Increase from 2025 Budget	<u>\$ 6,402,241</u>

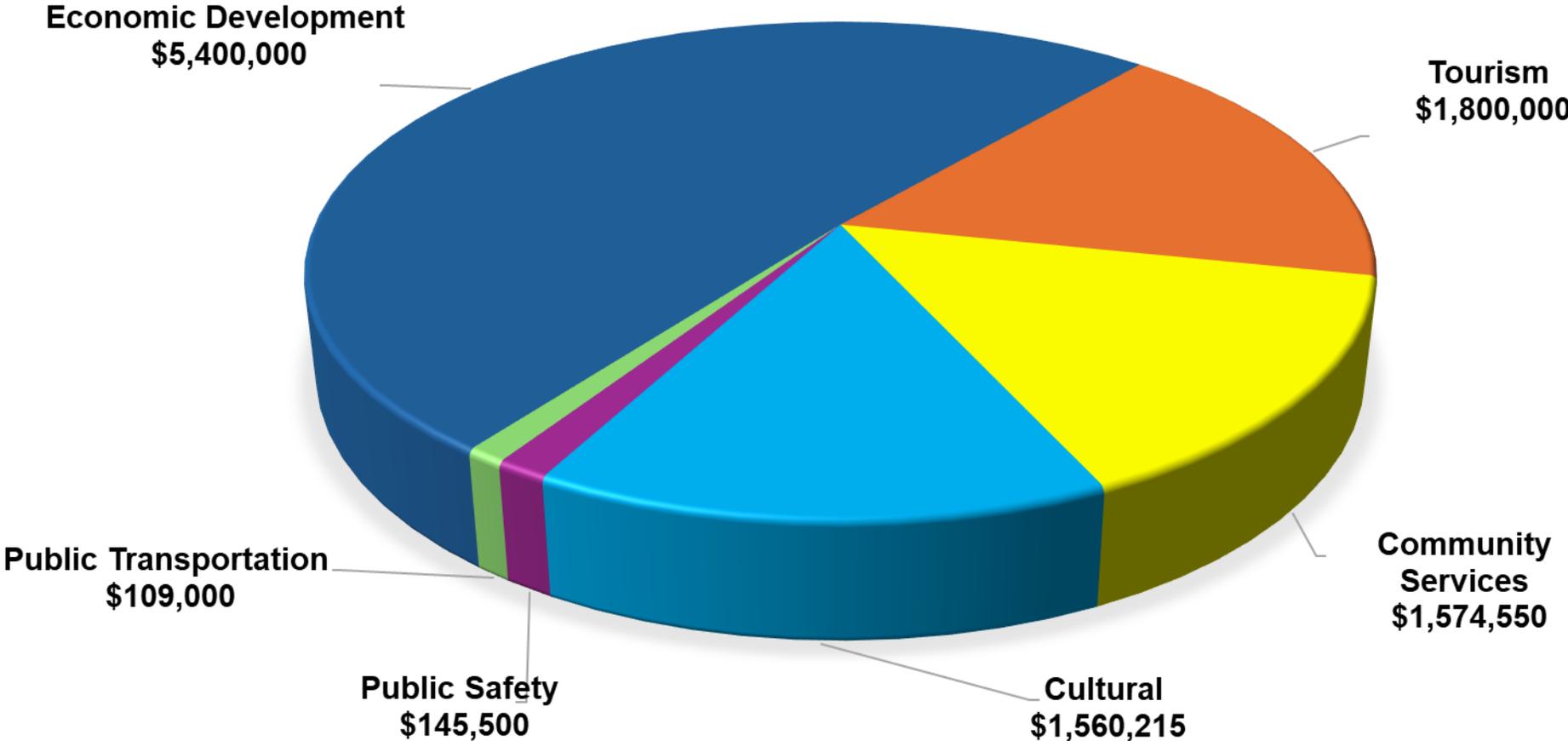
# Agency Funding

Alfred Saliba Family Services Center *	\$	20,450	Houston County Department of Human Resources	\$	2,400
Ark Dothan, Inc.		31,000	Houston County Health Department		142,000
Art in Public Places		32,000	HudsonAlpha		4,650,000
Azalea Dogwood Festival & Pageant		4,000	SARCOA		60,000
Chamber of Commerce		750,000	Save A Pet		10,000
Cultural Arts Center		46,000	Southeast Alabama Child Advocacy Center		50,000
District Attorney's Office		100,000	Southeast Alabama Community Action Partnership		11,000
Dothan Area Botanical Gardens		50,000	SpectraCare		50,000
Dothan Area CVB		1,800,000	Wiregrass Angel House		15,000
Dothan-Houston County Intellectual Disabilities Board		45,200	Wiregrass Museum of Art*		432,915
Dothan-Houston County Library*		876,000	Wiregrass Pet Rescue & Adoption Center		1,055,000
Dothan-Houston County Substance Abuse Partnership		51,000	SE Planning Commission - Wiregrass Transit Authority		109,000
Dothan Landmarks Foundation		80,500	Wiregrass 211		22,500
Dothan Regional Airport*		45,500	Wiregrass Humane Society*		9,000
George Washington Carver Interpretive Museum		38,800			
			<b>Agency Funding</b>		<b>\$10,589,265</b>

\*In-kind payments for utilities, building maintenance and/or insurance included.

# Agency Funding

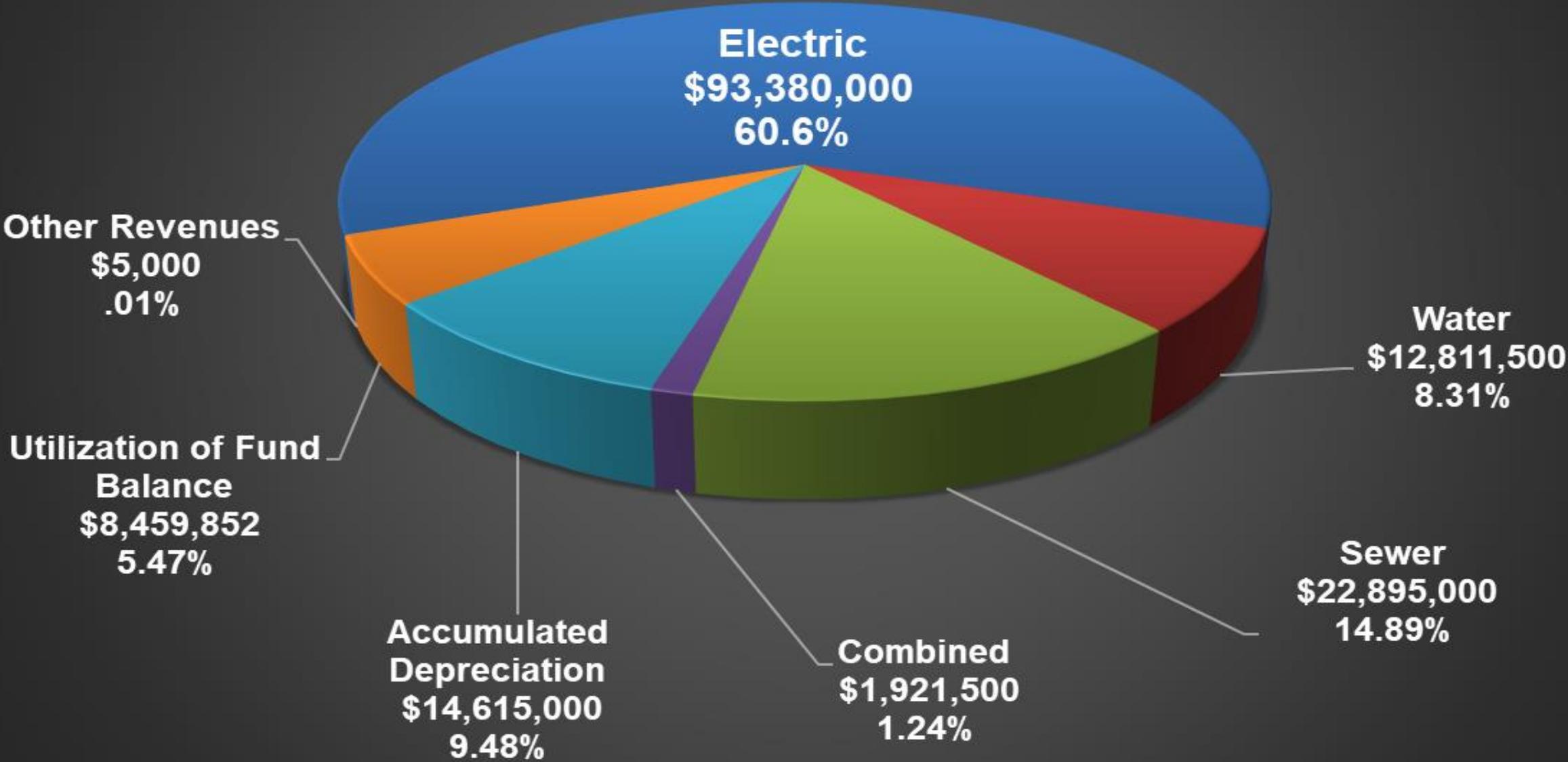
TOTAL AGENCY APPROPRIATION \$10,589,265



# School Fund

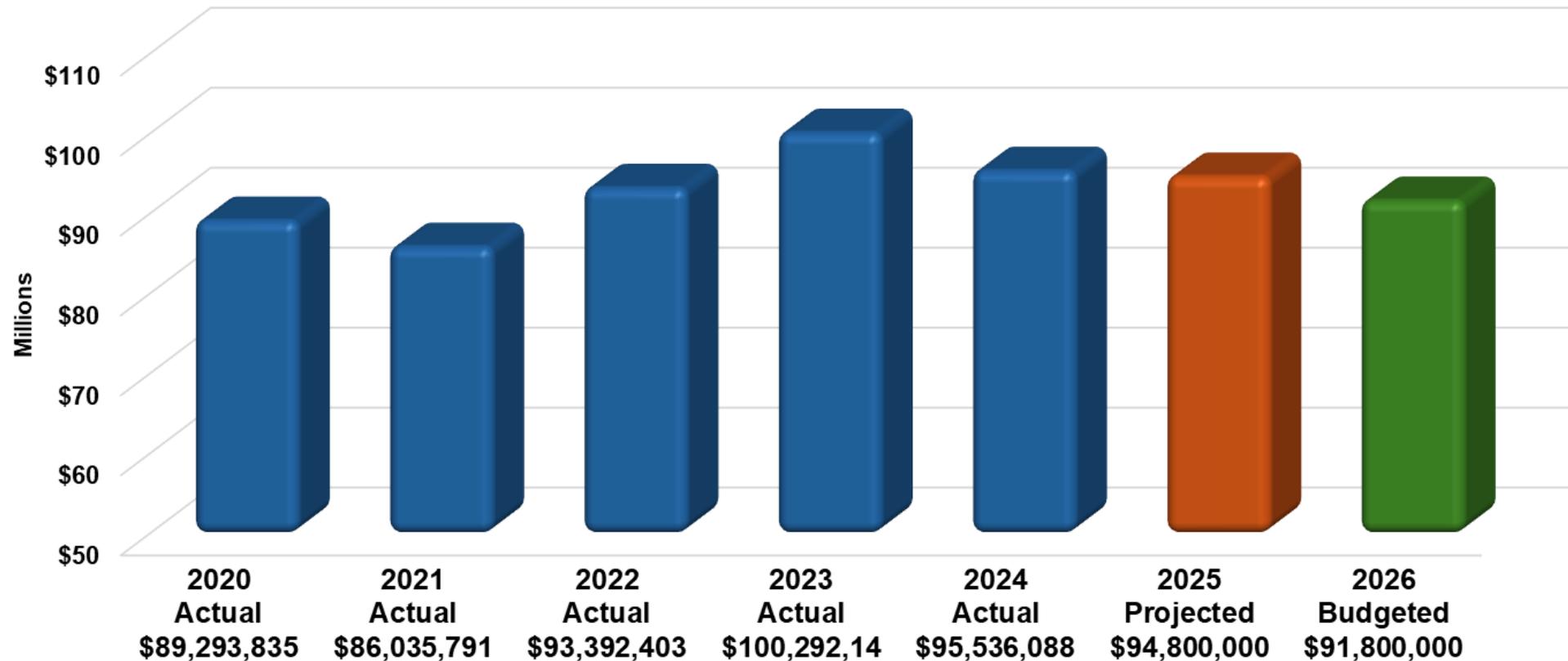
Cash Appropriation	\$ 3,783,286
Operating: Printing & Uniforms	63,000
School Crossing Guards	<u>172,749</u>
Total	<u>\$ 4,019,035</u>

# Utility Fund Revenues FY 2026 - \$154,087,852



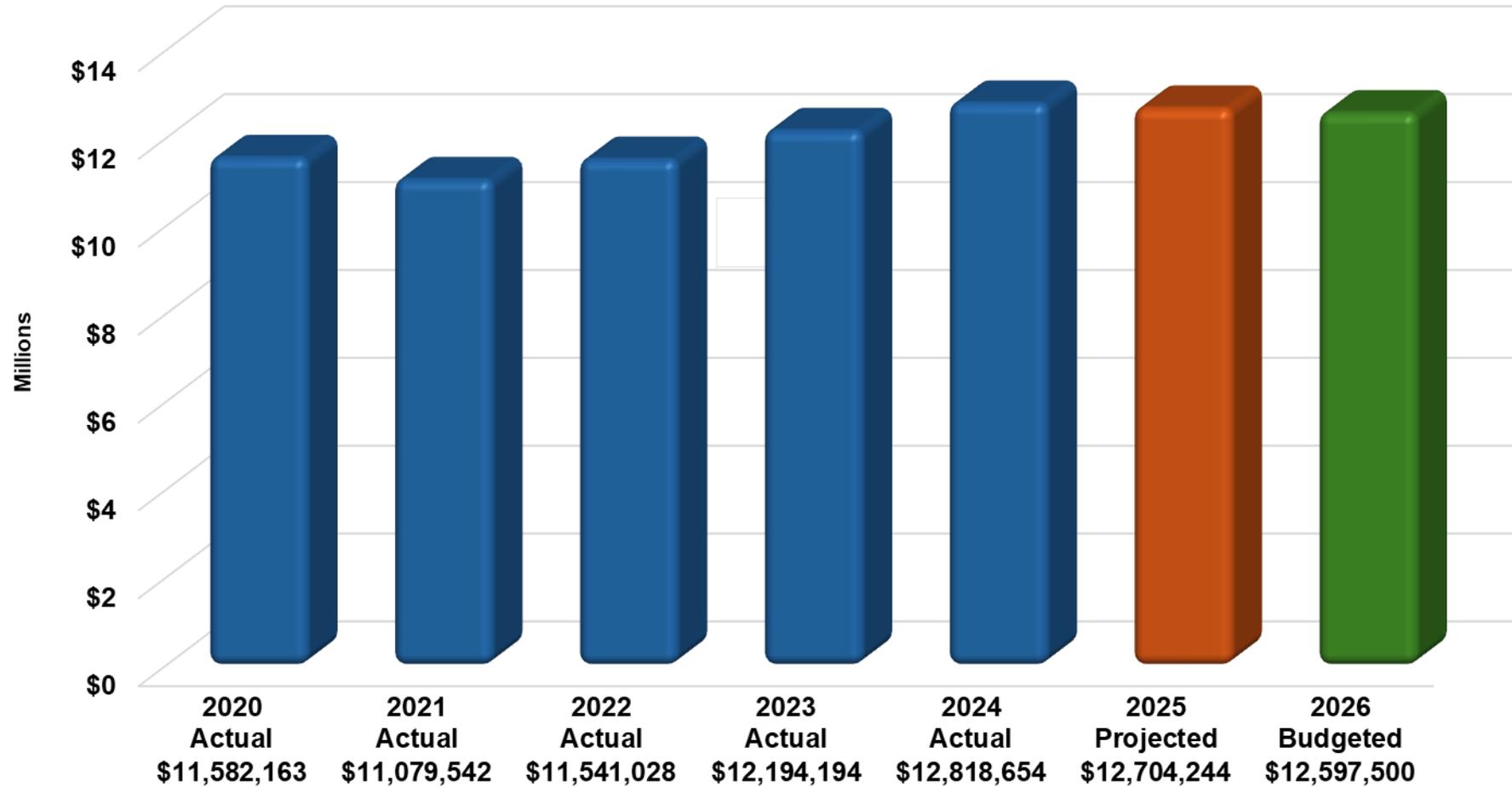
# Electric Sales

## Electric Sales Revenue



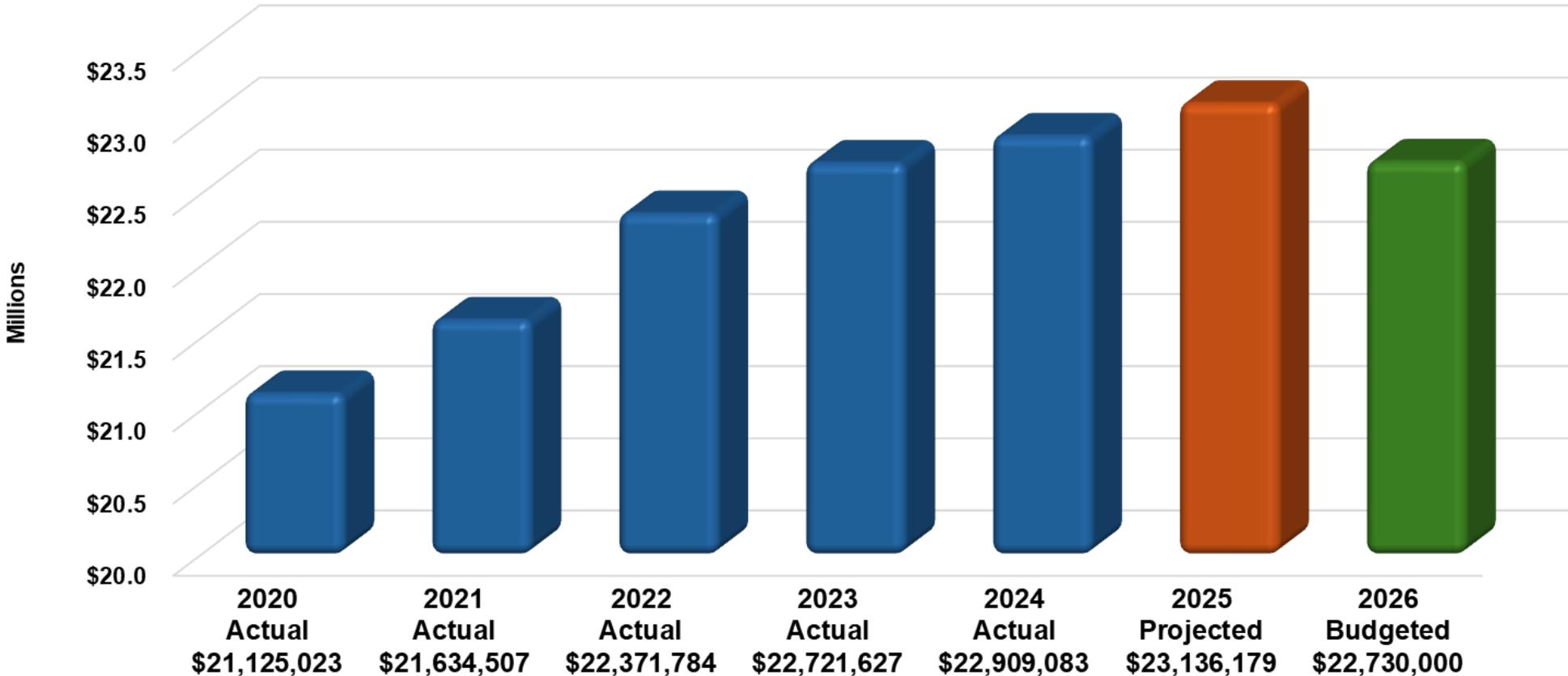
# Water Sales

## Water Sales Revenue



# Sewer Sales

## Sewer Sales Revenue



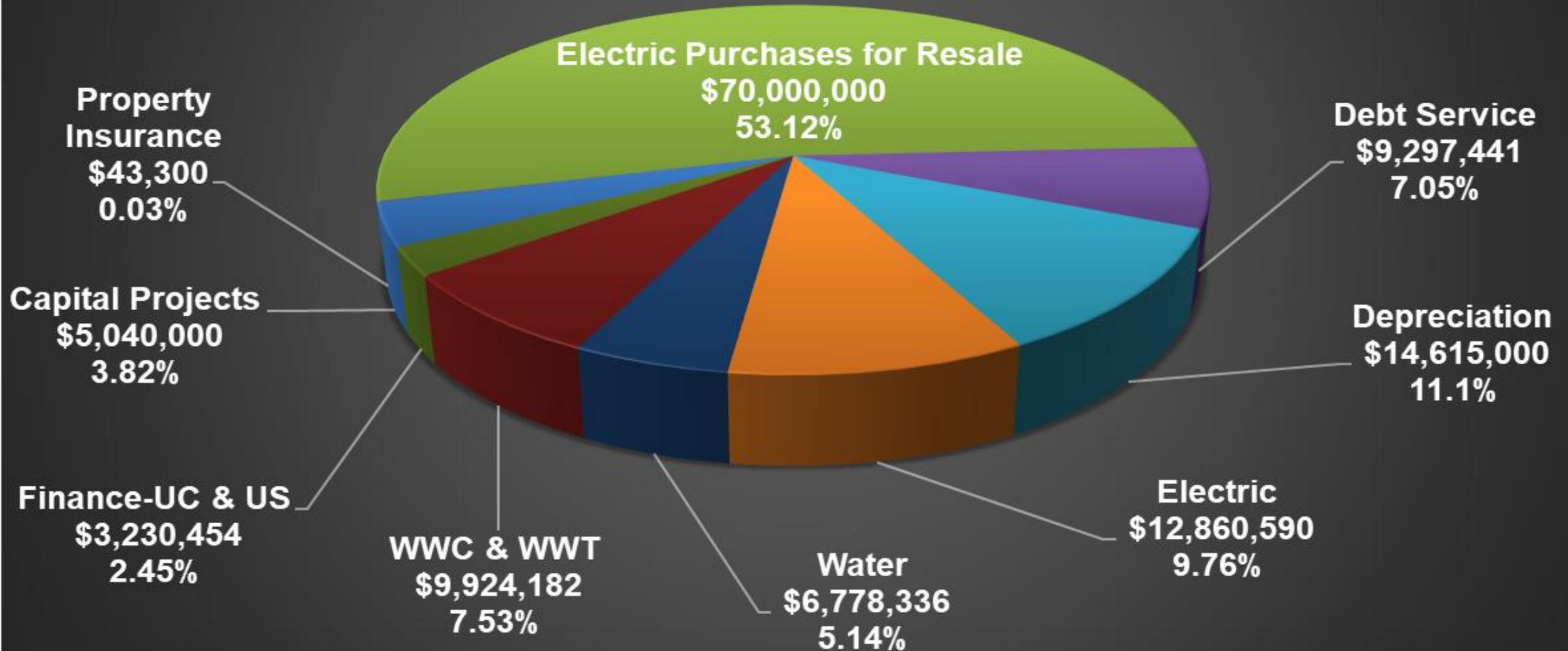
# Utility Fund – Summary of Changes in Revenue

Electrical Revenue	\$ 2,295,000
Water Revenue	1,537,500
Sewer Revenue	605,000
Miscellaneous Revenue	281,100
Accumulated Depreciation	<u>900,000</u>
Total Increase from 2025 Budget	<u><u>\$ 5,618,600</u></u>

# Utility Fund Expenses

(Includes Debt)

## FY 2026 - \$1,311,789,303



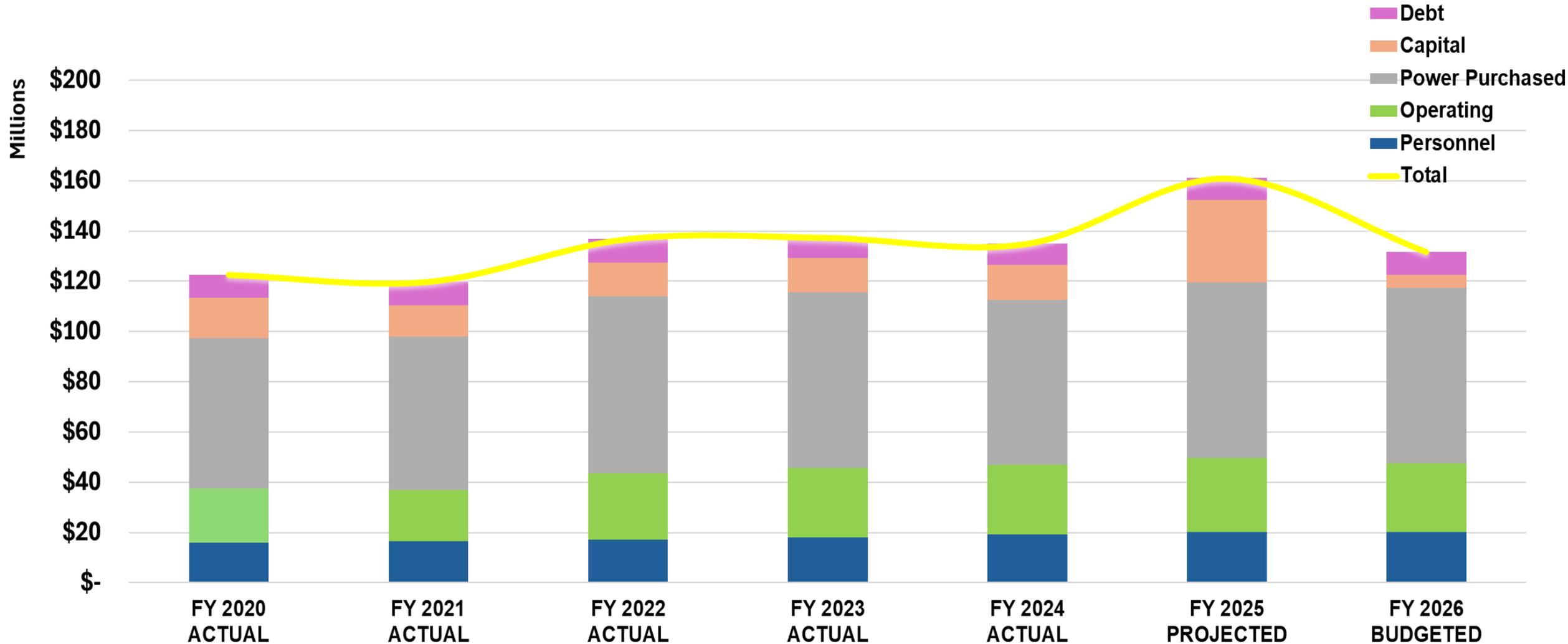
# Utility Fund – Public Utilities

Electric	\$ 16,479,290
Water	8,082,636
Wastewater Collection	4,258,528
Wastewater Treatment	5,825,954
Collections & Services	<u>3,230,454</u>
Total	<u>\$ 37,876,862</u>
Percent of Total UF Expenses	28.7%

# Utility Fund – Public Utilities - Other

Power Purchased for Resale	\$70,000,000
Debt Service	9,297,441
Depreciation	<u>14,615,000</u>
Total	<u>\$93,912,441</u>
Percent of Total UF Expenses	71.36%

# Utility Fund Expenses



# Utility Fund – Summary of Changes in Expenses

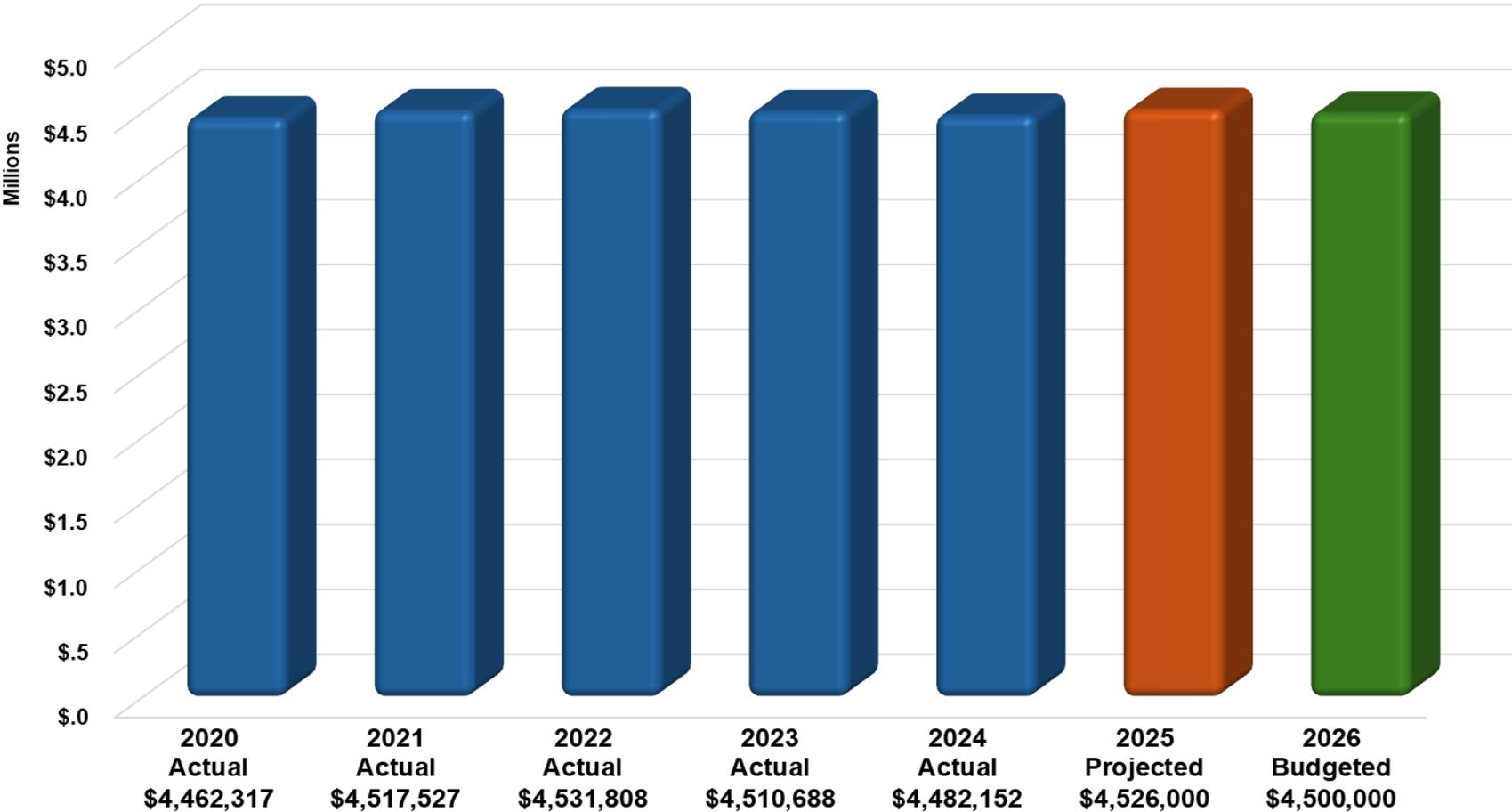
Salaries & Benefits	\$ (49,074)
Operating Expenses	1,253,100
Capital Improvement Items	1,189,650
Debt Service	<u>623,603</u>
Total Increase from 2025 Budget	<u>\$ 3,017,279</u>

# Solid Waste Fund Revenues FY 2026 - \$7,806,000



# Solid Waste Collection Revenue

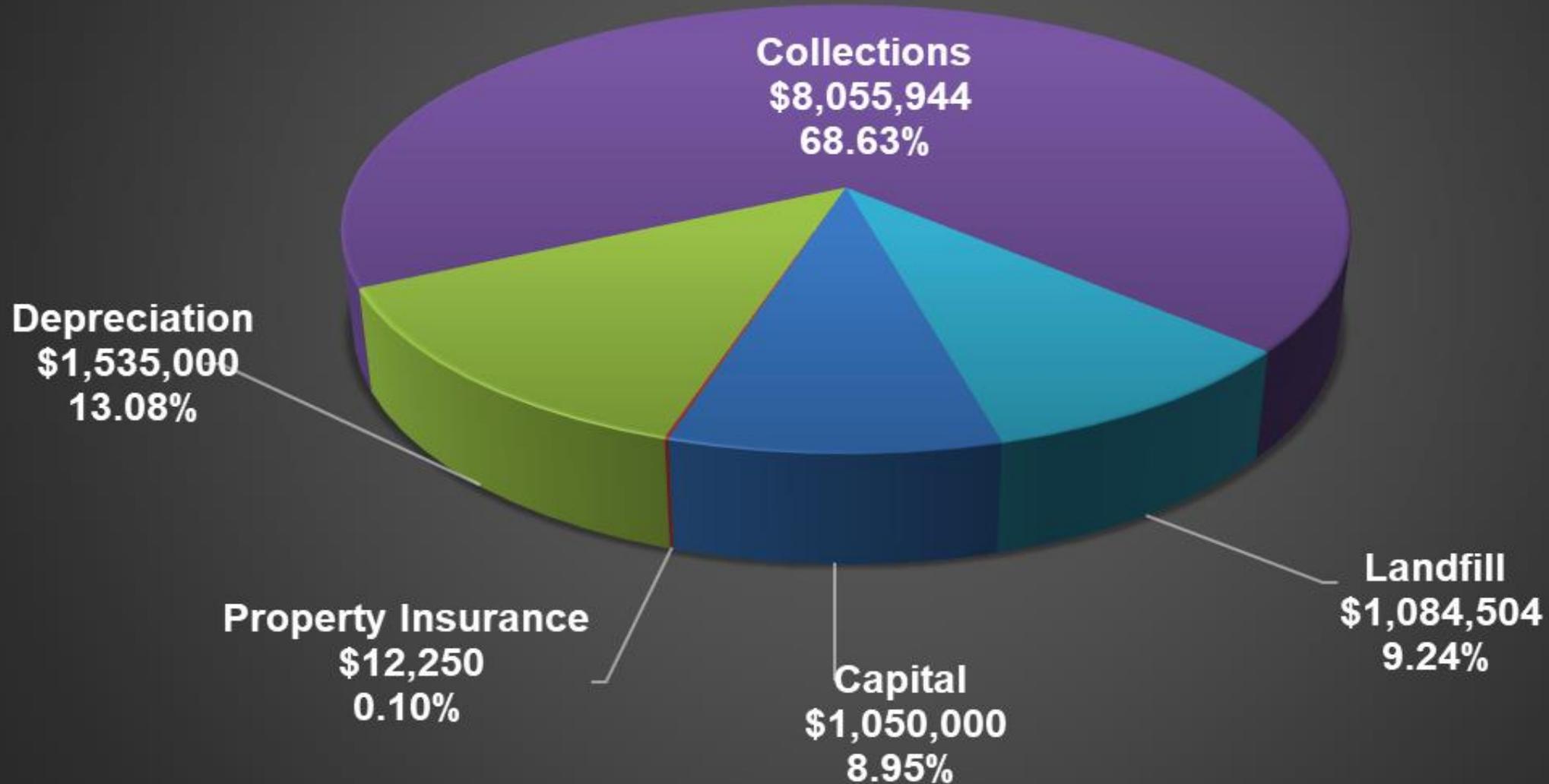
Solid Waste Collection Revenue



# Solid Waste Fund – Summary of Changes in Revenue

Miscellaneous Revenue	\$ 47,500
Accumulated Depreciation	<u>44,000</u>
Total Increase from 2025 Budget	<u><u>\$ 91,500</u></u>

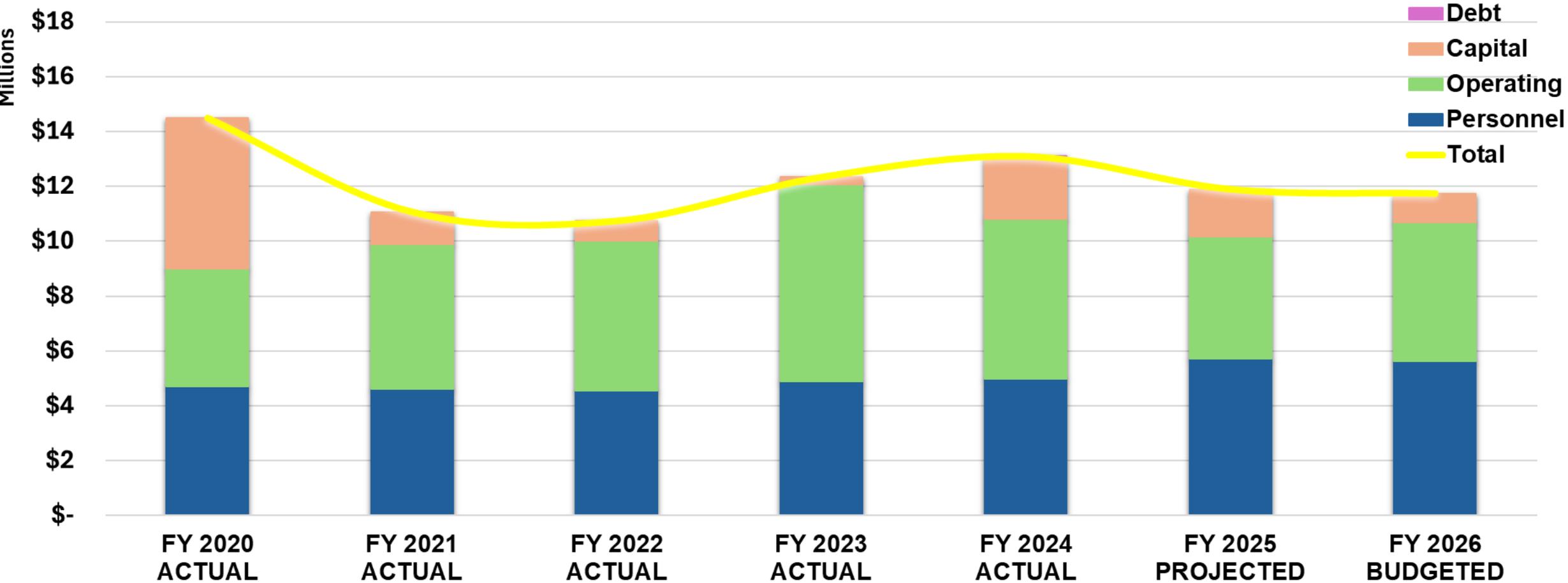
# Solid Waste Fund Expenses FY 2026 - \$11,737,698



# Solid Waste Fund – Collections/Landfill

Collections	\$ 9,111,344
Landfill	1,091,354
Depreciation	<u>1,535,000</u>
Total	\$11,737,698
Percent of Total SWF Expenses	100%

# Solid Waste Fund Expenses



# Solid Waste Fund – Summary of Changes in Expenses

Salaries & Benefits	\$ 77,478
Operating Expenses	<u>31,993</u>
Total Increase from 2025 Budget	<u>\$ 109,471</u>

# Personnel

- Cost-of-Living Adjustment (2%)
- Performance Increases (1% - 3%)
- Previously Added Positions
- Recommendation for New Positions

Salaries & Benefits	\$113,969,714
Increase from 2025 to 2026	\$ 3,261,619

# Personnel

## Recommended New/Upgraded Positions

Fire Fighter (9)

Accounting Technician (2)

Landscape Technician (2)

Facilities System Mechanic Upgrade to Facilities Maint. Supervisor

PT Recreation Aide Upgrade to Maintenance Worker

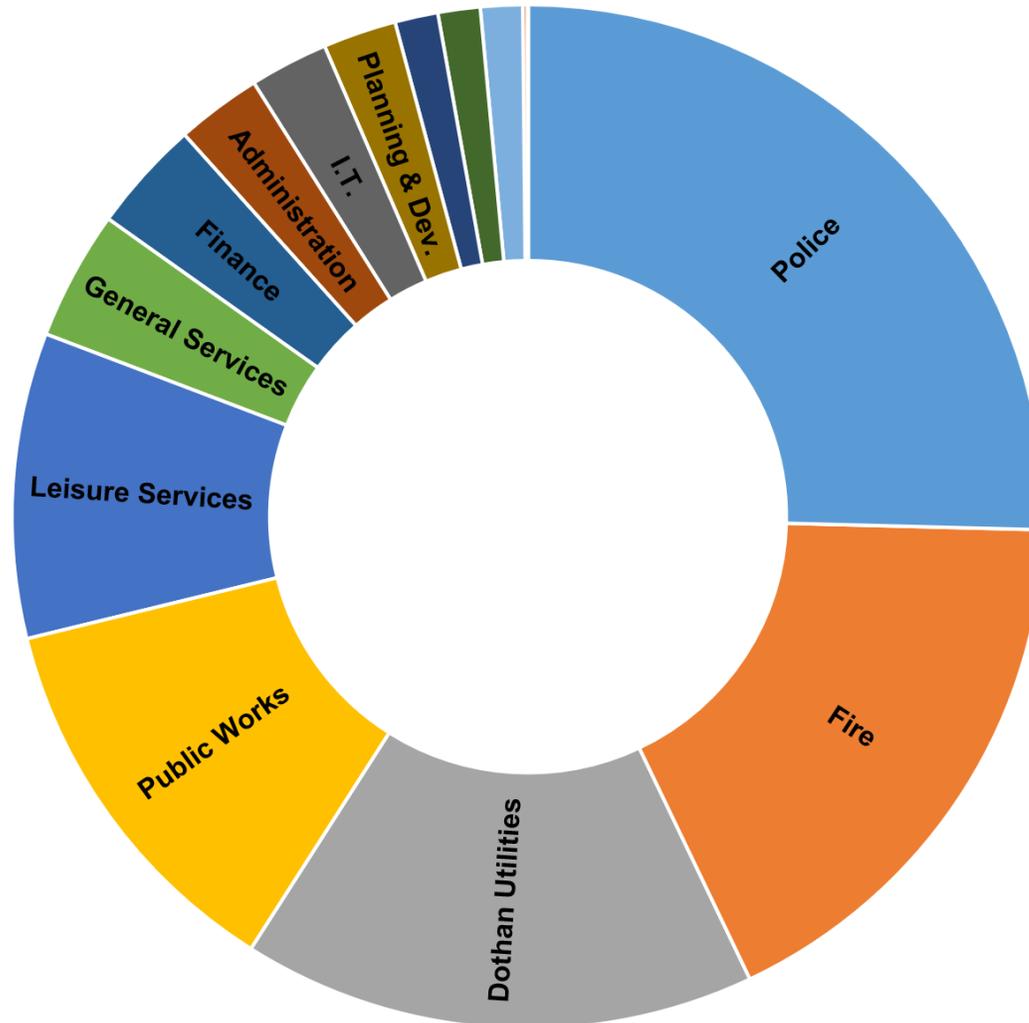
# Health Insurance

- BCBS Projected Claims for 2026 - \$15.9M
- Current Premium Structure Generates \$13.7M
- No Proposed Increase to Premiums
- Employee Health Insurance Reserves
  - Balance of \$4,039,798

# Personnel – Retirement Systems of Alabama

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Tier I	21.71%	22.00%	22.31%	23.1%
Tier II	22.09%	22.45%	22.91%	23.8%
RSA Payments	\$13,846,225	\$15,018,736	\$16,208,000 (Estimated)	\$17,883,663 (Budgeted)

# Personnel – Salaries & Benefits



Police	\$ 28,957,739
Fire	\$ 19,974,863
Dothan Utilities	\$ 18,322,882
Public Works	\$ 13,853,303
Leisure Services	\$ 10,985,928
General Services	\$ 4,645,603
Finance	\$ 4,016,778
Administration	\$ 3,059,604
I.T.	\$ 2,810,373
Planning & Dev.	\$ 2,622,128
Judicial	\$ 1,539,355
Performing Arts	\$ 1,508,629
Personnel	\$ 1,499,780
School Fund	\$ 172,749

# Capital Funding

## GENERAL FUND

Citywide Special Projects	\$ 100,000	Traffic Signal Equipment Upgrades Citywide	500,000
Economic Development	500,000	Brownfield Remediation	100,000
Computers	515,000	Housing Rehab/Affordable Housing	100,000
Mobile Data Terminals	125,000	Playground Equipment	65,000
Motorola Radio Contract	515,190	Ballfield Lighting Upgrade	600,000
UPS Replacements at Towers, Cameras, Servers	100,000	Facility Improvements	1,000,000
Flock License Plate Readers	73,334	Facility Improvements - ADA	250,000
Resurfacing	2,500,000	Vehicles	2,100,000
Sidewalks	250,000	Vehicles - Police Dept.	1,890,000
Bridges	100,000	Vehicles Funded in FY 2025	<u>(1,625,334)</u>
Citywide Storm Drainage Inventory	500,000	<b>General Fund Total</b>	<b>\$10,758,190</b>
Citywide Storm Drainage Hydrological Analysis	500,000		

# Capital Funding

## UTILITY FUND

Substation Capital	\$ 500,000
Pole Removal/Wildlife Protection	300,000
Vegetation Management (Tree Trimming)	950,000
Vehicles	1,050,000
Transmission Line Switch Replacement	290,000
Downtown Lighting Improvements	150,000
Replacement of Direct Buried Secondary	<u>350,000</u>
<b>Utility Fund Total</b>	<b>\$ 3,590,000</b>

## SOLID WASTE FUND

Vehicles	<u>\$ 1,050,000</u>
<b>Solid Waste Fund Total</b>	<b>\$ 1,050,000</b>

**Recommended  
On-Going  
Capital  
\$15,398,190**

# Capital Funding

## GENERAL FUND

Real-Time Crime Center/Axon Technology Bundle	\$3,349,825
Virtual Server Environment Refresh	500,000
Commerical Washer/Extractor	8,500
Resurfacing - Additional	250,000
ROW Mower Replacement	30,000
Remote Control Steep Grading Mower	70,000
15' Batwing Cutter Replacement	25,000
Landscape Technican - Vehicle	25,000
Side x Side Utility Vehicle	15,000
Water World - Cabana Deck	67,000
Leisure Services Master Plan	30,000
Forever Wild - Re-Skin Barn	30,000
Drive on Lift at City Shop	36,000
Bulk Fluid Dispensing System at City Shop	15,000
Tire Machine	18,300
<b>General Fund Recommended Total</b>	<b>\$4,469,625</b>

## UTILITY FUND

Red Water Main Replacement	\$ 1,300,000
Lift Station Generators/Bypass Pumps	<u>150,000</u>
<b>Utility Fund Recommended Total</b>	<b>\$ 1,450,000</b>

**Recommended  
Additional  
Capital  
\$5,919,625**

# Outstanding Debt as of 10-01-25

## **General Fund Debt**

Training Center (7.67%)

\$ 11,207,377

## **Public Building Authority Debt**

City Hall Campus (46.7%)

\$ 68,194,000

## **Utility Fund Debt**

Water (6.74%)

\$ 9,852,106

Sewer (38.8%)

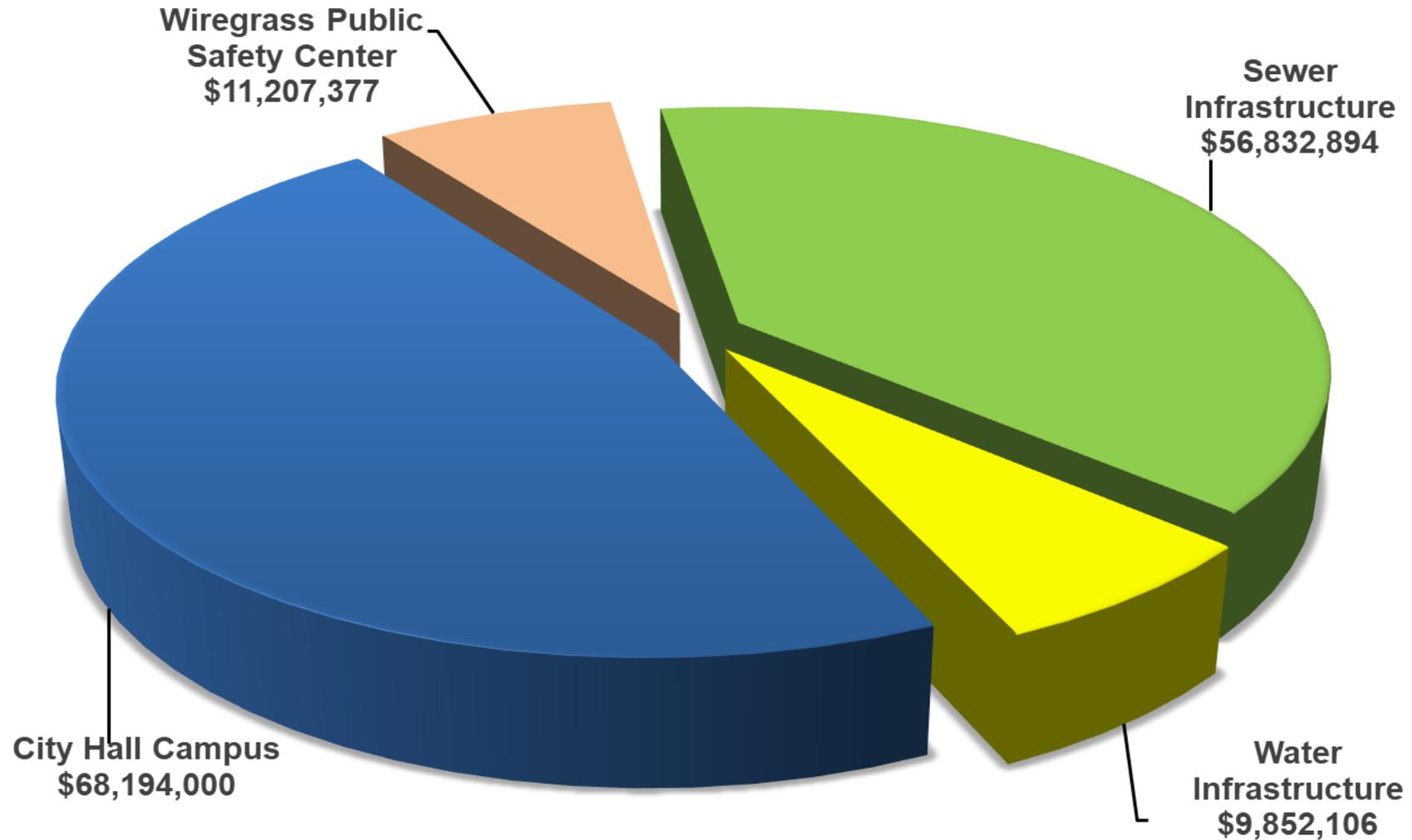
56,832,894

\$ 66,685,000

## **Total Outstanding Debt**

\$146,086,378

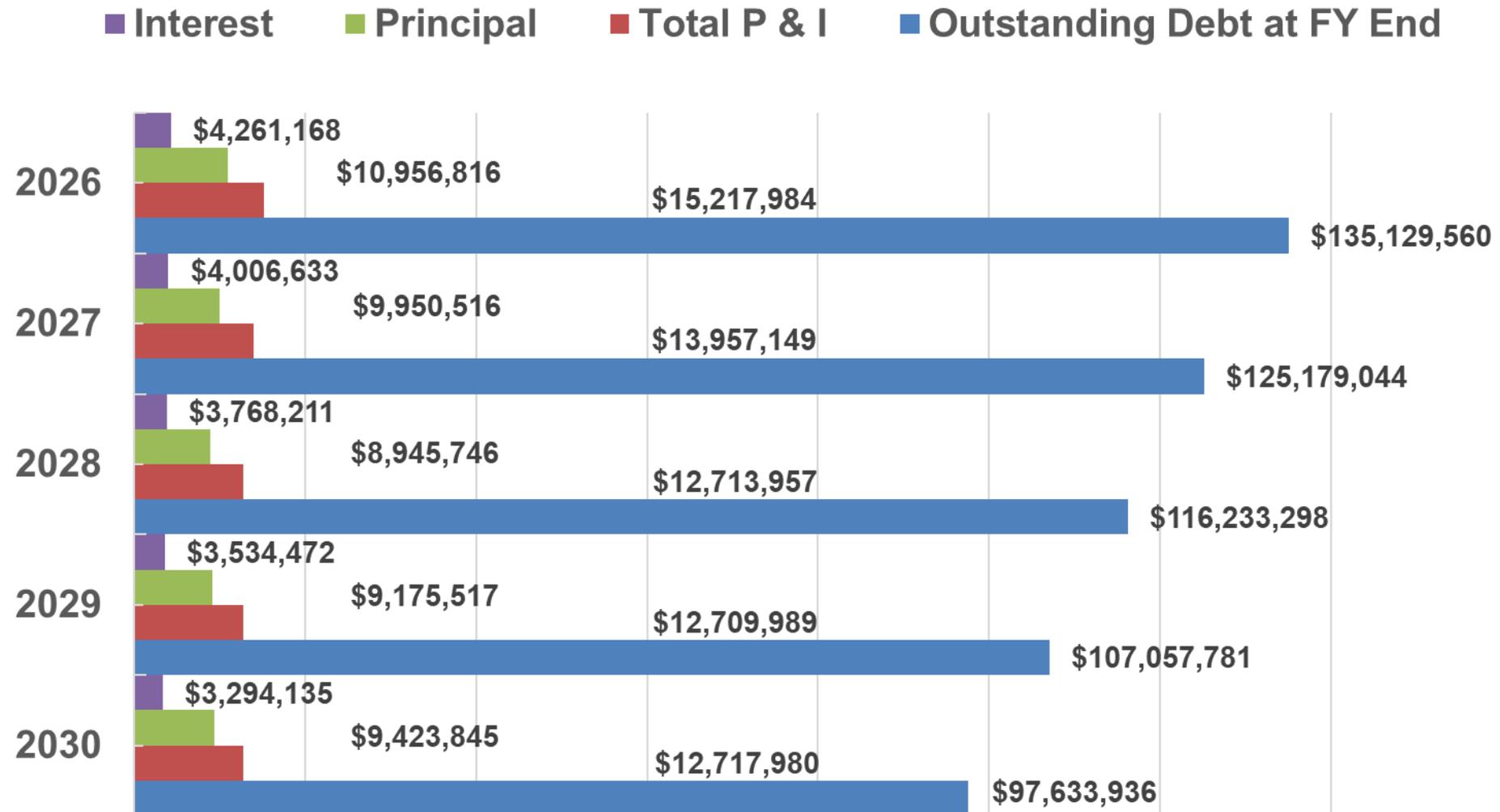
# Outstanding Debt as of 10-01-25



# Outstanding Debt as of 10-01-25

Issue	Project	Principal Balance	Final Payment
2016 Sewer G/O Warrant (Refunded 2009)	Sewer Plant & Lines	\$ 3,215,000	8/15/30
2019 Sewer G/O Warrant (Refunded 2009)	Sewer Improvements	877,894	8/15/30
2019 Water G/O Warrant (Refunded 2009)	Water System Improvements	667,106	8/15/30
2021 Sewer G/O Warrant (Refunded 2011-2012 G/O & 2012 SRF)	Sewer Improvements, Plant & Lines	8,180,000	8/15/32
2014 Sewer SRF	Rock Creek/Little Choc Trunk Line Rehab, Omussee WWTP Design, Other Rehab	9,735,000	8/15/34
2016 Sewer SRF	Omussee WWTP Upgrade	24,810,000	2/15/36
2017 General Fund G/O Warrant	Public Safety Training Facility	11,207,377	9/1/37
2023 Water SRF	RCC Water Improvements & Red Water Main Replacements	9,185,000	2/15/43
2025 Sewer SRF	Omussee Trunk Line Rehab	10,015,000	2/15/45
2025 Public Building Authority G/O Warrant	City Hall Campus	<u>68,194,000</u>	5/1/45
Total		<u>\$ 146,086,377</u>	

# Debt Service - Current



Outstanding Debt Balance at Fiscal Year End

VE   
THAN



# Financial Condition

- City is Financially Strong
  - Healthy Fund Balance
  - Growing Permanent Reserve Fund
  - Strong Credit Rating
  - Debt Management
- Economy
  - Sales Tax Revenue Stable
  - Enterprise Funds Revenue
  - Federal Infrastructure Funds
- Strategic Planning Process
- Capital Planning Process & Funding Strategy



# Economic Development

- Industrial Development
- Commercial Redevelopment
- Economic Development Projects (\$500,000)
- Brownfield Remediation (\$100,000)
- HudsonAlpha (\$4,650,000)

VE  THAN



# Capital Budget Focus

- Meeting Infrastructure Needs
  - Transportation, Utilities and Technology
- Meeting Public Safety Needs
- Meeting Quality of Life Needs
  - Recreation and Leisure
- Maintaining City Facilities
- Downtown Redevelopment
- Maintaining Healthy Neighborhoods and Affordable Housing
- Economic Development
- Maintaining the Financial Health of the City



# Downtown

- Downtown Infrastructure and Beautification
- Wiregrass Innovation Center
- Porter Park Plaza
- City Hall
- Lighting Improvements
- Traffic Signal Upgrades
- Sidewalks

# Neighborhoods



 I Love My   
Neighborhood

- Housing Rehabilitation (\$100,000)
- Funding to be in Conjunction with CDBG Allocation



# Technology

- Computer & Software Upgrades (\$515,000)
- Mobile Data Terminals for Public Safety (\$125,000)
- Virtual Server Upgrades (\$500,000)



# Public Safety-Police

- Real-Time Crime Center (\$3.5 Million)
- Police Vehicles (\$1.8 Million)
- Aviation Support System (\$106,000)
- Patrol Weapons Replacement (\$260,000)
- Flock License Plate Readers (\$73,334)



# Public Safety-Fire

- Funding for 9 Additional Fire Fighters (\$680,000)
- Fire Fighter Equipment (\$108,000)
- Medical Supplies (\$75,000)
- Fire Hose Replacement (\$20,000)



# City Facilities & Fleet

- Facility Maintenance/Repairs and Project Management
  - Facility Repairs (\$1 Million)
  - ADA Compliance (\$250,000)
- Fleet Management (\$2.36 Million)
- City Shop Equipment
  - Drive-On Lift \$36,000
  - Tire Machine \$18,300
  - Bulk Fluid Dispensing System \$15,000



# Parks & Recreation

- Pickleball Facility (\$6.5 Million)
- Forever Wild Dog Park (\$1.1 Million)
- Westgate Soccer Field Lighting (\$600,000)
- Forever Wild Storage Building Re-Skin (\$30,000)
- Water World Cabana Deck (\$67,000)
- Leisure Services Master Plan (\$30,000)



# Transportation

- Citywide Resurfacing (\$2.75 Million)
- Pavement Condition Assessment (\$300,000)
- Traffic Signal Equipment Upgrades (\$500,000)
- Bridge Repair (\$100,000)
- Sidewalk Projects (\$250,000)
- Right-of-Way Equipment (\$185,000)

# Utilities



- Electric System Improvements
  - Replacement of Direct Buried Secondary (\$350,000)
  - Vehicle Replacement (\$1,050,000)
  - Vegetation Management (\$950,000)
  - Substation Improvements (\$500,000)
  - Transmission Line Switch Replacement (\$290,000)
  - PCB/Wildlife Protection Program (\$300,000)
  - Pole Attachment Audit (\$500,000)

# Utilities



- Sewer System Improvements
  - Generators/ByPass Pumps for Lift Stations (\$150,000)
- Water System Improvements
  - Red Water Main Replacements (\$1.3 Million)
- Storm Sewer System Improvements
  - Storm Drainage Assessment and Analysis (\$1 Million)

VE  THAN



# Conditional Funding

- **General Administration**
  - Community Center at Wiregrass Public Safety Campus

## Leisure Services

- Administration Building
- Westgate Skate Park
- Wiregrass Pool, Splashpad, Tennis Courts
- Miracle Field Playground
- Northcutt Field Renovations
- Senior Center Feasibility Study

VE   
THAN



# Conditional Funding

## • Public Safety

- Radio Replacement
- Fire Ladder Truck Replacement

## • Public Works

- 84 West Eastbound Lane – N. Shady Lane to Bel Air Drive
- Downtown Sidewalks & Traffic Signal Upgrades
- Storm Drainage Improvements
- Honeysuckle Road Construction
- Safe Streets Projects
- John D. Odom Road Resurfacing

VE   
THAN



# Conditional Funding

- **Electric System**
  - Emergency Electric Source Station
  - Monument Loop Transmission Line
  - Michelin Power Transformer Replacement
- **Water System**
  - Pettus Tank Rehab
  - New Deep Well
  - Westside Connector to Honeysuckle Tank
- **Sewer System**
  - Cypress Creek Wastewater Treatment Plant Design and Upgrade

# NEXT STEPS

- Monday, August 25<sup>th</sup> – Requested Deadline for Comments or Revisions
- Tuesday, September 2<sup>nd</sup> – Budget Resolutions on Commission Agenda for Adoption

# QUESTIONS

